

**DATE:** December 12, 2022  
**TO:** Mayor and Members of Council  
**FROM:** Haiqing Xu, Deputy City Manager, Planning and Growth Management  
**RE:** **COMMUNICATION – Council, December 13, 2022**

**Item #9, Report #43**

**PRESENTATION – ERIK VENEMAN, DIRECTOR, DISTRIBUTED ENERGY SOLUTIONS, ALECTRA UTILITIES – MUNICIPAL SUPPORT RESOLUTION FOR INDEPENDENT ELECTRICITY SYSTEM OPERATOR (IESO)**

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**Purpose**

To provide Council with a recommendation to endorse, in principle, Alectra Convergent Development LP (Alectra) request for support to develop, construct and operate two battery energy storage systems (BESS) in the City of Vaughan, under Ontario's Independent Electricity System Operator's (IESO) Expedited Long-Term Reliability Request for Proposals ("E-LT1 RFP").

**Recommendation**

1. That Council endorse, in principle, Alectra Convergent Development LP's proposal to develop, construct and operate battery energy storage systems at 8118 Dufferin St. and 6531 Rutherford Rd. by issuing a Municipal Support Resolution as appended as Attachment 1;
2. That City staff work with Alectra Convergent Development LP to meet all site plan approvals and permitting requirements; and,
3. That staff be authorized to do all things necessary to give effect to this resolution.

**Background**

According to IESO, Ontario is anticipated to be facing a province-wide energy shortage of 3,500MW due to increased demand, the retirement of the Pickering nuclear plant, planned refurbishments of other nuclear generating units, and expiring contracts with facilities, and the E-LT1 RFP program seeks to increase both energy production and storage capacity to meet the impending demand for electricity.

Alectra Convergent Development LP (Alectra) has qualified for the E-LT1 RFP to provide capacity to the electricity system through new BESS. Through E-LT1 RFP, proposals are evaluated primarily on bid price; however, a Municipal Support Resolution is considered a non-price criterion which can enhance the score of a proposed project. Obtaining a Municipal Support Resolution before December 20, 2022 will improve Alectra's project score, refer to Attachment 1.

BESS are rechargeable batteries that can store energy from different sources, or during off-peak hours, and discharge it when needed. Alectra is proposing BESS at the following two sites located within municipal boundaries:

- 8118 Dufferin St. (Ward 5) - will connect to the Alectra Utilities S.R. Greenwood Transformer Station (Vaughan #1E)
- 6531 Rutherford Rd. (Ward 2) - will connect to the Alectra Utilities Lorna D. Jackson Transformer Station (Vaughan #3)

Alectra provided a deputation to Committee of the Whole on December 6, 2022, outlining specifications, details and the economic development and environmental benefits of the BESS project.

## **Analysis**

In principle, staff support this project; reducing peak electricity loads is identified in Green Directions Vaughan as a climate adaptation measure, and new storage capacity reduces reliance on gas generation.

There are also economic development benefits, as this project adds capacity-building infrastructure in Vaughan, which is important for future investors and current companies looking to expand in the area. BESS support faster and more affordable connection of new loads which can contribute to strategic economic development when sourcing large projects.

To date, Alectra has consulted with the Mayor and Members of Council, Corporate and Strategic Communications, Economic Development and Policy Planning and Special Programs on this matter. However, if approval is granted by IESO to move forward with these sites, Alectra would be required to engage Development Planning, Urban Design, Building Standards and Emergency Services at a minimum to understand the technical requirements needed to gain site plan approval. Technical considerations may include, but are not limited to, fire standards, set-backs, aesthetics, landscaping and noise.

## **Conclusion**

Staff recommend that Council endorse, in principle, the Municipal Support Resolution, as appended as Attachment 1, for Alectra's submission to E-LT1 RFP for two battery

energy storage system projects in the City of Vaughan, located at 8118 Dufferin St. and 6531 Rutherford Rd.

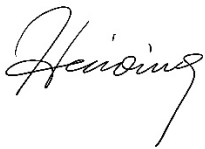
The projects have noted environmental and economic development benefits that are supported by City staff. If Alectra's proposal is approved by IESO then Alectra will engage with City staff to meet all site plan approvals and permitting requirements.

## **Attachments**

Attachment 1 - Alectra Convergent Development LP Municipal Support Resolution

For more information, contact Alanna MacKenzie, Sustainability Coordinator ext. 8941

Respectfully submitted by

A handwritten signature in black ink, appearing to read 'Haiqing Xu', written in a cursive style.

Haiqing Xu  
Deputy City Manager, Planning and Growth Management

## **ATTACHMENT 1 – Alectra Convergent Development LP Municipal Support Resolution**

**Whereas**, Alectra Convergent Development LP (the “Proponent”) is proposing to construct and operate a Long-Term Reliability Project at 8118 Dufferin St. and 6531 Rutherford Rd., under the E-LT1 RFP; and

**Whereas**, the Long-Term Reliability Project will be battery energy storage systems that can store energy from different sources, or during off peak hours, and discharge it when needed to balance the supply and demand of the provincial electricity grid; and

**Whereas**, battery energy storage systems have the capability to improve grid stability and provide backup power, where applicable, acting as a climate change resiliency measure and also supports municipal economic development goals by adding capacity-building infrastructure which is important for future investors and current companies looking to expand in the area; and

**Whereas**, pursuant to the E-LT1 RFP, Proposals that receive the formal support of the local jurisdictional authorities of all the project communities in which the Long-Term Reliability Project is located, in the form of a municipal support resolution, will be awarded Rated Criteria points for the purpose of ranking the Proposal in relation to other Proposals for a contract under the E-LT1 RFP; and

**Whereas**, pursuant to the E-LT1 RFP, Proposals that did not receive the formal support of the local jurisdictional authorities of all the project communities in which the Long-Term Reliability Project is located, in the form of a municipal support resolution, may be required under the E-LT1 Contract to be awarded pursuant to the E-LT1 RFP to submit such support resolution for compliance with its obligations.

### **It is therefore recommended:**

1. The Council of the City of Vaughan endorse, in principle, the development, construction and operation of the Long-Term Reliability Project located at Vaughan #1E (8118 Dufferin St.) and Vaughan #3 (6531 Rutherford Rd.).
2. This resolution's sole purpose is to enable the Proponent to receive Rated Criteria points under E-LT1 RFP or to satisfy its obligations under any awarded E-LT1 Contract and may not be used for the purpose of any other form of approval in relation to the Proposal or Long-Term Reliability Project or for any other purpose. Rated Criteria points will be used to rank the Proponent's Proposal in relation to other Proposals received by the IESO under the E-LT1 RFP.

3. Though this resolution may impact the rank of the Proponent's Proposal in relation to other Proposals received by the IESO, it does not guarantee a contract will be offered to the Proponent under the E-LT1.
4. If the Proponent is offered a E-LT1 Contract, the Proponent will engage with relevant City staff to meet all site plan approvals, permits and requirements.

**DULY RESOLVED BY THE LOCAL MUNICIPALITY**

**on the \_ day of \_\_ , 20\_.**

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**on the \_ day of \_\_ , 20\_.**