

To: Chair and Members of Oxford County Land Division Committee
From: Spencer McDonald, Development Planner, Community Planning

Application for Consent for Lease B26-03-4 – S.A.M.I. Holdings Ltd.

REPORT HIGHLIGHTS

- Application B26-03-4 proposes a 25-year lease on lands that are designated and zoned for a battery energy storage system in the Township of South-West Oxford.
- The long-term lease will apply to a defined area within the larger aggregate operation, with existing site-specific zoning provisions in place permitting the battery energy storage as an interim permitted use on the subject lands.
- Planning staff are recommending approval of the application as it is generally consistent with the policy criteria of the Provincial Planning Statement and maintains the intent and purpose of the Official Plan with respect to the creation of a long-term lease on the subject lands.

DISCUSSION

Background

OWNERS: S.A.M.I. Holdings Ltd. (c/o David Innes)
565038 Karn Road, Woodstock, ON, N5S 7V6

AGENT: MHBC Planning (c/o Dan Currie)
540 Bingemans Centre Drive, Kitchener, ON, N2B 3X9

LOCATION:

The subject lands are described as Part Lot 1, Concession 2 (West Oxford) and Part Lot 3, Registered Plan No. 501. The lands are located on the north side of Clarke Road, between Mill Street and Dodge Line, and are municipally known as 545021 Clarke Road, Township of South-West Oxford.

OFFICIAL PLAN:

Schedule 'S-1'	Township of South-West Oxford Land Use Plan	'Agricultural Reserve' – with a site-specific policy to permit a battery energy
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storage system as a permitted non-agricultural use on the subject lands

Appendix '2-1' County of Oxford
 Mineral and Petroleum Resources Sand and Gravel Resource

TOWNSHIP OF SOUTH-WEST OXFORD ZONING BY-LAW 25-98:

Existing Zoning (Leased Area): 'Special Aggregate Industrial Zone (ME-6)'

PROPOSAL:

Lot Dimensions	Leased Area (to remain as part of the broader property)	Overall property (including the area subject to the long-term lease)
Area	5.5 ha (13.6 ac)	34 ha (84 ac)
Frontage	Irregular	Irregular
Depth	Irregular	Irregular

The Application for Consent for Lease proposes to establish a long-term lease extending beyond 21 years at the location of the recently approved Oxford Battery Energy Storage System (BESS) facility in the Township of South-West Oxford. The 'BESS' project will be located on the subject lands, municipally known as 545021 Clarke Road and will consist of up to 117 pad-mounted battery units (with accommodation for an additional 29 augmented battery units), 39 power converter systems (with accommodation for an additional 10 power converter systems), a portable office trailer, 8 portable storage units, a 115 kilovolt substation, and transmission lines/poles, all under a 22 year contract awarded by the Independent Electricity Supply Operator (IESO) and is anticipated to be operational in 2027. The lease, which will cover the same area as the existing 'ME-6' zone which permits the use, is approximately 5.5 ha (13.6 ac) in size, and is generally as shown on Plate 1 of Report No. 2026-95.

The lease agreement being sought by the applicant is for a period of 25 years. This period would include the time necessary to construct, operate and decommission the BESS facility. In accordance with Section 50(3)(f) of the Planning Act, consent is required as the lease term of 25 years exceeds the term limit allowed under the Planning Act, which is 21 years (less a day).

Surrounding land uses include a range of predominantly residential and institutional uses, with Woodingford Lodge, the Woodstock General Hospital and Southside School all in relatively close proximity to the east of the subject lands. The subject lands are located along the south westerly boundary of the City of Woodstock and are within 800 m of Highway 401 (to the south).

Plate 1, Existing Zoning and Location Map, shows the location of the subject lands and the existing zoning in the immediate vicinity.

Plate 2, Aerial Map (2020), provides an aerial view of the subject lands and surrounding area.

Plate 3, Applicants' Sketch, shows the approximate configuration and dimensions of the lands subject to the long-term lease.

Application Review

2024 Provincial Planning Statement

The 2024 Provincial Planning Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. Under Section 3 of the Planning Act, where a municipality is exercising its authority affecting a planning matter, such decisions shall be consistent with all policy statements issued under the Act.

