

**Subject: Independent Electricity Service Operator (IESO) Long Term 2 (LT2)
Procurement – Requests for Municipal Support Confirmation**

File Number: ACS2025-SI-CCR-0006

**Report to Environment and Climate Change Committee on 16 September 2025
and Council 8 October 2025**

**Submitted on August 27, 2025 by Debbie Stewart, General Manager Strategic
Initiatives Department**

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Ward: Kanata North (4)

**Objet: Processus d’approvisionnement à long terme (LT2) de la Société
indépendante d’exploitation du réseau
d’électricité (SIERE) – Demandes de confirmation de l’aide
municipale**

Numéro de dossier : ACS2025-SI-CCR-0006

**Rapport présenté au Comité de l’environnement du changement climatique le 16
septembre 2025**

et au Conseil le 8 octobre 2025

**Soumis le 27 août 2025 par Debbie Stewart, Directrice Générale, Direction
générale des initiatives stratégiques**

**Personne ressource : Nichole Hoover-Bienasz, directrice, Services des
changements climatiques et de la résilience, Direction générale des initiatives
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Quartier : Kanata Nord (4)

REPORT RECOMMENDATION(S)

That the Environment and Climate Change Committee recommend that Council grant a Municipal Support Confirmation (MSC), for the purposes of satisfying the mandatory requirements under Section 4.2(c) of the LT2(e-1) RFP, which does not supersede any applicable permits or approvals under applicable Laws and Regulations that may be required for a Long-Term Energy Project, to:

- 1. A proposed solar energy generation project, known as Kanata Solar I, and located at 375 March Valley Road and 940 Klondike Road in Ward 4 – Kanata North as shown in Document 1 and as summarized in Document 2;**
- 2. A proposed solar energy generation project, known as Kanata Solar II, and located at 915 Klondike Road in Ward 4 – Kanata North as shown in Document 3 and as summarized in Document 4.**

That the Environment and Climate Change Committee recommend that Council:

- 3. Approve that any Municipal Support Confirmation granted by Council for a project that is unsuccessful in one provincial procurement window may be used in subsequent procurements, provided there are no substantive changes proposed to the project (i.e. location, size, etc.);**
- 4. Direct staff to develop a policy framework for energy project Municipal Host Agreements for Council consideration in Q1 2026.**

RECOMMANDATION(S) DU RAPPORT

Que le Comité de l'environnement et du changement climatique recommande au Conseil municipal d'accorder une confirmation d'aide municipale (CAM), afin de satisfaire aux exigences obligatoires en vertu de l'alinéa 4(2)c) de la demande de proposition (DDP) LT2(e-1), qui n'a pas préséance sur les permis ou les approbations applicables en vertu des lois et des règlements en vigueur qui peuvent être exigés pour un projet énergétique à long terme, pour :

- 1. un projet de production d'énergie solaire, connu sous le nom de Kanata Solar I, et situé au 375, chemin March Valley et au 940, chemin Klondike dans le quartier 4 – Kanata-Nord, tel qu'indiqué dans le document 1 et tel que résumé dans le document 2.**

2. **un projet de production d'énergie solaire proposé, connu sous le nom de Kanata Solar II, et situé au 915, chemin Klondike dans le quartier 4 – Kanata-Nord, tel qu'indiqué dans le document 3 et tel que résumé dans le document 4.**

Que le Comité de l'environnement et du changement climatique recommande au Conseil :

3. **d'approuver que toute confirmation d'aide municipale accordée par le Conseil pour un projet qui n'a pas été retenu lors d'une période d'approvisionnement provinciale puisse être utilisée lors d'approvisionnements ultérieurs, à condition qu'aucun changement important ne soit proposé au projet (c'est-à-dire l'emplacement, la taille, etc.).**
4. **de demander au personnel d'établir une politique-cadre pour les ententes de projets énergétiques avec la municipalité hôte qui sera soumise à l'examen du Conseil au cours du premier trimestre de 2026.**

EXECUTIVE SUMMARY

In response to the significant demand for electricity in Ontario associated with economic and population growth, and advancements in technology, the Independent Electricity System Operator (IESO) has launched the largest competitive procurement for electricity generation in the province's history.

The Long-term 2 Request for Proposals (LT2 RFP) is seeking to procure 14 terawatt-hours (TWh) of annual generation from energy producing resources and 1,600 megawatts (MW) of capacity resources to meet electricity needs emerging from 2029–2034. Instead of one large procurement, LT2 will be broken down into multiple procurements over time, with four phases or “windows” having its own RFP. The procurement process allows for a wide range of eligible energy resources include wind, solar, natural gas, energy storage, bioenergy, and hydroelectric generation.

A notable change with the LT2 RFP as compared to the previous LT1 RFP is that proponents are now required to pre-engage with the host municipality who will set out the expectations and minimum community engagement requirements with developers directly. This change recognizes the need for each municipality to determine what is sufficient engagement for their respective communities.

In response, staff developed an LT2 Process Protocol which sets out the required steps for proponents seeking municipal support for their projects, known as a Municipal Support Confirmation (MSC). The MSC is a requirement from the IESO to confirm that the developer has undertaken (or is committed to undertake) the notification and engagement activities to the satisfaction of the municipality. The MSC also confirms that the municipality agrees to the proposal being submitted for consideration for the provincial procurement.

This report recommends that Environment and Climate Change Committee grant MSCs to two (2) proposed solar projects as part of this first round of procurement under the LT2 RFP (Window 1 – Energy). Both projects are proposed within Ward 4 (Kanata North) by Portage Power, an affiliate of Hydro Ottawa.

A separate report will be brought to Agriculture and Rural Affairs Committee on October 2, 2025, to recommend additional MSCs be granted for five (5) proposed solar projects in the Rural area, with two proposed in Ward 5 (West-Carleton-March) and three proposed in Ward 21 (Rideau-Jock).

This report also recommends that projects which have received a Municipal Support Confirmation, but which are unsuccessful in any procurement window, and that are not proposing any changes to the details of the project, such as location, size, access, etc., may resubmit their MSC for subsequent procurement windows.

This report also seeks for Council to grant delegated authority to the General Manager, Strategic Initiatives, in consultation with Legal and Finance, to define the key principles upon which Municipal Host Agreements are to be framed and that staff bring forward recommendations to establish a policy framework for such agreements in a report to Council in Q1 2026.

Municipal Host Agreements, also known as a Community Benefits Agreements, are a legally binding agreement between a project developer and municipality, which outlines the financial contributions and benefits the community will receive in exchange for hosting a renewable energy project.

RÉSUMÉ

En réponse à l'importante demande d'électricité en Ontario liée à la croissance économique et démographique et aux progrès technologiques, la Société indépendante d'exploitation du réseau d'électricité (SIERE) a lancé le plus grand processus concurrentiel d'approvisionnement en électricité de l'histoire de la province.

