



**City of Kingston
Report to Council
Report Number 25-188**

To: Mayor and Members of Council
From: Paige Agnew, Commissioner, Growth & Development Services
Resource Staff: Tim Park, Director, Planning Services
Date of Meeting: August 12, 2025
Subject: Municipal Blanket Support Resolution for future Long-Term Electricity and Capacity Services Projects – Independent Electricity System Operator (IESO) Proponents

Council Strategic Plan Alignment:

Theme: 2. Lead Environmental Stewardship and Climate Action

Goal: 2.2 Support climate action and sustainability for residents, businesses and partners.

Executive Summary:

Ontario is entering a period of emerging electricity system needs, driving by increasing demand, the refurbishment of nuclear generating units, as well as expiring contracts for existing facilities. To address these challenges in a timely, cost-effective and flexible manner, the Independent Electricity System Operator (IESO) has developed a framework to target robust, competitive projects that balance ratepayer and supplier risk.

The IESO is seeking proposals to generate new energy supplies and new storage facilities through its Long-Term Request for Proposals process. The initial program, called Long-Term 1 (LT1), operated in 2023 and secured 2,194 MW of new year-round capacity services. The IESO has launched the second phase of the program, called Long-Term 2 (LT2), for projects anticipated to enter commercial operation by 2029/2030 and contracts in place until April 2050.

Applications for the LT2 program require confirmation of municipal support for their project. Municipal support must either be through a Council resolution supporting a specific project, or a

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blanket municipal support resolution together with a 'confirmation letter' issued by the Chief Administrative Officer, or equivalent, for specific projects. Municipal support does not guarantee that the project will be awarded an IESO contract. As outlined in [Report Number 23-228](#), Council previously issued a blanket municipal support resolution for the LT1 program, with an amendment to exclude natural gas generated projects.

This report recommends that Council issue a 12-month blanket municipal support resolution for LT2 projects proposed within the City and authorize the Chief Administrative Officer to issue the necessary confirmation letter for specific projects. Staff have included wording in the recommendation to exclude natural gas generated projects, in keeping with the previous Council resolution passed on October 17, 2023.

Recommendation:

That Council adopt the following blanket municipal support resolution for future Long-Term Energy Supply Projects and Long-Term Capacity Services Projects proposed within the City, it being understood that the support resolution does not apply to natural gas generated projects and exclusively applies to projects that include solar, electricity storage and biofuels within the City of Kingston:

Whereas the Independent Energy System Operator's (IESO) Long-Term 2 (LT2) program encourages the construction and operation of energy supply and energy storage projects; and

Whereas one or more energy supply or energy storage projects may be constructed and operated within the City of Kingston; and

Whereas pursuant to the LT2 Energy Supply Request for Proposals and the LT2 Capacity Services Request for Proposals, issued on June 27, 2025, Proposals must submit a Municipal Support Confirmation;

Therefore Be It Resolved That Kingston City Council offers blanket support for the development, construction and operation of Long-Term Energy Supply Projects and Long-Term Capacity Services Projects, under the LT2 program, within the City of Kingston; and

That the Chief Administrative Officer is delegated the authority to issue a "Blanket Municipal Support Confirmation Letter" for proponents who seek to establish a Long-Term Energy Supply or a Long-Term Capacity Service project within the City of Kingston; and

That this resolution of municipal support does not supersede any applicable permits or approvals under applicable Laws and Regulations that may be required for a particular Long-Term Energy Supply or Capacity Services project. This resolution shall expire twelve (12) months after its adoption by Council.

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Authorizing Signatures:

p.p.