Section 4.3 of the PPS directs that planning authorities are required to use an agricultural system approach, based on provincial guidance, to maintain and enhance a geographically continuous agricultural land base and support and foster the long-term economic prosperity of the 'agri-food network' (i.e. elements important to the viability of the agri-food sector such as agricultural operations and primary processing, infrastructure, agricultural services, farm markets, distributors etc.). Further, that prime agricultural areas shall be designated and protected for long term agricultural use. In prime agricultural areas, permitted uses and activities include agricultural uses, agriculture-related uses and on-farm diversified uses. All types, sizes and intensities of agricultural uses and normal farm practices shall be promoted and protected in accordance with provincial standards.

Section 4.3.5 (Non-Agricultural Uses in Prime Agricultural Areas) of the PPS directs that non-agricultural uses in prime agricultural areas may only be permitted for the extraction of minerals, petroleum resources and mineral aggregate resources or limited non-residential uses provided that the land does not comprise a specialty crop area, the proposed use complies with MDS, there is an identified need for the land to accommodate the proposed use, and alternative locations have been evaluated and there are no reasonable alternative locations that avoid prime agricultural areas or are on lower priority agricultural land. Further, impacts from any new or expanding non-agricultural uses on the agricultural system are to be avoided and, where avoidance is not possible, minimized, and mitigated as determined through an agricultural impact assessment.

Official Plan

The subject lands are designated Agricultural Reserve according to the Official Plan. In the Agricultural Reserve designation, lands are to be developed for a wide variety of agricultural land uses, including general farming, animal or poultry operations, regulated livestock farms, cash crop farms and specialty crop farms together with farm buildings and structures necessary to the farming operation, and accessory residential uses required for the farm.

Section 3.1.5 of the Official Plan establishes the policy framework for non-agricultural uses in the agricultural reserve and specifies that "Non-Agricultural Uses" include commercial, industrial, institutional, recreational and non-farm rural residential uses, as well as renewable energy facilities and alternative energy facilities and infrastructure. These uses may only be permitted subject to the applicable policies of this plan, including 3.1.4, 3.1.5, and 3.1.7.

Section 3.1.4.1 – Permitted Uses, states that renewable energy facilities may be permitted within the Agricultural Reserve in accordance with the policies of Section 3.1.5.4

Section 3.1.5.4 – Renewable Energy Facilities provides direction that Renewable energy facilities and alternative energy facilities may be permitted within the Agricultural Reserve designation to support long term energy supply, and to accommodate current and projected needs. Further, Renewable energy facilities and alternative energy facilities are generally considered to be non-agricultural uses, except for:

- Class 1 anaerobic digesters, as prescribed under the Renewable Energy Approvals Regulation (359/09) under the Environmental Protection Act, or any successor thereof, shall be permitted as an agricultural use, subject to the requirements of Section 3.1.4.2.1;
- Ground mounted solar facilities on an agricultural zoned lot shall only be permitted as an on-farm diversified use, and must meet all applicable requirements of Section 3.1.4.3.2;
- Ground mounted solar facilities may be permitted on a lot zoned as rural residential where the facility does not generally exceed 10% of the lot coverage, to a maximum of 100 m² (1,076 ft²); or,
- Roof and wall mounted solar facilities may be permitted on existing buildings and structures, subject to any Area Municipal zoning requirements.

Further, all other renewable energy facilities and alternative energy facilities shall:

- Be subject to a zoning by-law amendment and site plan approval;
- Prepare and submit planning and technical studies addressing these, and any other applicable policies;
- Demonstrate how all other Provincial and/or Federal requirements are being addressed.
- Prepare an Agricultural Impact Assessment in accordance with Section 3.1.7.3 to demonstrate that the proposed development:
 - i) Is clearly secondary to the principal use on the lot and limited in area;
 - ii) Is compatible with, and does not hinder, surrounding agricultural operations or other sensitive adjacent land uses;
 - iii) Is located on lower priority agricultural lands and/or within close proximity to the farm building cluster;
 - iv) Is appropriate for rural infrastructure and public services; and does not undermine, or conflict with, the planned function of settlements; and,
 - v) Has identified and mitigated any potential impacts.

