



OAKVILLE

REPORT

Council

Meeting Date: April 26, 2021

FROM: Economic Development and Corporate Strategy Department

DATE: April 20, 2021

SUBJECT: **Community Energy Strategy Implementation Update**

LOCATION: Town Hall

WARD: Town-wide

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RECOMMENDATION:

1. That the Community Energy Strategy Implementation Update be received;
2. That the Service Agreement with Future Energy Oakville, attached as Appendix A of the report from the Economic Development and Corporate Strategy department dated April 20, 2021, be endorsed;
3. That the Town Solicitor be authorized to make any reasonable minor modifications to the Service Agreement; and
4. That the CAO and Clerk be authorized to execute the Service Agreement, subject to the satisfaction of the Town Solicitor.

KEY FACTS:

The following are key points for consideration with respect to this report:

- In February 2020 Council unanimously endorsed Oakville's Community Energy Strategy (Strategy), presented by the Oakville Energy Task Force, which sets community goals for improving energy efficiency, reducing greenhouse gas (GHG) emissions and enhancing the local economy. The Strategy establishes a community pathway for mitigating the impacts of climate change and directly supports the climate emergency declaration unanimously made by Council in June 2019.
- Along with the Strategy's endorsement in February 2020, Council committed to providing financial and in-kind support for the community based Oakville Energy Task Force to develop and establish an Implementation Management Office (IMO) over a five-year period. To date, Council, as one of the members of the Task Force, has approved funding of \$200,000. A Service Agreement, attached as Appendix A, formalizes the expectations of and support for the IMO by the Town over the next year.

- The Oakville Energy Task Force's IMO was incorporated as Future Energy Oakville (Centre) on January 27, 2021.
- Council also requested Town staff to report back on the alignment of the Strategy's GHG emission reduction goal to that of national and international targets. Through the successful completion of the Showcase Cities pilot program, the Town was able to demonstrate that the Strategy's GHG emissions reduction goal was equally ambitious to the national target in place at that time.
- The Town continues to play a role as a key stakeholder in implementing the Strategy including Council's appointment of an Oakville Energy Task Force member, Councillor Peter Longo, and support through the terms of the Service Agreement. Multiple Town departments are also leading initiatives that directly support a number of the Strategy's 2020 – 2025 priority projects.
- The purpose of this report is to provide an update on the implementation of the Community Energy Strategy over the last year and propose a Service Agreement with Future Energy Oakville for Council's endorsement.

BACKGROUND:

Oakville Town Council unanimously endorsed the Oakville Energy Task Force's Community Energy Plan on February 25, 2020. After the endorsement and through its final publication the Community Energy Plan was renamed to the Community Energy Strategy (hereinafter referred to as the 'Strategy'). The Strategy, developed in collaboration between the Town, Sheridan College and the Oakville Energy Task Force (Task Force) establishes a common community vision for innovation and collaboration to achieve a sustainable energy future, and sets 2041 community-wide goals for improving energy efficiency, reducing greenhouse gas (GHG) emissions and enhancing the local economy.

The Task Force is a cross-sector group of local energy and community leaders that leverages community relationships and perspectives to advise on and advocate for the Strategy's successful development and implementation. The Strategy along with the continued collaboration between the Town, Sheridan College, the Task Force and others represent a significant part of the community's response to Oakville's climate emergency, as declared unanimously by Council on June 24, 2019.

Community Energy Strategy's Implementation Framework

The Strategy's implementation framework is designed to promote collaborative action from across the community of Oakville. It recognizes the Town as a key stakeholder in implementation but not the sole actor, reflecting the broad and

transformative nature of the Strategy's 2041 goals and strategic objectives. The implementation framework has two key components:

1. Implementation Governance

The Strategy recommends the development of a community-based Implementation Management Office (IMO). The IMO concept leverages community perspectives, knowledge, networks, resources and momentum through its position as an independent non-profit to champion and coordinate community-wide implementation of the Strategy.

