

August 26, 2024

Elisha Milne
Legislative and Planning Coordinator, Township of Southgate
emilne@southgate.ca

**RE: Official Plan Amendment and Zoning By-law Amendment Applications
OPA1-24 and C20-24 - Township of Southgate Renewable Energy Sources
Township of Southgate**

Dear Elisha Milne,

This correspondence is in response to the above noted applications. We have had an opportunity to review the application in relation to the Provincial Policy Statement (PPS) and the County of Grey Official Plan (OP). We offer the following comments.

Purpose and Effect

The proposed Township Official Plan Amendment (OPA) adds policies to restrict land use designations where renewable energy projects may be allowed, require renewable energy facilities and energy storage systems to be defined, require a site-specific zoning amendment for any new renewable energy facility or energy storage system, and that the Township may require setbacks for such projects that exceed minimum standards.

The proposed Zoning By-Law Amendment implements the OPA by adding definitions of Energy Storage System and Renewable Energy Facilities and amends Section 5.19 whereby all proposed renewable energy facility or energy storage systems will require a site-specific zoning bylaw amendment, unless the facility or storage is for a single property for an individual private user.

The effect of this proposal will be to limit areas in the Township where large scale renewable energy facilities and battery storage facilities are permitted and ensure each new proposal requires a site-specific rezoning with a public meeting.

To supplement the above proposal, Southgate staff report PL2024-026 was provided and has been reviewed in advance of providing comments

Background

County staff are currently undertaking a policy research and review exercise focused on renewable energy. In Spring of 2024, County staff brought forward a staff report, PDR-CW-23-24, regarding Battery Energy Storage Systems (BESS) specifically, as well as exploring the broader context of renewable energy at the Provincial and municipal level. While staff did not recommend a County OP update at this time, should the County pursue a future official plan update, staff suggested it be pursued within the broader context of updated energy and utility policies. A possible future energy policy OPA could also address other elements of a modernized energy system, including considerations for renewable energy facilities (e.g. wind, solar, biogas, etc.) given that the Green Energy Act has been repealed.

Provincial Policy Statement

The PPS 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 (1.6.11.1). In addition, major facilities, such as energy generation facilities and transmission systems, require separation from sensitive land uses (i.e. residential uses) (1.2.6.1). The proposed official plan policy and implementing zoning by-law proposes to limit renewable energy facilities and energy storage systems to the rural land use designation with site specific review.

The PPS also sets out that in prime agricultural areas, permitted uses include agricultural uses, agriculture-related uses, and on-farm diversified uses (OFDU), as well as limited other non-agricultural uses. Further to this, the definition of OFDU permits ground mounted solar facilities only as an OFDU (PPS 2020). Consistent with the PPS, both the County and Southgate official plans permit OFDUs. Should the policy amendment proceed as proposed, staff are concerned that restricting renewable energy facilities and energy storage systems of all scales within the agricultural designation may illustrate a conflict with the PPS.

Further to the above, a new PPS 2024 was released on August 20, 2024 and will come into effect on October 20, 2024, which may further relate to the proposed official plan amendment. Specifically, the definition of OFDU is expanded (as shown in bold text below) and a definition of energy storage system is included.

On-farm diversified uses: means uses that are secondary to the principal agricultural use of the property, and are limited in area. On-farm diversified

uses include, but are not limited to, home occupations, home industries, agri-tourism uses, uses that produce value-added agricultural products, and **electricity generation facilities and transmission systems, and energy storage systems.**

Energy storage system: means a system or facility that captures energy produced at one time for use at a later time to reduce imbalances between energy demand and energy production, including for example, flywheels, pumped hydro storage, hydrogen storage, fuels storage, compressed air storage, and battery storage.

Staff note that the definition for energy storage system in the proposed zoning by-law amendment is reflective of this new PPS definition. The expanded definition of an OFDU appears to indicate that electricity generation facilities, including renewable energy systems, will be permitted as an OFDU in both rural and prime agricultural areas.

Under the current PPS 2020 policy direction, staff note that should an applicant apply for an energy facility on Agricultural land that is larger than OFDU provisions permit, an Official Plan Amendment, Agricultural Impact Assessment, and demonstration that the policy tests of Section 2.3.6.1(b), non-agricultural uses in prime agricultural areas, have been met would be required at minimum.

