ALGONQUIN COLLEGE

ESCO 2 STATUS UPDATE

Board of Governors

December 10, 2012

Technical Considerations
Siemens Bid

- B building - completion by fall 2014, open for classes by September.
- Deferred maintenance - in Phase 1, some $14M of deferred maintenance will be addressed (about 35% of Algonquin's outstanding deferred maintenance liability)
- Innovation and sustainability – install a natural-gas 4-6 (min-max) MW co-generation plant to meet current and future electrical power needs for a digital college while reducing our greenhouse gas emissions by more than 5000T a year
- Innovation, sustainability and revenue generation – install a 3 MW solar panel array on our rooftops to generate annual revenues in excess of $1.5M via the Feed-in-Tariff program

Financial Considerations
Siemens Bid

- “Off book” financing must be respected
- Maximum 20 year re-payment schedule

Policy Considerations
Siemens Bid

- Authorities may be reluctant to approve a gas fired Co-Gen project, but:
  - Hydro Ottawa, the Local Distribution Company (LDC), supports this co-gen proposal
  - Barrhaven is growing and requires power
  - Hawthorne distribution station requires an upgrade and has little spare capacity.

Legal Considerations
Siemens Bid

- Siemens proposed Documents
  - Receivable Agreement
    - Issues: a number of items such as; release mechanism, letter of credit, etc.
  - Tri-Party Agreement
    - Issues: to ensure off-book financing is achievable
  - Final Contract Document
    - Issues: to ensure phased approach is acceptable to the College.
- Review by Algonquin Legal Counsel

Sustainability, Innovation, Education and Partnership Considerations

- Educate the college community on best behavioural practices for a sustainable community
- Leverage Siemens expertise and global reach to invest in Algonquin's education mandate via Applied Research

ESCO 2
Phase 1 Description

- Invest nearly $14 million on the Woodroffe Campus
- Achieve over $950 thousand in annual savings to repay the project in 20 years or less
- Manage risks: lock in 4.65% rate for 20 years
- Complimentary and fully expandable with Phases 2 and 3 (Co-gen & renewable energies)

ESCO 2
Phase 1 Description

- Address major deferred maintenance: new equipment, improved facility condition, improved indoor air quality, code compliance and site efficiency
- Project execution with minimized interruptions
- Align site-wide strategies of operations and management of facilities
- Integrate Physical Resources operations with academia and global institutional standards

ESCO 2
Phase 2 and 3 Descriptions

- **Phase 2**
  - Remainder Woodroffe Campus and co-generation plant

- **Phase 3**
  - Feed-in-tariff (FIT)/photo-voltaic rooftop array

QUESTIONS