



Planning Report

To: Mayor and Council, Arran-Elderslie

From: Jenn Burnett, Senior Development Planner

Date: July 14, 2025

Re: Application Z-2025-011 for NEOEN co MHBC Planning

Recommendation:

It has not been demonstrated that Zoning By-law Amendment Application Z-2025-011 by NEOEN c/o MHBC Planning for lands described as CON 4 PT LOT 36, Arran Township, is consistent with the PPS 2024 and the Bruce County Official Plan. It is recommended that the application be refused.

Summary:

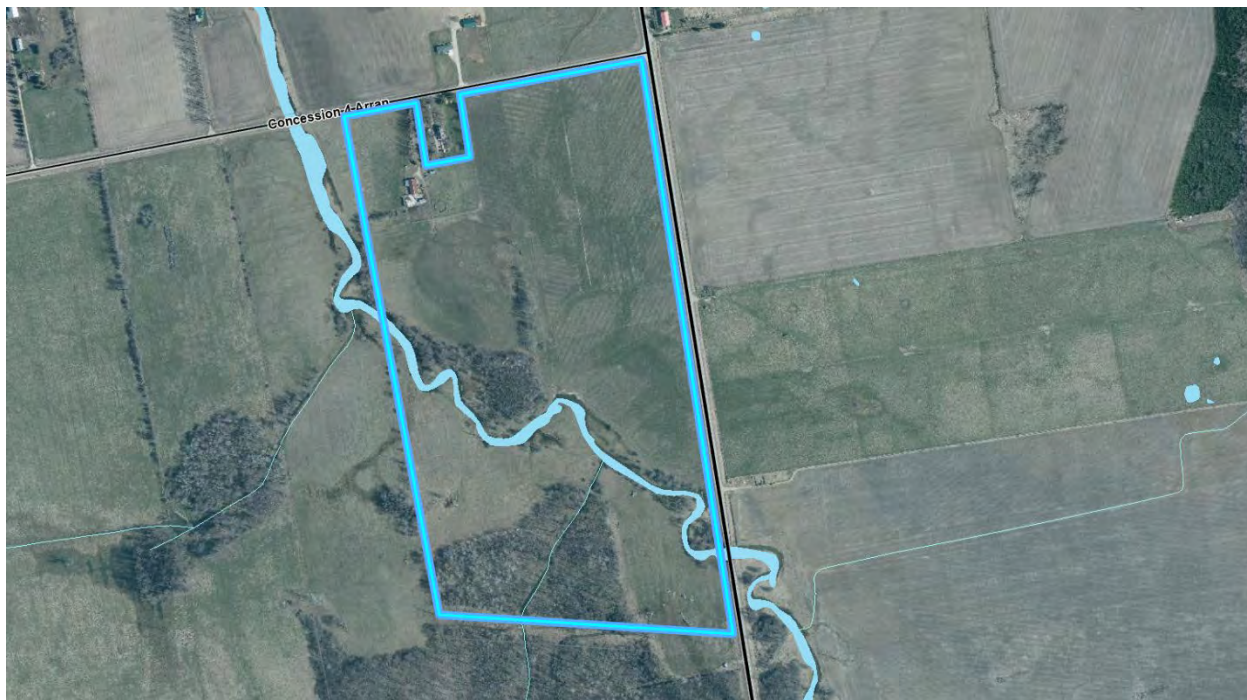
The Tara Battery Energy Storage System (Tara BESS) is a 400-megawatt (MW), 1,600-megawatt hours (MWh) utility-scale battery energy storage project proposed in the Municipality of Arran-Elderslie. Procured under the IESO's LT1 program, the application notes that, "the project is a key part of Ontario's strategy to secure grid reliability, integrate renewable energy, and modernize the electricity system in response to growing demand."

