



REPORT

TO: Mayor Lawlor and Members of Council

FROM: Chris Mills, CAO

DATE: December 11, 2023

REPORT NO.: ADMIN-2023-036

SUBJECT: Halton Hills Generating Station Expansion Project

RECOMMENDATION:

THAT Report No. ADMIN-2023-036, dated December 11, 2023, regarding Halton Hills Generating Station Expansion Project be received;

AND FURTHER THAT the request from Atura Power for the Town of Halton Hills to provide support for the Halton Hills Generating Station Expansion Project proposal (“Municipal Support Resolution”) for Atura Power or a direct or indirect affiliate thereof (the “Proponent”) for the development, construction, and operation of the proposed new Natural Gas Turbine Generator Expansion Long-Term (LT1) Reliability Project up to 265MW (“Expansion Project”) within the Town of Halton Hills located at the site of the existing generating station at Sixth Line and Steeles Avenue within the Town of Halton Hills (“Municipal Lands”) as outlined in Report No. ADMIN-2023-036;

A) be granted to Atura Power, as requested;

AND FURTHER THAT the Mayor be authorized to sign the Municipal Support Resolution, attached to this report as Appendix A to ADMIN-2023-036, and forward the signed Municipal Support Resolution to Atura Power prior to the December 12, 2023, IESO LT1 RFP submission deadline;

AND FURTHER THAT the sole purpose of this Municipal Support Resolution is to enable the Proponent to receive Rated Criteria Points under the Independent Electricity System Operator (IESO) LT1 RFP or to satisfy its obligations under any awarded 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;

AND FURTHER THAT this Municipal Support Resolution does not supersede any

applicable permits or approvals under applicable Laws and Regulations that may be required for a particular Long-Term Reliability Project. This resolution shall only be used for LT1 RFP proposals after its adoption by Council.

OR

B) not be granted to Atura Power.

KEY POINTS:

The following are key points for consideration with respect to this report:

- At the October 30, 2023 Council Meeting, Atura Power representatives delegated to Council and requested that the Town of Halton Hills provide support for a submission by Atura Power to the Independent Electricity System Operator (IESO) to expand the Halton Hills Generating Station by adding a turbine,
- At the same Council meeting, numerous delegations, both residents and representatives of groups, raised concerns and expressed that the Town should not support Atura Power's submission,
- At the November 20, 2023 Council Meeting, an in-camera presentation was made to Council by Willms & Shier Environmental Indigenous and Energy Law LLP to provide legal advice regarding the provincial environmental regulatory processes and IESO LT1 RFP processes associated with the Halton Hills Generating Station Expansion Project proposal,
- The current deadline for submitting proposals under the IESO LT1 RFP procurement process is December 12, 2023 and IESO's target date to select proponents is currently May 10, 2024,
- Atura Power representatives have indicated that a submission will not be made by Atura Power if the Town of Halton Hills does not provide a Municipal Support Resolution before the deadline. Atura Power has also indicated that it will not accept a conditional Municipal Support Resolution,
- In consideration of a Municipal Support Resolution from the Town by December 12, 2023, Atura Power has made a Community Benefit Fund offer,
- Atura Power is offering a Community Benefit Fund in the amount of \$1,100 per MW per year for 150MW of expanded capacity for the 12 year IESO contract, equaling \$165,000 per year,
- IESO could potentially contract with Atura Power for the full 265MW capacity of the new turbine.

BACKGROUND AND DISCUSSION:

The Atura Power Halton Hills Generating Station is located in the Town of Halton Hills at the corner of Steeles Ave and Sixth Line. It is a natural gas-fueled turbine electrical generating station with a capacity of 683 MW. The name of the generating station denotes its location in Halton Hills. The name has no association with the destination of the electricity generated. The Halton Hills Generating Station supplies electrical power

to the provincial transmission grid and the electricity is distributed throughout the province. The generating station is owned by Atura Power which is a wholly owned subsidiary of Ontario Power Generation (OPG). OPG is a Crown corporation established under the Business Corporations Act (Ontario). The Government of Ontario is the sole shareholder of OPG.

IESO Procurement Projects

Atura Power is currently involved in two IESO procurement projects.

