



Date	Monday, November 04, 2019
From	Rob Armstrong, CAO / Director of Development Services
Subject	TC Energy Proposal – Department of National Defence 4th Canadian Training Centre Meaford Update
Report No. CA02019-22	Roll No. N/a

Recommendation

That Committee of the Whole recommend Council of the Municipality of Meaford:

1. Direct Staff to bring back a report prior to the March deadline with a comprehensive list of matters that the Municipality is looking to be addressed as part of the Formal Approval Process;
2. Direct Staff to retain the appropriate consultants to Peer Review the applicable detailed reports if this project moves forward to the formal approval process; and
3. Direct Staff to conduct a Public Meeting prior to the submission of any Municipal Comments as part of the formal approval process.

Background

The purpose of this report is to provide Council with update on information that the Municipality has received to date from the Department of National Defence / TC Energy, our initial discussions with them, the scope of the approval process including public consultation opportunities and a summary of the concerns received to date by the Municipality.

In late February 2019, staff attended a meeting with TC Energy, wherein we were made aware of the potential development of a pumped storage facility on the Base. At that point in time, they were still in the process of seeking approval from the Department of National Defence to proceed and until they reached an access agreement, there was no project.

On June 6, 2019, the Municipality received correspondence from the Department of National Defence advising that "Effective May 21 2019, DND has provided TC Energy with a one-year Access Agreement, which is subject

to limited renewal, to a specific area within 4 CDTC Meaford so they can conduct their studies. Please note that this temporary Access Agreement does not mean that the proposed hydroelectric PSP has been approved to move forward.” The letter received is attached as Appendix 1.

The letter also noted the multiple layers of approval required for this development along with the opportunities for consultation. Further, the letter requested comments by July 9, 2019. This has been subsequently extended to March 31, 2020.

In response to this letter, staff immediately wrote to the Department of National Defense and noted some matters that the Municipality would like to see addressed as part of the formal approval process. This included potential impacts on municipal roads and area residents, housing for temporary workers and transmission line details amongst other matters. The letter also discussed the importance of continuous public consultation throughout this process.

It is also the Municipality’s understanding that DND and/or TC Energy wrote to the area Cottagers Association to make them aware of the project and explained the extent of the Consultation process as well. Following the notification of the proposal, a group of concerned residents formed a group, Save Georgian Bay, who have been hosting their own public meetings.

Although the lands fall within the Municipality of Meaford, the Municipality has no jurisdiction for any approvals on Federal Lands. The Municipality would become more involved in the approval of the transmission corridor if it were to run through the Municipality.

Analysis

Since the notification has been made public, the Municipality has received numerous letters and e-mails expressing concern for this project. The following is a very brief summary of the concerns expressed to-date:

- Impact on fish populations
- Impact on water quality
- Impact to nearby residences including shore wells, noise, etc.
- Impact on forested areas of DND land
- Unsightly high-voltage transmission lines
- Impact on property values
- Housing for temporary workers
- Light pollution
- Impact of breakwalls on views
- Low number of permanent employees
- Lack of positive community impact

- Impact on current goals set out by current Economic Development Plan
- Temporary workers increasing strain on understaffed local businesses
- Project relies on increased nuclear energy and fossil fuels, potential for creating more carbon emissions
- Incompatibility with community values and image– Meaford’s charm will be altered with the presence of a Plant of this magnitude
- Impact on ancestral homes and burial places
- Inefficiency of the system
- Outdated and inefficient technology – less damaging energy options to consider

Certain members of the community have requested that Council take a formal position against the proposal. It is the position of staff that until this proposal is given the clearance by DND to proceed to the formal regulatory process under the Ontario Environmental Assessment Act and the Federal Impact Assessment Act, it is premature to take any position. Staff note that this subsequent process will include Public Meetings, as well as detailed studies addressing applicable concerns raised as part of the initial consultation process.

Staff would note that some of these studies will be quite technical in nature and outside the expertise of Municipal Staff to review. An example would be an Environmental Impact Study (EIS) prepared by a Biologist or a Shoreline Study prepared by a Fluvial Geomorphologist. It is recommended that the Municipality retain Peer Review Consultants to review the applicable studies and provide professional unbiased opinions to the Municipality in response to the various studies. This is common practice in the Municipality for any development under our jurisdiction.

