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CITY OF MARKHAM
CLERKS DEPT.

Corporate Services
Regional Clerk's Office

October 20, 2017

Ms. Kimberley Kitteringham
City Clerk
City of Markham
101 Town Centre Boulevard
Markham, ON L3R 9W3

Dear Ms. Kitteringham:

Re: Municipal Greenhouse Gas Challenge Fund Application

Regional Council, at its meeting held on October 19, 2017, adopted the following recommendations of Committee of the Whole regarding "Municipal Greenhouse Gas Challenge Fund Application":

1. Council endorse Regional projects in the following areas for submission to the Municipal Greenhouse Gas Challenge Fund.
 - a) Paramedic and Senior Services Fleet Efficiencies
 - b) Transit Fleet Efficiency and Fuel Switching
 - c) Sustainable Buildings and Processes
2. The Regional Clerk circulate this report to the local municipalities and the Ministry of the Environment and Climate Change.

A copy of Clause 13 of Committee of the Whole Report No. 13 is enclosed for your information.

Please contact Wendy Kemp, Director, Strategy and Innovation at 1-877-464-9675 ext. 75141 if you have any questions with respect to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Raynor".

Christopher Raynor
Regional Clerk

/C. Clark
Attachment

The Regional Municipality of York | 17250 Yonge Street, Newmarket, Ontario L3Y 6Z1
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#7914232

Clause 13 in Report No. 13 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on October 19, 2017.

13

Municipal Greenhouse Gas Challenge Fund Application

Committee of the Whole recommends adoption of the following recommendations contained in the report dated September 22, 2017 from the Commissioner of Environmental Services:

1. Council endorse Regional projects in the following areas for submission to the Municipal Greenhouse Gas Challenge Fund.
 - a) Paramedic and Senior Services Fleet Efficiencies
 - b) Transit Fleet Efficiency and Fuel Switching
 - c) Sustainable Buildings and Processes
 2. The Regional Clerk circulate this report to the local municipalities and the Ministry of the Environment and Climate Change.
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Report dated September 22, 2017 from the Commissioner of Environmental Services now follows:

1. Recommendations

It is recommended that:

1. Council endorse Regional projects in the following areas for submission to the Municipal Greenhouse Gas Challenge Fund.
 - a. Paramedic and Senior Services Fleet Efficiencies
 - b. Transit Fleet Efficiency and Fuel Switching
 - c. Sustainable Buildings and Processes

Municipal Greenhouse Gas Challenge Fund Application

2. The Regional Clerk circulate this report to the local municipalities and the Ministry of the Environment and Climate Change.

2. Purpose

This report seeks Council endorsement of seven Regional projects for submission to the Municipal Greenhouse Gas Challenge Fund coordinated by the Ministry of the Environment and Climate Change (the Ministry).

3. Background and Previous Council Direction

Staff continue to actively seek additional funding opportunities through federal and provincial funding programs

In September 2017, Council received an update on federal and provincial funding opportunities. Staff identified opportunities to seek funding for Regional projects through the Public Transit Infrastructure Fund, Clean Water and Wastewater Fund and the Green Municipal Fund. A new provincial funding opportunity, Municipal Greenhouse Gas Challenge Fund has been announced that the Region will be pursuing.

Province introduces Municipal Greenhouse Gas Challenge Fund to support municipalities to reduce their carbon footprint

On August 14, 2017, the provincial government announced the Municipal Greenhouse Gas Challenge Fund, aimed at supporting community-led action on climate change. The fund is part of Ontario's Climate Change Action Plan to fight climate change, reduce greenhouse gas emissions and transition to a low-carbon economy. The provincial Action Plan and Cap and Trade program form the basis of Ontario's strategy to cut greenhouse gas emissions.

The Ontario government is investing up to \$100 million in the Municipal Greenhouse Gas Challenge Fund in 2017/18, which is derived from carbon market proceeds. Municipalities may request up to \$10 million per project and the Province will fund up to 100 per cent of eligible costs for municipal projects that reduce greenhouse gas emissions in any sector, including buildings, transportation, water and waste. Applicants that can provide a 50 per cent cost-share will be favoured.