- The first project involves “Efficiency Upgrades”. Atura Power has been awarded a contract with IESO under IESO’s Same Technology Upgrades Solicitation to implement efficiency upgrades at the Halton Hills Generating Station (the “Efficiency Upgrades”). According to Atura the Efficiency Upgrades will be limited to replacing parts of its two existing natural gas fired turbines. Atura Power has stated that the increased power output arising from the Efficiency Upgrades would be approximately 27 MW.
- The second project involves an expansion of the Halton Hills Generating Plan. Atura Power has advised the Town that it is considering submitting a proposal under the Long-Term 1 Request for Proposals (LT1 RFP) procurement process for the expansion of the Halton Hills Generating Station by adding a turbine (the “Expansion Project”). Atura Power appeared at the October 30, 2023 Council Meeting seeking municipal support for the Expansion Project.

On November 23, 2023, a third project was announced that is part of Ontario’s Low-Carbon Hydrogen Strategy. The Ontario Minister of Energy announced that Atura Power will receive \$ 4.1 million to blend up to 15 per cent by volume hydrogen with natural gas to produce electricity at Halton Hills Generating Station. The hydrogen is proposed to be trucked from the Niagara Hydrogen Centre in Niagara Falls. The Niagara Hydrogen Center will utilize water that would otherwise have been spilled over Niagara Falls to create electricity that will be used to produce hydrogen for the project.

Evidence of Municipal Support

With a directive from the provincial Minister of Energy to the IESO, the IESO’s LT1 RFP process appears to ultimately require evidence of municipal support (“Municipal Support Resolution”) for a project contract to proceed.

A copy of the template form for the Municipal Support Resolution as provided and prepared by Atura Power from the IESO LT1 RFP procurement documentation is attached as Appendix A to this report.

Atura Power sent the form to the Town on October 25, 2023, and indicated that a Maximum Contract Capacity of 150 MW is noted on page 7, whereas Atura Power’s public materials mention the expansion’s ability to generate 256 MW. It was further explained that potential contract with IESO is indeed capped at 150 MW, however, the turbine Atura Power is proposing to install is 265 MW because there are no turbines exactly 150 MW in size, so the options are to either install several smaller turbines to generate 150 MW, or a single larger one. Atura Power indicated that installing the larger

turbine is a more cost-effective solution that requires much less physical space to install on site.

Review of Environmental Regulations and IESO LT1 RFP Procurement

Town staff hired Willms and Shier Environmental Indigenous and Energy Law LLP to review the environmental regulations and the IESO's LT1 RFP procurement documentation.

The following information represents a staff summary of the legal opinion provided by Willms and Shier and is consistent with the presentation made to Council in the Closed Session of the November 20, 2023, Council Meeting.

IESO LT1 RFP procurement process

The LT1 RFP proposal review process includes a point system (rated criteria) which includes, among other criteria, awarding points to proponents based on municipal support. The maximum points that can be awarded to a proponent for rated criteria is 10 points. The provision of a form of municipal support with a proposal provides the proponent with 4 out of a 10-point maximum.

It is important to note that confirmation of municipal support is not a mandatory requirement for submitting a proposal, although proponents will wish to maximize its points and increase the likelihood of being a successful proponent by seeking a support resolution from the Town.

Atura Power representatives have indicated that a submission will not be made if the Town of Halton Hills does not provide a Municipal Support Resolution before December 12, 2023. Atura Power has also indicated that it will not accept a conditional Municipal Support Resolution.

Although municipal support is not a mandatory requirement for submitting a proposal, should a proponent be successful in gaining award of contract, the RFP LT1 contract provisions currently require a proponent to provide evidence of municipal support to IESO within 60 days after the 18th month anniversary of the date that the contract is awarded. Failure by a proponent to provide evidence of municipal support would constitute a proponent default of the contract and provide IESO the discretion to terminate the contract.

Town staff posed questions to the IESO to clarify the IESO position on the timing of Municipal Support Resolutions and whether conditional Municipal Support Resolutions would be accepted and honoured through the IESO LT1 RFP process. The IESO has responded with responses consistent with the Town's legal opinion on timing of Municipal Support Resolutions and further clarified that a Municipal Support Resolution with conditions may lead to the resolution being rejected by the IESO under the LT1 RFP procurement process.

The current deadline for submitting proposals under LT1 RFP is December 12, 2023 and IESO's target date to select proponents is currently May 10, 2024.

Environmental Regulatory Requirements

Atura Power's Halton Hills Generating Station Expansion Project is designated as an undertaking under Part II of the Environmental Assessment Act (EAA). To be exempt from carrying out an individual Environmental Assessment (EA) under Part II, the proponent must carry out the undertaking in accordance with the Environmental Screening Process under O. Reg 116/01: Electricity Projects ("Electricity Regulations").

