



## **Staff Report for Committee of the Whole Meeting**

**Date of Meeting:** November 6, 2017

**Report Number:** SRCAO.17.31

**Department:** Office of the Chief Administrative Officer

**Division:** Strategic Initiatives

**Subject:** **SRCAO.17.31 Ontario Municipal Greenhouse Gas Challenge Fund Application**

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### **Purpose:**

This report seeks Council's endorsement of projects for submission to the Ontario Municipal Greenhouse Gas Challenge Fund.

### **Recommendation(s):**

- a) That the LED Streetlight Conversion Project, Interior Lighting Retrofit project (2018), and Phase 1 of the Energy Conservation Capital Projects be endorsed for submission to the Municipal Greenhouse Gas Challenge Fund;
- b) That the Director of Financial Services and Treasurer be authorized to sign the application.

### **Contact Person:**

Daniel Olding, ext. 5505

### **Report Approval:**

**Submitted by:** Gwen Manderson, Director of Strategic Initiatives

**Approved by:** Neil Garbe, Chief Administrative Officer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), Town Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.

## **Background:**

The Municipal Greenhouse Gas (GHG) Challenge Fund was announced by the Province of Ontario in August 2017. The fund aims to allocate up to \$100 million in 2017/18 across Ontario to support community-led action on climate change. The deadline for applications, which must be endorsed by Council, is November 14, 2017.

The Municipal GHG Challenge Fund will fund municipal projects that reduce greenhouse gas emissions in any sector, including buildings, energy supply, transportation, water, waste and organics. Eligible costs are those directly related to the reduction of greenhouse gas emissions associated with the project. More than one project application may be submitted. Projects must begin by March 2019.

The Municipal GHG Challenge Fund will contribute up to 100% of eligible costs to a maximum of \$10 million per project; however a higher score will be given to projects that leverage funds for up to 50% of eligible costs. Projects currently underway are eligible if they were initiated after June 1, 2016. In this case, municipalities are only eligible to request funding up to 25% of eligible costs.

In order to be eligible for funding, municipalities must have Council-approved:

- Community-wide GHG emissions inventory
- Community-wide GHG emissions reduction targets
- Community-wide strategy/plan to reduce GHG emissions; and
- Up-to-date O.Reg. 397/11 CDM 5-years plans and annual reporting

Richmond Hill meets all the requirements to be eligible for funding. A community-wide GHG emissions inventory, reduction target and plan were approved by Council in 2004 as part of our Clean Air Local Action Plan (SRE.04.051). The community-wide emissions inventory was last updated in 2012 (SREIS.15.022). The Town's Conservation Demand Management (CDM) plan and reporting is up-to-date (SREIS.14.022).

## **Evaluation of Potential Projects**

Potential projects were evaluated from the Town's Capital Budget and Ten Year Capital Forecast. There was a strong fit between the Municipal GHG Challenge Fund and the work proposed in the 2018 Energy Conservation Capital Projects business case which recommends work to reduce energy use in the Town's top 13 energy consuming facilities. The LED Streetlight Conversion Project, which is currently in progress, and the Interior Lighting Retrofit Project (2018) also fit the criteria.

Staff are recommending that the LED Streetlight Conversion Project (Project No. 1 in table below), which commenced in September 2016, the Interior Lighting Retrofit Project (2018), which is scheduled for construction in 2018 (Project No. 2), and the five projects from Phase 1 of the Energy Conservation Capital Projects (Projects No. 3 to 7), which are scheduled to be designed in 2018 and constructed in 2019, be submitted as the

Town's application to the Municipal GHG Challenge Fund. The LED Streetlight Conversion Project has a value of \$8,050,000. The Interior Lighting Retrofit Project (2018) has a value of \$580,000. The five projects in Phase 1 of the Energy Conservation Capital Projects have a combined total project value of \$1,208,000. Further details on the recommended projects for this application are given below:

<b>Project No.</b>	<b>Project Type</b>	<b>Applicable Facilities</b>	<b>Estimated Annual GHG Reduction (tonnes)</b>	<b>Funding Request (\$)</b>	<b>Total Project Cost (\$)</b>
1	LED Streetlight Conversion	11,500 streetlights	178	2,012,500	8,050,000
2	Interior Lighting Retrofit 2018	Bayview Hill CC Elgin West CC Centennial Pool RHCPA (Theatre)	15	290,000	580,000
3	Filter Pump VFD	Richvale CC Elgin West CC Wave Pool	16.3	39,000	78,000
4	Arena Low e-Ceiling	Ed Sackfield Tom Graham	18	103,000	206,000
5	Interior Lighting Retrofit 2019	Ed Sackfield Bond Lake Tom Graham Elgin Barrow Municipal Office	20.4	181,000	362,000
6	Arena Floating Head Pressure Control	Tom Graham	15.3	47,000	94,000
7	Facility Re-Commissioning	Elgin Barrow Bond Lake Ed Sackfield Tom Graham Centennial Pool Richvale CC Wave Pool Bayview Hill CC Elgin West CC Municipal Office Operations Ctr.	233	234,000	468,000

		RHCPA (Theatre) Central Library			
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**Financial/Staffing/Other Implications:**

SRCAO.17.31 recommends submitting seven projects to the Municipal GHG Challenge Fund. The total estimated value of the projects is \$9,838,000. A breakdown of the funding sources and the dollar values for the proposed projects is shown below:

LED Streetlight Conversion Project

- Provincial Funding: \$2,012,500 requested
- Municipal Funding: \$6,037,500 previously approved in 2016 capital budget

Interior Lighting Retrofit Project (2018)

- Provincial Funding: \$290,000 requested
- Municipal Funding: \$290,000 proposed from the Gas Tax Reserve

Energy Conservation Capital Projects (Phase 1)

- Provincial Funding: \$604,000 requested
- Municipal Funding: \$604,000 proposed from the Gas Tax Reserve

**Relationship to the Strategic Plan:**

Application for infrastructure funding for Town projects aligns to Goal Four: Wise Management of Resources by serving as a role model for municipal management.

**Conclusion:**

The LED Streetlight Conversion Project, Interior Lighting Retrofit Project (2018) and Phase 1 of the Energy Conservation Capital Projects meet the criteria for the Municipal Greenhouse Gas (GHG) Challenge Fund and Council endorsement is needed to submit an application prior to the November 14, 2017 deadline.

### Report Approval Details

Document Title:	SRCAO.17.31.docx
Attachments:	
Final Approval Date:	Oct 30, 2017

This report and all of its attachments were approved and signed as outlined below:

**No Signature - Task assigned to Gwen Manderson was completed by delegate Tricia Myatt**

**Gwen Manderson - Oct 27, 2017 - 2:04 PM**

**David Dexter - Oct 27, 2017 - 3:30 PM**

**Neil Garbe - Oct 30, 2017 - 11:59 AM**