Les demandes de propositions à long terme 2 (DDP LT2) visent à acquérir 14 térawattheures (TWh) de production annuelle à partir de ressources de production d'énergie et 1 600 mégawatts (MW) de puissance installée pour répondre aux besoins émergents en matière d'électricité de 2029 à 2034. Au lieu d'un seul grand processus d'approvisionnement, le LT2 sera divisé en plusieurs processus d'approvisionnement au fil du temps, avec quatre phases ou « périodes » disposant de leur propre DDP. Le processus d'approvisionnement permet un large éventail de ressources énergétiques admissibles, notamment l'énergie éolienne, l'énergie solaire, le gaz naturel, le stockage d'énergie, la bioénergie et la production d'hydroélectricité.

Un changement considérable dans la DDP LT2 par rapport à la DDP LT1 est que les proposants sont désormais tenus de rencontrer au préalable la municipalité hôte, qui définira directement avec les développeurs les attentes et les exigences minimales en matière d'engagement communautaire. Ce changement reconnaît la nécessité pour chaque municipalité de déterminer ce qui constitue un engagement suffisant pour leurs communautés respectives.

En réponse, le personnel a élaboré un protocole de processus LT2 qui définit les étapes requises pour les proposants cherchant à obtenir une aide municipale pour leurs projets, connue sous le nom de confirmation d'aide municipale (CAM). La CAM est une exigence de la SIERE qui vise à confirmer que le développeur a entrepris (ou s'est engagé à entreprendre) les activités de notification et d'engagement à la demande de la municipalité. La CAM atteste également que la municipalité accepte que la proposition soit soumise pour examen en vue de la procédure d'approvisionnement provinciale.

Ce rapport suit la directive du Conseil de décembre 2023 selon laquelle les demandes de CAM doivent être présentées aux comités de façon à permettre aux conseillers de voter sur chaque CAM en tant que point distinct dans un rapport et que toutes les futures demandes de CAM continuent de passer par le comité approprié du Conseil afin de permettre l'engagement et la consultation du public.

Ce rapport recommande que le Comité de l'environnement et du changement climatique accorde des CAM à deux (2) projets solaires proposés dans le cadre de ce premier processus d'approvisionnement de la DDP LT2 (Période 1 – Énergie). Les deux projets sont proposés dans le quartier 4 (Kanata-Nord) par Portage Énergie, une filiale d'Hydro Ottawa.

Un rapport distinct sera présenté au Comité de l'agriculture et des affaires rurales le 2 octobre 2025, afin de recommander l'octroi de CAM supplémentaires pour cinq (5) projets solaires proposés dans le secteur rural, dont deux dans le quartier 5 (West-Carleton-March) et trois dans le quartier 21 (Rideau-Jock).

Conformément à la directive du Conseil formulée en février 2023, tout projet énergétique proposé par Hydro Ottawa ou ses filiales est admissible pour recevoir une résolution d'appui municipal en vertu de la demande de propositions à long terme 1 (DDP LT1) de la SIERE ou d'autres processus d'approvisionnement similaires. Ce soutien doit être accordé dans le cadre de discussions bilatérales directes avec la Ville d'Ottawa, à titre d'unique actionnaire d'Hydro Ottawa.

Ce rapport recommande également que les projets qui ont reçu une confirmation d'aide municipale, mais qui n'ont pas été retenus lors d'une période d'approvisionnement, et qui ne proposent pas de modifications aux détails du projet, tels que l'emplacement, la taille, l'accès, etc., puissent soumettre à nouveau leur CAM pour les périodes d'approvisionnement subséquentes.

Ce rapport demande également au Conseil de déléguer à la directrice générale des Initiatives stratégiques, en consultation avec les services juridiques et financiers, le pouvoir de définir les principes clés sur lesquels doivent être fondées les ententes avec la municipalité hôte, et au personnel de présenter des recommandations visant à établir une politique-cadre pour de telles ententes dans un rapport au Conseil soumis au premier trimestre de 2026.

Les ententes avec la municipalité hôte, également connues sous le nom d'ententes sur les avantages communautaires, sont des ententes ayant force exécutoire entre un développeur de projet et une municipalité, qui décrivent les contributions et les avantages financiers que la communauté recevra en échange de l'accueil d'un projet d'énergie renouvelable.

BACKGROUND

For the first time since 2005, electricity demand in Ottawa has increased, driven by several key factors: growing industrial investment, population growth, the electrification of transportation and building heating systems, the expiry of existing supply and capacity contracts, and scheduled refurbishments at Ontario's nuclear generating station.

Since May 2023, the Independent Electricity System Operator, a Crown corporation, has launched a series of competitive energy procurements, including the Expedited Long-term 1 (E-LT1) RFP and the Long-term 1 (LT1) RFP, which together, resulted in nearly 3,000 megawatts (MW) of energy storage capacity from 26 projects, two of which are to be located in rural Ottawa.

The Long-term 2 (LT2) RFP is the largest competitive procurement for electricity generation in the province's history. The LT2 seeks to procure 14 terawatt-hours (TWh) of annual generation from energy producing resources¹ and 1,600 megawatts (MW) of capacity resources² to meet electricity needs emerging from 2029–2034. Instead of one large procurement, LT2 will be broken down into multiple procurements over time, with four phases or “windows” having its own RFP.

Window 1 (Energy) was launched on June 27, 2025, with a target deadline of October 16, 2025, for proposal submissions. Contracts are expected to be awarded in Q2 2026 with projects expected to come into commercial operation in 2029/2030. Windows 2 through 4 will be launched between now and 2027 with all contracts to be awarded by March 31, 2029. The LT2 RFP proposes initial 20-year contract terms for wind, solar and biomass projects.

The LT2 RFP is a technology agnostic competitive procurement to secure the lowest cost projects for electricity consumers. Eligible energy resources include wind, solar, natural gas, energy storage, bioenergy, and hydroelectric generation.

A notable change between the LT2 RFP and previous Provincial energy procurements is that the confirmation of municipal support is now mandatory with proposal submissions. This change also enables the IESO to rely on a Municipal Support Confirmation (MSC), previously known as the Municipal Support Resolution, as a confirmation that engagement has been completed or is planned to be completed in a satisfactory manner.

In [February 2023](#), Council directed that requests for Municipal Support Resolution (MSR) that are associated with a provincial energy procurement be considered through

¹ Energy-producing resources are focused on the total amount of electricity they can produce over time, measured in megawatt-hours (MWh). These resources are intended to meet the day-to-day electricity needs of consumers. Examples include, bioenergy facilities, solar facilities, wind facilities and cogeneration facilities. ([IESO, 2025](#))

² Capacity resources provide reliable power when it is needed most (i.e. during peak demand periods). Capacity is measured in megawatts and represents the maximum output a resource can deliver on short notice to ensure the electricity grid has enough supply to avoid blackouts. ([IESO, 2025](#))

the relevant Standing Committee, it being understood that the Standing Committee will act in accordance with the timelines provided in the request for proposals

In [December 2023](#), Council directed that all future requests for MSR through Committees to Council be brought to Committee in a manner that allows Councillors to vote on each MSR as a separate item within one report; that all future requests for MSRs continue to rise through the appropriate Committee of Council to allow for public engagement and consultation, including for LT2 RFP and all future IESO procurements, until such time as new direction is provided by Council; and that upon the approval of new zoning provisions for battery energy storage system (BESS) facilities, staff return to Council through Committee with recommendations for updated direction for managing the MSR process.