The "Environmental Screening Process" is described in Part B of the Ministry of the Environment, Conservation and Parks ("MECP") publication entitled "Guide to Environmental Assessment Requirements for Electricity Projects" (the "Guide"). The Guide has legislative authority through the EAA and Electricity Regulations.

The Guide sets out the processes that must be followed to exempt an undertaking from an individual EA under Part II of the EAA. The Guide sets out processes for three Categories of projects: Category A, B and C. Because the Halton Hills Generating Station Expansion Project is an expansion, it falls under Category B projects.

Category B projects are projects which have potential environmental effects that can likely be mitigated. The Environmental Screening Process is a mandatory self-assessment completed by the proponent on their own timeline in accordance with the Guide. Environmental Screening includes mandatory notice and consultation requirements, however there is discretion by the proponent on the design of their consultation process.

The Environmental Screening Process requires the proponent to prepare a Screening Report. The Screening Report includes, but is not limited to:

- background information including a description of the project, the purpose of the project and an outline of the basic technologies to be used;
- a description of the local environment and conditions;
- information, analysis and discussion of mitigation and impact management
- measures for any potential negative effects identified through application of the application of the screening criteria, including an assessment of the significance of any net effects; and
- commitments to mitigation, impact management, monitoring and/or further consultation and the mechanisms for their implementation and reporting.

Where there are significant environmental effects, or all concerns are not resolved in the Environmental Screening, the proponent must do more studies in a lengthier Environmental Review. The Screening Report and Environmental Review report are subject to review by government, the public and Indigenous community ("Stakeholders") for a period of 30 days after the proponent has published a Notice of Completion of Screening Report / Review Report (the "Review Period").

During the Review Period, Stakeholders can raise environmental concerns with the proponent and the proponent is required to engage with Stakeholders to address these concerns. If there are no elevation requests at the end of the Review Period, the proponent submits a "Statement of Completion" and subject to any other approvals, the project may proceed.

Where a Stakeholder believes its concerns have not been adequately addressed by the proponent during the Screening Report Review Period, the Stakeholder can make an “elevation” request. Elevation is a process through which a Stakeholder with outstanding environmental concerns may request the proponent to change to the status of project review. A change in status could mean an elevation from the Environmental Screening to either an Environmental Review or to an individual EA.

If the proponent declines to voluntarily elevate the project during the Review Period, the party may write to the Minister to request that the project be elevated.

The Minister has several options for responding to an elevation request, which include:

- denial of the request for elevation;
- referral to mediation before making a decision;
- requiring the proponent to conduct further studies before making a decision;
- requiring the proponent to conduct an Environmental Review (if only an Environmental Screening was done); or
- requiring the proponent to prepare an individual EA under the EAA if a Environmental Review was conducted.

An Environmental Review or individual EA requires the proponent to conduct additional studies and consultation with Stakeholders which means additional costs and delays in the project schedule.

Ontario’s Independent Electricity System Operator (IESO)

The Independent Electricity System Operator (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. The IESO is an independent, not-for-profit entity. It is governed by a board whose directors are appointed by the government of Ontario. The IESO’s fees and licenses are set by the Ontario Energy Board and it operates independently of all participants in the electricity market.

The IESO is responsible for monitoring the energy needs of the province in real time, balancing supply and demand and directing the flow of electricity across Ontario’s transmission lines. The IESO works with partners in the electricity sector, as well as Canadian and U.S. neighbours, to ensure that Ontario’s electricity grid operates reliably and that everyone in Ontario has access to the energy they need, when and where they need it.

The IESO uses forecasts to inform future infrastructure planning and supply procurement that consider many variables. These forecasts are regularly updated as new information becomes available to signal new project and investment opportunities.

IESO’s Procurement Considerations

The proposed Halton Hills Generating Station Expansion Project by AURA Power is a response to a procurement process initiated by the IESO to procure additional electricity to the Ontario power grid. The IESO is the responsible authority for planning for

Ontario's electricity supply and has produced planning reports to guide how it will supply future electricity supply.

- **IESO's Resource Eligibility Interim Report**

The IESO released a planning study on October 7, 2022, titled, Resource Eligibility Interim Report, wherein in concluded that in order to maintain electricity system reliability, the IESO recommends that Ontario procure additional electrical generating capacity from a number of sources, including up to 1,500 MW of additional natural gas generation.

The report states that storage offers promise for Ontario's electricity system, but is faced with a number of reliability risks, including potential project delays, supply chain disruptions, grid integration challenges and operational limitations.

