

HALIFAX REGIONAL MUNICIPALITY

**ENERGY AND UNDERGROUND SERVICES ADVISORY COMMITTEE
MINUTES**

February 19, 2010

PRESENT: Councillor Sue Uteck, Chair
Councillor Debbie Hum, Vice Chair
Councillor Jennifer Watts
Councillor Barry Dalrymple
Councillor Jackie Barkhouse

REGRETS: Councillor Darren Fisher
Councillor Stephen Adams

STAFF: Mr. Richard MacLellan, Acting Manager
Sustainable Environmental Office
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Sheilagh Edmonds, Legislative Assistant

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1. CALL TO ORDER

The Chair called the meeting to order at 10:00 a.m. in Halifax Hall, City Hall.

2. APPROVAL OF MINUTES

MOVED by Councillor Hum, seconded by Councillor Dalrymple that the minutes of January 22, 2009 be approved. MOTION PUT AND PASSED.

3. APPROVAL OF ORDER OF BUSINESS / ADDITIONS AND DELETIONS

There were no additions or deletions to the agenda.

4. BUSINESS ARISING FROM THE MINUTES/DEFERRED ITEMS:

4.1 Energy Efficiency Revision to ByLaw A-200, Respecting Automatic Machines - Presentation by Refreshments Canada

This matter had been deferred from the Committee's January 22, 2010 meeting to provide an opportunity for representatives of Refreshments Canada to address the Committee.

At 10:03 a.m. Councillor Barkhouse entered the meeting.

Mr. Richard MacLellan, Acting Manager, Sustainable Environmental Office provided background information on this item. He noted that both Pepsi and Coke have their own energy efficiency units and staff find these are acceptable, as well as the Energy Star II machine. Mr. MacLellan also noted that staff are recommending a phase-in period after the potential adoption of the bylaw. He pointed out that there seems to be a misconception that staff were recommending the VendingMiser product specifically, but there is other technology that is acceptable by staff.

In response to a question by Councillor Hum, Mr. MacLellan advised that prior to the Committee's November 20th meeting, staff did not consult with industry, however, as requested by the Committee, staff followed up and spoke with Pepsi and Coke.

Further to this, Mr. Julian Boyle, Energy Auditor advised that HRM staff installed the devices in Municipal buildings in September and October, and when it was determined that it worked in HRM's buildings, the thought was that it should be more commonly adopted elsewhere, and this is when staff brought the matter to the Committee.

The Chair asked staff to explain the timeline involved if the Committee were to approve the staff recommendation, from the time of Council approval to the time when industry would be expected to adhere to the standards.

In response, Mr. MacLellan explained that if the Committee approved it today, it would move to Regional Council and then go through the public hearing and bylaw process,

anticipated for June, and with staff recommending a one year grandfathering period to allow industry to comply, it would be the following year in which they would have to comply.

The Chair asked the Municipal Solicitor to explain why a Bylaw was required as opposed to an amendment to an Administrative Order.

Ms. Mary Ellen Donovan, Municipal Solicitor, advised that a regulatory change such as this needs to be done by way of an amendment to a bylaw, or through an amendment to the Charter, if Regional Council did not have the enabling authority. She added that staff have reviewed the Charter and determined that there is the enabling authority to support a bylaw amendment, and this is the way a regulatory requirement would be imposed of this nature.

The Chair then invited the representative of Refreshments Canada to present his concerns to the Committee.

Mr. Justin Sherwood, President, Refreshments Canada addressed the Committee and noted that also in attendance were Mr. Jeff Brown, Coca-Cola, and Mr. Bill Georgina, Pepsi. Mr. Sherwood submitted a copy of his presentation for the official file of this meeting.

Mr. Sherwood advised he had a concern with the HRM study that was done in regard to this matter and the methodology that was used. He added that his group and the companies he represents want to work collaboratively with HRM. Mr. Sherwood also noted his concern over an article in today's newspaper in which the Mayor indicated that this matter had already been approved.

In his presentation, Mr. Sherwood elaborated on the concerns that his organization had with the proposed bylaw, noted as follows:

- The HRM Study - it is not statistically sound and does not portray an accurate picture of potential energy savings; and it is very similar to the VendingMiser marketing material
- Their vending machines are continually upgraded—since 2004 new machines have been Energy Star 1 rated and since 2007, Energy Star 11 equipment as been introduced. The results of these changes are better than the results achieved in the HRM Study
- Since January 2008, Federal regulations require all new vending equipment to meet Energy Star 1 rating
- New Energy Star 1 and 11 Equipment which the industry is using makes the VendingMiser redundant
- The cost for companies to purchase VendingMiser equipment for so many machines would be too much at one time.

In conclusion, Mr. Sherwood advised that he feels a bylaw is not necessary because the industry is upgrading their vending machines on an ongoing basis, and with the majority of vending machines having a better performance than results cited in HRM's study. He also pointed out that newer vending equipment performs better than the

VendingMiser technology and that Federal regulations already require at least Energy Star 1 for new equipment.

Mr. Jeff Brown, addressed the Committee and advised that he was the area representative for Coca Cola. He provided a brief presentation with regard to the environmentally related work the company is doing in the Province, and specifically in Halifax. In his remarks he noted that the company is constantly reviewing equipment performance and upgrading the equipment. He pointed out that some of their pre-2002 machines have been retrofitted with other technology and does everything the VendingMiser technology does. Mr. Brown advised that his concern is that his company will end up being forced to put technology on a piece of equipment that would be picked up and disposed or retrofitted by themselves. He also noted that this week he was contacted by a customer who has been solicited to test the VendingMiser and has ended up removing them based on very little to no energy savings. Mr. Brown pointed out that there is no way to determine whether an older machine has been retrofitted, unless it is tested, and he expressed concern that unless every machine is tested, they may be forced to replace equipment that is already meeting the standard.

