



# REGIONAL MUNICIPALITY OF WATERLOO ADMINISTRATION AND FINANCE COMMITTEE AGENDA

Tuesday, June 21, 2011  
Immediately following Closed Session  
(Time is Approximate - 11:30 a.m.)  
Regional Council Chamber  
150 Frederick Street, Kitchener, Ontario

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1. **MOTION TO RECONVENE INTO OPEN SESSION**
  2. **DECLARATIONS OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT**
  3. **DELEGATIONS**
  4. **REPORTS – Corporate Resources**
    - a) [CR-CLK-11-009](#), Service First Call Centre - Context and Background 1
    - b) [CR-FM-11-015](#), Update on Solar Photovoltaic Renewable Energy Initiative 7
    - c) [CR-FM-11-016](#), Provincial Green Energy Act 10
  5. **INFORMATION/CORRESPONDENCE**
  6. **OTHER BUSINESS**
    - a) [Council Enquiries and Requests for Information Tracking List](#) 13
  7. **NEXT MEETING – August 16, 2011**
  8. **ADJOURN**



**REGION OF WATERLOO**

**CORPORATE RESOURCES  
Council and Administrative Services**

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**TO:** Chair Tom Galloway and Members of the Administration and Finance Committee

**DATE:** June 21, 2011

**FILE CODE: A34-30**

**SUBJECT: SERVICE FIRST CALL CENTRE - CONTEXT AND BACKGROUND**

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**RECOMMENDATION:**

For information.

**SUMMARY:**

The purpose of this report is to provide background and context regarding the proposed development of a single point of telephone contact for general inquiries and routine service requests for Region of Waterloo programs and services. Staff are calling this the Service First Call Centre (SFCC). A second report will be brought forward in August outlining the details of the proposal, the approach to implementation, and the value proposition and cost impact. At that time, staff will also bring forward recommendations regarding implementation.

As part of the 2011 budget process, capital funding was approved for the required technical systems and one-time transition costs were approved subject to submitting a detailed business case and obtaining Council approval to proceed. Staff's goal is to improve the level of service to the public using existing operating resources to the largest extent possible once the SFCC is fully configured. This will be explained in more detail in the August report.

This report summarizes the research to date on satisfaction with and effectiveness of the Region's telephone call handling processes; an assessment of how the Region's call handling practices compare to best practices; an overview of the Service First Call Centre model; and the benefits of the proposed model to the public, operating departments and the organization as a whole.

**REPORT:**

**Background**

Service Strategy and Survey Data

The 2007-2010 Strategic Plan identified the Focus Area of Service Excellence with the specific objective to ensure that all Region programs and services are citizen/customer focussed in order to meet the needs and expectations of the community. A specific action of this objective was to develop an organization-wide Service Strategy Framework and implementation plan. These were adopted by Council in an October 27, 2009 report (CR-CLK-09-007).

One major outcome area in the Service Strategy Framework adopted by the Region involves improving access to its services, particularly by telephone. For the past decade, research has been conducted into citizen satisfaction with government services at the federal, provincial and municipal levels. Published under the title Citizens First, this research has substantiated that the telephone continues to be the number one channel preferred by the public when contacting government.

Results from recent surveys the Region has conducted or participated in (Omnibus Study, 2009 & 2010, Strategic Plan Survey, 2007) have shown that the telephone is still the most common access channel and that there are clear opportunities to improve how the public accesses our services. In the Omnibus survey, 81% of respondents indicated that they contacted the Region for service by the telephone. The next most common access point was the website at 6%. Many people reported that they had difficulty finding the right person or department at the Region to contact and that they often had to deal with more people than was considered reasonable. These findings are also consistent with our most recent Strategic Plan Citizen Survey (2011), which identified that access barriers significantly impact an individual's perception of timeliness and staff performance and therefore their overall satisfaction with the service.

### Current State Assessment

As a result of this research, the Region of Waterloo began a study in 2010 ago to identify opportunities to improve call handling. There were two primary phases to the study: an external review of our call handling processes conducted by the consulting firm of AtFocus, and an internal feasibility assessment based on a more detailed business plan developed through extensive consultation of all levels of management staff in key areas.

