

ENERGY AND UNDERGROUND SERVICES ADVISORY COMMITTEE
September 7, 2007

MINUTES

PRESENT: Councillor Andrew Younger, Chair
Councillor Stephen Adams, Vice Chair
Councillor Jim Smith
Councillor Steve Streach
Councillor Linda Mosher
Deputy Mayor Sue Uteck

REGRETS: Councillor Debbie Hum
Councillor Sheila Fougere
Councillor Becky Kent

STAFF: Mr. Angus Doyle, Manager of Utilities Coordination,
Traffic & Right-of-Way Services
Ms. Cathie O'Toole, Acting Director of Finance
Mr. Brad Anguish, Director, Business Planning and Information
Management
Mr. Steve King, Manager, Environmental Performance, Sustainable
Environment Management
Ms. Sheilagh Edmonds, Legislative Assistant

TABLE OF CONTENTS

1.	CALL TO ORDER	3
2.	APPROVAL OF MINUTES	5
3.	APPROVAL OF ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS	5
4.	BUSINESS ARISING FROM THE MINUTES/DEFERRED ITEMS:	5
5.	NEW BUSINESS:	3
5.1	Wind Energy Project - Update - Shayne Vipond	5
5.2	District Heating - Draft Information Report - Update and Feedback	3
5.3	Draft Letter RE: Electric Energy Efficiency Administration and Planning	6
6.	ADDED ITEMS:	6
7.	NEXT MEETING DATE	6
8.	ADJOURNMENT:	7

1. CALL TO ORDER

The Chair called the meeting to order at 10:11 a.m. in the Media Room, City Hall, without a quorum present.

Noting that he was expecting other Committee members to arrive, the Chair advised that item 5.2 could be dealt with in the interim as it is an update to the Committee and no recommendation is required.

5. NEW BUSINESS:

5.2 District Heating - Draft Information Report - Update and Feedback

A draft Information Report to Halifax Regional Council, dated August 17, 2007 was submitted.

Mr. Angus Doyle, Manager of Utilities Coordination advised that the draft report provides an update on the District Heating concept with respect to HRM and, in particular, Peninsular Halifax.

At 10:13 a.m. Councillor Mosher entered the meeting, and a quorum was now present.

Mr. Doyle reviewed the report, beginning with background information on the District Energy Concept and following up with the issues which have arisen. In his remarks he noted the following timeline of events:

- November of 2005, the Federal and Provincial Governments provided \$40 million toward District Energy; subsequently, there was change in government and the money was not allocated.
- May 2007, the Federal Government announced \$42 million to Nova Scotia for Green projects.
- June 2007 a letter was forwarded to the Provincial Energy and Labour Minister inquiring about funding for the Community Energy Project; a response was received in July stating that HRM and other stakeholders would be consulted as they moved forward.
- July 2007, HRM held a stakeholders session to determine the level of interest in District Heating; there was agreement to send a letter to the Ministers to try understand if funding for the various institutions could be consolidated or consideration given to consolidating the various requirements.
- August 2007, the Executive Management Team was briefed on the Community Energy Project and this was followed up by a memo to the Province articulating the benefits of Community Energy.
- August 7, 2007 HRM was informed that with the Province's support, Capital Health committed to switch to Natural Gas, and this was followed by an announcement on August 14.

Mr. Doyle explained that the district configuration pertaining to Capital Health would have involved Capital Health, Dalhousie University, and Saint Mary's University with a common

heating system and tied together by steam pipes. However, Capital Health made the decision to fuel switching as opposed to a district configuration and, because of this announcement, the original configuration staff were moving forward with was not feasible.

Mr. Doyle advised that Capital Health is planning to invest \$5 million in regard to upgrades at both the Victoria General Hospital and Halifax Infirmary. They will switch to Natural Gas at both sites and do not intend to tie the two sites together with common steampipe.

At 10:16 a.m. Deputy Mayor Uteck entered the meeting.

Mr. Doyle went on to point out that Dalhousie University is still undecided but they are looking at the feasibility of tying into the Victoria General Hospital to have it provide steam to Dalhousie. Saint Mary's University is waiting for Dalhousie's study to be completed, however, the situation at Saint Mary's is different in that they can switch fuels easily and their boiler system is not as in need of upgrades as Dalhousie's.

In summary, Mr. Doyle advised that, at this time, Capital Health is switching to gas and both sites will be supplied with steam heat. In addition, the Halifax Infirmary will be supplying the new Citadel High School with steam heat, and they have a pipe directed to the Nova Scotia Museum. Dalhousie University is exploring the potential of tying into their system. He noted that this may leave the Peninsula with a configuration not unlike what staff were trying to achieve in the first place but it would, essentially, be owned by Capital Health.