The project site is within a regulated floodplain that is proposed to be altered significantly to accommodate the use. This will require an amendment to the Bruce County Official Plan to permit the alteration and to redesignate the project area to Agricultural, with a site-specific policy permitting the establishment of a battery energy storage facility. The altered floodplain area will be designated Hazard, while the remainder of the site will retain its existing land use designations.

The property is currently zoned 'Environmental Protection' (EP) and 'General Agriculture' (A1) in the municipal zoning by-law. The facility is proposed within the EP zone with a small encroachment into the A1 zone. The amendment proposes to re-zone the project area within the EP zone to an A1 zone with a site-specific permission allowing the establishment of a battery energy storage facility. The adjusted floodplain area will be rezoned EP.

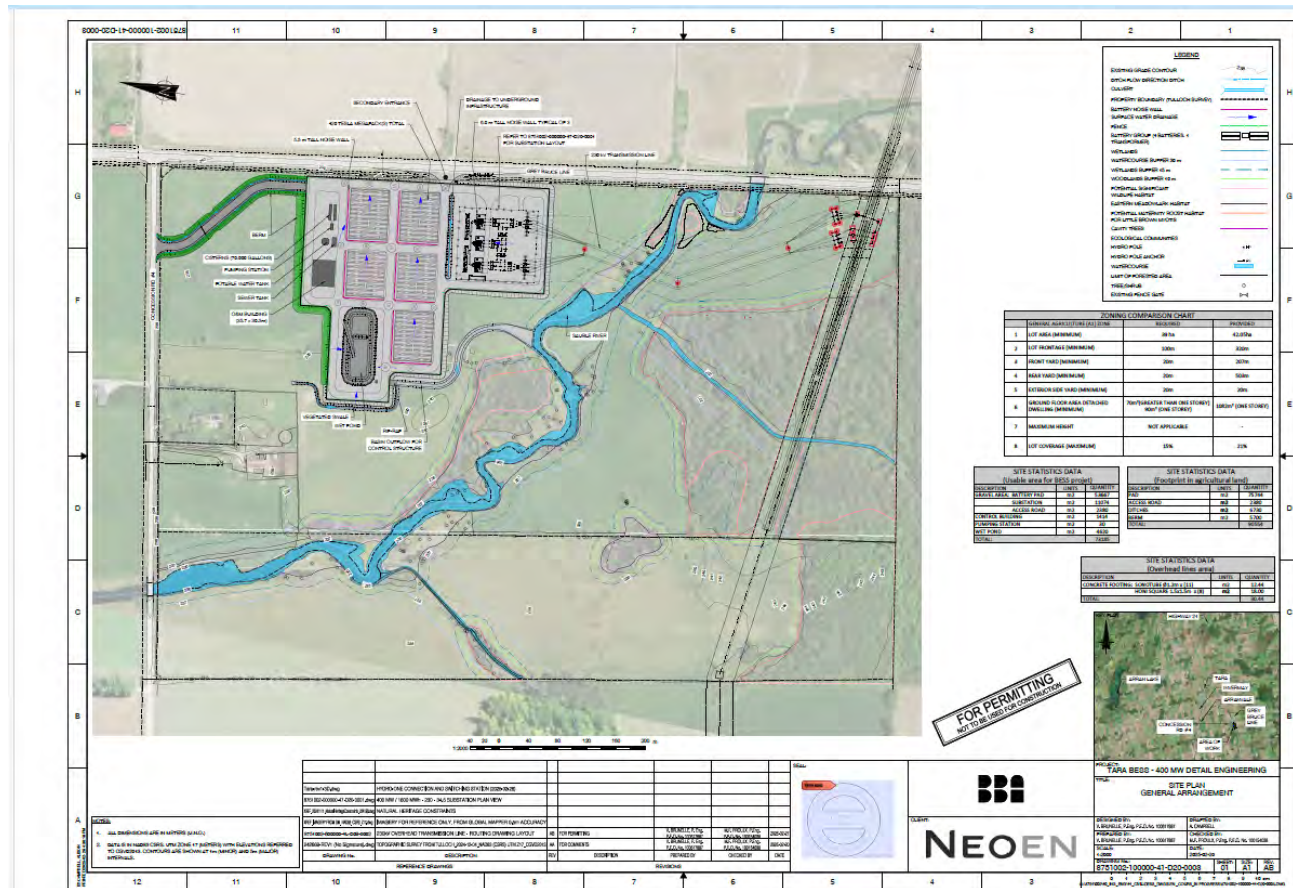
Through county, municipal and Conservation Authority staff review, it is concluded that the applicant has not demonstrated that the proposed development is appropriate for the site, satisfies cultural heritage and archaeology requirements, or that there will be no negative impact to the natural heritage features or hazard areas on the lands. It is recommended that the application be refused for reasons outlined below.