The Region currently has a highly decentralized call-handling environment with little to no uniformity across operating areas. There are 127 publicly advertised lines with general inquiries handled by 11 different sites in five different departments. Approximately 800,000 calls are received per year. About 49% are general inquiry calls; 29% fall into the category of service or transaction related requests; 21% require specialized knowledge or skill sets in order to respond; a minimum 1% are misdirected calls, though these have been estimated to be as high as 10%.

The Region currently does not have a comprehensive, integrated software system to manage and report on customer information and service response data. In the absence of this Customer Relationship Management (CRM) software, the Region is currently using approximately 45 separate and unlinked software applications comprised of a variety of spreadsheets and databases. This inconsistent approach has become problematic for a number of departments who have indicated a growing need for more aligned and responsive relationship management and reporting systems. This gap was also identified by a 2006 study commissioned by Information Technology Services dealing with software efficiency and consolidation. It was recommended at that time that the Region investigate the purchase of CRM software to replace this patchwork of makeshift software solutions.

The external AtFocus review gathered information using a number of analytical tools and assessed call performance in a number of areas. The consultant undertook: staff consultation at all levels of the organization; public consultation; a telephone data review, documentation of most common call types and the process to handle the call; review of quality of call handling, and a review of call handling practices in other municipalities. The review identified significant opportunities to improve the overall efficiency and effectiveness of organization-wide call handling to create a more consistently managed call environment. The analysis of the Region's current state revealed the following in this regard:

- Difficult for the public to easily contact the right staff person to answer a question or address a concern without understanding the Region's organization structure;
- Limited number of areas in the organization have documented call handling practices;
- Limited work force management and recording technology to support call handling;
- Highly fragmented and unaligned customer relationship management software solutions;
- Little formalized training, and coaching for call handling staff;
- Very limited call quality monitoring and performance measurement;
- Inconsistent and limited complaint management processes;

- Limited resolution and performance reporting capability in program areas and corporation-wide;
- Cost per call is high on average when compared to industry best practices; and
- High call wait and abandonment rates in high call volume areas.

Staff also researched other municipalities across the country that have implemented consolidated call centres. Many have been very willing to share lessons learned and lend support to the initiative. Several implementations were examined in detail, specifically the City of Calgary, Region of Peel and Halton Region. Halton is our closest comparator in terms of size and service mix, and has an award-winning call centre that combines both 311 and 211 services. Through many discussions and site visits, staff at the Region have begun to see the tremendous benefits first hand.

### **Review Outcomes**

The consultant study concluded that significant improvement to the Region's call handling is not possible within the current decentralized model and without improvement to the current tools and support resources. It also stated that the Region has outgrown its decentralized call handling model and should create a centralized and more managed call environment to create a more consistent and high quality telephone experience for the public with improved levels of user satisfaction. It was determined that a consolidated call-handling environment can better utilize staff resources and will result in a more efficient and effective call-handling service with dynamic reporting capability. The Region lags behind other municipalities that have demonstrated success in customer satisfaction by moving toward more consolidated forms of call handling. If this situation is left unaddressed, current levels of frustration among the public and staff are likely to increase as the Region continues to grow and, if delayed further, the future cost of call-handling improvements are likely to be higher.

In some instances, most notably the acquisition and use of Customer Relationship Management (CRM) software, improved tools are required now irrespective of whether the Region creates a call centre. The consultant identified a significant opportunity to leverage the purchase of an enterprise-wide software system that, in addition to servicing the call centre, would also address Department needs beyond the SFCC in a more aligned and cost-effective manner than at present. CRM software is a significant component of an efficient and effective call-centre operation, but also has wider applicability and significant benefits throughout the rest of the organization. A CRM system is a workflow management, tracking and reporting tool critical to compiling and sharing information. It is also used to manage a service request from start to finish through integration with work order and other back-of-house systems. It allows staff to more accurately and consistently respond to requests for information and services through documented knowledge management, and can also be used for activities such as tracking public consultations, event participation and course registrations.

The final review report outlined six potential models to improve call handling at the Region. These models ranged from adding some process improvements to the existing 127 phone lines to full consolidation of all calls into one centre. After a wide-ranging consultation and investigation of the options with key program stakeholders, it was determined that the Service First Call Centre (SFCC) model of consolidated call handling would best achieve the Region's service vision.

