



Working together with our community

Council-In-Committee Meeting – June 11, 2024

Subject: The Corporation of Norfolk County Energy Conservation and Demand Management Plan 2024-2029
Report Number: OPS-24-018
Division: Operations
Department: Facilities
Ward: All Wards
Purpose: For Decision

Recommendation(s):

That OPS-24-018, The Corporation of Norfolk County Energy Conservation and Demand Management Plan 2024-2029, be received as information; and

That Council approve The Corporation of Norfolk County Energy Conservation and Demand Management Plan 2024-2029 as presented; and

That Operations staff be directed to provide annual reports, commencing in 2025, to Council on the progress made through Plan implementation; and

That Operations staff be directed to provide a report to Council detailing the International Council for Local Environmental Initiatives' (ICLEI) Partners in Climate Protection Program for decision; and

That the Proposed 2025 Levy Supported Operating Budget include an allocation of \$67,600 as a Council Approved Initiative (CAI) to reflect the annual incremental operating costs expected to implement the Energy Conservation and Demand Management Plan; and

Further that the financial impacts related to the implementation of energy conservation and demand management projects be referred to the 2025-2034 Capital Plan deliberations for consideration and inclusion as appropriate.

Executive Summary:

Staff have prepared a 2024-2029 Norfolk County Energy and Conservation Demand Management (ECDM) Plan for Council's consideration and approval. The Plan outlines a determined vision and specific goals, objectives and energy conservation measures which will further validate Norfolk County's reputation as being an environmentally and fiscally responsible municipality.

Discussion:

Under the Electricity Act, Ontario Regulation 25/23 requires that all broader public sector agencies:

- Report their annual energy consumption and greenhouse gas (GHG) emissions; and
- Develop, update and implement ECDM plans every five (5) years.

Further, the regulation requires that the public agency develop, and make public, the 2024-2029 ECDM Plan by July 1st, 2024.

The 2024-2029 Plan builds on the previous 2019-2024 Plan and aims to: improve the energy efficiency of municipal services within Norfolk County, provide local leadership in sustainability and enhance the quality of life of all who live, work, and play in Norfolk County.

Further, the 2024-2029 Plan recommends an increase of exploration into the feasibility and implementation of renewable and low-carbon energy systems within the County.

The Plan outlines five strategic, ambitious goals for the Corporation over the next five years:

- Reduce GHG emissions of County operations in accordance with the Intergovernmental Panel on Climate Change's scientific targets;
- Increase energy efficiency of County operations;
- Reduce annual energy costs of County operations;
- Promote commitment to a sustainable Norfolk; and
- Expand renewable and sustainable energy generation.

Further, the Plan outlines specific objectives and action plans (energy conservation and/or efficiency measures) which will assist the Corporation in meeting the aforementioned goals.

Financial Services Comments:

Background

The costs of hydro, gas, and fuel are major expenses for the County. In 2023, the County spent approximately \$4.8 million on these three items between Levy and Rate operations.

Certain ECDM measures aligned with the 2019-2024 Plan are already integrated within operating budgets and 10-Year Capital Plan, and the 5-year update offers an opportunity to search for further efficiencies in the form of cost savings.

Projected ECDM Expenditures

Within the attachments of this report, an estimate of costs for implementing the 2024-2029 Plan has been provided, along with the estimated annual cost savings associated with the Plan. Staff will work together to refine the budgets and timelines of these projects for inclusion in the Proposed 2025 Operating Budgets and Proposed 2025-2034 Capital Plan.

Based on the high-level estimates provided in the attachments, staff expect approximately \$91,000 will be required annually from an operating perspective to implement the initiatives, with no further above-inflationary increases specified over the remaining years. Based on the amounts already included in the budget for certain initiatives, this would only result in an increase of \$67,600, or approximately 0.05% to the net levy requirement. If Council were to endorse the Energy Conservation and Demand Management Plan, a Council Approved Initiative (CAI) of \$67,600 will be included within the Proposed 2025 Levy Supported Operating Budget.

Staff also expect approximately \$2,100,000 will be budgeted in the upcoming Proposed 10-Year Capital Plan scheduled throughout 2025-2029, but it is important to note that a number of these projects have a design component which has not been completed as of yet, and the costs are subject to change.

One initiative (the Energy Monitoring and Management software) and one project (the net-zero emergency services facility) are still being investigated and could add material costs to these forecasts. Due to their reliance on the outcomes of the ongoing initiatives (e.g., the Facilities Review), it is impractical to estimate what the costs of integrating these ECDM features would cost at this time, but forecasts will be re-assessed regularly as the Sustainability Advisory Committee conducts a review of the Energy Conservation and Demand Management Plan on an annual basis.

Projected ECDM Funding

For any ECDM initiatives that are introduced in the Proposed 2025 Levy Supported Operating Budget, costs will be funded by the net levy requirement, offset by energy savings over the course of the ECDM Plan.

For any ECDM projects that are introduced in the Proposed 2025-2034 Capital Plan, staff will develop a financing recommendation for them. Numerous potential sources will be investigated, such as an appropriate reserve (e.g., the Facilities Reserve, in many cases) or external funding opportunities through incentives/rebates that staff are always researching.

Finally, while the projected energy efficiencies from the Plan's actions are difficult to quantify, staff estimate that over the five years, up to \$370,000 could be saved in energy costs if the actions are implemented on schedule. As the efficiencies compound the amount of savings each year is likely to grow. By 2029, staff estimate the reduced output could represent up to \$120,000 in reduced costs on an annual basis.

Interdepartmental Implications:

N/A.

Consultation(s):

Operations staff have consulted with Financial Management & Planning staff in the creation of this report and the Sustainability Advisory Committee throughout the creation of the 2024-2029 ECDM Plan.

Strategic Plan Linkage:

As presented within the Plan, this report aligns with the following 2022-2026 Council Strategic Priorities: Building Norfolk - Develop the infrastructure and supports needed to ensure complete communities.

Serving Norfolk - Ensuring a fiscally responsible organization with engaged employees who value excellent service.

Sustaining Norfolk - Creating a sustainable community and a positive legacy.

Explanation: A detailed explanation speaking to these linkages has been included within **'Section 1.3' - Linkages to Norfolk County's 2022-2026 Strategic Plan.**

Conclusion:

Staff has prepared a 2024-2029 Norfolk County Energy Conservation and Demand Management Plan for Council's approval. The Plan outlines an ambitious vision and specific goals and objectives coupled with strategic efficiency measures geared towards energy and cost savings. Moreover, the 2024-2029 ECDM Plan further validates Norfolk County's reputation as being an environmentally and fiscally responsible municipality.

Attachment(s):

- 2024-2029 Norfolk County Energy Conservation and Demand Management Plan

Approval:

Approved By:
Al Meneses, CAO

Reviewed By:
Bill Cridland,
GM, Ops

Reviewed By:
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Director, Facilities

Prepared By:
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Project Lead, Energy and Facilities