

**2. FUNDING COST-EFFECTIVE ENERGY EVOLUTION PROJECTS  
FINANCEMENT DES PROJETS D'ÉVOLUTION ÉNERGÉTIQUE  
RENTABLES**

**COMMITTEE RECOMMENDATIONS, AS AMENDED**

That Council:

1. Recommend to the Finance and Economic Development Committee (FEDC) that the next Long Range Financial Plans consider the affordability of raising the debt limit for projects in Energy Evolution that either generate income or savings to the City; and the results of this analysis and any staff recommendations be brought back to FEDC with the report on the LRFP; and
2. Direct the Climate Change and Resiliency Section Manager of the Planning, Infrastructure and Economic Development department's climate change team to participate in the development of the Long Range Financial Plans to help identify new funding mechanisms for Energy Evolution initiatives required by the Corporation as per the Climate Change Master Plan, to meet the 100 percent emissions reduction scenario.

**RECOMMANDATIONS DU COMITÉ, TELLES QUE MODIFIÉES**

Que le Conseil :

1. Recommande au Comité des finances et du développement économique (CFDE) de tenir compte, dans le prochain plan financier à long terme, de l'abordabilité d'une hausse de la limite d'endettement pour les projets entrepris dans le cadre de la stratégie Évolution de l'énergie qui pourraient générer des revenus ou des économies pour la Ville; et transmette au CFDE les résultats de cette analyse et les recommandations du personnel avec le rapport sur le PFLT; et

2. **Demande à la Gestionnaire de l'Unité de résilience et changes climatiques et de l'équipe chargée des mesures en matière de changements climatiques de la Direction générale de la planification, de l'infrastructure et du développement économique de participer à l'élaboration du plan financier à long terme afin d'aider à trouver de nouveaux mécanismes de financement pour les initiatives entreprises dans le cadre de la stratégie Évolution de l'énergie requises par la Ville, conformément au Plan directeur sur les changements climatiques, afin de réaliser le scénario de réduction des émissions de 100 %.**

#### DOCUMENTATION/DOCUMENTATION

1. Councillor Menard's Report, dated November 5, 2020, (ACS2020-OCC-ENV-0007)  
  
Rapport du conseiller Menard, daté le 5 novembre 2020, (ACS2020-OCC-ENV-0007)
2. Extract of draft Minutes, Finance and Economic Development Committee, 1 December 2020  
  
Extrait de l'ébauche du procès-verbal, Comité des finances et du développement économique, le 1 décembre 2020

**Report to  
Rapport au :**

**Standing Committee on Environmental Protection, Water and Waste Management  
Comité permanent de la protection de l'environnement, de l'eau et de la gestion  
des déchets**

**17 November 2020 / 17 novembre 2020**

**Finance and Economic Development Committee  
Comité des finances et du développement économique  
1 December 2020 / 1er décembre 2020**

**Submitted on November 5, 2020  
Soumis le 5 novembre 2020**

**Submitted by / Soumis par :  
Councillor / Conseiller Shawn Menard,  
Capital Ward / Quartier Capitale (17)**

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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2020-OCC-ENV-0007**

**SUBJECT: FUNDING COST-EFFECTIVE ENERGY EVOLUTION PROJECTS**

**OBJET: FINANCEMENT DES PROJETS D'ÉVOLUTION ÉNERGÉTIQUE  
RENTABLES**

## **REPORT RECOMMENDATIONS**

**That the Standing Committee on Environmental Protection, Water and Waste Management (SCEPWWM):**

- 1. Recommend to the Finance and Economic Development Committee (FEDC) that the next Long Range Financial Plans consider the affordability of**

raising the debt limit for projects in Energy Evolution that either generate income or savings to the City; and

2. Direct the Climate Change and Resiliency Section Manager of the Planning, Infrastructure and Economic Development department's climate change team to participate in the development of the Long Range Financial Plans to help identify new funding mechanisms for Energy Evolution initiatives required by the Corporation as per the Climate Change Master Plan, to meet the 100 percent emissions reduction scenario.

## **RECOMMANDATIONS DU RAPPORT**

**Que le Comité permanent de la protection de l'environnement, de l'eau et de la gestion des déchets (CPPEEGD) :**

1. **Recommande au Comité des finances et du développement économique (CFDE) de tenir compte, dans le prochain plan financier à long terme, de l'abordabilité d'une hausse de la limite d'endettement pour les projets entrepris dans le cadre de la stratégie Évolution de l'énergie qui pourraient générer des revenus ou des économies pour la Ville;**
2. **Demande à la Gestionnaire de l'Unité de résilience et changes climatiques et de l'équipe chargée des mesures en matière de changements climatiques de la Direction générale de la planification, de l'infrastructure et du développement économique de participer à l'élaboration du plan financier à long terme afin d'aider à trouver de nouveaux mécanismes de financement pour les initiatives entreprises dans le cadre de la stratégie Évolution de l'énergie requises par la Ville, conformément au Plan directeur sur les changements climatiques, afin de réaliser le scénario de réduction des émissions de 100 %.**

