

# Written Deputation to the Growth Standing Committee, City of Thunder Bay

## Items 6.2 - Municipal Support Resolution

October 23, 2025



environmental  
defence

**Re:** Item 6.2 – Report 317-2025: Request for Municipal Support Resolution – 579  
Maureen Street (Versorium Energy Ltd.)

**Submitted by:** Emily Hunter, Senior Program Manager, Ontario Climate Campaign,  
Environmental Defence Canada

**Date:** October 23, 2025

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## Introduction

Thank you, Chair and members of the Growth Standing Committee, for the opportunity to comment on **Report 317-2025** and the associated **Municipal Support Resolution (MSR)** for Versorium Energy Ltd.'s proposed 31 MW gas-fired *Central Avenue Generating Facility* at 579 Maureen Street.

I am submitting this written deputation on behalf of **Environmental Defence Canada**, a national environmental advocacy organization that has worked for over 40 years to promote clean water, a safe climate, and healthy communities. We strongly urge Thunder Bay Council to **vote against a Municipal Support Resolution** for this proposed gas project and instead signal support for clean, renewable, and affordable energy alternatives.

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## Summary

This deputation urges the Committee to **reject Report 317-2025 and its recommendation to approve the MSR for the proposed gas plant.**

The project would lock Thunder Bay into decades of fossil-fuel dependence, increase air-pollution and health risks, and undermine the City's climate goals. Ontario's own data show that **wind, solar, and battery storage** are cleaner, cheaper, and more reliable alternatives that can meet local energy needs while creating jobs and revenue.

## 1 Reliability and Demand

The staff report claims the project will help meet Ontario's growing electricity needs. Yet the IESO's *Resource Costs and Trends Report (2024)* confirms **renewables + storage** are now the lowest-cost and fastest-to-build reliability tools (see the Appendix). Gas peakers already run less than 10 % of the year. Local storage, efficiency and demand-response programs can meet Thunder Bay's needs at lower cost and zero emissions.

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## 2 Claimed GHG Reductions

Versorium projects roughly **30 000 tonnes CO<sub>2</sub>e per year** at 25 % operation, claiming "net reductions" by selling waste heat to Canada Malting Co. Ltd. and by "displacing other gas generation" elsewhere on the grid.

However, these assertions are **methodologically weak and misleading**:

- **Waste-heat offsets are marginal.** The company's own data show that only about 15–20 % of the plant's emissions would be offset by heat recovery. For every tonne of emissions saved, four or five more would still be released into Thunder Bay's air shed.
- **Offsets are temporary.** Once Canada Malting modernizes or electrifies its process heat to meet federal net-zero targets, this "benefit" will vanish—leaving Thunder Bay with the full carbon load but no efficiency gain.
- **Displacement assumptions are flawed.** The modeling assumes the plant will push other fossil generators offline. In reality, the IESO's Long-Term 2 (LT2) procurement is already designed for **solar-plus-battery and demand-response bids** that could provide the same reliability function without emissions. The gas facility would not replace other gas—it would **crowd out renewables**.
- **System-wide emissions will rise.** The IESO forecasts increasing reliance on gas peakers for the next 25 years; adding another 31 MW of capacity expands that fossil footprint rather than shrinking it.
- **Local climate accountability.** Even if "net provincial savings" could be argued on paper, Thunder Bay would still host and breathe those emissions, bearing the public-health and reputational costs while other jurisdictions claim the credits.

In short, the proposed plant cannot credibly be called a GHG-reduction project. It would **increase local and provincial emissions** at the very moment Ontario and Thunder Bay must accelerate toward a clean-electricity future.

### 3 Transmission-Loss Argument

Transmission losses in Northwestern Ontario are **marginal (< 2 % of grid emissions)**. Clean local projects—such as rooftop solar + battery storage—could achieve equal or greater savings without new fossil infrastructure or Enbridge gas tie-ins.

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### 4 Planning and Policy Alignment

Although the site is zoned Heavy Industrial, zoning compatibility is **not policy alignment**. Thunder Bay's **Net-Zero Strategy** commits to eliminating fossil-fuel use. The report itself concedes that gas "is not aligned with the City's long-term decarbonization goals." Council is under no obligation to endorse a project that contradicts its climate mandate and federal Clean Electricity Regulations.

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### 5 Economic and Community Impacts

Property-tax gains will be minimal compared with the **long-term liability** of stranded assets once carbon costs rise. The project provides few permanent jobs, while renewable and storage investments create several times more local employment and economic benefit. Clean-energy development also positions Thunder Bay to access **federal and provincial funding**, unlike new gas projects that may be excluded.

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### 6 Consultation and Community Feedback

Versorium's consultation radius (300 m) and single open house are insufficient for a project with region-wide climate and health impacts. Broader community and Indigenous engagement has been limited, and claims of "generally positive" feedback are not representative.

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### 7 Smart Growth Action Plan

The City's draft *Smart Growth Action Plan* seeks to enhance local resilience through clean innovation—not expand fossil dependence. Approving this MSR would contradict that vision and weaken Thunder Bay's leadership on sustainable growth.

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## 8 The City's Role Is Not Symbolic — It Is Decisive

Under the Independent Electricity System Operator's (*IESO*) **Long-Term 2 (LT2) procurement process**, proponents like Versorium **cannot even submit a bid** unless the local municipal council passes a **Municipal Support Resolution (MSR)**. This requirement is explicitly stated in the IESO's Request for Proposals.

In other words, **the IESO does not grant final approval without local consent**. If Thunder Bay Council declines the MSR, this project cannot proceed to contract award — full stop. The MSR is not a procedural formality; it is the community's veto power.

By contrast, if Council endorses the MSR, it is effectively providing political and moral approval for a 20-year fossil gas project in our community. That is why this moment represents a genuine local decision — not simply a planning review.

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## Conclusion

While presented as an industrial efficiency project, the proposed gas plant would increase Thunder Bay's emissions, health risks and long-term costs. The claimed benefits are overstated, and **genuine clean alternatives** exist today.

**Council should reject Report 317-2025 and the associated Municipal Support Resolution** and instead declare Thunder Bay a willing host for **renewable and storage projects** that deliver reliable, affordable, and climate-safe power for our community.

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# Appendix: The Affordability Fact Check, IESO Resource Costs (March 2024)

| Resource                 | Levelized Cost (\$/MWh) | With Federal ITC (\$/MWh) |
|--------------------------|-------------------------|---------------------------|
| Wind                     | 48                      | ≈ 30                      |
| Solar (PV utility-scale) | 69                      | ≈ 53                      |
| Nuclear                  | 140                     | 126                       |
| Small Modular Reactor    | 155                     | 119                       |
| Natural Gas – CCGT       | 185                     | 185                       |
| Natural Gas – SCGT       | 262                     | 262                       |

**Key take-aways (IESO 2024):**

- **Wind and solar** are the lowest-cost options (\$48–69/MWh).
- **Gas** is the most expensive (\$185–262/MWh).
- Even with tax credits, **nuclear and gas remain costlier** than renewables.

## References

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