Proposals shall also comply with all other applicable policies of this Plan, including, but not limited to: Section 3.2, Environmental Resource Policies, Section 3.3, Cultural Resource Policies and Chapter 10, Implementation Measures.

The Area Municipality may impose limits on the scale, height, and location of any proposed renewable energy facility through the Area Municipal zoning by-law

The Official Plan defines renewable and/or alternative energy systems, stating:

“Alternative energy systems mean sources of energy or energy conversion processes that significantly reduce the amount of harmful emissions to the environment (air, earth and water) when compared to conventional energy systems

Renewable energy systems mean the production of electrical power from an energy source that is renewed by natural processes including, but not limited to, wind, water, a biomass resource or product, or solar and geothermal energy.”

The lands have also been identified as ‘Sand and Gravel Resource Area’ according to Appendix 2-1, which recognizes mineral aggregate deposits. As per section 3.4.1 of the Official Plan, an amendment to the Zoning By-law will be required for any new or expanding sand or gravel

extraction operation. Where a truck traffic and haul route assessment has been completed, the owner/operator of the extraction operation may be required to enter into an agreement with the County and/or Area Municipality that addresses issues including but not limited to: monitoring truck traffic to and from the operation; maintenance of the roads; and penalties for non-compliance.

Policies for development in the Sand and Gravel Resources Area have been developed to minimize future conflicts between sand and gravel extraction and other uses. Permitted uses within Sand and Gravel Resources area include the extraction of sand and gravel and all accessory uses, buildings and structures essential to the use, are permitted during the operational life of the aggregate operation. During the operational life of the sand and gravel extraction operation, aggregate recycling operations and uses ancillary to the extraction of sand and gravel, such as asphalt and concrete batching plants, aggregate transfer stations and similar uses, may be permitted within licensed extraction operations subject to site-specific zoning.

Section 3.4.1.3.1.3 provides that new non-agricultural commercial, industrial, institutional or non-farm rural residential or active recreational uses shall not be permitted. Where lands have been zoned to permit a mineral aggregate extraction operation, either before or after the coming into effect of these policies, the Area Municipality will generally rezone said lands for agricultural use, or other intended permanent use for such lands, consistent with the approved rehabilitation plan under the Aggregate Resources Act for the lands, at such time as the mineral aggregate extraction operation has ceased and the licence has been surrendered.

Further, in 2025, a site-specific Official Plan amendment was approved for the subject lands, specifically to address the 'BESS' use described in this report. The policy direction for this use is as follows:

"3.1.8.10 Part Lot 1, Concession 2 (West Oxford) and Part Lot 3, Registered Plan No. 501 in the Township of South-West Oxford

Location The lands to which this subsection applies consists of an approximately 5 ha (12.3 ac) portion (toward the southeasterly corner) of the larger subject lands, which front onto Clarke Road and are described as Part Lot 1, Concession 2 (West Oxford) and Part Lot 3, Registered Plan No. 501 in the Township of South-West Oxford. The lands are located on the north side of Clarke Road, between Mill Street and Dodge Line, and are municipally known as 545021 Clarke Road, Township of South-West Oxford.

Policies Notwithstanding any policies of the Official Plan to the contrary, an area of land consisting of approximately 5 ha (12.3 ac) and located toward the southeasterly corner of the subject lands may be utilized to accommodate an alternative energy use consisting of a battery energy storage system, as a permitted interim use.

In accordance with the policies of Section 3.1.5, the area encompassing the battery storage energy system shall not, at any point in time, be permitted to be legally conveyed as a separate parcel, but rather, shall remain as part of the overall property currently utilized for aggregate extraction purposes to ensure that the rehabilitation plan approved by the Ministry of Natural Resources is completed at such time as the battery energy storage system ceases operation.

The specific extent of the lands to be used for the battery energy storage system shall be delineated in the Township of South-West Oxford Zoning By-law.”

