



City Budget
2012

Sustainable Energy Plan Capital Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Capital Budget funds major infrastructure.

2012–2021 Capital Program

2012 CAPITAL BUDGET ANALYST BRIEFING NOTES BUDGET COMMITTEE NOVEMBER 28, 2011

TABLE OF CONTENTS

| | |
|---|-----|
| PART I: RECOMMENDATIONS | 2 |
| PART II: 2012 – 2021 CAPITAL PROGRAM | |
| 10–Year Capital Plan Summary (2012 Rec'd Budget, 2013–2021 Rec'd Plan) | 3 |
| 10–Year Capital Plan Overview | 5 |
| 10–Year Capital Plan: Operating Impact Summary | N/A |
| PART III: 2012 RECOMMENDED CAPITAL BUDGET | 10 |
| 2012 Capital Budget by Project Category and Funding Source | 10 |
| 2012 Recommended Cash Flow & Future Year Commitments | 10 |
| 2012 Recommended Capital Project Highlights | 11 |
| PART IV: ISSUES FOR DISCUSSION | |
| 2012 and Future Year Issues | 12 |
| Issues Referred to the 2012 Capital Budget Process | N/A |
| APPENDICES | |
| Appendix 1: 2011 Performance | 14 |
| Appendix 2: 10–Year Recommended Capital Plan Project Summary | 18 |
| Appendix 3: 2012 Recommended Capital Budget; 2013 to 2021 Capital Plan | 19 |
| Appendix 4: 2012 Recommended Cash Flow & Future Year Commitments | 20 |
| Appendix 5: 2012 Recommended Capital Projects with Financing Details | 21 |
| Appendix 6: 2012 Reserve / Reserve Fund Review | 22 |

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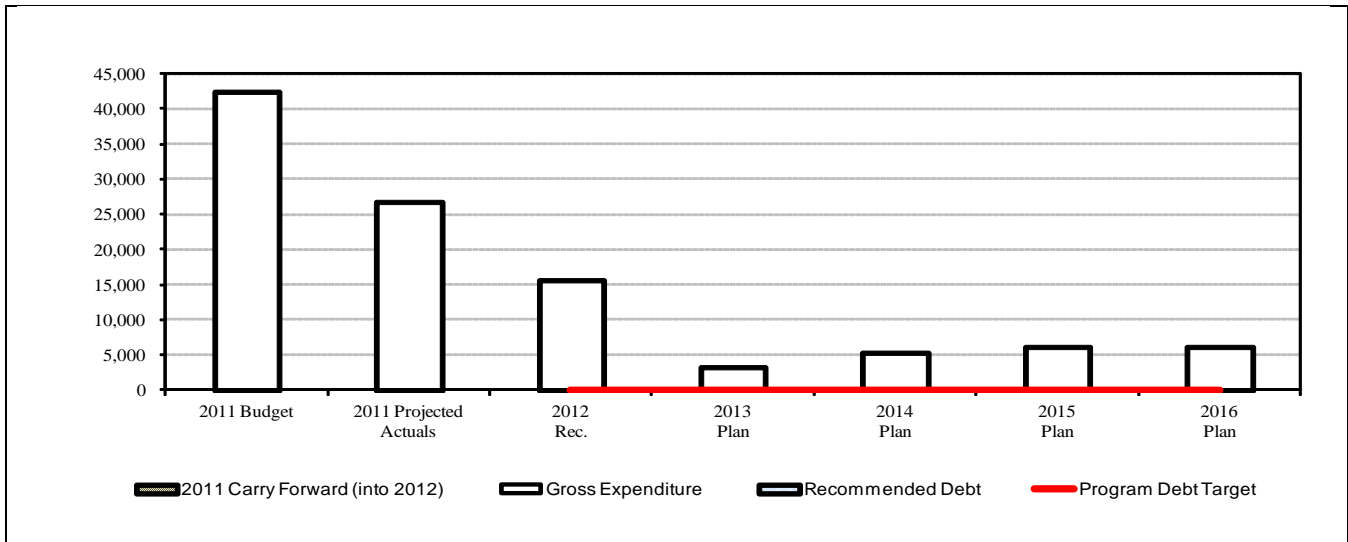
PART I: RECOMMENDATIONS

The City Manager and Chief Financial Officer recommend that:

1. Council approve the 2012 Recommended Capital Budget for the Sustainable Energy Plan with a total project cost of \$0.409 million, and 2012 cash flow of \$0.409 million with no future year commitments, comprised of the following:
 - a) New Cash Flow Funding for:
 - i) 4 new/change in scope sub-projects with a 2012 total project cost of \$0.409 million that requires cash flow of \$0.409 million in 2012 and no future year commitments; and
 - b) 13 previously approved sub-projects with a 2012 cash flow of \$15.296 million and no future year commitments; and
2. Council approve the 2013–2021 Recommended Capital Plan for the Sustainable Energy Plan totalling \$41.502 million in project estimates, comprised of \$3.221 million in 2013; \$5.279 million in 2014; \$6.101 million in 2015; \$6.135 million in 2016; \$6.280 million in 2017; \$4.818 million in 2018; \$4.829 million in 2019; and \$4.839 million in 2020.
3. the City Manager and Deputy City Manager and Chief Financial Officer report back to Council through the appropriate Standing Committee in the first quarter of 2012 on the merits of Sustainable Energy loans to non-City agencies and the private sector, given the City's financial pressures and that no new loans to these sectors be approved from the Sustainable Energy Funds until this report is considered by Committee and Council.

