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EXHIBITION PLACE

January 27, 2011

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Revised Loan from the Better Buildings Partnership**

Summary:

This report recommends that the Board approve of increasing the loan from the Better Building Partnerships (BBP) in an amount of \$0.293M which would be additional to the \$0.597M approved previously by the Board. The Loan is for eight projects all related to energy efficiencies and energy production. In accordance with the BBP program, this will be a zero interest loan with an amortization period of 10 years. Including all (8) subprojects in one application allows Exhibition Place to balance off projects that have a long pay-back period with those that have a short payback period (typically lighting retrofit projects). The total cost of this Multiple Energy Project is approximately \$6.951M most of which is funded through the Capital and ISF programs (\$6.061M). Exhibition Place staff have consulted with BBP staff who are agreeable to increasing the loan amount.

It is estimated that altogether this Multiple Energy Project will reduce Exhibition Place total hydro consumption by 1,072,634 kWh annually and reduce greenhouse gases by the following: CO₂ by 262 tonnes, SO_x by 68 kilograms and NO_x by 373 kilograms.

Recommendation(s):

It is recommended that the Board approve of a revised application to the Better Buildings Partnership increasing the loan of \$0.597M by \$0.293M in order to partially finance the Multiple Energy Project.

Financial Impact:

The BBP loan of \$0.597M represents only 12.8% of the total cost for the Multiple Energy Project most of which is funded through either the State-of-Good Repair Capital Budget or the Federal Infrastructure program. It is estimated that the pay back period for the loan would be 9.9 years from the energy efficiencies. However, the intent would be to apply to the OPA for the PV solar installations and if accepted into the FIT program, the pay back period would be reduced to 3.6 years from energy efficiencies and FIT payments.

Decision History:

At its meeting of September 3, 2010 the Board approved of a loan with BBP for an amount of \$0.597M.

Included within the 2009 Strategic Plan, the Board approved of a Goal to *Exemplify and demonstrate environmental stewardship and leadership in all aspects of our businesses and operations*. Pursuant to this Goal, Exhibition Place has set an Objective of "*Actively promoting the reduction of grid-supplied energy use*".

Issue Background:

BBP program requires approval from the City agency, board or commission prior to consideration of a loan to a City agency, board or commission.

Comments:

The Multiple Energy Project that is the subject of the September 2010 BBP application is made up of the following components:

- PV roof project on the East Annex as approved by the Board at its meeting of May 27, 2010;
- PV roof project on the Horse Palace West Roof approved by the Board at its meeting of September 3, 2010;
- Cool Roofs on the East Annex, Mid-Arch, North Extension and Horse Palace (west side) as approved by the Board at its meeting of April 23, 2010, May 27, 2010 and September 3, 2010;
- Lighting Retrofit in the West Annex to remove all T12 fixtures and replace them with T8 fixtures;
- Replacement of the incandescent exit lights across the grounds with LED exit lights;
- Replacement of the Air Handling Units in the East and West Annexes with high efficiency units as approved by the Board at its meeting of April 23, 2010;
- Installation of an Intelli-Hood technology in the Allstream Centre kitchen which system operates on variable speeds and is very efficient. This technology was installed last year in Direct Energy Centre's kitchen and has proved to be very effective; and,
- Re-circuiting of lights in the Horse Palace to allow the lights on the second floor to be turned off when this area is not in use.

As previously reported, the total cost of the entire Project was estimated to be \$6.342M with \$5.947M being funded from the Capital and Federal Infrastructure programs leaving a shortfall of \$0.597M to be funded through a no-interest loan from the BBP. However, the cost of some projects have increased as tenders were issued and bids received. The total project cost now confirmed at \$6.951M, with \$6.061M being funded from the Capital and Federal Infrastructure programs leaving a shortfall of \$0.890M to be funded through the no-interest loan from the BBP. Exhibition Place staff has consulted with BBP staff and they are willing to increase the loan amount.

Again, the loan of \$0.890M would be a no-interest loan amortized over a 10 year period. The pay back period for the loan would be 9.9 years from the energy efficiencies. However, the intent would be to apply to the OPA for the PV solar installations and if accepted into the FIT program, the pay back period would be reduced to 3.6 years from energy efficiencies and FIT payments.

It is estimated that altogether this Multiple Energy Project will reduce Exhibition Place's total hydro consumption by 1,072,634 kWh annually and reduce greenhouse gases by the following: CO2 by 262 tonnes, SOx by 68 kilograms and NOx by 373 kilograms.

Contact:

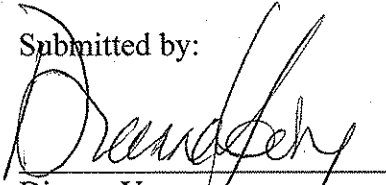
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Submitted by:



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