It contends that natural gas provides Ontario's electricity system with flexibility, reliability and security as other non-emitting forms of electricity supply are developed.

The study recommended that up to 1,500 MW of incremental natural gas generation be procured to be used during periods of peak demand and it was concluded that without a limited amount of new natural gas in the near term the IESO would be reliant on emergency actions such as conservation appeals and rotating blackouts to stabilize the grid.

As such, the IESO recommended that 4,000 MW of new supply capacity be procured to meet capacity needs in 2025-2027 across the three procurement processes:

1. Same Technology Upgrades,
2. Expedited LT1, and
3. LT1.

And further that this need be addressed by securing approximately 2,500 MW of storage capacity (contributions from non-emitting resources such as hybrids and biofuels) and up to 1,500 MW of natural gas.

The results and conclusions from the IESO's Resource Eligibility Interim Report were incorporated into the IESO's Pathways to Decarbonization Report.

- **IESO's Pathways to Decarbonization Report**

The Pathways to Decarbonization report, December 15, 2022, reviewed the possibilities for different patterns of consumption, broad electrification and the emergence of new technologies, as well as the expansion of the current supply mix over different time frames to transition to a decarbonized electricity system.

This report examined two questions: First, is a moratorium on natural gas generation possible in Ontario's electricity sector? Second, when and how can the sector be decarbonized? In response to these questions, two approaches were taken:

1. The Moratorium scenario, which focuses on 2035, examined whether a moratorium on the acquisition of new natural gas generation is feasible after the IESO's 2022/2023 resource procurements. (A moratorium on new gas within current resource procurements was found to be not feasible, as set out in the Resource Eligibility Interim Report.)

2. The Pathways scenario, which focuses on 2050, explored the time frame within which Ontario's electricity system could be decarbonized. The scenario assumed the decarbonization of the broader economy, which results in a significantly higher projection for electricity demand based on substantial electrification within other sectors (e.g., greater use of electrical heat pumps over fossil fuel heating and cooling, greater use of electric vehicles over fossil fuel vehicles).

The Pathways scenario points to a step change in how the IESO plans to grow and manage the province's electricity system. In order to meet a projected 60,000 MW of customer demand, Ontario will need all of the resources available to it to simultaneously expand and decarbonize. While many options are already available and understood (wind, solar, hydroelectric and large nuclear), others options such as Small Modular Reactors (SMRs) and low-carbon fuels will require support, and their availability is not guaranteed.

The IESO's assessment has concluded that despite efforts to decarbonize, given the forecast for a rising demand for electricity as the province of Ontario transitions to decarbonization of the broader economy, the province's electrical system will still require 8,000 MW of natural gas on the system in 2035, particularly in the GTA, to ensure reliability.

The IESO is proceeding on the basis that the conclusions drawn from these studies and the subsequent recommendations for procurement will enable Ontario's electricity grid to remain reliable and affordable through a period of significant transition.

Concerns from the Public

Staff is aware that numerous comments and concerns have been expressed by the public about the proposed Expansion Project through social media, emails and letters to Town staff and Members of Council. Staff understand there has been communications via numerous channels and to many individual staff and Members of Council, staff have noted generally what has been brought forward to the attention of the Town.

Town residents and individuals and groups from outside the Town have provided feedback about adding a natural gas-fueled turbine to the Halton Hills Generating Station. Those who have expressed concerns have also asked that the Town not provide municipal support to the Expansion Project. The two key areas of general concern associated with impacts from the Expansion Project most frequently raised include:

- Negative health outcomes, including asthma, associated with additional emissions into the atmosphere and added contributions to smog,

- Additional greenhouse gas emissions contributing to global warming, fueling climate change and increasing the likelihood of extreme weather events and negative impacts on biodiversity.

A number of delegations spoke at the October 30, 2023 Council Meeting. The Ontario Clean Air Alliance communicated a number of concerns to the Town about the proposed Expansion Project and has stated that the province can avoid the need for new gas plants by investing in wind and solar energy. Environmental Defence has commented that fossil fuels are the main driver of climate change and the Town should not support the expansion. Dr. Mili Roy representing the Canadian Association of Physicians for the Environment has commented on the health implications of air pollution, which can cause asthma and bronchitis to heart disease, stroke and cancer. Local residents have expressed concerns with the expansion and have requested that the Town not support the Expansion Project and rather advocate for water, solar and wind energy production that will not contribute to climate change.

Concerns have also been expressed that the Halton Hills Generating Station was originally intended to be a peaking plant, but that it appears more and more to be operating much of the time.

