

Date: 2021-12-22

Subject: **Centre for Community Energy Transformation (CCET)**

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Report Number: Public Works & Engineering-2022-048

Recommendations:

1. That the report titled: **Centre for Community Energy Transformation (CCET)** to the Committee of Council meeting of February 2, 2022 be received;
2. That Council endorse the recommendations of the Advisory Task Force in principle;
3. That the City re-allocate existing capital funds from the Environmental Master Plan capital budget in the amount of \$300,000 (the “CCET Budget”), to be applied to the costs to establish the CCET and costs for its first year of operations, including those of the transitional board, either in the form of grants or contractual payments under a Service Level Agreement (“SLA”);
4. That the Commissioner, Public Works & Engineering be delegated authority to approve and execute agreements governing grant(s) from the CCET Budget in 2022 calendar year, initially to the members of the CCET Transitional Board for the purpose of establishing the CCET as a not-for-profit corporation and subsequently to such corporation for operating expenses pending the execution of the SLA;
5. That the Commissioner, Public Works & Engineering be authorized to negotiate the SLA with the transitional board and be delegated the authority to execute the SLA with the CCET once it is incorporated on such terms and conditions as the Commissioner, Public Works & Engineering approve and in a form satisfactory to the City Solicitor or designate;
6. That the City support CCET in formal discussions with the Region of Peel to secure funding for the establishment and operation of CCET;
7. That the City support CCET in the investigation of opportunities to work with the City of Mississauga and Town of Caledon and to enter into additional Service Level Agreements to provide energy planning services to their respective municipalities.

Overview:

- **A key action from the Brampton 2040 Vision: Living the Mosaic was the establishment of the Institute for Sustainable Brampton (ISB) that would be a public-private facilitator for local environmental progress to position Brampton in the vanguard of suburban sustainability.**
- **On September 30, 2020, Council unanimously supported staff's recommendation to establish a Centre for Community Energy Transformation (CCET) as a not-for-profit organization and to report back on progress of establishing the entity.**
- **The Centre for Community Energy Transformation (CCET) will help lead select priority projects from the City's Community Energy and Emissions Reduction Plan (CEERP), including:**
 - **Advancing deep home energy retrofits;**
 - **Encouraging district energy;**
 - **Spurring industrial, commercial, and institutional (ICI) energy efficiency; and**
 - **Promoting outreach and engagement.**
- **In November 2020, staff from the City, Region of Peel, and Sheridan College formed a Project Team to work collaboratively to create the CCET organizational structure. Staff from the City of Mississauga and Town of Caledon participated as Project Team Advisors.**
- **A community-based Advisory Task Force was also established that consists of 15 citizen members representing many sectors in Brampton, including citizens, youth, business, utilities, and institutions.**
- **Over the last 9 months, the Project Team and Advisory Task Force completed a number of action items to bring CCET to life, including:**
 - **Draft organization By-laws;**
 - **Draft an Executive Director job description;**
 - **Focus on CCET priorities projects; and**
 - **Funding and partnership opportunities.**
- **The Advisory Task Force has also established a Nominating Committee to recruit CCET Transitional Board members who will be responsible for incorporating CCET as a not-for-profit organization and establishing the Permanent CCET Board.**
- **The Project Team and Advisory Task Force recommend the City provide financial and resource support for the establishment of the CCET, a regional not-for-profit organization focused on achieving Brampton's GHG emission reduction target and energy transformation.**

Background:

In 2018, Brampton Council endorsed “Brampton 2040 Vision: Living the Mosaic”. A key recommendation of this document directed the City to create a public not-for-profit institution to take on the role of change agent. The first action from Vision 1: Sustainability and the Environment, states:

“Action 1-1, Institute for Sustainable Brampton (ISB): Found a public-private facilitator for local environmental progress to position Brampton in the vanguard of suburban sustainability”.

In February 2019, members of the Institute for Sustainable Brampton Task Force presented a White Paper to Council outlining the recommended purpose, operation and benefits of establishing an ISB and sought Council’s support for its establishment. As a result of this delegation, Council passed resolution C054-2019 directing staff to report back at a later date about establishing an “Institute for Sustainable Brampton”.

On June 6, 2019, Brampton Council officially declared a Climate Emergency for the purpose of aiming, framing, and deepening the City of Brampton’s commitment to the protection of our ecosystems and community from climate change.

