

Standing Committee Report

REPORT NUMBER 317-2025-Growth-Development Services-Planning Services

DATE

PREPARED

October 6, 2025

FILE PROJ-03-2025

STANDING

COMMITTEE

October 28, 2025

MEETING DATE

SUBJECT

Request for Municipal Support Resolution – 579 Maureen Street
(Versorium Energy Ltd.)

PURPOSE

The purpose of this report is to seek endorsement from Growth Standing Committee for a Municipal Support Resolution related to a proposed electricity generation facility.

WITH RESPECT to Report 317-2025, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT Council pass the prescribed resolution (Exhibit A) to support the proposal from Versorium Energy Ltd. for development, construction, and operation of an electricity generation facility located at 579 Maureen Street;

AND THAT Council designate the lands for Site Plan Control;

AND THAT any necessary by-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

Versorium Energy Ltd. is requesting a Municipal Support Resolution, which is required to submit an application to the Independent Electricity System Operator's (IESO) Long-Term Procurement (LT2) process for a proposed electricity generation facility located at 579 Maureen Street.

The Project is proposed to help meet Ontario's growing electricity needs. The facility could generate up to 31 megawatts (MW) of electricity during peak demand, while also providing thermal energy to Canada Malting Co. Ltd. for industrial use.

The LT2 procurement is part of the Province's plan to expand energy supply and reliability as electricity demand is forecast to rise by 75% by 2050. Versorium's project

would participate in the Capacity Stream, which includes natural gas generation that can operate during periods of high demand to maintain grid reliability.

The proposed project aligns with the City's Official Plan, as the site is designated and zoned Heavy Industrial, where power generation facilities are permitted and considered compatible. The project also supports the goals of the draft Smart Growth Action Plan, particularly strengthening local energy capacity, industrial efficiency and economic resilience.

Versorium has completed the required consultation and engagement activities and has provided a summary of feedback received. The information shared indicates that feedback was generally positive.

Versorium has also provided a greenhouse gas (GHG) emission analysis which suggest that the project could result in a net reduction of overall system GHG emissions by energy system efficiency and reducing transmission losses in Northwestern Ontario. The use of waste heat at Canada Malting is also a positive environmental feature.

If the Independent Electricity System Operator awards the project a contract, it would proceed through all required municipal, provincial, and federal approvals, with operations anticipated to begin by 2030.

KEY CONSIDERATIONS

Versorium Energy Ltd. ("Versorium") is proposing to develop, construct, own and operate the "Central Ave. Generating Facility" (the Project). The Project would be located on private land owned by Canada Malting Co. Ltd. and responds to the IESO's LT2 procurement process, which is designed to secure new energy supply to meet Ontario's growing electricity needs.

To participate in the LT2 process, proponents must obtain a Municipal Support Resolution from Council. The LT2 procurement consists of two streams: Energy and Capacity, with each serving distinct purposes. The Energy Stream is focused on procuring primarily intermittent, non-emitting resources such as wind and solar. The Capacity Stream is intended to secure battery storage and natural gas resources that are available as needed to support electricity grid reliability.

The Project would use up to eight natural gas-fired engines (generators) capable of generating up to 31 MW of electricity, while also supplying thermal energy to Canada Malting Co. Ltd. for industrial use.

Supporting infrastructure would include two overhead distribution lines connecting to Synergy North's distribution system, a tie-in to the Enbridge natural gas system, and a thermal hot water storage tank and pipeline to deliver heat to Canada Malting. An access road and approach would be constructed for facility access. The engines and

electrical switchgear would be housed in sound attenuated modules designed to meet provincial noise guidelines.

With electricity demand in Ontario projected to increase by 75% by 2050, the IESO plans to award contracts under both streams of LT2 through four separate procurement windows between 2025 and 2028. Versorium intends to participate in the Capacity Stream's first window, with a bid submission due in December 2025.

If the Project is successful and the IESO awards Versorium a contract, the Project would advance through all required municipal, provincial, and federal regulatory processes, with operations targeted to begin by 2030.

Greenhouse Gas Emissions

Versorium has provided an estimate of potential GHG emissions from the Project based on expected operating conditions. The analysis identified three key impacts:

1. Direct emissions from burning natural gas in the Project's engines.
2. Indirect emissions savings from selling heat to Canada Malting.
3. Indirect emissions savings from displacing other natural gas-fired power Plants that are located further away.

While natural gas fired generators have historically operated at low utilization rates, the IESO forecasts greater reliance on these facilities over the next 25 years. Under these conditions, Versorium estimates the Project could operate about 25% of the time and result in a net reduction in overall system emissions.

Locating the Project in Northwestern Ontario would also help reduce transmission losses and the associated emissions required to meet growing demand in Northwestern Ontario.

Table 1 presents Versorium's estimate of GHG emissions.