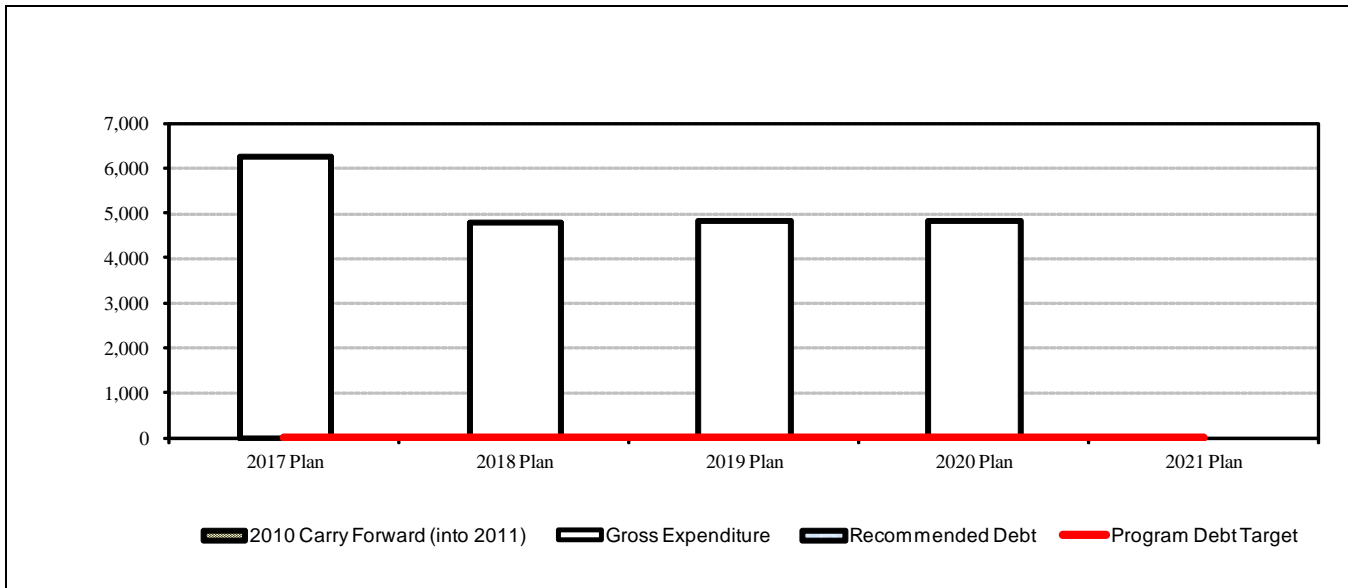
PART II: 2012 – 2021 CAPITAL PROGRAM

10-Year Capital Plan 2012 Recommended Budget, 2013–2016 Recommended Plan (In \$000s)



| | 2012 Rec. Budget and 2013-2016 Plan | | | | | | | | |
|--|-------------------------------------|------------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | 2011 | | 2012 | 2013 | 2014 | 2015 | 2016 | 2012-2016 | 5-Year Total |
| | Budget | Projected Actual | | | | | | | |
| Gross Expenditures: | | | | | | | | | |
| 2011 Capital Budget & Approved FY Commitments | 42,476 | 26,812 | 15,296 | | | | | 15,296 | 42% |
| Recommended Changes to Approved FY Commitments | | | 409 | | | | | 409 | 1% |
| 2012 New/Change in Scope and Future Year Commitments | | | | 3,221 | 5,279 | 6,101 | 6,135 | 20,736 | 57% |
| 2013 - 2016 Capital Plan Estimates | | | | | | | | | |
| 1-Year Carry Forward to 2012 | | 0 | → | | | | | | |
| Total Gross Annual Expenditures & Plan | 42,476 | 26,812 | 15,705 | 3,221 | 5,279 | 6,101 | 6,135 | 36,441 | 100% |
| Program Debt Target | 0 | | | | | | | | |
| Financing: | | | | | | | | | |
| Recommended Debt | | | | | | | | | |
| Reserves/Reserve Funds | 41,551 | | 15,705 | 3,221 | 5,279 | 6,101 | 6,135 | 36,441 | 100% |
| Development Charges | | | | | | | | | |
| ISF | | | | | | | | | |
| Debt Recoverable | 694 | | | | | | | | |
| Other Revenue | 231 | | | | | | | | |
| Total Financing | 42,476 | | 15,705 | 3,221 | 5,279 | 6,101 | 6,135 | 36,441 | 100% |
| By Project Category: | | | | | | | | | |
| Health & Safety | | | | | | | | | |
| Legislated | | | | | | | | | |
| SOGR | | | | | | | | | |
| Service Improvement | 42,476 | | 15,705 | 3,221 | 5,279 | 6,101 | 6,135 | 36,441 | 100% |
| Growth Related | | | | | | | | | |
| Total By Project Category | 42,476 | | 15,705 | 3,221 | 5,279 | 6,101 | 6,135 | 36,441 | 100% |
| Asset Value - end of each year (\$) | | 0 | | | | | | | |
| Yearly SOGR Backlog Estimate (not addressed by current plan) | | 0 | | | | | | | |
| Accumulated Backlog Estimate (end of year) | | | | | | | | | |
| Backlog: Percentage of Asset Value (%) | | 0.0% | | | | | | | |
| Debt Service Costs | | | | | | | | | |
| Operating Impact on Program Costs | | | | | | | | | |
| New Positions | | | | | | | | | |

10-Year Capital Plan 2017–2021 Recommended Plan (In \$000s)



