



TORONTO STAFF REPORT

September 12, 2006

To: Budget Advisory Committee

From: Chief Corporate Officer

Subject: Request for Funding for an Energy Plan for Toronto
(All Wards)

Purpose:

To seek budget approval for activities to be undertaken for the development of an Energy Plan for Toronto and seek authorization for its funding from the Better Buildings Partnership (BBP) Loan Repayment Reserve Fund.

Financial Implications and Impact Statement:

Funding in the amount of up to \$585,000 will be required for activities to undertake the development of an Energy Plan for Toronto in 2006 and 2007. Funding is available in the Better Building Partnership Loan Repayment Reserve Fund. This Reserve Fund includes provision for energy savings initiatives which the development of the Energy Plan for Toronto will provide. Although the energy savings will not be specific to a particular project, energy savings to the City will result and will meet the general purpose of the Reserve Fund.

It is recommended that the Facilities and Real Estate Division's 2006 Approved Operating Budget be increased by \$15,000 gross; zero net and that the 2007 Operating Budget submission include funding in the amount of \$570,000 gross; zero net (funded from the Reserve Fund). The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the Facilities and Real Estate Division's 2006 Approved Operating Budget be increased by \$15,000 gross; zero net (funded from the Better Building Partnership Loan Repayment Reserve Fund) and the 2007 Operating Budget submission include an allocation of \$570,000 gross, zero net (funded from the Reserve) for consideration with the City's 2007 Operating Budget process; and

- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of June 27, 28 and 29, 2006, City Council in considering the report “Status Report on the Energy Plan for Toronto – Update” (Clause No. 20 of Report No. 5 of the Policy and Finance Committee) requested the City Manager to report in time for the 2007 budget process through the Budget Advisory Committee, to the Policy and Finance Committee for its meeting to be held on September 18, 2006, on the requirement, if any, to achieve the completion of the Energy Plan in a timely fashion as directed by this report.

Comments:

The development and preparation of the Energy Plan for Toronto will include various activities that have specific expertise and resource requirements that are not available within the City. A work plan outline for undertaking the implementation of the final Energy Plan has been provided in a report to Policy and Finance Committee for its meeting of September 18, 2006.

A key foundation element for the Energy Plan is knowing the current characteristics of energy use (sector, type and purpose) in both the community at large and in corporate operations. The information currently available does not provide a sound indication of predicted energy use in the City over the timeframe of the Energy Plan (2010 to 2030). It will be necessary to have information on the technical, economic and market potential for various initiatives in conservation and demand management and provision of renewable energy. Development of the Energy Plan for Toronto will require detailed and specific information on the barriers to acceptance, methods of overcoming the barriers and implementation schemes. Financial, legal and marketing expertise will be needed to inform these aspects of the Energy Plan. This necessitates the hiring of energy sector and financial experts to obtain and/or develop information at an estimated cost of \$505,000.

Another key element of the Energy Plan is public consultation and communication. As this is a comprehensive plan, a wide range of sectors will have to be consulted and the method of consultation should have regard to the variety of characteristics within each sector. City staff will carry out this work with ancillary expenses of \$30,000 for advertising and event support. Communication plans and activities will be important, including the writing of the final report and program promotion and advertising will be required at an estimated cost of \$50,000.

The total expenses for technical and professional support services, estimated at \$585,000 (\$15,000 in 2006 and \$570,000 in 2007) as shown in Appendix A, are to be funded through a draw on the Better Buildings Partnership (BBP) Loan Repayment Reserve Fund up to an amount not exceeding \$585,000.

Conclusion:

This report recommends an adjustment to the 2006 Facilities and Real Estate Division's Approved Operating Budget in the amount of \$15,000 gross, zero net and a direction that the 2007 Operating Budget of the Facilities and Real Estate Division include \$570,000 gross; zero net for the remainder of the funding for the Plan, for consideration with the City's 2007 Operating Budget process.

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List of Attachments:

Appendix A Energy Plan for the City of Toronto – 2007 Budget Request for Professional and Technical Services Required

Appendix A

Energy Plan for the City of Toronto 2007 Budget Request for Professional and Technical Services Required

Item	Description	2007 Budget Request
Professional and Technical Services (External)		
1	Systems Scoping and Visioning -Technical feasibility -Options assessments in consideration of the Ontario Power Authority's Memorandum of Understanding -Overview of transmission delivery system	15,000
2	Energy Supply Investigation -Demand Forecast - All types to 2030 -Supply Forecast - All types including renewable generation (2007-2030)	55,000
3	Technical, Economic and Market Potential for reduction of consumption and/or demand -Program cost/benefit analysis -Program participation and impact analysis	120,000
4	Program Development and Design -Development of program specific design parameters including demand management, demand response, conservation and demand management and renewable energy options -Social marketing outline including how conservation and demand management and renewables will be promoted -Outline of administrative guidelines for implementation, consistent with the Ontario Power Authority's Memorandum of Understanding parameters -Delineation of roles and responsibilities for implementation -Program business case scenarios -Evaluation Plan Design - design of protocols for benchmarking (monitoring, measuring, evaluating, verifying and reporting)	110,000
5	Financing & Financial Mechanisms -Incentive program design -Public-private partnerships -3rd party financing participating mechanisms -City of Toronto Act	125,000
6	Legal Services -Agreements with partners -Participation applications/agreements -City of Toronto Act	80,000
Sub-Total for Professional and Technical Services (External)		505,000
Professional and Technical Services (Internal)		
1	Communications -Inform public about Energy Plan for Toronto -Program promotion and advertising -Professional writing of Final Report	50,000
2	Public Consultation & Community Outreach -Ancillary expenses for advertising and event support	30,000
Sub-Total Professional and Technical Services (Internal)		80,000
Total for Professional and Technical Services (Internal and External)		585,000