On [June 6, 2024](#), the Minister of Energy and Mines and the Ontario Ministry of Agriculture, Food, and Agribusiness released a Ministerial Directive stating that new electricity projects are to be prohibited in prime agricultural areas as designated by a municipality's Official Plan.

In February 2025, City Council approved policies through an Official Plan Amendment and Zoning By-law Amendment ([ACS2025-PDB-PS-0016](#)) clarifying where and how Battery Energy Storage Systems (BESS) may be permitted in Ottawa. As part of this decision, Council directed that any future request for an MSR related to a BESS project selected under the LT1 procurement be considered as part of the required Zoning By-law Amendment application, as two separate decisions within one report. This direction was specific to the LT1 procurement and does not impact the LT2 RFP.

Projects that are unsuccessful in any procurement window are eligible to participate in subsequent windows as each window is a standalone procurement. The proponent would be required to follow the same pre-engagement steps with the City to comply with the LT2 RFP issued in the applicable window.

DISCUSSION

The Municipal Support Confirmation (MSC) is the instrument used by the IESO to confirm that the developer has undertaken (or is committed to undertake) engagement activities to the satisfaction of the municipality and that the municipality agrees to the proposal being submitted for consideration. A notable change with the LT2 RFP as compared to the previous LT1 RFP is that bids now include evidence of a MSC to be considered by the IESO. These changes recognize the need for each municipality to determine what is sufficient engagement for their respective communities.

A MSC is not an approval of a project, it is only an indication of support in principle. MSCs are separate and independent from any approvals that may be required under the Planning Act (i.e. Official Plans, Zoning By-law, Site Plan) before projects could be built. The MSC does not guarantee that the project will be awarded an IESO Contract and does not supersede any applicable permits or approvals (zoning, etc.) required under the Planning Act. The IESO has prepared a MSC template to be used by municipalities, as shown in Document 7.

LT2 Process Protocol

In July 2025, staff developed a LT2 process protocol for proponents seeking evidence of municipal support for their projects, in order to respond to new IESO requirements for municipal pre-engagement and Municipal Support Confirmation consideration. There are seven (7) steps, which are listed below and summarized in Document 5:

1. Pre-engagement Confirmation meeting with City staff and briefing Head's Up to Ward Councillor
2. Public Notification and Consultation carried out by the Proponent
3. Request for Municipal Support Confirmation (MSC) submitted to staff
4. Request review by City staff
5. Report to Committee and Council on MSC Requests
6. Committee meetings to hear staff recommendations
7. Council decision on MSC Requests

The process protocol requires proponents to provide written authorization from the property owner to meet with City staff as well as authorization to post information about the project on a dedicated page of [Engage Ottawa](#). The process protocol was designed to ensure that members of the public, including to neighbouring properties, are made aware of the proposal and the available project details are shared in advance of Council's consideration.

Requests for MSCs were evaluated by staff based on whether sufficient information was provided, and the public notification and consultation was carried out by the Proponent in accordance with the protocol. Following the protocol, recommendations on MSCs will be made based on the following, to the best of available information at the time:

1. Conformity with Official Plan policies
2. Comments received from the public, registered community groups, technical agencies and public bodies; and,
3. Any other reasonable land use issue identified by City staff.

Request for Municipal Support Confirmation

The City has received requests to provide Municipal Support Confirmations (MSCs) for seven (7) projects in Ottawa under the first window of the LT2 procurement.

This report recommends that Environment and Climate Change Committee grant MSCs to two (2) proposed solar projects as part of this first round of procurement under the LT2 RFP (Window 1 – Energy). Both projects are proposed within Ward 4 (Kanata North) by Portage Power, an affiliate of Hydro Ottawa.

A separate report will be brought to Agriculture and Rural Affairs Committee on October 2, 2025, to recommend additional MSCs be granted for five (5) proposed solar projects in the Rural area, with two proposed in Ward 5 (West-Carleton-March) and three proposed in Ward 21 (Rideau-Jock).

Recommendations 1 and 2: That the Environment and Climate Change Committee recommend Council grant a Municipal Support Confirmation (MSC), for the purposes of satisfying the mandatory requirements under Section 4.2(c) of the LT2(e-1) RFP, which does not supersede any applicable permits or approvals under applicable Laws and Regulations that may be required for a Long-Term Energy Project, to:

1. A solar energy generation project known as Kanata Solar I, proposed by Portage Power, a subsidiary of Hydro Ottawa, up to a size of 8.67 mW at 375 March Valley Road and 940 Klondike Road. This project is proposed in Ward 4 – Kanata North, as shown in Document 1 and summarized in Document 2.
 - a. Site description: The site located at 375 March Valley Road is situated on the west side of March Valley Road, approximately 300 metres south of Klondike Road. The lands are currently vacant and vegetated. The site located at 940 Klondike Road is contiguous with 375 March Valley Road and situated at the southwest corner of March Valley Road and Klondike Road. The site is contiguous with a golf course. The surrounding lands are occupied by existing residential development to the west and vacant land to the east and north. A large watercourse cuts through the centre of the site.

- b. **Project Description:** Kanata Solar I will comprise of up to 8.7 mW of solar panels proposed on a total buildable area of 15 hectares. The project is likely to connect to the existing 28kV distribution line on March Valley Road. No additional expansion work is anticipated in order to connect the generation facility. Both sites are to be accessed from March Valley Road. A 15-metre setback from property lines is proposed. The existing golf course is to be outside the project area, and two existing ponds are proposed to be preserved. No water, gas or telecommunication servicing required.
- c. **Official Plan and Zoning:** The project lands are located within the Kanata North Special District as shown on Schedule B5. The lands to the east of the site are within the Greenspace designation as shown on Schedule B4. Both properties are zoned Business Park Industrial Zone (IP8 [1707] H(15)-h) with a subzone and exception zone, and with a height limit of 15 metres and a holding zone. Exception 1707 as well as the holding zone was issued as part of an Ontario Municipal Board Decision in 2009 to require that public consultation be undertaken as part of the Site Plan Control process for the first proposal for the lands.
- d. **Community Consultation:** On August 25th, the project proponents hosted a Community Information Session to present details of the proposal and receive community feedback on Kanata Solar I and II. Attendees raised questions regarding potential local impacts, including property values, screening and setbacks, technical specifications, and environmental and safety considerations. The session reflected a generally positive tone, with participants expressing interest and support for renewable energy initiatives.
- e. **Staff comments:** Currently, renewable energy generation facilities that are to be subject to a provincial Renewable Energy Approval are not specifically permitted within the Kanata North Economic District, however, Section 6.6.3.2, Policy 2 of the Official Plan states that the intent is that wherever possible, land use changes that support the district's economic role will not require an Official Plan Amendment. As this Special Economic District will also be subject to the Community Planning Permit pilot study, the Zoning By-law provisions will eventually be replaced by a district specific Community Planning Permit By-law. Kanata North has been identified as an area of the city recognized as in high demand for energy as the high-tech sector advances. The proposed project will help respond to the demand and support the economic competitiveness of the sector in Kanata North. In the interim, zoning and site plan approvals will be required. The proponent has committed to undertake the notification

and engagement activities to the satisfaction of staff and staff agree with the proposal being submitted for consideration.

