

**Multi Municipal Energy Working Group
MINUTES**

**MMEWG-2024-04
Thursday, September 12, 2024, 7:00 p.m.
Virtually via Microsoft Teams**

Members Present: Mark Davis - Municipality of Arran-Elderslie - Citizen
Appointee
Ryan Nickason - Municipality of Arran-Elderslie
Scott Mackey - Township of Chatsworth
Dan Wickens - Municipality of Grey Highlands
Jim Hanna - Township of Huron Kinloss
Todd Dowd - Municipality of Northern Bruce Peninsula
Sue Carleton - Township of Georgians Bluffs
Stewart Halliday - Municipality of Grey Highlands -
Citizen Appointee

Others Present: Julie Hamilton - Recording Secretary
Bill Palmer - Technical Advisor

1. Meeting Details

2. Call to Order

The Chair and Vice-Chair were not in attendance. Member Mackey volunteered to be the Acting Chair and called the meeting to order at 7:05 pm. A quorum was present.

3. Adoption of Agenda

MMEWG-2024-09-12-01

Moved by: Dan Wickens - Municipality
of Grey Highlands

Seconded by: Ryan Nickason -
Municipality of Arran-
Elderslie

Be It Resolved that the Multi-Municipal Energy Working Group hereby adopts the agenda of the Thursday, September 12, 2024 as distributed by the Recording Secretary.

Carried

4. Disclosures of Pecuniary Interest and General Nature Thereof

There were no disclosures made by the Members.

5. Minutes of Previous Meetings

5.1 MMEWG May 9, 2024 Minutes

MMEWG-2024-09-12-02

Moved by: Sue Carleton - Township of Georgians Bluffs

Seconded by: Todd Dowd - Municipality of Northern Bruce Peninsula

Be It Resolved that the Multi-Municipal Energy Working Group hereby approves the minutes of the Thursday, May 9, 2024 meeting as presented by the Recording Secretary.

Carried

6. Business Arising from the Minutes

6.1 Grey County Committee Report - Battery Energy Storage Systems

MMEWG-2024-09-12-03

Moved by: Ryan Nickason - Municipality of Arran-Elderslie

Seconded by: Todd Dowd - Municipality of Northern Bruce Peninsula

Be It Resolved that the Multi-Municipal Energy Working Group hereby receives agenda item, 5.1, Grey County Committee Report - Battery Energy Storage Systems, for information.

Carried

7. Delegations/Presentations

7.1 Chasing The Wind - Article by Edgardo Sepulveda

Mr. Sepulveda provided the members with a high-level overview of his article titled "Chasing the Wind" which discusses the value

of wind generation in a low emission nuclear and hydro-dominant grid, the case in Ontario.

He made a presentation to the Members which is appended hereto to form a part of the minutes.

By his calculation, wind should be \$46.00 per MWH, which is much lower than the \$151.00 per MWH that is being paid currently, a result of the contracts that were issued under the Green Energy Act. He provides an analysis of how strong the wind blows in Ontario as compared to the other regions. Ontario's wind power is not aligned with demand. It tends to die in the summer, when the demand is needed the most.

Acting Chair Mackey opened the floor for questions.

Technical Advisor, Bill Palmer, noted a discrepancy in the legend of Figure 7. Mr. Sepulveda concurred and will provide an updated version which has been appended hereto to form a part of the minutes.

Mr. Howard raised the question about whether this information would be beneficial to be sent to municipalities who are potentially going to be faced with wind proposals. Mr. Sepulveda notes that the report shows that wind is not invaluable and we should not be paying more than it is worth for it. One of the objectives of the report was to show that we need to have a balance. Wind is not invaluable, that it is expensive, it has limited use and it has its pros and cons. Municipalities should be given the authority to determine whether wind is a good for them or not. The article provides an economic value to wind so that everyone can make informed decisions.

