



Agenda

penticton.ca

Special Community Sustainability Advisory Committee Meeting to be held via Zoom

**Public attendance at committee meetings continues to be restricted due to limited space and the physical distancing requirements. If you'd like to watch or listen to the live Committee meeting, please email Committees@Penticton.ca 24-hours prior to the commencement of the meeting for the Zoom meeting participation details. You will have an opportunity to ask questions related to the agenda at the end of the meeting.*

**Monday, September 28, 2020
at 9:00 a.m.**

1. **Call Special Committee Meeting to Order**
2. **Adoption of Agenda**
3. **New Business**
 - 3.1 Notice of Motion from Councillor Bloomfield on September 1
Re: Clean BC Grant – Mitch Moroziuk, General Manager of Infrastructure 8-12
4. **Public Question Period**
5. **Adjournment**

Paula McKinnon

From: Caitlyn Anderson
Sent: Wednesday, September 16, 2020 2:27 PM
To: Mitch Moroziuk
Cc: Paula McKinnon
Subject: September 15 Council Meeting Resolution

Follow Up Flag: Follow up
Flag Status: Flagged

Hello Mitch,

Please be advised that Council at their Regular Council meeting held on Tuesday, September 15, 2020, passed the following resolution:

12.1 From Councillor Bloomfield on September 1:

301/2020

It was MOVED and SECONDED

THAT Council direct staff to use the information provided in (but not limited to) the 2020 Midgard Consulting Inc. report titled "City of Penticton Generation Study" and the 2011 City of Penticton Climate Action Plan to investigate the various options for making grant applications for the Clean BC Community Fund in time for the November 12, 2020 deadline.

I ask that you kindly follow through with the above resolution.

Thank you,

Caitlyn Anderson, BBA, Deputy Corporate Officer

City of Penticton | 171 Main Street | Penticton, BC | V2A 5A9
 p: 250.490.2405 | f: 250.490.2402 | e: caitlyn.anderson@penticton.ca



Memorandum

penticton.ca

Date: September 15, 2020
To: Donny van Dyk, Chief Administrative Officer
From: Mitch Moroziuk, General Manager of Infrastructure
Subject: **Notice of Motion – Clean BC Grant**

File No: 1855-03

Notice of Motion from Councilor Bloomfield for consideration on September 15, 2020:

THAT Council direct staff to use the information provided in (but not limited to) the 2020 Midgard Consulting Inc. Report titled “City of Penticton Generation Study” and the 2011 City of Penticton Climate Action Plan to investigate the various options for making grant application for the Clean BC Community Fund in time for the November 12, 2020 deadline.

Staff comments:

In February of 2020 Midgard Consulting Inc. completed the “Penticton Generation Study Report”. On January 22, 2020 the report was presented to the Community Sustainability Committee. On February 18, 2020 they made the following recommendation to Council:

It was MOVED and SECONDED

WHEREAS Committee members noted that the electricity provided by FortisBC has very low carbon intensity, so reducing the amount purchased may not be the most cost effective method to reduce GHG emission; and

WHEREAS reliance on external electricity supply could leave Penticton vulnerable to future increases in price and potential disruptions. As electrical use is expected to rise steeply in the next ten years due to a massive shift from fossil fuels to electricity to power both buildings and vehicles, the report recommendations could assist in adapting to climate change;

THEREFORE the Community Sustainability Advisory Committee recommend to Council

1. THAT staff continue to proceed with the pilot phase for alternative 13 Peak Shaving (diesel) of the project and an analysis of the greenhouse gas emissions be prepared and that all results are reported back to the Committee; and
2. THAT once the pilot phase is complete, run time be limited to CSA standard for maintenance to avoid an increase in net greenhouse gas emissions, which would run counter to Council’s goal of carbon neutrality; and
3. THAT staff be directed to apply for any applicable grants to support Midgard’s recommendations for Peak Shaving (Battery) and Solar Rooftop Existing; and

4. THAT the Electrical Reserve Fund be used as it currently is and for electrical utility investments that reduce greenhouse gas emissions or increase resilience; and
5. THAT staff be directed to engage with FortisBC to address demand side energy use and reductions.

