

CITY OF BURNABY

FINANCE AND CIVIC DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

A

RE: ENERGY CONSERVATION/BUILDING PERFORMANCE IMPROVEMENTS

RECOMMENDATIONS:

1. **THAT** Council authorize staff to call for proposals from pre-qualified energy service contractors to conduct energy audits of City buildings and facilities, and to design and install energy-saving improvements to lighting, heating, air conditioning and ventilating systems.
2. **THAT** Council authorize staff to work with B.C. Hydro's representatives to obtain financial and technical assistance for the work described above.

REPORT

The Finance and Civic Development Committee, at its Open meeting held on 2003 February 27, received and adopted the *attached* report to obtain approval in principle to call for proposals from pre-qualified energy service companies for the design and installation of energy-saving improvements in selected City buildings.

Respectfully submitted,

Mayor D.R. Corrigan
Chair

Councillor D. Johnston
Vice Chair

Councillor N. Volkow
Member

:COPY - CITY MANAGER
- DIRECTOR PLANNING & BUILDING
- DIRECTOR ENGINEERING
- DIRECTOR FINANCE

TO: CHAIR AND MEMBERS
FINANCE & CIVIC DEVELOPMENT COMMITTEE

2003 February 18

FROM: DIRECTOR FINANCE

**SUBJECT: ENERGY CONSERVATION/BUILDING PERFORMANCE
IMPROVEMENTS**

PURPOSE: To obtain approval in principle to call for proposals from pre-qualified energy service companies for the design and installation of energy-saving improvements in selected City buildings.

RECOMMENDATIONS:

1. THAT staff call for proposals from pre-qualified energy service contractors to conduct energy audits of City buildings and facilities, and to design and install energy-saving improvements to lighting, heating, air conditioning and ventilating systems.
2. THAT staff work with B.C. Hydro's representatives to obtain financial and technical assistance for the work described above.

REPORT

B.C. Hydro has recently broadened their Power Smart Partners Program to provide financial and technical assistance to public agencies for the purpose of improving the energy efficiency of their buildings. This program is akin to the initiative launched by Hydro in February 2002, and adopted by Burnaby, that provided similar assistance and incentives to municipalities to convert traffic signals to the more energy-efficient light emitting diodes (LEDs).

The program offers funding in these key areas:

- Provide matching funding for energy audits
- Incentive funding to reduce long project pay-backs to facilitate implementation of electrical energy efficiency improvement projects (will pay up to 60% of the capital cost of a project that generates electrical energy savings)

B.C. Hydro has established a list of pre-qualified energy service companies whom they recommend be invited to bid on this highly specialized work. In fact, the availability of funding assistance from B.C. Hydro is contingent upon hiring one of the pre-qualified bidders to undertake the work itself. Given their leadership in this initiative and their expertise in energy conservation, staff are confident in Hydro's pre-qualification standards and process. It bears noting that the City would have undertaken a pre-qualification exercise had this not already been concluded by Hydro.

Staff recommend a multi-stage approach involving:

- Calling for proposals from the pre-qualified ESCOs to conduct energy audits of a varied group of buildings, and to install energy-saving improvements. Proposals would be evaluated based on the proposed scope of work, the anticipated savings, the mechanism for guaranteeing savings, the utilization of proven technology, the efficacy of the proposed monitoring program and the maintenance implications of the proposed equipment.
- Working with the successful contractor toward the design and installation of proven energy-saving equipment and the implementation of an effective monitoring program, coordinating the work with our existing H.V.A.C. contractor, and making certain that Hydro's resources are effectively applied to the project.

The City will include in the project all buildings which meet or exceed the threshold as measured by energy savings, pay-back period and total cost implications.

The capital cost of the work will be determined during the project but no work will be undertaken that cannot be paid back through energy cost savings in a reasonable time frame, the average of which will not exceed 8 to 10 years. A detailed report will follow with the name of the successful ESCo and details of the buildings to be included in the project.


Rick Earle
DIRECTOR FINANCE

RR:

cc. Director Engineering
Director Planning & Building

