

Staff Report

Council Meeting Date: August 11, 2025

Subject: CAO-2025-20 Tara BESS Project Update

Report from: Emily Dance, Chief Administrative Officer

Attachments:

Recommendation

Be It Resolved that Council hereby receives for information Report CAO-2025-20 Tara BESS project update.

Background

Zoning By-law Amendment

At the meeting of July 14, 2025 Council of the Municipality of Arran-Elderslie refused the planning application for the Tara BESS project proposed for 39 Concession 4, determining that the applicant had not adequately demonstrated that the proposed development aligns with the Provincial Policy Statement (PPS) 2024, or with the Bruce County Official Plan.

Key areas of non-conformity include, but are not limited to:

- The proposed use is not permitted under the current zoning designations (Environmental Protection and General Agriculture) and does not align with Section 3.1.1 or 3.2 of the Zoning By-law.
- The project does not meet the siting, setback, or lot coverage requirements outlined in the Municipality's BESS Policy.
- The proposed location within a regulated floodplain and proximity to sensitive land uses raises significant concerns regarding land use compatibility and public safety.
- Required agreements, fees, and technical reviews have not been completed or submitted in accordance with municipal policy.

Neoen submitted correspondence following Council's decision to deny the ZBA application for the Tara Battery Energy Storage System (BESS) project. While expressing disappointment at not being given the opportunity to respond to staff comments prior to Council's consideration, Neoen has acknowledged the feedback received and is actively exploring alternative locations within the Municipality to host the project.

Neoen has advised that, based on legal counsel, they are required to file an appeal to the Ontario Land Tribunal (OLT) within the mandated 20-day period to preserve their rights under the Planning Act and to support any future force majeure claims. However, they have indicated a willingness to withdraw the appeal should a mutually agreeable resolution be reached, including the possibility of relocating the project and submitting a new application.

Neoen has identified three potential alternative sites within Arran-Elderslie (outside of GSCA-designated lands) and is currently conducting technical feasibility studies and land negotiations. They anticipate determining a preferred location by the end of August and have committed to providing a substantive progress update within two weeks.

Neoen has reiterated their interest in maintaining a constructive and collaborative dialogue with the Municipality and has requested guidance on how they may contribute capacity funding to support the Municipality's engagement efforts, including the retention of external resources.

County of Bruce Official Plan

On August 7, 2025 the Council of the County of Bruce refused the Official Plan Amendment as it is not consistent with the PPS 2024 and the intent of the Bruce County Official Plan.

Analysis

Staff are disappointed by Neoen's decision to proceed with an appeal to the Ontario Land Tribunal (OLT). This action will require significant time and resources from both municipal and County staff and may complicate the working relationship at a time when efforts could be better focused on identifying and advancing a viable new site.

While Neoen has indicated a willingness to withdraw the appeal if a resolution is reached, the intention to file itself introduces procedural and legal complexities that may hinder progress.

Staff emphasize that any new site will require a full planning application, public consultation, and compliance with applicable timelines and legislative requirements. Any expectation of a less-than-comprehensive review process is unrealistic and not aligned with the Municipality's obligations under the Planning Act.

Staff note that the LT1 project requires proponents to demonstrate meaningful community and Indigenous engagement as part of the IESO's procurement process. Staff will communicate further with the IESO to clarify expectations and ensure alignment with municipal procedures and community interests.

Staff also acknowledge Neoen's offer to contribute capacity funding to support the Municipality's engagement efforts, including the retention of external resources. This offer is appreciated, and staff will review potential options and provide a recommendation to Council for consideration at an upcoming meeting.

Link to Strategic/Master Plan

6.3 Facilitating Community Growth

Financial Impacts/Source of Funding/Link to Procurement Policy

Staff time dedicated to reviewing the Tara BESS project and related correspondence has been significant. In addition, the appeal to the Ontario Land Tribunal (OLT) will result in further costs associated with legal counsel and professional consultants.

Approved by: Emily Dance, Chief Administrative Officer