CARRIED UNANIMOUSLY

On April 21, 2020 Council considered the recommendation from the Community Sustainability Committee and they passed Resolution 77/2020 as follows:

77/2020 It was MOVED and SECONDED

THAT Council receive the Community Sustainability Advisory Committee recommendations from February 18, 2020 for information.

CARRIED UNANIMOUSLY

On September 1, 2020 Councillor Bloomfield introduced the following Notice of Motion:

THAT Council direct staff to use the information provided in (but not limited to) the 2020 Midgard Consulting Inc. Report titled "City of Penticton Generation Study" and the 2011 City of Penticton Climate Action Plan to investigate the various options for making grant application for the Clean BC Community Fund in time for the November 12, 2020 deadline.

Staff provide the following information in regards to this Notice of Motion:

The CleanBC Community Fund grant particulars are as follows:

- The grant will provide funding for infrastructure projects that support the management of renewable energy, access to clean energy transportation, improved energy efficiency of buildings and the generation of clean energy.
- Local Government is an eligible applicant.
- The application deadline is November 12, 2020.
- Limited to one application.
- The funding split is Government of Canada 40%, Province of BC 33.33%, and Local Government 23.67%.
- No maximum amount on the cost of the grant project but consideration to phasing should be made if project costs exceed \$4,739,000.
- Require a Council Resolution committing to the grant application and the City's portion of the funding.
- Primary consideration for the grant is greenhouse gas reductions (as compared to a baseline* scenario).
- The City Grant writer has indicated that the granting authorities have indicated that innovative projects will rate higher.

Projects that could be considered to submit for this grant include:

From the 2020 Midgard Report:

The report identified seventeen possible energy generation or energy cost savings projects. These were screened, analyzed, ranked and recommendations were developed. The recommendations were as follows:

Recommended Projects Without Grant Funding:

- Peak Shaving Diesel (\$400,000 \$2019). **NOTE:** Project construction underway.

Recommended Projects With Grant Funding:

- Rooftop Solar on NEW City buildings (\$1,000,000 \$2019). **NOTE:** No new City buildings are being contemplated at this time.
- Peak Shaving Battery (\$2,500,000 \$2019) **NOTE:** This is project included for 2022 in the Draft Electrical Master Plan.
- Peak Shaving Diesel (\$400,000 \$2019). **NOTE:** Project construction underway.

From the 2011 Community Action Plan:

The Community Action Plan identified eight strategies. Two of those strategies fit the CleanBC grant criteria of being community based and serve the general public, they are:

- Strategy 2: Improve energy efficiency of existing privately owned buildings **NOTE:** The City already has the Home Energy Loan Program in place and provided low interest loans, paid for on the electric utility bill of up to \$10,000 for improvements such as these.
 - Improve the building envelope and appliances of existing buildings, onsite renewable energy generation.
 - Targeting buildings built prior to 1976 will bring best energy savings.
- Strategy 3: Increase use of alternative energy in privately owned buildings **NOTE:** The City already has the Home Energy Loan Program in place and provided low interest loans, paid for on the electric utility bill of up to \$10,000 for improvements such as these. **NOTE:** The program could be changed to include Electric Car Charging Stations as an eligible item under the Home Energy Loan Program.
 - Change the energy supply of buildings from fossil fuel to electricity to lower emissions.
 - Capture and redistribute excess waste heat

NOTE: The City also has a Payment Plan which can be used to pay for EV Charges and the installation of Solar panels. A customer can put between \$2,000 to \$50,000 on a payment plan. The terms are 5 years at prime plus 0.5%.

From the 2011 Corporate Climate Action Plan:

The plan identified 15 Actions. The following action fits the grant criteria:

- Action 1: Implement energy efficiency measures from opportunity assessments (\$546,000 \$2011).

- Building opportunity assessments were undertaken in 2011 for 17 City-Owned buildings. Implement suggested retrofits to buildings with public access, such as the Community Centre, museum and library, McLaren Arena.

NOTE: The majority of the items noted have been completed at the Community Center, Museum, Library and McLaren Arena. The exception is compressor heat recovery at McLaren Arena. Also we currently have a lack of capacity in the Facilities Department.

From the National Research Council past grant application:

The City has also made a past grant application to the National Research Council for the following projects:

- 190kW Parking lot Solar City Hall (\$1,571,400 \$2016)
- 400 kW Parking lot Solar City Public Works Yard (\$3,308,040 \$2016)

NOTE: It is not recommended that the City Hall location be pursued as this location is being examined in detail as part of the Asset and Amenity Management work.

