

City Council**Motion without Notice**

MM29.13	ACTION			Ward: 10
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Authorizing the Wastewater Energy Project at Exhibition Place - by Deputy Mayor Ausma Malik, seconded by Mayor Olivia Chow

** This Motion has been deemed urgent by the Chair.
* This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.*

Recommendations

Deputy Mayor Ausma Malik, seconded by Mayor Olivia Chow, recommends that:

1. City Council authorize Exhibition Place to negotiate and execute a non-competitive procurement contract with Noventa Aggregator GP Inc on behalf of Noventa Exhibition Place LP for the supply of Hot Water, Chilled Water and power generation capacity to Exhibition Place’s district energy system over a term of 30 years commencing on date July 1, 2026, with an anticipated spend of eighty-two (82) million dollars over the course of the term, on terms and conditions satisfactory to the Exhibition Place Board of Directors, and in a form satisfactory to the City Solicitor.

Summary

In 2021, City Council provided City staff with direction to engage with Noventa Energy Partners (“Noventa”) on up to nine additional sewer waste recovery projects (MM47.61). Exhibition Place was identified as a potential opportunity given the imminent need to replace existing aging equipment and the City’s mandate of net-zero by 2040.

At its meeting of April 25, 2024, the Exhibition Place Board by adoption of EP9.19, authorized Exhibition Place staff to work with City Environment, Climate and Forestry staff to negotiate and enter into a Memorandum of Understanding, including a Thermal Energy Services Agreement among Exhibition Place, City of Toronto, and Novena Energy Partners.

Pursuant to City of Toronto Municipal Code Chapter 63-6F, Exhibition Place requires City Council authority for any agreement with a third party related to the provision of services in excess of four years. Pursuant to Municipal Code Chapter 195 Procurement, Section 195-7.3 (D), Standing Committee and Council approval is required for all procurement valued up to or over \$500,000, or where the term of the contract exceeds five (5) years or exceeds the projected capital funding for the project as approved by Council. Chapter 195-7.1K provides an exemption to the requirement to conduct competitive procurements where there is “Another organization is funding, or substantially funding, the procurement and the City has determined that the supplier and the terms and conditions of the proposed contract are beneficial to the City.” The term of 30 years is necessary due to the significant upfront capital, long payback

periods, long equipment and infrastructure lifespans and the proprietary nature of equipment and maintenance procedures for specialized equipment and operations.

Should the engagement proceed, Noventa, at their own risk, will design, finance, construct, own, and operate the energy system with substantial funding from the Canadian Infrastructure Bank constituting a significant benefit to Exhibition Place and the City of Toronto.

This motion is urgent as the deadline for the City to complete a Thermal Energy Services Agreement for the project to receive Canadian Infrastructure Bank funding is April 28, 2025.

Background Information (City Council)

Member Motion MM29.13