

Consolidated Clause in Policy and Finance Committee Report 7, which was considered by City Council on September 25, 26 and 27, 2006.

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Proposed Amendments to the Energy Transfer Agreement between Enwave Energy Corporation and the City of Toronto

City Council on September 25, 26 and 27, 2006, adopted this Clause without amendment.

Council also considered additional material, which is noted at the end of this Clause.

The Policy and Finance Committee recommends that City Council adopt the staff recommendations contained in the Recommendations Section of the confidential report (September 13, 2006) from the General Manager, Toronto Water, respecting Proposed Amendments to the Energy Transfer Agreement between Enwave Energy Corporation and the City of Toronto, which was forwarded to Members of Council under confidential cover; and further, in accordance with the Municipal Act, discussions pertaining thereto be held in camera as the subject matter relates to the security of the property of the municipality.

City Council – September 25, 25 and 27, 2006

Council also considered the following:

- *Confidential report (September 13, 2006) from the General Manager, Toronto Water and the City Solicitor [Confidential Communication C.17(a)]. The following staff recommendations contained in the Recommendations Section of the report are now public, and the balance of the report remains confidential, in accordance with the provisions of the Municipal Act, 2001, as it contains information related to the security of the property of the municipality:*

“It is recommended that:

- (1) *the General Manager, Toronto Water be authorized to negotiate, enter into and execute an amending agreement to the Energy Transfer Agreement with Enwave Energy Corporation (‘Enwave’) for the replacement of Enwave’s contractual obligation to provide back-up power supply by way of diesel generation at the John Street Pumping Station with steam driven turbine generation from Enwave’s Simcoe Street Cooling Plant, together with such associated technical amendments, subject to all of the following conditions:*

- (a) *any amendments to the Energy Transfer Agreement be satisfactory to the General Manager, Toronto Water, in his sole discretion to ensure such amendments meet the City's technical and operational requirements;*
 - (b) *any replacement of the back-up power supply and any related amendments to the Energy Transfer Agreement be at Enwave's sole expense including any increase to the City's Water operation and maintenance costs and at no cost to the City;*
 - (c) *the receipt by the City of additional information in respect of the proposed replacement as may be required by the General Manager, Toronto Water or the City Solicitor and a duly executed and legally binding commitment from each of Enwave and Toronto Hydro-Electric System Limited to ensure that the City's back-up power entitlements under the Energy Transfer Agreement are maintained in priority to other interests, such commitments to be in a form and on terms and conditions satisfactory to the City Solicitor; and*
 - (d) *such amending agreement to otherwise be on terms and conditions satisfactory to the General Manager, Toronto Water and in a form satisfactory to the City Solicitor;*
- (2) *the General Manager, Toronto Water be authorized to negotiate, enter into and execute on behalf of the City any agreement with Enwave and/or Toronto Hydro-Electric System Limited that the City Solicitor may determine necessary to give effect to Recommendation (1)(c) above; and as may be otherwise necessary to address the operational and technical requirements considered necessary by the General Manager, Toronto Water; and*
- (3) *the appropriate City officials be authorized and directed to take the necessary action to give effect thereto."*