As noted, the Municipality highlighted that Public Consultation is a priority. TC Energy has been seeking the Municipality’s input into ensuring effective communication. Besides meeting with the residents associations and other groups, TC Energy is planning on hosting a public information centre (PIC) in the near future as part of their ongoing consultation. Staff will suggest that the best method for the PIC is to start with a brief presentation to those in attendance and then to break out into the open house format for individuals to ask questions of the TC Energy. Attached as Appendix 2 is a recent letter from TC Energy on their project and confirming their intent to hold a meeting in December.

It is staff’s opinion that the Municipality should carry out our own public consultation exercise, including Public Meetings, if the process moves to the formal approval process. The feedback obtained from such an exercise will

assist Council in deciding how best to respond to the formal approval process.

Financial Impact

It is premature to assess financial impact of the project (positive or negative). With regard to costs for peer review, staff will first need to understand the scope of studies that will require review which will not occur until later in 2020, if the project proceeds. Staff will explore the possibility for funding from the proponent to undertake this review or partnerships with the County of Grey due to potential regional impacts of the proposal.

Implications

Staff appreciate the concerns of the residents at this point in time based on a number of uncertainties. However, the full scope of implications cannot be properly assessed until such time as we have received the details of the project, together with the supporting studies.

Strategic Priorities

This report supports the mission, vision and values of the Municipality of Meaford, as well as the goals and objectives set out in Council's Strategic Priorities, particularly with respect to:

- Ensuring Sustainability
- Growing our Economy
- Leading Municipal Government
- Strengthening our Community

Consultation and Communications

The Municipality has been directing individuals and groups to the TC Energy site to obtain further information -

<https://www.tcenergy.com/operations/power/pumped-storage-project/>

Correspondence received is being retained for information purposes and will form part of the Municipal review.

The Municipality will promote any Public Information Centres or Public Meetings being undertaken by TC Energy or DND.

Should the project progress to the formal review stage, the Municipality will conduct a public consultation process, including public meetings and information on the municipal website.

Conclusion

It is staff's position that, at this time, the Municipality should continue to encourage TC Energy to undertake public consultation on this project. Staff will present another report to Council prior to the March 2020 deadline, highlighting concerns that should be addressed as part of the process. These comments will then be forwarded to DND and TC Energy.

If the project moves forward to the formal approval process, the Municipality will look to engage Peer Review Consultants to review the work and provide comments to the Municipality. Further, the Municipality will undertake to host our own Public Meetings on the proposal.

Supporting Documentation

Appendix 1 – Letter from Department of National Defence – June 6, 2019

Appendix 2 – Letter from TC Energy – October 29, 2019

Respectfully Submitted:

Rob Armstrong, RPP MCIP

CAO / Director of Development Services



National Defence

National Defence Headquarters
Ottawa, Ontario
K1A 0K2

Défense nationale

Quartier général de la Défense nationale
Ottawa (Ontario)
K1A 0K2

CAO2019-22
APPENDIX 1

6 June 2019

Ms. Barb Clumpus
Municipality of Meaford
21 Trowbridge St West
Meaford, ON
N4L 1A1

Notification of TC Energy Cooperation Temporary Access to DND's 4th Canadian Division Training Centre Meaford

Dear Ms. Clumpus,

I am writing to inform you that TC Energy Corporation (TC Energy) has approached the Department of National Defence (DND) about a potential hydroelectric pumped storage project (PSP) in Meaford, Ontario. The proposed hydroelectric PSP would consume "off-peak" power at night to pump water from the Georgian Bay into a storage reservoir located on federal lands under the administration and control of DND. Water from the reservoir would be released back into the Georgian Bay during "peak" usage periods, driving hydroelectric turbines to generate 1,000 megawatts of electrical energy.

