

February 12, 2024

Hon. Todd A. Smith  
Minister of Energy  
10<sup>th</sup> Floor, 77 Grenville Street  
Toronto, ON  
M7A 2C1  
Sent by email to: [MinisterEnergy@ontario.ca](mailto:MinisterEnergy@ontario.ca)

Dear Minister Smith,

Municipal governments are committed to continuing work with energy partners to support a transition to a clean, sustainable, affordable energy system to meet the needs of our communities. We understand, the Independent Electricity System Operator's (IESO) Long-Term 1 Procurement (LT1) submission deadline passed in December and the IESO is now reviewing proposal submissions. AMO is pleased that the province continues to recognize the importance of ensuring there is municipal support before a proposed project before it can proceed.

Municipal officials take seriously the important role that local governments have been asked to perform in the energy procurement process. While considering projects, municipal officials have surfaced important questions regarding energy projects that were not able to be answered before the LT1 submission deadline. As a result, many councils felt they had no choice but to withhold their support for these projects due to a lack of information. These questions include:

- Understanding and addressing new safety concerns, such as the risk and containment of fire in lithium-battery storage facilities;
- Balancing the need for energy with the importance of maintaining prime agricultural land; and,
- How gas-fired generation plants fit into the province's long-term energy planning.

AMO calls on the provincial government to play a leadership role in resolving these important questions in collaboration with municipalities and energy partners to help ensure a reliable, safe and clean energy system for our communities.

### **Fire Safety Considerations**

One of the most common questions that has been raised at municipal councils is with regards to understanding and addressing the risk of fires in Battery Energy Storage System (BESS) projects. Municipal councils and fire chiefs have expressed concern that the use of lithium-ion batteries in BESS projects creates safety risks that are not currently addressed in the Ontario Fire Code or fire risk and response standards. This knowledge gap makes it challenging for municipalities to determine how to assess the risk to their communities, set fire safety standards for projects, and establish fire containment protocols to respond in the event of a fire situation.

We understand that Ministry of the Solicitor General is anticipated to provide an update to the Fire Code some time during 2024 and that the Ontario Fire Marshal is currently monitoring incidents involving lithium batteries. AMO recommends that as part of this work, the Solicitor General and the Fire Marshal provide guidance on fire prevention and containment standards for lithium-ion batteries and specifically for BESS facilities. This guidance should include direction on risk mitigation, requirements for suppression systems, safety setbacks, and direction on how emergency responders can safely respond to a BESS fire incident.

This information will help ensure that municipalities can make informed decisions when working with energy partners to establish fire safety plans, determining the costs of fire mitigation and response, and assessing the risk of a fire incident to the community. This will help ensure that municipalities are equipped to ensure the safety of our residents and the environment is accounted for when determining whether to provide municipal support to BESS energy projects.

## **Land Use Planning Considerations**

Many of the projects that are being brought forward for municipal support are located on prime agricultural land that have restrictions regarding permitted uses. We understand that several ministries have a role in providing guidance about project siting and approving energy projects. Municipal decision makers are balancing energy needs with the importance of protecting agricultural and conservation land and have identified questions about how energy projects fit within the broader land use planning framework including:

- Whether renewable energy projects are permitted as non-agricultural or diversified uses and what other siting requirements should apply (e.g. setbacks, noise and vibration mitigation);
- How large an energy facility can be before qualifying as the primary use of land rather than agricultural uses; and,
- Whether BESS projects fit within the definition of a ‘renewable energy source’ or ‘alternative energy source’ that are permitted on agricultural land

Providing clarity on how these projects should be treated under the provincial land use framework will improve the ability of municipalities to make informed decisions about siting energy projects. Without enhanced clarity, there is also an increased risk that land use planning decisions related to energy projects are appealed to the Ontario Land Tribunal which would result in costs to municipalities to defend decisions and delay the start of approved projects.

We call on the Minister of Energy to collaborate with other ministries including Municipal Affairs and Housing; Environment, Conservation and Parks; and Agriculture, Food and Rural Affairs to provide clarity and guidance around requirements and best practices for energy project siting including, but not limited to BESS projects. This will help ensure that municipalities are both fully informed when determining whether a project is the right fit for a community and align with provincial planning policy.

## **The Role of Natural Gas**

Several of the projects brought to municipalities for support during the LT1 process are for new or expanded gas-fired generation plants. Although natural gas makes up almost 40 per cent of Ontario’s energy supply, the future of natural gas in the province is currently a source of uncertainty. While the Ministry of Energy’s 2023 “Power Ontario’s Growth” report indicates that the province is expanding access to natural gas, the federal government has committed to achieving net-zero emissions by 2050 and the IESO’s 2023 “Pathways to Decarbonization” report provides a pathway on how to phase out gas-fired generation on the same timeline.

Further complicating the question is the fact that public expectations of the role of natural gas are different across different communities. While some municipalities have met public demand to implement decarbonization and green energy plans that include moratoriums on natural gas generation in their communities, other municipalities are actively seeking natural gas expansion

to provide affordable energy to their communities.

A crucial element of making informed decisions is understanding the province's long-term plan for electrification and decarbonization of Ontario's energy grid including the role that natural gas will play in this transition. In addition to concerns about the ability to maintain access to affordable electricity to residents – particular for home heating – municipalities are concerned about the possibility of being left with expensive costs to decommission abandoned or stranded infrastructure following a rapid phase out of natural gas.

We understand that the final report of Ontario's electrification and energy transition panel includes recommendations for the Ministry of Energy to develop and communicate an energy transition policy vision and integrated long-term energy plan, including clear direction on the role of natural gas in Ontario's future energy system. AMO supports this recommendation which presents an opportunity for the province to collaborate with municipalities and energy partners to ensure municipal officials can make informed decisions about how we power our economy and heat our homes in the future.

We also call on the Minister to play an active role in helping connect natural gas project proponents with willing host communities who are seeking increased access to natural gas.

## **Conclusion**

AMO is pleased that the government remains committed to ensuring that municipalities have a clearly defined role in the ongoing energy procurements and to only moving forward with projects that have received municipal support.

Municipalities take the important role that they play in the procurement process seriously. Municipal decision makers must be able to determine whether the projects are safe, sustainable, provide value, and meet the needs of their communities. Efforts to address the challenges municipalities have identified in seeking to resolve questions about energy projects in collaboration with energy partners will lead to a better, safer energy system.

AMO looks forward to working with provincial partners to address these important questions so that municipalities are positioned to give support to more projects moving forward.

Sincerely,



Colin Best  
AMO President

Cc:

Hon. Paul Calandra, Minister of Municipal Affairs and Housing

Hon. Lisa Thompson, Minister of Agriculture, Food and Rural Affairs

Hon. Michael Kerzner, Solicitor General

Hon. Andrea Khanjin, Minister of Environment, Conservation and Parks

Jon Pegg, Fire Marshal of Ontario

Lesley Gallinger, CEO and President, Independent Electricity Systems Operator

Carla Nell, Vice President, Independent Electricity Systems Operator