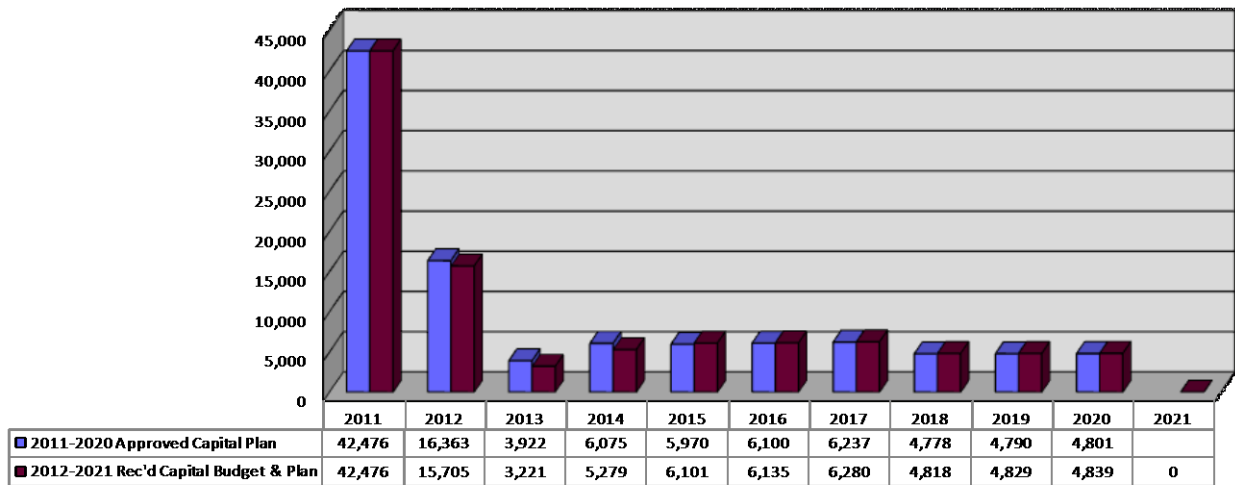
| | 2017 - 2021 Capital Plan | | | | | | 10-Year Total Percent |
|--|--------------------------|--------------|--------------|--------------|----------|---------------|-----------------------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2012-2021 | |
| Gross Expenditures: | | | | | | | |
| 2011 Capital Budget & Approved FY Commitments | | | | | | 15,296 | 27% |
| Recommended Changes to Approved FY Commitments | | | | | | 409 | 1% |
| 2012 New/Change in Scope and Future Year Commitments | | | | | | 41,502 | 73% |
| 2017 - 2021 Capital Plan Estimates | 6,280 | 4,818 | 4,829 | 4,839 | 0 | 57,207 | 100% |
| Total Gross Annual Expenditures & Plan | 6,280 | 4,818 | 4,829 | 4,839 | 0 | 57,207 | 100% |
| Program Debt Target | | | | | | | |
| Financing: | | | | | | | |
| Recommended Debt | | | | | | | |
| Reserves/Reserve Funds | 6,280 | 4,818 | 4,829 | 4,839 | | 57,207 | 100% |
| Development Charges | | | | | | | |
| ISF | | | | | | | |
| Provincial/Federal | | | | | | | |
| Other Revenue | | | | | | | |
| Total Financing | 6,280 | 4,818 | 4,829 | 4,839 | 0 | 57,207 | 100% |
| By Project Category: | | | | | | | |
| Health & Safety | | | | | | | |
| Legislated | | | | | | | |
| SOGR | | | | | | | |
| Service Improvement | 6,280 | 4,818 | 4,829 | 4,839 | | 57,207 | 100% |
| Growth Related | | | | | | | |
| Total By Project Category | 6,280 | 4,818 | 4,829 | 4,839 | 0 | 57,207 | 100% |
| Asset Value - end of each year (\$) | 0 | | | | | | |
| Yearly SOGR Backlog Estimate (not addressed by current plan) | | | | | | | |
| Accumulated Backlog Estimate (end of year) | 0 | | | | | | |
| Backlog: Percentage of Asset Value (%) | 0.0% | | | | | | |
| Debt Service Costs | | | | | | | |
| Operating Impact on Program Costs | | | | | | | |
| New Positions | | | | | | | |

10–Year Capital Plan Overview

- The 10–Year Recommended Capital Plan provides funding to help position the City to become a world leader in the sustainable use of energy from local, clean and renewable sources by allocating funding to provide funding to assist the Municipal, Academic, Social, and Health (MASH) and non–profit sector to reduce energy consumption and acquire technology for renewable energy.
- The 10–Year Recommended Capital Plan consists entirely of Service Improvement projects, funded 100% from City Reserve Funds.
- The 10–Year Recommended Capital Plan includes \$7.412 million in funding to continue the Better Building Partnership Program; \$36.146 million to continue the Toronto Energy Conservation Fund program; \$11.288 million to continue the Toronto Green Energy Fund Program; and \$1.018 million in for Deep Lake Water Cooling, Union Station:
 - The Better Building Partnership Program provides support and loans for projects that improve the energy performance of buildings of registered non–profit or public sector organizations within the boundaries of the City of Toronto.
 - The Toronto Energy Conservation Fund provides loans for energy retrofits for facilities in the Municipal, Academic, Social and Health (MASH) and non–profit sectors.
 - The Toronto Green Energy Fund provides loans to the MASH sector to acquire technology for renewable energy.

Key Changes to the 2011 – 2020 Approved Capital Plan

Changes to the 2011–2020 Approved Capital Plan
(In \$000s)



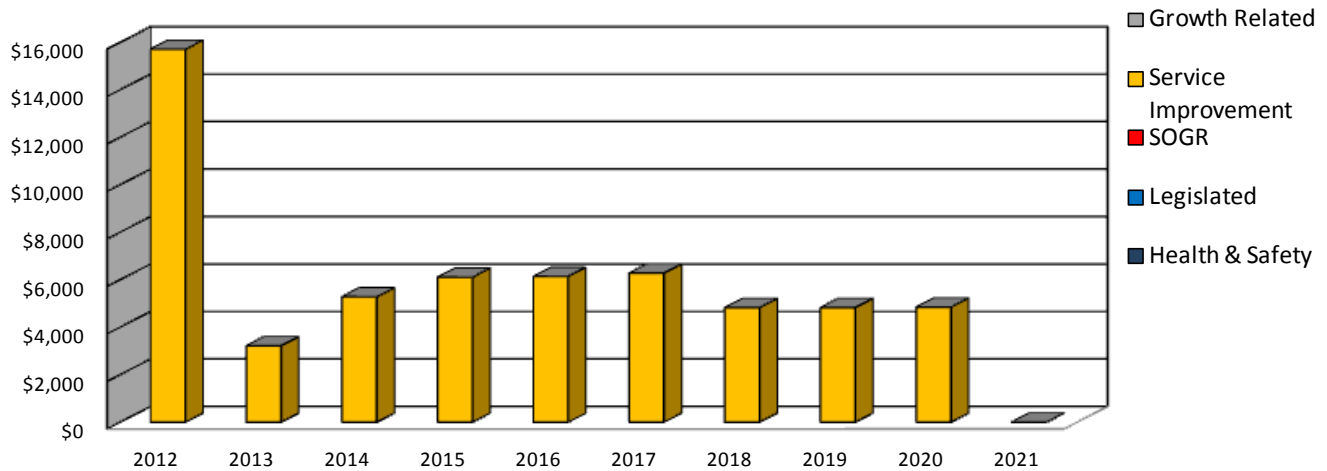
- The 2012 Recommended Capital Budget and 2013–2021 Plan is \$1.829 million lower than the 2011–2020 Capital Plan. This is the result of revised estimates for loan repayments and interest earned.
- The Toronto Energy Conservation Fund and the City of Toronto Green Energy Fund provide loans to the MASH sector. The repayment of the loans and interest earned on the Reserve Fund balances are re-directed as further loans to the sector. The repayment schedules and projected interest earnings are reviewed annually. The project changes noted below reflect the revised repayment and interest earned expectations.
- Details of changes to project cash flows funding reflecting the 2012 – 2021 Recommended Capital Plan are noted below:

Summary of Project Changes
(In \$000s)

| Key Projects | Total Project Cost | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2012 - 2020 | Revised Total Project Cost |
|-----------------------------------|--------------------|--------------|--------------|--------------|------------|-----------|-----------|-----------|-----------|-----------|-------------|----------------------------|
| Toronto Energy Conservation Fund | | (523) | (712) | (799) | 128 | 32 | 40 | 38 | 36 | 35 | | (1,725) |
| City of Toronto Green Energy Fund | | (153) | 11 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | | (122) |
| Deep Lake Water Cooling | | 18 | | | | | | | | | | 18 |
| | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | 0 |
| Total Change | 0 | (658) | (701) | (796) | 131 | 35 | 42 | 41 | 39 | 38 | 0 | (1,829) |

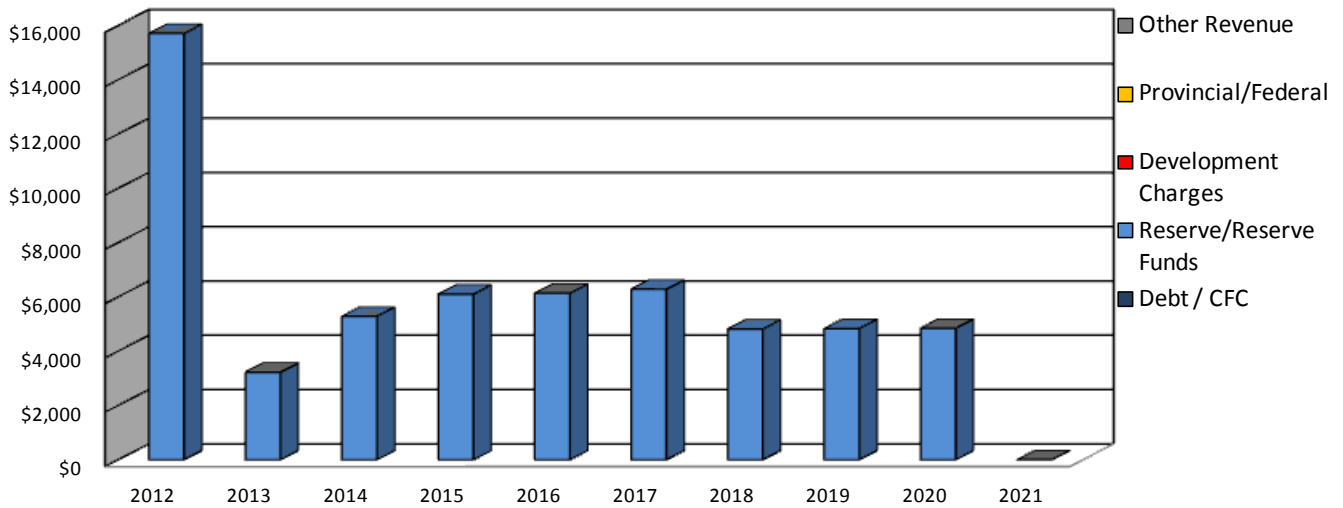
2012 – 2021 Recommended Capital Plan

2012–2021 Capital Plan by Project Category
(In \$000s)



- All projects in the 2012–2021 Recommended Capital Plan are categorized as Service Improvement.
 - \$36.441 million or 63.7% of the total plan is included in the first five years of the 10 year period. The Deep Lake Water Cooling System at Union Station will be completed in the first five years of the Plan. Anticipated loans to the MASH sector and non-profit sector for the Toronto Energy Conservation Fund program; The Green Energy Fund program and the Better Buildings Partnership program total \$35.423 million in the first five years.
 - \$20.766 million or 36.3% of the total plan is projected for the second five years; continuing to fund loans for the Toronto Energy Conservation Fund; the Green Energy Fund and the Better Buildings Partnership program. The program will be completed by 2020.

2012–2021 Capital Plan by Funding Source
(In \$000s)



- The 10–Year Recommended Capital Plan for Sustainable Energy is fully funded from Reserve Funds.
- Of the total reserve funding of \$57.207 million, \$36.441 million or 63.7% is required in the first five years. The significant funding provided in the first five years anticipated that there would be substantial interest in the program from the MASH and non–profit sectors in the early years.
- At inception, the Toronto Energy Conservation Fund and the Toronto Green Fund were allocated funding from the Strategic Partnership Reserve Fund in the amount of \$42 million and \$20 million, respectively. These funds were set up to be revolving funds, where principal repayments and interest earned would be repaid into the Reserve and used to fund subsequent loans to the MASH sector.
- Similarly, the Better Buildings Partnership Loan Repayment Reserve Fund is a revolving fund that supports projects that improve energy performance of buildings registered as non–profit or public sector organizations within the boundaries of the City of Toronto.

