

Staff Report

Council Meeting Date: August 11, 2025

Subject: CAO-2025-15 – IESO – Long Term Procurement (LT2)

Report from: Emily Dance, Chief Administrative Officer

Attachments:

1. June 27, 2025 Letter to Members of Council –LT2 Procurement Update
2. June 2025 Procurement Steps and Requirements for Municipalities
3. County of Bruce Proposed Municipal Support Confirmation Process: IESO LT2
4. Municipal Energy Project Review Policy

Recommendation

Be It Resolved the Council hereby approves Report CAO-2025-15 IESO Long Term Procurement;

AND “opts in” to the County of Bruce Municipal Support Confirmation Process for the IESO Long-Term 2 procurement stream;

AND FURTHER directs staff to amend the Battery Energy Storage Policy to incorporate other energy project types and align with the language and procedural requirements of the LT2 procurement process;

AND FURTHER approve amend the Fees and Charges By-law to reflect other energy project types and increase the Pre-Consultation fee to \$2,500

AND FURTHER authorizes the appropriate amending by-law coming forward on today’s agenda.

Background

The Independent Electricity System Operator (IESO) has launched the Long-Term 2 (LT2) procurement process to address Ontario’s projected 75% increase in electricity demand by 2050. The LT2 Request for Proposals (RFP) will be conducted through multiple annual submission windows and will consider a broad range of

energy sources, including wind, solar, bioenergy, energy storage, hydroelectric, and natural gas. Successful proponents will be awarded 20-year contracts.

Municipalities play a critical role in this process by determining whether they are willing hosts for proposed projects through the issuance of a Municipal Support Confirmation (MSC). While an MSC does not guarantee project approval, it is a required component of a developer's submission and must be supported by evidence of meaningful community engagement. Municipalities also retain authority over local development approvals and are encouraged to establish their own minimum engagement standards.

The attached LT2 Requirements for Municipalities outlines the following key steps:

- **Developer Engagement:** Developers must issue a Pre-Engagement Confirmation Notice at least 60 days before submitting a proposal.
- **Agricultural Land Protections:** Projects on Prime Agricultural Areas must complete a two-stage Agricultural Impact Assessment (AIA).
- **Municipal Support Confirmation (MSC):** Municipalities may issue an MSC via resolution or confirmation letter once engagement expectations are met.
- **Post-Contract Requirements:** Municipalities continue to oversee planning, environmental, and regulatory approvals after contract award

Analysis

Proposed Municipal Support Confirmation Process: County of Bruce

The County of Bruce Planning and Development Department has proposed a collaborative process to support local municipalities in reviewing MSC requests under the LT2 procurement stream. This opt-in service includes:

- **Planning Staff Responsibilities:** Coordinating agency circulation, convening meetings, reviewing land use matters, preparing Council reports, and communicating engagement expectations.
- **Municipal Staff Responsibilities:** Providing subject matter expertise, identifying Council expectations, and advising on community benefit agreements and local requirements.
- **Developer Responsibilities:** Conducting early engagement, submitting complete materials, and responding to feedback.

This service will be cost-recovered, with fees borne by the developer (applicant).

Staff would like to extend our appreciation to the County of Bruce for taking the initiative to support local municipalities through the proposed Municipal Support Confirmation (MSC) process for the IESO Long-Term 2 (LT2) procurement stream and recommend "opting in" to the Municipal Support Confirmation Process for IESO LT2.

Battery Energy Storage Policy Review ([By-law 33-2025](#))

The current Battery Energy Storage Policy was developed under the LT1 framework. Staff have reviewed it against LT2 requirements and recommend the following updates:

Policy Area	Current Policy	Recommended Update
Policy Name	Battery Energy Storage Policy	Rename to Municipal Energy Projects Review Policy to reflect LT2's inclusion of multiple energy types.
Municipal Support Mechanism	Refers to a "Municipal Support Resolution"	Update to Municipal Support Confirmation (MSC) to align with LT2 terminology.
Pre-Consultation	Requires developer engagement with Municipality and County Fee \$1,000	Aligns with LT2's 60-day Pre-Engagement Confirmation Notice requirement. Staff time is significant when reviewing applications, recommended to increase to \$2,500
Agricultural Land Protection	Encourages siting on industrial or lower-capability agricultural lands	Add explicit requirement for Agricultural Impact Assessments (AIAs) for Prime Agricultural Areas.
Community Benefit Agreements	Includes provisions for negotiated contributions	Aligns with LT2's encouragement of post-contract community benefit agreements.
Wind Energy Projects	No current position stated	Add: "The Municipality of Arran-Elderslie does not support the development of wind energy projects within its boundaries and will not issue a Municipal Support Confirmation for such proposals."

Link to Strategic/Master Plan

6.3 Facilitating Community Growth



Financial Impacts/Source of Funding/Link to Procurement Policy

As per the 2025 Fees and Charges By-Law, pre-consultation for energy developments is \$1,000, the development agreement is \$5,000 and a deposit of \$25,000 is required for any legal or third-party reviews of materials.

The County of Bruce is proposing a fee of \$1,580, which represents twice the amount of their pre-submission consultation fee. This cost will be the responsibility of the developer (applicant).

Approved by: Emily Dance, Chief Administrative Officer