Airphoto



39 Concession 4 Arran
CON 4 PT LOT 36 (Arran-Township)
Municipality of Arran Elderslie
Roll Number: 410349000307200

Site Plan



Planning Analysis:

The following section provides an overview of the planning considerations that were factored into the staff assessment and recommendation for this application, including a review of the Provincial Planning Statement 2024, the Bruce County Official Plan, the Municipality's Zoning By-law Number 36-09, agency comments (attached), and public comments (attached).

The 2024 Provincial Planning Statement (PPS) issued under Section 3 of the Planning Act requires that land use planning decisions 'shall be consistent with' policy statements issued under the Act. The PPS is to be read in its entirety and the relevant policies are to be applied to each situation, therefore excerpts from the PPS have been highlighted to demonstrate the proposal's non-conformity with the Provincial Planning Statement.

The PPS identifies that a Municipal Official Plan is, “the most important vehicle for implementation of this Provincial Planning Statement. (PPS 2024, pg. 2). Schedule ‘A’ of the Bruce County Official Plan (BCOP) locates a small portion of the subject property within the Agricultural designation with the majority of the property in the Hazard Land designation.

The Agricultural designation permits typical agricultural uses and farming operations and the Hazard Lands designation, associated with the floodplain of the Sauble River, restricts uses to conservation, forestry, wildlife areas and passive recreation. The restriction typically prohibits buildings and structures and considers those that do not impair the ecological processes and environmental features within the Hazard Lands.

The BCOP prohibits site development or alteration of hazard lands and specifically identifies, "[n]o buildings or structures, nor the placing or removal of fill of any kind whether originating on the site or elsewhere, nor land grading shall be permitted in the Hazard Land Area except where such buildings, structures or fill are intended for flood or erosion control or maintenance and management of the natural environment, recreational purposes or non-residential accessory farm buildings (e.g. a sugar shack), and are approved by the Municipal Council, the Conservation Authority where they exist, and the Chief Building Official." (BCOP 5.8.5.2)

The proposed development is not consistent with the Hazard Land policies of the Bruce County Official.

Energy Projects

Procured under the IESO's LT1 program, this application notes that, "the project is a key part of Ontario's strategy to secure grid reliability, integrate renewable energy, and modernize the electricity system in response to growing demand." PPS 2024 policy 3.8 directs that planning authorities should provide opportunities for the development of energy supply including energy storage systems, generation facilities and transmission systems. The BCOP, while not specifically providing policy or location criteria for BESS, guides major utilities to be located in an orderly and economic manner such that they minimize their impact on people, the adjacent land use and the natural environment (BCOP 4.7.4.1).

Natural Heritage

A Natural Environment Report (NER) for the proposed development was prepared by Beacon Environmental (January 2025) and reviewed by Bruce County Planning's environmental planner. The overall conclusion of the review was that the NER is not consistent with the PPS 2024 and the Bruce County Official Plan as it does not demonstrate no negative impact to the natural heritage features.