Summary of Major Capital Initiatives by Category (In \$000s)

| | Total Project Cost | 2012 Rec. Budget | 2013 Plan | 2014 Plan | 2015 Plan | 2016 Plan | 2017 Plan | 2018 Plan | 2019 Plan | 2020 Plan | 2021 Plan | 2012-2021 Total |
|-------------------------------------|--------------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------|
| Service Improvements | | | | | | | | | | | | |
| - Deep Lake Water Cooling | | 1,018 | | | | | | | | | | 1,018 |
| - Toronto Energy Conservation Fund | | 9,028 | 1,193 | 3,105 | 3,839 | 3,773 | 3,790 | 3,797 | 3,806 | 3,815 | | 36,146 |
| - City of Toronto Green Energy Fund | | 3,249 | 897 | 1,021 | 1,016 | 1,018 | 1,019 | 1,021 | 1,023 | 1,024 | | 11,288 |
| - Better Buildings Partnership | | 1,067 | 1,131 | 1,153 | 1,246 | 1,344 | 1,471 | | | | | 7,412 |
| - Community Energy Planning | | 1,343 | | | | | | | | | | 1,343 |
| Sub-Total | | 15,705 | 3,221 | 5,279 | 6,101 | 6,135 | 6,280 | 4,818 | 4,829 | 4,839 | 0 | 57,207 |
| Total | | 15,705 | 3,221 | 5,279 | 6,101 | 6,135 | 6,280 | 4,818 | 4,829 | 4,839 | 0 | 57,207 |

Major Capital Initiatives

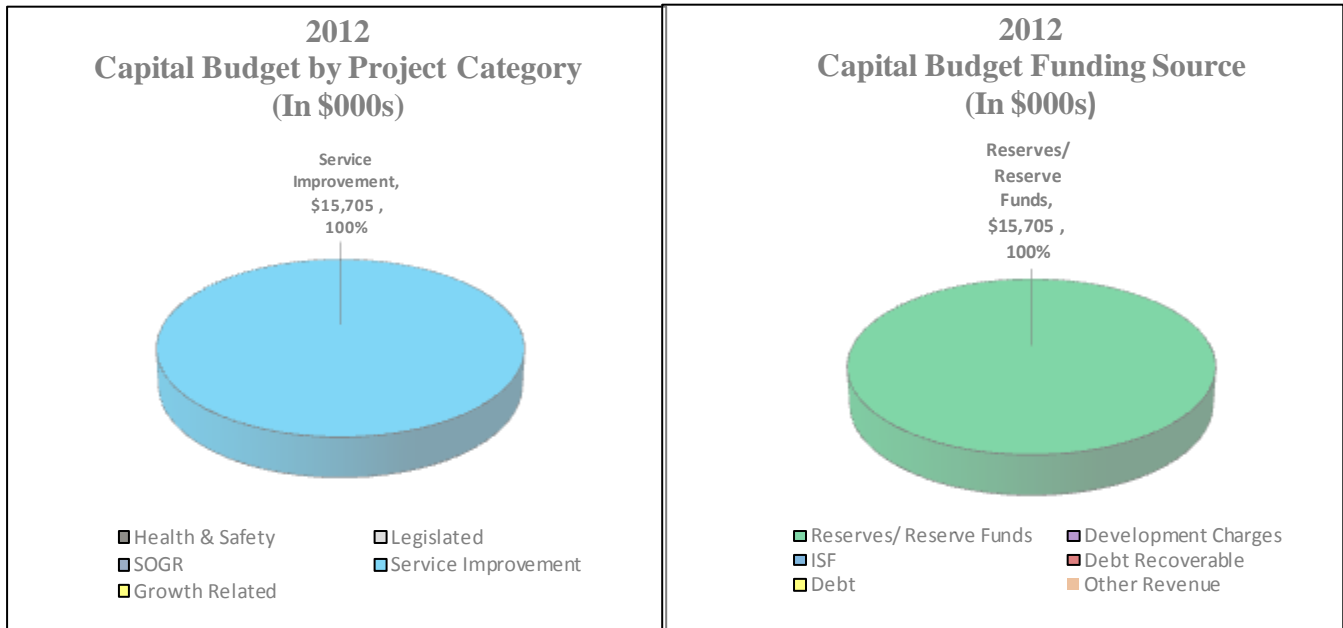
- The Sustainable Energy Plan was established in 2008 to assist the City in reducing its CO2 emissions and to meet energy reduction targets set by City Council.

Service Improvements

- The Sustainable Energy Plan consists of: The Toronto Energy Conservation Fund; The Toronto Green Fund; Union Station Deep Lake Water Cooling; the Community Energy Plan; the Better Buildings Partnership program and Community Energy Planning. All of these initiatives are service improvement projects.
 - The Toronto Energy Conservation Fund provides loans to the MASH sector for energy retrofits for facilities to reduce energy usage. The 10–Year Recommended Plan includes funding of \$36.146 million for this service improvement initiative.
 - The Toronto Green Fund provides funding to assist the MASH sector in securing green energy for their facilities to reduce gas emissions. Funding in the amount of \$11.288 million is included in the Plan for this service improvement initiative.
 - The 10–Year Recommended Capital Plan includes funding in the amount of \$1.018 million in 2012 to complete the Deep Lake Water Cooling Project at Union Station.
 - The Better Buildings Partnership program provides funding for the non–profit and public sectors to improve energy performance in their facilities. The Recommended 10–Year Capital Plan includes funding in the amount of \$7.412 million for this program.

PART III – 2012 RECOMMENDED CAPITAL BUDGET

2012 Capital Budget by Project Category and Funding Source



- The 2012 Recommended Capital Budget for the Sustainable Energy Plan is fully comprised of Service Improvement projects, dedicated to reducing green house gas emissions and reducing energy usage.
- The Program is fully funded from Reserve Funds.

