




COMMUNICATION UPDATE

TO:	Mayor and Members City Council
DATE:	May 3, 2024
SUBJECT:	Battery Energy Storage Systems Council Motion (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Anita Fabac Acting Director, Planning and Chief Planner Planning and Economic Development Department
SIGNATURE:	

The purpose of this Communication Update is to inform Council that the proponents of Battery Energy Storage System facilities which previously delegated to the General Issues Committee on November 15, 2023, did not proceed with a proposal under the recent Provincial procurement process. Secondly, this update is to inform Council that work is underway on a report in response to Council's November 22, 2023, motion directing staff to review the recent Battery Energy Storage System proposals, to be assessed from a climate change, economic development and land use perspective, and report back to Planning Committee with recommended criteria for Council to consider for future Battery Energy Storage system proposals seeking endorsement.

Background

The Independent Electricity System Operator is a not-for-profit corporate entity established in the *Electricity Act, 1998*, which is under the jurisdiction of the Ontario Minister of Energy. The Independent Electricity System Operator delivers services across the electricity sector including managing the flow of power and planning for future energy needs.

The Independent Electricity System Operator has forecasted that the province will be entering a period of increased electricity demand due in part to the retirement of the Pickering nuclear plant, the refurbishment of other nuclear generating units, as well as expiring contracts for existing facilities. To address this increased demand, the Independent Electricity System Operator launched a Long-Term Request for Proposals to secure 1600 Megawatts of additional energy storage. Launched in Spring of 2023,

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe, and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

proponents were able to submit proposals to the Independent Electricity System Operator by December 12, 2023, for evaluation.

Requests for Municipal Support Resolutions

As part of the procurement process, proponents were required to demonstrate municipal support for their project by receiving a Municipal Support Resolution from the local municipality. A Municipal Support Resolution is made by or on behalf of a municipality and indicates that the Council supports the development, construction, and operation of the proposed facility, solely for the purposes of the Long-Term Request for Proposals or subsequent contract.

It should be noted that the Municipal Support Resolution does not exempt energy storage projects from applicable environmental or land use approvals including site plan, zoning by-law amendment, and/or official plan amendment applications. If a project receives a Municipal Support Resolution but does not meet Provincial or Municipal laws and regulations, the project would not be permitted to move forward.

Through the Independent Electricity System Operator's Long-Term Request for Proposals procurement process, projects are allowed to submit the required Municipal Support Resolution up to 18 months after the December 12, 2023, submission deadline. However, projects that include a Municipal Support Resolution with their application would receive additional rated criteria points, improving the chances of their proposal being selected by the Independent Electricity System Operator. Staff have heard from industry representatives that based on scoring criteria, a project that does not submit a Municipal Support Resolution, will likely not be selected.

On November 15, 2023, delegations were made to the General Issues Committee by Aypa Power and NRStor Inc. requesting Municipal Support Resolutions for their respective Battery Energy Storage System proposals in the City of Hamilton. On November 22, 2023, correspondence from wdp Canada Corp was received by Council which indicated their intent to request a Municipal Support Resolution. High level descriptions of all three proposals are outlined in the table below:

Project Name	Company	Location	Battery Type	Project Size
Sulphur Springs Battery Energy Storage Project	Aypa Power	2274 Power Line Road West	Lithium iron phosphate	Up to 300 Megawatts

Project Name	Company	Location	Battery Type	Project Size
Steelport Battery Project	NRStor Inc.	386 Wilcox St	Lithium-Ion	100 Megawatts Approx. 10 Acres
Ancaster Battery Energy Storage Project	wpd Canada Corp	No Municipal Address. Located between Osprey Drive and Book Road.	Not stated	100 Megawatts

Table 1 Battery Energy Storage System Proposals in the City of Hamilton.

Next Steps

Staff have confirmed with the proponents identified in Table 1 that they did not proceed with a proposal for the current Long-Term Request for Proposals procurement process. However, if a new procurement process is initiated the proponents may revisit their previous proposals and/or a new proposal for a Battery Energy Storage System within the City of Hamilton. At this time, a new procurement process has not been announced. However, the Independent Electricity System Operator has stated that upon conclusion of the Long-Term Request for Proposals process, they will assess capacity needs and provide additional information on future procurement opportunities.

As such, a report responding to Council’s Motion is underway. The main purpose of the report will be to outline criteria that proposals will need to meet along with the information required for the City to evaluate future Municipal Support Resolution requests. Staff have been consulting with internal departments, including the City’s Fire Department, and external groups including municipalities, area experts, and industry, to understand the benefits and risks associated with these facilities. It is anticipated that staff will report back to Planning Committee in Q3 2024.

If you require any further information on the above matter, please contact Anita Fabac, Acting Director of Planning and Chief Planner by email at Anita.Fabac@hamilton.ca or by phone at (905) 546-2424 Ext.1258, or, Scott Turnbull, Planner II by e-mail at Scott.Turnbull@hamilton.ca or at (905) 546-2424 Ext. 6789.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – Battery Energy Storage System Rendering

Battery Energy Storage System Rendering