ORIGINAL SIGNED BY COMMISSIONER

**Paige Agnew, Commissioner,
Growth & Development Services**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate & Emergency Services	Not required
David Fell, President & CEO, Utilities Kingston	
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required
Ian Semple, Commissioner, Transportation & Infrastructure Services	Not required

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Options/Discussion:

A reliable and sustainable supply of electricity is fundamental to the well-being of Ontario residents, businesses, and institutions. Every day, the Independent Electricity System Operator (IESO) ensures electricity is available where and when it's needed. This includes managing the power system in real-time, planning for the province's future energy needs, enabling conservation, and working with industry and communications across Ontario to support their energy goals.

Ontario is entering a period of emerging electricity system needs, driving by increasing demand, the refurbishment of nuclear generating units, as well as expiring contracts for existing facilities. To address these challenges in a timely, cost-effective and flexible manner, the IESO has developed a framework to target robust, competitive projects that balance ratepayer and supplier risk.

The IESO is seeking proposals to generate new energy supplies and new storage facilities through their Long-Term Request for Proposals (RFP) process. The initial program, called Long-Term 1 (LT1), operated in 2023 and secured 2,194 MW of new year-round capacity services. The IESO has launched the second phase of the program, called Long-Term 2 (LT2), for projects anticipated to enter commercial operation by 2029/2030 and contracts in place until April 2050. The LT2 program aims to acquire approximately 14,000 GWh of annual energy supply to meet system energy needs from electricity-generating facilities, supported by up to 1.6 GW of targeted capacity services to help support peak demands.

The LT2 RFP process will include multiple submission windows. There are two categories of projects that can be considered within the LT2 program:

- **Energy Supply Projects (LT2 (e))**

Projects in this stream of the RFP would contribute new energy to the grid through various forms, such as wind, solar, natural gas, bioenergy and hydroelectric generation. Projects would need to generate a minimum of 1 MW of power, whereas natural gas projects would be limited to a maximum of 45 MW of energy to be eligible.

- **Capacity Services Projects (LT2 (c))**

Projects in this stream of the RFP are focused on energy storage (e.g. battery storage systems) when the available supply exceeds demand and then releases the energy back to the grid when demand is greater than supply. These projects are beneficial as they store power during off-peak times when prices are lower and enable renewable energy to be stored during optimal conditions (e.g. sunny or windy days) and used when required (e.g. cloudy or non-windy days). Projects would need to store a minimum of 1 MW of energy to be eligible.

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There will be a multi-step evaluation process for potential LT2 projects, which will include the following criteria:

- **Indigenous community participation**
Proposals that involve Indigenous communities as partners within the project are awarded more points than proposals that do not involve Indigenous communities as partners.
- **Local Indigenous community participation**
Proposals located on Indigenous Lands, or within a treaty area or traditional territory of an Indigenous Community that holds an economic interest of at least ten percent, are awarded more points than proposals that are not located on Indigenous Lands, treaty areas or traditional territories.
- **Project site located in a Northern Zone**
Proposals that are located within a prescribed Northern Zone are awarded more points than proposal that are not located within a prescribed Northern Zone as the proposal would service to increase economic development with more remote communities.
- **Project site not located in Prime Agricultural Areas**
Proposals that are located outside of Prime Agricultural Areas are awarded more points than proposals that are located within these areas, as these are important lands to protect from development within Ontario.
- **Duration of continuous delivery of electricity**
Capacity projects that can deliver a continuous amount of electricity for more than 12 hours are awarded more points than proposals that can contribute for shorter duration of time.

The IESO released the documents for the first window of both the Long Term 2 Energy Supply RFP (LT2(e-1) RFP) and the Long Term 2 Capacity Services RFP (LT2(c-1) RFP) on June 27, 2025. The first window of the LT2 program will be accepting submissions between September 4 and October 16, 2025 for energy supply projects, and between October 3 and December 16, 2025 for capacity services projects.

Energy Transition and Electrical Capacity

As outlined in [Report Number 25-033](#), the City's electricity infrastructure faces pressures associated with rapid growth and trends in electrification. Upgrades to the network will be required to meet long-term energy demands. While the projects associated with the LT2 program may not directly impact the capacity issues associated with the two Hydro One transmission stations supplying the City, the LT2 projects may benefit the City by increasing available electricity supply and offsetting peak demand. Further, new local storage capacity projects may result in fewer power outages during extreme weather events and improve restoration times when outages do occur.