2012 Recommended Cash Flow & Future Year Commitments (In \$000s)

| | 2010 & Prior Year Carry Forward | 2012 Previously Approved Cash Flow Commitments | 2012 New Cash Flow Rec'd | 2012 Total Cash Flow Rec'd | 2011 Carry Forwards | Total 2012 Cash Flow (Incl 2010 C/Fwd) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total Cost |
|--------------------------|---------------------------------|--|--------------------------|----------------------------|---------------------|--|------|------|------|------|------|------|------|------|------|------------|
| Expenditures | | | | | | | | | | | | | | | | |
| Previously Approved | | | 15,296 | 15,296 | | 15,296 | | | | | | | | | | 15,296 |
| Change in Scope | | | (658) | (658) | | (658) | | | | | | | | | | (658) |
| New | | | 1,067 | 1,067 | | 1,067 | | | | | | | | | | 1,067 |
| New w/Future Year | | | | 0 | | 0 | | | | | | | | | | 0 |
| Total Expenditure | 0 | 0 | 15,705 | 15,705 | 0 | 15,705 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,705 |
| Financing | | | | | | | | | | | | | | | | |
| Debt | | | | 0 | | 0 | | | | | | | | | | 0 |
| Other | | | | 0 | | 0 | | | | | | | | | | 0 |
| Reserves/Res Funds | | | | 0 | | 0 | | | | | | | | | | 0 |
| Development Charges | | | | 0 | | 0 | | | | | | | | | | 0 |
| ISF | | | | 0 | | 0 | | | | | | | | | | 0 |
| Provincial/Federal | | | | 0 | | 0 | | | | | | | | | | 0 |
| Total Financing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

*Please refer to Appendix 4 for detailed project listings

- The Sustainable Energy Plan's 2012 Recommended Capital Budget provides funding for previously approved projects totaling \$15.296 million; and \$0.409 million for new/change in scope projects.

- The previously approved projects consist of the Toronto Energy Conservation Fund; the Green Energy Fund and the Deep Lake Water Cooling project at Union Station. At inception, full funding was set aside from the Strategic Partnership Reserve Fund for these energy initiatives.
- New funding of \$1.067 million is recommended for the new component of the Better Building Partnership Fund Plan, not previously approved. Change in scope projects total \$(0.658) million as a result of revisions to projected loan repayments and interest earnings.
- All projects are funded from Reserve Funds.

2012 Recommended Capital Project Highlights

2012 Recommended Capital Projects (In \$000s)

| Project | Total Project Cost | 2012 | 2013 | 2014 | 2015 | 2016 | 2012 - 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2012 - 2021 |
|--|--------------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|----------|---------------|
| Deep Lake Water Cooling | | 1,018 | | | | | 1,018 | | | | | | 1,018 |
| Toronto Energy Conservation Fund | | 9,028 | 1,193 | 3,105 | 3,839 | 3,773 | 20,938 | 3,790 | 3,797 | 3,806 | 3,815 | | 36,146 |
| City of Toronto Green Energy Fund | | 3,249 | 897 | 1,021 | 1,016 | 1,018 | 7,201 | 1,019 | 1,021 | 1,023 | 1,024 | | 11,288 |
| Better Buildings Partnership | | 1,067 | 1,131 | 1,153 | 1,246 | 1,344 | 5,941 | 1,471 | | | | | 7,412 |
| Community Energy Planning | | 1,343 | | | | | 1,343 | | | | | | 1,343 |
| | | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | | 0 |
| Total (including carry forward) | | 15,705 | 3,221 | 5,279 | 6,101 | 6,135 | 36,441 | 6,280 | 4,818 | 4,829 | 4,839 | 0 | 57,207 |

The 2012 Recommended Capital Budget provides funding of \$15.705 million to:

- Complete the following projects:
 - The Deep Lake Water Cooling Project at Union Station (\$1.018 million) will be completed in 2012. The Community Energy Planning Project (\$1.343 million) will also be completed in 2012. This initiative assists the MASH sector by providing energy efficiency plans for re-development sites.
- Continue the following projects:
 - The Toronto Energy Conservation Fund project (\$9.028 million), the City of Toronto Green Energy Fund project (\$3.249 million) and the Better Buildings Partnership Project (\$1.067 million) all of which provide assistance to the MASH and non-profit sectors to reduce energy usage and green house gas emissions.

PART IV: ISSUES FOR DISCUSSION

2012 and Future Year Issues

Core Service Review Impacts

- At its Special Meeting of September 26 and 27, 2011, City Council approved the report 'Core Service Review – Final Report to Executive Committee' from the City Manager. Although the report did not specifically address the Sustainable Energy Plan, Council did direct the City Manager to consolidate and reduce environmental services within the City of Toronto.
- The specific recommendations in the report pertained to the Toronto Environment Office and the Toronto Atmospheric Fund. The recommendation was to consolidate and reduce environmental services within divisions, and agencies, and refocus their mandates on services that, in the opinion of the City Manager, are required to meet regulatory environmental reporting requirements, support the City's interests, or have the greatest return on investment. It is anticipated that a review of environmental services may impact the 10-Year Recommended Capital Plan for Sustainable Energy.

Service Efficiency Review

- At its meeting of April 12, 2011, City Council approved a report from the City Manager titled 'Service Review program, 2012 Budget Process and Multi-Year Financial Planning Process', dated March, 2011. The report directed that, in addition to other reviews, a service efficiency review be undertaken for environmental programs (across City programs and agencies). The service efficiency review is pending and may impact the 2012 and/or future year program.
- Pending the results of the Core Service and the Service Efficiency Reviews, the Program is not accepting new loan applications.

Status of the Sustainable Energy Program

- In-depth reviews as a result of the Core Service Review directive and the Service Efficiency directive should consider some emerging issues before any further loans are provided from the City to the MASH and non-profit sectors:
 - On the merits of the Program: The program lends funds to Provincially-supported institutions, such as schools, universities and hospitals for energy retrofits. Does this support the City's interests? The loans are now interest free. Does this support the City's interests?
 - Other City Emergent Needs: The City has other pressing environmental issues that currently are unfunded. The largest issue is the cost to remove and replace a

significant portion of the City's tree canopy due to the infestation of the emerald ash borer. Redirecting some of the funds from the Sustainable Energy Plan is a potential source of funding for this pressing issue.