Car Charging Stations:

The City made a grant application to the CleanBC Community Fund in 2019 for the following project:

- 313 Ellis Street: Two dual pedestal level 2 Electric Vehicle Charging Stations (\$21,000 \$2019).

NOTE: The electric vehicle charging stations were installed although the grant application was denied.

NOTE: There are two types of electric vehicle car charging stations: Level 2 and Direct Current Fast Charging (DCFC). A Level 2 charging station will fully charge an EV in approximately 4-6 hours and costs \$5,000 to purchase and install the infrastructure. Typically there are no electrical upgrades required to install a Level 2 station. Installing a DCFC station costs approximately \$80,000 - \$95,000 to purchase and install, and will often require an upgrade to the electrical service. DCFC stations can typically fully charge a car in an hour.

NOTE: Council should make a decision if they want the City of Penticton to be in the Electric Car Charging Station business. Currently we are in the electric distribution business. We could just provide power to the private sector who would then install Electric Car Charging Stations or we could decide this is a business we should be in. If this is the case, some work would have to be done to determine exactly what would be required, what the goals would be and what would be needed from the perspective of human and capital resources.

The City Fleet:

The City does not have any all-electric vehicles in the fleet. The City does have four hybrid cars and one hybrid Electric Line Truck. Prior to COVID19 the plan was to replace one of the hybrid cars with an electric car. This was put on hold until 2022. For 2021 a zero emissions Zamboni will be purchased for the South Okanagan Event Center. The Fleet Department has looked at electrification of our Parks Department small equipment

items but have determined that the technology is not quite there to support eight hour per day five days per week operations. The Fleet Department has looked at electrification of the passenger car fleet and will proceed with that as existing passenger cars reach their replacement triggers. The Fleet Department has looked at the electrification of our work truck fleet and determined that the technology is not quiet there to avoid compromising the services that we have to deliver. This will likely change quickly and may become a viable option in the near future.

The Transit Fleet:

The Electrical Department has had discussions with BC Transit and FortisBC about electrifying the transit fleet. This has already started in some municipalities and it is likely that it will occur in Penticton as well. This is in the preliminary stages and is not ready for a grant application.

Timing

The grant deadline is November 12, 2020. Should Council support the Notice of Motion, the Community Sustainability Committee will consider the matter on September 28, 2020 and hopefully pass a recommendation on a grant project. Council would then consider this at their next meeting. In order to have sufficient time to put together a good grant application it would be best to consider any recommendation from the Community Sustainability Committee at a Special Council meeting prior to the end of September.

Financial implication

The City's financial contribution will depend on exactly which project is selected but could range as high as \$906,780.

Sources of funding could include:

- The Climate Action Reserve (\$432,061 as of December 31 2019)
- The Electric Reserve (\$18,385,889 as of December 31, 2019).

Analysis

There are several projects that could be submitted as a grant application to the CleanBC Community fund. There are funds available for the City's portion of the funding from the Climate Action Reserve and the Electric Reserve. However it is pointed out the in 2021 there may be draws on the Electric Reserve for anticipated increased FortisBC costs and the need to borrow from it to fund other projects and to address COVID19 issues.

Most of the projects from the Corporate Climate Action Plan have been completed and we also currently have a lack of capacity in the Facilities Department. The installation of electric car charging stations is certainly a possibility. The City currently owns and operates four Level 2 charging stations located at 313 Ellis Street. At this time there is no fee for utilizing these charging stations. In comparing similar sized municipalities, Level 2 stations typically do not have a fee for usage. However Council should first decide if this is a business we want to get into. We are in the Electric distribution business but we are not in the gas station business. Should it be decided that the City wants to get into the Electric Car Charging business it would be best to first determine what exactly that would look like and what will it cost in terms of human and capital resources.

The City would retain the services of a grant writer to put together the required submission.

Respectfully submitted,

Mitch Moroziuk P.Eng. MBA
General Manager of Infrastructure

Concurrence:

Director of Development Services <i>BL</i>	Chief Financial Officer <i>JWB</i>	Chief Administrative Officer DyD
---	--	---