2. A solar energy generation project known as Kanata Solar II, proposed by Portage Power, a subsidiary of Hydro Ottawa, up to a size of 4.35 mW and located at 915 Klondike Road. This project is located Ward 4 – Kanata North, as shown in Document 3 and summarized in Document 4.
 - a. Site description: The site is located along the north side of Klondike Road, approximately 150 metres west of March Valley Road. The site is a rectangular parcel that is vacant and forested.
 - b. Project description: Kanata Solar II will comprise of up to 4.35 mW of solar panels proposed on a total buildable area of 6 hectares (15 acres). The project is likely to connect to the 28kV distribution line on Klondike Road. The site is proposed to be accessed from Klondike Road. A 15-metre setback from property lines is proposed. No additional expansion work is anticipated in order to connect the generation facility. No water, gas or telecommunication servicing required.
 - c. Official Plan and Zoning: The project lands are located within the Kanata North Economic District as shown on Schedule B5. The lands to the east of the site are within the Greenspace designation as shown on Schedule B4. The property is zoned Business Park Industrial Zone (IP8 [1709] H(15)-h) with a subzone, exception with a height limit of 15 metres and a holding zone. Exception 1709 as well as the holding was issued as part of an Ontario Municipal Board Decision in 2009 to require that public consultation be undertaken as part of the Site Plan Control process when future development occurs. It also requires the submission of an Environmental Impact Statement to determine the environmental value of the site, applying the Urban Natural Areas of Environment Evaluation Study evaluation criteria at the time of development review.
 - d. Community Consultation: On August 25th, the project proponents hosted a Community Information Session to present details of the proposal and receive community feedback on Kanata Solar I and II. Attendees raised questions regarding potential local impacts, including property values, screening and setbacks, technical specifications, and environmental and safety considerations. The session reflected a generally positive tone, with participants expressing interest and support for renewable energy initiatives.
 - e. Staff comments: Currently, renewable energy generation facilities that are to

be subject to a provincial Renewable Energy Approval are not specifically permitted within the Kanata North Economic District, however, Section 6.6.3.2, Policy 2 of the Official Plan states that the intent is that wherever possible, land use changes that support the district's economic role will not require an Official Plan Amendment. This Special Economic District also subject to the Community Planning Permit pilot study, the Zoning By-law provisions will eventually be replaced by a district specific Community Planning Permit By-law. In the interim, zoning and site plan approvals are likely to be required. The proponent has committed to undertake the notification and engagement activities to the satisfaction of staff and staff agree with the proposal being submitted for consideration.

In the evaluation of the proposals for Municipal Support Confirmations for Kanata Solar I and II, staff are supportive for the following reasons:

- The use conforms generally with the policies in the City of Ottawa Official Plan,
- The property is not within a Prime Agricultural Area,
- The proponent undertook the required public consultation and adequately responded to initial community comments,
- Impacts of the proposal, including those to natural systems, will be evaluated at the time development applications are submitted. Mitigating measures may be secured where appropriate.
- The proposal will utilize existing distribution lines.

Recommendation 3: That the Environment and Climate Change Committee recommend Council approve that any Municipal Support Confirmation granted by Council for a project that is unsuccessful in one procurement window may be used again in subsequent procurements, given there are no proposed changes (i.e. location, size, proponent, etc.).

Projects that are unsuccessful in any procurement window are eligible to participate in subsequent windows as each window is a standalone procurement. The proponent would be required to follow the same pre-engagement steps with the City to comply with the LT2 RFP issued in the applicable window.

For projects that are unsuccessful in any procurement window, and that are not proposing any changes to the details of the project, such as location, size, access, etc.,

staff recommend that Council approve that the Municipal Support Confirmations already issued may be used again in subsequent procurement windows. Proponents would still be required to follow the LT2 Process Protocol for pre-engaging with staff, as well as providing a heads up to applicable Ward Councillors and public notice of the project.

Recommendation 4: That the Environment and Climate Change Committee recommend Council direct staff to develop a policy framework for energy project Municipal Host Agreements for Council consideration in Q1 2026.

A Municipal Host Agreement, also known as a Community Benefits Agreement, is a legally binding agreement between a project developer and municipality, which outlines the financial contributions and benefits the community will receive in exchange for hosting a renewable energy project. These types of agreements are common in Ontario, throughout North America as well as Europe and are seen as a valuable tool for communities that agree to host renewable energy projects. Some municipalities require Municipal Host Agreements as a standard condition for all energy development projects in their city, while others negotiate them on a case-by-case basis.

The Independent Electricity System Operator (IESO) does not mandate but is strongly encouraging the use of CBAs for energy projects, particularly those involving renewable energy. Agreements can include annual payments per megawatt of capacity, one-time payments, or contributions to local initiatives such as infrastructure improvements, prioritizing local employment opportunities and job training. They may also be used to address mitigation measures if required to support a project.

Many project proponents planning energy projects in Ottawa have proposed CBAs as part of their projects, however, the City does not currently have a framework to consistently evaluate or negotiate them. Pursuant to Ottawa City Council's approval ([ACS2025-OCC-CCS-0071 – Ward 5](#)), which requested that the South March BESS proponent formalize its commitment to a Community Development Fund through a host municipality agreement, staff are now seeking to establish a comprehensive policy framework to support this agreement and future energy project agreements to ensure a consistent approach.

In the interim, until such time as a report to Council to be brought forward, and specifically for LT1 and LT2 projects, the timing of Municipal Host Agreement negotiation is to be after contract award and carried out concurrently with the development approvals process but brought to Council as a separate standalone report.

Next Steps

Project proponents wanting to respond to Window 1 of the LT2 procurement process must secure municipal support and submit their bids to the IESO by October 16, 2025. Once submitted, the IESO will evaluate the proposals, with contract awards for Window 1 expected in Q1 2026. If successful, projects would advance toward commercial operation in 2029 or 2030. Staff will advise Council of the results of the IESO procurement, which is anticipated in late Q1/early Q2 2026.

Prior to construction and operation, successful proponents are required to obtain necessary approvals for energy projects, including municipal planning approvals and provincial renewable energy approvals. Successfully obtaining all required approvals is a condition of the contract between the IESO and project developers.

Through the development review process, the project proponents will be required to provide a range of technical studies such as environmental impact studies, hydrogeological assessments, noise and vibration studies, tree conservation reports, and civil engineering drawings. The project proponents are aware that mitigating measures and changes to project design may be required where directed by applicable policy and requirements.