Acting Chair Mackey questioned what the province was prepared to pay in light of the \$46.00/MWH value in the presentation. Mr. Sepulveda noted that Minister Lecce announced the new round of procurements and has asked IESO to provide more details by the end of September and procurement is expected to be completed by 1st quarter 2026. There is potentially still time to influence what the government is willing to pay and the government is committed to competitive procurement. He would like to see the IESO establish a maximum price of \$46.00/MWH and all bids must be below that. Previous procurement prices have been in the \$80.00/MWH range. Based on the current position of the IESO, they are desperately looking for power and it does not appear that will happen but it is hopeful that this report may influence that.

The report does not consider the cost of the Battery Energy Storage System's required to take the excess power from when the wind is blowing. It takes the grid as is at this point in time.

Acting Chair Mackey thanked Mr. Sepulveda for his presentation.

MMEWG-2024-09-12-04

Moved by: Mark Davis - Municipality of Arran-Elderslie - Citizen
Appointee

Seconded by: Stewart Halliday - Municipality of Grey Highlands - Citizen
Appointee

Be It Resolved that the Multi-Municipal Energy Working Group hereby receives Mr. Sepulveda's presentation regarding his article "Chasing the Wind"; and

Directs the Recording Secretary to circulate the revised version of the report to Technical Advisor, Bill Palmer, for review and approval prior to circulation; and

That it be forwarded to all member municipalities and all municipalities in Grey, Bruce and Huron Counties.

Carried

7.2 IESO Update - Warren Howard

Mr. Howard made a presentation to the Members on the recent updates relating to the IESO energy procurement processes. Since drafting the presentation, new documentation has been released. Mr. Howard will circulate a revised presentation which is appended to these minutes.

Vice-Chair Hanna joined the meeting during the presentation however was having technical difficulties. Acting Chair Mackey agreed to continue as Acting Chair for remainder of the meeting.

Acting Chair Mackey opened the floor for questions and raised a question regarding the current unwilling hosts and Chatham Kent. An unwilling host resolution recently failed in Chatham Kent which ignited opposition to wind turbines. Things are problematic in Chatham Kent because there is a proposal in the

same soil groups as the one in North Kent which has the well water problems.

One additional resolution was added to the list in Algoma District and in the City of Kawartha Lakes, a councillor attempted to have an unwilling host resolution repealed and the motion failed.

There are 159 unwilling host municipalities at this time.

Mr. Sepulveda raised a question if there had been discussions in the IESO process that there be a maximum price for generation resources or how it may be received. Mr. Howard has noted it had not been discussed and recommends working with the minister to provide direction to the IESO on this matter.

Member Davis left the meeting at 8:27 p.m.

Member Halliday noted that Grey County was discussing the impact of the new Provincial Policy and recalls the County in the past had made some regulatory provisions as part of its official plan which may be helpful.

MMEWG-2024-09-12-05

Moved by: Dan Wickens - Municipality of Grey Highlands

Seconded by: Todd Dowd - Municipality of Northern Bruce Peninsula

Be It Resolved that the Multi-Municipal Energy Working Group hereby receives for information Mr. Howard's presentation, IESO Update.

Carried

7.3 Board of Health Delegation Follow Up - Bill Palmer

Mr. Palmer provided a brief update of his delegation to the Board of Health which has been appended hereto to form a part of the minutes.

Member Halliday enquired how health was defined by Public Health Ontario in relation to physical versus mental conditions. Mr. Palmer noted that Public Health Ontario has determined that wind turbines were not a "direct" public health concern.

MMEWG-2024-09-12-06

Moved by: Todd Dowd - Municipality
of Northern Bruce
Peninsula

Seconded by: Dan Wickens - Municipality
of Grey Highlands

Be It Resolved that the Multi-Municipal Energy Working Group hereby receives for information Mr. Palmer's follow up in relation to the Board of Health delegation.

Carried

8. Correspondence

8.1 Requiring Action

8.1.1 Letter from Arran-Elderslie Re: Recording Secretary

MMEWG-2024-09-12-07

Moved by: Sue Carleton - Township of
Georgians Bluffs

Seconded by: Dan Wickens - Municipality
of Grey Highlands

Be It Resolved that the Multi-Municipal Energy Working Group hereby defer this item to the next meeting agenda for discussion.