The concerns with the NER include:

1. The analysis of Significant Wildlife Habitat (SWH) is not a complete assessment of presence through to recommended mitigation measures. Additional study is required to demonstrate no negative impact to the features or its functions.
2. Insufficient information has been provided to support that the proposal is in accordance with provincial and federal requirements pertaining to the habitat of threatened and endangered species.
3. There is not sufficient information provided to make a determination that the extensive cut/fill approach would not have hydrological impacts to the riparian

wetlands or the watercourses. A water balance study should be prepared to demonstrate no negative impacts to wetlands.

4. Insufficient information has been provided to outline how recommended buffer areas are to be managed.

The full comments are attached for review.

Cold Water Streams and Fish Habitat

The Sauble River is noted as cold water fish habitat and is regulated by the Department of Fisheries and Oceans (DFO) under the Federal Fisheries Act. The County OP does not permit development within 30 m of the banks of a cold water stream (4.3.2.1) and that is reflected in the buffer noted in the site plan for the proposed site alteration. The NER notes that potential impacts of the project on fish habitat have not been assessed and that a Fisheries Act authorization from DFO will be required if potential impacts cannot be sufficiently mitigated (NER pg. 16). County staff note that changes to policy require studies and impact assessments to demonstrate that the proposed land use will not negatively impact the existing feature or its function. Defaulting to a Fisheries Act authorization to address an inability to mitigate impacts to fish habitat does not represent good land use planning. It is an indication that the lands cannot support the proposed use and that impacts to other natural heritage features and functions may not be successfully mitigated.

Groundwater Recharge Areas and Aquifers

Section 4.3.2.12.1 of the BCOP addresses the protection of groundwater recharge areas and aquifers and requires that new development demonstrate protection of said resources and the environment and, that the resources not be detrimentally impacted by the development. Mapping identifies aquifers and groundwater recharge areas on and adjacent to the subject lands.

The PSS 2024 (4.2) directs planning authorities to protect, improve or restore the quality and quantity of water by:

b) minimizing potential negative impacts, including cross-jurisdictional and cross-watershed impacts;

e) implementing necessary restrictions on development and site alteration to:

1. protect all municipal drinking water supplies and designated vulnerable areas; and
2. protect, improve or restore vulnerable surface and groundwater, and their hydrologic functions;

The proposed location of the facility encroaches into an aquifer and the groundwater recharge areas and is upstream from the Tara municipal drinking water system. Provincial mapping shows that the aquifer extends to properties in Bruce and Grey County including Chatsworth, Georgian Bluffs and Tara. The Class EA Technical Report does not identify

potential impacts to the aquifers or the recharge areas. Further information should be provided in this regard.

Hazards

Natural hazards identified on the subject property include the floodplain of the Sauble River. The subject lands are regulated by Ontario Regulation 41/24: Prohibited Activities, Exemptions and Permits. Grey Sauble Conservation Authority (GSCA) June 6, 2025 comments state that the proposed site alteration to the floodplain is extensive and it does not meet the intent of the regulations.

The proposed site alteration includes the relocation of 99,127 cu m of soil from the subject lands and an adjacent parcel to an area immediately north of the Sauble River to build it up enough to remove it from the floodplain so that the BESS can be accommodated. The amount of soil to be moved is substantial, equaling approximately 36 Olympic sized swimming pools and requiring approximately 1200 truckloads to redistribute it. The BESS is situated in the floodplain and not at the edge of it and the scale of the alteration is considered substantial. The soil will be removed from the subject lands and the parcel immediately west, from areas outside of the 30 m setback to the Sauble River. The adjacent parcel is not part of this planning application.

GSCA June 6, 2025 comments provide the following PPS 2024 policy review noting the policies that affect this application. GSCA responses are italicized below.

"5.1 General Policies for Natural and Human-Made Hazards

1. Development shall be directed away from areas of natural or human-made hazards where there is an unacceptable risk to public health or safety or of property damage, and not create new or aggravate existing hazards.

