



## The Corporation of the Town of LaSalle

<b>Date:</b>	October 24, 2017	<b>Report No:</b>	FIN-32-2017
<b>Directed To:</b>	Members of Council	<b>Attachments:</b>	Essex Energy Presentation
<b>Department:</b>	Finance		
<b>Prepared By:</b>	Joe Milicia, CPA ,CA Director of Finance & Treasurer	<b>Policy References:</b>	None
<b>Subject:</b>	Ontario Municipal GHG Challenge Fund Application		

### **Recommendation:**

It is recommended that:

1. The Town of LaSalle support the Municipal GHG Challenge Fund Application;
2. Tecumseh be the lead applicant in the Municipal GHG Challenge Fund with Essex Power Corporation and the municipalities of LaSalle, Amherstburg and Leamington;
3. Up to \$15,000 be allocated in the 2018 Budget to support the partnership and application; and
4. Council resolve to commit to complete a community-wide GHG inventory, targets and plan.

### **Report:**

#### **Background**

As part of the Ontario Climate Change Action Plan, the Province of Ontario has launched several funding opportunities to help municipalities lead initiatives in their communities that reduce Greenhouse Gas (GHG) emissions. One of these initiatives is the Municipal GHG Challenge Fund.

The Municipal GHG Challenge Fund is aimed at supporting community-led action on climate change. The competitive, application-based program will fund up to 100% of eligible costs for GHG emissions projects proposed by municipalities. Any Ontario incorporated municipality with a council committed to complete a community-wide GHG emissions inventory, emissions reduction targets, and a strategy/plan to reduce GHG emissions is eligible to apply. Eligible projects include those that reduce GHG emissions in any sector including buildings, energy supply, transportation, water, waste and organics sectors.

Applicants will be required to provide an estimate of the GHG reduction potential for their project as part of the application process. Estimating GHG impacts is a critical part of demonstrating the merits of projects in reducing GHGs and helping achieve Ontario's climate change goals. Estimates will assist the province in our assessment of which projects will be awarded funding under the Municipal GHG Challenge Fund. GHG emission quantification should be based on an approach most appropriate for the project in question. It should be complete, consistent, transparent and accurate.

The Ontario government encourages municipalities to partner with other municipalities and community organizations to complete their project. Municipalities may request up to \$10 million per project. Ontario will contribute up to 100% of eligible costs; however, a higher score will be given to applicants that leverage funds for up to 50% of eligible costs.

Applications must be received by November 14, 2017. Successful applicants will be informed in writing by February 2018. Funding must be used by March 2019.

Funding for this program comes from Ontario's cap and trade plan.

#### Application

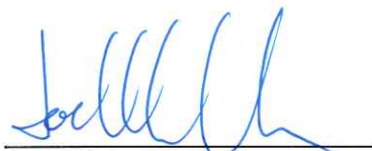
The local municipalities Town of Tecumseh, LaSalle, Amherstburg and Leamington have partnered with Essex Power and to apply for the Municipal GHG Challenge Fund to continue the ongoing Municipal Sustainable Energy Cells and Electric Vehicle charging infrastructure. Essex Power has committed to complete the entire application and appendices, including a Community Wide Energy Plan, on behalf of the Town of Tecumseh as the lead applicant. Although the Town of Tecumseh was chosen as the lead applicant for the grant each municipality must approve a resolution to commit to completing the community-wide GHG inventory, targets and plan.

Essex Energy is leading the development of the application including the community-wide GHG plan that includes inventories and targets. They are currently working on the eligibility requirements associated with the grant application.


The infrastructure expected would locate a 6 mW solar power cell in one location and allocate one quarter of the power to each municipality. Additional infrastructure could include future fleet conversion to electric voltage with an electric charging station. There could also be two to three charging stations in the next five to ten years located in Town to encourage residents to convert to electric vehicles. Essex Energy will own the solar energy cells with the municipalities owning the electric vehicle charging infrastructure.