2. 2020 - 2025 Priority Projects

The Strategy establishes 12 priority projects that must be completed by 2025 to put the community of Oakville on the right track for achieving the Strategy's 2041 goals. Each priority project serves a long-term strategic objective and has milestones, delivery partners and proposed budgets where possible.

Town's Role and Commitments under the Community Energy Strategy

Along with a call for community-wide action, the Strategy defines where the Town can best play a role as one of many key stakeholders. These roles can be found in Appendix 1: Municipal Role of the Community Energy Strategy, available for download on Oakville.ca and include:

1. Convener and Facilitator: the Town is uniquely positioned to convene and facilitate stakeholders to develop plans, strategies, etc.
2. Policy Maker: the Town has an important role to continually ensure that policies, procedures and by-laws are aligned with the Strategy's vision and goals to, among other things, enable local stakeholders and others to act in the transitioning energy market.
3. Leading by example: the Town's municipal operations only accounted for 1.35% of the community's total source energy use in 2016. Nevertheless, the Town must demonstrate corporate leadership in the community.
4. Economic Development Supporter: the Town plays a key role in retaining and attracting businesses through the value-added opportunities of achieving the vision and goals of the Strategy.
5. Promoting Energy Literacy and Climate Action: the Town has many opportunities to engage with residents and business owners to promote the benefits of implementing the Strategy.

Financial and In-kind Commitments to IMO

On February 25, 2020 Town Council committed to supporting the Task Force in establishing and launching the IMO in its first five years through financial and in-kind contributions. In 2020 and 2021 financial contributions totalling \$200,000 have been approved with the understanding that a Service Agreement would be brought back to Council to formalize these and any future contributions.

Alignment with GHG Emission Targets

On February 25, 2020 Town Council also requested that Town staff report back on the alignment of the Strategy's 2041 GHG emissions reduction goal with national and international GHG reduction targets.

Determining alignment with the national target was also required as part of the Town's participation in the Showcase Cities pilot program. In August 2019, the Town was selected as one of 25 Canadian municipalities to join the first Showcase Cities cohort led by the Global Covenant of Mayors for Climate and Energy (GCoM) Canada. Participating in Showcase Cities builds on the Town's efforts to report on climate action internationally through the GCoM reporting platform that began in 2016.

Over the course of 2020, the Town leveraged the analytical and strategic outputs of the Strategy to successfully complete the Showcase Cities program and achieve GCoM's internationally recognized Mitigation Badge, which is awarded to municipalities with a GHG emission inventory, GHG emissions reduction target and GHG mitigation plan that comply with the requirements of GCoM.

The details of the target alignment exercise are outlined on Page 9 of this report.

COMMENT/OPTIONS:

While this report highlights the significant progress made in 2020 and early 2021 to implement the Community Energy Strategy, it must be taken in the context of the COVID pandemic that emerged less than a month after the Strategy's endorsement by Council. The unforeseen and rapidly evolving constraints, pressures and challenges caused by the pandemic required the Town, Sheridan College and the Task Force to rapidly adapt implementation timelines and approaches. In light of that, this report outlines the ongoing commitment by the Town and the community to implement the Community Energy Strategy.

Recognition of the Community Energy Strategy

The innovative collaboration between the Town, Sheridan College and the Oakville Energy Task Force to develop the Strategy and the IMO concept has been showcased as best practice in a number of regional, national and international forums. Some examples of where Town staff from Climate Action have been invited to speak include:

- Showcase Cities Participant Summit,
- The Association of Energy Engineering World Energy Conference,
- Association of Collegiate Schools of Planning Annual Conference,
- The Promethea Rising podcast,
- QUEST's Community Energy Plan Implementation Network meeting,
- Clean Energy States Alliance Webinar,
- University of Toronto's Masters of Planning Climate Change and Resilience: Planning and Policy and
- York University's Energy Conscious Community: An Energy Planning Course for Planning Professionals.