The proposed development is within a natural hazard area. Mitigation in the form of a cut and fill is the proposed approach to address potential negative impacts. There is little guidance on utilizing a cut and fill approach but the principle of it includes removing fill material incrementally from one area to another area to balance flood plain volumes. While a cut and fill approach can be an appropriate method in addressing potential impacts if carefully considered on a case-by case basis, it is typically reserved for small scale projects with limited cut/fill and limited change to the floodway.

5.2 Natural Hazards

1. Planning authorities shall, in collaboration with conservation authorities where they exist, identify hazardous lands and hazardous sites and manage development in these areas, in accordance with provincial guidance.

Much of the property is identified to be within the flood plain of the Sauble River and has been designated Hazard Lands in the Bruce County Official Plan and zoned Environmental Protection in the Municipality of Arran-Elderslie Comprehensive Zoning By-law. Development is prohibited or restricted in these areas. The Floodplain Assessment report identifies that the flood plain is larger than previously identified.

2. Development shall generally be directed to areas outside of:

b) hazardous lands adjacent to river, stream and small inland lake systems which are impacted by flooding hazards and/or erosion hazards;

The proposed development is located within an area susceptible to flooding hazards and is a regular occurrence, particularly in the spring freshet. The extent of flooding varies on the property. Generally, the further away from the channel of the Sauble River the lower the degree of flooding. The area of least risk, though still within the flood plain, is the north east portion of the property. However, we understand due to other constraints the development was not able to concentrate in this area.

3. Development and site alteration shall not be permitted within:

c) areas that would be rendered inaccessible to people and vehicles during times of flooding hazards, erosion hazards and/or dynamic beach hazards, unless it has been demonstrated that the site has safe access appropriate for the nature of the development and the natural hazard; and

d) a floodway regardless of whether the area of inundation contains high points of land not subject to flooding.

If the proposed flood plain fill compensation is approved, the site would then meet safe access criteria. The floodway is considered the entire contiguous flood plain under the 100-year flood event in a one-zone policy area as defined by the PPS.

The one zone concept is applied to the Sauble River. The proposed development and site alteration is within the floodway of the Sauble River.

5. Despite policy 5.2.3, development and site alteration may be permitted in certain areas associated with the flooding hazard along river, stream and small inland lake systems:

b) where the development is limited to uses which by their nature must locate within the floodway, including flood and/or erosion control works or minor additions or passive non-structural uses which do not affect flood flows.

Policy 5.2.5 allows for consideration of development and site alteration within flooding hazards in limited circumstances where the function of the natural hazard feature is maintained. There is little guidance as to what qualifies as to the nature of development. However, from GSCA's perspective, this includes development and site alteration such as bridges, dams, dykes, etc., projects that fundamentally must be located in natural hazard areas. Other exceptions to the 5.2.3 policy includes additions or non-structural uses, which is not applicable in this case.

6. Development shall not be permitted to locate in hazardous lands and hazardous sites where the use is:

b) an essential emergency service such as that provided by fire, police, and ambulance stations and electrical substations; or

c) uses associated with the disposal, manufacture, treatment or storage of hazardous substances.

The proposal includes 420 lithium-ion battery storage units and an electrical substation required to receive and distribute power from the battery units to the main transmission line. The proposed flood plain compensation would elevate the development footprint to remove it from the flood plain. GSCA has concern with the extent of the mitigation required to remove the development footprint from the flood plain to support uses that are otherwise identified as being strictly prohibited within natural hazard areas. These uses are identified as they pose a higher level of risk to human health and safety.

The proposed development is within the flood plain/floodway of the Sauble River and within an area that is susceptible to frequent flooding. Flood plains are inherently hazardous and the amount of flood plain compensation required to facilitate the development is extensive. Based on the summary of the natural hazard policies in the PPS, GSCA staff are of the position the proposal is not consistent with the Provincial Planning Statement as development and site alteration shall not be permitted within a floodway. The PPS is also restrictive of development in hazard lands where the use is for an electrical substation and where the use includes the storage of hazardous materials." (GSCA June 6, 2025 comments)

The proposed amendment is not consistent with the policies for natural and human made hazards of the PPS, 2024.

