

CAPITAL PROFILE REPORT

PROFILE NAME:	ON-SITE MICROGENERATION SOLAR PHOTOVOLTAICS	FUNDED
PROFILE NUMBER:	CM-10-1012	PROFILE STAGE: Approved
DEPARTMENT:	Integrated Infrastructure Services	PROFILE TYPE: Composite
LEAD BRANCH:	Infrastructure Planning & Design	LEAD MANAGER: Pascale Ladouceur
PROGRAM NAME:		PARTNER MANAGER:
PARTNER:	Economic Investment Services	ESTIMATED START: January, 2019
BUDGET CYCLE:	2019-2022	ESTIMATED COMPLETION: December, 2022

Service Category: Building Renewal	Major Initiative:
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GROWTH	RENEWAL	PREVIOUSLY APPROVED:	8,962
100		BUDGET REQUEST:	-
		TOTAL PROFILE BUDGET:	8,962

PROFILE DESCRIPTION

The City's Corporate Greenhouse Gas Management Plan identifies mitigating strategies for reducing greenhouse gas emissions from City operations. The accelerated deployment of on-site microgeneration solar photovoltaics on City buildings and sites is one of the measures identified by the Plan to reduce greenhouse gas emissions by offsetting the energy used by City buildings. By accelerating the installation of solar photovoltaics from 2019 through 2030, the City will reduce corporate GHG emissions by 10,000 tonnes and are anticipated to have positive financial returns over the lifetime of the assets.

Design and construction for the full implementation of the program, per the objectives of the GHG Management Plan, is estimated at \$16.5M (+50%) for the 2019-2022 budget cycle.

PROFILE BACKGROUND

The acceleration of solar photovoltaic installations on City buildings and sites is one of the tactics recommended as part of the portfolio of actions identified in the City's approved Corporate GHG Management Plan. The actions are supported by best available data and information on capital requirements, life cycle cost benefit analysis, and further informed by extensive input and advice from corporate project planning, design, engineering, and project delivery staff.

The deployment of solar photovoltaic installations will be coordinated with the planned facility rehabilitation schedule that identifies buildings for rehabilitation based on condition needs assessments as well as new building construction designs. The alignment with building rehabilitation and new building constructions schedules will ensure efficient use of time and resources and limit the amount of disruption to service operations and customer impacts.

PROFILE JUSTIFICATION

The rigorous analysis and consultation used in developing the Corporate GHG Management Plan found that the business case actions from a Financial Return on Investment (FROI) standpoint, ranging from strongest to weakest, were green electricity purchases, LED street lights, building energy retrofits, electric buses, and large microgeneration solar photovoltaics. All of the options related to investing in City assets, including microgeneration solar photovoltaic systems, have positive net present value benefits over a 20 year period from a FROI standpoint.

Internal discussion has led to the alignment of funds for potential projects on a per-building basis, this alignment is based on the 2019-2022 new construction schedule and on a study to determine which existing facilities could be potential sights for solar installations. A total of 20MW of solar PV is planned to be installed between 2019-2030 with a total estimated carbon reduction of 10,000 tonnes CO₂e.

STRATEGIC ALIGNMENT

This profile aligns with the Corporate Objective to manage the corporation for our community, by making an impact to how we manage our business (technology and data, project and asset management, employees and safety, strategy and business, environmental stewardship, financial management, and partnerships and relationships) by being able to serve those here today and those who come after us.

ALTERNATIVES CONSIDERED

The Greenhouse Gas Management Plan has been developed by the City in a very integrated approach. The different mitigation tactics that have been identified in the report are not scalable or trade able. Each plays a critical role in reducing part of the required 50% reduction in GHG emissions by 2013. Therefore no alternatives to PV installation have been identified.

COST BENEFITS

The cost benefits of the overall GHG management plan lead to \$76M in financial return to the City of Edmonton above the total capital costs for all projects, over the lifetime of the plan. One piece of this financial return due to the electrical cost savings from producing our own electricity through solar photovoltaics.

KEY RISKS & MITIGATING STRATEGY

Structural requirements of facilities may limit number of existing buildings & total roof area per building that can be used without significant structural upgrades, are not included in the capital cost request. Mitigation to consider other types of space such as facade mounted, new construction, & ground mounted installations.

Design of new facilities may not prioritize solar PV installation, which may limit the total PV that can be installed. Mitigation to begin discussion about changing design guidelines to help maximize solar installation capacity on City facilities.

RESOURCES

Projects will use internal and external resources. Internal for project management, technical review & support, inspections & survey, operational health & safety oversight. External, following relevant corporate procurement directives & policies. to undertake &/or manage design & construction work.