Implementation Management Office: Development Update

Following the Strategy's endorsement by Town Council in February 2020, the Oakville Energy Task Force met to determine approaches for creating the IMO. This was a complex undertaking, requiring the Task Force to develop focused several subcommittees that met regularly over 2020. The subcommittees were successful in creating foundational pieces to support the development and launch of the IMO, including, but not limited to the following:

- Drafting governance policies and by-laws for the IMO;
- Contracting a lawyer and supporting the legal incorporation process;
- Recruiting of the IMO's founding Board of Directors through the network of the Task Force;
- Developing a recommended process for hiring an Executive Director;
- Meeting with provincial and federal government officials to explore funding opportunities and
- Developing a recommended approach for pursuing local sponsorship opportunities.

Future Energy Oakville and the Founding Board of Directors

One major outcome of the Task Force subcommittees was the legal incorporation of the IMO, as the Future Energy Oakville Centre (Future Energy Oakville, FEO), on January 27, 2021.

FEO's Founding Board of Directors (Founding Board) were chosen by the Task Force's Governance Subcommittee from the existing network of the Task Force to

ensure that selected individuals had a history with and understanding of the Strategy's development. Three individuals were selected as the Founding Board to enable FEO's incorporation as it is the minimum required by the Corporations Act, R.S.O. 1990, c. C.38.

The Board is skills based, rather than representational, meaning that Directors are selected based on their personal and professional expertise, networks and characteristics rather than to represent a specific sector or employer. A Board Selection Matrix was developed to determine the comprehensive list of characteristics, skills and experience needed to create a well-rounded, diverse and effective Board for FEO. The Board is complemented by the representational Task Force, which has an ongoing role to advise, support and advocate FEO's activities.

The Task Force Governance Subcommittee consulted with a professional Human Resources Director and the Halton Equity and Diversity Roundtable to ensure that an appropriate equity and diversity lens was embedded in the Board Selection Matrix and selection process.

Through Future Energy Oakville's by-laws and governance policies, the Founding Board will determine the number of remaining Board vacancies and lead the process for Director and staff recruitment moving forward.

Finances and Service Agreement for 2021

With substantial volunteer contributions from the community and Task Force over the last year, FEO has incurred minor expenses. Costs incurred to date have been under \$4,000 and were used to obtain legal services to facilitate the incorporation process and the associated incorporation fees.

The Town has approved \$200,000 to date to support the start-up costs for Future Energy Oakville. A Service Agreement (Appendix A) has been developed to establish the terms and expectations between the Town and FEO. The Service Agreement speaks to the core and operating activities of FEO and reflects:

- The emerging and evolving nature of FEO in its first year of operation and therefore is valid for 14 months. Future funding requests from FEO are anticipated and would be subject to future service agreements.
- FEO's ongoing role in championing and coordinating an energy transformation as defined by the Community Energy Strategy.
- The Town's financial and in-kind contribution commitments established in the Report to Council on February 25, 2020.

External Funding Efforts

Through 2019, 2020 and early 2021 there have been ongoing efforts from the Task Force and the Founding Board, with support from the Town, to pursue additional

funding (pitches within the public and private sector and grant applications) for core and operational expenses. To date, no additional funding has been secured, in part because of limited core and operation funding available for non-profits and the constraints imposed by the COVID pandemic.

2020 – 2025 Priority Projects: Town Implementation Update

The table below highlights the Town initiatives in support of the Strategy’s priority projects. The Town has been successful in securing over \$48 million from the Province and Government of Canada for electric buses, \$220,000 from Natural Resources Canada (NRCan) for electric vehicle charging stations, roughly \$119,000 from the Consulate of Denmark in Toronto for district energy studies and \$10,000 from Enbridge Gas as a community energy planning incentive. The Town has also invested in these initiatives to demonstrate an ongoing commitment to climate change leadership.

Multiple Town departments are leading these initiatives including Economic Development and Corporate Strategy, Facilities and Construction Management, Municipal Enforcement Services, Oakville Transit, Planning Services and Transportation and Engineering.