Carried

8.2 For Information

MMEWG-2024-09-12-08

Moved by: Ryan Nickason -
Municipality of Arran-
Elderslie

Seconded by: Dan Wickens - Municipality
of Grey Highlands

Be It resolved that the Multi-Municipal Energy Working Group hereby receives, notes and file the correspondence for information purposes.

Carried

8.2.1 IESO Feedback Submissions

8.2.2 Minister of Energy Letter - Protection of Agricultural Lands

8.2.3 2024 Unwilling Host Resolutions to Date

8.2.4 Unwilling Host List

9. Members Updates

Bill Palmer attended a presentation by the Local Chapter of Professional Engineers regarding Battery Energy Storage Systems.

10. New Business

The Recording Secretary provided two updates.

The IESO would like to meet with the group in a method other than a public forum. It was discussed that Chair Allwood, Bill Palmer and Warren Howard set up a meeting for discussion with the IESO.

The Freedom of Information request regarding the Skyway 8 turbine failure has been received. There are 1500 pages included. A link will be provided to the members, Warren Howard and Vern Martin to review and a discussion can take place at the next meeting.

11. Closed Session (if required)

Not required.

12. Confirmation of Next Meeting

The next meeting will be held on Thursday, November 14, 2024 at 7:00 p.m. via Teams.

13. Adjournment

MMEWG-2024-12-09

Moved by: Sue Carleton - Township of Georgians Bluffs

Seconded by: Ryan Nickason - Municipality of Arran-Elderslie

Be it Resolved that the meeting of the Multi-Municipal Energy Working Group is hereby adjourned at 8:52 p.m.