According to the Royal Bank, Ontario can completely avoid the need for new gas plants and save \$500 million per year by investing in technologies to increase energy efficiency and shift electricity demand from peak to off-peak periods. The RBC's "Shift the Power" report, dated June 2023, undertaken by the RBC Climate Action Institute. Basically, it argues that Ontario can level off its future electricity demand (and therefore eliminate the need for new gas-fired generating stations) by using smart technology in renewed energy efficiency programs.

It has also been raised that another option to avoid the need for new gas-fired generating capacity in Ontario is to import hydrogenated electric power from Quebec. Ontario's demand for electricity peaks on hot summer days when air conditioners are running full out. But Quebec's demand for electricity peaks on cold winter nights since most of its homes are electrically heated. As a result, Quebec has a surplus of electricity available for export to Ontario in the summer to power air conditioners.

Concerns have also been expressed about the proposed use of hydrogen in the new turbine at the Halton Hills Generating Station. Questions have been raised about the level to which hydrogen can effectively fuel the turbine, how efficiently the hydrogen is produced and stored and the impact of the GHG emissions resulting from trucking the hydrogen from Niagara Falls to the Halton Hills Generating Station.

Community Benefit Fund

At the November 20, 2023, Council Meeting, an in-camera presentation to Council by Willms & Shier Environmental Indigenous and Energy Law LLP, provided legal advice regarding the provincial environmental regulatory processes and IESO LT1 RFP processes associated with the Halton Hills Generating Station Expansion Proposal. Following the presentation, Council directed Town staff to investigate with Atura Power

the possibility of off-setting the increased emissions from the Expansion Project as a condition for providing municipal support.

Consistent with Council's direction, Town staff held a meeting with Atura Power on November 29, 2023 to outline the Town's position and concerns, and to discuss what level of investment Atura Power may be able to provide to the Town in order to assist in off-setting emissions, and addressing the need for direct and measurable mitigation, adaptation and resiliency actions. From the Town's perspective, in the course of discussions and as follow-up, a potential three-pronged approach emerged. It was sought in the form of a comprehensive community benefits framework. This comprehensive community benefits framework was proposed to consist of:

- i. Community Development Fund contribution at a level that is higher than \$1000 per MW;
- ii. Contribution through Atura Power's existing Community Citizenship Program for targeted actions related to mitigation, adaptation and/or resiliency; and
- iii. Contribution for specific Town-led projects aimed at implementing significant mitigation, adaptation and resiliency actions.

Prior to the November 29 meeting, Atura Power emailed to the Town a Community Benefit Fund offer of \$1,000 per MW per year for the 12 year contract. At the November 29 meeting, it was indicated by Atura Power, that \$1,000 per MW is the market rate for a Community Benefit Fund. Also at the meeting, Atura Power indicated that it would provide the Town with its best and final offer by December 4, 2023. This final offer is attached as Appendix B to this report.

In consideration for receipt of a Municipal Support Resolution from the Town of Halton Hills by December 12, 2023 for the Expansion Project, Atura Power has proposed to provide to the Town of Halton Hills, on a yearly basis, a Community Benefit Fund in the amount of \$1,100 per MW per year for the duration of the IESO contract (12 years) based on the ultimate contract capacity awarded to Atura Power by the IESO. Currently, Atura Power is making a submission for 150MW capacity as indicated in the Municipal Support Resolution document prepared by Atura Power, attached as Appendix A. This would amount to a Community Benefit Fund of \$165,000 per year and \$1,980,000 over 12 years.

Atura Power representatives have indicated that they are discussing with the IESO the possibility of ultimately having a contract with the IESO for the full 265MW capacity of the new turbine for the Expansion Project. In which case the Community Benefit Fund to the Town would be \$291,500 per year and \$3,498,000 over 12 years. Atura Power has indicated to staff that they are willing to have discussions about items ii and iii outside of the LT1 RFP process.

It is important to appreciate that it is the IESO who decides what level of capacity to award and contract. The Municipal Support Resolution in Appendix A, that Atura Power prepared and signed for the Town to consider, specifically indicates its submission is for a 150MW capacity expansion.

Atura Power has indicated that if the IESO extends Atura Power's 12 year contract to operate the Expansion Project turbine at the Halton Hills Generating Station, Atura Power would continue to contribute the Community Benefit Fund to the Town for the extended contract duration at the contracted capacity – low of 150MW to a potential high of 265MW as described above. The details of the Community Benefit Fund would follow upon award of the contract to Atura Power by the IESO. The commitment to this Community Benefit fund to the Town from Atura Power has been provided in writing to the Town from Atura Power and is attached to this report as Appendix B.