As such, County planning staff recommend that the proposed official plan policy be amended so that it is reflective of provincial policy direction. This can be achieved by including policy that is supportive of renewable energy facilities as an OFDU. County staff have provided suggested wording in the table below, that may achieve this intent while having regard for the pending transition from PPS 2020 to PPS 2024.

Alternatively, municipal staff and council may wish to defer this amendment until such a time that clearer policy direction has been provided by the province and/or the new PPS comes into effect.

County Official Plan

The County's OP promotes renewable energy that is owned and operated locally and supports the energy independence of residents and businesses as a form of climate change mitigation (Section 7.13 Climate Change). Staff note that there is no clear policy direction regarding where these facilities should be located.

County ecology staff have reviewed the proposed applications and provide the following comment:

Provided there are application triggers for staff to review natural heritage constraints with regard to these proposals, there are no concerns at this time.

Climate Change Action Plan

The County of Grey has adopted a [Climate Change Action Plan](#) (CCAP) that aims to coordinate the County's efforts to embrace and facilitate resilient, sustainable development to mitigate the effects of climate change. The CCAP establishes corporate and community targets for renewable energy generation and outlines specific actions to be undertaken to support the achievement of these targets.

Specifically, the CCAP:

- Encourages the development of renewable energy in Grey County by providing clear and streamlined land use policies, bylaws regulations, permitting, and procedures.
- Supports review of existing bylaws and policies and procedures for barriers to renewable energy development.
- Targets 100MW of installed renewable energy projects in the County by 2030

The CCAP is supportive of renewable energy projects at smaller, more flexible scale and seeks to capture possible community benefits of low-carbon energy by promoting projects that are owned and operated locally, have minimal impact on the surrounding landscape, develop local jobs, and support energy independence of residents and businesses. The CCAP also recommends that future renewable energy models ensure that the community is extensively consulted and directly benefits from these projects.

In this regard, staff suggest further clarity surrounding renewable energy and individual private owners be included in the proposed zoning amendment (see below for further details).

With respect to community consultation, staff understand that a Renewable Energy Approval, under the Environmental Protection Act, requires municipal pre-consultation and a public meeting, which would be in addition to the public meeting required under Section 34 of the Planning Act for a zoning by-law amendment application.

Proposed Official Plan and Zoning By-law Amendment

County planning staff have reviewed the proposed draft Official Plan policy and Zoning By-law Amendment and offer the following comments. A review of the proposed draft policy and County staff's suggestions for consideration is shown in the table below for ease of reference. Additional details are provided after the table.

Proposed Draft Official Plan Policy	Suggested policy refinement for consideration
<p>3.9 Climate Change [that the following be added after 3) q)]</p> <p>4) Where the Township is requested to consider a Planning Act application for a renewable energy facility or a energy storage system and/or a Provincial Renewable Energy Approval under applicable legislation the following shall apply:</p> <p>a) Renewable energy facilities may be considered without amendment to this plan in designations other than Urban Areas, Rural Settlement Areas, Commercial, Public Space, Agriculture, Natural Environment and Open Space designations such as Provincially Significant Wetlands and Hazard Lands, and Natural Features and Constraints such as Significant Woodlands, Valleylands, Areas of Natural and Scientific Interests and the like.</p> <p>b) Renewable energy facilities and energy storage systems will be defined in the Township zoning bylaw but will only be considered through site specific zoning bylaw amendment.</p> <p>c) Any application under subsection 4b) shall not be considered complete without applicable technical studies and peer reviews under Section 7.13 of the official plan and any other applicable studies and information that may be needed to obtain any Provincial approval under applicable legislation.</p>	<p>3.9.1 Renewable Energy</p> <p>For the purposes of this Section, a ‘Renewable Energy Facility’ shall mean a Renewable Energy System and/or Energy Storage System for which a Renewable Energy Approval or similar is mandated under the <i>Environmental Protection Act</i> or subsequent legislation. The following policies apply to Renewable Energy Facilities, Renewable Energy Systems and Energy Storage Systems within the Township:</p> <p>a) Renewable Energy Facilities, Renewable Energy Systems and Energy Storage Systems may be permitted without amendment to this plan in the Rural land use designation. An amendment will be required in all other designations except where such Facility or System is proposed on a strictly accessory basis to a permitted main use and will not result in adverse effects to nearby sensitive land uses.</p> <p>b) Notwithstanding a), such uses may also be permitted as an On-farm Diversified Use (OFDU) within the Rural and Agricultural designations, without amendment to the plan, where permitted by Provincial planning policies.</p> <p>c) Renewable Energy Facilities, Renewable Energy Systems and Energy Storage Systems will be defined in the Township zoning bylaw but will only be permitted through a site-specific zoning bylaw amendment.</p>

