



Staff Memo

Report To: South Huron Council

From: **Dan Best, Chief Administrative Officer/Deputy Clerk**

Date: November 30 2020

Report: CAO 22.2020

Subject: Special Purpose Committee Update – Wind Turbine Amenity Fund

Recommendations:

That the memo of D. Best, Chief Administrative Officer on behalf of the Special Purpose Committee– Wind Turbine Amenity Fund dated November 20, 2020 be received; and

That the Special Purpose committee recommend to Council that \$50,000 from the Amenity Fee reserve be allocated to the Centralia Community Park Amenities; and

That the Special Purpose committee recommend to Council that \$93,252.48 from the Amenity Fee reserve be allocated to Engineering and Construction costs on Corbett Line from Huron St to Highway 83;

That the Special Purpose Committee recommend to Council that current year Amenity funds received, less funds committed by Resolution of Council, be held for consideration in the following fiscal year; and

That the Special Purpose Committee recommend to Council that the current members be retained for the balance of the Council term to make recommendations to Council.

Purpose:

Approval

Background and Analysis:

Further to the Social Purpose Committees held in 2020 and more recently on November 23, 2020, the Committee requested that a background report be provided to Council with respect to Turbine Revenues.

The following provides an overview of the two Agreements that the Municipality currently holds; Goshen Wind and Grand Bend Wind.

Goshen Wind - January 2015 to November 2034.

- Funds were received commencing January 2016 for 2015 stub year
- An amount of \$289,170 per year (first year prorated \$268,928) is expected as long as the number of megawatts remains the same.

Grand Bend Wind - April 2016 to March 2035

- Funds received commencing March 2017 for 2016 stub year
- An amount of \$60,833.50 per year (first year prorated \$42,833.45) is expected as long as the number of megawatts remains the same.

Termination (same for both agreements)

There is no termination clause, however the FIT contract states;

“Please note that unless terminated early, or a term buy-back option is exercised pursuant to Section 8.1(d) of the FIT Contract, the term of the contract will end at 24:00 hours on November 26, 2034.”

Since 2009 the energy minister’s directive power under the Electricity Act includes, the authority to promulgate, modify and cancel programs such as the FIT program.

Use of the Funds (same for both agreements)

The Community Fund shall be utilized in any lawful manner by Municipality to support the following:

- Expenditures to energy sustainability (ie. Municipal renewable energy systems; vehicle fleet upgrades; building energy-efficiency upgrades; conservation programs);
- Land stewardship initiatives (ie. Habitat creation/improvement; tree planting; shoreline rehabilitation);

- Expenditures relating to development and construction of Municipality Recreation facilities (ie. Arenas, parks, trails);
- Expenditures for improvement of community and protective services (ie. Police, fire, EMS, healthcare);
- Expenditures related to roads and urban infrastructure;
- Expenditures related to education and job training;
- Property tax relief for residents and businesses in the community; or
- Other community-related activities sanctioned by the Municipality.

No payments made pursuant to this agreement shall be used by the Municipality in connection with or in support of any party or participant, including the Municipality, either directly or indirectly, for appeals or judicial review of Goshen's Renewal Energy Approval.

All proposed expenditures or application of funds from the Community Fund shall firstly require the Municipality to deliver not less than 15 days' written notice to Goshen/Grand Bend Wind with respect to any proposed expenditure or application of funds, along with reasonable details of the same, and secondly, the proposals approved for submission to Goshen/Grand Bend Wind by the municipality at a meeting of Council.

The following tables provide an overview amenity fees received and projects funded as of December 31, 2019.

Table 1: Amenity Fees Received

Goshen Wind	\$1,169,658.10
Grand Bend Wind	\$164,500.45
Interest Earned	\$26,814.63
TOTAL	\$1,360,973.18

Table 2: Projects Funded Up To December 31, 2019

Project	Resolution	Year	Source	Amount
SHRC Upgrades	Budget Approval	2016	Goshen	(\$7900.00)
Port Blake	Budget Approval	2016/17	Goshen	(\$105,694.20)
Dashwood CC Washrooms	538-2017	2018	Grand Bend	(\$43,200.00)
Exeter Pool	531-2017	2017 2020 - 2024	Goshen	(\$511,000.00)
TOTAL				(\$667,794.20)

*2020-2024 \$169,986 per annum for Exeter Pool

Table 3: Projects Funded In 2020

Opening Balance	Funds Received In-year	Project	Resolution	Amount
*\$693,178.98				
	*350,003.50			
		Exeter Pool	531-2017	*(\$169,986.00)
		Shipka Line	109-2020	(\$50,000.00)
*\$693,178.98	*350,003.50			(\$219,986.00)
Estimated closing Balance December 31, 2020				\$823,196.48

*Does not include interest

*Not received Goshen Wind Amenity Fee

Table 4: Projects Funded In 2021

Estimated Opening Balance	Funds Expected In-year	Project	Resolution	Amount
*\$823,196.48				
	\$350,003.50			
		Exeter Pool	531-2017	*(\$169,986.00)
		Corbett Line E&C		(\$93,252.48)
		Centralia CPA		(\$50,000.00)
*\$823,196.48	\$350,003.50			(\$313,238.48)
Estimated Closing Balance December 31, 2021				*\$859,961.50

*Does not include interest

Table 5: Projects Funded In 2022

Estimated Opening Balance	Funds Expected In-year	Project	Amount
*\$859,961.50			
	\$350,003.50		
		Exeter Pool	*(\$169,986.00)
*\$859,961.50	\$350,003.50		
Estimated Closing Balance December 31, 2022			

*Does not include interest

Financial Impact:

As outlined in the previous tables, there is a commitment of \$169,986 per annum for the Exeter Poll from 2020 to 2024 inclusive. In addition, all interest earned is calculated at the end of the year.

It is key to remember these particular parameters from the Agreement

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Legal Impact:

There are no legal implications as a result of the actions outlined in this report.

Staffing Impact:

There are no staffing implications as a result of the actions outlined in this report.

Consultation:

Rebekah Msuya-Collison; Director of Legislative Services
Sandy Becker, Director of Finance
Special Purpose Committee – Wind Turbine Amenity Fund.

Respectfully submitted,

Dan Best, Chief Administrative Officer/Deputy Clerk