On September 30, 2020, Council unanimously endorsed the City’s Community Energy and Emissions Reduction Plan (CEERP). The CEERP developed ambitious GHG reduction targets and six key priorities actions to undertake in the next five years.

Furthermore, at the September 30, 2020 meeting, as a means of meeting the City’s ambitious GHG targets, Council unanimously supported staff’s recommendation to establish a Centre for Community Energy Transformation (formerly ISB) and recommended moving forward with creating the not-for-profit organization.

The CCET framework endorsed by Council includes:

Vision	A sustainable energy future.
Mission	To lead an inclusive suburban energy transformation.
Mandate	The Centre for Community Energy Transformation (CCET) will be an action-oriented organization focused on convening partners to implement catalytic priorities from Brampton’s Community Energy and Emissions Reductions Plan (CEERP).

Values	<p>The work will:</p> <ul style="list-style-type: none"> • generate direct, local economic benefits; • be informed by science; • be replicable and accessible by other communities; • have quantifiable, documented results; • be collaborative with community partners to amplify our collective impact; • ensure social justice and inclusivity; • demonstrate the concepts of circular economy and one planet living; and • provide educational benefits to our community.
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Since September 2020, staff from the City, Region of Peel, Sheridan College, with Project Advisors from the City of Mississauga and Town of Caledon formed a Project Team to work collaboratively in creating the organizational structure of CCET. A key aspect of this work was the recruitment and establishment of a community-based Advisory Task Force to provide strategic guidance to help transition the CCET from a conceptual framework to an established not-for-profit corporation.

In March 2021, the CCET Advisory Task Force held its first meeting, which included 15 members from many Brampton sectors, including:

<ul style="list-style-type: none"> • City Councillor, Doug Whillans • Citizen, Trevor Boston • Enbridge, Chris Hamilton • Johnston Controls, Hassaan Khan • Partners in Project Green, Nathaniel Magder • Alectra, Michael Frisina • Excellence in Manufacturing Consortium, Leah Nacua • Peel District School Board, Shahid Naeem 	<ul style="list-style-type: none"> • Citizen, David Laing • Brampton Brick, Lauren Mulkerns • Owens Illinois Brampton, David MacGillivray • Citizen (youth), Divya Arora • Ontario Clean Water Agency, Indra Maharjan • KPMG, Karly-Anna O'Brien • Berger Group, Joan Berger
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Over the preceding 9 months, the ATF held monthly meetings and formed three subcommittees to undertake three key actions, including:

- Establish a governance structure for CCET that corresponded to the approved CCET Framework;
- Establish a Funding and Partnership Strategy for CCET; and

- Raise awareness of CCET to the broader community.

Current Situation:

The Project Team and the CCET Advisory Task Force have now completed their work and are ready to seek Council endorsement of the CCET governance structure and request a 5 year funding commitment from the City. The CCET Advisory Task Force Report summarizes the Task Force's work and recommendations (see Appendix 1).

This dedicated work over the last year has also shown that our partners, the Region of Peel, City of Mississauga, Town of Caledon and Sheridan College, are also interested in advancing their climate actions through regionalized CCET. The attached Letter of Support from the Peel Climate Change Partnership (PCCP) outlines the strategic benefits that the PCCP sees in establishing CCET as a regional energy service not-for-profit organization (see Appendix 2).

By building on the foundation established in Brampton, CCET can amplify our collective regional climate actions. Establishing the CCET will make it easier for all sectors in Brampton, and across the region, to work together to rapidly advance meaningful climate action to address our Climate Emergency.

The Advisory Task Force and Project Team identified five key reasons why establishing CCET is so important; it will show that the City and community is:

1. Taking catalytic, transformative action to address the Climate Emergency;
2. Bringing the 2040 Vision to life by implementing its first catalytic action;
3. Spending for success and making smart, proactive investments;
4. Maximizing collaborations and partnerships; and
5. Bridging local energy skills and resources gap.

The 2021 accomplishments of the Project Team and the Advisory Task Force are outlined below and summarized in the CCET Advisory Task Force Report and include:

- Took lessons learned from other organizations who are advancing energy transitions across southern Ontario including Our Energy Guelph, Town of Oakville, Clean Air Partnership, and Altitude Accelerator;
- Developed a phased governance model, board recruitment plan and Executive Director job description;
- Developed a Funding and Partnership Plan;
- Identified key elements of a future Service Level Agreement between the City and CCET; and
- Created citywide awareness and social media strategy to support CCET.

