

WCO | WIND CONCERNS ONTARIO

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Engagement@ieso.ca

RE: Feedback on IESO Long Term RFP Process

In the Engagement session on May 4, the IESO requested feedback on its proposed Long-Term RFP for additional capacity. This letter provides feedback from Wind Concerns Ontario, a coalition of organizations and individual members across Ontario. This grassroots base provides Wind Concerns with an information network throughout rural Ontario. This perspective seems to be lacking for other participants in the IESO's engagement process and may provide the IESO with unique feedback.

1. Alignment with Strategy

With regard to maintaining Ontario's leadership position in green electricity generation, there are a number of concerns with what seem to be anticipated outcomes from this RFP process and how they align with the government's wider strategy to achieve this goal.

Alignment with Government's Long Term Strategy – The government's strategy to meet its carbon emission reduction targets seems to be focused on nuclear solutions. This includes refurbishing existing nuclear facilities and commitments to modular nuclear generation. There is a need to clarify how the newest IESO RFP is consistent with the government's wider energy strategy. Ontario's shortfall in generation capacity seems to be for a short period in 2026 while the RFP involves long term contracts for storage. Will this capacity still be required in 2047?

Is Battery Storage an Effective Solution – The primary focus in the discussion about this RFP is on Battery Energy Storage Systems, but it is not clear how these installations are more than a stop-gap measure to address the capacity shortages anticipated by the IESO. The largest BESS facility is the Oneida Battery Storage facility which can provide 250 MW of electricity for four (4) hours. Information provided by IESO indicated that 70% of the shortfalls in capacity will exceed this four-hour window. The output from one of the eight units at Bruce Nuclear is twice this amount with no short-term restrictions on operations.

Impact on Electricity Costs – The impact of providing limited capacity (e.g., BESS) on electricity costs is also not publicly available at this time, if known. When the previous government of Ontario invested heavily in wind and solar programs, the unanticipated cost impact was so significant that part of the investment needed to be transferred to the provincial debt. While Indigenous groups have a high profile in the discussions, it is noted that no consumer advocates, who would normally address the impact on the seniors and other lower income segments of the population, have been involved the engagement process. Similarly, no large industrial users of electricity have been involved.

Emphasis on Dispatchable Sources – This RFP continues the requirement that new sources of generation be dispatchable. This approach allows the IESO to match electricity purchased with changes

in demand for the product. Ontario seems to have learned from its past experience with long-term contracts that committed the province to purchase output from intermittent sources whether or not it was required. This focus on dispatchable generation should be continued in future contracts. If proponents want to build intermittent sources of electricity, then they should only be paid for electricity when it is required and be responsible for developing storage capabilities for when it is not required with no additional compensation for the storage capacity.

Problems with Current Engagement Process – The current engagement process is dominated by special interests and their legal representation; this narrow self-interested representation does not provide the IESO with any perspective on the views of wider public views. The meetings are largely discussions among proponents looking to obtain favourable contracts with the IESO for the energy solutions that their companies provide. There is very limited participation by representatives of municipalities or any people who have a different solution to address the province’s energy situation. On the IESO website, municipal consultation is mentioned, but the discussions taking place at municipal council meetings and in community meetings when matters related to these projects are assessed indicate very little apparent understanding of the systems and the IESO’s objectives in these RFPs. We suggest that there should be a more effective effort at communicating with municipalities.

2. Support from Other Government Agencies

The rush to implement battery energy storage seems to be outpacing the response from other areas of government. Some examples:

Fire Safety – Experience with these battery energy storage facilities in other jurisdictions (e.g., U.S., Australia) indicate that they can present a serious fire hazard. The Ontario Fire Marshal’s office unofficially indicated to some municipalities that it will be at least a year before they will be in a position to provide direction on the implementation of these systems. In the United States, UL Standards 9540 & 9540a are now accepted as appropriate guidelines. In terms of fire safety, the Fire Protection Association’s Standard 855 is accepted. Municipalities are looking for direction from the Ontario Fire Marshal to move forward with these projects.

Protecting Prime Agricultural Land – The Provincial Policy Statement that sets out a direction for municipal planning activities places a strong emphasis on protecting Prime Agricultural Land. The only exception is using land to expand residential use. The policy statement also requires that there must be alternatives to using agricultural land. Despite this policy, many battery energy storage systems have been proposed on Prime Agricultural Land. In St Clair Township, this is the case even though the township has Brownfield sites that could be used to accommodate the project.

Setbacks from Other Activities – While Hydro One has established setbacks between BESS projects and their substations and transmission lines, Regulation 359/09 has not been updated to provide similar recommendations on setbacks between BESS projects and other facilities. These setbacks also provide protection from noise emissions produced by the battery system cooling equipment. Since Regulation 359/09 has not been updated, other protections in that regulation, i.e., the identification of vacant lot

receptors, mean that properties adjacent to a BESS installation is subject to effective downzoning without any compensation.

Emergency Response – BESS installations impose emergency resource requirements on host municipalities that are not present in most rural communities. These include special training for fire crews who could respond to a fire at the BESS site, the availability of large quantities of water to address fire situations and procedures to monitor air quality and to alert nearby residents if toxic fumes are emitted. These should be reflected in an emergency plan for the facility that is updated annually. Municipalities need to understand these requirements before, or at a minimum during, consideration of any support resolution for a project.