Carried

Tom Allwood, Chair

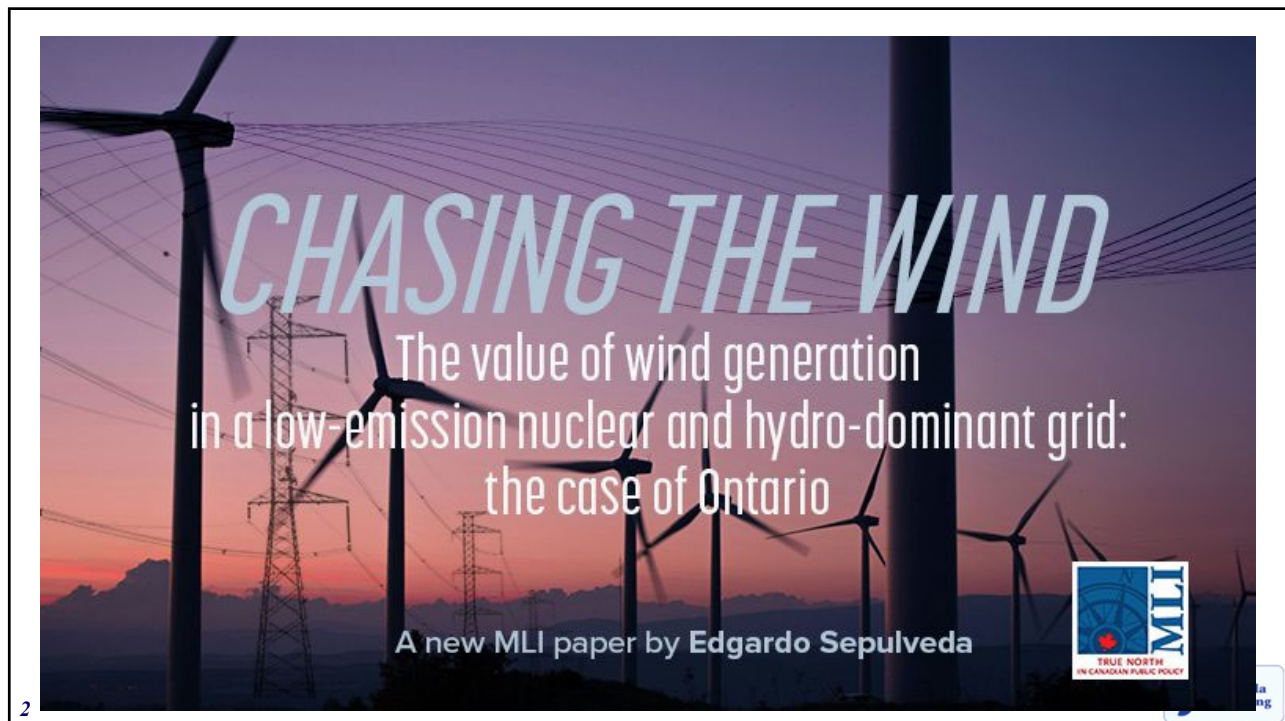
Julie Hamilton, Recording
Secretary

“Chasing the Wind: The value of wind generation in a low-emission nuclear and hydro-dominant grid: the case of Ontario, Canada”

**Presentation to the Multi-Municipal Energy Working Group (MMEWG)
September 12, 2024**

Edgardo Sepulveda
es@esepulveda.com

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Summary

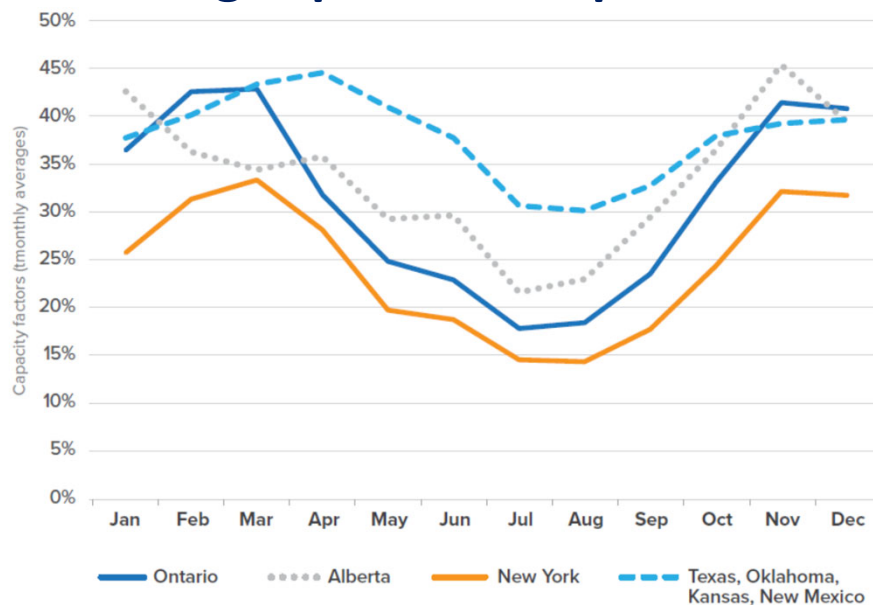
- Question: At what **price** should Ontario procure wind?
- Report
 - Chapter 2
 - Context on costs, wind profile, correlation with demand, etc. – **Ontario specific**
 - Calculate actual average wind price for 2020-2023 of \$151/MWh
 - Chapter 3
 - Use two social science quantitative methodologies
 - **Multiple regression analysis**: calculate coefficients as to whether/how much wind **displaces/contributes** to gas, hydro, nuclear & net exports
 - **Cost-benefit analysis**: calculate “break-even” societal wind price of **\$46/MWh** for 2027-30
 - Partial analysis of “what is” grid; no optimization; no general analysis of “should be”

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Fig. 6: Average Monthly Wind Capacity Factors ON has “average” profile; deep summer trough