The ATF and Project Team consolidated these accomplishments into three recommendations, including:

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| Recommendation 1: | Focus CCET’s mandate on three primary priorities (deep home energy retrofits, district energy, and ICI efficiency). |
| Recommendation 2: | Establish a strong governance framework for CCET. |
| Recommendation 3: | Secure consistent CCET funding by working with local partners. |

Recommendation 1: Focus on Priorities

Tackling the Climate Emergency requires immediate and significant actions across a broad array of community sectors. A key aim of the ATF and Project Team was to focus CCET’s future activities and to address immediate gaps in the current municipal response to key climate change actions.

According to Brampton’s CEERP, two priorities that will have a significant contribution in achieving the City’s climate change targets are deep home retrofits and establishing district energy nodes. The expertise and resources required to tackle these priorities is beyond the current capacity of municipal staff.

Home Energy Retrofits

As per the CEERP, Brampton’s home efficiency target is to achieve a 35% residential sector efficiency gain from 2016 levels by retrofitting 80% of existing homes or approximately 100,000 homes.

Currently, the Cities of Brampton, Mississauga and the Town of Caledon are working together on the design of a comprehensive home energy retrofit program. Once designed, this program is expected to result in a significant amount of work that is beyond the capabilities and resources of any municipal government.

District Energy

District energy systems are “networks of hot and cold water pipes, typically buried underground, that are used to efficiently heat and cool buildings using less energy than if the individual buildings were to each have their own boilers and chillers.” (FVB Energy, 2021). District energy systems provide significant energy efficiencies and

greenhouse gas reduction opportunities (between 30% and 70% depending the district energy system being employed).

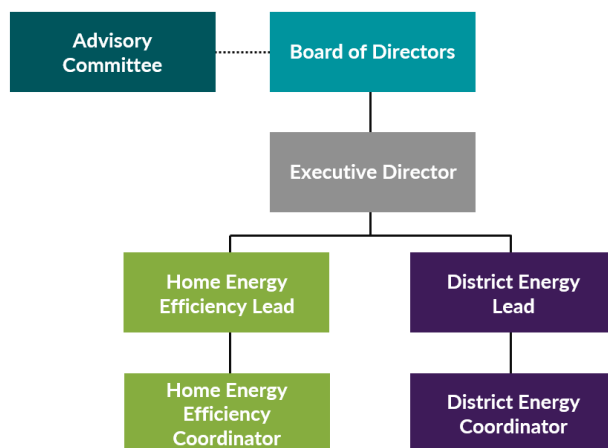
Again, there are significant gaps in municipal resources, which prevent adequate realization of this new opportunity. Currently, the City is working on developing business cases related to establishing district energy nodes in Uptown and Heritage Heights. The City of Mississauga is also working on business developments within their downtown and new Lakeview community. Finally, the Region of Peel is investigating its potential role in District Energy systems through the provision of waste heat from its sewer infrastructure.

Industrial, Commercial, and Institutional (ICI) Energy Efficiency

ICI energy efficiency refers to actions that help industrial, commercial and institutional organizations reduce their energy use and overall operating costs. Currently there are few private and not-for-profit organizations, such as Partners in Project Green, which are working within this space. As such, CCET's role will be collaborating with these organizations to service businesses and institutions energy needs within Brampton and the region.

Recommendation 2: Establish a strong governance framework

Governance relates to the oversight of the CCET. The Advisory Task Force has thought carefully about a meaningful, phased approach to governance that is outlined in the CCET Advisory Task Force Report (Appendix 1).



The ATF recommends the establishment of a skills-based governance board, with nine members, and a complement of five (5) staff. The volunteer board will be responsible for

strategic oversight of the not-for-profit and the staff will be responsible for the day-to-day management and operations of the CCET.

In addition, the ATF recommends the establishment of a CCET Advisory Committee, reporting to the Board that consists of outside experts (local utilities, municipal and Regional representatives, developers, youth, etc.) who bring unique knowledge and skills to augment the Board to more effectively guide the organization and to ensure alignment with municipal climate plans and targets.

All of the important governance considerations listed and described above have been integrated into a draft set of bylaws to frame the establishment and operations of the CCET. These draft bylaws are attached in Appendix 3.

