

**Topic: Municipal Climate Change Action Centre – Recreation Energy Conservation Grant**

**Request from TLC Administration and Board**

That up to \$250,000 be approved for the matching portion of the TransAlta Tri-Leisure Centre’s Municipal Climate Change Action Centre – Recreation Energy Conservation Grant application, to be funded from the TLC’s Restricted Reserve.

**Background**

The Municipal Climate Change Action Centre recently announced funding through the Recreation Energy Conservation Grant to assist municipally owned recreation facilities reduce energy use and greenhouse gas emissions through the implementation of energy-saving products. The grant will cover up to 75% of the costs of approved projects to a potential maximum of \$750,000 per municipality. Eligible facilities must be recreationally focused and utilize high amounts of energy currently. The TLC meets all eligibility requirements for this grant and would be eligible to apply under the umbrella of one of the municipal owners. The City of Spruce Grove’s Administration has indicated they would be open to the TLC making application under their name, given that the TLC takes responsibility for the entirety of the project(s) from start to finish.

In late 2018, the City of Spruce Grove was awarded an energy assessment for a facility of their choice, for which they chose the TLC. We recently received the complete assessment, along with the recommendations to reduce energy use and experience a cost savings on an ongoing basis.

The energy assessment identified the following major recommendations (some additional recommendations were made, but they were insignificant in cost relative to those listed below):

Energy Conservation Method	Estimated Capital Cost
1. Combined Heat and Power Unit	\$800,000
2. Lighting Retrofit	\$410,000
3. Boiler Replacement – Condensing Boilers	\$345,000
4. HVAC Recommissioning	\$20,000

Each of these projects are eligible under this grant, however due to the combined costs, they could not all be funded, so they would need to be prioritized. As such, TLC Administration has reviewed the recommendations and has determined that the Lighting Retrofit and Boiler Replacement will be the two projects for which funding will be requested. If there is grant funding remaining, we would also consider the HVAC recommissioning.

Prior to proceeding with the potential funding application, Administration requires confirmation from the Board and municipalities that our portion of funding is supported and approved. At their May 16<sup>th</sup> meeting, the TLC Board of Directors approved the expenditure of up to \$250,000 from the Restricted

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Reserve for the MCCAC Grant Application, and directed Administration to seek final approval from the three Municipalities and proceed with the grant application.

An Expression of Interest was submitted to MCCAC (non-binding) so the TLC could be placed in the queue as there are currently over 90 facilities who have expressed interest in the funding. Following a discussion with the staff from MCCAC, TLC Administration confirmed these projects meet the criteria and would be considered for funding.

As the grant is time sensitive and funding is being allocated on a first-come first-serve basis, TLC Administration is recommending that the funding for the cost-share portion of the grant be funded from the TLC's Restricted Surplus rather than a request for new funding being submitted via the budget process. As per the current Memorandum of Understanding, all three Municipal Councils must approve the use of the Restricted Reserve, which has a current balance of \$802,000.

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#### Attachments

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1. MCCAC Brochure
2. ATCO Energy Assessment – Executive Summary

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#### Reviewed and Approved for Submission to Municipal Councils

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General Manager: Lenny Richer



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