FINANCIAL IMPLICATIONS

There are no direct financial implications.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

COMMENTS BY THE WARD COUNCILLOR(S)

Councillor Cathy Curry provided the following comment:

I am satisfied that the proponents have fulfilled the requirements of the first two steps of the LT2 process protocol and appreciated the opportunity for myself and the Kanata North community to become more informed and to participate in the public consultation. Community members were able to ask questions and received fulsome answers by the proponent during the online consultation held to determine community support. Not during the consultation nor in any communications since the consultation have I received feedback from the community that there is any lack of support. The Kanata North community understands the need for increased energy to support the demand on

our grid. Given the importance for increased energy to support the over 700 companies in the Kanata North Technology Park, Canada's Largest Technology Park, that generates over \$14 billion in GDP for Canada, we are pleased to see significant attention key to the Park's economic development and growth—adequate energy supply

CONSULTATION

Public consultation was undertaken for the proposed energy projects in accordance with the requirements set out by the process protocol, as detailed in Document 5. The following provides the key consultation milestones undertaken by the project proponents for Kanata Solar I and II:

- Pre-engagement with staff: July 24, 2025
- Notification to Ward Councillor: July 31, 2025
- Public Notice Sent to neighbouring properties, public bodies, and technical agencies: August 15, 2025 (10 days before Community Information Session)
- Date of Community Information Session: August 25, 2025

A dedicated page was also set up on [Engage Ottawa](#) for residents to access information and resources on the LT2 procurement, learn about the projects seeking municipal support and to be able to submit comments to staff.

The main discussion points raised at the August 25th Community Information Session were focused on property values and visual impact, technical specifications, project structure and timelines, environmental and safety concerns. In addition, questions were raised about the municipal process and benefits, grid connection and power distribution, land use and dual purpose.

ACCESSIBILITY IMPACTS

The City of Ottawa follows a legislative accessibility framework and, as such, adheres to the *Integrated Accessibility Standards Regulation* (IASR) of the Accessibility for Ontarians with Disabilities Act, 2005 (AODA), as well as the City's Accessibility policy and other accessibility-related procedures and guidelines.

ASSET MANAGEMENT IMPLICATIONS

This report does not address City-owned assets; therefore, there are no asset management implications resulting from the recommendations of this report.

CLIMATE IMPLICATIONS

Renewable electricity sources that do not rely on fossil fuels have significantly lower greenhouse gas emissions than those that use fossil fuels. In Ontario, the electricity system produces lower amounts of air pollution and greenhouse gas emissions, meaning that using electricity instead of a fossil fuel to heat homes or power vehicles avoids both air pollution and greenhouse gas emissions. The manufacturing and use of the solar panel materials themselves is significantly less than the emissions and impacts resulting from the combustion of fossil fuels.

The City of Ottawa's Climate Change Master Plan encourages increasing the supply of renewable energy through local and regional production and encourages municipal support for private action to reduce greenhouse gas emissions.

ECONOMIC IMPLICATIONS

Municipalities play an instrumental role in supporting the province's goal of ensuring a sustainable and resilient electricity system now and into the future. The willingness on the part of City Council to host these projects would positively respond to the projected growth in electricity demand across Ontario and will help to enhance community resilience through a more reliable energy grid, which in turn will help support industry and maintain employment in key sectors, such as the high-tech sector.

ENVIRONMENTAL IMPLICATIONS

While offering clean energy, the construction and operation of large-scale solar operations can affect local ecosystems, wildlife, and land use. Through the development approvals process, proponents will be required to comply with all municipal, Provincial and Federal environmental policies, regulations, and legislation and to demonstrate how environmental impacts are to be appropriately mitigated.

INDIGENOUS, GENDER AND EQUITY IMPLICATIONS

LT2 RFP (Long-Term 2 Request for Proposals) puts an emphasis on Indigenous participation and engagement in energy projects. The RFP awards points based on the level of Indigenous ownership and participation, with greater consideration given to

projects involving Indigenous partnerships. The project proponents for Kanata I and II have advised that they have engaged in talks with possible indigenous partners, but are not likely to pursue partnership.

RISK MANAGEMENT IMPLICATIONS

Land use compatibility issues may arise following contract issuance, as detailed planning applications will be reviewed at later stages. Sites that progress through earlier phases may encounter unforeseen challenges during municipal planning approvals.

The Independent Electricity System Operator (IESO) has set tight timelines that necessitate public consultation activities to occur concurrently with legislative and briefing processes. This overlap may constrain stakeholder engagement and limit the ability to incorporate feedback in real time.

There is also a potential risk that energy demand may outpace supply if the IESO is unable to secure a sufficient number of successful bids. This could impact the reliability of future energy availability and necessitate contingency planning.

RURAL IMPLICATIONS

Prime agricultural areas are lands recognized as having the best potential to grow crops and include specialty crop areas, and in Ottawa's Official Plan are designated as Agricultural Resource Area and shown in Schedule B9 of the Official Plan. In Ottawa, there are no prime agricultural areas located within the urban boundary.

As none of the projects that are the focus of this report are proposed in the rural area or on prime agricultural lands as per the Official Plan, this report is consistent with the Ministerial policy direction. There are no rural implications associated with this report.

TERM OF COUNCIL PRIORITIES

The recommendations in this report will have positive impacts on the 2023-3036 City Strategic Plan and Term of Council Priorities, including: Economic Growth and Diversification, Environmental Stewardship, Service Excellence Through Innovation, Sustainable Infrastructure, and a Thriving Workforce.