It is expected that with this grant funding, solar energy cells will provide significant electricity savings over the long term, thus reducing the Town's operational costs while enabling GHG emission reductions in the Town's energy supply and vehicle fleet.

Yours truly,



Joe Milicia, CPA, CA  
Director of Finance & Treasurer

Reviewed by:						
CAO	Finance	Council Services	Public Works	Development & Strategic Initiatives	Culture & Recreation	Fire Services
						





# GHG Challenge Fund

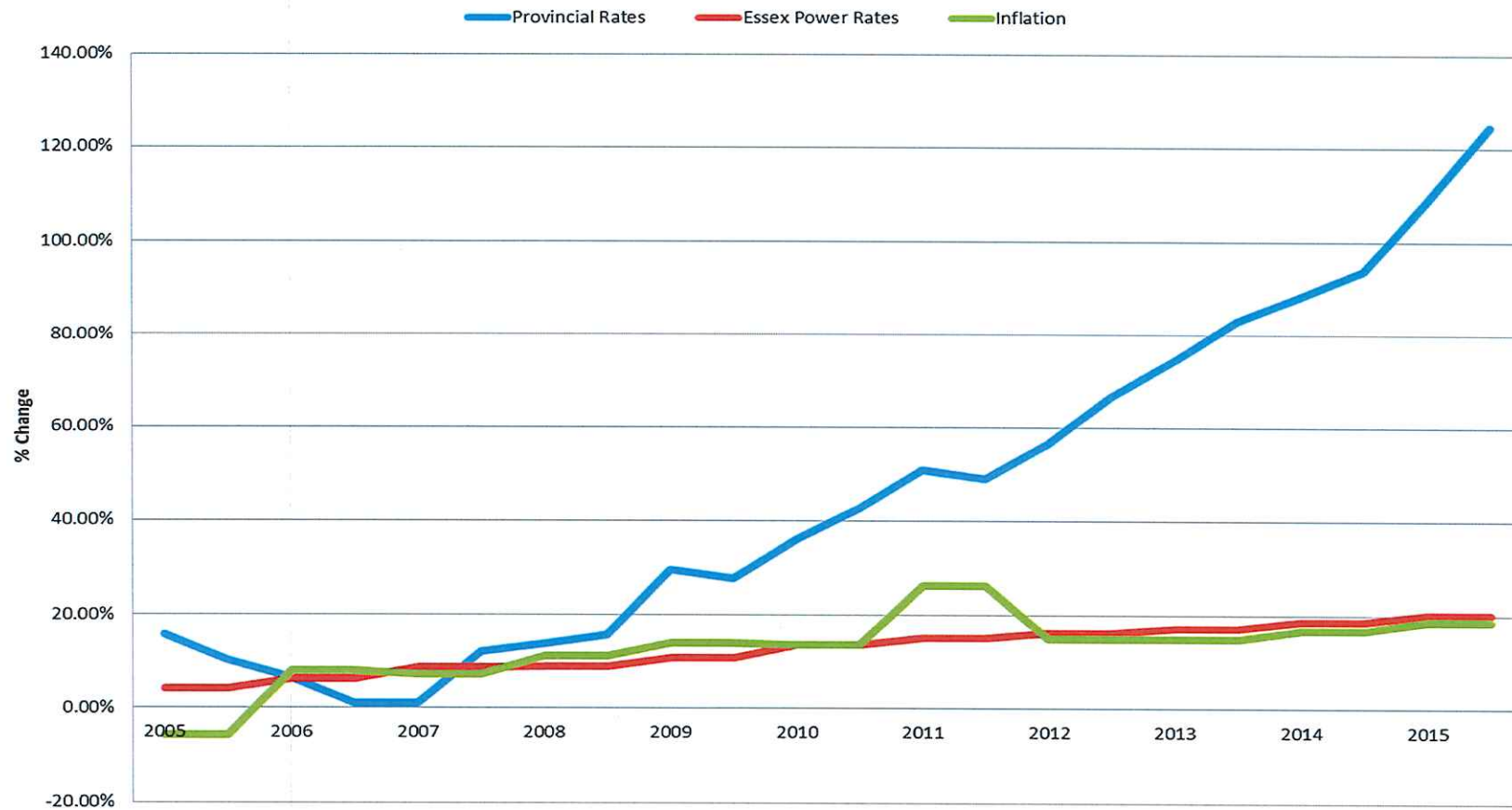
Decreasing GHG Emissions  
& Greening Your  
Community