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Analysis

The evaluation process during the initial LT1 phase of the program awarded projects with municipal support resolutions additional points and were therefore scored higher than those without municipal support resolutions. As outlined in [Report Number 23-228](#), Council previously offered a resolution supporting the “development, construction, and operation of the Long-Term Reliability Project” to encourage projects to locate within the City.

The current LT2 phase of the program now requires proponents to confirm municipal support for the potential project; proponents who do not submit confirmation of municipal support are excluded from consideration by IESO.

Should a municipality wish to support the submission of a proposal for a particular LT2 project, a group of LT2 projects, or one or more particular technology types within their community, it must issue support in one of two ways:

- **Specific Support Resolution**

Each individual project would need its own separate support resolution passed by Council. While this approach would enable Council to support only the projects that they see as beneficial to the community, the applications may experience difficulty in securing the necessary support resolutions due to potential conflicts between the RFP deadline date and the existing Council meeting schedule.

- **Blanket Support Resolution**

Municipalities can elect to pass a blanket resolution supporting LT2 projects in general within their community. Blanket support resolutions require a ‘confirmation letter’ specific to each individual project that reaffirms support for that project. The confirmation letter can be issued by the Chief Administrative Officer and does not require a Council resolution. This approach facilitates support for beneficial projects while reducing potential delays, as projects would not need to wait for a Council meeting to secure support.

The LT2 RFP documentation defines a Blanket Municipal Support Confirmation Letter as a letter addressed to the IESO from the Chief Administrative Officer (or equivalent) of each local municipality with land use authority over any of the municipal project lands that:

A. identifies:

- (i) the Proponent;
- (ii) the name, technology and maximum potential Contract Capacity of the Long-Term Energy Project or Capacity Services Project; and
- (iii) the Municipal Project Lands (i.e. lands that are subject to the land use authority of a local municipality);

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- B. states that the Local Municipality supports the submission of the proposal;
- C. confirms that the Proponent has undertaken community and Indigenous engagement activities in respect of the Long-Term Energy Project or Capacity Services Project to the satisfaction of the local municipality;
- D. confirms whether the Municipal Project Lands are within any Prime Agricultural Areas or Specialty Crop Areas; and
- E. confirms, if the Municipal Project Lands are within any Prime Agricultural Areas, that the Proponent has completed the Agricultural Impact Assessment Component One Requirement to the satisfaction of the local municipality.

Staff are recommending the use of the blanket municipal support resolution approach through this report. Where blanket support is provided, projects that are successful in securing an IESO contract would still be required to obtain any necessary municipal approvals, for example, those required under the *Planning Act* or the *Municipal Act*, as well as any necessary approvals from the province. It would be the responsibility of the proponent to work closely with the City to ensure all municipal requirements are completed to the City's satisfaction.

Staff are currently aware of two proponents considering submitting a proposal to IESO for battery energy storage systems in Kingston under the LT2 program.

Planning Considerations

Section 3.8.1 of the Provincial Planning Statement, 2024, states that planning authorities should provide opportunities for the development of energy supply including electricity generation facilities and transmission and distribution systems, energy storage systems, district energy, renewable energy systems, and alternative energy systems, to accommodate current and projected needs. Section 6.2 of the Official Plan offers guidance on energy conservation and production, including the proper placement of facilities, required supporting studies, and compatibility requirements. Section 3.1.1. states that energy generation, transmission, and distribution facilities are permitted in any land use designation, subject to Provincial regulations. Section 4.9.1.2 of the Kingston Zoning By-law confirms that electricity generation, transmission, and distribution facilities are permitted in all zones, except in environmental protection areas.