SUPPORTING DOCUMENTATION

Document 1: Kanata Solar I – Location Map

Document 2: Kanata Solar I – Site Plan

Document 3: Kanata Solar II – Location Map

Document 4: Kanata Solar II – Site Plan

Document 5: LT2 Process Protocol

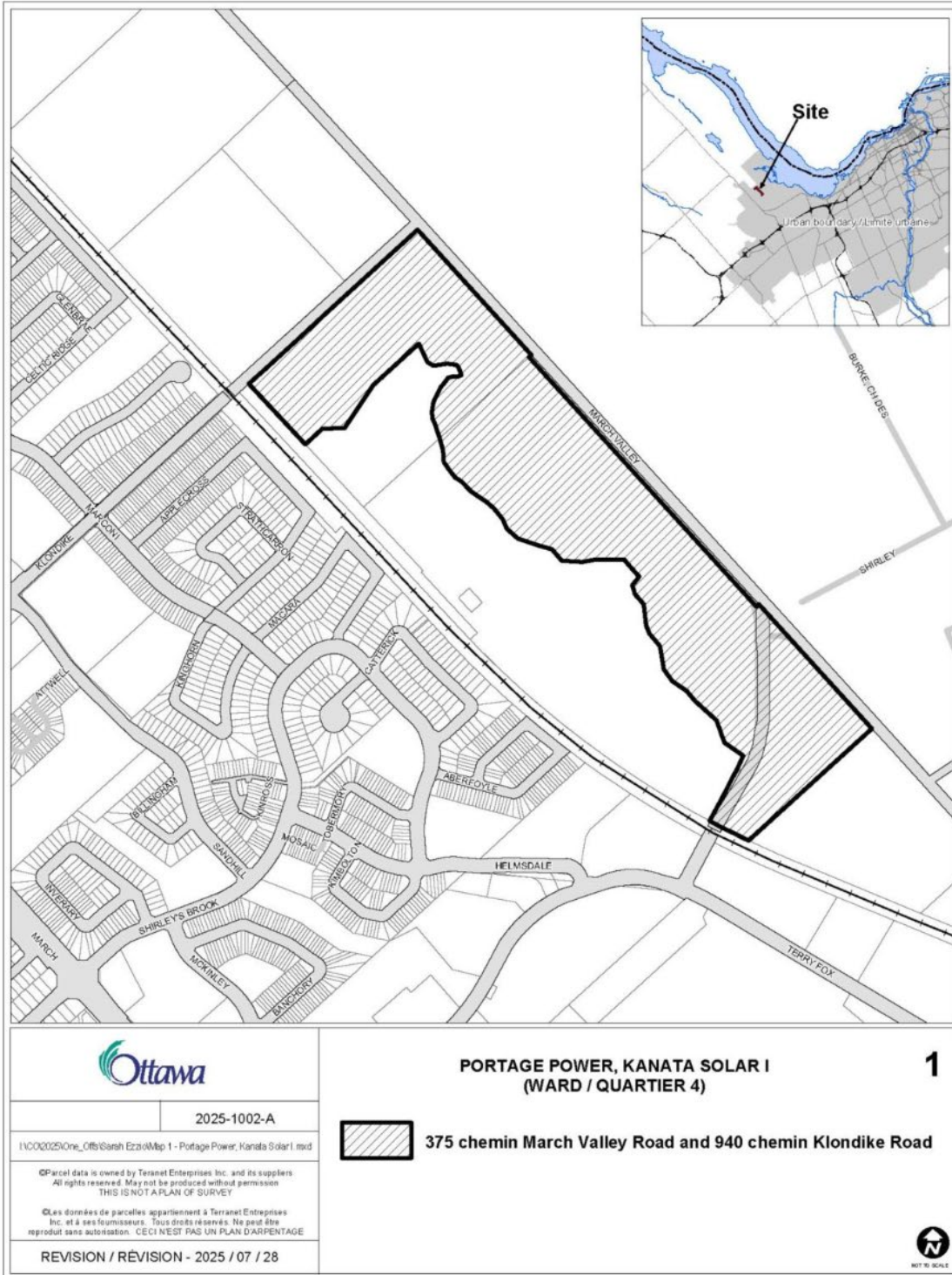
Document 6: Proponent Checklist for Pre-Engagement Confirmation

Document 7: Municipal Support Confirmation Template Form

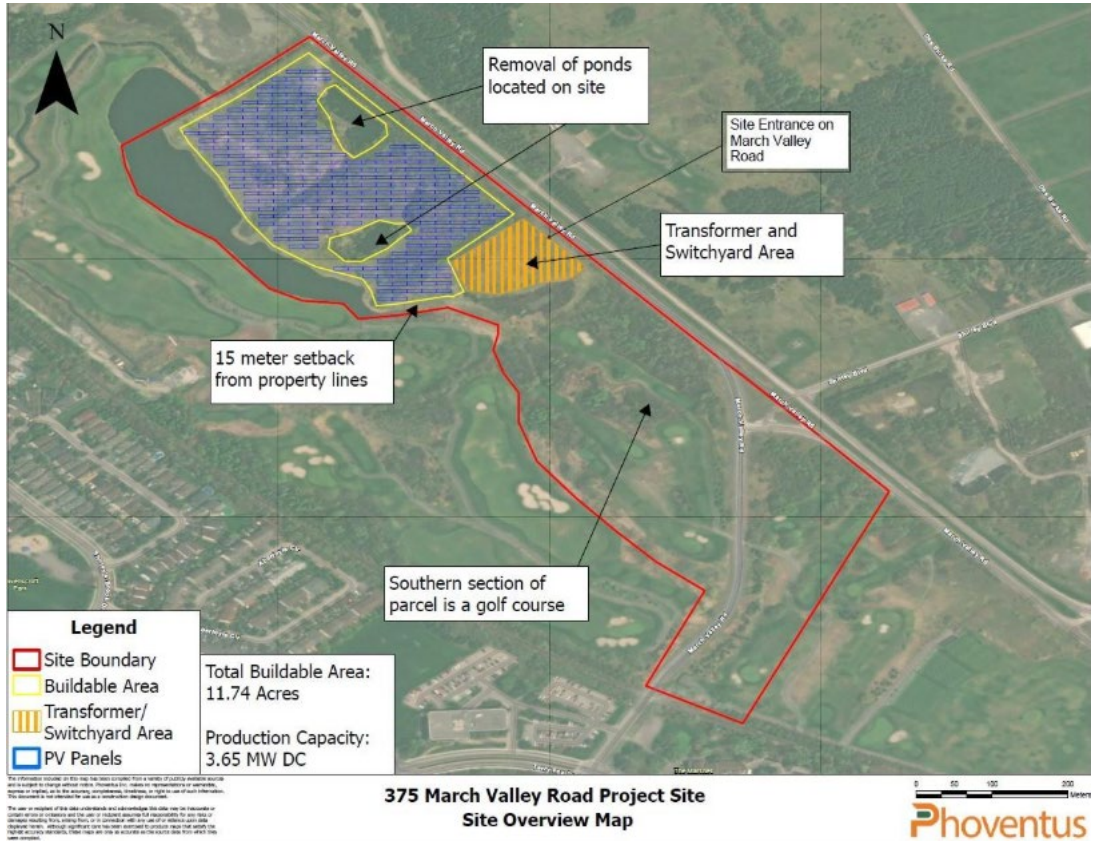
DISPOSITION

City Clerk to prepare the necessary signatures required by the IESO as evidence of projects that have been granted a Municipal Support Confirmation, using the completed template forms as shown in Document 7, which shall be provided by proponents.