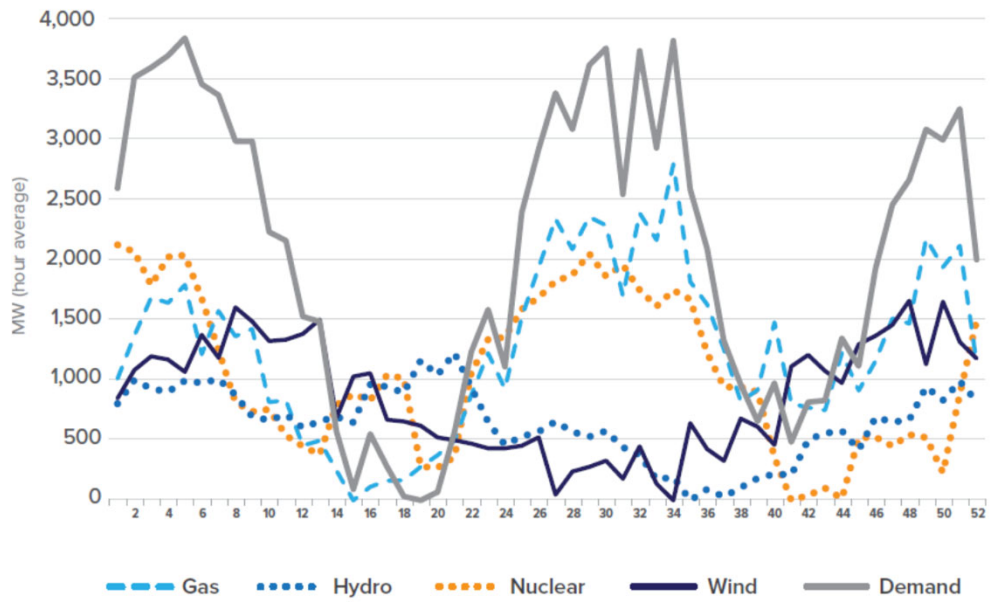


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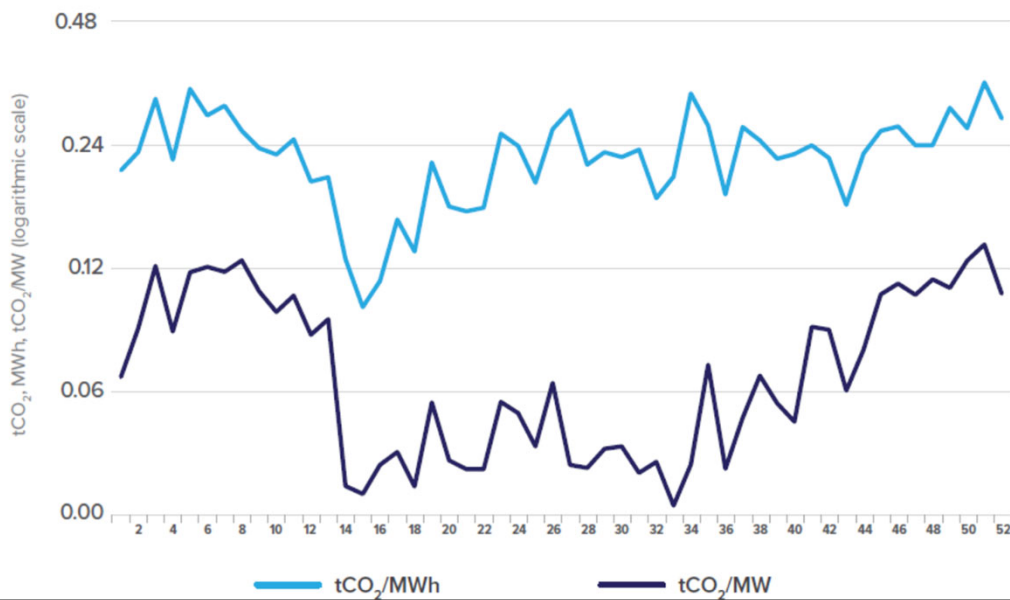
**Fig. 8: Demand & generation (from min, by week)
ON wind has negative correlation with ON gas**