Approval Process – Once a contract is awarded, the proponent is then to develop a detailed proposal for the project. There is no approval process that applies to battery energy storage systems. This gap must be filled before contracts are issued. It is of particular concern to municipalities hosting the projects as it is likely that many will require site plan approvals from municipal Councils and building permits before a project can proceed.

These five process gaps involve a range of government organizations but as the apparent champion of battery energy storage systems, the IESO is responsible for ensuring that all the supporting mechanisms are in place before approving any contracts; if not, the implementation process is less likely to succeed. The situation is different from wind and solar contracts where the IESO was only responsible for issuing the contract and MECP was responsible for the environmental approval process.

3. Learning from the Existing RFP Process

The result of the process used to obtain feedback for the current RFP suggests changes are required in three areas to stop process issues from derailing the many projects.

Expansion of Existing Projects – In the May 4 IESO meeting, expanding existing projects was indicated as an option. There was no discussion of the requirements for these expansions. There has been considerable learning about the impact of these technologies on the surrounding communities since these projects were approved. Some of them pre-date the Green Energy Act. As for new projects, municipal support should be required before any process to increase capacity or to extend the length of existing contracts is approved. The proponent should also be required to provide proof that the existing project is fully compliant with the terms of its Renewable Energy Approval. Noise audit requirements¹ for many projects have not been met and resident complaints about adverse effects have been ignored despite requirements in approvals for speedy resolution. Many of these problems were linked to

¹¹ As of May, 2023, 38 percent of operating wind power projects in Ontario do not have a final, approved noise audit verifying compliance with regulations. A summary is available on request.

inadequate noise modeling requirements. These requirements have been amended and it is important that any changes to projects will meet current standards for noise emissions.

Contract extensions also provide an opportunity for the IESO to address problems with the existing long-term contracts covering the operations of these projects. In exchange for approval of a new contract, the “right of first access to the grid” and the highly favourable rates for electricity should be subject to renegotiation.

Municipal Support Resolutions – The May 4 presentation notes that mandatory requirements, like municipal support resolutions, are not subject to discussion. While municipal support needs to continue as a mandatory requirement, the process used to obtain that support needs to be revised considerably. The form used in the current process provides the municipality information only on the type of project, the maximum project capacity, and the description of the site. This is completely inadequate. If a subdivision proposal came to a municipality with such limited information, it would not even be forwarded to Council for consideration until more details were provided.

Municipalities require detailed information on energy projects before they can be reasonably expected to support a project. This would include a site plan, discussion of setbacks from adjacent land uses, projected noise emissions, fire safety considerations and a description of the municipality’s expected role in providing emergency services to the facility. A review of the issues that caused battery storage projects to fail to achieve municipal support (e.g., Prince Edward County), would demonstrate concerns about protecting agricultural land, protection from noise pollution, and the need for fire safety requirements.

A statement of the benefits of the project to the community should also be required. In response to some questions about the benefits of these projects, some questionable benefit claims have been made in support of these projects.

Any existing Municipal Support Resolutions that have been obtained without this support should not be recognized for this RFP. Similarly, as new information on the project comes forward, municipalities need to have the right to withdraw municipal support from a project.

Community Engagement – The process used for community engagement in the current RFP is similarly flawed. Some public meetings were so badly publicized that attendance was limited to one or two people, or even zero as in the case of an Ottawa proposal. Other public meetings were attended by approximately 75 people who came prepared to ask very valid questions about the project. Unfortunately the proponent was unwilling or unable to answer a large number of questions about the project leaving the community very dissatisfied.

There is a well-documented consultation process that is used to handle changes to municipal zoning and this should provide direction for the requirements for community engagement on energy projects. These include written notices to broadly defined adjoining landowners as well as notices to the wider community. Notices are posted on the property involved with references to a project website for more details. Limited internet capabilities in rural areas require in person rather than “virtual” meetings exclusively.

The full project description that will be provided to the municipality, including the statement of benefits to the community, should also be widely available to the community. If details are not available, or if they change, additional public meetings would be required.

The community engagement meeting where all information is disclosed should take place before any consideration of municipal support for the project.

If the community feels ignored by the proponent and/or the municipality, the community should also be provided with an opportunity to provide direct community feedback on the project to the IESO.

Indigenous Support – Indigenous involvement in projects located on their traditional lands is important and no project should proceed without local Indigenous support. Support from Indigenous communities from other parts of the province should not be considered in the place of local Indigenous support. Investment by non-local Indigenous communities should only be permitted when local communities support the project.

In conclusion, it is our view that substantial changes are required in current RFP process to ensure that the projects receive a fair consideration by communities in Ontario and by municipal governments. The IESO needs to ensure that other government departments fill some specific gaps related to these projects before moving forward. There is also a need to ensure that the strategy coming from the IESO engagement focus aligns with the provincial government’s energy strategy. At this point, Ontario needs effective action on carbon emissions with strategies that will work.

Yours truly,

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