Councillor Hum questioned Mr. Brown on the number of vending machines he had in the local area.

In response, Mr. Sherwood addressed the Committee and explained that Pepsi and Coke were industry competitors and this would be competitive information that cannot be released in a public setting such as this. He added that the companies can provide this information back to the Committee separately.

Mr. Bill Georgina representing the Pepsi Bottling Group briefly addressed the Committee noting that they also were very active in environmental efficiency issues. He advised that all their vending machines purchased since 2004 meet Energy Star 1 ratings and those purchased since 2007 meet Energy Star 11 ratings in accordance with Federal Guidelines. He also noted that they have established a retrofitting program for their machines. Mr. Georgina added that they conducted a review in 2007 and picked up a number of machines across the Maritimes that were underperforming—most of which were pre-2004—and they were discarded, in line with their corporate policy. Mr. Georgina thanked the Committee for allowing them the opportunity to make a presentation and advised that Pepsi Bottling Group supports the position that Refreshments Canada has taken on this matter.

In closing, Mr. Sherwood advised that he wanted the Committee to know that they support energy efficiency initiatives and that they want to work with the Municipality on this matter. He added that they believe a 'one size fits all' approach does not work, and that the regulated approach is not the right way to proceed.

A discussion ensued, with the representatives responding to questions.

In response to the point that it was not easy to identify a machine that has been retrofitted to meet the Energy Star ratings because there is no sticker which indicates this, Councillor Watts suggested that the companies would probably have a record of

this information, assuming that this was something they would want to keep track of.

Mr. Sherwood advised that he could sit down with the Committee and review information on an individual company by company basis, such as the number of vendors the companies have, and the plans to upgrade on an individual company by company basis. He noted that this was something that should be done before consideration of implementing a bylaw.

Councillor Watts noted that part of the proposed bylaw process includes giving the industry a year to provide information on their inventory of equipment in HRM, so at the end of the year, the Municipality will have the information of the percentage of machines meeting the standard.

Councillor Hum advised that she felt there was value in getting information and in moving forward with further consultation with the industry before bringing this matter to Regional Council. Councillor Hum pointed out for the information of the representatives of Pepsi and Coke, that any information which comes from industry for consideration by Council is part of the public record. She added that she was not certain how they could respond if information provided to them was of a confidential nature.

MOVED by Councillor Hum, seconded by Councillor Uteck that the staff report be tabled pending further information following consultation with industry.

Councillor Dalrymple indicated that he would like to have additional information before going any further, however, he would not want this matter delayed for a long period of time. He suggested that the information being sought should be readily available.

In response, Mr. Sherwood advised that as an industry spokesperson he is mindful that he represents competitors and, in going forward, if they choose to share that information with Committee voluntarily and it becomes part of the public record, then that is their decision to do so. Mr. Sherwood added that he, personally, would not be able to allow that to happen.

Councillor Hum advised that she agreed with Councillor Dalrymple in that she did not want this issue delayed for several months, adding that there was an opportunity to have further dialogue and work out the finer details of the bylaw before it gets to the public hearing aspect.

The Chair asked Councillor Hum if she wished to amend the motion to state a timeline.

Councillor Hum advised that she would amend the motion to have staff report back in two months, to which it was **agreed by the Committee.**

Ms. Mary Ellen Donovan, Municipal Solicitor advised that if the industry is in as good a position as they have indicated, there should be no problem with the Bylaw, because there are a few machines, then, would have to comply with the Bylaw in the timeframe. Therefore, there no problem with the Bylaw and in going forward with it at this time

because it has no particular impact on the industry. She added that if there is a significant problem, which is what the Municipality's data tends to show, then that is a bigger financial impact on the industry and the question for the Committee then is how to work with the industry on making that happen, and is the year and half that is built into the process a sufficient timeframe to bring those machines in compliance. Ms. Donovan advised that the problem for the industry is not the scenario they presented today, but rather the scenario of where the machines do not comply, i.e. the machine upgrades that have not been done. She added that staff are not dictating what technology needs to be used, it is whatever the industry chooses to retrofit their machines, and this only becomes a problem if there are any significant number of those machines.

Following further discussion the Chair clarified that the motion on the floor was as follows:

MOVED by Councillor Hum, seconded by Councillor Uteck that the staff report be tabled and staff follow up with further consultation with industry, and report back to the Committee in two months. MOTION PUT AND PASSED.

5. REPORTS:

5.1 Staff:

5.1.1 Hollis/Morris Update

Mr. Phil Francis, Right-of-Way Engineering Manager advised the Committee that a report would be going to Regional Council this coming Tuesday requesting funding for the project. He added that staff have had preliminary discussion with the developer and it now appears the concept of removing the wiring on Morris and Hollis is feasible as the developer is willing to make vault space available in the building.

5.1.2 DSM Funding LED Traffic Lights

Mr. Francis noted that a staff report on this item had not yet been signed-off and he requested that this be deferred to the next meeting, **to which it was agreed.**

5.2 Committee Members: None.

6. ADDED ITEMS: None

7. NEXT MEETING DATE - March 19, 2010

8. ADJOURNMENT

The meeting adjourned at 11:03 a.m.