Zoning By-law

The broader subject lands are currently zoned ‘Aggregate Industrial Zone (ME)’ according to the Township of South-West Oxford Zoning By-law. The ‘ME’ zone permits a wayside sand and gravel pit or stone quarry, a sand and gravel pit and accessory processing activities including crushing, screening, washing, stockpiling and storage of aggregate products, a concrete or asphalt recycling plant and a building, structure of use accessory to a permitted use.

The lands specifically subject to the proposed long-term lease (comprising approximately 5.5 ha / 13.6 ac of the broader property) are zoned ‘Special Aggregate Industrial Zone (ME-6)’ which permits the ‘BESS’ generally described in this report. The balance of the lands will remain under active licence and will continue to be zoned ‘Aggregate Industrial (ME) Zone’ with no changes proposed at this time.

The lands that are subject to the proposed long-term lease, and zoned ‘Special Aggregate Industrial (ME-6) Zone’ permit only a battery energy storage system as a permitted (interim) use.

Agency Comments

The Township Chief Building Official, the Township Director of Public Works, the Upper Thames River Conservation Authority (UTRCA), Hydro One and Oxford County Public Works have indicated no concerns with the proposal.

Public Consultation

Notice of the public meeting for the proposal was circulated to neighbouring property owners on March 19, 2026, in accordance with the requirements of the Planning Act. As of the date of this report, no comments or concerns had been received from the public.

Planning Analysis

The Application for Consent for Lease, which proposes to establish a long-term lease on the subject lands, covering an area of approximately 5.5 ha (13.6 ac), has been reviewed under the policy direction of the Provincial Planning Statement (PPS) and the Oxford County Official Plan.

In accordance with Section 50(3)(f) of the Planning Act, any lease established for 21 years or more requires consent from the appropriate authority. As the lease outlined in this report is for 25 years, consent from the County Land Division Committee is required.

Given that the proposal is to grant a lease over the existing property (currently designated and zoned for the permitted ‘BESS’ use) for a period greater than 21 years, no lots are being created or adjusted, it is the opinion of Planning staff that the proposed consent does not adversely impact any policies of the Official Plan. The lease will allow for the construction, commercial operation and decommissioning of the BESS which has been given a contract by the IESO to enhance the reliability of the electrical transmission and distribution system in the area.

With respect to the Township Zoning By-law, the use of the subject lands for a battery energy storage system, within an area of an existing aggregate operation (for which the Aggregate Resources Act (ARA) licence has been partially surrendered to accommodate the use), is in keeping with the provisions of the Township Zoning By-law, the application would not appear to have any impacts from a zoning standpoint. The applicant has also obtained site plan approval from the Township for the BESS facility.

Upon the end of the lease, in accordance with the provisions of the site plan agreement, the applicant will be required to decommission the BESS facility and re-licence the subject lands under the ARA and rehabilitate the site in accordance with the rehabilitation plans that are required by the ARA pit licence.

In light of the above, it is the opinion of this Office that the proposal to grant a consent for lease over an approximate 5.5 ha (13.6 ac) portion of the subject lands is appropriate and can be given favorable consideration.

RECOMMENDATION

Whereas the application for consent for lease is consistent with the 2024 Provincial Planning Statement, and complies with the County of Oxford Official Plan, we are of the opinion that the application is acceptable from a planning perspective, and should be granted, subject to the following conditions:

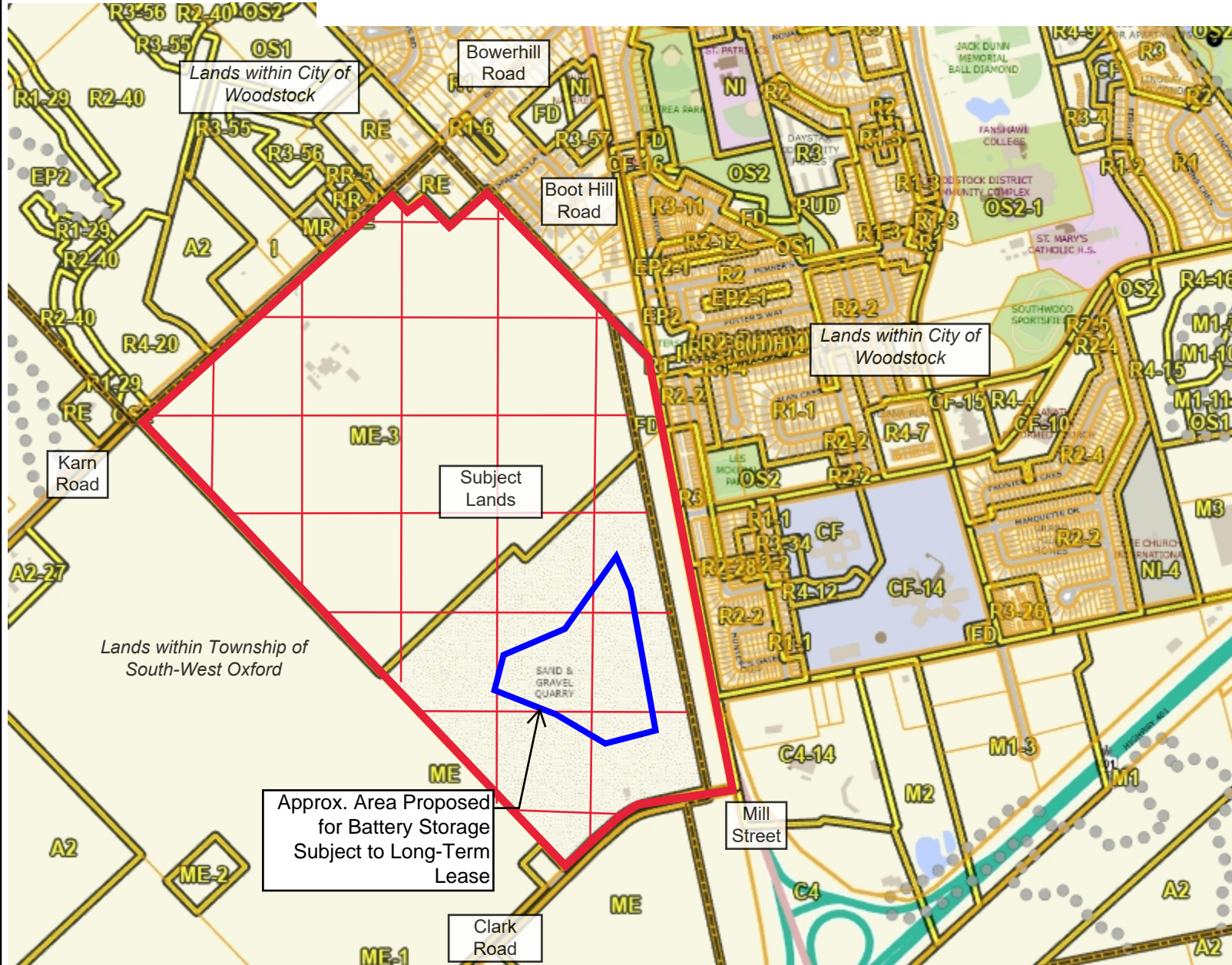
B26-03-4

- 1. That the approval of the consent for lease is for the purpose of facilitating a long-term lease agreement for a Battery Energy Storage System for a period of 25 years, and shall not, at any point, create a separate parcel capable of being conveyed from the broader 'ME' zoned property.**
- 2. That any additional transactions with regard to the subject parcel must comply with Section 50(3) of the Planning Act, R.S.O., 1990 as amended, and be reflected on the certificate.**
- 3. The Owner shall provide a draft lease agreement for review by the Secretary-Treasurer of the Land Division Committee and that the Owner shall agree to register the approved lease agreement on the title of the property, to the satisfaction of the County of Oxford.**
- 4. That the Clerk of the Township of South-West Oxford advise the Secretary-Treasurer of the Land Division Committee that all requirements of the Township, financial, services and otherwise, have been complied with.**

SIGNATURES

Authored by: *"Original Signed By"* Spencer McDonald, MCIP, RPP
Development Planner