The image below shows spring flooding on the subject lands and the adjacent lands. The area in red indicates the approximate location of the BESS.



Cultural Heritage and Archaeology

Section 4.6 of the PPS, 2024 directs that municipalities shall engage Indigenous communities through the planning process:

“4.6 Cultural Heritage and Archaeology

4.6.5 Planning authorities shall engage early with Indigenous communities and ensure their interests are considered when identifying, protecting and managing archaeological resources, built heritage resources and cultural heritage landscapes.”

The application was circulated to Saugeen Ojibway Nation (SON), the Historic Saugeen Metis and the Metis Nation of Ontario for comment. The Planning Justification Report (PJR) indicates that consultation with SON is ongoing, and a Contribution Workplan has been executed between Neoen and the Metis Nation of Ontario (MNO) Region 7 Communities - Georgian Bay Traditional Territory Consultation Committee.

A Stage 1 Archaeology Assessment was completed by LHC Heritage Planning & Archaeology Inc. in February 2025. The report indicates that, there is high archaeological potential and that further investigation is required.

It cannot be determined that the application is consistent with the Section 4.6 of the PPS, 2024.

Roads and Access

In comments issued by the municipality the following is noted,

“[t]he main entrance to this project is proposed off Concession 4 Arran. Based on Ontario Minimum Maintenance Standards this is a Class 4 Highway. The present road design and construction cannot support the extra traffic, construction equipment, material and products being delivered to the site.

On Concession 4 Arran there is a concrete girder bridge, Sims Bridge (A4). Based on the latest OSIM report in 2024 there is some recommended 1-5 year repairs. Patch repairs, waterproofing and paving are recommended to maintain this structure. Extra traffic, construction equipment, material and supplies to the site will shorten the timeline the Municipality has to deal with this bridge repair.” (May 20, 2025 comments)

The municipal comments reflect that the existing road and bridge infrastructure will not support the traffic generated to develop the site. Professional review will be required to assess necessary upgrades including any environmental investigation related to the bridge repair within a floodplain.

Arran Elderslie Zoning By-law 36-09

The property is zoned “Environmental Protection” (EP) and ‘General Agriculture’ (A1) in the municipality’s zoning by-law. The EP zone reflects natural heritage and hazard areas and only permits non-habitable buildings and structures necessary for flood and erosions purposes, public services or boat launching and docking. The A1 zone supports general agricultural uses but does not contemplate a Battery Energy Storage System (BESS).

May 20, 2025 municipal comments state that the proposed BESS is not considered a permitted use by the zoning by-law.

“The proposed use does not conform to Section 3.1.1 of the Zoning By-law, which permits only essential public utility infrastructure such as watermains, transformers, and transmission lines. These uses are typically small in scale, overhead or underground, and do not interfere with the principal use of the land. In contrast, the proposed BESS facility spans approximately 6 hectares and represents a significant alteration to the land use, inconsistent with the intent of this section.

Battery Energy Storage Systems are not explicitly defined or contemplated in the current Zoning By-law, and cannot reasonably be interpreted as equivalent to a transformer or distribution station due to their scale and operational characteristics.

Section 3.2 of the Zoning By-law restricts large-scale public utility uses to Industrial or Commercial zones, reinforcing the interpretation that the proposed BESS facility is not a permitted use in the current Agricultural or Environmentally Protected zone.”

Site Plan Control

The Municipality of Arran-Elderslie adopted a Battery Energy Storage System Policy to provide clear direction for developers proposing Battery Energy Storage Systems (BESS) in the Municipality. The policy requires a development agreement to address the development, maintenance and decommissioning of the facility as well as legal and financial components. Municipal staff requested that the agreement requirement be captured through the zoning by-law.

Next Steps

Related application, County Official Plan Amendment C-2025-003 is being considered at a Public Meeting in on August 7, 2025 in the Bruce County Council Chambers.

