

REPORT

Council

Meeting Date: September 19, 2022

FROM: Strategy, Policy and Communications Department

DATE: September 6, 2022

SUBJECT: Community Energy Strategy Implementation Update

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION:

1. That the *Community Energy Strategy Implementation Update* be received.
2. That the Service Agreement (Appendix A) with Future Energy Oakville, including the commitment to add a budget request for funding in the amount of \$50,000 for the Town's financial contribution, be endorsed.

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 (CES) presented by the community-based Oakville Energy Task Force (OETF), which set community goals for improving energy efficiency, reducing greenhouse gas (GHG) emissions, and enhancing the local economy.
- The CES established a plan to mitigate community GHG emissions, in support of the climate emergency declaration unanimously made by Council in June 2019.
- Along with the endorsement of the CES, Council committed to providing financial and in-kind support for the OETF to develop and establish Future Energy Oakville (FEO) over a five-year period.
 - FEO was incorporated on January 27, 2021
 - To date, Council has approved funding of \$250,000. A Service Agreement (attached as Appendix A), executed in June 2021, formalized the expectations of and support for FEO by the Town through 2022.

- The Town continues to be a key stakeholder in implementing the CES, through multiple Town departments, who are leading initiatives that directly support several CES 2020-2025 priority projects.
- The purpose of this report is to provide an update on the implementation of the CES over the last year and propose an extension (until the end of March 2023) to the Service Agreement with FEO for Council's endorsement.

BACKGROUND:

Oakville Town Council unanimously endorsed the CES, presented by the OETF, on February 25, 2020, developed in collaboration between the Town, Sheridan College, and the OETF. The CES established a common community vision for innovation and collaboration to achieve a sustainable energy future and set 2041 community-wide goals for improving energy efficiency, reducing GHG emissions, and enhancing the local economy.

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

In April 2021, Council received the 2021 Community Energy Strategy Implementation Update Report, which provided a progress update on CES implementation, and which this Report builds on.

Community Energy Strategy Implementation Framework and Priority Projects

The CES's implementation framework is designed to promote collaborative action across 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 objectives. The implementation framework has two key components:

1. Implementation Governance

Recommends the development of a community-based Implementation Management Office, now known as Future Energy Oakville (FEO). This 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 CES.

2. 2020 - 2025 Priority Projects

The CES established 12 priority projects to 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 CES defines where the Town can best play a role as one of many key stakeholders. These roles 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 CES 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 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 CES.
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.

COMMENT/OPTIONS:

While this report highlights the progress made since 2021 to implement the CES, it must be taken in the context of the COVID pandemic that emerged less than a month after the initial endorsement of the CES by Council. The unforeseen and rapidly evolving constraints, pressures and challenges caused by the pandemic required the Town, Sheridan College, and the OETF to rapidly adapt implementation timelines and approaches. As such, this report outlines the ongoing commitment by the Town and the community to implement the CES.

Future Energy Oakville and Service Agreement Update

The Town has approved \$250,000 to date to support the start-up costs for FEO. A Service Agreement (Appendix A) was 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 was valid for 14 months (from June 2021). At the time, future

funding requests from FEO were anticipated and would be subject to future service agreements (outlined in this Staff Report).

- FEO's ongoing role in championing and coordinating an energy transformation as defined by the CES.
- The Town's financial and in-kind contribution commitments established in the Report to Council on February 25, 2020.

2020 – 2025 Priority Projects: Town Implementation Update

The table below highlights the Town initiatives in support of the CES priority projects, along with status updates where applicable. Multiple Town departments are leading these initiatives including Strategy, Policy, and Communications, Facilities and Construction Management, Municipal Enforcement Services, Oakville Transit, Planning Services, and Transportation and Engineering.

The CES and the Town's work on various projects of the CES have also been showcased in several forums. Staff from Climate Action have been invited to present and highlight Oakville's efforts at the following:

- State of Green and the Danish Trade Council's clean energy panel
- Clean Air Partnership Electric Vehicle Charging webinar
- Durham Region Community Energy Planning Research report
- QUEST's Community Energy Plan Implementation Network meeting
- International District Energy Association (IDEA 2022) Conference

The table below represents only Town led or facilitated 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.

