

Report to Council

Report Title:	Alectra Battery Storage Proposal -Greenock Project		
Prepared By:	Dalton Stone, Municipal Services Coordinator & Sonya Watson, Chief Administrative Officer		
Department:	Administration		
Date:	November 14, 2023		
Report Number:	CAO2023-21	File Number:	C11AD
Attachments:	Alectra Convergent Battery Energy Storage System Motion Alectra Convergent Public Information Session November 9, 2023 Presentation Alectra Convergent Public Information Session November 22, 2023 Presentation		

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number CAO2023-21 – Alectra Battery Storage Proposal Greenock Project *as amended*, prepared by Dalton Stone, Municipal Services Coordinator & Sonya Watson, Chief Administrative Officer, for information purposes and in doing so provides a supporting resolution as prepared by Alectra Convergent Development JV for Council’s consideration for Option A as written;

And Further, Council directs staff to provide the following comments as part of the commenting period related to Alectra’s proposal _____;

And Further *that a clause be added to the motion that a Planning Application under Section 45(2)(b) will be required to ensure a due diligence process related to the site, including a public commenting period occurs.*

Report:

Background:

** Note italics indicate updates to this report since the deferral of this matter by Council on November 14th, 2023*

Alectra Convergent Development JV has approached the Municipality of Brockton with a proposal to construct a Battery Energy Storage System (BESS) in the former Township of Greenock. BESS have the capability to improve grid stability and provide backup power in some applications. The system supports faster and more affordable connection of new loads; alternative to traditional poles and wire infrastructure. Alectra has qualified for the Independent Electricity System Operator (IESO)’s Long-Term Procurement to provide capacity to the system through new battery storage assets. Alectra’s proposal will be evaluated by the IESO on it’s bid

price, as well as other criteria including a requested resolution by Brockton's Council which provides support for the proposed development. BESS are being proposed across Ontario and this is just one site that is in a competitive process initiated by the IESO that will offer support to Ontario's electricity grid during peak times.

A Municipal Council Resolution is a key component of Alectra's successful application. Obtaining a support resolution before December 12, 2023 will greatly improve Alectra's score in the procurement process.

The proposed facility would be approximately 15-acres in size on a parcel located on Concession 10 PT LOT 6 PT LOT 7. This was noted as option A in the first information session and presentation created by Alectra and based on public, staff and Council comments has been narrowed down as the preferred location to advance.

- Option A is a 10-acre site located on one property parcel, significantly set back from Concession Rd 10.
- Option B is a 10-acre site that is proposed to be located across two separate property parcels and would be minimally set back from Concession Rd 10.

There were staff concerns noted with Option B in regards to site location and the considerations with building over property boundaries and related property setbacks as well as affect on neighbouring property owners across Concession Road 10 due the close proximity to the road. Option A is currently zoned as General Agriculture and Environmental Protection, while Option B is currently zoned as General Agriculture with a portion of the lands on that property zoned Environmental Protection. The soil class of the lands are considered not prime agriculture. All environmental concerns related to protected lands in this area would be considered as part of Alectra's due diligence process and the building and zoning review process. Should the project advance it is proposed to be online by 2028 providing an additional 250 MW of storage. The land owner will be entering a land lease arrangement with Alectra for a 21-year period. At the end of the 21-year period the BESS must still have 80% of the original capacity and after the 21 years Alectra could pursue another contract or the site could be decommissioned. Alectra noted that the battery storage units are almost fully recyclable due to the valuable parts they contain.

A public meeting was held on November 9th at 6:00 pm at the Cargill Community Centre and online which staff helped facilitate to ensure residents in the area could attend in person and provide comment. This was a very well attended meeting with a number of items raised for discussion. An updated map was provided that is attached here noting the two proposed areas A and B. A second public meeting is also scheduled to be held on November 22, 2023 as outlined on the Alectra site at the attached link:

<https://www.alectrasolutions.com/AlectraConvergentDevelopmentLP/Greenock>

*Since the public meeting, municipal staff have received additional comments from the owner of one of the proposed properties that has been attached to this report. In addition, Brockton has received a petition with 49 **[UPDATE: As of November 28 there were 59 signatures]** signatures from the area surrounding the proposed project. The text of the petition has been attached, but the names, signatures and telephone numbers have been redacted to ensure compliance with the Municipal Freedom of Information and the Protection of Privacy Act.*

A second Public Meeting was held on November 22, 2023 and the updated slides and new proposed map indicating the one preferred location and additional details related to questions raised on BESS facilities have

been included. This meeting was also well attended with at least 40 residents in attendance at the Cargill Community Centre.

Analysis:

The Municipality of Brockton is supportive of Ontario's initiatives to move forward with energy storage procurement in an effort to support the reliability of the electrical grid. Brockton is located in the Clean Energy Frontier Region which supports economic development initiatives that strengthen and support the clean energy sector. Brockton offers its continuous support of our region's nuclear sector and the future advancements of the new phase of Bruce Power's Major Component Replacement and the start of Bruce C. Battery Energy Storage Systems provide beneficial support to our electrical infrastructure and further supports clean, reliable Ontario-made energy. BESS are being proposed in locations across Ontario that are close to the transmission coordinator. Alectra's proposal in Greenock is in close proximity to the transmission corridor.

Building and Planning Considerations

Further information is being sought by staff at this time as these are relatively new assets being considered. Given the nature of these developments, staff see it as beneficial to have professional input into the proposed development that would typically be included in a Site Plan Control review. Certain exemptions are included in planning documents for electricity service providers and public utilities. However, as this does not speak to private or independent corporations that propose utility projects, therefore further clarification is needed. If the proponent of the proposed battery storage facility is not an "electricity service provider", then the Municipality may be able to require Planning Act approval for the proposal.

