

**Flagged item  
Enclosure #4**

**2018 Budget**

|                                       |                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Flagged item # and description</b> | <b>Flagged Item #4</b><br><br><b>Biomass – Fuel Handling Reconfiguration</b><br><br>What is the net effect of the \$150,000 investment for Biomass – Fuel Handling Reconfiguration, shown on page 95, on the current deficit for the Community Energy Centre, that is, what is the business case for this additional investment? |
| <b>Date of request</b>                | November 28, 2017                                                                                                                                                                                                                                                                                                                |
| <b>Councillor</b>                     | R. Frank                                                                                                                                                                                                                                                                                                                         |
| <b>Department / Division</b>          | Utilities                                                                                                                                                                                                                                                                                                                        |
| <b>Staff lead</b>                     | Jeff Hutton                                                                                                                                                                                                                                                                                                                      |

**Response:**

**2018 Proposed Budget**

|         |                                           |
|---------|-------------------------------------------|
| Revenue | \$738,792                                 |
| Expense | \$1,394,057 (excluding amortization)      |
| Net     | (\$655,265) (funded from Utility reserve) |

**Impact of reconfiguring fuel delivery on the bottom line**

\$10,000 - \$15,000 per year improvement to the net starting in 2019

**Background**

As part of the 2011 budget process Council approved a Biomass Demonstration Facility. The pilot yielded the following benefits:

**Economic**

- This modification is designed to yield fuel costs which are less than natural gas.
- Projected savings will commence in 2019 after the acquisition and implementation phase is complete.

**Environmental**

- The pilot proved that the emissions complied with Alberta Environment Substance Release Regulations.
- If operational for 12 months the biomass system has the capacity to remove 1500 tonnes of wood waste from our regional waste stream.
- If operational for 12 months the biomass system reduces CO2 emissions by 1200 tonnes.

**Social**

- The pilot led to increased local knowledge, skills and employment related to the integration of biomass processing and combustion heating technology including supply, processing, maintenance and operating support services.