As noted earlier, the current deadline for submitting proposals under the LT1 RFP is December 12, 2023 and IESO's target date to select proponents is currently May 10, 2024. After proponents are selected, they must then proceed to satisfy the contract requirements under the LT1 RFP which includes satisfying the environmental regulations as described earlier. The timing for the Community Benefit Fund is tied to the operation of the Expansion Project which is dependent on the regulatory process required for Atura Power to complete. Atura Power has indicated that the Community Benefit Fund would start when the Expansion Project is operational in Q2 2028.

The funds can be used by the Town for activities and projects defined within Atura Power's Community Benefit Fund as outlined in Appendix B.

Options

The options associated with this report are as follows:

- A)** Grant the request for a Municipal Support Resolution - this will positively impact the point scoring of the Expansion Project as evaluated by the IESO through the LT1 RFP procurement process and result in a Community Benefit Fund as described above should Atura Power ultimately be awarded a contract by IESO;

OR

- B)** Not grant the request for a Municipal Support Resolution - if Atura Power still proceeds with a submission to the IESO, this will negatively impact the points scoring of the Expansion Project as evaluated by the IESO through the LT1 RFP procurement process and result in no Community Benefit Fund.

STRATEGIC PLAN ALIGNMENT:

This report aligns to the Town's Strategic plan recognizing the value to achieve sustainable growth to ensure that growth is managed so as to ensure a balanced, sustainable, well planned community infrastructure and services to meet the needs of its residents and businesses.

This report also identifies climate change and the environment as one of the Town's Strategic priorities.

RELATIONSHIP TO CLIMATE CHANGE:

This report acknowledges the additional impact of greenhouse gas emissions (GHG) emissions from an expanded natural gas-fueled electric generating station. The GHG emissions from the Halton Hills Generating Station officially contribute to the province's overall contribution of GHG emissions, but they do not contribute to the Town of Halton Hills official inventory and as a result do not technically impact the path to net-zero carbon emissions for the community of Halton Hills as established under Council's 2019 Climate Emergency Resolution. However, the generating station is located within the Town of Halton Hills and the emissions from the Halton Hills Generating Station will be released from within the Town's boundaries into the wider community.

Also, with respect to the impact of the Expansion Project on the Town's approved Low-Carbon Transition Strategy, the Town is promoting less use of GHG emitting energy sources and the greater use of electricity corporately and in the broader economy (e.g., electric heat pumps over fossil fuel heating and cooling, and electric vehicles over fossil fueled vehicles) in addition to finding efficiencies and using more solar electrical generation.

The Town is also planning for growing population and employment. The growing community will need electricity to thrive and for Town residents to continue to enjoy a high quality of life. As a result, the Town must expect to rely on greater demand for electricity from the provincial electricity system in the future. It is understood that the IESO has identified a Pathway to Decarbonization, and it is understood that along that pathway there will be an increasing demand for electricity as fossil fuels are offset in the broader economy. Through this transition the Town will rely on the IESO to ensure a reliable electricity system while making scientific and principled efforts to decarbonize the system to the greatest degree practical.

PUBLIC ENGAGEMENT:

Atura Power has obligations to consult the public and engage with the Indigenous Community as part of the requirements of the IESO's LT1 RFP procurement process. The Town has received delegations at Council Meetings and received written comments raising concerns with the Expansion Project as discussed earlier in this report.

Town staff engaged with the Mississaugas of the Credit First Nation through a meeting held on December 1, 2023 and staff were able to confirm that the Nation had an opportunity to participate in an engagement process with Atura Power regarding the Expansion Project.

INTERNAL CONSULTATION:

An internal staff team has coordinated the inputs from Atura and from the public, including the Climate Change and Asset Management section. Town staff also received advice from Willms & Shier Environmental Indigenous and Energy Law LLP regarding the provincial environmental regulatory processes and IESO LT1 RFP processes.

FINANCIAL IMPLICATIONS:

Upon award of the contract by the IESO to Atura Power for the Expansion Project, an agreement outlining the details of a Community Benefit Fund would follow in the amount of \$1,100/MW per MW per year on the basis of the IESO contract capacity with Atura Power over the duration of the contract.

Appendix A - Municipal Support Resolution

Appendix B - Community Benefit Fund proposal

Reviewed and approved by,

Chris Mills, Chief Administrative Officer