

Recommended Blatchford Renewable Energy Utility Capital Budget Adjustments

Category	Reason for Request and Financial Implications	Profile Number	Funding Source	2023	2024	2025	2026	2027	2028	2029	Total
3.1 New Profiles Recommended for Funding	New composite profile requested for the construction of the Sewer Heat Exchange project with project expenditures from 2027-2029. 30% of the project costs are eligible for the NRCan grant funding, with the remaining 70% of costs to be funded through self-supported tax guaranteed debt. Once this project reaches Checkpoint 3 of the PDDM, a standalone profile will be created with funding from this profile.	CM-83-9000 Blatchford Renewable Energy Utility Delivery - Growth	NRCan SREPs Grant - Fed	-	-	-	-	600,000	7,574,211	8,381,297	16,555,508
			Self Supporting-Tax Guaranteed	-	-	-	-	1,400,000	17,673,159	19,556,361	38,629,520
			Total	-	-	-	-	2,000,000	25,247,370	27,937,658	55,185,028
3.3 Recosting	Increase existing capital profile for the Distribution Piping System by \$1.94M with 30% of costs funded through the NRCan grant and 70% through self supported tax guaranteed debt.	21-83-8384 Distribution Piping System	NRCan SREPs Grant - Fed	-	-	-	-	-	580,875	-	580,875
			Self Supporting-Tax Guaranteed	-	-	-	-	-	1,355,375	-	1,355,375
			Total	-	-	-	-	-	1,936,250	-	1,936,250
3.3 Recosting	Increase existing capital profile for the planning and design of the Sewer Heat Exchange by \$4.7M with 30% of costs funded through the NRCan grant and 70% through self supported tax guaranteed debt.	CM-83-8383 Blatchford Renewable Energy Utility P&D - Growth	NRCan SREPs Grant - Fed	-	-	-	1,411,982	-	-	-	1,411,982
			Self Supporting-Tax Guaranteed	-	-	-	3,294,625	-	-	-	3,294,625
			Total	-	-	-	4,706,607	-	-	-	4,706,607
3.5 Funding Source Adjustments (Council)	Adjust funding source to allocate NRCan grant funding to previously approved capital expenditures (30% of project costs) and reduce self-supported tax guaranteed debt (the original financing source).	21-83-8384 Distribution Piping System	NRCan SREPs Grant - Fed	2,467,200	366,000	366,000	366,000	-	-	-	3,565,200
			Self Supporting-Tax Guaranteed	(2,467,200)	(366,000)	(366,000)	(366,000)	-	-	-	(3,565,200)
			Total	-	-	-	-	-	-	-	-
3.5 Funding Source Adjustments (Council)	Adjust funding source to allocate NRCan grant funding to previously approved capital expenditures (30% of project costs) and reduce self-supported tax guaranteed debt (the original financing source).	CM-83-8383 Blatchford Renewable Energy Utility P&D - Growth	NRCan SREPs Grant - Fed	418,500	-	-	-	-	-	-	418,500
			Self Supporting-Tax Guaranteed	(418,500)	-	-	-	-	-	-	-
			Total	-	-	-	-	-	-	-	-

Category	Reason for Request and Financial Implications	Profile Number	Funding Source	2023	2024	2025	2026	2027	2028	2029	Total
3.5 Funding Source Adjustments (Council)	Adjust funding source to allocate NRCan grant funding to previously approved capital expenditures (30% of project costs) and reduce self-supported tax guaranteed debt (the original financing source).	17-02-2107 Blatchford District Energy System [DES]	NRCan SREPs Grant - Fed	845,513	108,768	-	-	-	-	-	954,281
			Self Supporting-Tax Guaranteed	(845,513)	(108,768)	-	-	-	-	-	-
			Total	-	-	-	-	-	-	-	-
			Grand Total	-	-	-	4,706,607	2,000,000	27,183,620	27,937,658	61,827,885

Summary of Funding Sources

NRCan SREPs Grant - Fed	3,731,213	474,768	366,000	1,777,982	600,000	8,155,086	8,381,297	23,486,346
Self Supporting-Tax Guaranteed	(3,731,213)	(474,768)	(366,000)	2,928,625	1,400,000	19,028,534	19,556,361	38,341,539
Check	-	-	-	4,706,607	2,000,000	27,183,620	27,937,658	61,827,885

The above noted Supplemental Capital Budget Adjustments (SCBA) for four capital profiles will be required in order to approve the match funding required to execute the NRCan Grant Agreement and align funding sources. One new profile is recommended for funding, two profiles are recommended for recosting and three profiles propose funding source adjustments. Please refer to Attachment 3 for the full capital profile and budgets.

3.1 New Profile Recommended for Funding

A new profile is required for the construction of the Sewer Heat Exchange in order to leverage the NRCan grant funding and secure the matching contribution from the City. Composite profile CM-83-9000 Blatchford Renewable Energy Utility Delivery - Growth is being recommended for approval for the construction of the Sewer Heat Exchange project scheduled from 2027 to 2029. The Sewer Heat Exchange project provides funding for the development of an energy center for land development stages in the Blatchford Market Area which is slated to require services between 2026 and 2030. The planning and design costs for the Sewer Heat Exchange are within the composite profile CM-83-8383 Blatchford Renewable Energy Utility Planning and Design (P&D) - Growth. The total project is estimated to cost \$61.3 million, with \$6.1 million for planning and design (within CM-83-8383) and \$55.2 million for construction (proposed for funding within CM-83-9000). The construction costs of \$55.2 million are recommended to be funded by the NRCan grant in the amount of \$16.6 million (30 per cent of project costs) and \$38.6 million self-supported tax guaranteed debt (matching funding required for the City's contribution of 70 per cent of project costs). Once this project reaches Checkpoint 3 of the PDDM, a detailed business case and standalone profile will be brought forward for Council approval.

3.3 Recosting

The cost of existing profiles needs to be increased between 2026 and 2029 in order to leverage the NRCan grant funding and secure the matching contribution from the City.

Additions to existing profile costs are recommended:

- 21-83-8384 Distribution Piping System increasing by \$1.9 million, of which \$0.6 million will be funded through the NRCan grant (30 per cent of project costs) and \$1.4 million will be financed through Self Supporting Tax Guaranteed Debt (matching funding required for the City's contribution of 70 per cent of project costs). The total profile is projected to be \$15.5 million, inclusive of ineligible grant expenditures.

- CM-83-8383 Blatchford Renewable Energy Utility Planning and Design - Growth increasing by \$4.7 million for planning and design costs related to the Sewer Heat Exchange. The increased costs will be funded through \$1.4 million from the NRCan grant (30% of project costs) and \$3.3 million will be financed through Self Supporting Tax Guaranteed Debt (matching funding required for the City's contribution of 70% of project costs). These funds will support the planning initiatives for the Sewer Heat Exchange project requested in CM-83-9000. The total profile is projected to be \$9.4 million, inclusive of ineligible grant expenditures.

3.5 Funding Source Adjustments

Funding source adjustments are required to allocate NRCan grant funding to the eligible capital projects that were previously approved as a part of the 2023-2026 budget. The funding source adjustments are reducing the amount of self-supported tax guaranteed debt approved in the 2023-2026 budget and leveraging the NRCan grant as a funding source.