

**HALIFAX REGIONAL MUNICIPALITY**

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**ENERGY AND UNDERGROUND SERVICES ADVISORY COMMITTEE  
MINUTES**

**January 16, 2009**

**PRESENT:** Councillor Andrew Younger, Chair  
Councillor Steve Adams  
Councillor Debbie Hum  
Councillor Jennifer Watts  
Councillor Jackie Barkhouse  
Councillor Barry Dalrymple

**STAFF:** Mr. Angus Doyle, Manager of Utilities Coordination  
Mr. Martin Ward, Senior Solicitor  
Mr. Julian Boyle, Energy Auditor  
Ms. Sheilagh Edmonds, Legislative Assistant

**TABLE OF CONTENTS**

1. CALL TO ORDER ..... 3

2. APPROVAL OF MINUTES ..... 3

3. APPROVAL OF ORDER OF BUSINESS / ADDITIONS AND DELETIONS .... 3

4. BUSINESS ARISING FROM THE MINUTES/DEFERRED ITEMS: ..... 3

5. NEW BUSINESS:

    5.1 Utilities Common Trench - Governance and  
        Financing Models Study ..... 3

    5.2 Energy Efficiency Projects Funding Strategy ..... 4

    5.3 LED Traffic Signal System Conversion Project Funding ..... 5

    5.4 Election of EUGS Chair and Vice Chair ..... 6

    5.5 EUGS Meeting Schedule ..... 7

6. ADDED ITEMS ..... 7

7. NEXT MEETING DATE ..... 7

8. ADJOURNMENT ..... 7

**1. CALL TO ORDER**

Councillor Younger called the meeting to order at 10:09 a.m. and welcomed the new Councillors to the committee.

**2. APPROVAL OF MINUTES**

**MOVED by Councillor Hum, seconded by Councillor Adams that the minutes of September 22, 2008 be approved. MOTION PUT AND PASSED.**

At 10:10 a.m. Councillor Barkhouse entered the meeting.

**3. APPROVAL OF ORDER OF BUSINESS / ADDITIONS AND DELETIONS**

There were no additions or deletions to the agenda. **MOVED by Councillor Adams, seconded by Councillor Watts that the agenda, as presented, be approved. MOTION PUT AND PASSED.**

**4. BUSINESS ARISING FROM THE MINUTES/DEFERRED ITEMS: None**

**5. NEW BUSINESS:**

**5.1 Utilities Common Trench - Governance and Financing Models Study**

A staff report dated December 12, 2008 entitled *Utilities Common Trench - Governance and Financing Models Study* was submitted.

Mr. Angus Doyle, Manager of Utilities Coordination, addressed the Committee and for the benefit of the new members, he provided background information on the concept of a common trench for installing utilities underground, and the development of the Joint Trench Agreement among the stakeholders for a trench design that was acceptable to the utilities which would be impacted and to HRM.

In reference to the submitted report, Mr. Doyle explained that the study which led to the Joint Trench Agreement did not adequately deal with the governance and financing aspects and that the report was recommending funds from the Energy and Underground Service Reserve be used for a study that will focus on the governance and financing models. He pointed out that the study is \$25,000 and will be cost-shared with Nova Scotia Power.

Mr. Doyle responded to questions.

**MOVED by Councillor Adams, seconded by Councillor Barkhouse that Halifax Regional Council:**

- 1. Approve the issuance of a Common Trench Study that will focus on governance and financing models which are based on municipal best practice.**

2. **Approve an increase in the operating budget by \$13,000.00, with funding from Q131 Energy and Underground Service Reserve, and cost sharing from Nova Scotia Power.**

#### **MOTION PUT AND PASSED.**

### **5.2 Energy Efficiency Projects Funding Strategy**

A staff report dated January 14, 2009 entitled Energy Efficiency Funding Strategy was circulated.

Mr. Julian Boyle, Energy Auditor, addressed the Committee and noted that the circulated report had some minor revisions from the unsigned copy of the report which had been previously e-mailed, but the overall content was the same.

Mr. Boyle reviewed the report which outlined the concept of using energy savings from projects to fund the capital of future energy efficiency projects. In his presentation, he noted the following points:

- HRM's energy costs in 2008 were approximately \$20 million—40% was electricity; 45% was transportation fuel (e.g. diesel gas); and 15% was heating fuel (oil, natural gas).
- Within the last seven or eight years, there has been approximately a 60% increase in energy costs; and electricity has increased 8-9%.
- In the last four years, over \$5 million has been spent on corporate energy efficient projects and this has resulted in energy cost savings of \$750,000 per year.
- Other benefits include: saving on maintenance costs; recapitalizing older systems, thereby avoiding costs; and improving building conditions.
- Another significant benefit is meeting Council's objective to reduce Greenhouse Gas Emissions of 20 percent by 2012.
- Partnerships with Federal and Provincial Governments help in the acceleration of size, scope and timing of investments and reduced project execution and budget risks.
- 2009 is a unique opportunity as staff have been able leverage HRM dollars specifically dedicated to energy efficiency. \$1 million of HRM money will help produce about \$5 million of projects. Each project takes approximately 1 ½ to 3 years from inception to completion.