Table 1 – Summary of the Project's Emission Impacts

Capacity Factor	Scenario	Direct GHG Emissions (tonnes/yr)	Indirect GHG Savings from Selling Heat (tonnes/yr)	Indirect GHG Savings from Displacing Other Resources (tonnes/yr)	Total GHG Emissions Impact (tonnes/yr)
8%	Historical 10-Year Average	9,715	2,140	9,391	-1,817
25%	Average Forecast for 2029 to 2049	30,360	6,689	29,348	-5,677

Planning Analysis

The lands are located at the intersection of Central Avenue and Maureen Street. The proposed use is permitted as the land is designated and zoned Heavy Industrial (HI). Power and utility facilities are listed as permitted uses within the HI zone.

The Official Plan's heavy industrial policies state that the intent of this designation is to provide opportunities for large-scale industrial operations, such as grain elevators, paper mills and electricity generation facilities. Further the Plan states that electricity generation facilities and transmission and distribution systems are considered compatible with Heavy Industrial land uses. The development of renewable energy systems and alternative energy systems is encouraged where energy conservation, efficiency, improved air quality, reduced greenhouse gas emissions and climate adaptation will result. Waste heat generated by the Project will be utilized by Canada Malting which is a positive aspect of the Project.

CONSULTATION

In consultation with Planning Services, Versorium implemented a project specific Community Engagement Plan. Engagement activities included:

- Notification and discussion with landowners, residents, businesses, and other parties within a 300-metre radius of the Project site;
- Notification and engagement with Fort William First Nation, Red Sky Métis Independent Nation, Métis Nation of Ontario, and Chi Mino Ozhitoowin;
- Engagement and discussion with City of Thunder Bay staff and elected officials;
- Publication of a public notice for the Project in the Chronicle-Journal;
- Posting project information on Versorium's corporate website;
- Hosting a public open house on September 24th at the Slovak Legion; and
- Presenting the Project at the City's Growth Standing Committee, September 23rd

Versorium received feedback on the project from open house attendees, written submissions from members of the public via email, and Versorium's website. Stakeholders raised questions about the Project's scope, community and economic impacts, and environmental impacts. Versorium reports that feedback was positive overall; stakeholders were supportive of the Project's location, collaboration with Canada Malting Co. Ltd, and its potential contributions to the local community.

Planning Services also circulated notice of the proposal and request for municipal support to internal departments and external agencies. Comments were received on October 15th and can be summarized as noting some concern about whether the project would align with City strategies and plans including the Net Zero Strategy, Official Plan, and Transportation Master Plan. The City's Strategy and Engagement Division noted that while natural gas is not aligned with the City's long-term decarbonization goals, new energy infrastructure is needed to support local grid stability, and the proposal is timely in responding to growing electricity demand.

Other comments such as those from the Community Economic Development Commission noted that the facility would support local business, employment, decarbonization efforts of Canda Malting, local energy resilience and economic development. Further to this, Synergy North commented that the addition of generation facilities within our service territory reduces the amount of electricity that must be imported from southern Ontario via the East-West Tie. The proposal aligns with the draft Smart Growth Action Plan's objectives such as to improve local energy capacity and independence, in order to meet future energy needs. Engineering and Parks both commented that there are municipal infrastructure projects planned that may affect the land and requested that site plan control be applied to address municipal requirements.

FINANCIAL IMPLICATION

This is a private development, all costs for construction and operation of the facility will be the responsibility of the proponent. The development will result in a reassessment by the Municipal Property Assessment Corporation (MPAC) and an expected increase in property tax revenue to the City, without the need for additional municipally maintained infrastructure.

CONCLUSION

It is concluded that Council should support the proposal and pass the Municipal Support Resolution as the proposed use is permitted by the Official Plan and the Zoning By-law; this project will improve local energy capacity and independence and reflects completion of the required consultation process by Versorium.

It is further concluded that Council should designate the lands for Site Plan Control to address municipal requirements and endorse the project by signing the Municipal Support Resolution, allowing Versorium to submit its proposal to the IESO for consideration.

BACKGROUND

On September 23, 2025, Versorium provided a deputation and Administration presented a 'for information' memorandum "Versorium's Power Generation Facility Request for Municipal Support", to the Growth Standing Committee. Versorium presented on the company's portfolio, project overview, who is involved, the IESO's procurement, project infrastructure, and the regulatory permitting process.

The Committee asked questions including the reason for locating in Thunder Bay, the capacity of the generators and their fuel source, contribution to the grid, environmental impact including soil and traffic, emissions including noise. The committee commented on the benefit to Canada Malting and whether there would be opportunity for expansion.

REFERENCE MATERIAL ATTACHED

1. Exhibit “A” – Prescribed Form of Municipal Support Resolution
2. Exhibit “B” – Versorium’s Consultation and Engagement Plan Summary.

REPORT PREPARED BY

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REPORT SIGNED AND VERIFIED BY

Kerri Marshall, Commissioner – Growth

Date (10/20/2025)