Recommendation 3: Secure consistent funding by working with local partners

The ATF considered a five-year planning horizon and several, diverse funding sources and partnerships. To fulfill CCET's energy planning and implementation role, outlined above, the Project Team and the ATF recommend a CCET annual operating budget of \$1,000,000 for the first five years of operation (totalling \$5 million dollars). This amount is required to cover the costs related to:

- Staffing: a Executive Director; two program leads; two program coordinators;
- Administrative, infrastructure, and service costs; and
- Priority Program development and implementation.

Achieving this level of funding will require a diverse set of funding sources that goes beyond the City of Brampton and is recommended to include the Region of Peel, City of Mississauga and Town of Caledon. Formal discussions with the Region will include opportunities for the Region to provide start-up funding to CCET tied to demonstrated benefits to the Region. The proposed funding plan for CCET is as follows:

- **Direct, annual funding from the City of Brampton** via a one-year \$300,000 grant and a Service Level Agreement for \$300,000 per year over the proceeding 4 years for a total of \$1.5 million.
- **Region of Peel** one-year grant in 2022 followed by a Service Level Agreement for the proceeding 4 years.
- **Additional Service Level Agreements** with the City of Mississauga and the Town of Caledon over the proceeding 4 years.
- **Federal Program Funding** up to \$90 million over the next 5 years which can be accessed by CCET to implement energy projects. The majority of this available funding comes through federal and government programs, in particular the

Federation of Canadian Municipalities (FCM) Green Municipal Fund, Canadian Infrastructure Bank, and Climate Action Awareness Fund.

- **Energy Service Fees** can generate additional income by offering energy services to businesses, manufacturers, homeowners, and developers.
- **Sponsorship Funding** from utilities, manufacturing and development associations, federal and provincial governments, and NGO's.

CCET's ambitious funding goals can be achieved if all four partners financially support CCET. This funding plan is the result of extensive consultation with staff at our municipal partners over the last year. Through this consultation, staff from the Region, Mississauga and Caledon have realized the synergies and benefits that CCET can bring to accelerating their respective climate change programs.

CCET funding will be phased, with the first year of funding to involve a City grant of \$300,000 and an additional Regional grant to get the organization up and running. Subsequent funding commitments will be based on a detailed business plan that outlines the energy planning services that CCET can provide the City and its municipal partners through the establishment of a Service Level Agreements.

Next Steps:

If approved by Council, there are number of next steps that will take place over the next year that will involve the Project Team working with the CCET Board and Executive Director, including:

- Establish a Transitional Board through the ATF Nominating Committee;
- Establish CCET as a not-for-profit organization with the Province;
- Formal discussions with Regional staff on 2022 funding opportunities;
- Establish a Permanent Board;
- Establish a Stakeholder Advisory Committee to the Board;
- Hire an Executive Director;
- Hire Program Leads;
- Develop a CCET 5 year Business Plan;
- Develop and finalize a Service Level Agreement between the City and CCET;
- and
- Approach Region of Peel, City of Mississauga and Town of Caledon about developing and finalizing additional Service Level Agreements.

Corporate Implications:

Financial Implications:

Staff recommended that the City’s \$300,000 grant to CCET in 2022 come from existing budget allocations within 2022 Environmental Master Plan budget:

Project #	Amount
227485-001	\$600,000

There is sufficient approved funding available for the first year grant. Subsequent funding of \$1.2 million for years 2 through 4 will be outlined in a Service Level Agreement between the City and CCET, subject to Council approval.

Other Implications:

There are no other implications resulting from the approval of the recommendations of this report.

Term of Council Priorities:

Establishing the CCET will help achieve Brampton is a Green City Term of Council Priority by creating a community organization focused on implementing actions that support reducing GHG emissions and improving energy efficiency.

Conclusion:

The 2040 Vision recommended the establishment of an arms-length community organization to achieve the goals of “One Planet Living” over the next 25 years. CCET is that organization. Establishing the CCET will make it easier for everyone in Brampton, and across the region, to work together to rapidly advance meaningful climate action and to respond to our collective Climate Emergency.

CCET’s mandate, organizational structure, priority projects and funding plan have been developed through extensive engagements over 2 years with community stakeholders from all sectors within Brampton and through ongoing work with our local municipal partners including the Region of Peel, City of Mississauga and the Town of Caledon.

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Attachments:

Appendix 1: Centre for Community Energy Transformation Advisory Task Force Report

Appendix 2: Peel Climate Change Partnership Letter of Support

Appendix 3: Draft CCET By-law