### **Service First Call Centre (SFCC) Model Overview**

Implementation of the SFCC model would see the consolidation of the existing phone lines into a single, easily recognizable number offering a more consistent level of enhanced service, and extended hours of operation. The majority of general and routine calls would be answered at the first point of contact and the remainder requiring specialized and technical skills to address would

be transferred to the person(s) responsible in the operating departments on the first transfer.

From the studies conducted, it is estimated that approximately 80% of the Region's calls could be answered through the SFCC. The remaining 20% of specialized and technical calls would be handled by the operating departments supported by protocols and technology aligned with the SFCC.

The following vision was created by an inter-department team to reflect the general intent and expected outcome of the SFCC:

*Creation of a centralized call handling centre accessed through one easily recognized number to ensure a simpler, more direct and readily accessible service experience for the public. Highly skilled staff will be provided with extensive training and tools enabling them to provide the public with quick and consistent responses to frequently asked questions and to address routine service requests on the first contact, and more technical/specialist level responses on the first transfer. The centre will be recognized by the public and our internal clients as a model of service focused call-handling excellence.*

*We will achieve this by forging a collaborative service delivery partnership that combines the knowledge and experience of the Region's program areas with the expertise of an efficient, performance driven, and client focused Service First Call Centre. Our emphasis will be on outcomes designed to achieve tangible benefits for the public, the program areas and the corporation as a whole.*

### **Expected Benefits**

According to the AtFocus consultants, establishing a managed call-handling environment has proven to be the single most significant area of service improvement in public sector organizations that have implemented this model. In addition, a managed call environment has proven to be the most efficient method for handling calls and, in many cases, is less costly than decentralized, unmanaged call environments. The SFCC would readily position the Region to provide or participate in providing 311 or 211 level services should this direction be given in the future. By leveraging expertise that is developed in the SFCC across the organization, the Region's overall performance in answering the full range of calls it receives will uniformly improve. This is consistent with what has occurred in other jurisdictions.

Through this uniform and consolidated approach, it is expected that citizens will receive consistent responses to frequently asked questions, and will find the experience of contacting the Region simpler and more readily understandable. Some of the benefits would include:

#### *For the public:*

- simpler access for all routine and general inquiry calls through a single number;
- shorter call wait times;
- extended hours of service providing the ability to contact the Region when it is most convenient for the caller;
- reduction in the number of transfers required to obtain information or access services;
- resolution of a call at the first point of contact the majority of the time;
- increased, more comprehensive accountability and follow up around call handling and citizen satisfaction; and
- consistent and documented responses to individual inquiries.

#### *For operating departments:*

- removes responsibility for routine and misdirected calls to allow business units to focus on

their core responsibilities and technical/ specialist calls;

- access to technology and technical support from the SFCC that is not available now; and
- access to detailed reporting on call volumes and resolution in relation to service areas to assist management in making decisions around service provision;

*For the organization as a whole:*

- lower call abandonment rate and higher levels of citizen satisfaction in contacting the Region by phone;
- a solid, data rich, and more efficient call-managed environment with consistently high staff skill sets and enhanced backup for incoming calls with reduced wait times and misdirects;
- ability to provide detailed and tactically focused reports to staff and Council on the number, type and resolution of calls and service response times;
- potential to readily extend this model to address an even broader range of Region service requests as appropriate; and, to easily expand the scope of coverage to include 211 service and broader region-wide 311 service should that be directed;
- leveraged customer relationship management software that can be utilized by all departments for a wide variety of customer interaction activities with the resulting reduction in duplication (currently there are 45 different unlinked and corporately inefficient software solutions) and increased efficiency and data sharing; and
- more cost effective delivery of telephone service and, over time, reduced cost per call.

The consultant identified a significant opportunity with this project to leverage an enterprise-wide software system for uses far beyond the SFCC. Customer Relationship Management (CRM) software is a significant component of an efficient and effective call-centre operation, but as indicated earlier, also has significant benefits for the rest of the organization. This software tool would allow staff to more accurately and consistently manage information and respond more efficiently to requests. The Region's current tapestry of 45 existing separate applications comprised of a variety of spreadsheets and databases will need to be replaced in the near terms irrespective of whether the Region implements a call center.