Alignment with Priority Project from the Strategy	Town Initiative & Status Update	Role of the Town
<p>1.1) Complete a business case for establishing a company to deliver energy retrofits for homes and buildings in Oakville.</p> <p>1.2) Incorporate a company to deliver standardized retrofits based on the results of the business case</p>	<p>Collaboration with Oakville Enterprises Corporation to complete a business case/feasibility study, beginning in October 2020 with a successful funding application to the Federation of Canadian Municipalities' (FCM) Community Efficiency Financing program.</p> <p>The Business Case Report, completed in July 2022, finds that a business case exists to support further development of a program that encourages deep energy retrofits, including completing due diligence, establishing key program design and loan offer criteria, and determining the municipal role and finalizing administration processes and set-up associated with a third-party delivery company.</p> <p>Next steps include confirming funding for the next stage (capital request for 2023 and FCM grant funding) and working to establish a third-party company to deliver the potential program. The third-party company must be set-up sustainably and with the right governance structures, so that it can succeed long-term. The potential program will integrate community feedback and target comprehensive, deep energy retrofits (extensive and holistic overhaul of a building's systems, as a step towards net-zero emissions), needed to help achieve the targets of the CES.</p> <p>For more information, see the August 4, 2020 Report to Council: Retrofit Business Case Collaboration.</p>	<p>Convener and Facilitator</p>
<p>3) Implement the Town of Oakville's Corporate Energy Conservation and Demand Management Plan.</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>Starting in 2022, the Town is working on the development of Deep Energy Retrofit Studies, which will help understand resources and efforts needed for facilities to reach Net-Zero Carbon and low energy use standards.</p>	<p>Leading by Example</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>Collaboration with the Consulate of Denmark in Toronto to study the opportunities for district energy in Oakville through feasibility studies. For more information see the January 25, 2021 Report to Council: District Energy Studies Collaboration.</p> <p>In February 2022, the Pre-Feasibility Study, which evaluated opportunities for district energy in two study areas (the Hospital District and Downtown & Kerr) was completed. Staff have begun work for the next step, to pursue a more detailed feasibility study for one of the study sites (Hospital District), with a grant funding application to FCM.</p>	<p>Policy Maker</p> <p>Convener and Facilitator</p>
<p>9) Continue to integrate Local Energy Supply and Distribution targets into municipal policy, regulations and processes.</p> <p>10) Continue to integrate Transportation Efficiency targets and emissions lens into municipal planning tools and processes as well as master plans.</p>	<p>Integration of Community Energy Strategy goals in the planning process, through the following initiatives/working groups:</p> <ul style="list-style-type: none"> - North Oakville Working Group - North Oakville East and West Secondary Plan Review - Official Plan Review - Midtown Oakville Growth Area Review <p>GHG emissions lens integrated in Urban Mobility and Transportation Strategy, and Community Energy Strategy goals to be considered in the Transportation Master Plan update, to kick-off in 2022. The Town-wide parking management strategy, to be completed in 2023, also included Community Energy Strategy considerations.</p>	<p>Policy Maker</p>
<p>11) Increase public electric vehicle charging stations at municipal owned sites.</p>	<p>Through a collaboration with NRCan, 46 Level 2 electric vehicle charging stations were installed from 2021-2022 and are available for public use across Oakville.</p> <p>Staff have submitted a second funding application to NRCan in August 2022 to support an additional 24 charging stations for Town fleet vehicles.</p>	<p>Leading by Example</p>

<p>12) Pursue opportunities to electrify local transit and corporate fleets.</p>	<p>Collaboration with the Province of Ontario and Government of Canada to begin the transition and expansion of Oakville's local public transit fleet with fully battery-electric buses. On track to have the first e-buses by the end of the year, which will be used specifically for care-A-van services. Delivery of e-buses for conventional services are planned for the end of 2023/early 2024. Over the next five 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>Leading by Example</p>
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CONSIDERATIONS:

(A) PUBLIC

Community stakeholders have committed significant hours over 2021 and 2022 to support set-up of and establish Future Energy Oakville. The Oakville Energy Task Force also 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 and original Service Agreement executed in June 2021. The Service Agreement outlines the terms of a financial contribution of \$50,000, to be approved as part of the 2023 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 through to the end of 2022.

To-date, the Town, through the capital budget, has approved \$250,000 for FEO to support start-up costs. The Town transferred the balance owing to FEO earlier this year, based on the below breakdown:

2020: \$100,000

2021: \$100,000

2022: \$50,000

2023 (pending approval): \$50,000

(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 and supported by several departments including Strategy, Policy, and Communications, Facilities and Construction Management, Finance, Legal

Services, Municipal Enforcement Services, Oakville Transit, Planning Services and Transportation and Engineering.

With respect to the Home Energy Retrofit Feasibility Study and its next phases, resourcing support for the Finance Department will be brought forward as a part of the 2023 budget process.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal(s) to:

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

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

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 is fundamental to mitigating our community's impact to climate change. The Community Energy Strategy provides the pathway to achieving an ambitious greenhouse gas reduction goal. Future Energy Oakville provides the mechanism for realizing the goals of the Strategy by championing a livable, sustainable, and resilient energy future for Oakville.

APPENDICES:

Appendix A – Service Agreement Extension

Prepared by:

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Recommended by:

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Submitted by:

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