As per a [ministerial directive](#) dated June 6, 2024, issued jointly by the Ministry of Energy and the Ministry of Agriculture, Food and Rural Affairs, new electricity projects are prohibited in Specialty Crop Areas, and all new ground mounted solar projects are prohibited in Prime Agricultural Areas. Projects proposed to be located in Prime Agricultural Areas, that are not ground mounted solar projects, are required to complete an Agricultural Impact Assessment to the satisfaction of the municipality.

Any project that is successful in receiving IESO's approvals through the LT2 program would be subject to Site Plan Control, which would enable the City to implement the Official Plan policies relating to the submission of required supporting studies and compatibility requirements (for

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example, environmental impact assessment, archaeological assessment, noise study, etc.) and ensure that technical matters are adequately addressed (for example those related to stormwater management, lot grading and drainage, fire safety, etc.). Any project subject to Site Plan Control would be required to complete the City's necessary public notification process.

Municipal and Public Engagement

The LT2 process highlights the importance of proponents engaging with the local communities, including municipalities, early in the process to resolve potential conflicts. Proponents are required to submit a Pre-Engagement Confirmation Notice to the municipality at least 60 days prior to the proposal submission deadline. The purpose of the Pre-Engagement Confirmation Notice is for the proponent to share preliminary project details, including a request that the municipality confirms the land use designation of the proposed project site. At this stage, proponents are expected to work with the municipality to undertake community engagement to the satisfaction of the municipality. Proponents will be asked to notify and consult with property owners within 120 metres of the boundary of the subject property.

It is staff's understanding that municipalities may negotiate Community Benefit Agreements with successful proponents as a result of hosting energy supply or energy storage facilities. Examples of provisions of Community Benefit Agreements could include lump sum payments, output-based payments, support for training and other municipal costs. Staff are recommending that as a condition of the "Blanket Municipal Support Confirmation Letter", proponents be required to commit to entering into a future Community Benefit Agreement with the City should they be successful in the LT2 RFP process. Staff will continue to review other municipal approaches to Community Benefit Agreements. The Community Benefit Agreement would be negotiated with successful proponents on a case-by-case basis.

Staff have included the proposed steps for the review of such facilities in Exhibit A.

A draft template for the "Blanket Municipal Support Confirmation Letter", based on IESO's requirements, is included in Exhibit B.

Climate Change Considerations

The LT2 program is aimed at adding new electricity generation and capacity storage facilities in Ontario, with a focus on decarbonization and transitioning to clean energy sources. Capacity storage facilities allow for the opportunity to store energy during the off-peak times, when supply is higher than demand. Often the energy produced at these times is from low/no carbon sources such as nuclear, hydro, and wind which makes up the province's base electricity load. Storing excess low/no carbon electricity sources allows the province to reduce the usage of natural gas peaker plants during peak demand periods. Therefore, capacity storage facilities provide the opportunity for the province to keep the amount of greenhouse gas emissions produced during electricity generation low.

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Indigenization, Inclusion, Diversity, Equity & Accessibility (IIDEA) Considerations

The IESO has released an [Indigenous Consultation Information Package](#) for resources related to Indigenous consultation and engagement. Proposals that involve Indigenous communities as partners within the project are awarded more points as part of IESO's LT2 RFP evaluation process than proposals that do not involve Indigenous communities as partners. For any proposal where the project site is proposed to be located in whole or in part on Indigenous Lands, the proposal is required to include an Indigenous Support Confirmation.