<p>d) Subject to information provided under section 4(c) the Township may require site specific setbacks and location criteria that exceeds minimum standard for any renewable energy facility or energy storage system where Council believes such increased setbacks and similar criteria area warranted.</p>	<p>d) Any application under subsection c) shall not be considered complete without applicable technical studies per Section 7.13 of the official plan and any other applicable studies and information that may be needed to obtain any Provincial approval under applicable legislation.</p> <p>e) Subject to information provided under subsection d), the Township may require site-specific setbacks and location criteria that exceeds minimum standard for any Renewable Energy Facility where Council believes such increased setbacks and similar criteria are warranted.</p> <p>f) Notwithstanding subsection c) above, Renewable Energy Systems and Energy Storage Systems (i.e. not requiring a provincial Renewable Energy Approval) may be permitted on an accessory basis in all designations of this plan except for Provincially Significant Wetlands and Hazard Lands, subject to the permissions, provisions and standards of the implementing Zoning By-law.</p>
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Firstly, County staff suggest that the proposed policy considerations for renewable energy facilities and energy storage systems form a subsection of the existing climate change policies outlined in Section 3.9 of the Township’s official plan. Section 3.9 3) lists a series of climate change mitigation and adaptation strategies, including encouraging electricity generation from renewable energy sources [e]) and promoting the use of renewable energy systems [d)]. A new subsection, 3.9.1 Renewable Energy, would further expand these strategies by providing sitting direction for renewable energy facilities requiring provincial approval. Should council wish to further refine renewable energy policies in the future, a new subsection would provide greater flexibility to add/refine policy as Provincial and/or County direction comes forward. Staff additionally suggest including a definition of ‘Renewable Energy Facility’ (requiring an REA) to

distinguish it from a Renewable Energy System and Energy Storage Systems, defined within the PPS, that would not require an REA based on their nature and scale.

The second proposed refinement for consideration, 3.9.1 a), presents the land use designation which permits Renewable Energy Facilities and Energy Storage Systems for clarity, as opposed to indicating the designations whereby these uses are not permitted. Exception to the OPA requirement is proposed where a facility or system is proposed in other land use designations on a strictly accessory basis, without adverse impacts. This would facilitate approval by ZBLA to establish a Renewable Energy Facility where it may be of sufficient scale to trigger an REA but is clearly associated with, supportive of and ancillary to a main use.

The third proposed refinement for consideration is the inclusion of subsection (b) highlighting the relationship between renewable energy and ODFU permissions, as discussed in the PPS section of these comments above. Please refer to this section for further information.

The fourth refinement for consideration is the addition of clause (f) which speaks to permission for renewable energy systems and energy storage systems not requiring provincial REA approval, and their permission on a potentially ‘as of right’ accessory basis alongside an otherwise permitted main use. Details regarding site standards for such accessory use are to be established within the implementing zoning by-law.

Township staff may want to consider specifically addressing complete application requirements for an official plan amendment should one be received, as well as for a zoning by-law amendment application. For example, 3.9.1 d) could include wording to the effect of “applications to amend the Township’s Official Plan, where necessary, and applications to amend the Township’s Zoning By-law proposing a new or expanding facility or system shall be accompanied by the applicable technical studies identified in Section 7.13 of this plan to constitute a complete application, as well as any documentation required to obtain Provincial approval under applicable legislation (e.g. Environmental Protection Act).”