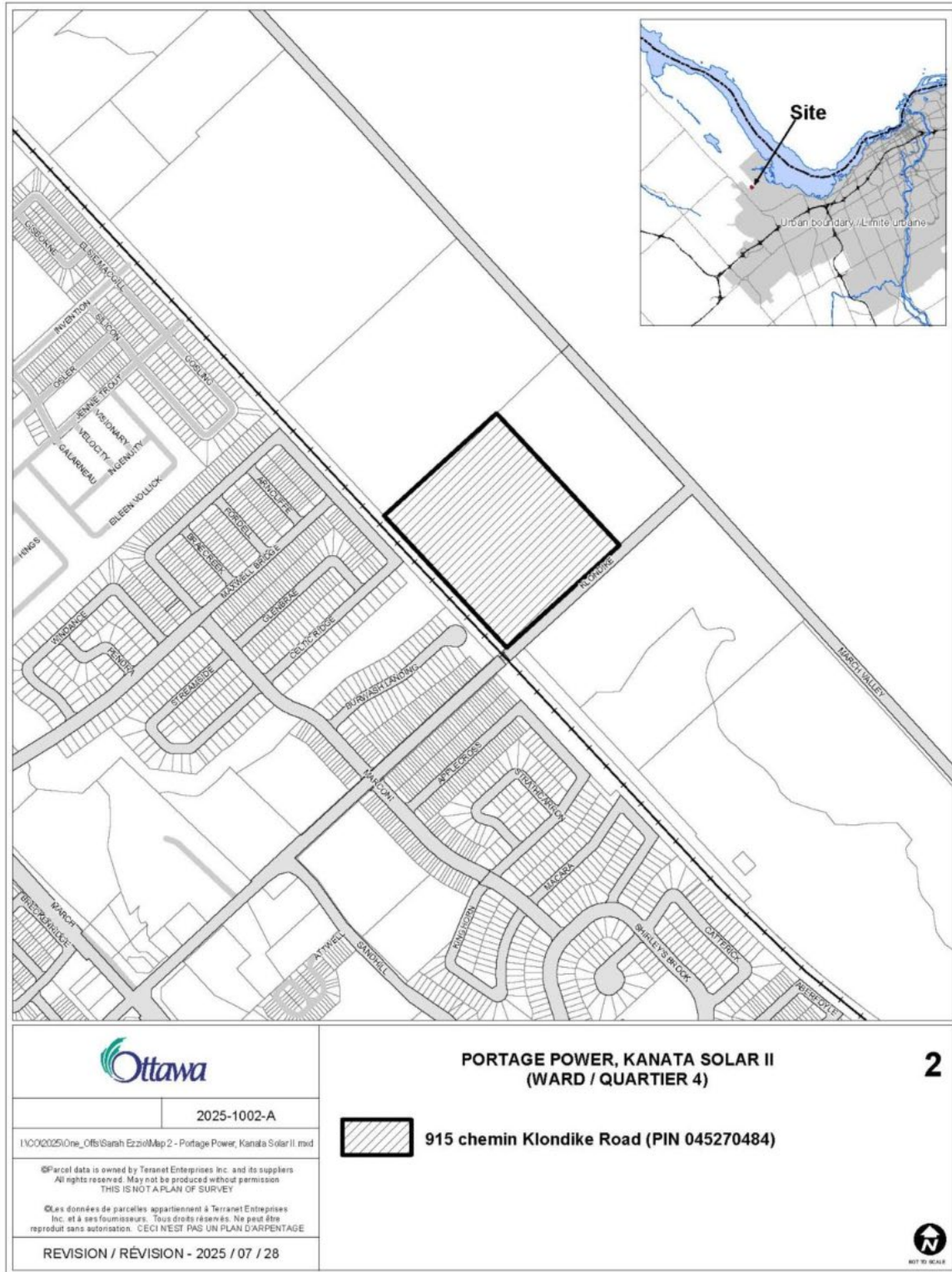
Document I: Kanata Solar I - Location Map



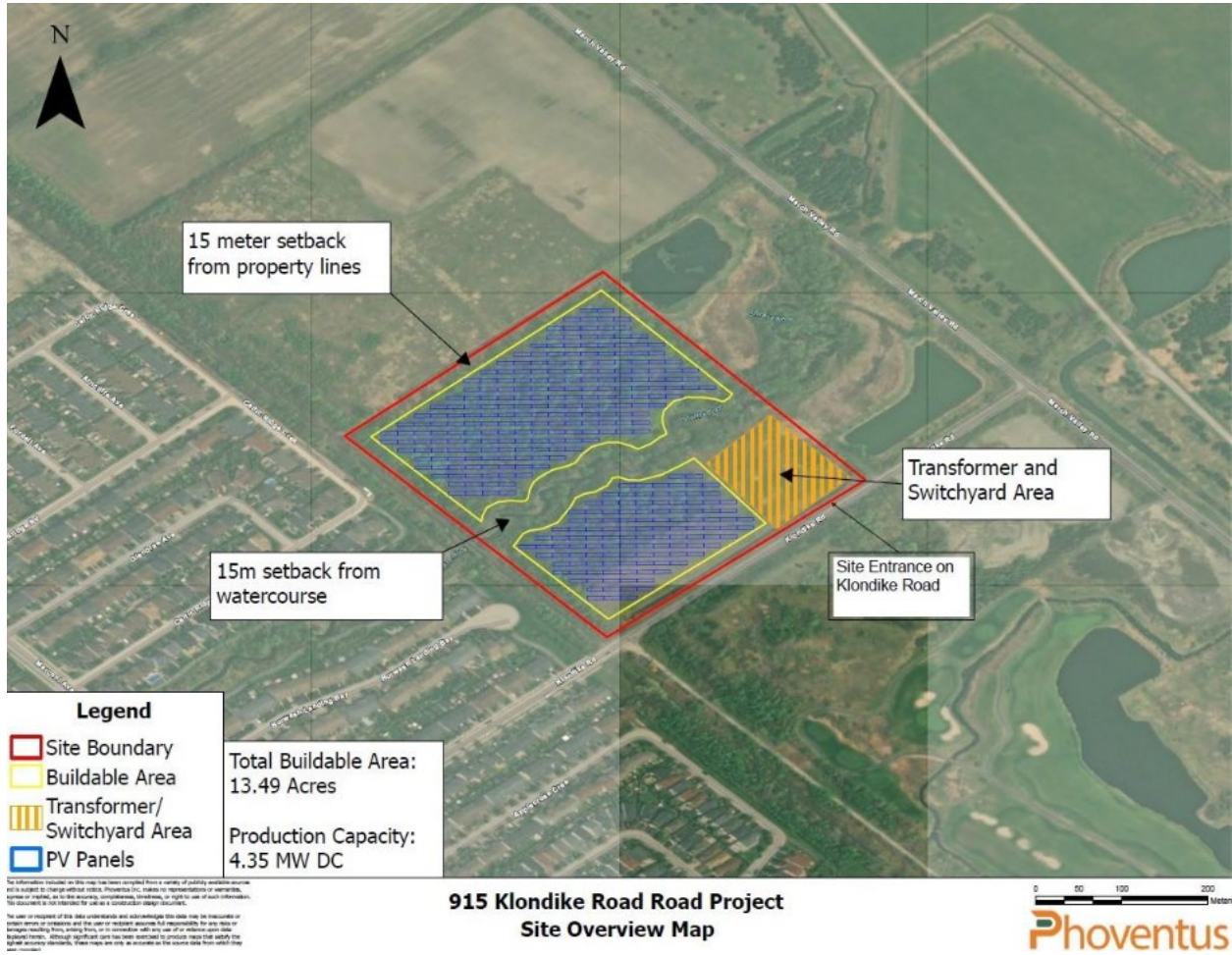
Document 2: Kanata Solar I - Site Plan



Document 3: Kanata Solar II – Location Map



Document 4: Kanata II Solar – Site Plan



Document 5: LT2 Process Protocol

1. Pre-engagement Confirmation with City staff and Ward Councillor

The pre-engagement step is the first opportunity for municipalities to raise any general questions or concerns about a project to the developer. Although developers may not have exact project details at this early stage of the process, they should be able to answer questions around best practices, safety characteristics, and likely impacts of a project. The following requirements will be outlined by staff as part of this step:

- Procedures for advising and working with Ward Councillors, providing public notice of projects and expectations for community engagement.
- Legislative timelines for reporting to Council on projects seeking Municipal Support Confirmations.
- What land use and siting requirements currently apply at the location for the proposed project (i.e. Official Plan and Zoning By-law provisions).
- Downstream approval requirements and associated timelines.
- Share any available best practice information for energy projects.

