

CAPITAL PROFILE REPORT

PROFILE NAME: **DOWNTOWN DISTRICT ENERGY INITIATIVE**
 PROFILE NUMBER: **20-83-9001**
 DEPARTMENT: **Integrated Infrastructure Services**
 LEAD BRANCH: **Infrastructure Delivery**
 PROGRAM NAME:
 PARTNER: **Infrastructure Delivery**
 BUDGET CYCLE: **2019-2022**

FUNDED

PROFILE STAGE:	Approved
PROFILE TYPE:	Standalone
LEAD MANAGER:	Brian Latte
PARTNER MANAGER:	Jesse Banford
ESTIMATED START:	June, 2020
ESTIMATED COMPLETION:	December, 2022

Service Category:	Utilities	Major Initiative:	Downtown Arena District
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GROWTH	RENEWAL	PREVIOUSLY APPROVED:	27,900
90	10	BUDGET REQUEST:	-
		TOTAL PROFILE BUDGET:	27,900

PROFILE DESCRIPTION

This capital profile is to initiate the overall Downtown District Energy initiative in a scaled-down approach, in a partnership with EPCOR, with the Central District Energy Plant located at the Winspear. The scaled-down approach provides the most benefits, as it allows for electrical and thermal energy generation for all three buildings, provides the best greenhouse gas impact and costs, and also keeps the location of the Central District Energy Plant at the Winspear.

PROFILE BACKGROUND

The Downtown District Energy Initiative aims to develop a district energy system in support of Climate Resilience.

PROFILE JUSTIFICATION

The scaled-down District Energy approach provides the most benefits, as it allows the electrical and thermal energy generation for all three buildings, provides the best greenhouse gas impact and costs, and also keeps the location of the Central District Energy Plant at the Winspear.

STRATEGIC ALIGNMENT

This profile supports the Strategic Goal of Climate Resilience - Edmonton is a city transitioning to a low-carbon future, has clean air and water and is adapting to a changing climate.

ALTERNATIVES CONSIDERED

Three alternatives were considered, two of them were alternative District Energy development scenarios, the other one was the business as usual scenario. This Profile represents the recommended alternative as presented to Council in report CR_7754 Downtown District Energy Initiative – Public/Private Partnership Options, and reflects Option 1 as discussed in report CR_8009 Spring 2020 Supplemental Capital Budget Adjustment.

COST BENEFITS

A Council report coupled with a financial model was developed which concluded that the chosen scaled-down approach provides the most benefits, as it allows the electricity generation for all three buildings, provides the best greenhouse gas impact and costs, and also keeps the location of the Central District Energy Plant at the Winspear.

KEY RISKS & MITIGATING STRATEGY

Key risks were evaluated in a risk assessment. The risks are financial, regulatory and legal nature and mitigation strategies have been developed.

RESOURCES

At this time existing staff resources are in place to further develop this initiative. We are working with EPCOR on a future governance and operational model. A resourcing plan will be developed in the future.

CONCLUSIONS AND RECOMMENDATIONS

Recommendation from Council to go forward in the Spring 2020 SCBA

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PROFILE TYPE: **Standalone**

BRANCH: **Infrastructure Delivery**

CAPITAL BUDGET AND FUNDING SOURCES (000's)

APPROVED BUDGET		Prior Years	2020	2021	2022	2023	2024	2025	2026	2027	2028	Beyond 2028	Total
	Approved Budget												
	Original Budget Approved	-	-	-	-	-	-	-	-	-	-	-	-
	2020 Cap Council	-	4,500	9,400	14,000	-	-	-	-	-	-	-	27,900
	Current Approved Budget	-	4,500	9,400	14,000	-	-	-	-	-	-	-	27,900
Approved Funding Sources													
	Pay-As-You-Go	-	2,279	4,760	7,090	-	-	-	-	-	-	-	14,129
	Self-Liquidating Debentures	-	2,221	4,640	6,910	-	-	-	-	-	-	-	13,771
	Current Approved Funding Sources	-	4,500	9,400	14,000	-	-	-	-	-	-	-	27,900

BUDGET REQUEST		Prior Years	2020	2021	2022	2023	2024	2025	2026	2027	2028	Beyond 2028	Total
Budget Request		-	-	-	-	-	-	-	-	-	-	-	-

REVISED BUDGET (IF APPROVED)		Prior Years	2020	2021	2022	2023	2024	2025	2026	2027	2028	Beyond 2028	Total
Revised Budget (if Approved)		-	4,500	9,400	14,000	-	-	-	-	-	-	-	27,900
Requested Funding Source													
	Pay-As-You-Go	-	2,279	4,760	7,090	-	-	-	-	-	-	-	14,129
	Self-Liquidating Debentures	-	2,221	4,640	6,910	-	-	-	-	-	-	-	13,771
	Requested Funding Source	-	4,500	9,400	14,000	-	-	-	-	-	-	-	27,900

CAPITAL BUDGET BY ACTIVITY TYPE (000's)

REVISED BUDGET (IF APPROVED)	Activity Type	Prior Years	2020	2021	2022	2023	2024	2025	2026	2027	2028	Beyond 2028	Total
	Construction	-	2,719	7,017	11,628	-	-	-	-	-	-	-	21,365
	Contingency	-	-	598	2,372	-	-	-	-	-	-	-	2,969
	Design	-	1,781	1,785	-	-	-	-	-	-	-	-	3,566
	Total	-	4,500	9,400	14,000	-	-	-	-	-	-	-	27,900

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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-