In concluding his presentation, Mr. Boyle asked for the Committee's feedback on options for creating a sustainable funding model, as follows:

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|----------|---|
| Option 1 | 100% of energy savings go back into the Reserve, which can be used for future projects.                                 |
| Option 2 | Take 50% of the energy savings and put back into the Reserve, with the other 50% going in the operating budget.         |
| Option 3 | Status quo, i.e. keep doing it the same way and the energy savings (100%) would go immediately to the operating budget. |

Mr. Boyle responded to questions.

**MOVED by Councillor Adams, seconded by Councillor Hum that the Energy and Underground Services Advisory Committee recommend Halifax Regional Council:**

- 1. Approve the use of all energy savings from projects funded through the Energy and Underground Service Co-Location Reserve to fund future energy efficiency projects.**
- 2. Approve amendments to the Energy and Underground Services Co-location Reserve business case as attached in Appendix B of the January 14, 2009 staff report to allow energy efficiency savings to be directed into the reserve.**

Mr. Boyle responded to further questions.

At 10:47 a.m. Ms. Mary Ellen Donovan, Municipal Solicitor entered the meeting.

**MOTION PUT AND PASSED.**

### **5.3 LED Traffic Signal System Conversion Project Funding**

A letter dated January 8, 2009 from Chuck Faulkner, Nova Scotia Power Inc. regarding LED Traffic Signal System Conversion: NSPI Incentive Estimate was submitted.

Ms. Mary Ellen Donovan, Municipal Solicitor, advised that there was a 'carbon credit' aspect to this item which she wanted to address with the Committee. Ms. Donovan explained that Nova Scotia Power is currently a temporary administrator of the DSM (Demand Side Management) fund, and that approximately a month ago, the Provincial Government made the decision to turn the administration of this fund over to a nonprofit group, and this transition should occur within the next 12 months. She advised that although Nova Scotia Power is indicating it would provide \$340,000 for the LED Traffic Signal System Conversion project, they are requiring all carbon credits for the entire project, to be turned over to them. Ms. Donovan advised that staff object to this and she was proposing that the terms of the contract be amended to say that Nova Scotia Power will get the carbon credits in direct proportion to the funding they are providing in regard to the total value of the project. She added that in addition to amending the contract, that it also be forwarded to the Utility and Review Board with a request that they approve the

terms.

A brief discussion ensued with staff responding to questions.

Mr. Doyle pointed out that the project has been partially funded by Conserve Nova Scotia and he noted they are not willing to fund any more projects until this project is completed.

At 11:06 a.m. Ms. Donovan retired from the meeting.

Mr. Doyle advised that this project has been two years in the making. He added that he understands the concern over giving up the carbon credits, but there is no indication that a decision would be in HRM's favour or that the Utility and Review Board would agree with HRM's position. Mr. Doyle advised that Nova Scotia Power contends that every other jurisdiction is doing this, and it is something they are very firm on. Mr. Doyle indicated that in this instance HRM could be giving up as little as \$60,000 or \$70,000 in credits sales for the \$340,000. He also noted that the Municipality does not yet have a policy on carbon credits.

A discussion ensued and there was consensus in support of Ms. Donovan's recommendation.

**MOVED by Councillor Hum, seconded by Councillor Dalrymple that staff proceed with the LED Traffic Signal System Conversion project application, with an amendment to the proposed terms which states that Nova Scotia Power will get the carbon credits in direct proportion to the funding they are providing to the total value to the project, and send the amended contract to the Utility and Review Board for approval. MOTION PUT AND PASSED.**

#### **5.4 Election of EUGS Chair and Vice Chair**

At this time, the Legislative Assistant assumed the Chair and called for nominations for Committee Chair for 2009.

**MOVED by Councillor Adams, seconded by Councillor Hum that Councillor Younger be nominated as Chair. MOTION PUT AND PASSED.**

The Legislative Assistant called for further nominations; there being none, she declared Councillor Younger as Chair for 2009.

Councillor Younger assumed the Chair and called for nominations for Committee Vice Chair for 2009.

**MOVED by Councillor Watts, seconded by Councillor Barkhouse that Councillor Hum be nominated as Vice Chair. MOTION PUT AND PASSED.**

The Chair called for further nominations; there being none, he declared Councillor Hum as Vice Chair for 2009.

### 5.5 EUGS Meeting Schedule

The Chair indicated that with several new members, the Committee should discuss whether the current meeting day/time is convenient for all or if it needs to be changed.

A brief discussion ensued and it was **MOVED by Councillor Adams, seconded by Councillor Barkhouse that the regular meetings would be held the 4<sup>th</sup> Friday of each month at 10:00 a.m. MOTION PUT AND PASSED.**

Councillor Barkhouse noted that she had another meeting prior to this one on that day, but it was in the downtown and she did not see any difficulty in getting to this meeting, although she may be a few minutes late.

6. **ADDED ITEMS:** None
7. **NEXT MEETING DATE:** February 27, 2009
8. **ADJOURNMENT:**

The meeting adjourned at 11:32 a.m.

Sheilagh Edmonds  
Legislative Assistant