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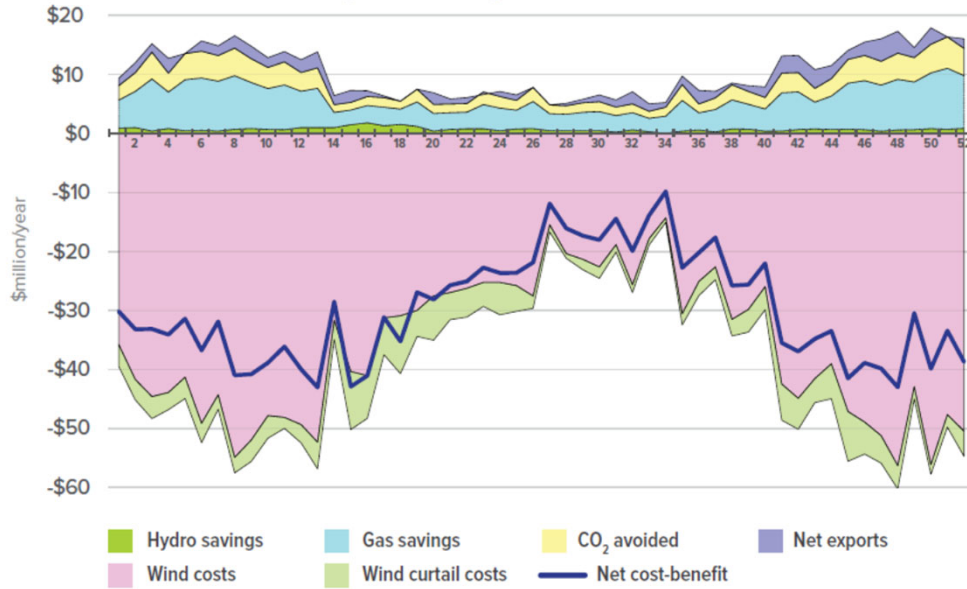
**Fig. 12: emissions reductions due to wind, by week
0.227tCO₂/MWh; 0.072 tCO₂/MW/hour**



6

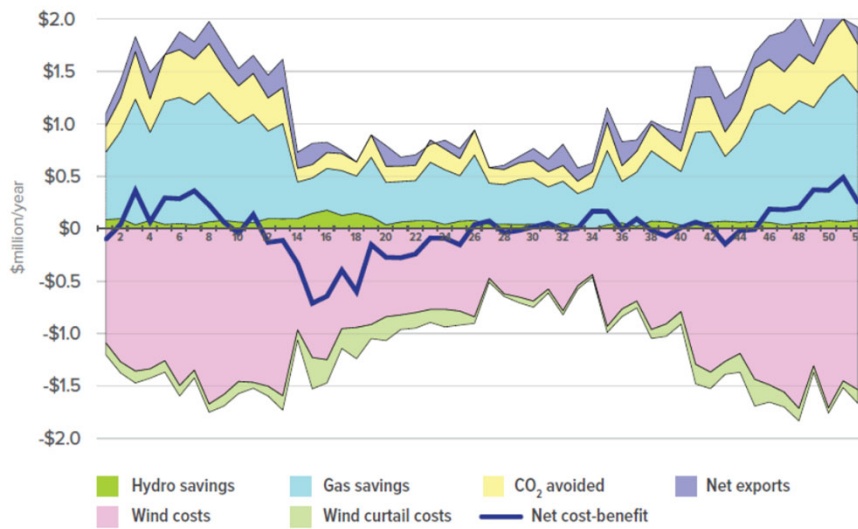
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**Fig. 14: Cost-benefit of wind, 2020-2023
= -\$124/MWh (wind price of \$151/MWh)**



7

**Fig. 16: Break-even scenario, 2027–2030
Public value of wind = \$46/MWh**



Wind price (\$/MWh) \$46

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Thank you!

Multi Municipal Energy Working Group

Update on IESO's Procurement Activities

Updated based on Sept 12
IESO Webinar

General Updates

- **LT RFP 2**
 - Behind Schedule - preliminary rules due – mid 2024
 - 2nd version of draft contract available for comments
 - Final RFP scheduled for release Dec. 2024; May slip to Jan 2025; Responses due December 2025
- **Key Issues Outstanding**
 - Locating projects in prime agricultural areas
 - Limited details on process requirements
 - Revenue model
- **Unwilling Host Municipalities**
 - Current total – 159
 - Motion to add Chatham-Kent – ignited community action
 - Motion to retract status failed in Kawartha Lakes (Lindsay)
 - Project being proposed in Zorra Twp, Oxford; 2 previous projects rejected by other townships

