



TO:	GENERAL COMMITTEE
SUBJECT:	AUTHORIZATION TO SIGN INCENTIVE, GRANT, CONSERVATION AND UTILITY AGREEMENTS
WARD:	ALL
PREPARED BY AND KEY CONTACT:	A. MCMULLIN, MANAGER OF ENERGY, EXT #5097
SUBMITTED BY:	R. PEWS, DIRECTOR OF CORPORATE FACILITIES
GENERAL MANAGER APPROVAL:	D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES
CHIEF ADMINISTRATIVE OFFICER APPROVAL:	M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the Director of Corporate Facilities be delegated authority to execute agreements for the purpose of:
 - a) Applying for and receiving financial grants, funding and incentives associated with energy, conservation, sustainability and greenhouse gas emission reduction activities;
 - b) Modifying and/or changing utility billing classifications that provide an anticipated benefit for the City; and
 - c) Participating in utility-based demand response or similar programs.
2. That as part of an annual Energy Management Branch update to General Committee, staff summarize any funding, incentives or grants received through such agreements.

PURPOSE & BACKGROUND

3. The purpose of this Staff Report is to request the delegated authority for the Director of Corporate Facilities to execute agreements that will streamline the process for applying and receiving grant or incentive funding, participation in demand response activities and optimizing utility billing savings.
4. The Energy Management Branch actively pursues a variety of incentive, grant and third party funding opportunities to support energy and conservation initiatives. These revenue streams help to improve the business case and feasibility of efficiency projects.
5. Staff conduct regular analysis of utility bills to determine if there are benefits to changing a particular account classification. Often these opportunities can result in reducing the unit rate cost of an energy commodity for a particular facility or operation.
6. Staff investigate opportunities to participate in utility based demand response programs that can generate revenue, often risk free, for voluntarily efforts to reduce energy consumption during peak periods.

7. From 2014 to 2018 the Energy Management Branch has successfully applied and received over \$1.6 million dollars in incentive and demand response revenue associated with energy efficiency projects and peak energy “shaving” activities. Bill classification changes at the Waste Water Treatment Facility have yielded over \$600,000 in cost avoidance for electricity charges at the plant.

ANALYSIS

8. While many applications made to apply for and receive grants or incentives, change bill classifications and participate in demand response activities are short-form documents requiring little time to complete, they often require the signature of an individual authorized to bind the corporation. Some of these activities, such as completing incentive applications, are time sensitive and require prompt action.
9. Seeking Council authorization to apply for grant and project incentives, particular smaller valued opportunities, requires staff resourcing and can limit the number of applications successfully applied for and received. For example, the pre-approval process for Enbridge incentives, which support initiatives that reduce natural gas consumption, can be completed in 1 – 2 hours of Staff time. In the cases where the pre-approval process requires authority to bind the corporation, the subsequent resourcing requirements to develop, edit, review and finalize a Staff Report can reach 7 – 10 hours of Staff time or more. In many cases, Enbridge incentive values can be relatively small, from \$200 to \$400 dollars. In this circumstance, the resourcing cost of securing the incentive is greater than the incentive value.
10. Incentive and grant funding are key components that support the implementation of conservation, energy efficiency, greenhouse gas emission reduction and sustainability activities. However, there are available incentive opportunities that Staff do not currently take advantage of due to time and resourcing requirements of the current process.
11. Authorizing Staff to execute these agreements will reduce the time and resourcing needs associated with the application process. It is anticipated that Staff will be able to apply to more funding opportunities as a result.
12. Streamlining the funding application process will provide the flexibility to act on time sensitive opportunities promptly and improve the likelihood of successful outcomes, maximizing these funding revenues.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

13. Grants, incentives and conservation revenue directly support projects that reduce energy consumption, greenhouse gas emissions and improves the City’s environmental performance.

ALTERNATIVES

14. The following alternatives are available for consideration by General Committee:

Alternative #1

General Committee could choose to receive this report and take no further action.

This alternative is not recommended as the City will lose the benefit of being able to apply for lower dollar value or time-sensitive programs or incentives.

FINANCIAL

15. Providing flexibility will enhance Staff's capacity to maximize conservation revenue, thereby offsetting operational costs. Staff estimate that annual savings of \$15k is easily achievable across all City portfolios if given the opportunity to participate in existing programs.

LINKAGE TO 2018-2022 STRATEGIC PLAN

16. The recommendation(s) included in this Staff Report are related to the following goals identified in the 2018-2022 Strategic Plan:

☒ Fostering a Safe & Healthy City

Incentives applied for under this authority may assist the City in implementing conservation measures that help build a greener Barrie and reduce the City's climate change impact.