

CAPITAL PROFILE REPORT

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PROFILE NAME:	BLATCHFORD RENEWABLE ENERGY UTILITY P&D - GROWTH	RECOMMENDED
PROFILE NUMBER:	CM-83-8383	PROFILE STAGE: Council Review
DEPARTMENT:	Integrated Infrastructure Services	PROFILE TYPE: Composite
LEAD BRANCH:	Blatchford Redevelopment Project	LEAD MANAGER: Brian Latte
PROGRAM NAME:		PARTNER MANAGER: Tom Lumsden
PARTNER:	Infrastructure Planning & Design	ESTIMATED START: January, 2019
BUDGET CYCLE:	2019-2022	ESTIMATED COMPLETION: December, 2022

Service Category:**Major Initiative:**

GROWTH	RENEWAL
100	

PREVIOUSLY APPROVED:	-
BUDGET REQUEST:	4,972
TOTAL PROFILE BUDGET:	4,972

PROFILE DESCRIPTION

This composite program supports preliminary planning and design work on the Blatchford District Energy System Infrastructure capital projects prior to budget approval. This approach is consistent with Administration's implementation of the Project Development & Delivery Model (PDDM), as well as the Capital Governance Policy that was approved by Council. Funding in the profile will be used to support project development (concept, preliminary planning and schematic design). This composite profile will develop projects that may move to delivery in the current budget cycle and into the start of the next budget cycle.

PROFILE BACKGROUND

The Blatchford redevelopment started in 2008 when Edmonton City Council asked Administration to prepare a report on the possibilities and challenges with the City Centre Airport. A phased closure and redevelopment of the City Centre Airport was approved by Council in a multi-faceted motion in July 2009 after extensive discussions, public consultations, and expert analysis with the airport officially closing in 2013. A business case for the Blatchford community was approved by City Council in 2014 with the construction of the first phase commencing in 2015. In 2017, construction activities continued, including the installation of the storm, sanitary, water services and distribution piping for the District Energy Sharing System. The first phase of the builder selection process, in support of the first stage of development, also commenced in 2017 and will continue in 2018.

In 2016, the Integrated Infrastructure Services (IIS) Transformation program developed the Project Development and Delivery Model (PDDM) which has been endorsed by Council through the approval of the Capital Governance Policy (C591).

PROFILE JUSTIFICATION

To adhere with the PDDM, planning and design work should be completed on projects prior to the project's budget being approved in its entirety by Council. This composite profile will fund that work so Administration can provide Council with better information regarding the scope, schedule and budget prior to funding the entire project, reducing the risk of cost overruns, schedule issues, and other unanticipated issues.

Working in close coordination with the currently proposed Blatchford Land development scenario, the Blatchford Renewable Energy Utility is responsible for the development of additional renewable energy sources and their associated infrastructure to keep up with the energy demands. In order to meet this requirement, funding for the design phase of the next stage of development of the Utility being requested through this Business Case is of the utmost importance for the success of this project.

STRATEGIC ALIGNMENT

Blatchford District Energy contributes to the following 10-year strategic goals specifically:

- Transform Edmonton's Urban Form
- Preserve and Sustain Edmonton's Environment
- Improve Edmonton's Livability
- Ensure Edmonton's Financial Sustainability
- Diversify Edmonton's Economy

ALTERNATIVES CONSIDERED

The Blatchford Energy Strategy was an outcome of a multi-year effort to find the best available technologies able to meet Council's vision for the community. Throughout the development, various technologies on how to provide sustainable energy to residents and businesses in Blatchford were evaluated. The ambient-loop temperature District Energy Sharing System was deemed the preferred and technically option for meeting the heating, cooling and domestic hot water energy needs and a critical part of the strategy to achieve Council's vision of a 100 per cent renewable and carbon neutral community.

COST BENEFITS

The planning and design composite profiles provide better information to make capital investment decisions:

- Early investment in design to support detailed business cases.
- Structured process to evaluate readiness, scope and prioritization.
- Increased confidence around budget and schedule estimates.
- There is the opportunity to make major changes in project scope if there are problems identified during the early planning and design phases.

KEY RISKS & MITIGATING STRATEGY

One key risk of the PDDM approach surrounds what would occur should a capital project not be approved after spending resources on planning and design. Current mitigation is the ongoing reporting to City Council regarding capital priorities, while future mitigation could be the improvement to the long term capital planning process. This will ensure that projects being advanced through the planning and design composite are Council and City priorities in line with corporate strategies, goals, and objectives.

Blatchford District Energy Utility maintains a risk register to monitor project risks.

RESOURCES

The planning, design and delivery of the next DESS Stages are managed within the Integrated Infrastructure Services Department and will be according to the Project Development and Delivery Mechanism (PDDM).

CONCLUSIONS AND RECOMMENDATIONS

Capital funds are required to advance the planning and design of capital growth projects in order to adhere with 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 planning and design work in adherence to the PDDM process.

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 PROFILE NUMBER: **CM-83-8383**
 BRANCH: **Blatchford Redevelopment Project**

RECOMMENDED
 PROFILE TYPE: **Composite**

CAPITAL BUDGET AND FUNDING SOURCES (000's)

APPROVED BUDGET		Prior Years	2018	2019	2020	2021	2022	2023	2024	2025	2026	Beyond 2026	Total
	Approved Budget	Original Budget Approved	-	-	-	-	-	-	-	-	-	-	-
	Current Approved Budget	-	-	-	-	-	-	-	-	-	-	-	-

BUDGET REQUEST	Budget Request	-	-	1,657	1,657	1,658	-	-	-	-	-	-	4,972
	Revised Funding Sources (if approved)												
	Self Supporting-Tax Guaranteed	-	-	1,657	1,657	1,658	-	-	-	-	-	-	4,972
	Requested Funding Source	-	-	1,657	1,657	1,658	-	-	-	-	-	-	4,972

REVISED BUDGET (IF APPROVED)	Revised Budget (if Approved)	-	-	1,657	1,657	1,658	-	-	-	-	-	-	4,972
	Requested Funding Source												
	Self Supporting-Tax Guaranteed	-	-	1,657	1,657	1,658	-	-	-	-	-	-	4,972
	Requested Funding Source	-	-	1,657	1,657	1,658	-	-	-	-	-	-	4,972

CAPITAL BUDGET BY ACTIVITY TYPE (000's)

REVISED BUDGET (IF APPROVED)	Activity Type	Prior Years	2018	2019	2020	2021	2022	2023	2024	2025	2026	Beyond 2026	Total
		Design	-	-	1,657	1,657	1,658	-	-	-	-	-	-
	Total	-	-	1,657	1,657	1,658	-	-	-	-	-	-	4,972

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