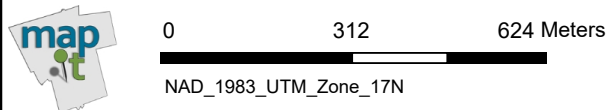
Approved for submission: *"Original Signed By"* Eric Gilbert, MCIP, RPP
Manager of Development Planning



Legend

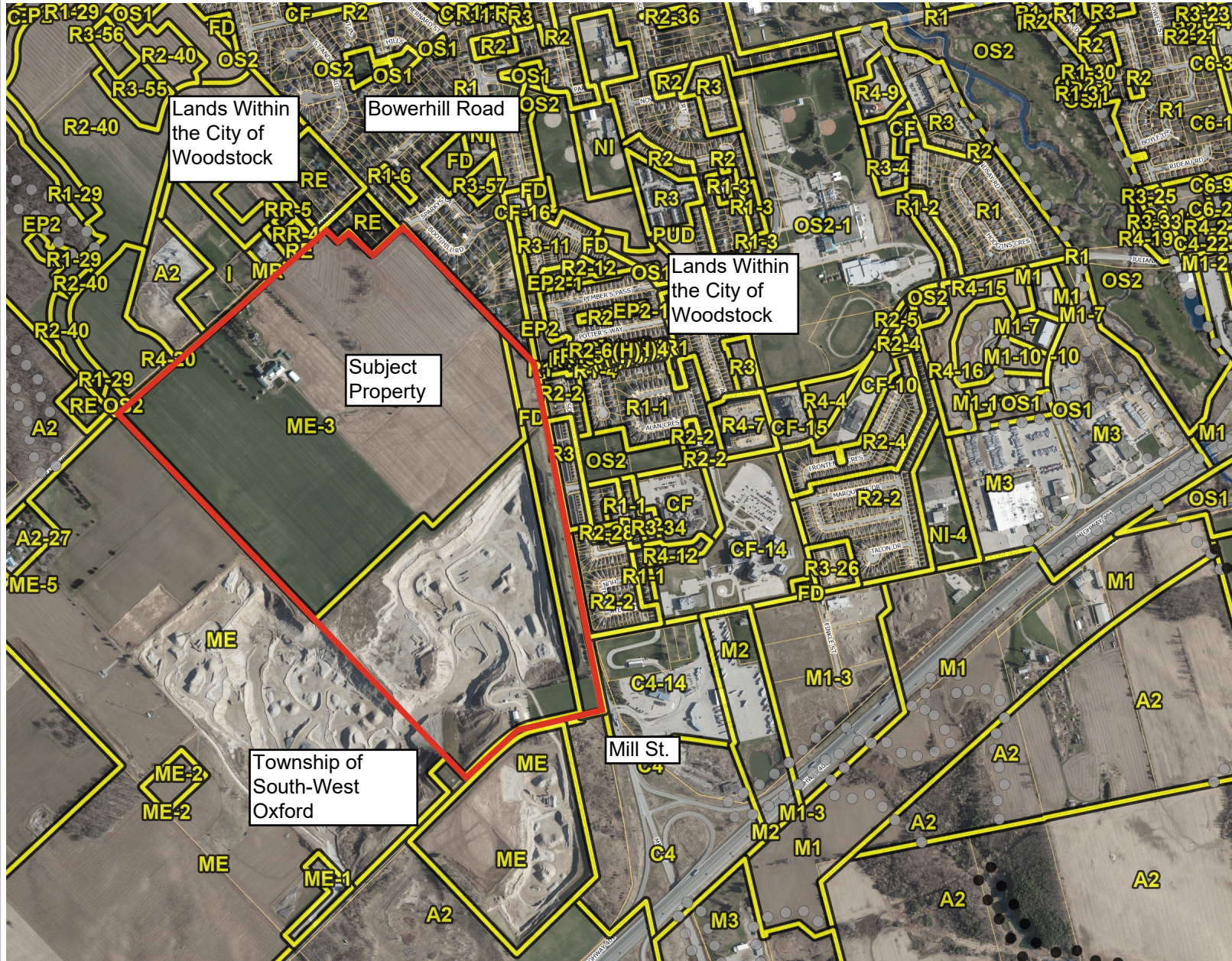
- Parcel Lines**
 - Property Boundary
 - Assessment Boundary
 - Unit
 - Road
 - Municipal Boundary
- Zoning Floodlines**
- Regulation Limit**
 - 100 Year Flood Line
 - 30 Metre Setback
 - Conservation Authority Regulation Limit
 - Regulatory Flood And Fill Lines
- Land Use Zoning (Displays 1:16000 to 1:500)