CONCLUSIONS AND RECOMMENDATIONS

Capital funds are required to be secured to fund the delivery of On-Site Microgeneration Solar Photovoltaics projects once PDDM Checkpoint 3 is reached (after planning and design) in order to adhere to the Project Development and Delivery Model, and improve project schedule and budget estimates through increased level of design to ensure realistic expectations are set prior to project tendering and construction. Approval of this capital profile is required to fund delivery work in adherence to the PDDM process.

CHANGES TO APPROVED PROFILE

2019 Fall SCBA (3.5.1): To recognize rebate received of \$22.9K from MCCAC (Municipal Climate Change Action Centre) for solar photovoltaic installations. This amount will be recognized as partnership funding, with a reduction to tax-supported debt.

2021 Spring SCBA (#21-20, 3.4-6): This historical adjustment is required to add \$37,200 of partnership funding that was received in 2020 to the capital profile.

2021 Fall SCBA (#21-30, 3.1-3): The Edmonton EXPO Centre Rehabilitation project has reached Checkpoint 3 of the PDDM and requires approval for delivery within a new stand-alone profile. The total funding request for this profile is \$98,308,537. The scope of work projected to be completed within the remainder of the 2019-2022 capital budget cycle is \$37,188,537, and will be funded with a transfer from existing composite profiles "CM-12-0000 - Facility: Service Delivery - Renewal" (\$33,698,437), and "CM-10-1012 - On-Site Microgeneration Solar Photovoltaics" (\$5,030,100). The scope of work projected to be completed in 2023 and beyond is \$61,120,000, and will be funded by a \$59,580,000 pre-commitment of Municipal Sustainability Initiative, Local Government Fiscal Framework, and Pay-As-You-Go funding from the 2023-2026 capital budget cycle, and a transfer from existing composite profile "CM-12-0000 - Facility: Service Delivery - Renewal" for the remaining \$1,540,000.

2022 Spring SCBA (#22-10, 3.1-6): The Commonwealth Recreation Centre Solar Photovoltaic project has reached Checkpoint 3 of the PDDM and requires approval for delivery within a new stand-alone profile. The total funding request for this profile is \$2,544,694 with the requested funds all being a transfer from the existing approved composite profiles "CM-10-1012 On-Site Microgeneration Solar Photovoltaics".

CAPITAL PROFILE REPORT

PROFILE NAME: **On-Site Microgeneration Solar Photovoltaics**
 PROFILE NUMBER: **CM-10-1012**
 BRANCH: **Infrastructure Planning & Design**

FUNDED
 PROFILE TYPE: **Composite**

CAPITAL BUDGET AND FUNDING SOURCES (000's)

	Prior Years	2022	2023	2024	2025	2026	2027	2028	2029	2030	Beyond 2030	Total	
APPROVED BUDGET	Approved Budget												
	Original Budget Approved	10,000	6,500	-	-	-	-	-	-	-	-	16,500	
	2019 Cap Council	-	-	-	-	-	-	-	-	-	-	-	
	2019 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-	
	2020 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-	
	2021 Cap Council	-126	-4,867	-	-	-	-	-	-	-	-	-4,993	
	2021 Cap Carry Forward	-8,687	8,687	-	-	-	-	-	-	-	-	-	
	2022 Cap Council	-	-2,545	-	-	-	-	-	-	-	-	-2,545	
	Current Approved Budget	1,187	7,775	-	-	-	-	-	-	-	-	-	8,962
	Approved Funding Sources												
Partnership Funding	60	-	-	-	-	-	-	-	-	-	-	60	
Tax-Supported Debt	1,127	7,775	-	-	-	-	-	-	-	-	-	8,902	
Current Approved Funding Sources	1,187	7,775	-	-	-	-	-	-	-	-	-	8,962	

BUDGET REQUEST	Budget Request	-	-	-	-	-	-	-	-	-	-	-
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REVISED BUDGET (IF APPROVED)	Revised Budget (if Approved)	1,187	7,775	-	-	-	-	-	-	-	-	8,962
	Requested Funding Source											
	Partnership Funding	60	-	-	-	-	-	-	-	-	-	60
	Tax-Supported Debt	1,127	7,775	-	-	-	-	-	-	-	-	8,902
Requested Funding Source	1,187	7,775	-	-	-	-	-	-	-	-	-	8,962

CAPITAL BUDGET BY ACTIVITY TYPE (000's)

	Activity Type	Prior Years	2022	2023	2024	2025	2026	2027	2028	2029	2030	Beyond 2030	Total
REVISED BUDGET (IF APPROVED)	Construction	287	8,038	-	-	-	-	-	-	-	-	-	8,325
	Design	900	-261	-	-	-	-	-	-	-	-	-	639
	Follow Up Warranty	-	-2	-	-	-	-	-	-	-	-	-	-2
	Total	1,187	7,775	-	-	-	-	-	-	-	-	-	8,962

OPERATING IMPACT OF CAPITAL

Type of Impact:

Branch:																
	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE
Total Operating Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-