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Applications to new provincial fund must be submitted by November 14, 2017

The Municipal Greenhouse Gas Challenge Fund is an application-based program. The deadline to submit an application is November 14, 2017. Municipalities are welcome to submit more than one application. Successful applicants will be informed in writing by February 2018. Projects must commence by March 2019 and projects that are already underway are only eligible if they were initiated after June 1, 2016.

4. Analysis and Implications

Municipal Greenhouse Gas Challenge Fund program criteria emphasizes greenhouse gas reduction

Staff have reviewed program criteria for the Municipal Greenhouse Gas Challenge Fund. Projects will be evaluated by the Province on the following criteria:

- Project focus (10%)
- GHG Emissions Reduction Assessment (40%)
- Project Co-benefits (10%)
- Alignment with Municipal GHG Emissions Planning (10%)
- Work Plan and Budget (30%)

Higher scores will be given to projects that result in significant and cost-effective greenhouse gas emission reductions. Similarly, more points will be awarded to projects that aim to replace fossil fuels with clean, renewable energy and achieve net zero (or better) emissions in the following areas: buildings, transportation systems, and infrastructure.

Any Ontario municipality is eligible to apply for funding, provided the municipality has completed a community-wide greenhouse gas inventory

Under the new Municipal Greenhouse Gas Challenge Fund, any Ontario municipality with a community-wide greenhouse gas emissions inventory, emissions reduction targets, and a strategy to reduce emissions is eligible to apply. A community-wide energy plan, or Municipal Energy Plan, is a comprehensive long-term plan designed to improve energy efficiency, reduce energy use, and mitigate climate-changing greenhouse gas emissions. These

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plans encompass all of the energy used in the community including residential, commercial, industrial, and public sector as well as transportation energy.

Currently three local municipalities in York Region have completed community-wide energy plans representing two-thirds of the Region's population

All local municipalities report corporate greenhouse gas emissions while some have undertaken community-wide energy plans. York Region is one of a few municipalities across Ontario with a two-tier governance structure consisting of the upper-tier Regional government and local municipal governments. In a two-tier governance structure like York Region, community-wide emissions are currently identified in lower-tier plans. Table 1 shows the community-wide energy plans currently in place at the local municipal level in York Region. Because of its relatively unique governance structure, the local municipalities prepare community-wide plans with the Region preparing a corporate plan for the community services it provides (e.g. paramedic services requiring an ambulance fleet, transit services, etc.)

Table 1
Community-Wide Energy Plans in York Region

Local Municipality	Status of Community-Wide Energy Plans	Completion Date
Town of Aurora	To be initiated in 2018	2020
Town of East Gwillimbury	Completed	2009
Town of Georgina	N/A	N/A
Township of King	N/A	N/A
City of Markham	In Progress	2017
Town of Newmarket	Completed	2016
Town of Richmond Hill	N/A	N/A
City of Vaughan	Completed	2016
Town of Whitchurch-Stouffville	N/A	N/A

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Based on the information in Table 1, 67 per cent of York Region's total population are covered by community-wide energy plans.

York Region has a council-endorsed corporate Energy Conservation and Demand Management Plan

In May 2016, Council endorsed the Energy Conservation and Demand Management Plan (the Plan), which sets targets for greenhouse gas emissions inspired by Vision 2051 and its aspirational goal of moving the Region toward zero emissions from Regional operations. The Region's Energy Conservation and Demand Management Plan covers all corporate activities that influence community-wide emissions (e.g. transit buses and solid waste processing). The plan was well received by the Environmental Commissioner of Ontario when shared last year. The Energy Conservation and Demand Management Plan augments the community-wide greenhouse gas inventory, prepared by local municipalities.

Community-wide energy plans combined with the Region's Plan meet the spirit of criteria for a community-wide greenhouse gas

The local municipal community-wide energy plans combined with the Region's Energy Conservation and Demand Management Plan meet the spirit of a community-wide greenhouse gas inventory as required for Municipal Greenhouse Gas Challenge Fund eligibility. In total, the community-wide plans and the Region's Plan describe proposed greenhouse gas emission reduction actions that span the entire geography of York Region.

Region advancing application for funding with shovel-ready projects

The Region has identified a number of "shovel-ready" projects that have high greenhouse gas emission reduction potential with Region-wide benefits. These projects are currently scheduled in future years due to funding constraints. Because the projects are fully developed and have a work plan, the availability of this funding would provide the opportunity for the Region to bring them forward almost immediately.

