



## COUNCIL REPORT

To: Mayor and Council

Date: March 12, 2024

From: Ron Mattiussi, Interim CAO

Subject: **Fortis BC Energy Retrofits – Royal LePage Place**

Report Prepared by: Erin Goodwin, Facilities and Recreation Manager

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### **RECOMMENDATION** to Consider and Resolve:

**THAT** Council approve the five (5) recommended energy retrofit projects for Royal LePage Place as identified in the report titled “Fortis BC Energy Retrofits – Royal LePage Place” from the Facilities and Recreation Manager, dated March 12, 2024;

**AND THAT** the Mayor and Corporate Officer be authorized to execute the Fortis BC Implementation Letter to receive approximately \$480,240 for completing the five (5) projects identified in this report;

**AND THAT** Council approve a budget amount of \$1,153,500 for the five (5) projects identified in this report at a net cost of approximately \$673,260 to be funded through MFA Equipment Financing;

**AND FURTHER THAT** Council approve the work to be completed during the City’s 2024 and 2025 annual arena shutdown period.

### **STRATEGIC AREA(S) OF FOCUS**

**Invest in Infrastructure** – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

### **BACKGROUND**

In 2023, the City completed a Corporate Climate Action Plan in parallel with a Fortis BC energy study of Royal LePage Place (RLP). According to the Climate Action Plan, 40% of all CWK corporate greenhouse gas (GHG) emissions come from the Mt Boucherie Complex. The Fortis BC energy study recommends completing a series of projects that will reduce the GHG emissions of this facility by 54%. The City’s Corporate Climate Action Plan has an emission reduction target of 30% of 2021 emissions by 2030. Completing

these projects will reduce the City's corporate emissions by 22% which will have a positive impact on reaching the City's target of 30% reduction by 2030. The City will also see an energy cost savings of approximately \$44,000 per year and an additional savings in carbon tax of about \$28,000 per year (2025) and upwards of \$50,000 in carbon tax savings by 2030.

Total estimated savings (2025):               \$72,000 per year

Total estimated savings (2030):               \$94,000 per year

Construction timeline to complete all work is anticipated to take place during two separate arena shutdown periods during the month of June, both in 2024 & 2025. The City is required to sign a project commitment letter with Fortis BC and will have 18 months to complete the work from the date the commitment letter is signed. As a result, the City will still meet the incentive deadline of finalizing the project in the summer of 2025.

During 2024 budget deliberations, a total of nine (9) energy saving projects were being considered for a total of \$1.8M, but after further investigation and coordination with Fortis BC, only seven (7) were approved by Fortis BC of which only five (5) are being recommended by an energy consultant hired by the City, due to higher return on investment.

## FINANCIAL IMPLICATIONS

The adjusted scope of the project C2024-51 reduces the total ask from \$1.8M to \$1,153,500 as detailed in the table below. The Fortis BC incentives will fund \$480,240 of the projects with the remaining \$673,260 to be financed through MFA equipment financing over 5 years.

This City will be responsible for any design, construction management, consultant fees, and contingencies for the project. As a result, the following budget was created by the City's energy consultant:

Measure ID	Measure Description	Construction Budget	Total Budget
ECM-2	Controls Optimization	\$15,625	\$20,000
ECM-4	Dehumidifier Optimization	\$6,250	\$8,500
ECM-5a	Heat Recovery System Retrofit	\$409,375	\$575,000
ECM-5b	Heat Recovery System Retrofit	\$323,750	\$455,000
ECM-7	Desuperheater Retrofit	\$68,750	\$95,000
<b>Total</b>	<b>All measures</b>	<b>\$823,750</b>	<b>\$1,153,500</b>
		<b>Incentives</b>	<b>(\$480,240)</b>
		<b>Net-Cost</b>	<b>\$673,260</b>

Total estimated project costs:	\$1,153,500
Total incentives:	\$480,240
Net Cost:	\$673,260
Estimate Payback:	8-9 years <i>(pending final costs of the project)</i>

#### **REVIEWED BY**

Corinne Boback, Legislative Services Manager / Corporate Officer

Lisa Siavashi, Financial Services Manager / Deputy CFO

Trevor Seibel, Deputy CAO

#### **APPROVED FOR THE AGENDA BY**

Ron Mattiussi, Interim CAO

Powerpoint: Yes ☒ No ☐

#### **Attachments:**

*Fortis BC Implementation Incentive Letter*

*Energy Consultant Letter: First Light Energy Solutions*