



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

Transmittal of Information from Toronto Hydro Corporation

Date:	September 10, 2013
To:	Executive Committee
From:	City Manager
Wards:	City-wide
Reason for Confidential Information:	This report deals with personal matters about an identifiable person.
Reference Number:	

SUMMARY

This report transmits materials provided by Toronto Hydro Corporation in response to requests by City Council at its meeting held on July 16, 17, 18 and 19, 2013. The attachments to this report set out Toronto Hydro’s solar photovoltaic strategy for the City, provide information on its contracting for services and adoption of whistle blower protection and other related policies, and respond to confidential Council instructions regarding a personnel matter.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council receive this report and the attachments for information;
2. City Council refer the report dated September 6, 2013, entitled “Toronto’s Solar PV Generation”, forming part of Attachment 1 to this report, to the Environment and Energy Office for review and comment, and
3. City Council direct that the contents of Confidential Attachment 2 to this report be kept confidential in their entirety after consideration of this report by Council as it contains information respecting personal matters about an identifiable person.

Financial Impact

There are no financial implications resulting from implementation of the recommendations in this report.

DECISION HISTORY

At its meeting held on July 16, 17, 18 and 19, 2013, City Council held Toronto Hydro Corporation's 2012 annual shareholder's meeting (Item EX32.9). At that time, Council adopted the following requests for information:

City Council request Toronto Hydro to develop a comprehensive residential and commercial solar energy installation strategy including goals, strategies, communication approach, benchmarks etc and to report to the City Manager in six months on how this could be accomplished.

City Council request the City Manager to report to City Council, through the Executive Committee, once Toronto Hydro has provided the report referred to in Part 5 above.

City Council instruct the City Manager to request the Toronto Hydro Corporation Board to provide a report to the October 8 and 9, 2013 meeting of City Council on the recently reported contracting of services, such as mapping and accounts payable, to the U.S. and India.

City Council request the Toronto Hydro Corporation to consider adopting 'Whistle Blower' Protection Policies.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX32.9>

ISSUE BACKGROUND

At its meeting held on November 30, December 1, 2, 4 and 7, 2009, City Council adopted a comprehensive energy strategy entitled "The Power to Live Green: Toronto's Sustainable Energy Strategy" which included policies regarding investment in and implementation of distributed energy infrastructure, supporting development of a "smart grid" to modernize and improve the efficiency of aging electricity infrastructure.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.EX36.9>

COMMENTS

A letter from the Chair of the Board of Directors of Toronto Hydro Corporation, dated August 23, 2013, provides the following reports in response to Council's July requests:

- "Toronto's Solar PV Generation" dated September 6, 2013;
- "Contracting of Services", undated;
- "'Whistle Blower' Protection Policies", dated August 15, 2013.

Toronto's Solar PV Generation

The "Toronto's Solar PV Generation" report from Toronto Hydro responds to #5 and #6 in Council's July decision documenting a comprehensive residential and commercial solar energy installation strategy in the City including context, achievements, communications and outreach.

The report states that Toronto Hydro has enabled 610 FIT and microFIT connections totalling over 19.9 megawatts of solar photovoltaic (PV) generation to date, and that an additional 336 FIT and microFIT projects totalling 20.45 MW are in progress with an expected connection date within the next 12 months.

The target for solar PV projects set out in the City's Power to Live Green Report is 166 MW by 2020. The Hydro report notes that, while uncertainty exists for projects to make up the remaining target in the 2017 – 2020 period, Hydro believes, based on current market take-up and continued FIT contracts from OPA, that the 166 MW target is achievable for 2020.

This document should be reviewed and commented on by the Environment and Energy Division within the context of Council's approved energy strategy "The Power to Live Green".

Contracting for Services

The "Contracting for Services" report responds to #8 in Council's July decision. The report documents the process used to outsource accounts payable as well as asset records management services (map digitization) out of the country to provide cost savings for Toronto Hydro. The report indicates that no Toronto Hydro employees were laid off or suffered any reduction in pay as a result of these arrangements and that the contracting of services was done in compliance with collective agreements. Staff formerly engaged in accounts payable roles were re-assigned to other roles in electricity distribution-oriented business units. Toronto Hydro states it is confident it is following best practices for information security in contracting these functions.

Whistle Blower Protection

The "Whistle Blower Protection Policies" report responds to #9 in Council's July decision. Toronto Hydro's whistle blower protection policies are located on pages 11 and 12 of its Code of Business Conduct but are not labelled as such and are not contained in a stand-alone policy. Although the report includes a comparison of elements of Hydro's Code of Business Conduct and the City's Whistle Blower Protection Policy, it would be more transparent if this important policy was set out separately and explicitly. The Toronto Hydro report also attaches Hydro's Fraud and Theft Prevention and Workplace Harassment Policies. The Hydro report states that, taken together, these two policies and its Code of Business Conduct establish a market-leading set of standards for employees, officers and directors and provide for a mechanism for monitoring and enforcement.

Executive Compensation

The Toronto Hydro Board Chair has provided information regarding executive compensation and dividends paid from 2002 to 2012 as requested by Council and this matter will be addressed in a report on agency and corporation compensation going to a future meeting of the Executive Committee.

Attachment 2 transmits a confidential letter from the Chair of Toronto Hydro Corporation responding to confidential instructions from City Council at its July 2013 meeting.

CONTACT

Joe Borowiec, Strategic and Corporate Policy Division

Tel: 416-397-9110; Fax: 416-696-3645; email: jborowie@toronto.ca

SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

Attachment 1: Letter dated August 23, 2013 from the Chair of the Board of Directors, Toronto Hydro Corporation, enclosing the following reports:

- (A) “Toronto’s Solar PV Generation”, dated September 6, 2013
- (B) “Contracting of Services”, undated
- (C) “Whistle Blower’ Protection Policies”, dated August 15, 2013

Confidential Attachment 2: Transmittal of Information from Toronto Hydro Corporation

- (A) Letter dated August 23, 2013 from the Chair of the Board of Directors, Toronto Hydro Corporation