Proposed projects will achieve an estimated reduction of 58,582 tonnes in the Region's greenhouse gas emissions if fully implemented

In order to advance Regional projects with the greatest potential to secure funding under the Municipal Greenhouse Gas Challenge Fund, staff compiled a list of eligible projects that provide the greatest opportunity for cost-effective greenhouse gas reductions using the Greenhouse Gas Estimation Guide

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provided by the Province. Table 2 shows the list of Regional projects selected for submission to the new provincial fund.

If fully implemented, the Region's greenhouse gas emissions from corporate activities will be reduced by an estimated 58,582 tonnes. The majority of these emissions reductions are provided by projects that focus on transportation fleet (ambulance and transit) initiatives. These projects therefore align well with the Province's goals because emissions from transportation are one of the largest sources of emissions at both the Provincial and Regional levels.

Table 2
**Regional Projects Proposed for Submission to the
Municipal Greenhouse Gas Challenge Fund**

Project	Estimated GHG Reduction (in tonnes)	Funding Requested	Total Project Cost
Paramedic and Senior Services Fleet Efficiencies			
Hybrid Electric Powertrain Technology for ambulances	1,944	\$1,630,000	\$1,630,000
Roof solar panels/electric a/c unit for ambulances	620	\$1,315,000	\$1,315,000
Anti-idling Technology for Paramedic Vehicles	1,500	\$830,000	\$830,000
Hybrid SUV Pilot for Paramedic Rapid Response Units	152	\$450,000	\$450,000
Transit Fleet Efficiency and Fuel Switching			
Hybrid Transit Buses	7,632	\$2,700,000	\$8,480,000
Advanced Technology Transit Bus Upgrades	46,188	\$2,647,500	\$2,647,500
Sustainable Buildings and Processes			
Building Energy Management Retrofits	816	\$2,100,000	\$2,300,000
Total	58,852	\$11,672,500	\$17,652,500

Requested funding in Table 2 includes Regional investments already made toward these initiatives that qualify for reimbursement by the Fund.

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Advancing applications for provincial funding supports Regional Official Plan, Vision 2051 and other key Regional plans

Leveraging available provincial funding through the Municipal Greenhouse Gas Challenge Fund also supports the aspirational goal of moving toward zero emissions from Regional operations outlined in Vision 2051. Similarly, it supports Council-approved greenhouse gas reduction targets set out in the Energy Conservation and Demand Management Plan.

5. Financial Considerations

The financial implications of the Municipal Greenhouse Gas Challenge Fund will depend on the successful outcome of applications to the fund, determined by the Province. Over the long term, these projects will also help offset operational costs resulting from reduced fuel consumption and greater energy efficiency.

6. Local Municipal Impact

Regional staff have established a new working group with local municipal staff to explore opportunities to collaborate and drive further opportunities on energy projects and programs. This new working group will bring together key staff from the Region and local municipalities to share best practices and be better positioned for future funding opportunities geared towards energy conservation and greenhouse gas reduction. An initial working group meeting is planned for Q4 2017.

7. Conclusion

New Municipal Greenhouse Gas Challenge Fund offers substantial opportunity to support drive toward zero emissions

Staff have reviewed and compared funding criteria and program eligibility to compile a list of Regional projects to advance applications for funding under the Province's new Municipal Greenhouse Gas Challenge Fund. A list of Regional projects with the greatest potential for greenhouse gas emissions reductions and a detailed work plan to achieve project outcomes was compiled in order to advance the most likely candidates for provincial funding. Council endorsement of these projects will support the Region's application for funding under the Municipal Greenhouse Gas Challenge Fund and Council's continued leadership in the area of reducing corporate greenhouse gas emissions.

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The Region's Energy Conservation and Demand Management Plan sets targets for greenhouse gas emissions and covers all corporate activities that influence community-wide emissions. Regional staff are proposing to meet the requirement for a community-wide greenhouse gas inventory based on a combination of local community plans and the Region's Energy Conservation and Demand Management Plan. Advancing this application reinforces the value of including the Region's initiatives as part the Province's overall objective to reduce greenhouse gas emissions.

For more information on this report, please contact Wendy Kemp, Director, Strategy and Innovation at 1-877-464-9675 ext. 75141.

The Senior Management Group has reviewed this report.

September 22, 2017

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Accessible formats or communication supports are available upon request