

Region of Waterloo
Planning, Development, and Legislative Services
Community Planning

To: Planning and Works Committee
Meeting Date: August 15, 2023
Report Title: Community Energy Investment Strategy – Collaborative Funding Partnership

1. Recommendation

That the Regional Municipality of Waterloo extend the collaborative funding agreement with area municipal and utility partners for an additional four year period to continue the implementation of the Community Energy Investment Strategy, requiring a total contribution of \$358,768, as outlined in report PDL-CPL-23-025, dated August 15, 2023.

2. Purpose / Issue:

To request Council endorsement to extend a collaborative funding partnership.

3. Strategic Plan:

The collaborative funding arrangement helps achieve Strategic Objectives 3 Environment and Climate Action, and 1 Thriving Economy, as well as Actions: 3.1 Reduce greenhouse gas emissions; 3.2 Improve resilience to climate change and/or severe weather; and 1.1 Create a competitive business-supportive community to help attract, retain and grow employers, talent and investments in Waterloo Region. It also advances our strategic imperatives including: balancing rural and urban communities; fostering partnerships; taking climate action; and efficiency, effectiveness and value for money.

4. Report Highlights:

- In 2018, the Region of Waterloo, in collaboration with the Cities of Cambridge, Kitchener and Waterloo, and the (then) five local electric and natural gas utilities, developed a Community Energy Investment Strategy (CEIS) with the aim of improving and sustaining Waterloo Region's economic competitiveness and quality of life through the coordination of targeted energy investments (PDL-CPL-18-06).
- The CEIS is implemented through the WR Community Energy (WRCE) program, and is overseen by a joint Governance Committee composed of senior staff from

the Region, area municipalities and local utilities.

- Since its initiation the WRCE program has:
 - Identified and evaluated renewable energy opportunities in Waterloo Region, including [Wastewater Heat Recovery](#), [Open Loop Geoexchange](#), [Wind, Biomass and Solar Energy](#); and
 - Incubated multi-partner initiatives, including harmonized Green Development Standards for Waterloo Region (PDL-CPL-23-006) and a Home Energy Retrofit Financing Program for Waterloo Region (in development).
- Staff recommend extending the collaborative funding agreement for an additional 4 years (2023 – 2026). The Region's annual contribution of \$63,000 is included in the 2023 operating budget.

5. Background:

The CEIS recognizes that Waterloo Region is experiencing an energy transition that requires the development of clean, local, and equitable energy. The CEIS builds on energy management considerations identified in provincial policy, the Region's Economic Development Strategy, and TransformWR. Implementing the CEIS will be critical to achieving the Council-endorsed greenhouse gas (GHG) target of an 80% reduction in emissions by 2050, below 2010 levels.

A CEIS Governance Committee, composed of senior leaders from the Region, area municipalities and local utilities provides oversight responsibility for the WRCE program, which advances the recommended actions of the Strategy, and ensures the right stakeholders are working together to take advantage of local opportunities.

WRCE projects are guided by the following tenets: 1) private developers need support to incorporate clean and local energy into their projects; 2) all municipal and utility policies need to include clean, local, and equitable energy considerations; and 3) infrastructure is needed to move renewable energy sources to its end users.

The Region, the Cities of Cambridge, Kitchener and Waterloo, Enova Power, GrandBridge Energy, and Enbridge Gas jointly fund the WRCE program. The Region and Grand River Energy provide administrative support for all financial aspects of the CEIS implementation.

6. Communication and Engagement with Area Municipalities and the Public

The Region and the area municipalities participate as members of the CEIS Governance Committee and provide funding contributions to support WRCE program expenses. WRCE's governance structure includes multiple working groups comprised of staff from the member organizations, as well as local community and non-profit

organizations. This collaborative approach ensures alignment and coordination across Waterloo Region.

7. Financial Implications:

A four year extension to the collaborative funding agreement would require a total Regional contribution of \$358,768 over the next four years, as outlined in Table 1. Increases from year to year reflect the financial resources required to hire two additional full-time staff members to support the design and implementation of Green Development Standards.

Table 1: Regional Financial Contributions to Waterloo Region Community Energy (WRCE) for Implementation of Community Energy Investment Strategy (CEIS)

Year	2023		2024	2025	2026
	Budget	Actual			
Regional contribution	\$63,000	\$72,828	\$81,600	\$93,500	\$110,840
4 Year Total					\$358,768

The approved 2023 Community Planning operating budget includes a provision of \$63,000 for the Region's contribution to this work. The 2023 contribution shown in Table 1 reflects a recently revised budget forecast approved by the Governance Committee in May 2023. The increase in the allocation over the 2023 budget provision reflects the urgency related to developing Green Development Standards. The balance of the costs for 2023 can be offset by savings in other areas of the Community Planning operating budget. Annual contributions are expected from the Cities of Cambridge, Kitchener and Waterloo, and the local utilities.

8. Conclusion / Next Steps:

WRCE has established several priorities for the second term of this program (2023-2026), which include:

- Developing and supporting the implementation of Green Development Standards for Waterloo Region;
- Developing and implementing a Thermal Energy Strategy;
- Updating the CEIS to reflect new and emerging opportunities;
- Hosting Community Energy Events to mobilize support for the CEIS; and
- Providing technical expertise to partner to advance the energy transition.

9. Attachments:

Nil.

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