

Policies & Priorities Committee Meeting
AGENDA

Tuesday, October 10, 2017, 5:00 pm
Tecumseh Town Hall
www.tecumseh.ca

Pages

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **DISCLOSURE OF PECUNIARY INTEREST**
4. **DELEGATIONS**
 - a. Steve Ray, General Manager; Kris Taylor, Director Corporate Strategy;
Sam Martin, Conservation & Market Analyst

Re: Essex Power
 - b. Ernie Lamont 2 - 2

Re: Transit Service
5. **COMMUNICATIONS**
6. **REPORTS**
 - a. Chief Administrative Officer, Report No 10-17 3 - 7

Re: Ontario Municipal GHG Challenge Fund Application
7. **UNFINISHED BUSINESS**
8. **NEW BUSINESS**
9. **NEXT MEETING**
10. **ADJOURNMENT**

To the town of Leominster

I, Eric Leonard would like the opportunity to address the Mayor's Council & to offer a free transit service like Roselle. I plan to make a presentation for your approval. I plan to give the town 75% of the advertising revenue of the expenses and me 25%. I will also get more news for Leominster.

"Note"

I will speak to town Council in Roselle.
Apr 26/17.

Yours Truly
Eric Leonard



THE CORPORATION OF THE TOWN OF TECUMSEH

Chief Administrative Officer
Report No. 10/17

TO: Policies & Priorities Committee
FROM: Chief Administrative Officer
DATE OF REPORT: September 25, 2017
DATE TO COUNCIL: October 10, 2017
SUBJECT: Ontario Municipal GHG Challenge Fund Application

RECOMMENDATIONS

It is recommended that:

1. Report 10/17, Municipal GHG Challenge Fund Application be approved;
2. Tecumseh be the lead applicant in the Municipal GHG Challenge Fund with Essex Power Corporation and the municipalities of LaSalle, Amherstburg and Leamington;
3. Up to \$15,000 be allocated in the 2018 Budget to support the partnership and application; and
4. Council resolve to commit to complete a community-wide GHG inventory, targets and plan.

BACKGROUND

As part of the Ontario Climate Change Action Plan, the Province of Ontario has launched several funding opportunities to help municipalities lead initiatives in their communities that reduce Greenhouse Gas (GHG) emissions. One of these initiatives is the Municipal GHG Challenge Fund.

The Municipal GHG Challenge Fund is aimed at supporting community-led action on climate change. The competitive, application-based program will fund up to 100% of eligible costs for GHG emissions projects proposed by municipalities. The Ontario government encourages municipalities to partner with other municipalities and community organizations to complete their project.

Funding for this program comes from Ontario's cap and trade plan.

Eligibility & Timeline

Any Ontario incorporated municipality with a council committed to complete a community-wide GHG emissions inventory, emissions reduction targets, and a strategy/plan to reduce GHG emissions is eligible to apply. Eligible projects include those that reduce GHG emissions in any sector including buildings, energy supply, transportation, water, waste and organics sectors. Projects that are currently underway are not eligible if they were initiated after June 1, 2016.

Municipalities may request up to \$10 million per project. Ontario will contribute up to 100% of eligible costs; however, a higher score will be given to applicants that leverage funds for up to 50% of eligible costs.

Applications must be received by November 14, 2017. Successful applicants will be informed in writing by February 2018.

Evaluation Criteria

- **Project Focus (10%):** higher scores will be given to projects that aim to replace fossil fuels with clean, renewable energy and achieve net zero (or better) emissions buildings, transportation systems, and/or infrastructure.
- **GHG Emissions Reduction Assessment (40%):** higher scores will be given to projects that result in significant and cost-effective GHG reductions. Greater weight will be given to projects that yield earlier GHG reductions.
- **Project co-benefits (10%):** higher scores will be given to projects that result in positive co-benefits including economic, social, environmental, behavioural change, innovation/science/technology and benefits to low-income & vulnerable communities.
- **Alignment with Municipal GHG Emissions Planning (10%):** higher scores will be given to projects that align with a municipality's GHG emissions planning and to municipalities that have a comprehensive GHG reduction plan that meets or exceeds the province's 2020, 2030 and 2050 targets.
- **Work plan & budget (30%):** higher scores will be given to projects that have a detailed, feasible work plan to achieve the project outcomes. Municipalities may request up to \$10 million per project. The province will contribute up to 100% of eligible costs; however, a higher score will be given to applicants that leverage funds for up to 50% of eligible costs (e.g. through federal/municipal governments, private sector, industry partners, etc.).

