

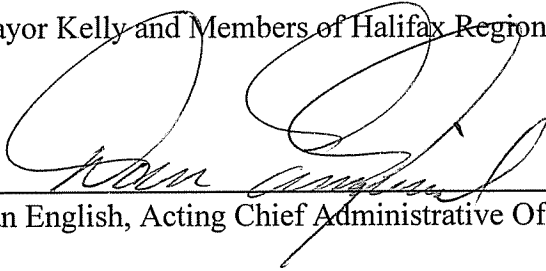


PO Box 1749
Halifax, Nova Scotia
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**Halifax Regional Council
September 14, 2004**

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Acting Chief Administrative Officer

DATE: September 7, 2004

SUBJECT: Energy and Environment Roundtable

INFORMATION REPORT

ORIGIN

On June 15, 2004 HRM Council approved the expansion of the mandate of the Pipeline Review Committee to become the Energy and Underground Services Committee, in recognition of the need to bring a coordinated focus to a number of inter-related issues around energy, utilities, and underground services which are being led by staff in various business units. The initiatives occurring under this mandate are in support of HRM Corporate Scorecard objectives for a Healthy, Sustainable, Vibrant Community; as energy, underground services and utility related issues have a direct environmental and aesthetic impact on our communities; as well as the more obvious operational and financial impacts.

BACKGROUND

On June 29th, HRM staff representatives attended a Federal/Provincial subcommittee on Energy and Climate Change. The Federal and Provincial representatives agreed to assist HRM in organizing a roundtable to bring together key decision makers and stakeholders to discuss Energy and Environmental issues and opportunities, with an immediate focus on HRM's most densely populated areas with air quality concerns. The areas of concern being focussed on by this Federal/Provincial subcommittee and HRM's Energy and Underground Services working group, and HRM's

Environmental Initiatives Group are very closely aligned. With the support of the Federal/Provincial subcommittee, the Mayor and the HRM Energy and Underground Services subcommittee of Council hosted an Energy and Environment roundtable on July 19, 2004.

DISCUSSION

At the Energy and Environment Roundtable, the following presentations were made:

- Environment Canada - regarding funding opportunities for energy related projects yielding environmental benefits.
- Natural Resources Canada - regarding enabling technologies and concepts such as Co-Generation and District Energy.
- Nova Scotia Power - regarding their current energy capacities and opportunities
- Heritage Gas - regarding their current energy capacities and opportunities

The objective of the roundtable was to bring together key decision makers, managers of major complexes, technical and regulatory experts, and utility managers to share information, promote cooperation and partnerships.

The roundtable was judged to be a success as we have received a number of positive comments, emails, and requests for additional information. Also, as a result of the roundtable HRM has hosted two follow up meetings. On August 9th, HRM hosted a meeting regarding wind energy opportunities with members of the private and public sector involved in this subject. On August 18th HRM hosted a meeting with representatives from major energy consumers on the peninsula (universities, hospitals, and DND) to discuss their future capacity needs, heating plan infrastructure, and position on clean energy alternatives.

The federal and provincial levels of government through Environment Canada, ACOA, and the Department of Energy have expressed an interest in working with HRM to explore co-generation and district energy opportunities on peninsula Halifax.

BUDGET IMPLICATIONS

None at this time.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

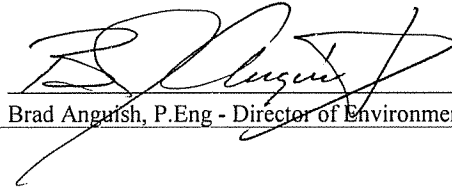
ATTACHMENTS

- A. Energy and Environment Roundtable CD
- B. Wrap Up notes from Energy and Environment Roundtable

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Cathie O'Toole, CGA - Executive Assistant, CAO's Office

Report Approved by:



Brad Anguish, P.Eng - Director of Environmental Management Services

Attachment B

Wrap Up – July 19, 2004 (directly transcribed notes) Energy & Environment Roundtable

- Al Parker – Dept. of Energy – We should have process to move forward with the partners currently around this table. From a Climate Change perspective, there is a quarter of a million tones of CO₂ on the table... \$10 - \$15 a tonne. Need participation of stakeholders & those with interest. Looking for direction. Who will lead?
- Doug Salloum – FCM. Through green municipal funds, FCM has been a major player in District Energy projects. Have provided funding for about a dozen feasibility studies. \$200 million provided to FCM, municipal money. This is a sector of activity FCM supports. Other municipalities have faced these issues. FCM can help Council. What we're discussing has been tried elsewhere and has significant benefits to the communities. Secondly, every year FCM hosts a visit to Europe to view District Energy/Co Gen projects. FCM funds feasibility studies – 50% up to \$350 k. Can deal with all of the issues that stand between vision and implementation in the feasibility study. FCM can help convert the feasibility study into an actual business. In that process, from feasibility to business start up, FCM has learned the municipality has to be there, as a long-term investor. Municipalities are interested in the non-financial returns also. All projects FCM has financed, the municipality has been an equity owner. Municipalities need technical and business partners to design and operate; and purchasers of heat and energy. FCM provides grants and loans to partners as well municipalities. Partnerships are key to growth of district energy systems. Systems need to be flexible in terms of fuel switching. District Energy in Canada is not a short-

term financial opportunity. Need patient, long-term investors. Recommend HRM consider being a long-term investor. In other jurisdictions, have started with city money, FCM as a subordinated lender, then banks came on board as commercial viability was established.

- What are opportunities to use energy more wisely? There are many other opportunities that haven't been brought to the table today. For example, community cooperatives for wind-turbines, projects to look at energy efficiency.
- Nancy Tower – NSPI – Nova Scotia Power can offer support to exploring any District Energy /Co Gen projects.
- Jeff Lamb, Dalhousie University – Dal has to make decisions soon what to do with their Energy plant. Need to make investment. Did a study on their plant last year, and now need to move forward.
- Mayor Kelly – Today is the starting point and will give a sound foundation to move forward on. Thank you for coming.

Next steps:

- HRM staff will circulate copies of the presentations, participant list, contact information, and notes of the general discussion in CD format.
- HRM will facilitate some smaller group meetings during the coming months on more specific topics.

- HRM hopes to partner with the other levels of government to host another roundtable sometime in the future.

Please send any feedback or comments on the forum to:

Chair of the Energy and Underground Services Committee
C/O Chief Administrative Office
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