

Priorities Committee Meeting_Mar12_2019

STRATEGIC INITIATIVE AND UPDATE**Community Energy Funding Strategy 2019****Report Purpose**

To provide the Priorities Committee with an overview related to Utilities Business Plan Initiative to investigate funding options for the Community Energy System.

Our Prioritized Strategic Goals

Goal 2 - Manage, invest and plan for sustainable municipal infrastructure

Goal 4 - Ensure effective stewardship of water, land, air and energy resources

Report

The Community Energy System was originally built on the desire that Strathcona County wished to develop a sustainable neighbourhood in its downtown core. Centre in the Park (CITP) was an ideal location for community energy as it had a combination of existing/aging infrastructure and new development that would create diverse loads for the system. The benefits of the system include: a more efficient use of energy, reduction in greenhouse gases, safer buildings and opportunity for alternative technologies that will create system resiliency.

Under the Strategic Plan of the day, community energy was built on the premise that it would strike a balance between economic prosperity, social responsibility and environmental stewardship. This service also has ties to the Environmental & Economic Sustainability Frameworks.

- Strathcona County's Environmental Sustainability Framework targets air emissions and energy efficiency by setting a goal for the County to use leading edge technology and sound management practices. Community energy reduces greenhouse gas emissions associated with building heat. (Environmental Sustainability Framework)
- Strathcona County enables and promotes the diversification of its economy through the development of green jobs and investment with the goal to be a model for sustainable development. Through the use of alternative fuel sources, community energy will develop local fuel source infrastructure that will help to keep energy dollars within the community. (Economic Sustainability Framework)

The challenge for self-funding of the community energy system is due to delays in development of the CITP location (10+ years) and a reduction in the number of buildings originally connecting to the community energy system, leaving an operating shortfall.

There are two options for the County to address the current operating shortfall:

1. Remain status quo and continue to draw from the Utility Reserve for annual shortfalls.
2. Fund annual shortfalls through municipal taxes.

Any changes to address the current operational shortfalls would be submitted and approved by Council through the 2020-2023 business plan and budget process.

Priorities Committee Meeting_Mar12_2019

Council and Committee History

December 6, 2018	Council directed Administration to provide a report by the end of the first quarter of 2019 that details the pros and cons of supporting debt payments for community energy through utilities charges or alternatively, through municipal taxes.
July 21, 2015	Council defeated a motion to direct Administration to provide funding for the Community Energy System through Utility Reserves as part of the annual Business Plan and Budget process. Council defeated a motion to direct Administration to provide funding for the Community Energy System through municipal property taxes as part of the annual Business Plan and Budget process.
May 19, 2015	The Community Energy Funding Strategy was presented to Priorities Committee for information.
December 2, 2014	Council directed Administration to move the Community Energy Centre budget line item from the municipal property taxes back to the Utility Asset Reserve.
August 30, 2011 May 31, 2011	Council approved Strathcona County's Community Energy Strategy. Council approved per capita grants as a potential source of funding for community energy, directed Administration to include regulatory mechanisms as a key initiative within the Community Energy Strategy and requested that emphasis be placed on areas where community energy infrastructure exists and/or County owned facilities are within the cluster identified as a heating opportunity.
May 10, 2011	Council accepted the Community Energy Strategy report as information and directed Administration to report back to the May 31, 2011 Council Meeting to receive Council's direction on the community energy funding sources and voluntary versus regulatory approaches.
March 3, 2009	Council approved the development of a Community Energy Strategic Plan.
March 29, 2005	Council supported the Business Plan for a Community Energy System consisting of a heat only energy plant and associated distribution piping systems.

Other Impacts

Policy: n/a

Legislative/Legal: n/a

Interdepartmental: Facility Services; Financial Services; Planning and Development Services; Utilities

Master Plan/Framework: Environmental Sustainability Framework; Economic Sustainability Framework

Enclosure

1	Community Energy Funding Strategy 2019 presentation
---	---