- As a result, it is recommended that the City Manager and Deputy City Manager and Chief Financial Officer report back to Council through the appropriate Standing Committee in the first quarter of 2012 on the merits of Sustainable Energy loans to non-City agencies and the private sector, given the City's financial pressures and that no new loans to these sectors be approved from the Sustainable Energy Funds until this report is considered by Committee and Council.

Management of Energy Loans and Grants Funded by the Ontario Power Authority

- In June, 2011, Council approved a report from the Auditor General entitled 'Facilities Management Division Energy Efficiency Office – Management of Energy Loans and Grants Funded by the Ontario Power Authority'. Included in the report was a recommendation to report annually on such matters as: green house gas reductions generated by the loan programs, success or failure in meeting targets and the number of loans and their dollar value.
- The requested information is presented as part of the 2011 Accomplishments section of these note (please see page 15).

Appendix 1

2011 Performance

2011 Key Accomplishments

- ✓ The Better Buildings Partnership Program successfully reduced energy consumption during peak load periods by incenting the shift towards energy efficient technologies and practices that improve building performance. This achievement will aid economic growth in the City by allowing more new development using the existing infrastructure and deferring capital investments required for new infrastructure.
- ✓ Loans in the amount of \$2.800 million were approved from the Toronto Energy Conservation Fund which leveraged third party financing of \$33.900 million and will result in estimated savings of 3,300 eMWh/yr and approximately 2,800 tonnes/yr in CO2 emissions reduction.
- ✓ Loans in the amount of \$1.800 million were approved from the Toronto Green Energy Fund which leveraged third party financing of \$10.400 million and will result in estimated savings of 450 eMWh/yr and approximately 180 tonnes/yr in CO2 emissions reduction.
- ✓ The Better Buildings Partnership–Loan Repayment Reserve Fund distributed \$0.900 million in loans in 2011 which leveraged financing of \$6.900 million and will result in estimated savings of 1,100 eMWh/yr and over 260 tonnes/yr in CO2 emissions reduction.
- ✓ Community Energy Plans were completed or are underway for the Westwood Theatre Lands, Lawrence–Allen and Mimico Lakeshore redevelopment sites.
- ✓ The District Energy Program has identified 27 areas of concentrated energy use across the City referred to as District Energy Nodes. An external technical services provider has been engaged to develop and complete three business cases for three prioritized district energy nodes by year–end.

Management of Energy Loans and Grants Funded by the Ontario Power Authority

The following information is provided in response to the Auditor General's report addressing the management of energy loans and grants.

The following charts show the number of loans as of October 28, 2011 since the inception of the programs. The results of the loans are as follows:

- The total number of buildings that have received financing from the Toronto Energy Conservation Fund is 100 and \$17,975,189 has been approved/disbursed. It is of importance to note that the following City Initiatives and Programs are included in the \$17,975,189 approved/disbursed to date:
 - \$8 million to the Toronto Renewable Energy Office "Solar Photovoltaic Program";
 - \$500,000 for the Renewable Energy Program – Study; and,
 - \$500,000 for the District Energy System – Study.
- The total number of buildings that have received financing from the Toronto Green Energy Fund is 16 and \$5,595,482 has been approved/disbursed.
- The Better Buildings Partnership Loan Repayment Reserve Fund is an \$8.885 million revolving energy fund which generates approximately \$500,000 in loan repayments each year. The total funds approved/disbursed amounts to \$13,007,345 to assist 638 buildings, resulting in total loans provided exceeding the initial \$8 million investment due to the repayments being used to support additional loans.

Sustainable Energy Funds: Toronto Energy Conservation Fund and Toronto Green Energy Fund (as of October 28, 2011)

| Fund | Total Number of Buildings | Number of Loans Issued | Total Loans Approved/Disbursed |
|--|---------------------------|------------------------|--------------------------------|
| Toronto Energy Conservation Fund (2008–2011) | 100 | 17 | \$ 17,975,189 |
| Toronto Green Energy Fund (2008–2011) | 16 | 16 | \$ 5,595,482 |
| Total | 116 | 33 | \$ 23,570,671 |

Better Buildings Partnership Loan Repayment Reserve Fund (as of October 28, 2011)

| Fund | Total Number of Buildings | Number of Loans Issued | Total Loans Approved/Disbursed |
|--|---------------------------|------------------------|--------------------------------|
| Better Buildings Partnership Loan Repayment Reserve Fund (1997–2011) | 638 | 16 | \$ 13,007,345 |
| Total | 638 | 16 | \$ 13,007,345 |

- The charts below illustrate how the Toronto Energy Conservation Fund (TECF), the Toronto Green Energy Fund (TGEF) and the Better Buildings Partnership Loan Repayment Reserve Fund help the City meet its Climate Change Action Plan.

Sustainable Energy Funds: Toronto Energy Conservation Fund and Toronto Green Energy Fund (as of October 28, 2011)

| Fund | Cumulative Gross Floor Area Target (million ft ²) | Cumulative Gross Floor Area Achieved (million ft ²) | Cumulative Energy Savings Target* (eMWh) | Cumulative Energy Savings Achieved (eMWh) | Cumulative CO2 Reduction Target (Tonnes) | Cumulative CO2 Reduction Achieved (Tonnes) |
|--|---|---|--|---|--|--|
| Toronto Energy Conservation Fund (2008–2011) | 2.000 | 3.801 (190%) | 8,000 | 10,600 (133%) | 1,360 | 1,802 (133%) |
| Toronto Green Energy Fund (2008–2011) | N/A | N/A | 1,600 | 4,600 (288%) | 272 | 782 (288%) |
| Total | 2.000 | 3.801 | 9,600 | 11,200 | 1,632 | 2,584 |