## **BACKGROUND**

At the 20 October 2020 meeting of the Standing Committee on Environmental Protection, Water and Waste Management (SCEPWWM), Councillor Menard introduced the following Notice of Motion for the Committee's consideration at its meeting of Tuesday, 17 November 2020:

**WHEREAS Energy Evolution, Ottawa's Community Energy Transition Strategy, calls for a change at an unprecedented scope and scale. The estimated costs for implementing the plan, removing future inflation, are 31.8B with 7.4B of those costs falling to the corporation. The savings for the community as a whole are \$12.4B, with \$0.3B directly under the corporation; and**

**WHEREAS Many of the actions called for in Energy Evolution either have the potential to generate revenue (for example selling energy from waste heat from the sewage system) or significant savings over time (for example building energy retrofits or the purchase of electric busses); and**

**WHEREAS the provincial debt limit for municipal borrowing is set at 25 per cent; and**

**WHEREAS Council established debt servicing targets where principal and interest for tax supported debt are not to exceed 7.5 per cent of the City's own source revenue, and principal and interest for water and sewer rate supported debt will be limited to no more than 15 per cent of rate revenues; for a combined target of 8.5 per cent of total own source revenues; and**

**WHEREAS section 5.2.3 of Energy Evolution, Future Municipal Budget Implications, states:**

**Potential municipal sources of funding will be further explored and assessed for viability as part of the Fund the Evolution project identified in Section 4.6 and through concurrent city strategies and plans. For investments that have a positive financial return, borrowing funds may be a strategic option to take advantage of current low interest rates. Financing opportunities for municipal investments that will be explored as part of the strategy include: Debt limit adjustments, Bonds / Loans (such as green bonds) and Reserve funds.**

**THEREFORE BE IT RESOLVED that the Standing Committee on Environmental Protection, Water and Waste Management (SCEPWWM) recommend to the Finance and Economic Development Committee (FEDC) that the next Long Range Financial Plans consider the affordability of raising the debt limit for projects in Energy Evolution that either generate income or savings to the city; and**

**AND BE IT FURTHER RESOLVED** that the climate change team participate in the development of the Long Range Financial Plans to help identify new funding mechanisms for Energy Evolution initiatives required by the Corporation as per the Climate Change Master Plan, to meet the 100 percent emissions reduction scenario.

## **DISCUSSION**

The above Notice of Motion, introduced by Councillor Menard at the SCEPWWM meeting of Tuesday, 20 October 2020, for consideration at a subsequent meeting, is now before the Committee for its consideration. The wording of the report recommendations may have been amended from that contained in the original Notice of Motion to further clarify directions to staff, as appropriate.

## **RURAL IMPLICATIONS**

This report was drafted to transmit the above Notice of Motion to the Committee for its meeting of 17 November 2020. No specific Rural Implications have been identified. Staff will be available at the Committee meeting if clarification is required.

## **CONSULTATION**

This report is administrative in nature; no public consultation was undertaken in the preparation of this report.

## **COMMENTS BY THE WARD COUNCILLOR(S)**

This report is City-wide in nature.

## **ADVISORY COMMITTEE(S) COMMENTS**

This report is administrative in nature; no Advisory Committees were consulted in the preparation of this report.

## **LEGAL IMPLICATIONS**

There are no legal impediments to Committee and Council's approval of the recommendations of this report.

## **RISK MANAGEMENT IMPLICATIONS**

This report was drafted to transmit the above Notice of Motion to the Committee for its meeting of 17 November 2020. No specific Risk Management Implications have been identified. Staff will be available at the Committee meeting if clarification is required.

## **ASSET MANAGEMENT IMPLICATIONS**

This report was drafted to transmit the above Notice of Motion to the Committee for its meeting of 17 November 2020. No specific Asset Management Implications have been identified. Staff will be available at the Committee meeting if clarification is required.

## **FINANCIAL IMPLICATIONS**

The City has adopted conservative funding and budgetary spending limits, which contributes to the City maintaining its AAA credit rating. Altering limits can have credit rating implications. Finance staff will work closely with the Energy Evolution team to evaluate funding and budget strategies for Energy initiatives that best maintain an optimal credit rating while at the same time addressing the City's carbon neutral goals.

## **ACCESSIBILITY IMPACTS**

This report was drafted to transmit the above Notice of Motion to the Committee for its meeting of 17 November 2020. No specific Accessibility Impacts have been identified. Staff will be available at the Committee meeting if clarification is required.

## **TERM OF COUNCIL PRIORITIES**

This report was drafted to transmit the above Notice of Motion to the Committee for its meeting of 17 November 2020. No specific Term of Council Strategic Priorities have been identified. Staff will be available at the Committee meeting if clarification is required.

## **DISPOSITION**

Staff will take direction from the Committee, as appropriate.