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EXHIBITION PLACE

May 31, 2011

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **FIT Contract for the Photovoltaic Projects**

Summary:

This report recommends that the Board approve of the Feed-In Tariff Contract (FIT) with the Ontario Power Authority (OPA) for two photovoltaic installations on the Horse Palace roof and the East Annex roof. These installations were part of a Multiple Energy Project that was the subject matter of two previous reports approved by the Board relating to a loan from the Better Building Partnerships (BBP). The Multiple Energy Project includes eight subprojects all related to energy efficiencies and energy production. 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).

It was 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. It is estimated that these two PV subprojects alone will produce 250,639 kWh annually and reduce greenhouse gases by the following: CO₂ by 61 tonnes, SO_x by 18 kilograms and NO_x by 87 kilograms.

Recommendation(s):

It is recommended that the Board approve of a Feed-In Tariff Contract (FIT) with the Ontario Power Authority related to two photovoltaic installations at Exhibition Place as detailed in this report.

Financial Impact:

The BBP loan of \$0.890M 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 was estimated that if the PV subprojects were accepted within the FIT program, the payback period for the BBP Loan would be 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. At its meeting of February 4, 2011, the Board approved of increasing the loan from BBP by \$0.293M in order to fund multiple energy projects including photovoltaic installations on the East Annex roof and Horse Palace roof.

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:

The OPA requires formal approval from the City agency, board or commission of the ability to enter into the FIT Contract.

Comments:

The Multiple Energy Project is made up of the following components:

- a. PV roof project on the East Annex as approved by the Board at its meeting of May 27, 2010;
- b. PV roof project on the Horse Palace West Roof approved by the Board at its meeting of September 3, 2010;
- c. 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;
- d. Lighting Retrofit in the West Annex to remove all T12 fixtures and replace them with T8 fixtures;
- e. Replacement of the incandescent exit lights across the grounds with LED exit lights;
- f. 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;
- g. 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,
- h. 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.

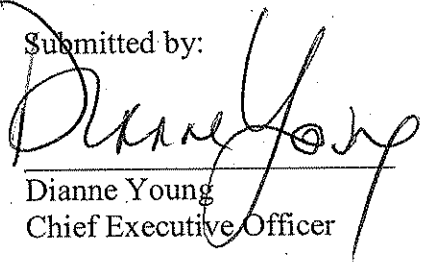
Only subprojects (a) and (b) above are the subject matter of the OPA FIT contract. The City Solicitor has reviewed the terms and conditions of the FIT Contract which are standardized terms that are applied by the OPA to all projects across the province and the City of Toronto, in other instances, has executed this agreement without any amendments. The first requirement of the FIT Contract is to provide Security in the form of a Bank Draft or Certified Cheque. Based on the estimate electrical production of the two installations, the value of the Security to be provided by Exhibition Place is \$12,500. The FIT Contract provides that once all conditions of the

contract are met and the installations are in production, the Security will be returned to the Board.

Contact:

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Submitted by:

A handwritten signature in black ink, appearing to read "Dianne Young", is written over a horizontal line. The signature is cursive and somewhat stylized.

Dianne Young
Chief Executive Officer