TC Energy has identified part of the 4th Canadian Division Training Centre (4 CDTC) Meaford property as a possible future location for the proposed hydroelectric PSP. Since 4 CDTC is on federal lands, TC Energy has applied and received a Priority Permit under the *Dominion Water Powers Act*. A Priority Permit only gives TC Energy the right to be first in the queue to undertake feasibility studies in the area identified. Subsequently, TC Energy has requested temporary access to 4 CDTC to conduct preliminary engineering and environmental studies to determine the feasibility of the site. These studies may include, but are not limited to: a topographic survey, bathymetry survey, geotechnical survey, wildlife and wildlife habitat studies, and vegetation and wetlands studies.

Effective May 21st 2019, DND has provided TC Energy with a one-year Access Agreement, which is subject to limited renewal, to a specific area within 4 CDTC Meaford so they can conduct their studies. Please note that this temporary Access Agreement does not mean that the proposed hydroelectric PSP has been approved to move forward.

If TC Energy expresses continued interest in the property after completing the preliminary feasibility studies, further government review and approvals would be required. DND will continue consultations with Indigenous groups, the Meaford community, and other interested parties. Additionally, DND would conduct its own, departmental-specific reviews to ensure current or future military training and operations would not be adversely impacted by the proposed PSP. If still deemed feasible after all parties' interests have been considered, DND would allow TC Energy to undertake a mandatory environmental assessment under the *Canadian Environmental Assessment Act, 2012*. This phase of the proposed PSP has the potential to take up to two years and would involve further consultation. The results of the assessment and further

consultations would feed into the decision of whether or not to approve the proposed hydroelectric PSP.

Currently, DND is in the preliminary stages of determining if 4 CDTC would be a viable site for the proposed hydroelectric PSP and has made no indication to TC Energy that the proposed hydroelectric PSP has been approved.

DND will continue sharing updates with you as they become available and will provide you with an opportunity to discuss the proposed hydroelectric PSP. DND would like to hear from you should you have any comments, concerns, or questions regarding this proposed hydroelectric PSP. Please provide your feedback by July 19th 2019 to ensure your comments will be considered in the continued planning of this proposed project. Please send your feedback, or any requests for more information about the temporary Access Agreement to Holly King, Section Head, Real Property Services, DND at ThirdPartyAccess@forces.gc.ca or visit DND's proposed hydroelectric PSP consultation website: <https://www.canada.ca/en/department-national-defence/campaigns/consultations-4th-division-hydroelectric-pumped-storage-meaford.html>.

For questions about TC Energy's proposed project, please contact Sara Beasley, Senior Advisor Public Affairs – Canada East, TC Energy at 200 Bay Street, 24th Floor, South Tower, Toronto, ON M5J 2J1, (416) 869-2123 or Sara_beasley@transcanada.com.

Sincerely,



Rob Chambers
Assistant Deputy Minister (Infrastructure and Environment)
Department of National Defence

TC Energy
200 Bay St. 24th Floor, South Tower
Toronto, ON M5J 2J1
Tel: 1-844-551-0055
energy_storage@tcenergy.com

October 29, 2019

Mr. Robert Armstrong, Chief Administrative Officer
Municipality of Meaford
21 Trowbridge Street
Meaford, Ontario N4L 1A1

Re: TC Energy's Public Engagement Process - Proposed Pumped Storage Project

Dear Mr. Armstrong,

Thank you for this opportunity to provide the Municipality of Meaford with an outline of TC Energy's public engagement plans and a summary of the regulatory requirements for consultation for your information.

As you know we are in the very early stages of considering the development of the proposed Pumped Storage Project at 4th Canadian Division Training Centre. At a high level, our intent during this feasibility phase, is to provide preliminary information about the project concept to the community, answer questions and identify concerns. The goal of the initial community engagement is to understand community concerns, provide opportunities for feedback, learn how community residents and stakeholders would like to be engaged and provide information about the regulatory processes. We have chosen to reach out early to the community before project plans have been developed to make sure community input and concerns are considered in the design of the facility and in the project plans. TC Energy is committed to engaging early, frequently and thoroughly with community residents. In our experience this approach develops better project plans and creates long-term opportunities and maximizes the benefits that can be derived from the project activities.