The IESO requires that proponents carry out this step by no later than sixty (60) days prior to the proposal submission deadline. Specifically, for LT2 (W-1 Energy stream), this step must be completed by no later than July 18.

Requests for Pre-engagement Confirmation are to be submitted by e-mail to regf_iper@ottawa.ca. Staff will schedule a meeting to discuss the proposal and answer questions related to the Process Protocol, as well as the items as outlined in the Proponent's Checklist for Pre-engagement Confirmation (Document 6)

Following the meeting, City staff will ensure that all required information has been submitted. Upon acceptance, City staff shall advise proponents to provide the Ward Councillor and the Councillors of all Wards within a one-kilometer radius of the site with a "heads up" e-mail indicating the location and nature of the proposed project, and the timing for a virtual Community Information and Comment Session to be held. Proponents may be asked to meet with the Ward Councillor to discuss proposals in advance.

2. Public Notification and Consultation to be carried out by the Proponent

Proponents must provide written notice of the proposal and seek comments on the proposal as soon as possible to:

1. The City Clerk
2. The Ward Councillors identified by City staff and the Member of Parliament for that constituency
3. Registered community groups
4. All owners or occupants of residential property within a 120-metre radius from the lot on which the project is to be located. Projects proposed in the rural area should consider a larger radius to ensure sufficient notice is provided where larger lots are expected
5. Technical agencies including Hydro Ottawa or Hydro One (whichever service area the project is located in), the National Capital Commission, and the applicable Conservation Authority
6. The City Clerk of any neighbouring municipalities which are within a 1-kilometre radius of the project location

Written notice shall contain, at a minimum, the following:

1. A project website, including contact information (i.e. mailing address, phone number and e-mail address)
2. A description of the proposed project including a) legal name of the proponent, b) name of the project, c) technology type, and d) maximum potential contract capacity.
3. A summary of the Proponent's Checklist document
4. A map showing the location of the proposed project on the site, as well as its proximity to adjacent properties
5. A site plan of the proposed project at a minimum 1:200 scale
6. A site plan of the proposed project superimposed on an aerial photo
7. Notice of the date and time for a virtual Community Information and Comment Session to be held, no earlier than 14 days and no later than 20 days from the

date of mailing the notice or publication in the Councillor newsletter or community newspaper.

Notice information shall also be shared on the City's dedicated Engage Ottawa website. If at any point during this process the proposal is revised, the proponent must advise staff and the Ward Councillor of these changes as soon as possible. If revisions to the proposal include a change in location or size of a project, City staff will advise the proponent whether a resubmission of materials is required.

Notice of a Community Information and Comment Session:

Proponents intending to submit proposals under Window 1 (Energy) of the LT2 RFP must convene a virtual Community Information and Comment Session. Dates are to be determined based on input from the Ward Councillor and included in the public notice.

3. Request for Municipal Support Confirmation (MSC) submitted to staff

Formal requests by proponents to be considered as part of a report to Council on requests for Municipal Support Confirmation, specific to the LT2 RFP – Window 1 (Energy), must be received by e-mail to regf_iper@ottawa.ca by no later than Friday, August 8, 2025. The following is to be included with the request:

1. Confirmation of the date that all technical agencies and public bodies identified in this protocol are to be notified of the proposal
2. Copies of any e-mail or written submissions made by the public or registered community groups and all responses
3. A record of attendees to the information and comment session, including a summary of comments and responses

4. Request review by City staff

Staff will review the submitted documents and make a recommendation to Committee(s) based on the following:

1. Conformity with Official Plan policies
2. Comments received from the public, registered community groups, technical agencies and public bodies
3. Any other reasonable land use issue identified by City staff

5. Report to Committee and Council on MSC Requests

City staff will bring a report to consider MSC requests to the September 3, 2025, Agricultural and Rural Affairs Committee and the September 16, 2025, Environment and Climate Change Committee. The report will rise to City Council on September 24, 2025. A link to the report will be uploaded on this page once it is posted to the City's website, approximately ten (10) days prior to the first committee meeting.

6. Committee meetings to hear staff recommendations

Standing Committee meetings in Ottawa are part of the city's decision-making process, where issues are discussed in detail before recommendations are brought to City Council for a decision. Committee meetings are open to the public and can be attended virtually or in person. Members of the public may provide either written or oral submissions (or both) to committee meetings related to items on the Committee's agenda, however, it is only at standing committee meetings that you may make a presentation. Anyone may register to speak by contacting the Committee Coordinator using the contact information shown at the top of the meeting agenda.

7. Council decision on MSC Requests

Decisions on the requests for MSC will be voted on at the September 24, 2025, meeting of City Council.

8. Submission of the Proposal to the IESO and Contract issuance

Evidence of municipal support by way of a Municipal Support Confirmation is mandatory to be eligible to bid under the LT2 procurement process. Proponents are responsible for making applications within IESO's established timing windows for the LT2 procurement.

9. Municipal and Provincial approvals process

As soon as any selected proponents have been announced by the IESO, they are encouraged to initiate the Pre-consultation process with Development Review staff in the Planning, Development and Building Services Department. It is also recommended that proponents retain qualified expertise (e.g. consulting planners, engineers) and start working on required background studies, including scoping of these studies, as early as possible to avoid delays in navigating between the municipal and provincial approvals process, should they receive a contract.

Document 6: Proponent Checklist for Pre-engagement Confirmation

The following is a list of items that the Applicant must provide a minimum of one week prior to a pre-engagement confirmation meeting.

The following information is required to be included when sending a request for a meeting:

- Project location (i.e. municipal address, Property identification number, legal description)
- What is the land currently used for? Describe existing development on the site (i.e. buildings, uses, etc.) and adjacent to site.
- Is the site designated Agricultural Resource Area Land as shown on Official Plan [Schedule B9](#)?
- Is the site in proximity to environmental features as shown on Official Plan [Schedules C11A-C](#)?
- Is the site affected by any Environmental Constraint areas as shown on Official Plan [Schedule C15](#)?
- Preliminary Site Plan and aerial photos in PDF format utilizing an appropriate metric scale (1:200 is recommended).
- A written project description that should include at a minimum: technology, size, connections point, timelines for the project including decommissioning plans.
- General idea of any servicing requirements for the project.
- Written authorization from the property owner to meet with City staff
- Proponent's written authorization to share project details on Engage Ottawa
- Has the proponent engaged the Ward Councillor? Provide dates of meetings.
- Community consultation and engagement document including dates of meetings.

Before the meeting:

- Provide a list of attendees

Notes:

- The more details provided, the better the engagement for Council to be informed.
- Should the Applicant not provide the required material to have a productive meeting, the meeting may be postponed until such time that adequate material is provided.
- In the event the Applicant requests to carry on with a preliminary meeting anyway, the Applicant should anticipate an additional meeting be held in order to advance to Step 2 of the process.

Document 7: Municipal Support Confirmation Template Form

Attachment