## **Conclusions**

The implementation of a consolidated call centre at the Region will result in a significant improvement in service to the public at little or no additional operating cost to the organization once fully established. Many municipalities have implemented consolidated call centres with tremendous success. The risks of implementation are known and we can learn from our counterparts. A full business case analysis will be brought to Council in August. The process to implement a fully mature SFCC would take three and a half years including all phases of preparatory work to document program information and processes; acquire technology and outfit the call center space; gradually transfer call handling responsibility for program information in a phased manner to ensure minimal service disruption; and, to insure staff in this new environment achieve full efficiency.

## **CORPORATE STRATEGIC PLAN:**

The 2007-2010 Strategic Plan identified the Focus Area of Service Excellence, with the specific objective to ensure that all regional programs and services are citizen/ customer focussed in order to meet the needs and expectations of the community. As a specific action of this objective an organization-wide Service Strategy Framework and implementation plan was developed through extensive consultation. The Service Strategy Framework and Implementation plan were adopted by both the Corporate Leadership Team and Council. The most significant component of the implementation plan was to examine access to Regional services by telephone.

## **FINANCIAL IMPLICATIONS:**

As part of the 2011 budget process, capital funding for the required technical systems and transition funding was approved subject to submitting a detailed business case and obtaining Council approval to proceed. The June and August reports combined will fulfill that requirement from staff's perspective. Our objective remains to increase the level of service to the public using existing operating resources to the largest extent possible once the SFCC is fully configured. This will be explained in more detail in the August report.

**OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:**

An extensive consultation process was conducted with staff from every Department across the organization as part of this study and the development of its recommendations. CLT has engaged in a detailed review of this initiative and fully supports the direction proposed.

**ATTACHMENTS**

NIL

**PREPARED BY:** *Deb Bergey, Manager, Citizen Service*  
*Kris Fletcher, Director, Council and Administrative Services*

**APPROVED BY:** *Gary Sosnoski, Commissioner, Corporate Resources*



**REGION OF WATERLOO**

**CORPORATE RESOURCES  
Facilities Management and Fleet Services**

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**TO:** Chair Tom Galloway and Members of the Administration and Finance Committee

**DATE:** June 21, 2011 **FILE CODE:** A20-30(A)

**SUBJECT: UPDATE ON SOLAR PHOTOVOLTAIC RENEWABLE ENERGY INITIATIVE**

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**RECOMMENDATION:**

For information.

**REPORT:**

On June 16<sup>th</sup> 2010 in Report CR-FM-10-012 Council approved a Capital Project, the “Renewable Energy Initiative: Solar Photovoltaic”. The Project funding of \$16 million is being used to implement a new solar electricity initiative on Regional facilities as part of the Ontario Power Authority (OPA) Feed-in Tariff (FIT) and MicroFIT programs with a target capacity of 2.2MW. This \$16 million is in addition to \$1.5 million approved for the Operation Centre project in the 2009 Capital Program. The annual power generation for 2.2MW system is estimated to be 2,584 MWh’s (or 2,584,000 kWh’s) of electricity and will reduce green house gas (GHG) emissions by 425 tonnes per year. The estimated net revenue for the 20 year OPA agreement is \$4.774 million.

Benefits of this renewable electricity initiative include:

- Help Ontario phase out coal-fired electricity generation by 2014 – the largest greenhouse gas (GHG) reduction initiative in Canada
- Boost economic activity and the development of renewable energy technologies
- Create new green industries and jobs
- Support the Region’s own Environmental Sustainability Strategy to reduce GHG emissions
- An attractive financial return on investment through the 20-year OPA contract with an ongoing cost benefit of owned generation capacity up to 20 years beyond the contract life.
- Opportunity for reinvestment of revenue in energy conservation projects to further reduce GHG emissions in the Region

The Solar Photovoltaic initiative is progressing well, but has experienced some unexpected delays due to a slower than anticipated OPA approval process. Presently applications have been made to the OPA for 25 locations with contract agreements received for 14 sites. The applications submitted total 1.9 MW representing 86% of our 2.2MW target. Staff are currently in the process of evaluating additional locations for the remaining 14% of the MW target and hope to submit applications by late summer.

The 170 kW system at the Operations Centre comprising of 806 panels was fully commissioned and operational in early 2011. This project has achieved commercial operation and the Region is to be paid revenue through the FIT program retroactive to May 1, 2011. This system is intended to reduce the Region’s electrical load on the provincial distribution system by generating approximately 10% of the Operations Centre’s electrical consumption. The annual power generation for the 170 kW system is estimated to be 195,000 kWh’s of electricity, and will reduce GHG emissions by 40 tonnes per year. The estimated annual net revenue is \$115,000.