The public engagement process began in June with the release of the notification letters to municipalities by the Department of National Defence (DND). DND is currently in the preliminary stages of conducting reviews of the proposed project to be certain that such a project would not affect their current or future military training and operations. DND is currently undertaking its first round of consultations in order to hear and respond to interests and concerns. DND is seeking feedback from interested parties for this initial phase of consultation until March 31, 2020. More information about DND's consultation process is available through their consultation website:

<https://www.canada.ca/en/department-national-defence/campaigns/consultations-4th-division-hydroelectric-pumped-storage-meaford.html>.

Following DND's notification letter, TC Energy provided a project introduction letter and fact sheet which to date has been sent to 15 local municipalities, seven local cottage associations, MP and MPPs of Bruce-Grey-Owen Sound and Simcoe-Grey, and local residents within ~5km radius of the base. We also launched a Project website (www.tcenergy.com/pumpedstorage), project toll free line (1-844-551-0055), and an email account (energy_storage@tcenergy.com) to provide a channel for any questions or comments. We have held numerous introductory meetings with stakeholders to date and we intend to continue this outreach to municipalities and other community stakeholders over the next few months. As an additional way to provide preliminary project information to the community, we have published two informational advertorials in the *Meaford Independent* (September 12, and October 24), and will continue to publish further advertorials moving forward.

We are committed to providing ongoing opportunities for engagement through stakeholder meetings and presentations, information updates and public open houses. If there is interest from Council, we would be pleased to provide a deputation to Council at a time deemed acceptable by the Municipality of Meaford. With respect to

TC Energy

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public open houses, we plan to host an open house this December, in Meaford. Further information on timing and location of the open house will occur over the coming week.

The overriding principle underpinning TC Energy's stakeholder and Indigenous engagement programs is the commitment that TC Energy representatives will engage in a fair, honest, open, consistent and timely manner so stakeholders and Indigenous groups have the opportunity to provide input into our project planning. Stakeholder and Indigenous group engagement will continue throughout the lifecycle of the project; it does not stop with project planning.

The goals of our engagement activities are to provide information about the proposed project to the public and to listen to the concerns that stakeholders may have so that we can undertake studies that are inclusive of these issues, and which allows us to develop the most suitable measures to mitigate impacts and address concerns. Once this work is completed, TC Energy is committed to providing the results of the studies undertaken to the public and would be pleased to meet to review and discuss how that information is used and what is planned to ensure this project can be developed responsibly and sustainably.

In addition to TC Energy's direct engagement activities, the project will be subject to provincial and federal regulatory processes that are designed to include meaningful opportunities for public review and comment throughout the assessment processes. TC Energy anticipates a coordinated regulatory process that will address requirements under the Ontario Environmental Assessment Act and the Federal Impact Assessment Act. Under both regulations, we will be required to undertake and document engagement activities and indicate how feedback has informed the assessment of environmental and socio-economic effects. The regulatory processes include multiple opportunities for public review and comment, notably during the planning and scoping of assessments and through public review and testing of the regulatory filings. TC Energy will provide notifications of all opportunities for inputs into regulatory proceedings, as well as notices of regulatory filings and where the documents can be accessed on the electronic registries. At this time, we anticipate commencing the regulatory processes in spring 2020. Once timing is confirmed, we will share further updates with the community.

Details of the Federal and provincial consultation and engagement requirements are available at the following links:

Ontario Environmental Assessment Process

- Environmental Assessment Overview:
<https://www.ontario.ca/page/environmental-assessments>
- Consultation in Ontario's Environmental Assessment process:
<https://www.ontario.ca/page/consultation-ontarios-environmental-assessment-process>

Federal Impact Assessment Process

- Impact Assessment Process:
<https://www.canada.ca/en/impact-assessment-agency/services/policy-guidance/impact-assessment-process-overview.html>
- Public Participation:
<https://www.canada.ca/en/impact-assessment-agency/services/public-participation.html>

TC Energy

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Should there be any questions about the project or our engagement plans, we encourage community residents to contact TC Energy with their questions and concerns. Our team can be reached directly at tcenergy.com/pumpedstorage, by email at energy_storage@tcenergy.com or by using the toll free telephone line, **1-844-551-0055**.

We look forward to keeping you updated as the project progresses and welcome your feedback as it relates to the proposed project.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Mikkelsen", followed by a long horizontal line.

John Mikkelsen, P.Eng., M.A.Sc.
Director, Power Business Development
TC Energy