TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: February 17, 2010

SUBJECT: AGREEMENT WITH TORONTO HYDRO

ENERGY SERVICES INC. -

SOLAR PHOTOVOLTAIC PROJECT

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission authorize staff to negotiate and execute a sole source agreement with Toronto Hydro Energy Services Inc. to install a solar photovoltaic system on the roof of an existing TTC facility. The agreement will be prepared in a form acceptable to the TTC's Chief General Manager and General Counsel.

FUNDING

At this time it is anticipated that no costs will be incurred under this agreement, with the exception of staff time to negotiate the agreement.

BACKGROUND

The City of Toronto, at its Council meeting on November 30 and December 1, 2, 4 and 7, 2009, adopted its vision, principles and targets under Toronto's Sustainable Energy Strategy. One of the key principles for the implementation of this strategy is the generation of sufficient clean renewable energy sources to replace polluting fossil fuel sources.

TTC staff have been working on a number of initiatives that support Toronto's Sustainable Energy Strategy and its key principles. In support of the requirement for the increased generation of renewable energy, Toronto Hydro Energy Services Inc. (TH Energy) approached the TTC in August 2009, to look at the possibility and viability of installing roof-mounted solar photovoltaic (PV) systems on existing TTC facilities. Preliminary discussions have been on-going since that time between TTC and TH Energy staff.

DISCUSSION

TH Energy is currently reviewing and identifying TTC facilities for the installation of a roof-mounted solar PV system. At this time, staff recommend that one facility be selected

for an installation to assess the viability of the system and to identify and resolve issues that may arise. In order to continue formal discussions with TH Energy, the TTC will need to negotiate and execute a sole source agreement. Negotiations will include identifying, reviewing and selecting acceptable options for, including but not limited to, design, safety, construction, maintenance, lease, cost and revenue sharing.

Staff do not have any experience with the various issues related to the installation of large scale solar PV systems (e.g. type, size, capacity of solar panels; how many and where to install; mounting, maintenance and operational requirements; government regulations; etc). Therefore, partnering with TH Energy on a sole source basis will allow installation to proceed immediately, while staff simultaneously learn more about the technical, commercial and operational issues involved with such installations. Staff will consider the results of this project in determining a strategy for other large scale solar PV systems.

JUSTIFICATION

Commission approval is required to negotiate and execute a sole source agreement with Toronto Hydro Energy Services Inc. to install a roof-mounted solar PV system as a pilot project at one TTC facility. This will help TTC meet renewable energy targets identified in Toronto's Sustainable Energy Strategy and TTC's Environmental Plan.

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