


**Item No. 11.2.3**  
**Halifax Regional Council**  
**September 27, 2011**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**  Original Signed  
Councillor Debbie Hum, Vice-Chair, Environment and Sustainability  
Standing Committee

**DATE:** September 8, 2011

**SUBJECT:** **Contractual Matter: Solar City Update – Funding/Financing and Solicitation Development**

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**ORIGIN**

Motion of the Environment and Sustainability Standing Committee September 8, 2011 meeting:

*That the Environment and Sustainability Standing Committee forward the private and confidential staff report dated August 10, 2011 to Regional Council as an In Camera Information Report, and that it not be released until the referenced Solar City Project Recommendation Report is submitted to Regional Council.*

**BACKGROUND**

The Environment and Sustainability discussed this matter during its September 8<sup>th</sup> meeting.

Additional information can be reviewed within the private and confidential staff report dated August 10, 2011.

**BUDGET IMPLICATIONS**

The Budget Implications to this report are outlined in detail in the attached private and confidential staff report dated August 10, 2011.

**FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

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

**COMMUNITY ENGAGEMENT**

None

**ALTERNATIVES**

None

**ATTACHMENTS**

Private and Confidential Staff Report dated August 10, 2011

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If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Ms. Krista Vining, Legislative Assistant, Municipal Clerks Office, 490-6519

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FOIPOP Review

Approved to Release

Date Sept 20/2011

n/a  
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In Camera  
Environment and Sustainability Standing Committee  
September 8, 2011

TO: Chair and Members of Environment and Sustainability Standing Committee

Original Signed

SUBMITTED BY: Phillip Townsend, Infrastructure and Asset Management

DATE: August 10, 2011

SUBJECT: Contractual Matter: Solar City Update – Funding/ Financing and Solicitation Development

PRIVATE & CONFIDENTIAL

ORIGIN

Regional Council, February 8, 2011.

RECOMMENDATION

It is recommended that the Environment and Sustainability Standing Committee forward this report to Regional Council as an In Camera Information Report, and that this report not be released until the referenced Solar City Project Recommendation Report is submitted to Regional Council.

## **BACKGROUND**

Regional Council directed staff to proceed with actions to source funding and build the model and framework for the Solar City Concept. As part of this work, staff has been working with Industry to ensure strong communication and collaboration with Industry.

## **DISCUSSION**

### **Ongoing Collaboration with Industry prior to a Request for Proposals**

In order to progress the discussion with Industry, in June 2011, Expressions of Interest for Suppliers for Solar City was issued resulting in 15 responses. Staff has met with the respondents at an Industry meeting in June and most recently July 27<sup>th</sup>. The next meeting is September 14<sup>th</sup>.

The Topic of the June meeting was Quality Assurance/ Quality Control. Following the discussion at the meeting, Halifax Regional Municipality (HRM) received the following from Industry on July 27<sup>th</sup>:

Installer's Certification	It is recommended that CanSIA certified installers be a requirement, but that a higher standard of certification be established along with a timeline for achieving that certification
System Certification	SNS supports requiring systems in the SolarCity program to have CSA packaged system certification (CAN/CSA F379 Standard)
Solar NS Membership	SNS supports the requirement that all participants in the SolarCity program be members of Solar Nova Scotia and abide by their Code of Ethics
Building Permits	SNS encourages HRM to simplify the permit application process as much as possible to ensure the success of this program
Bonding	While Bonding is better than a performance deposit, HRM and SNS should work together to limit exposure, and therefore limit bonding totals
Metering	SNS recognizes the importance of metering, and supports the concept of a separate monitoring contract outside of the supply and installation contract of systems for the SolarCity program.

Staff and Industry are in concurrence on these items laying the foundation for expectations of Quality Assurance in the topics discussed at the July 27<sup>th</sup> meeting, and HRM is seeking Industry input for the September 14<sup>th</sup> meeting on:

- Recommendation on commercial evaluation of different offerings. Basically, there are more expensive installations that perform better (giving greater savings). How those projected savings are evaluated and quantified is the essence of the question.
- Recommendation on how to enable unit pricing. HRM will be looking for a single price for standard installations for one or two panel (or equivalent). Defining the standards is the point of discussion here. Likely standards for:
  - i. Single story bungalow
  - ii. Three story Victorian home
  - iii. etc.

And disqualifiers (i.e. requirements that would make the installation uneconomic).

These areas are a bit more complex and receiving Industry input is extremely valuable.

It is expected that following these rounds of industry input, staff will be able to assemble a solicitation document quickly should Committee and Regional Council approve the proposed business model for Solar City.

#### Funding / Financing

On July 28<sup>th</sup>, staff learned that Green Municipal Fund has delayed accepting new submissions until December. This is a major challenge.

Staff is continuing to work with other stakeholders (Efficiency Nova Scotia, NRCan, etc.) on rebates and funding opportunities. The challenge is that, as with any government organization, budgets are only able to be committed on a fiscal year basis. With the project not contemplated to start until next fiscal year, there is no ability to get assurance from NRCan on their funding programs. Staff is confident that the Efficiency Nova Scotia funding will be available.

#### Risk Analysis

Staff will be assembling with the information to date to do a Project Risk Assessment. This assessment will include:

- Installation Risk
- Contractual Risk
- Financial Risk

### **ALTERNATIVES & ASSOCIATED RISKS**

With the Green Municipal Fund program delay, this project may not be feasible to continue to build on the current track. There are alternative project delivery methods. Staff need to assess alternatives and following the Risk Analysis provide a Recommendation Report to Regional Council.

Following the Risk Assessment on September 14<sup>th</sup>, and the Industry Session, staff will need to provide a recommendation to Committee/ Regional Council on proceeding with the Solar City project. This recommendation will be of significant community interest and staff will work with Corporate Communications to ensure communications to community and other stakeholders is appropriate.

### **BUDGET IMPLICATIONS**

There are no budget implications to this specific report. It is an update only on progress. Budget Implications will be articulated prior to the Recommendation Report to Committee and Regional Council on whether to proceed further or not. Budget Implications are not fully known yet. However, the original concept was that this concept provide no cost to the municipality but act as a revenue source at a level to be determined.

### **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

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

### **COMMUNITY ENGAGEMENT**

None

### **ALTERNATIVES**

None

### **ATTACHMENTS**

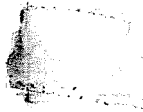
None

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.html> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by :

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Julian Boyle, Energy Auditor, Infrastructure and Asset Management, 476-8075



**Original Signed**

Financial Approval by:

Bruce Fisher, MPA, CMA, A/Director of Finance/CFO, 490-6308

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