

REPORT

COUNCIL MEETING

MEETING DATE: FEBRUARY 23, 2015

FROM: Commissioner of Corporate Services

DATE: February 17, 2015

SUBJECT: Award of FIT 3 Contract to Town of Oakville

LOCATION:

WARD: Town wide

Page 1

RECOMMENDATION:

1. That, subject to Oakville Hydro Corporation board approval, Shareholder Approval be given pursuant to section 10 of the Amended and Restated Shareholder Direction and Unanimous Shareholder Declaration, for Oakville Hydro Corporation or one or more of its subsidiaries, to participate in the three FIT 3 projects as described in the report from the Commissioner of Corporate Services dated February 17, 2015.
2. That staff be authorized to enter into appropriate corporate and contractual arrangements to implement the three FIT 3 projects.

KEY FACTS:

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

- The Ontario Power Authority (OPA) offered Feed-in Tariff (FIT) renewable energy contracts to the community in 2014.
- The Town of Oakville applied for three contracts following discussions with Oakville Hydro staff, with the understanding that if the town were to win the contracts Oakville Hydro Corporation (OHC) would act as the town's agent and operator.
- The town has won three FIT 3 contracts for installation at: Sixteen Mile Sports Complex, Glen Abbey Community Centre and River Oaks Community Centre with an aggregate value of approximately \$3 million
- Special corporate and contractual arrangements will be needed with OHC and/or its subsidiaries to facilitate this project without any financial investment from the town.

BACKGROUND:

The Corporation of the Town of Oakville (town) has been awarded three FIT 3 Solar Roof Top contracts. While these are the town's contracts, Oakville Hydro will be

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the agent and operator for their implementation. The town's 100% ownership ranked these applications ahead of other competing applications and qualified the town. This contract provides for the fixed price tariff payment of \$0.329 per delivered kWh. In aggregate the projects represent up to 1.0MW of capacity.

COMMENT/OPTIONS:

Oakville Hydro through Oakville Hydro Energy Services Inc. (OHESI) will provide an optimized equity structure, whereby the town would not be required to provide upfront funding into the projects.

Solar photovoltaic generating panels produce reliable, provincially backed, revenue streams. These projects advance OHESI and the town's commitment to sustainable development and "Greening" Oakville's energy supply. Through this and future projects OHESI will strengthen its core competencies in engineering, procurement, construction management and asset management of energy generating projects.

CONSIDERATIONS:

(A) PUBLIC

There are no impacts on the public.

(B) FINANCIAL

The project will provide an alternate revenue stream from Oakville Hydro Corporation to the town.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Facilities and Construction Management will be involved in oversight of the installation of the panels

(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS

This report addresses the corporate strategic goal to:

- enhance our economic environment
- have environmentally sustainable programs/services
- be fiscally sustainable

(E) COMMUNITY SUSTAINABILITY

This issue impacts the economic and sustainable components of community sustainability.

Prepared & Submitted by:
Gord Lalonde
Commissioner of Corporate Services