



# Corporate

NO: R149

# Report

COUNCIL DATE: July 15, 2002

<b>REGULAR COUNCIL</b>			
TO:	<b>Mayor &amp; Council</b>	DATE:	<b>July 10, 2002</b>
FROM:	<b>General Manager, Engineering</b>	FILE:	<b>5280-11</b>
SUBJECT:	<b>BC Hydro Power Smart Partner Program</b>		

## RECOMMENDATION

That Council approve becoming a Power Smart Partner, and send a commitment letter to BC Hydro.

## INTENT

To seek Council approval for the City of Surrey to become a Power Smart Partner with BC Hydro. The City will then have access to BC Hydro's:

- Energy Savings Opportunity (ESO) matching funds to help identify energy efficiency opportunities
- Competitive Incentive Fund to shorten project paybacks and make energy efficiency projects more viable
- Further funding through the e.Points Bonus, once a 5% overall electrical efficiency improvement is achieved

This will benefit the City of Surrey by integrating energy efficiency into on-going operations and realize operational, financial, and environmental benefits.

## BACKGROUND

BC Hydro has introduced a new Power Smart Partner Program and has invited the City of Surrey to become a partner. \$91 million is available province wide from BC Hydro for Power Smart Partners through matching funds, an incentive fund, and the e.Points Bonus. The City of Surrey has been invited to share in this funding program.

The City of Surrey can become a Power Smart Partner by:

1. Sending a commitment letter to BC Hydro,
2. Setting a target to improve overall electrical energy efficiency, by at least 5%, agreed to in a signed Power Smart Partner Agreement,
3. Developing and implementing a Power Smart Strategy and Action Plan detailing priorities and actions to achieve the energy efficiency target,
4. Identify energy efficiency savings opportunities, undertake energy audits, and implement the Power Smart Action Plan.

There are 3 types of funding available through the Power Smart Program:

1. Matching funding on a 50/50 basis to help identify energy savings opportunities through energy audits, recommissioning investigations, or actions by staff. For the City of Surrey, BC Hydro could match up to \$32,100 per year.
2. Competitive Incentive Fund. Incentives are available to shorten paybacks and make energy efficiency projects more viable. Projects from Power Smart Partners are accepted by BC Hydro on a continuous basis with applications reviewed and awarded about every 6 weeks. These identified projects are eligible to share in the \$91 million that BC Hydro has available.
3. e.Points Bonus will be received in the year that the Corporation achieves at least a 5% electricity efficiency baseline metric improvement across the organization. This bonus would be realized in year 2 or 3 of the Power Smart Partner Agreement. BC Hydro has identified that in the City of Surrey's case this 5% improvement over estimated base line would realize approximately \$116,902 in e.Points dollars.

## **DISCUSSION**

The benefits of energy efficiency include:

- Substantial savings on electricity and other energy costs
- Lower operating costs
- Improved productivity and product quality
- Enhanced working environment through better lighting, heating and cooling
- Improved asset value
- Environmental benefits.

Over the past year an interdepartmental Energy Management Committee comprised of Engineering, Parks, Recreation and Culture, and Finance staff have been developing a Power Smart Action Plan with the assistance of a BC Hydro representative. With this plan the City has already identified several initial energy retrofits projects and would be in a position to submit the Power Smart Partner Agreement and immediately submit application to access BC Hydro's ESO Matching Funds and the Competitive Incentive Fund. The City of Surrey would begin to realize energy savings immediately as some of these projects have an immediate payback and would avoid future increased operating costs through reduced energy consumption.

The City will continue to identify energy efficiency projects and implement those projects identified in the Action Plan through the use of appropriately qualified resources.

## CONCLUSION

After becoming a Power Smart Partner the City of Surrey would be eligible for matching funding to a maximum of \$32,100 per year for up to 3 years to fund the necessary resources for Surrey's involvement in the Program and implement the City's Power Smart Action Plan. The City's commitment over three years would be to match BC Hydro's share, which would be funded from energy savings. After realizing a savings of 5% in energy costs through implementation of energy conservation projects, the City would be eligible for an e.Points bonus \$116,902. Should the City not realize its goal of 5% savings within the specified period there is no penalty.

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cc: General Manager, Parks, Recreation & Culture

General Manager, Finance, HR & IT

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