Financial Considerations

None

Contacts:

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Niall Oddie, Senior Planner, 613-546-4291 extension 3259

Other City of Kingston Staff Consulted:

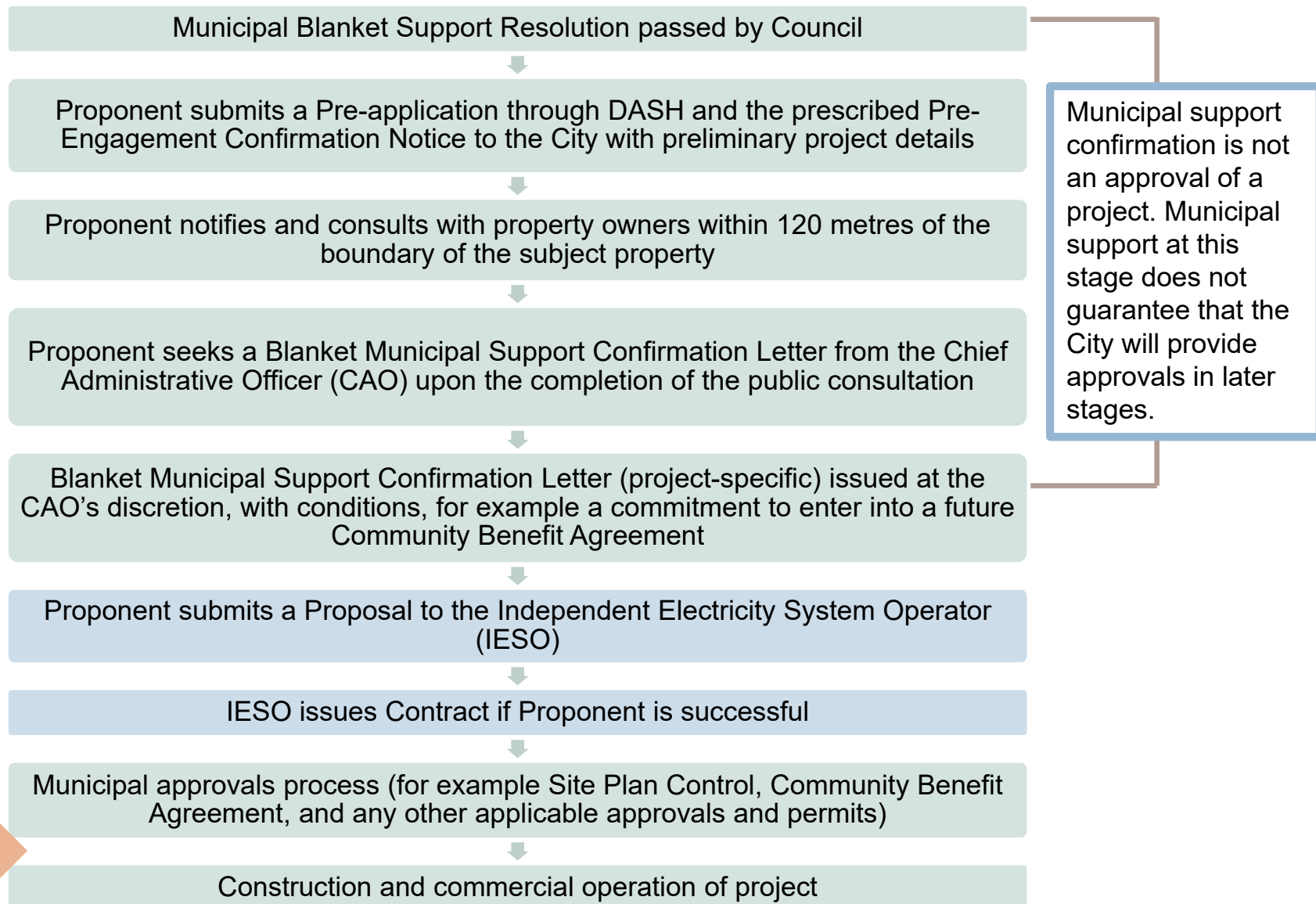
David Fell, President & CEO, Utilities Kingston

Paul MacLatchy, Environment Director

Exhibits Attached:

- | | |
|-----------|---|
| Exhibit A | Steps for the Review of Energy Supply and Capacity Services Projects under the Long-Term 2 Program (Window 1) |
| Exhibit B | Draft Template for the "Blanket Municipal Support Confirmation Letter" (project-specific) |