Notes



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. This is not a plan of survey

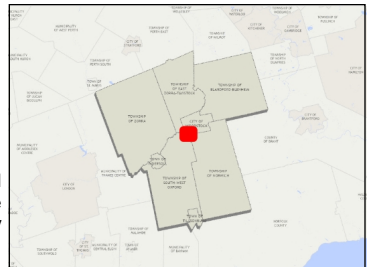
April 22, 2025



Legend

- Zoning Floodlines**
- ◆ 100 Year Flood Line
 - ▲ 30 Metre Setback
 - Conservation Authority Regulation Limit
 - Regulatory Flood And Fill Lines
- Land Use Zoning (Displays 1:16000 to 1:500)

Notes



0 383 766 Meters

NAD_1983_UTM_Zone_17N

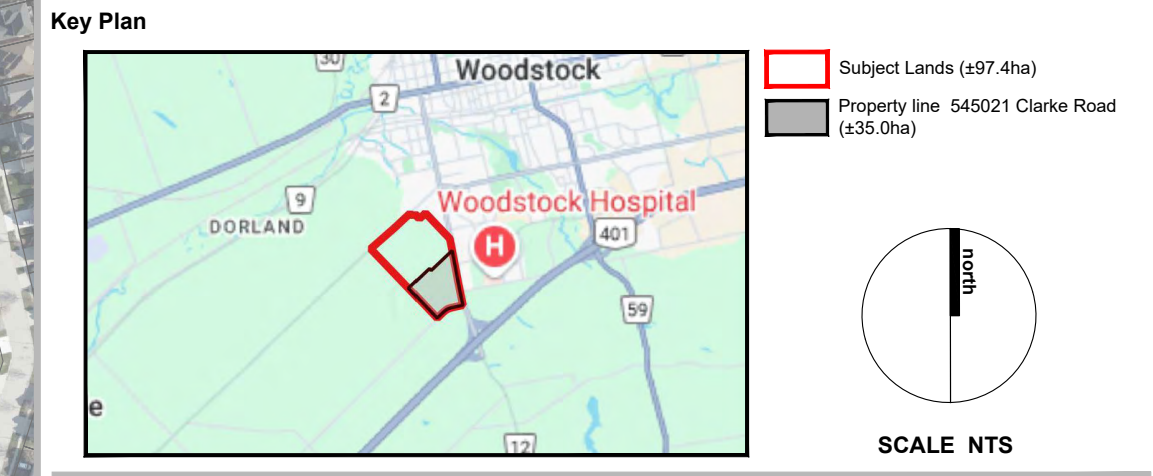


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April 22, 2025



Approx. Area of 'BESS' and associated long-term lease



SITE STATISTICS

Zoning Provisions ME - XX Township of South-West Oxford Zoning By-law		
	Required (min)	Provided
Lot Area	NP	35.0 ha
Lot Frontage	NP	420.4 m
Front Yard	NP	259.0 m
Exterior Side Yard	NP	100.3 m
Interior Side Yard	NP	364.6 m
Rear Yard	NP	105.4 m
Setback of Buildings, Structures, or Product Stockpiles	30 m from any property line 90m from any Residential or Development Zone	-

Revision No.	Date	Issued / Revision	By
1.	February 13, 2025		PL

MHBC PLANNING URBAN DESIGN & LANDSCAPE ARCHITECTURE
 200-340 BINGEMANS CENTRE DR, KITCHENER, ON, N2B 3X9 | P: 519.576.3650 F: 519.576.0121 | WWW.MHBCPLAN.COM

Stamp	Date
	February 13, 2025
Drawn By	PL
Plan Scale	1:3,000
File No.	24230A

Project	Dwg No.
	1 of 1