

# Staff Report



Chief Administrator's Office

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**REPORT TO:** Climate Change and Environment Committee

**DATE OF MEETING:** March 20, 2025

**SUBMITTED BY:** Natalie Goss, Manager Policy & Research, 519-783-8933

**PREPARED BY:** Sloane Sweazey, Senior Policy Advisor, 519-783-8988  
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**WARD(S) INVOLVED:** ALL

**DATE OF REPORT:** March 4, 2025

**REPORT NO.:** CAO-2025-121

**SUBJECT:** Staff Energy Working Group update

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## RECOMMENDATION:

For information.

## REPORT HIGHLIGHTS:

- The purpose of this report is to provide an update on the creation of a staff Energy Working Group, and on its initial work to address the City's role in the Independent Electricity System Operator (IESO)'s recent long-term energy procurement process.
- There are no financial implications associated with this report.
- This report supports **Cultivating a Green City Together: Focuses a sustainable path to a greener, healthier city; enhancing & protecting parks & natural environment while transitioning to a low-carbon future; supporting businesses & residents to make climate-positive choices.**

## BACKGROUND:

In the latter half of 2024, the Province of Ontario signaled the prioritization of a pro-growth, clean energy transition agenda with significant investments and regulation anticipated in the energy sector from 2025 onward.

The City of Kitchener plays a unique role in the energy sector. As both a local planning authority and owner of a community-scale gas distribution utility, the province's pro-growth, energy transition agenda will have direct implications on Kitchener that extend beyond those faced by other municipalities.

The province's pro-growth agenda is expected to remain a core priority of the government. To effectively navigate this agenda, Kitchener's corporate leadership team established an energy working group comprised of staff across the corporation to focus on engaging effectively with the energy file as it evolves.

As one of its initial priorities, the energy working group is seeking input on key factors that Kitchener should consider following the launch of the province's second Long-Term (LT2) procurement process in January 2025.

**REPORT:**

As part of the plan to meet growing electricity demand, the Province of Ontario has tasked the IESO with managing a series of competitive electricity resource procurements focusing on delivering new electricity generation and capacity (e.g. storage) resources. Municipal governments have an important role in these procurements, determining whether to host projects in their communities, and overseeing local development approvals. Without municipal approval of projects where they make sense, the province may be unable to procure enough electricity to meet demand.

On the direction of the Minister of Energy and Electrification, all electricity project developers are required to obtain written confirmation of municipal support for energy projects within municipal boundaries under the Long-Term 2 (LT2) procurement. This requirement is intended to ensure that municipalities have control over what electricity projects they wish to host within their communities.

To deliver on this direction, the IESO requires project developers to engage early with municipalities to better understand local preferences and needs. Engagement will occur at different stages of the process, including pre-engagement consultation, municipal support confirmations, and downstream approvals. Municipalities have an opportunity for ongoing engagement and communication of local expectations to developers throughout the development process.

The request for proposals opened in January 2025, with proposal submissions likely to be awarded in Q3 2025 and final contract awards anticipated by early 2026.

**STRATEGIC PLAN ALIGNMENT:**

This report supports **Cultivating a Green City Together: Focuses a sustainable path to a greener, healthier city; enhancing & protecting parks & natural environment while transitioning to a low-carbon future; supporting businesses & residents to make climate-positive choices.**

**FINANCIAL IMPLICATIONS:**

There are no financial implications associated with this report.

**COMMUNITY ENGAGEMENT:**

**INFORM** – This report has been posted to the City's website with the agenda in advance of the council / committee meeting.

**CONSULT** – LT2 details are being presented to the CCEC for their input and feedback on the potential implications for the City of Kitchener, as well as any considerations that should inform staff's developing work on this issue.

**PREVIOUS REPORTS/AUTHORITIES:**

There are no previous reports/authorities related to this matter.