The table below represents only Town led or facilitate initiatives. Coordinating across community stakeholders and reporting holistically on the progress and impacts of all priority projects is part of the role of Future Energy Oakville. Once staffed, Future Energy Oakville will also accelerate the implementation of 2020 – 2025 priority projects not currently underway and support the Town and other stakeholders to explore opportunities to collaborate on and scale projects.

Town Initiative	Alignment with Priority Project from the Strategy	Role of the Town (as described on page 3)
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<p>Collaboration with Oakville Enterprises Corporation to submit a funding application that would support the development of a residential retrofit business case/feasibility study to the Federation of Canadian Municipalities' Community Efficiency Financing program in October 2020.</p> <p>For more information see the September 21, Report to Council: Retrofit Business Case Collaboration.</p>	<p>1.1) Complete a business case for establishing a company to deliver energy retrofits for homes and buildings in Oakville.</p>	<p>Convener and Facilitator</p>
<p>GHG emissions reduction of corporate facilities is ahead of schedule to meeting the 2024 target established in the 2020 Corporate Energy Conservation and Demand Management Plan. This has been a result of lighting retrofits, energy conservation projects, retro-commissioning at various facilities and an overall increase in staff engagement on energy management initiatives.</p>	<p>3) Implement the Town of Oakville's Corporate Energy Conservation and Demand Management Plan.</p>	<p>Leading by Example</p>
<p>Collaboration with the Consulate of Denmark in Toronto to study the opportunities for district energy in the community of Oakville through feasibility studies.</p> <p>For more information see the January 25, 2021 Report to Council: District Energy Studies Collaboration.</p>	<p>Supports community to implement 6.1) Complete a business case for establishing a company to distribute thermal energy to homes and buildings</p> <p>9) Continue to integrate Local Energy Supply and Distribution targets into municipal policy, regulations and processes.</p>	<p>Policy Maker</p> <p>Convener and Facilitator</p>
<p>GHG emissions lens integrated in Urban Mobility and Transportation Strategy.</p>	<p>10) Continue to integrate</p>	<p>Policy Maker</p>

<p>For more information see the November 23, 2020 Report to Council: Urban Mobility and Transportation Strategy Assessment of COVID-19 Impacts.</p>	<p>Transportation Efficiency targets and emissions lens into municipal planning tools and processes as well as master plans.</p>	
<p>Collaboration with NRCan to install 46 public electric vehicle charging stations across the community by December 2021. Currently 14 of the 46 have been installed and are available for use.</p> <p>For more information visit oakville.ca.</p>	<p>11) Increase public electric vehicle charging stations at municipal owned sites.</p>	<p>Leading by Example</p>
<p>Collaboration with the Province of Ontario and Government of Canada to begin the transition and expansion Oakville’s local public transit fleet with fully battery-electric buses. Over the next six years approximately 50% of Oakville Transit’s fleet will be converted from diesel to battery electric power.</p> <p>For more information see the October 22, 2019 Report to Council: Investing in Canada Infrastructure Program – Transit.</p>	<p>12) Pursue opportunities to electrify local transit and corporate fleets.</p>	<p>Leading by Example</p>

GHG Target Alignment

At the time of developing and finalizing the Community Energy Strategy (2018 – 2020), the national GHG emissions targets was ‘to reduce GHG emissions by 30 per cent below 2005 levels by 2030’. To fulfill the requirements of the Global Covenant of Mayor’s (GCoM) Mitigation Badge successfully, the Town demonstrated that the Strategy’s GHG emission reduction goal was of equal ambition to that national target.

While there is no international GHG emissions reduction target, Canada has made a commitment to the Paris Climate Agreement to limit global warming to under 2 degrees Celsius. The United Nations’ Intergovernmental Panel on Climate Change (IPCC) most recent recommendation is to limit global warming to 1.5 degrees

Celsius by reducing human caused carbon dioxide emissions 45 percent from 2010 levels by 2030, reaching net-zero around 2050.