In concluding his remarks, Mr. Doyle suggested that HRM should encourage Dalhousie University to explore a tie-in to Capital Health. He also pointed out that Nova Scotia Power will be seeking approval from the Utility and Review Board for expansion of the Tufts Cove generating station and, if approved, NSP are considering utilizing some of the steam for the district on the Dartmouth side. Mr. Doyle also advised that the Federal Department of Environment is examining the feasibility of district cooling by using harbour water on harbour side buildings.

A discussion ensued and Mr. Doyle responded to questions.

In response to a question, it was noted that Dalhousie University is interested in the District Heating concept however, they have economic concerns and, currently, are carrying out a study to determine the economic feasibility.

A brief discussion ensued and **it was agreed** that prior to the next meeting of EUGS, staff would meet with representatives of Dalhousie University to discuss opportunities for District Heating.

Councillor Smith made reference to the comment that Nova Scotia Power will be making application to the URB in regard to Tufts Cove heat recovery unit and advised that he would like to know more about this and suggested the Committee should also be kept updated. He added that he would like to know when it will be presented at the URB and if this Committee can provide input.

Ms. O'Toole suggested that the Committee invite Nova Scotia Power to provide a

presentation.

MOVED by Councillor Smith, seconded by Councillor Streach that representatives from Nova Scotia Power be invited to provide a presentation to the Committee on the Tufts Cove heat recovery project. MOTION PUT AND PASSED.

The Chair then continued with the regular agenda.

2. APPROVAL OF MINUTES

MOVED by Councillor Streach, seconded by Councillor Smith that the minutes of July 18, 2007 be approved. MOTION PUT AND PASSED.

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

There were no additions or deletions to the agenda.

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

5. NEW BUSINESS:

5.1 Wind Energy Project - Update - Shayne Vipond

Mr. Vipond was not in attendance. This matter was deferred to the Committee's next meeting, scheduled for September 21, 2007.

5.3 Draft Letter RE: Electric Energy Efficiency Administration and Planning

A draft letter addressed to the Nova Scotia Utility and Review Board, regarding Electric Energy Efficiency Administration and Planning was submitted.

Mr. Doyle noted that the letter before the Committee is in anticipation of Nova Scotia Power (NSP) presenting to the Utility and Review Board (URB) Terms of Reference for their Demand Side Management (DSM) program. As way of background information, Mr. Doyle explained that, at the request of the URB, Nova Scotia Power provided an Integrated Resource Plan for the next 20 years, and the major plank of the Plan is Demand Side Management. He added that this involves as much as 5% of their electric revenue invested annually and, if they can achieve what they hope, they will offset potential load growth with demand side energy savings.

Mr. Doyle advised that the concern stakeholders may have is that NSP would, without consideration, be given responsibility for administering this process and it amounts to over \$16 million in Year 1 and it would grown annually. Mr. Doyle added that the stakeholder group is trying to impress upon the URB to consider other structures that would allow the administration of demand side management, i.e. either a third party; a provincial crown corporation; a provincial department; or the Utility itself. He further added that they are suggesting that while this is being considered, other models should be reviewed and the stakeholders be given input into identifying the structure.

Councillor Adams indicated that although he was not opposed to the content of the letter, he believed that if HRM wanted to proceed, then it should provide its own letter.

A discussion ensued and in response to a question, Mr. Doyle advised that the author of the letter is the Ecology Action Centre and they were asking all the stakeholder groups in regard to the Integrated Resource Plan if they were interested in signing the letter. He clarified that the point of the letter is to ask the Utility to Review Board not to jump the gun and sign off on NSP's request to start implementing Demand Side Management, but to take a step back and look at the various models available to administer this and then make a decision.

MOVED by Councillor Streach, seconded by Councillor Adams that the Energy and Underground Services Advisory Committee forward a letter to the Utility and Review Board asking the Board to consider the various models available to administer Demand Side Management, prior to making a decision on Nova Scotia Power's request to start implementing DSM.

It was agreed that prior to sending the letter, this matter would be put on the next regular Regional Council agenda as an information item; and if there were no concerns raised, the letter would be mailed the following day.

MOTION PUT AND PASSED.

6. **ADDED ITEMS:** None
7. **NEXT MEETING DATE** - September 21, 2007
8. **ADJOURNMENT:**

The meeting adjourned at 10:45 a.m.

Sheilagh Edmonds
Legislative Assistant