Flagged item **2018 Budget**
Enclosure #4

Flagged item # and description	**Flagged Item #4** **Biomass – Fuel Handling Reconfiguration** 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?
Date of request	November 28, 2017
Councillor	R. Frank
Department / Division	Utilities
Staff lead	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.