Conclusion

New development approval follows a prescribed process in Bruce County to ensure that the proposed development is appropriate for the lands and that impacts can be mitigated. It is necessary to investigate the proposal and confirm that it meets the policy tests prior to issuing approval. Information submitted in support of an amendment to the municipality’s

zoning by-law does not demonstrate that the proposal is consistent with the natural heritage, hazard and archaeology policies in the PPS 2024 or in the County Official Plan.

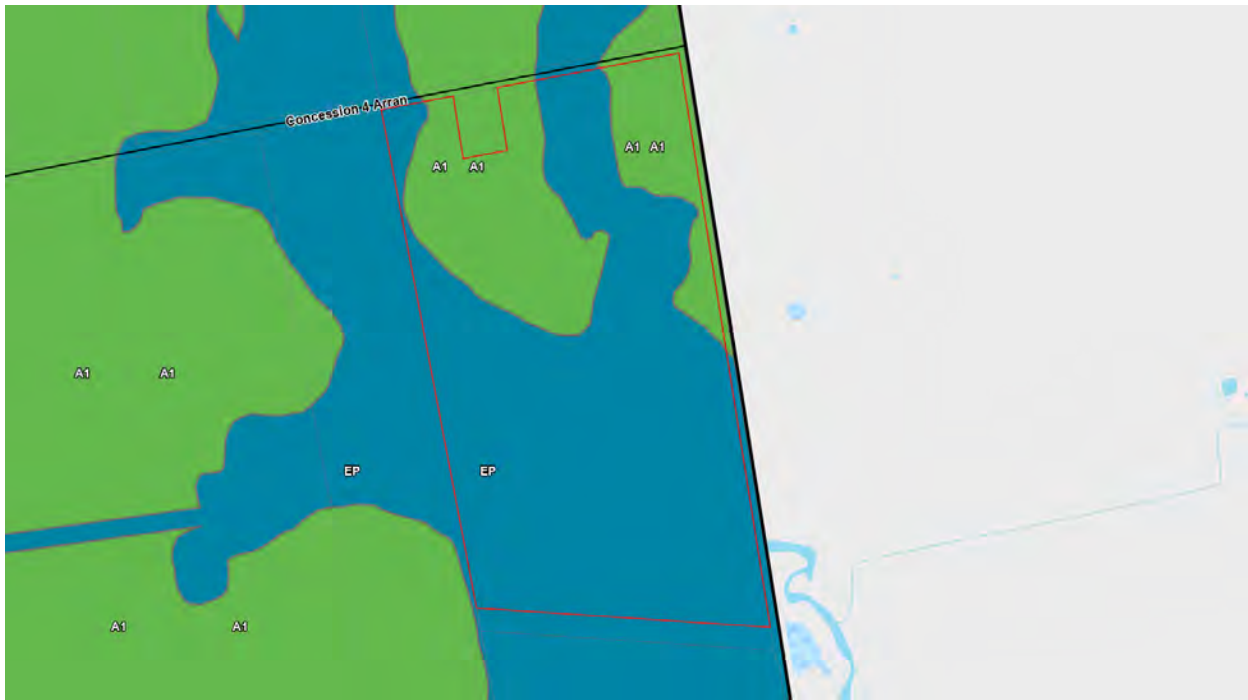
Appendices

- County Official Plan Map
- Local Zoning Map
- List of Supporting Documents and Studies
- Bruce County Natural Heritage Review
- Agency Comments
- Public Comments
- Public Notice

County Official Plan Map (Designated Agricultural Areas, Hazard, Rural Areas)



Local Zoning Map (Zoned A1 - General Agriculture, EP - Environmental Protection)



List of Supporting Documents and Studies

The following documents can be viewed in full at [Planning Arran-Elderslie | Bruce County](#)