Municipal Support

- **Continues to be Required**
 - Needed for all new projects
 - Not required for MT2 RFP – scope TBD
- **Consultation Requirements Not Defined**
 - Municipalities to develop their own
 - Projects involving two municipalities not addressed
 - Report on agricultural impact due 18 months later
 - Point of contact for municipality?
- **Impact of canceling municipal support later**
 - Legal exposure of municipality?
 - IESO – only involved in awarding contract
 - Does not guarantee zoning approval or approval of agricultural impact assessment

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New PPS Rules for Agricultural Land

Definitions In New 2024 Provincial Policy Statement

- **Prime Agricultural Land** - specialty crop areas and/or Canada Land Inventory Class 1, 2, and 3 lands.
- **Prime Agricultural Area** – important areas for agriculture. Includes prime agricultural lands plus Canada Land Inventory Class 4 through 7 lands and additional areas with a local concentration of farms.

PPS Objective

- Protect “Prime Agricultural Areas”
- Remove only for settlement expansion
- Non-agricultural uses only permitted after alternate locations evaluated
 - Allowed only when there are no reasonable alternatives
 - No indication of when and who does this analysis

On-Farm Diversified Uses

- PPS allows solar, wind and BESS projects as “On-farm Diversified Uses”
 - Projects are to be limited in area.
 - Details in Ministry of Agriculture policy statement

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IESO RFP Requirements

- Focused on “Prime Agricultural Areas”.
- Directive from Ministers Smith/Thompson
 - Confirmed by Ministers Lecce/Flack
- Directive not fully aligned with new PPS
 - Ground-Mounted Solar – **Not allowed by IESO statement.**
 - Wind – allowed with an Agricultural Impact Assessment.
 - BESS – no specific direction.
- On-Farm Diversified Use Restriction
 - Applies to wind and BESS projects in agricultural areas
 - Land used limited to 20% of property area up to 1 HA

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Agricultural Impact Assessment

- Existing process to assess impact of projects
 - Approved by municipality; no provincial role
- Key Output - determine total land area required.
 - Likely exceeds allowance for project to qualify as an on-farm diversified use.
- Gaps in existing AIA process:
 - 1 assessment for whole project.
 - Assessment of alternate sites considered.
 - Include all land required for construction and servicing as well as turbine base.
 - Include access roads, collector lines, transformer stations
- Prepared by proponent; Due 18 months after contract issued.

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Projects in Agricultural Areas

Ministerial Direction

- Ground-mounted solar projects are not allowed within prime agricultural areas.
- Wind projects face restrictions

Industry response:

- Identify sites, then ask municipalities to rezone land which will trigger a change official plans.
- Will not work as provincial agreement required for changes to official plans.

RFP Blocks Industry by Setting Deadline

- Zoning based on zoning as of the proposal submission deadline
- Further webinar being scheduled to discuss issues

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Submission Requirements

Mandatory Requirements

- Confirmation of Pre-Engagement Notice
- Municipal Support Confirmation
- Indigenous Support Confirmation (if appropriate)
- Municipal Approval of AIA (18 months later, if needed)

Rated Criteria – affected 20% of price

- Indigenous Participation – up to 3 points
- Local Indigenous Participation – 3 additional points
- Not located on Prime Agricultural Areas – 3 points
- Located in Northern Ontario – 3 points

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Revenue Model Approaches

IESO Proposals

- Estimate output based on energy capacity
 - potential to adjust for monthly variation
- Estimate revenue based on average day-before price
- Calculate monthly income ~~and subsidize shortfalls~~

Alternate Approach

- Base payments on actual output.
- Base revenue on price at the time of production – day of month and time of day.

