

OFFICE OF THE MAYOR



CORPORATION OF THE
CITY OF SAULT STE. MARIE

August 1, 2023

The Honourable Todd Smith
Minister of Energy
10th Flr, 77 Grenville Street
Toronto, ON
M7A 2C1

Dear Minister Smith:

We are writing today to request that energy generation and storage projects within Sault Ste. Marie and region be allowed to submit to the IESO LT-1 RFP.

As you are aware from your letter of March 2023 recognizing Sault Ste. Marie as one of Ontario's Energy Champions, Sault Ste. Marie has been a leader in supporting the adoption of renewable and alternative energy projects. Further, Sault Ste. Marie is the first community in Canada to launch a community-wide smart grid.

We have learned that the IESO has determined that energy projects from Sault Ste. Marie and area will not be eligible to participate in the LT-1 RFP process due to "deliverability issues".

We would like to point out the following reasons why projects in our region should be able to participate in the RFP:

- The Algoma Steel EAF project requires a significant electricity supply;
- Algoma Steel is being asked to upgrade and utilize their gas plant to cover electricity requirements (which also incurs greater carbon tax obligations);
- The transmission grid is in the process of being upgraded which will enable the deliverability of any generation/storage projects in our region shortly after LT-1 projects are activated.

In short, the Sault Ste. Marie region requires additional power, we have credible proponents looking to advance projects which will contribute to economic development and any deliverability issues will be addressed in a timeframe that should enable projects from our region to fully participate in the RFP.

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Further, without added capacity, not only will it delay full implementation of the EAF's, but also cripple our ability to diversify our economy, prioritizing southern Ontario development over Northern Ontario's continued sustainability. We are part of the Ontario grid and our requirements should not be placed behind those of southern Ontario.

In 2008, Sault Ste. Marie City Council declared our community as the, "Alternative Energy Capital of North America" given the impressive solar, wind and hydro projects in our region. The recent "Powering Ontario's Growth" released by your office commits to working towards a 100 per cent clean grid.

We hope that you will support our community in our efforts to continue to advance in this important work.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Shoemaker'.

MATTHEW M. SHOEMAKER

Mayor, Sault Ste. Marie

CC: Lesley Gallinger, President and CEO, IESO
Ross Romano, MPP, Sault Ste. Marie

IESO LT-1 City Council Resolution

Passed unanimously in City Council meeting held on July 31st, 2023:

Moved: Councillor A. Caputo

Seconded: Councillor M. Scott

Result: Carried

Whereas Sault Ste. Marie City Council declared our community as the, “Alternative Energy Capital of North America” in 2008;

Whereas Minister Todd Smith wrote a letter of commendation to the City of Sault Ste. Marie as one of Ontario’s Energy Champions in March 2023;

Whereas Sault Ste. Marie will be the first community in Canada to launch a community-wide smart grid;

Whereas the City desires to continue as a leader in the alternative energy sector;

Whereas the Government of Ontario’s, “Powering Ontario’s Growth” plan commits to working towards a 100 per cent clean grid;

Whereas the City saw numerous proponents advance projects for the previous, expedited IESO procurement process for renewable energy generation and storage projects with none being approved in Northern Ontario;

Whereas the City has learned that the IESO has determined that energy projects from Sault Ste. Marie and area will not be eligible to participate in the LT-1 RFP process due to “deliverability issues”;

Whereas the Algoma Steel EAF project requires a significant electricity supply;

Whereas Algoma Steel is required to utilize the LSP gas plant to cover electricity requirements for their operations until transmission line upgrades are completed and possibly beyond;

Whereas the use of gas plant incurs greater carbon tax than the use of electricity;

Whereas without added capacity, not only will it delay full implementation of the EAF’s, but also cripple our ability to diversify our economy, prioritizing southern Ontario development over Northern Ontario’s continued sustainability

Whereas the transmission grid is in the process of being upgraded which will enable the deliverability of any generation/storage projects in our region shortly after LT-1 projects are anticipated to be activated;

Whereas Sault Ste. Marie is part of the Ontario grid and our requirements should not be placed behind those of southern Ontario;

Now be it resolved that City Council request the Mayor to write to the Minister of Energy and President and CEO of IESO to request a meeting and enable the inclusion of Sault Ste. Marie and region within the LT-1 procurement, and future procurements, of renewable energy and storage projects in Ontario