

Drummond Commission receives recommendations on guaranteed performance based solutions to upgrade Ontario's aging infrastructure and save money

The Energy Services Association of Canada provides input to The Commission on the Reform of Ontario's Public Services

(TORONTO, ON Jan. 31, 2012) – The Energy Services Association of Canada (ESAC) has submitted a report called *The Role and Benefits of Performance Based Solutions in the Rehabilitation of Ontario's Public Sector Infrastructure* to the Commission on the Reform of Ontario's Public Services.

ESAC illustrated to the Drummond Commission how this type of solution allows broader public service organizations to make needed upgrades and improvements with little risk. With the upgrades and improvements funded through guaranteed energy and operational savings.

Energy efficiency upgrades and overall infrastructure renewal initiatives can all be achieved through performance based solutions delivered and guaranteed by energy services companies.

“The result is upgraded facilities, lower energy consumption/cost and reduced greenhouse gas emissions. This allows building owners to focus their time, energy and limited financial resources into their core mission,” said Peter Love, President of ESAC.

ESAC in their submission to the Drummond Commission makes the following six recommendations:

- 1. All Ministries and Broader Public Sector Agencies Utilize Performance Based Solutions** – It is recommended that all Ministries and Broader Public Sector (BPS) agencies use Performance Based Solutions as a key feature of their Energy Conservation and Demand Management Plans. It is further recommended that Ministries and BPS be encouraged to use this approach to finance their deferred maintenance projects and thereby eliminate their unfunded deferred maintenance liabilities.
- 2. Require Performance Guarantees for Retrofit of Ministry and Broader Public Sector Agency Buildings** – The government's “Broader Public Service Procurement Directive” should require performance guarantees by suppliers of building energy retrofits of all Ministry and Broader Public Sector buildings.
- 3. Encourage the Use of Request for Qualifications to Select Performance Based Solution Partners** – The Association recommends that the government encourage the use of Request for Qualifications to identify Performance Based Solutions partners rather than the much more restrictive and expensive Request for Proposal method.
- 4. Do Not Permit Regulated Local Distribution Companies to Offer Energy Performance Contracts** – Regulated local distribution companies, whose returns are guaranteed by rate-payers, should not be permitted to offer Energy Performance Contracts that compete with taxpaying private companies which offer a full range of Performance Based Solutions.
- 5. Permit Use of In-Series Metering and Recognize Unique Connection Capacity Attributes for Feed-In-Tariff Program Installations in Campus Complexes** – Many campus-style institutions such as hospitals,

colleges and universities are not able to connect renewable energy systems directly into the local distribution system. It is recommended that in-series metering be permitted for these campus-like situations. It is further recommended that Connection Impact Assessments be permitted to recognize that base load requirements can far exceed the capacity of the renewable energy system in campus-like situations.

6. Extend Contract Periods for CDM Programs – Although Ontario’s long term energy plan sets aggressive 20 year conservation targets of 7,100 MW and 28 TWh to 2030, the Ontario Power Authority’s contracts for CDM are only for 3 years to 2014. These contracts periods should be extended, giving program delivery partners the confidence required to make long term commitments that are necessary to ensure that these targets are achieved.

“Reducing energy consumption must continue to be a priority for all levels of government as well as public institutions,” said Peter Love, President of ESAC. He also observed, “For governments, this is an essential to their plans to achieve environmental savings, primarily in terms of reducing greenhouse gas (“GHG”) emissions. For provincial governments (responsible for electricity systems), energy conservation and efficiency is beneficial as it reduces the need for expensive additions of electricity generation, transmission and distribution assets.”

For energy end users, reduced energy use is a growing priority because it represents a way for organizations to control costs. Case studies of twenty-two successful projects were also submitted to the Drummond Commission; they included projects for three municipalities, two universities, two colleges, three school boards, five hospitals, four federal government buildings and three private companies.

An important and often unrecognized benefit of investments in energy efficiency is that they are relatively labour intensive with most of the labour supplied by companies in the immediate vicinity of the project. It is estimated that the \$450 million invested in such solutions in Canada created more than 4,000 direct jobs and over 5,000 indirect jobs for a total of about 9,500 jobs.

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For more information or to arrange an interview with Mr. Love, please contact:

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For further information on Performance Based Solutions and the Energy Services Association of Canada, go to www.energyservicesassociation.ca. On this site there are 37 case studies of the use of Performance Based Solutions from the members of the Energy Services Association of Canada.

ESAC members are:

Ainsworth (www.ainsworth.com), Ameresco (www.ameresco.com), Direct Energy (www.directenergy.com), Honeywell (www.honeywell.com), Johnson Controls (www.jci.com), MCW Custom Energy Solutions (www.mcw.com), Siemens (www.siemens.com), Trane (www.trane.com)

Ontario case studies using Performance Based Solutions include:

Hamilton – Hamilton Health Sciences

Hastings/Prince Edward County – Hastings & Price Edward School Board

Kawartha Pine Ridge – Kawartha Pine Ridge District School Board

Kingston – CFB Kingston

London – London Health Sciences Center

Oakville/Cambridge/Mt Forest/Chatham/St. Clair – Dana Corporation

Ottawa – Algonquin College, Ottawa-Carlton School Board, Public Service Alliance of Canada, Royal Canadian Mint, The Ottawa Hospital

Petawawa – CFB Petawawa

St. Thomas/Elgin – St. Thomas Elgin General Hospital

Thunder Bay – Lakehead University, Confederation College

Timmins – City of Timmins, Timmins and District Hospital

Toronto – Palace Pier Condominium, Toronto Dominion Centre, Toronto Waste Transfer Stations, York University

Windsor – City of Windsor