If the Municipality's Site Plan Control By-law does not exempt these types of uses and the proposal would meet the definition of "development", Site Plan Control may apply.

Staff further acknowledge that the fees and charges associated with a building permit for a battery energy storage system may need to be reviewed. Council may need to compare standard commercial fees of \$100.00 plus 90 cents per square foot versus fees similar to Brockton's current Industrial Wind Turbine (IWT) fees, and make a decision on the appropriate method of applying building permit fees to battery energy storage systems. Further information and recommendations will be provided at a later date by staff based on further review and consultations.

Based on further meeting with Planning staff at Bruce County, Municipal Staff and Alectra should this project proceed it was communicated verbally and in writing that the proponent would be subject to a Planning Application under Section 45(2)(b) and the proposed BESS would be considered by the Committee of Adjustment which would invoke a further public commenting process. This project would also be subject to an archeological assessment, consultation with Saugeen Ojibway Nation (SON), Saugeen Valley Conservation Authority (SVCA) and a Site Plan Approval and Building Permit Process. Staff would recommend should Council proceed with a motion of support that a clause be added detailing that a Planning process will be required to ensure a due diligence process related to the site, including a public commenting period occurs.

Tax and Treasury Considerations

Municipal Staff contacted MPAC to inquire about tax assessment information regarding battery energy storage systems. Specific information regarding the structures, buildings, site plans, land information and ownership would be required to make an accurate assessment. MPAC did provide some general comments including the following:

- The land used to house battery storage facilities will be considered industrial, but additional buildings on site may be considered commercial;
- If the batteries are self contained (no ability to enter the structures), then they would all be exempt from taxation. If the batteries are housed within another structure, the housing would be assessable but the batteries themselves would still be exempt.

At this time, it is unclear about the potential tax revenue that would be generated from this development due to the details of the proposal being submitted in the future once Alectra is deemed successful and their project plans advance.

Fire and Rescue Considerations

Fire seems to be the most notable concern through our research related to BESS facilities. Alectra noted the units they are proposing are a two-chamber system with a dry chemical that helps to suppress the fire within one unit. If one unit catches fire one cell is to burn itself out limiting another catching fire. There will be water reserves required on site for fire suppression purposes. The units themselves must meet strict NFPA844 regulations. There are considerations our Fire Department will be concerned about and will be involved in the site plan process to ensure:

- An emergency response plan will need to be provided to the Fire Department including SDS sheets specific to the battery type being stored.
- Consideration of explosion venting
- Type of suppression systems that would or could be incorporated into the building construction.
- Battery management systems preferably using thermal imaging to monitor battery conditions for the build up of heat.
- Fire separations to minimize transfer of heat created by thermal runaway.

Further training and or equipment needs would be discussed further with Alectra as part of the review process to ensure our departments are adequately supported and this does not come at expense to the Municipality.

Noise

It was noted that noise is likely the most disturbance that will result as a factor in a new BESS. The noise emissions are under strict regulations and must be less than 40 decibels. It was noted in the public meeting that it would be similar to the noise at a "quiet library." This is a consideration that Council should be aware of as an affect on neighbouring property owners that have had the peacefulness of the Greenock Swamp as their neighbour.

Economy

The project itself will produce tax revenue and an economic boost to local trades and suppliers during the construction phase. The added tax revenue will support the municipality as a whole however, the specific amount is unknown at this time. The site is monitored remotely 24/7 by Alectra and will be checked regularly but job creation locally in relation to the site itself will be minimal. However, the BESS projects overall will support the electricity grid across the Province during peak times which will help to prevent back outs in the future which is a positive economic contribution overall for Ontario's whole economy.

For interest sake Council should be aware Georgian College currently has a partnership and relationship with Alectra from the Barrie Campus related to Industry focused research and applied research experience that supports the build out of the energy sector in Ontario. The placement of this site in Brockton may have the potential to expand this program in the future to extend to work in Brockton.

Further Alectra has also heard the concerns expressed by the public, staff and Council and has proposed a Community Partnership Payment with a proposed annual payment of \$1000/MW of contracted capacity for the 21-year life of the contract. If Alectra is awarded the full proposed contracted capacity this funding will equate to up to \$250,000 per year of up to \$5,250,000 over the 21 year life of the contract.

A motion to support Alectra's proposal in Greenock has been prepared for Council's consideration based on the information known at this time. As this project advances a strict due diligence process will be part of the plan and a thorough review by staff. *If Council wishes to provide any further comments on Alectra's proposal now this can also be included as part of the commenting and engagement process.*

Strategic Action Plan Checklist:

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?

- Recommendations help move the Municipality closer to its Vision Yes
- Recommendations contribute to achieving Heritage, Culture, and Community Yes
- Recommendations contribute to achieving Quality of Life Yes
- Recommendations contribute to achieving Land Use Planning and the Natural Environment Yes
- Recommendations contribute to achieving Economic Development Yes
- Recommendations contribute to achieving Municipal Governance Yes

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective?
N/A

Reviewed By:



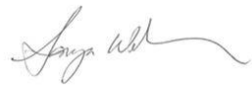
Trish Serratore, Chief Financial Officer

Respectfully Submitted by:



Dalton Stone, Municipal Services Coordinator

Reviewed By:



Sonya Watson, Chief Administrative Officer