



## **STAFF REPORT – Request for Council Decision**

DATE: September 27, 2021  
SUBJECT: Urban Systems – Biomass Report  
TO: Mayor and Council  
FROM: Mark Tennant, Director of Finance/Deputy CAO

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### **PURPOSE:**

To receive the Urban Systems Bioenergy Opportunities Assessment Report and to provide direction on continuing to pursue grant funding opportunities.

### **BACKGROUND:**

At the March 8<sup>th</sup> Meeting of Council, council passed the following resolution:

*THAT Council authorize staff to enter into an agreement with Urban Systems for biomass strategic and technical services at a cost of \$22,500.*

Urban Systems proposal included the following tasks:

- Prepare energy model and system layout
- Prepare financial model of system
- Support acquisition of letters of interest from local stakeholders
- Develop grant funding/financing strategy and application content
- Final report

The purpose of this project was to determine the feasibility of a biomass plant for the Sports Complex and surrounding municipal buildings and to better position the Village for applying for grant funding. Two different scenarios were looked at. The first scenario included a biomass plant only servicing the Sports Complex, while the second scenario also looked at including the Seniors Center and Emergency Services Building.

Over the past 6 months staff have worked with Urban Systems on the project and the final report is now complete. Based on the financial analysis completed, the business case for proceeding with the biomass plant is favorable, especially if 50% or more of the costs are covered by grant funding. The estimated payback period with 50% grant funding and 50% debt financing is 12-14 years. The plant has an estimated lifespan of 30 years.

The report identifies the key steps to advance the project going forward which includes refining costs, pursuing grant funding opportunities and determining Village financing options, developing long-term wood chip purchasing agreements with local suppliers, and construction.

**FINANCIAL IMPLICATIONS:**

The estimated cost to build a biomass plant for the Sports Complex is \$505,000 and if the ESB and Seniors Center are included the estimated cost is \$806,000. The actual cost to the Village will be dependent on the amount of grant funding that is secured. It is anticipated at this time that the Villages portion of funding will have to come from debt financing or general surplus.

**LEGISLATIVE/POLICY:**

N/A

**CONCLUSION/SUMMARY:**

The Bioenergy Opportunities Assessment Report from Urban Systems has provided an updated plan and up-to-date data for pursuing bioenergy opportunities at the Nakusp & District Sports Complex. The report presents a solid business case to move forward with the project and the Village is now in a better position to secure grant funding as opportunities become available.

**STAFF RECOMMENDATION(S):**

That Council passes the following resolution:

***That the Urban Systems Bioenergy Opportunities Assessment Report be received for information and that staff continue to pursue grant funding opportunities based on the findings in the report.***

Respectfully submitted

Mark Tennant  
Director of Finance/Deputy CAO

**ATTACHMENTS:**

E4-1 Urban Systems Bioenergy Opportunities Assessment Report