Funding

If approved, funding will be provided to grant recipients under a funding agreement called a Transfer Payment Agreement (TPA) between the province and the grant recipient. Grant recipients will be responsible for managing and executing their projects in line with the funding agreement. The funding agreement will set out the terms and conditions governing the grant and may include:

- project budget
- project management
- project activities
- communication strategies for monitoring and reporting requirements, including progress reporting, GHG reporting, audits and financial reports
- milestone and performance measures
- mode and schedule of payment
- contract termination and corrective action.

The funding agreement may require the grant recipient to develop formal agreements and/or memorandums of understanding with any project partners to whom funding may be flowed for the purpose of meeting project objectives or addressing obligations.

The province will review all reporting and monitoring to ensure compliance with the funding agreement and its terms and conditions.

It is anticipated that funding will be allocated in installments according to a specific payment schedule and program phases. The payment of funding installments will be dependent on the grant recipient meeting all program and reporting requirements under the funding agreement.

Funding must be used by March 2019.

Estimation

Applicants will be required to provide an estimate of the GHG reduction potential for their project as part of the application process.

Estimating GHG impacts is a critical part of demonstrating the merits of projects in reducing GHGs and helping achieve Ontario's climate change goals. Estimates will assist the province in our assessment of which projects will be awarded funding under the Municipal GHG Challenge Fund. GHG emission quantification should be based on an approach most appropriate for the project in question. It should be complete, consistent, transparent and accurate.

COMMENTS

The Town of Tecumseh has partnered with Essex Power and local municipalities LaSalle, Amherstburg and Leamington to apply for the Municipal GHG Challenge Fund to continue the ongoing Municipal Sustainable Energy Cells and Electric Vehicle charging infrastructure. Essex Power has committed to complete the entire application and appendices, including a Community Wide Energy Plan, on behalf of the Town as the lead applicant.

Following discussions, it was determined that Tecumseh would be the lead applicant for the grant. This was due to the fact that only one shareholder is required to meet the criteria to be "Lead Applicant" and Tecumseh's "gap to eligibility" (requirements needed to meet eligibility requirements) represents the path of least resistance. Each municipality must approve a resolution to commit to completing the community-wide GHG inventory, targets and plan.

Essex Energy is leading the development of the application including the community-wide GHG plan that includes inventories and targets. They are currently working on the eligibility requirements associated with the grant application. Tecumseh's Manager Strategic Initiatives has accessed and shared the grant application for completion.

The infrastructure expected for Tecumseh would be solar power. Essex Power would locate a 6 mW solar power cell in one location and allocate one quarter of the power to each municipality. Power would be sold to Tecumseh at a reduced rate. Additional infrastructure could include future fleet conversion to electric voltage with an electric charging station for Tecumseh. There could also be two to three charging stations in the next five to ten years located in Town to encourage residents to convert to electric vehicles.

Essex Energy will own the solar energy cells with the municipalities owning the electric vehicle charging infrastructure.

It is expected that with this grant funding, solar energy cells will provide significant electricity savings over the long term, thus reducing the Town's operational costs while enabling GHG emission reductions in the Town's energy supply and vehicle fleet.

CONSULTATIONS

Chief Administrative Office

FINANCIAL IMPLICATIONS

Essex Power estimates that the cost to apply to the program is up to \$15,000 per municipality.

The grant funding decisions include points awarded for projects that have a joint submission component with the private sector and other funds from other government resources. Higher points are given in these categories. Essex Power has advised they are also looking at potential grant opportunities from NRCan and IESO.

LINK TO STRATEGIC PRIORITIES

No.	2017-18 Strategic Priorities	Applicable
1.	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.	✓
2.	Ensure that the Town of Tecumseh’s current and future growth is built upon the principles of sustainability and strategic decision-making.	✓
3.	Integrate the principles of health and wellness into all of the Town of Tecumseh’s plans and priorities.	✓
4.	Steward the Town’s “continuous improvement” approach to municipal service delivery to residents and businesses.	✓
5.	Demonstrate the Town’s leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.	✓

COMMUNICATIONS

Not applicable

Website Social Media News Release Local Newspaper

This report has been reviewed by senior Administration as indicated below and recommended for submission by the CAO.

Prepared by:

Lesley Racicot
Manager Strategic Initiatives

Recommended by:

Tony Haddad, MSA, CMO, CPFA
Chief Administrative Officer

LR