Further RFP's were issued for other locations and construction is currently underway at several facilities and progress regarding other installations is summarized below.

<b>RFP#</b>	<b>Location</b>	<b>Capacity</b>	<b>Status</b>
✓ <b>P2009-63</b>	Operations Centre, 100 Maple Grove Rd.	170 kW **	Construction Complete
✓ <b>P2010-57</b>	Regional Housing		Construction in 2011
	<ul style="list-style-type: none"> <li>▪ 339 Bishop</li> <li>▪ 84 Wilson</li> <li>▪ 119 College</li> <li>▪ 70 Mulberry</li> <li>▪ 95 Concession</li> <li>▪ 168 Grand</li> <li>▪ 215 Lorraine</li> <li>▪ 74 Church</li> </ul>	<ul style="list-style-type: none"> <li>55 kW</li> <li>8 kW **</li> <li>8 kW **</li> <li>9 kW **</li> <li>40 kW **</li> <li>91 kW **</li> <li>38 kW **</li> <li>10 kW **</li> </ul>	
✓ <b>P2010-64</b>	GRT and Police		Construction 2012/2013
	<ul style="list-style-type: none"> <li>▪ GRT Strasburg, Building A, 250 Strasburg</li> <li>▪ GRT Strasburg, Building B, 85 Chandler</li> <li>▪ Police North Division, 45 Columbia</li> </ul>	<ul style="list-style-type: none"> <li>250 kW</li> <li>250 kW</li> <li>40 kW</li> </ul>	
✓ <b>P2011-12</b>	Mixed		Construction in 2011/2012
	<ul style="list-style-type: none"> <li>▪ Police Central Division, 134 Frederick</li> <li>▪ Mannheim WTP, 2069 Ottawa</li> <li>▪ GRT Kit Terminal, 15 Charles</li> <li>▪ Cambridge Children's Centre, 99 Beachwood</li> <li>▪ Regional Housing, 9&amp;10 Westgate</li> </ul>	<ul style="list-style-type: none"> <li>50 kW **</li> <li>100 kW **</li> <li>4 kW **</li> <li>5 kW **</li> <li>128 kW **</li> </ul>	
✓ <b>Pending RFP's</b>	Mixed		Construction TBD
	<ul style="list-style-type: none"> <li>▪ Operations Centre (Phase 2)</li> <li>▪ Housing, 145 Overlea</li> <li>▪ Housing, 778 Walter</li> <li>▪ Erb St. Reservoir, 990 Erb</li> <li>▪ Mannheim PS, 1990 Ottawa</li> <li>▪ Parkway Reservoir, 34 Manitou</li> <li>▪ Turnbull WTP, 1037 Elgin</li> <li>▪ New Hamburg PS, 389 Fairview</li> </ul>	<ul style="list-style-type: none"> <li>70 kW **</li> <li>20 kW</li> <li>25 kW</li> <li>144 kW</li> <li>190 kW</li> <li>56 kW</li> <li>120 kW</li> <li>20 kW</li> </ul>	

**Note:** An RFP for the 8 facilities totaling approximately 645 kW will be issued in the fall of 2011. Construction for the final phase of this project is expected to begin in the spring of 2012.

#### \*\* Contract Agreements Received

Staff will provide another status report in the fourth quarter of 2012 with information regarding OPA contracts and applications, installed systems, overall percentage of the 2.2 MW target attained and recommendations for use of revenue in relation to the power generation actual to estimates of the installed systems.

**CORPORATE STRATEGIC PLAN:**

Successful implementation of energy reduction programs and producing renewable sources of energy support the Corporate Strategic Plan in Strategic Focus Area 1- Environmental Sustainability: protect and enhance the environment. This initiative is a direct result of one of the key actions in Focus Area 1: Research and pilot alternate energy sources in Regional Facilities.

The OPA's FIT program aligns naturally with the Region's values of Innovation and Collaboration by setting the groundwork for innovative solutions to the Provinces electricity supply challenges and promoting collaboration between various stakeholders including local distribution companies, municipalities, the greater business community and the solar industry.