The GHG emissions goal of the Strategy is to ‘enable transition to a goal of carbon neutrality by reducing greenhouse gas emissions by at least 50% below 2016 levels by 2041’. This goal speaks to both the need to achieve net-zero GHG emissions, while emphasizing an achievable target based on actionable global best practice, science and proven technology within the current context of Oakville.

To demonstrate alignment an analysis was conducted to normalize the Strategy’s baseline and target year with that of the national target. This calculation was reviewed and verified by a third party through the GCoM process.

In November 2020, the Government of Canada committed to achieve net-zero emissions by 2050. This is being formalized through the Canadian Net-Zero Emissions Accountability Act, which is awaiting its second reading at parliament.

Final Notes and Next Steps

The Town and the Task Force have made significant progress in the first year of implementing the Community Energy Strategy. Carrying forward the community-driven spirit in which the Strategy was developed, cross-sector stakeholders collaborated over 2020 and early 2021 to develop a new non-profit from the ground up. This effort is gaining attention globally as an innovative and a best practice approach to community energy implementation.

Future Energy Oakville builds on the strong foundation of Oakville’s community energy journey established by the Town, Sheridan College and the Task Force. FEO’s Founding Board of Directors continue to pursue external funding opportunities, recruit Directors, develop good governance practices and tackle the day-to-day challenges of starting a new organization. The Service Agreement (Appendix A) will greatly support FEO’s efforts and formalize the relationship between the Town and FEO moving forward.

The Town continues to play important roles, as one of many key stakeholders, in implementing the Community Energy Strategy. Along with the support outlined in the Service Agreement, Town Council has an appointed member on the Oakville Energy Task Force and is leading initiatives that align with Strategy’s priority projects. These community energy initiatives represent one part of the Town’s response to the climate emergency by reducing our impact on climate change and ensuring Oakville remains the most livable Town in Canada.

CONSIDERATIONS:**(A) PUBLIC**

Community stakeholders have committed significant hours over 2020 and early 2021 to develop foundational pieces that led to the launch of Future Energy Oakville. The Oakville Energy Task Force held public meetings in September 2020 and April 2021 and continues to respond to public inquiries regarding progress on implementation.

(B) FINANCIAL

The Service Agreement (Appendix A) builds on the Town's commitments from the unanimously endorsed February 25, 2020 Town Council report. The Service Agreement outlines the terms of a financial contribution of \$100,000, approved in the 2021 budget, from the Town to Future Energy Oakville as well as in-kind support to the Board as the organization works towards hiring and onboarding staff over a 14-month term.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

The energy initiatives led by the Town that directly support implementation of the Community Energy Strategy's 2020 – 2025 priority projects are being spearheaded by a number of departments including Economic Development and Corporate Strategy, Facilities and Construction Management, Municipal Enforcement Services, Oakville Transit, Planning Services and Transportation and Engineering.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal(s):

Mobility - Improve Town's multi-modal transportation network to support effective movement of people and goods by investing in low-carbon transportation options.

Environment - Protect greenspace and promote environmentally sustainable practices by supporting community to lead a transition to a low-carbon future.

Livability - To be the most livable Town in Canada by supporting an energy transformation that maintain a resilient local economy.

(E) CLIMATE CHANGE/ACTION

Future Energy Oakville and the progress on Priority Projects outlined in this report are fundamental to mitigating our community's impact on climate change. The Community Energy Strategy provides the pathway to achieving an ambitious greenhouse gas reduction goal. Future Energy Oakville picks up the baton from there and provides the mechanism for realizing the goals of the Strategy across the community by championing a livable, sustainable and resilient energy future for Oakville.

APPENDICES:

Appendix A – Service Agreement

Prepared by:

Deniz Ergun, Research Policy Analyst

Recommended by:

Swaraj Mann, Manager, Corporate Strategy

Submitted by:

Dorothy St. George, Director, Economic Development and Corporate Strategy