



Date: December 12, 2022

To: Mayor and Council

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Manager of Planning and Development Services

RE: Evolugen Battery Energy Storage – 27 Road 8 E

Report No.: CADS 2022-31

RECOMMENDED ACTION

1. That Council supports the development, construction and operation of Evolugen's Battery Energy Storage System at 27 Road 8 East and **AUTHORIZES** the Mayor and Clerk to sign the municipal resolution in the form attached to this report;
2. And further that Council **AUTHORIZES** the CAO to sign the Memorandum of Understanding with Evolugen as described in this report.

BACKGROUND

Evolugen has approached the Town of Kingsville regarding potentially locating a Battery Energy Storage System (BESS) on an agricultural property on Road 8 East. The proposal consists of installing battery modules with a planned capacity of 39 MW / 156 MWh to be co-located with Evolugen's existing Gosfield Wind Farm and substation (located at approximately the junction of North Talbot Rd. and Rd 8 E). The property owner has agreed to the BESS on this site. The project is expected to be operational by May 2025, subject to all relevant permits and approvals. Evolugen has asked the Town to pass a resolution in support of the project and has proposed a Memorandum of Understanding (MOU).

DISCUSSION

The Ontario Independent Electricity System Operator (IESO) has posted a Request for Proposal for battery storage resources to address anticipated system reliability needs. Battery storage is an efficient means of storing energy during off-peak hours and providing it back to the grid during peak hours. The IESO has qualified 55 applicants who will be eligible to participate in the RFP process. The RFP outlines a series of rated criteria that the IESO will use to evaluate and award projects, which include points based on location, duration of service and municipal and Indigenous support. Ratings will be assessed at the time of application, which closes January 24, 2023.

In response to the RFP, Evolugen (Brookfield Renewable Power Inc.), one of the 55 qualified applicants, has approached the Municipality and expressed their interest in submitting a proposal. The Kingsville area is attractive to Evolugen as it provides an opportunity to co-locate a BESS with the operating Gosfield Wind Farm which they operate, and the Gosfield Wind Farm substation.

Planning Matters

The proposed site is located on lands designated Agricultural in the Official Plan, and is zoned Agriculture – Exemption 43 (A1-43) in the Zoning By-law 1-2014. The proposed BESS is considered a 'Public Utilities' use, therefore Section 4.34 of the Zoning By-law applies:

4.34 Public Utilities

A lot or part thereof, located in any zone, may be used for a use of a Public Utility provided that:

- a) all buildings shall be in compliance with all regulations of the zone in which they are located;*
- b) any structure, not including a building, may be erected for the purposes of the distribution of a service or commodity provided by a public utility, without restriction as to height except in a Residential Zone where the maximum height shall be 20 m (65 ft);*
- c) an outdoor storage yard is not permitted in a Residential Zone.*

To that end, the project would not require any zoning by-law amendment; however, depending on the scope and scale of the final layout proposed by the applicant, it is expected that the applicant will have to make application for Site Plan Control under By-law 128-2015. As part of Site Plan Control process, administration will be looking to include consideration of fencing, grading, storm water management, lighting, access, and any parking areas.

Municipal Agreement

In order to be awarded a contract by the IESO, the IESO requires that all applicant project developers acquire municipal council support in the form of a resolution.

Kingsville Administration has met with Evolugen and has developed a Memorandum of Understanding (MOU) that includes a number of items related to the proposed BESS including:

- **Road use impact** – Evolugen agrees to assume all liability for all losses and damages to Town roadways, right of ways, and easements during the lifecycle of the project

- **Underground infrastructure** – Evolugen will take all effort to locate and mitigate potential impacts to the Town’s underground infrastructure and repair and restore any damages
- **Fire and Emergency Response** – Evolugen will coordinate and provide relevant training, knowledge and information related to emergency response associated with the project; and install a fire hydrant at or near the project site at their expense
- **Community Benefit Payment** - Administration has negotiated an annual community benefit contribution of \$1,000/megawatt/year for a total of forty thousand dollars (\$40,000 CAD) annually from commercial operate date to termination date (estimated twenty years). This contribution is in addition to taxes owed to the town for the project.

FINANCIAL CONSIDERATIONS

The proponents are proposing an annual community benefit contribution of forty thousand dollars (\$40,000 CAD) for the life of the project. This amount would be in addition to any increases in property taxes that would be collected if the improvements result in an increase in the assessed value of the property.

ENVIRONMENTAL CONSIDERATIONS

Important a battery energy storage system saves GHG emissions in Ontario by reducing the need for carbon-intensive power plants during times of peak demand and is the main reason it is supported by the Province of Ontario. This system has significant environmental benefits.

A battery energy storage system does not produce greenhouse gasses (GHGs) in the course of normal operation. This facility is proposed close to an existing wind farm substation which allows use of a pre-existing facility in order to minimize the footprint of the site. Additionally, at the end of a battery storage system’s useful life span, recycling can recover 99% of all active battery materials. The applicants will also undertake environmental assessment on the lands to ensure that any species or habitats will not be harmed by the batteries.

The applicants also note that some noise can be expected during the battery’s operations (85 decibels/10 meters); however, it is expected that most of the noise on site will be from the existing substation and not be materially greater than current operations.

CONSULTATIONS

Evolugen has held four public meetings, two in person and two virtually, with a total reported attendance of 30 persons. Invitations were sent to nearby property owners.

Town Senior Management Team has reviewed the proposal and has no concerns at this stage. Any technical or servicing matters can be addressed through the Site Plan Control process.

PREPARED BY:



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REVIEWED BY:



Richard J.H. Wyma, CSLA
Director of Community and Development Services



John Norton
Chief Administrative Officer

LINK TO STRATEGIC PLAN

To become a leader in sustainable infrastructure renewal and development.

LINK TO COUNCIL 2021-2022 PRIORITIES

☐ COVID-19 and the health and safety of the community

- ☐ Customer Service: Training, Technology, Staff, Review Standards/Level of service
- ☐ Housing: Affordability (lot sizes, developer incentives, second dwellings, density, etc.)
- ☐ Greenhouse: lights & dark sky, odours (site plan compliance, bylaws, other tools)
- ☐ Programming Increase: Youth and Seniors
- ☐ A development plan for Downtown Kingsville / Main Street
- ☐ Financial savings: Schools closings, Migration Hall
- ☐ Economic Development: strengthen tourism/hospitality
- ☐ COVID - economic recovery
- ☐ Communications: Strategy – Policy (social media), Website refresh and other tools, Public engagement
- ☐ Housing: Migrant Worker Housing – Inspections (Building/Fire), regulate, reduce, or increase
- ☐ Committees / Boards: Review and Report
- ☐ Policy Update: Procedural Bylaw
- ☒ Economic Development: diversify the economy, create local jobs, industrial, Cottam
- ☐ Infrastructure (non-Municipal): Union Water expansion & governance
- ☐ Infrastructure (Municipal): Asset Management Plan update, the infrastructure funding deficit
- ☐ No direct link to Council priorities