

MEMORANDUM

January 21, 2019

TO: Members of Council
FROM: Rick Cox, Director of Recreation, Culture & Parks

RE: Operational savings from energy projects

At the Council Budget Meeting on Monday, January 7, 2019, it was requested that staff provide additional information about how the operational savings from implementing LED lighting replacements and co-generation projects are being used to offset the principal and interest payments associated with the projects. Consumption and cost trend graphs are attached.

LED Rink Lights

A project to replace the lighting in both arenas with LED fixtures was completed in early August 2017 just in time for the NHL 150 event. The project had an \$110,000 budget, funded with \$90,000 in debt funded from operational savings and \$20,000 in rebates. The project actually cost \$109,330.39 and achieved \$21,871.10 in rebates, leaving a surplus of \$2,540.71. The first debt repayment was due in 2018 and consisted of \$4,500 in principal and \$2,903.96 in interest.

After the LED project, hydro consumption at the facility for August – December 2017 was down by 132,996 kWh over a similar period in 2016. This translates into a savings of \$21,214.51 at 2017 rates.

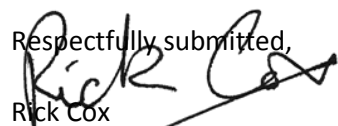
TCC Co-generation Project

The co-generation project at the Tillsonburg Community Centre is still in the process of achieving final commissioning. The project has a budget of \$2.34 million, funded with \$2,085,000 in user-pay debt and \$255,000 in rebates. The first debt repayment is due in 2019 and consists of \$104,250 in principal and \$72,472.08 in interest for a total of \$176,722.08.

The turbines have been generating hydro to serve the facility's base load since June. Grid-based hydro consumption at the facility for July – December 2018 was down by 66% compared to the same period in 2017. Despite significant unit cost increases, the net savings (reduced hydro cost minus increased gas cost) achieved between July-December 2018 totals over \$116,000. Similar results projected over a full year would save over \$199,000, or \$22,000 more than the P&I cost. However pool heat-recovery implementation was not completed until early December so it is too early yet for utility billings to reflect the full benefit of the project.

The 2019 draft budget allocates \$382,100 for utilities at the TCC. This is a reduction of \$194,000 from the approved 2018 allocation of \$576,100.

Respectfully submitted,



Rick Cox
Director of Recreation, Culture & Parks