



City of
Peterborough

TO: Members of the Waste Management Committee

FROM: Melanie Kawalec, Manager of Waste Management

MEETING DATE: September 20, 2010

SUBJECT: Report WMC10-004
Purchase of and Potential Use of 1259 Bensfort Road

PURPOSE

A report to confirm the purchase of 1259 Bensfort Road and to present a Letter of Intent for potential future use of the site.

RECOMMENDATION

That the Waste Management Committee endorse the recommendation as outlined in Report WMC10-004 dated September 20, 2010, of the Manager of Waste Management as follows:

That Report WMC10-004 presenting a Letter of Intent from Public Utilities Inc., included as Attachment 1, to use the lands at 1259 Bensfort Road for a power generation project be endorsed with the understanding that a formal application will be submitted to the Waste Management Committee for their consideration in early 2011.

BUDGET AND FINANCIAL IMPLICATIONS

There are no budget or financial implications associated with this report.

BACKGROUND

Corus Entertainment recently deemed the property at 1259 Bensfort Road to be surplus as the existing antenna farm which supported their AM radio station, recently moved to an FM station. Five 220 foot antennas, electrical stations as well as a couple of smaller

outer builds are currently located onsite. Corus Entertainment will remove this equipment and the outer buildings before the end of 2010.

The property had a registered easement in favour of the City of Peterborough, as well as a registered right of first refusal in favour of the City due to a number of monitoring wells located along the frontage of the property.

On Friday, September 17, 2010, the City and the County of Peterborough jointly purchased this property for the appraised market price of \$120,000.

Potential Future Use

Based on the current agreement between the City, the County and PUI for the development of the Peterborough Landfill Gas Generation Project at 1310 Bensfort Road, PUI has also shown an interest in establishing another power generating project at 1259 Bensfort Road.

A Letter of Intent from PUI, which is included as Attachment 1, outlines a preliminary concept for the installation of a solar power project. Acceptance of a Letter of Intent by the property owner is sufficient to initiate an application to the Ontario Power Authority through the Province's Feed-in-Tariff (FIT) program.

PUI will prepare a formal, detailed proposal for presentation to the Waste Management Committee for their consideration in early 2011.

SUMMARY

The development of a power generation project on the newly acquired lands at 1259 Bensfort Road is a good future use for this property.

Submitted by,

Melanie Kawalec,
Manager Waste Management

Attachment 1: Letter of Intent

Contact Name:

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Attachment 1: Letter of Intent



PETERBOROUGH UTILITIES INC.

2245 Keene Road, PO Box 4125, Station Main
Peterborough ON K9J 6Z5

September 16, 2010

Mr. Wayne Jackson
Director of Utility Services
City of Peterborough
500 George Street North
Peterborough, ON K9H 3R9

Mr. Chris Bradley
Director of Public Works
County of Peterborough
470 Water Street
Peterborough, ON K9H 3M3

Dear Wayne and Chris:

**Proposed Commercial Solar PV Project
on lands adjacent to the Peterborough Waste Management Facility**

Peterborough Utilities Inc. ("PUI") has completed preliminary due diligence of a proposed commercial solar generation project on lands adjacent to the Peterborough Waste Management Facility and wishes to proceed with the project and enter into more formal agreements with the County/City for the development of the project including a long-term lease arrangement with the County/City.

The development of a commercial solar generation project adjacent to the Peterborough Waste Management Facility will complement the landfill gas utilization project currently under development, optimize use of the existing energy infrastructure at this location and improve the operating efficiency of both proposed generation facilities.

The general parameters for development of the proposed commercial solar generation project include:

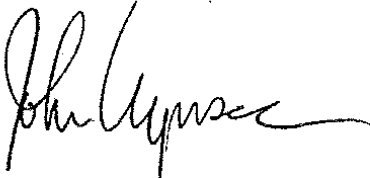
- Proposed project capacity of 3 MW;
- Estimated total project cost of \$15 to \$18 million dollars;
- PUI will be solely responsible for the costs and risks associated with the project development;
- PUI will apply for connection to Hydro One's 27.6 kV M10 feeder on Bensfort Road (Note: the current maximum available capacity for new generation on Hydro One's M10 feeder is 3.0 MW);

- PUI will apply for a Feed-In-Tariff ("FIT") Contract from the Ontario Power Authority ("OPA") that includes a base rate of 44.3 cents per kilowatt-hour and a twenty year term;
- PUI and the County/City will enter into a long-term property lease for approximately 50 acres to be used exclusively for the proposed project at a mutually acceptable location on property adjacent to the Peterborough Waste Management Facility; and
- As the preferred energy partner of the County/City, the long-term property lease between PUI and the County/City will include a lease rate that is substantially greater than market rates for existing land uses.

Further to this letter and subject to approval from the Waste Management Committee and the respective Councils of the County and the City, we proposed to establish a Letter of Intent, Memorandum of Understanding or Option Agreement with the County/City within a 10-day period following receipt of the requisite approvals by all parties. Thereafter, PUI will commence preliminary development of the project through the FIT contracting process and in parallel with this activity, negotiate the final terms and conditions of the lease arrangement with the County/City.

We believe this project presents another mutually beneficial opportunity for PUI and the County/City and we look forward to working together in the development of this project.

Yours very truly,



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Vice President, Generation & Retail Services
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e-mail jwynsma@pui.ca

cc: Larry Doran, President & CEO, Peterborough Utilities