Proposed Draft Zoning By-law Amendment	Suggested policy refinement for consideration
<p>Section 3 (Definitions)</p> <p>“Energy storage system” shall mean means a system or facility that captures energy produced at one time for use at a later time to reduce imbalances between energy demand and energy production, including for example, flywheels, pumped hydro storage, hydrogen storage, fuels</p>	<p>Section 3 (Definitions)</p> <p>‘Renewable Energy Facility’ shall mean a Renewable Energy System and/or Energy Storage System where a Renewable Energy Approval or similar is mandated under the <i>Environmental Protection Act</i> or subsequent legislation.</p>

<p>storage, compressed air storage, and battery storage.</p> <p>“Renewable Energy Facilities” shall mean wind, solar, hydroelectric, bioenergy or battery storage projects proposed under an Ontario Electricity System Operator (IESO) or similar program where a Renewable Energy Approval or similar is mandated under the Environmental Protection Act or subsequent legislation and for which a site-specific zoning bylaw amendment is required.</p> <p>That the following be added to the end of provision c) in Section 5.19 – Uses Permitted in All Zones</p> <p>“No renewable energy facility or energy storage system as defined in this bylaw shall be permitted in any zone, and may only be established through site specific zoning bylaw amendment, except such energy facility or storage system used on a single property for individual private users.”</p>	<p>‘Renewable Energy System’ shall mean a system that generates electricity, heat and/or cooling from a renewable source.</p> <p>‘Energy Storage System’ shall mean a system or facility that captures energy produced at one time for use at a later time to reduce imbalances between energy demand and energy production, including for example, flywheels, pumped hydro storage, hydrogen storage, fuels storage, compressed air storage, and battery storage.</p> <p>5.20 Renewable Energy</p> <ol style="list-style-type: none"> 1) No Renewable Energy Facility, Renewable Energy System, or Energy Storage System, as defined in Section 3 of this bylaw, shall be permitted in any zone, unless established through a site-specific zoning by-law amendment. 2) Notwithstanding 1) above, a Renewable Energy System and/or Energy Storage System (i.e. not requiring a provincial Renewable Energy Approval under the <i>Environmental Protection Act</i> or subsequent legislation) may be permitted as an accessory use to a permitted main use on a lot.
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With respect to the proposed draft implementing zoning by-law amendment, staff note that Section 5.19 details uses permitted in all zones, whereas the proposed provisions, in effect, limit renewable energy facilities and energy storage systems. As such, staff suggest including the proposed amendments within a new renewable energy section which also reflects the same section in the OP.

Staff understand that intent of the amendment is to ensure that larger renewable energy projects requiring a provincial Renewable Energy Approval (REA) are reviewed by way of a site-specific zoning amendment, while not excluding a property owner from pursuing renewable energy for their own individual use. However, it appears that the definition of renewable energy facilities may preclude the scale of an individual property

owner. As noted within the CCAP section of these comments, staff recommend the inclusion of an additional provision detailing that a renewable energy system, not requiring provincial approval, would be subject to the accessory use provisions outlined in the Township's Zoning By-law.

Southgate staff may want to offer further details regarding what provisions of the by-law would apply in this accessory situation (i.e. would existing siting/setbacks/lot coverages/height provisions for accessory buildings and structures apply?). Staff may also wish to consider including a definition of 'renewable energy source' as defined in the PPS (2020 and 2024):

Renewable energy source: means an energy source that is renewed by natural processes and includes wind, water, biomass, biogas, biofuel, solar energy, geothermal energy and tidal forces.

In summary, County planning staff recommend that:

- The proposed official plan policy be reflective of provincial policy direction by including policy that is supportive of renewable energy facilities as an OFDU.
- The proposed zoning amendment include greater clarity surrounding renewable energy and individual private owners
- The proposed policy considerations for renewable energy facilities, systems and energy storage systems form a subsection of the existing climate change policies outlined in Section 3.9 the Township's Official Plan and form a related subsection of Section 5 General Provisions of the Township's Zoning By-law.

As the approval authority on local Official Plan Amendments the County looks forward to receiving the amendment package, should Council choose to adopt the amendment.

The County requests notice of any decision rendered with respect to these files.

Please contact me if you have any questions about the above.

Yours Truly,

Cassandra Dillman
Intermediate Planner
548 877 0853
Cassandra.dillman@grey.ca
www.grey.ca