Approach Still Getting Push-Back in Supplier letters

- Not discussed in Sept 12 webinar

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MT2 RFP - Separate RFP Process

- **IESO View**
 - Quick access to additional capacity
 - Opportunity to create more favourable contracts
- **Two Streams**
 - Capacity – Dispatchable
 - Supply – Variable
- **Initial focus on Dispatchable**
 - Final contract – November 2024
 - Proposals Due January 2025
 - Start Dates – May 2025
- **Municipal support not required**
 - Not clear if wind projects coming off contracts are involved
- **Separate process for Long Term Contracts coming**
 - 500 to 1000 MW of new capacity

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MECP Missing in Action

- MECP will not be proposing changes in setbacks or noise limits.
 - Municipalities can enact larger setbacks in zoning by-laws.
- No setbacks being developed for BESS projects.
 - Ontario Federation of Agriculture recommended action – August 2024
 - Ontario Fire Marshall?
 - Recent BESS fire in Brantford
 - <https://www.brantfordexpositor.ca/news/local-news/battery-fire-in-container-storing-off-grid-energy>
- MECP responsible for enforcement, not Ministry of Energy.

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MMEWG Meeting – Sept. 12, 2024
Agenda Item 7.3

Delegation/Presentations

7.3 Board of Health Delegation Follow up – Bill Palmer

Some members of the MMEWG will recall that I made a presentation to the Grey Bruce Board of Health on March 22, 2024 in response to a motion made by the MMEWG at the January 11, 2024 meeting.

At that presentation Dr. Ian Arra noted that he would facilitate a meeting between the MMEWG and Public Health Ontario which had identified wind turbines as a “nuisance” but not a health hazard.

On July 26, I provided a link for Dr. Arra to a paper published by the Acoustical Society of America based on a presentation I had given to the joint meeting of the Canadian Acoustical Association and the Acoustical Society of America in Ottawa on May 13, 2024.

On July 26, in a "Follow-Up" communication to Dr. Arra, I provided the link to the paper, "Objective measures confirm annoyance from wind turbine prominence (saliency) and psychoacoustic tonal-like perception," published in a .org journal of the Acoustical Society of America, Proc. Mtgs. Acoust. 54, 040001 (2024) (<https://doi.org/10.1121/2.0001917>) based on a presentation to the Joint Meeting of the Acoustical Society of America and the Canadian Acoustical Association.

Dr Arra responded to me by telephone that he had provided the request for a meeting between the staff of Public Health Ontario and representatives of the MMEWG to discuss the concerns of the MMEWG, noting the response of Public Health Ontario as, "Thanks for connecting. As part of PHO's mandate, we provide scientific and technical advice to the health care system which includes direct support to health units. We ask that any public facing discussions are held at the local level".

Further, Dr. Arra advised that a review of the Ontario Public Health Standards (which guide the boundaries of his work) will be conducted this year and he advised that advocacy for any public health matter might be best positioned by providing input through the review process. Verbally, he noted that he was not sure in what manner input to this review would be publicly communicated, but we should keep an eye out for it.

In summary,

- Dr. Arra will take no action on our request that the Grey Bruce Board of Health reopen the issue of health hazard from wind turbines, as he says it is not in his mandate to do so as Public Health Ontario has identified that they are not a health hazard.
- Public Health Ontario has advised Dr. Arra that they are unwilling to meet with representatives of the MMEWG to consider the subject, but identify that “the public”

(MMEWG?) should contact the local health reps, i.e. Dr. Arra and Grey Bruce Board of Health.

Since we are advised that any public input (for wind turbine impact on public health, or other issue of concern) should be made at the local level, my assessment is that the MMEWG should continue to identify concerns to the Grey-Bruce Board of Health, since that is our local level. We should also keep our eyes peaked for any opportunity to provide input to a review of the Ontario Public Health Standards and then provide input.

I add that Ruby Mekker, who initially raised the issue about the Local MOH being required to investigate complaints to determine if a "health hazard" exists, is not happy, and suggested that I am acting unethically by suggesting that there should be a further review to determine if a health hazard exists. In Ruby's words, "My concern all along has been the apathy of the Medical Officer of Health as well as of the Multi Municipal Energy Working Group, including you, with respect to the failure to carry out this duty imposed by law. I believe this has aggravated the harm experienced by the victims of the wind turbines." Various members of the MMEWG received a copy of the letter addressed to me.

Bill Palmer