**FINANCIAL IMPLICATIONS:**

The capital project Renewable Energy Initiative: Solar Photovoltaic was approved for \$16 million (Report CR-FM-10-102) to be funded 100% from debentures. This was in addition to \$1.5 million approved in the 2009 Capital Program. The estimated net revenue for the 20 year OPA agreement is \$4.774 million. This includes the grant of \$1.080 million from the Ministry of Municipal Affairs and Housing (MMAH) and payment in lieu of taxes (PILS).

To date \$ 8.75 million dollars have been spent or committed to the project. We are presently working within budget when comparing budget to actual construction and installation costs. The budget also includes operation and maintenance costs over the 20 year debenture period.

**OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:**

Finance and Legal staff have reviewed this report and their comments have been incorporated as appropriate. Staff from all impacted program areas have been consulted to discuss inclusion of facilities in their program areas.

**ATTACHMENTS**

NIL

**PREPARED BY:** *Chad Grummett*, Acting Corporate Energy Specialist

**APPROVED BY:** *Gary Sosnoski*, Commissioner, Corporate Resources



**REGION OF WATERLOO**

**CORPORATE RESOURCES  
Facilities Management and Fleet Services**

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**TO:** Chair Tom Galloway and Members of the Administration and Finance Committee

**DATE:** June 21, 2011

**FILE CODE:** D06-80

**SUBJECT: PROVINCIAL GREEN ENERGY ACT**

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**RECOMMENDATION:**

For information.

**SUMMARY:**

Recently, a proposed regulation under the Ontario's *Green Energy Act* (2009) was posted on the Provincial Environmental Registry for a 45 day public comment period ending July 1<sup>st</sup> 2011. This regulation requires municipalities and other public institutions to annually report on energy consumption, greenhouse gas emissions and provide conservation plans along with progress updates. Given the factors addressed within the report CR-FM-11-016, staff suggest that no formal response to the draft regulations is required from the Region of Waterloo at this time. The final form and content of the draft regulation is subject to change as a result of the consultation process and would not come into force earlier than January 1, 2012.

**REPORT:**

**Proposed Provincial Regulation – Energy Conservation Planning and Reporting**

Ontario's *Green Energy Act* (GEA) received Royal Assent on May 14, 2009 as part of the province's long-term energy plan to stimulate growth in the renewable energy sector and to provide a reporting framework for energy conservation plans. The proposed energy regulation applies to Municipalities along with Universities and Colleges, Schools and Hospitals and has two related requirements: i) reporting and; ii) conservation planning.

The proposed annual reporting requirements are due on July 1, 2013 using energy consumption and greenhouse gas emission data from the year 2012 for all designated facilities listed within the regulation. Individual building characteristics such as year built and gross area are also required input fields within the proposed reporting template. By July 1, 2014, public agencies will also have to provide the Ministry of Energy with conservation and demand management plans for their owned and operated facilities covering a three year period and provide annual progress updates.

The municipal energy conservation plans require municipal council approval and the energy consumption and greenhouse gas (GHG) emission data must be posted on their corporate web site. Data reported will be benchmarked for comparisons with similar facilities across the province with new web-based tools being developed by the Ministry of Energy. Municipalities will also be required to report on renewable energy projects that they are undertaking including the energy produced from these instalments.

Overall, the Region of Waterloo is well positioned to move towards achieving compliance with the proposed reporting requirements over the next two years. Staff have been anticipating these

regulations since 2009 and have been preparing as much as possible without the regulatory details based on the content of the GEA and consultation with the Association of Municipalities of Ontario (AMO). The Region's Energy Conservation Office has been tracking energy consumption data on all Regionally owned facilities for several years and has a database with details at the individual facility level. Additionally, the Sustainability Office has also recently established a GHG emissions database which includes the scope of these facilities. Detailed building characteristics are also maintained in another facilities database. However, there will be some adjustments to current data management practices within Facilities Management in order to fulfill the annual reporting and conservation planning requirements in areas such as consolidation of database information and measurement and verification of energy initiatives undertaken by the Region.

Developing energy management targets is part of the current draft Corporate Strategic Plan. Although the Ministry encourages target setting, it is not currently a mandatory part of the draft regulation. However, conservation demand management plans are required including forecasted results which help provide the basis to establish energy targets. A draft energy strategy has been prepared by staff and will need further work to meet the specific requirements of the conservation plans described within the proposed regulations. Staff will report back to Regional Council with a finalized strategy addressing both reporting and conservation planning prior to the aforementioned deadlines specified within the draft regulations. This report will also include recommended energy targets for Council's consideration.

