

TO:	CHAIR AND MEMBERS INVESTMENT AND ECONOMIC PROSPERITY COMMITTEE SEPTEMBER 11, 2012
FROM:	HARVEY FILGER DIRECTOR OF CORPORATE INVESTMENTS AND PARTNERSHIPS
SUBJECT:	STRATEGY FOR EMPLOYING SOLAR PV SYSTEMS ON CITY OF LONDON'S MUNICIPAL BUILDINGS

RECOMMENDATIONS

That, on the recommendation of the Director of Corporate Investments and Partnerships, Ameresco Canada, the city's energy service provider, BE ENDORSED by the Investment and Economic Prosperity Committee to help prepare a rooftop development strategy that is "vendor neutral" for solar PV equipment providers. Once approved, Ameresco Canada will manage, on the City's behalf, an open and transparent procurement process for the solar PV equipment through its existing energy service provider arrangement.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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July 19, 2012 Report to Committee – German Solar Corporation Presentation

BACKGROUND

Since the launch of the Ontario Power Authority's (OPA's) Feed-In Tariff (FIT) Program, the City of London has been interested in the use of municipal properties to generate green power and revenue for the City.

Initial City of London and London Hydro Activities

In February 2010, Board of Control and Council approved a two-phased approach that would explore large-scale land leases, (e.g., existing and closed landfill sites) followed by municipal building rooftops in the second phase. Grid transmission and distribution restrictions in London and Southwestern Ontario made these large-scale solar projects unfeasible. London Hydro has approached the City of London with an offer to develop solar projects on municipal rooftops. Given that the City is the sole shareholder of London Hydro, this would maximize the financial return to City.

London Hydro staff submitted FIT applications for the following locations:

- Kinsmen Arena – 20 Granville Avenue
- Nichols Arena – 799 Homeview Road
- Carling Arena – 675 Grosvenor Street
- Medway Arena – 119 Sherwood Forest Square
- AJ Tyler Operations Centre – 663 Bathurst Street
- Lambeth Arena – 7112 Beattie Street
- London Convention Centre – 300 York Street
- Exeter Road Operations Centre – 707 Exeter Road

London Hydro also carried out preliminary structural reviews for these eight sites plus an additional four locations. They determined that there were three sites from this list that would not require structural reinforcement: Fire Hall #2, London Convention Center, and the South London Community Pool. London Hydro focused on the Convention Center as the best candidate, but roof age would have required the temporary removal of the rooftop solar panels for roof rehabilitation.

As noted above, in addition to the capacity of the structure supporting the roof, the condition of the roof system itself helps dictate the feasibility of installing a rooftop solar PV system on a facility. The roofing systems of the buildings listed above are expected to require a complete or sectional replacement within the next twenty years, with the possible exception being the Exeter Road Operations Centre which is scheduled for replacement shortly.

OPA's FIT Program Review and "FIT 2.0"

The OPA has recently completed their two year review of the FIT Program which includes some rule changes and rate reductions. For the duration of this review, which began in October 2011, the issuance of new contracts was placed on hold. The hold on the application process coupled with the finite electrical grid connectivity capacity has resulted in a backlog.

The OPA has released DRAFT new Program Rules for its FIT program, commonly referred to as "FIT 2.0", for those project proponents seeking a 20-year FIT power supply contract with the OPA. The DRAFT FIT 2.0 rules includes a new "points-based" priority ranking process that gives priority to applications that are 'install ready' and have community or Aboriginal equity participation. Given the high level of interest province-wide in the FIT 2.0 program, competition for a contract from the OPA is expected to be strong and favour those applications with the maximum possible points. If projects are tied for points, the "time stamp" of the application is used to break the tie.

Another important new factor with FIT 2.0 is that the OPA will be using a smaller window of time for accepting proposals. Once the FIT 2.0 rules are officially launched, expected early August, the OPA will provide a 90 day period for "Small FIT" projects (under 500 kilowatts nameplate capacity) to apply for a FIT contract.

Renewed Interest in Rooftop Solar

At the July 19th meeting of the Investment and Economic Prosperity Committee, German Solar proposed a project that would involve ten rooftop solar projects, four of which were on municipal buildings. German Solar's presentation pointed out the possibility of rooftop solar PV being a source of revenue for the City using municipal buildings as system hosts. Since it was preliminary in nature, the presentation's figures were based on high level assumptions – building ownership, roof/structural integrity, and the absence of rooftop obstructions.

Given the multitude of variables which contribute to the feasibility of rooftop solar power projects, a detailed study is required before the City commits to participate in rooftop solar power projects. City staff has asked its energy service provider, Ameresco Canada, to help the City of London prepare a rooftop development strategy that is "vendor-neutral" for solar PV equipment providers. See Attachment 1 for details.

Ameresco Canada estimates that the strategy document will be ready by September 6th. A staff report with the recommended strategy will then need to be presented in a timely fashion to the IEPC meeting of September 10th, 2012 and Council meeting of September 18th, 2012 for approval. That will give less than two months to prepare and submit Small FIT applications before the OPA's window closes in late October.

Once approved, Ameresco Canada will manage on the City's behalf an open and transparent procurement process for the solar PV equipment through its existing energy service provider arrangement. This will speed up and simplify the procurement process for these solar projects.

ACKNOWLEDGEMENTS

This report was prepared with the assistance of Jay Stanford: Director – Environmental Programs & Solid Waste, Jamie Skimming: Manager – Air Quality, Bill Campbell: Division Manager – Facilities and Steven MacDonald: Corporate Energy Management Engineer.

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Attachment 1: Ameresco Canada's Rooftop Solar Strategy Letter dated June 14th, 2012

cc: Jay Stanford, Jamie Skimming, Bill Campbell and Steven MacDonald