

APPENDIX “A” Solar Utility

Under a Solar Utility arrangement an energy firm (the solar utility) would install, own and operate the solar systems on the City’s facilities. The City would only pay for actually energy produced from the solar system and at a rate equal to or lower than the existing utility rate (natural gas or electricity).

Benefits of using the Solar Utility (for heating purposes) approach include:

- quickly install solar systems without using City capital
- using proven technology
- obtain guaranteed energy cost savings
- CO2 emission reductions
- avoiding maintenance of solar systems
- preserve City’s capital for other energy efficiency projects
- energy price stability (fixed price contract for the energy generated)

Once the energy firm is hired, Facilities and Real Estate would work with the firm and City divisions to identify possible solar installations. A contract would be negotiated and entered into before any installations are implemented. The contract would include:

- term of the contract (usually 10 years or more)
- the energy rate to be paid to the solar utility
- obligations of the solar utility and the City of Toronto
- all usual requirements to protect the City’s interests, ie, bonding, insurance and other guarantees as required

The solar utility will design and construct or hire an installer to install the solar systems on the selected City buildings at no cost to the City. The solar utility will also apply for all the available grants and incentives in order to reduce the capital cost. The solar utility will bill the City for the actual energy generated and utilized by the building.

Once the installed systems are operating successfully additional potential solar sites could be identified to further increase the City’s solar installations.