Better Buildings Partnership Loan Repayment Reserve Fund (as of October 28, 2011)

| Fund | Cumulative Gross Floor Area Target (million ft ²) | Cumulative Gross Floor Area Achieved (million ft ²) | Cumulative Energy Savings Target* (eMWh) | Cumulative Energy Savings Achieved (eMWh) | Cumulative CO2 Reduction Target (Tonnes) | Cumulative CO2 Reduction Achieved (Tonnes) |
|--|---|---|--|---|--|--|
| Better Buildings Partnership Loan Repayment Reserve Fund (1997–2011) | 6.500 | 50.097 (770%) | 84,500 | 1,910,300 (2,260%) | 14,930 | 337,627 (2,260%) |
| Total | 6.500 | 50.097 | 84,500 | 1,910,300 | 14,930 | 337,627 |

- *Targets referenced to energy performance targets used by the Toronto Green Standard and the Better Buildings Partnership – New Construction Program (25% better than the provincial energy performance targets)
- The estimated impacts of the loan programs are as follows:

- The overall investments for the Sustainable Energy Funds amount to \$160 million (Sustainable Energy Funds and Private Sector) and 7,100 person years of employment were created.
- The overall investments for the Better Buildings Partnership Loan Repayment Reserve Fund (Better Buildings Partnership Loan Repayment Reserve Fund and Private Sector) amount to \$180 million and 8,000 person years of employment were created.
- The total estimated reduction of carbon dioxide emissions for the Sustainable Energy Funds is 2,584 tonnes.
- The total estimated reduction of carbon dioxide emissions for the Better Buildings Partnership Loan Repayment Reserve Fund is 337,627 tonnes.

2011 Capital Variance Review

2011 Budget to Actuals Comparison – Total Gross Expenditures (In \$000s)

| 2011 Approved | Actuals as of September 30th (3rd Qtr Variance) | | Projected Actuals at Year End | | Unspent Balance | |
|---------------|--|---------|----------------------------------|---------|-----------------|-----------|
| | \$ | % Spent | \$ | % Spent | \$ | % Unspent |
| 42,476 | 5,517 | 13.0% | 26,812 | 63.1% | 15,664 | 36.9% |

- The Sustainable Energy Plan's capital expenditures for the period ended September 30, 2011 totalled \$5.517 million or 13.0% of its 2011 Approved Capital Budget of \$42.476 million. The Program's projected expenditures to year end are expected to be \$26.812 million or 13.0% of the 2011 Approved Capital Plan.
 - The Solar Photovoltaic program will be underspent by \$7.0 million in 2011. This program is a joint initiative with Toronto Hydro and delays have resulted in finalizing the agreement for this program.
 - Pending the City's Service Review for Energy initiatives, the Program is not accepting new loan applications. This may result in significant underspending in the Toronto Energy Conservation Fund and the Toronto Green Fund projects. Applications received to date are being processed and will proceed.

Appendix 2

10 – Year Recommended Capital Plan Project Summary

| Project | Total Project Cost | 2012 | 2013 | 2014 | 2015 | 2016 | 2012 - 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2012 - 2021 |
|--|--------------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|----------|---------------|
| Deep Lake Water Cooling | | 1,018 | | | | | 1,018 | | | | | | 1,018 |
| Toronto Energy Conservation Fund | | 9,028 | 1,193 | 3,105 | 3,839 | 3,773 | 20,938 | 3,790 | 3,797 | 3,806 | 3,815 | | 36,146 |
| City of Toronto Green Energy Fund | | 3,249 | 897 | 1,021 | 1,016 | 1,018 | 7,201 | 1,019 | 1,021 | 1,023 | 1,024 | | 11,288 |
| Better Buildings Partnershp | | 1,067 | 1,131 | 1,153 | 1,246 | 1,344 | 5,941 | 1,471 | | | | | 7,412 |
| Community Energy Planning | | 1,343 | | | | | 1,343 | | | | | | 1,343 |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Total (including carry forward) | | 15,705 | 3,221 | 5,279 | 6,101 | 6,135 | 36,441 | 6,280 | 4,818 | 4,829 | 4,839 | 0 | 57,207 |

Appendix 3

2012 Recommended Capital Budget; 2013 to 2021 Capital Plan

Appendix 4

2012 Recommended Cash Flow and Future Year Commitments

Appendix 5

2012 Recommended Capital Project with Financing Details

Appendix 6

2012 Reserve / Reserve Fund Review

Reserve/Reserve Fund Review - Corporate

| Table 2 | | Projected Balance as at Dec. 31, | Proposed Withdrawals | | | | | | | | | | 2012 - 2021 Total |
|---|--|--|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------------|
| Reserve / Reserve Fund Name | Project / SubProject Name and Number | | 2012 Rec. Budget | 2013 Plan | 2014 Plan | 2015 Plan | 2016 Plan | 2017 Plan | 2018 Plan | 2019 Plan | 2020 Plan | 2021 Plan | |
| XRI714 - Strategic Infrastructure Reserve Fund | Beginning Balance | \$124,415 | | | | | | | | | | | |
| | Deep Lake Water Cooling | | (\$1,018) | | | | | | | | | | (\$1,018) |
| | Toronto Energy Conservation Fund | | (\$10,371) | (\$1,193) | (\$3,105) | (\$3,839) | (\$3,773) | (\$3,790) | (\$3,797) | (\$3,806) | (\$3,815) | | (\$37,489) |
| | Toronto Green Energy Fund | | (\$3,249) | (\$897) | (\$1,021) | (\$1,016) | (\$1,018) | (\$1,019) | (\$1,021) | (\$1,023) | (\$1,024) | | (\$11,288) |
| | Better Buildings Partnership Loan Repayment Reserve Fund | | (\$1,067) | (\$1,131) | (\$1,153) | (\$1,246) | (\$1,344) | (\$1,471) | | | | | (\$7,412) |
| | Total Proposed Withdrawals | | (\$15,705) | (\$3,221) | (\$5,279) | (\$6,101) | (\$6,135) | (\$6,280) | (\$4,818) | (\$4,829) | (\$4,839) | \$0 | (\$57,207) |

* Based on 3rd Quarter Variance Report