

Date: 2022-11-09

Subject: **Recommendation Report – Request for a Municipal Council Support Resolution**

Secondary Title: To help assist proponents (Alectra Convergent Development Limited Partnership and Capital Power) seeking funding for improvements to the electrical system at 1100 Steeles Avenue West (Ward 4) and 8600 Goreway Drive (Ward 8), respectively

Contact: Edwin Li, Development Planner, Planning and Development Services (905-874-2292) and,
David VanderBerg, Manager, Planning and Development Services (905-874-2325)

Report Number: Planning, Bld & Growth Mgt-2022-966

Recommendations:

1. **THAT** the report titled: **Recommendation Report – Request for a Municipal Council Support Resolution** dated November 9, 2022 to the Planning and Development Committee Meeting of November 28, 2022, be received;
2. **THAT** Council approve a *Municipal Council Support Resolution* attached as Appendix 3 for the request to assist Alectra Convergent Development Limited Partnership and Capital Power (Goreway Generation Station) (hereinafter referred to as the Proponents) in their application to a Long-Term Reliability Project Request for Proposal (RFP) issued by the Independent Electricity System Operator (IESO); and,
3. **THAT** Council affirms that this Resolution does not imply support for planning or other forms of approval that may be required for the proposed projects, as the sole purpose of this *Resolution* is to assist the Proponents in their submissions to the IESO Long-Term Reliability Project RFP process.

Overview:

- This report recommends that Council approve a ***Municipal Council Support Resolution*** in response to requests by Alectra Convergent Development Limited Partnership and Capital Power (Goreway Generation Station) to assist in qualifying projects they plan to submit for a Long-Term Reliability Project RFP issued by the province's Independent Electricity System Operator (IESO).
- Alectra Convergent Development Limited Partnership is proposing a Battery Energy Storage System (BESS), which are rechargeable batteries that can store energy during off-peak hours and discharge it when needed, on the Alectra-owned property at the Jim Yarrow Transformation Station at 1100 Steeles Avenue West.
- Capital Power is proposing two potential options within its Goreway Generation Station site at 8600 Goreway Drive. Option One includes the addition of BESS units. Option two entails the addition of a gas-powered electricity generation unit.
- The sole purpose of this ***Resolution*** is to help facilitate the proponents in the ranking of their proposals in relation to other proposals in Ontario in the IESO's RFP process, and the proposals will still be required to go through the regular planning and building permit approval processes.
- A ***Municipal Council Support Resolution*** does not guarantee a contract will be offered to both or either proponents by the IESO.
- The proposed projects should improve energy infrastructure reliability and resiliency for the residents and businesses of Brampton, and enable the City to be more strategic in realizing their economic development goals when sourcing large scale projects.
- The proposed projects are consistent with the themes of Brampton as a "Green City" and a "City of Opportunities".

Background:

Planning, Building and Growth Management staff received requests from Capital Power (Goreway Generation Station) and Alectra Convergent Development Limited Partnership (a joint venture between Alectra Energy Solutions and Convergent Energy + Power; hereinafter referred to as Alectra Convergent) in autumn 2022 for municipal support to assist in qualifying proposed upgrades to their electricity facilities for funding by the Independent Electricity System Operator (IESO). The IESO is the Crown Corporation responsible for operating the electricity market and directing the operation

of the bulk electrical system in the province of Ontario. It is the coordinator and integrator of Ontario's electricity system.

The Alectra Convergent site is located at 1100 Steeles Avenue West and the Capital Power site is located at 8600 Goreway Drive. Please refer to the location map (Appendix 1) which identify the locations of the two proposed projects.

Ontario is in need of additional energy capacity to meet its forecasted population and business growth. The IESO has issued a request for proposals (RFP) for new projects that will increase the capacity and reliability of the electrical system. As part of the RFP process, proponents seeking funding receive higher scores under the evaluation system if the local Council approves a Municipal Council Support Resolution for the project. Both Alectra Convergent and Capital Power have requested such resolutions.

Current Situation:

Alectra Convergent Proposal

Alectra Energy Solutions has partnered with Convergent Energy + Power to form the Alectra Convergent Development Limited Partnership. They are proposing a Battery Energy Storage System (BESS), which are rechargeable batteries that can store energy during off-peak hours and discharge it when needed, at the Jim Yarrow Transformation Station at 1100 Steeles Avenue West. The system will be connected to the Alectra Utilities grid on site.