Steps for the Review of Energy Supply and Capacity Services Projects under the Long-Term 2 Program (Window 1), City of Kingston





where history and innovation thrive

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Kingston, ON K7L 2Z3

Date

Independent Electricity System Operator
120 Adelaide Street West
Suite 1600
Toronto, Ontario M5H 1T1
LT2.RFP@ieso.ca

Blanket Municipal Support Confirmation Letter (Project-Specific)

Name of Project: X

The Proponent is proposing to construct and operate a Long-Term <Energy Project / Capacity Services Project> located on Municipal Project Lands, as defined and with the characteristics outlined below, under the <Long-Term 2 Energy Supply (Window 1) Request for Proposals (LT2(e-1) RFP) / Long-Term 2 Capacity Services (Window 1) Request for Proposals (LT2(c-1) RFP)> issued by the Independent Electricity System Operator(IESO).

The Proponent has delivered a Pre-Engagement Confirmation Notice to City of Kingston in respect of the Municipal Project Lands that includes the details outlined below:

- Unique Project ID of the Long-Term Energy Project (if available): X
- Legal name of the Proponent: X
- Name of the Long-Term <Energy Project / Capacity Services Project>: X
- Technology of the Long-Term <Energy Project / Capacity Services Project>: X
- Maximum potential Contract Capacity of the Long-Term <Energy Project / Capacity Services Project> (in MW): X
- Property Identification Number (PIN), or if PIN is not available, municipal address or legal description of the Municipal Project Lands: X

The City of Kingston supports the submission of a Proposal for the Long-Term <Energy Project / Capacity Services Project> located on the Municipal Project Lands.

This Letter's sole purpose is to satisfy the mandatory requirements of Section 4.2(c)(iii) of the <LT2(e-1) RFP / LT2(c-1) RFP> and may not be used for the purpose of any other form of approval in relation to the Proposal or Long-Term <Energy Project / Capacity Services Project> or for any other purpose. This Letter does not supersede any applicable permits or approvals under applicable Laws and Regulations that may be required for a particular Long-Term <Energy Project / Capacity Services Project>.

The Proponent has undertaken community engagement activities in respect of the Long-Term <Energy Project / Capacity Services Project> to the satisfaction of the City of Kingston.

The Proponent has undertaken, or has committed to undertake, Indigenous engagement activities in respect of the Long-Term <Energy Project / Capacity Services Project> to the satisfaction of the City of Kingston.

The Municipal Project Lands <does / does not> include lands designated as Prime Agricultural Areas in the City of Kingston Official Plan.

Where the Municipal Project Lands does include lands designated as Prime Agricultural Areas in the City of Kingston Official Plan as of the date of this Letter,

- the Municipal Project Lands are not designated as Specialty Crop Areas;
- The Long-Term Energy Project is not a Non-Rooftop Solar Project;
- The Proponent has satisfied the Agricultural Impact Assessment (AIA) Component One Requirement to the satisfaction of the City of Kingston; and
- If the Proponent is selected as a Selected Proponent under the <LT2(e-1) RFP / LT2(c-1 RFP)>, the City of Kingston will engage in good faith with the Selected Proponent to enable the Selected Proponent to complete the AIA Components Two and Three Requirement.

If the Proponent is selected as a Selected Proponent under the <LT2(e-1) RFP / LT2(c-1 RFP)>, the Proponent commits to entering into a Community Benefit Agreement with the City of Kingston, which will be negotiated at the time of required future municipal approvals.

The Long-Term <Energy Project / Capacity Services Project> will be reviewed against the City of Kingston Tree By-Law and will be subject to all applicable provisions.

[signature line]

Lanie Hurdle, Chief Administrative Officer

Email: hurdle@cityofkingston.ca

Phone: 613-546-4291 ext. 1231

cc: Proponent