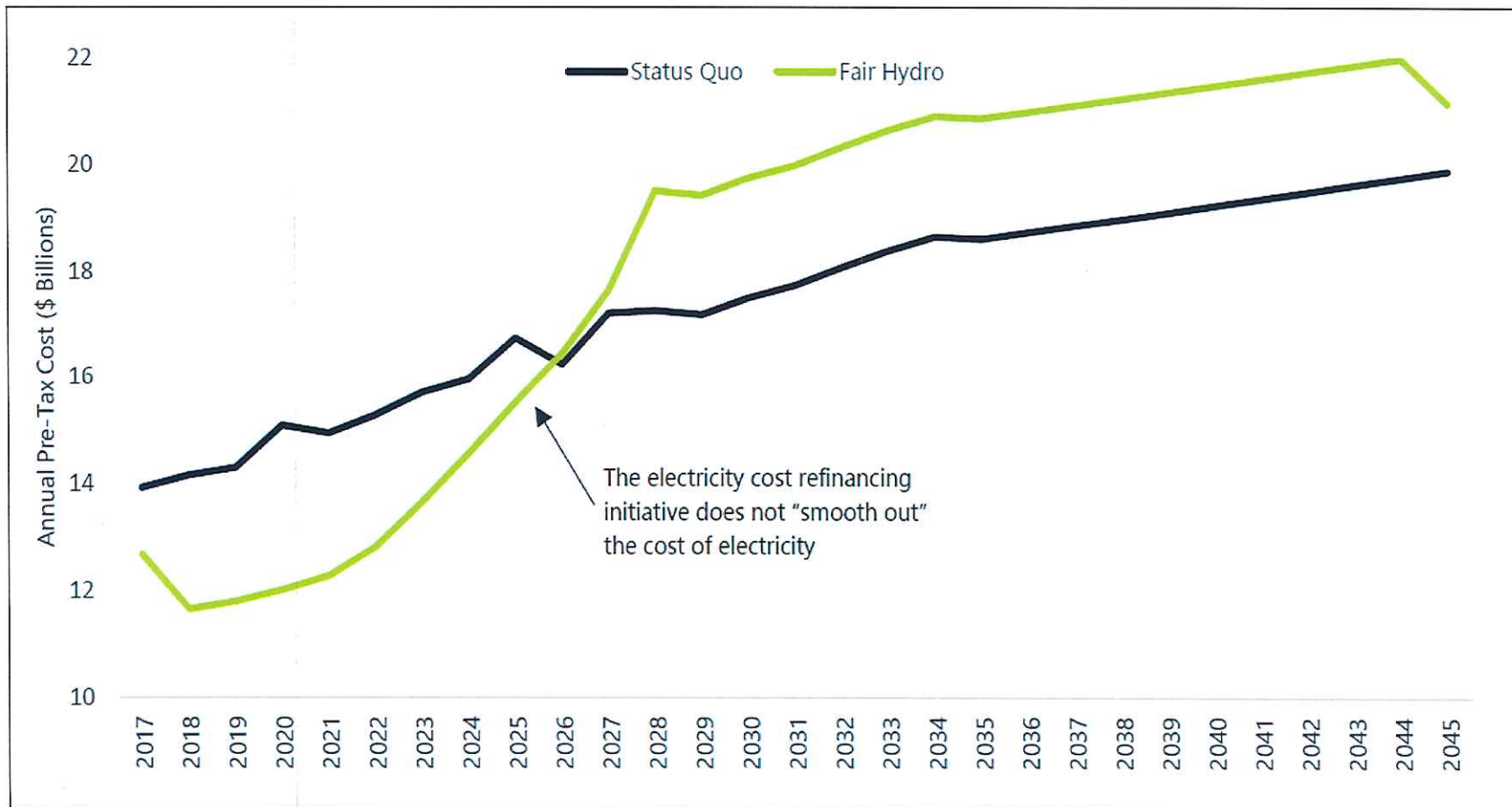
September 8<sup>th</sup>, 2017

# Provincial Cost of Electricity

Yearly Rate % Changes



# Fair Hydro Plan – Financial Engineering



\*\*Source Report: "An Assessment of Fiscal Impact of the Province's Fair Hydro Plan", Financial Accountability Office



## What We're Proposing...

- Leverage the GHG Challenge Fund to Combine:

- ***Municipal Sustainable Energy Cells  
("MSEC")***

With

- ***Electric Vehicle ("EV") Charging  
Infrastructure Needs***

## Municipal GHG Challenge Fund

- Funded by the Climate Change Action Plan
- Up to \$10 Million per Project (Up to 100% of Eligible Costs)
- Competitive Program – Application Based
- Eligibility:
  - Council Approved:
    - Community-wide Greenhouse Gas Inventory
    - Community-wide Emissions Reduction Target
    - Community-wide Strategy/Plan to Reduce GHG Emissions
    - Up-to-date O.Reg. 397/11 CDM 5-Year Plans
    - Up-to-date O.Reg. 397/11 Annual Reporting

## Proposed Outcomes

- Essex Energy Applies to the GHG Challenge Fund on Behalf of Shareholder Municipalities:
  - EE Will Own Solar PV
  - Municipality will Own EV Charger Infrastructure
- Proceeds from Successful Application Contribute to:
  - A Lower PPA Rate (Paid by Muni) For Long Term Electricity via Prepay
    - Purchase / Refurbish Brownfield Site
  - Paid / Low Cost EV Infrastructure for Muni



# EV Charger Infrastructure Scope

## **Municipal (Internal) Fleet Conversion:**

- EV Chargers sufficient to cover the EV plans for the Muni's for the next 10 years
- Muni needs to understand what those plans will be
- Small local solar PV will be a component

## **Municipal (Public) Key Sites:**

- EV Chargers sufficient to cover key desired locations in the Muni's
- Small local solar PV will be a component