Staff has sought clarification from the Ministry of Energy staff on the scope of municipal facilities included in the proposed regulation, for example, Region owned and operated community housing properties along with leased space are excluded within the reporting requirements. AMO has indicated that they will be commenting on other aspects of the draft regulations regarding lengthening the duration of energy conservation plans to five years from three and also address reporting issues around base years used and emission factors.

Given the factors addressed above, staff suggest that no formal response to the draft regulations is required from the Region of Waterloo at this time. The final form and content of the draft regulation is subject to change as a result of the consultation process and would not come into force earlier than January 1, 2012.

### **The Future of the Green Energy Act and Feed-in-Tariff program**

The provincial Liberal Party ushered in the GEA during their current majority government. The leader of the provincial Conservative Party has publicly stated that the Feed-in-Tariff (FIT) program within the GEA will be terminated if his party is successfully elected in the upcoming election. At this point the Conservative leader has indicated that any signed FIT contracts will be honoured but no new projects will be approved. This has created an array of advocacy regarding this aspect of the GEA legislation as it has significant economic as well as environmental implications. For example, staff recently became aware of an advocacy effort by the Citizens Climate Lobby of Canada urging business to sign an open letter to the provincial leaders of the Progressive Conservatives, Liberals and New Democrat Party in support of retaining the FIT program. To date signatories of the letter include private businesses involved in the green energy sector and environmental non-governmental organizations.

The Region has long-term interests in the FIT program due to its current investment in installing solar panels on approximately 30 Regional buildings. A companion report, also before Council's Administration and Finance Committee on June 21<sup>st</sup> outlines the status of these projects (CR-FM-011-015). The AMO supports the FIT and encourages their municipal members to participate in the provincial program. The AMO is advocating their support of FIT to the Ontario Power Authority with regard to the long-term energy plan being developed by the province. Staff will report back to

Council with any further developments or changes to the GEA and FIT program as they evolve.

**CORPORATE STRATEGIC PLAN:**

Sustainably managing the Region's use of energy resources is a strategic action within Focus Area 1: Environmental Sustainability.

**FINANCIAL IMPLICATIONS:**

Staff are not aware of any additional financial implications at this time. There are several technical and financial supports for energy planning and conservation projects. The Ontario Power Authority's new Save ON Energy program is being delivered by local distribution companies (LDC's or utility companies) and will support energy audits up to \$35,000 and 50% of energy retrofits. Energy Planning is also Gas Tax eligible.

**OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:**

This report has been reviewed by Legal Services.

**ATTACHMENTS:**

NIL

**PREPARED BY:** *David Roewade*, Sustainability Planner, Corporate Resources

**APPROVED BY:** *Gary Sosnoski*, Commissioner, Corporate Resources

**COUNCIL ENQUIRIES AND REQUESTS FOR INFORMATION**

**ADMINISTRATION AND FINANCE COMMITTEE**

<b>Meeting date</b>	<b>Requestor</b>	<b>Request</b>	<b>Assigned Department</b>	<b>Anticipated Response Date</b>
04-Mar-08	P&W	Best Value Bidding	Finance/Purchasing	Jan-2011
09-Dec-09	Budget Committee	Comparison of reserves, expenditures and debt-per-capita between Region and comparator municipalities	Finance	May-2011
26-Jan-10	Committee	Report on a policy related to development charge grants, exemptions and deferral requests, to include past history/practice, implications, and options.	Finance	May 2011
08-Jun-10	A&F	Review current funding for the tax increment grant program, with full range of funding options.	Finance	Spring 2011
23-Nov-10	A&F	Assess the application of the prequalification guidelines (both generals and sub contractors) and report back to A & F after one years experience	Finance	Nov-2011
23-Feb-11	Budget Committee	GRCA levy and properties not receiving water/wastewater service	Finance	Fall/Winter 2011
23-Mar-11	Budget Committee	Review of reserve funds	Finance	May-2011
23-Mar-11	Budget Committee	Review of and options for long-term user rate models, for 2012 Budget process	Finance	Fall 2011 / Budget 2012 process