The site is currently used as a substation and surrounded by a hydro corridor to the north, Steeles Avenue West and a retail plaza to the south, townhouse complexes to the west and a parkette and single-detached houses further to the east. Please refer to the site location map (Appendix 2A) which identifies the proposed project site.

Capital Power Proposal

Capital Power is proposing two potential electricity enhancement and expansion options at its Goreway Generation Station at 8600 Goreway Drive. The site are surrounded by lands currently used as a surface parking lot to the north, a warehouse distribution centre to the south, a railway yard to the west and one- to two-storey commercial buildings to the east.

Capital Power is proposing two options. Option One proposes the addition of BESS units which would increase energy storage capacity. Option Two entails the addition of a gas-powered electricity generation unit, which would increase peak energy generation capacity by approximately 200 MW. There is potential to add more capacity if capacity becomes available and transmission constraint issues can be resolved. Preliminary assessment from Capital Power indicates Option Two might result in slight increase in emissions and noise. Please refer to the site location map (Appendix 2B) which identifies the proposed project site.

Discussion

The proposed projects are expected to provide community benefits to Brampton in the manner of sustainability and energy infrastructure resiliency, jobs and economic development and increased property tax and permitting revenues for the City.

A Battery Energy Storage System (BESS) uses power generated at off-peak times and creates new electricity storage capacity that should reduce Ontario's need to rely on gas generation in coming years. New local electricity storage facilities should also improve energy infrastructure reliability and resiliency for the residents and businesses of Brampton, as they should reduce outages during extreme weather events and improve electricity restoration timelines when outages do occur.

The proposed BESS and/or energy facility enhancement and expansion projects would also create jobs and have spin-off economic impacts locally. A faster and more affordable connection of new electricity load could enable the City to be more strategic in realizing their economic development goals when sourcing large scale projects.

The deadline for the IESO's RFP submission is December 20, 2022, with notification of awards expected for February 28, 2023. If either or both proposals are selected by the IESO for implementation, the proponents will be required to work with City staff for the appropriate required development approvals and ensure the proposed development adheres to appropriate zoning, environmental, landscaping, urban design and other standards. The review process would include mitigating any potential impacts of the new facilities.

Corporate Implications:

Financial Implications:

There are no direct financial implications associated with this report.

Other Implications:

Technical planning implications associated with the proposed Battery Energy Storage System and/or energy facility enhancement and expansion for the two sites will be undertaken and reviewed at a later stage.

There are no other corporate implications associated with the applications that have not been noted elsewhere.

Term of Council Priorities (2020):

The application is consistent with the themes of Brampton as a "Green City" and a "City of Opportunities". A Battery Energy Storage System (BESS) should reduce Ontario's need to rely on gas generation in coming years. New local electricity storage facilities

should also improve energy infrastructure reliability and resiliency for the residents and businesses of Brampton. The proposed BESS and/or energy facility enhancement and expansion projects would also create jobs and have spin-off economic impacts locally.

Conclusion:

Staff has reviewed the proposal package received from Capital Power (Goreway Generation Station) and Alectra Convergent Development Limited Partnership in autumn 2022, and based on the Proponents' submission and information in hand, recommends that support be provided by Council in the form of a *Municipal Council Support Resolution*.

Authored by:

Reviewed and Recommended by:

Edwin Li, MScPI
Development Planner
Planning, Building and Growth Management

Allan Parsons, MCIP, RPP
Director, Development Services
Planning, Building and Growth Management

Approved by:

Jason Schmidt-Shoukri, MPA OAA RPP MCIP
Commissioner
Planning, Building and Growth Management

Attachments:

Appendix 1 - Proposed Projects Site Location

Appendix 2A - Alectra Convergent Development Limited Partnership Site
Jim Yarrow Transformer Station (1100 Steeles Avenue West | Ward 4)

Appendix 2B - Capital Power Site
Goreway Generation Station (8600 Goreway Drive | Ward 8)

Appendix 3 - Draft Municipal Council Support Resolution