Application
Public Notice Public Meeting Notice Z11
Public Notice Public Meeting Notice C3
Request for Comments
Consultation Record - Attachment 1
Archaeological Assessment
Planning Justification Report
Erosion Sediment Control Plan
Consultation Record - Attachment 2
Decommissioning Plan
Grading Plan Table
Cover Letter
Consultation Record
Comprehensive Safety Plan - Air Dispersion Model
Floodplain Assessment
Agricultural Impact Assessment
Consultation Record - Site Visit Notes
Environmental Study Report
Noise Impact Study
Comprehensive Safety Plan - Geometric Traffic Study

Stormwater Management Report
Grading Plan
Comprehensive Safety Plan
Site Plan

Agency Comments

Arran-Elderslie: Comments dated May 20, 2025 note that the municipality adopted a Battery Energy Storage System Policy to provide clear direction for developers proposing Battery Energy Storage Systems (BESS) in the Municipality. The policy requires that the proponent enter into a development agreement with the Municipality to address responsibilities, consultation, site development, emergency response and site rehabilitation.

Historic Saugeen Metis (HSM): Comments dated May 21, 2025 state, "HSM supports the mitigation measures proposed in the Environmental Impact Assessment. Given that some tree clearing is proposed, HSM recommends the addition of an offsetting measure. A ratio of 2 trees planted for every tree cleared is recommended, as mature trees provide greater benefits than newly planted trees in terms of benefiting soil health, providing habitat, and mitigating climate change by sequestering atmospheric carbon. Native tree species should be selected for this use."

Saugeen Ojibway Nation (SON): Comments dated July 6, 2025 state, 'SON is not supportive of this project as it's in a SON identified buffer zone where development shouldn't proceed without initial consultation between SON and the Crown. SON is waiting for a meeting with the Minister to discuss.'

Bruce County Transportation and Environmental Services (T&ES): Undated comments note that structure setbacks are to meet Bruce County's setback bylaw requirements to the Grey-Bruce Line. An entrance permit is required.

Grey Sauble Conservation Authority (GSCA): In comments dated June 6, 2025 GSCA noted, "The proposed development is within the flood plain/floodway of the Sauble River and within an area that is susceptible to frequent flooding. Flood plains are inherently hazardous and the amount of flood plain compensation required to facilitate the development is extensive. Based on the summary of the natural hazard policies in the PPS, GSCA staff are of the position the proposal is not consistent with the Provincial Planning Statement as development and site alteration shall not be permitted within a floodway. The PPS is also restrictive of development in hazard lands where the use is for an electrical substation and where the use includes the storage of hazardous materials." The full comments are attached for Council's review.

Public Comments

The following comments were received by the July 7, 2025 report submission deadline:

1. Carol McMillan - Comments dated May 20, 2025. Opposes the amendments citing the floodplain and agricultural impact. Submitted a 339 signature petition. Full comments attached.

2. 339 signature petition submitted May 20, 2025 in opposition to the proposed amendments. "We, the undersigned, Petition the Council of the Municipality Arran-Elderslie Township Council & Bruce County Planning Department to reject the request from Neoen to develop a 400 megawatt capacity, standalone battery energy storage system on 40 acres of farm land located at the corner of Concession 4 & Bruce Grey County Line. We object to the location of the facility on agricultural land and the proximity to residences. This land is currently designated as agricultural land and is situated on a flood plain that the Grey Sauble Conversation Authority has designated as environmentally protected..."
3. Judi Almond - Comments dated June 3, 2025 Full comments attached.
4. Amy Harrison - Comments dated June 5, 2025 indicate strong opposition to the location of the proposed BESS. Full comments attached.
5. Carol McMillan - Comments dated June 30, 2025 indicate that the writer owns the adjacent lands and objects to the amendment applications and altering the floodplain. Full comments attached.
6. Jim and Helen Christie - Comments dated July 2, 2025 indicate opposition to the amendment citing concerns related to contamination of environmentally protected land. Full comments attached.