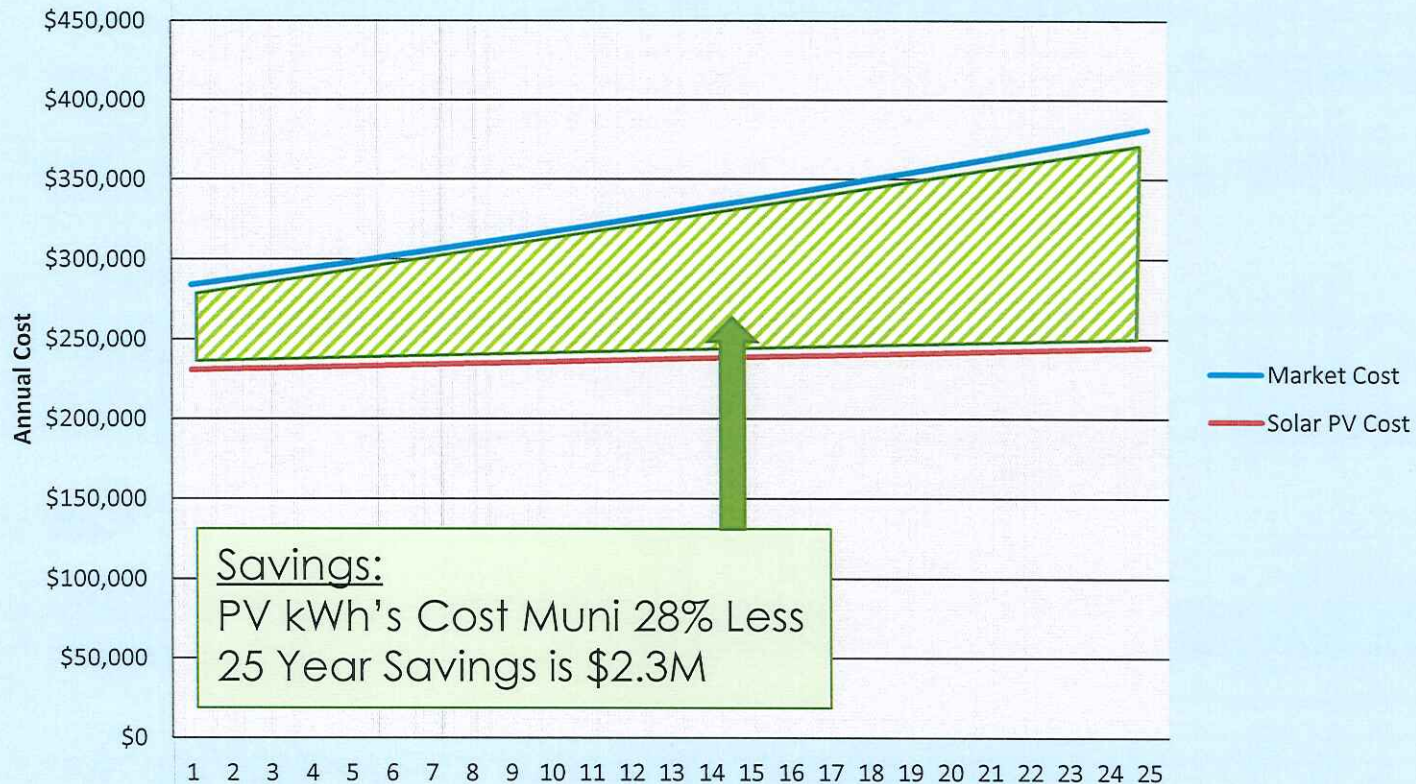
## Solar PV Scope

- For Municipality (Project at a glance):
  - 1.5MW of Solar PV Capacity
  - Producing ~1.8M kWh's of Energy (25 to 50% of Total Load)
- Solar PV can be Built:
  - On Rooftops
  - On Appropriate Ground Sites (ie Brownfield)
- Leverage "Virtual Net Metering" to Apply All Solar PV Generation Savings to all of the Town's Electricity Accounts
- Seek Support as a "Pilot Project" from IESO and Others



# Significant Municipal Operational Savings – GHG Fund Impact

Ongoing Savings Provided by Clean Solar PV Production





# Collaboration Results in Win/Win/Win

- Municipality receives substantial support for design and installation of EV infrastructure
  - Internal fleet needs
  - Public needs
- Municipality saves substantially wrt electricity rates over the long term
- Existing municipal electricity load is offset by emission free power (solar PV)
- All new municipal EV electricity load is offset by emission free power (solar PV)
- Municipality will realize cost savings as a result of fossil fuel purchases
- Essex Power Group owns and operates solar PV assets inline with its core strength

# Timeline / Milestones

- September 2017 Complete:
  - Site Analysis
    - Includes Both EV & Solar PV
  - Business Cases Related to Solar PV (PPA)
- October 2017 Complete:
  - Reports to Council
  - Shareholder Council Approvals to Apply to GHG Challenge Fund as a Group
  - IESO / MEI Buy-In
- November 2017 Complete:
  - Final Application Write up