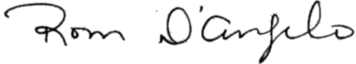




# COMMUNICATION UPDATE

<b>TO:</b>	Mayor and Members City Council
<b>DATE:</b>	August 17, 2022
<b>SUBJECT:</b>	Registering Emission Credits within Clean Fuel Regulations (City Wide) (EFFM22-01)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>SUBMITTED BY:</b>	Rom D'Angelo Director, Energy, Fleet & Facilities Management Public Works Department
<b>SIGNATURE:</b>	

The purpose of this update is to advise of an opportunity being pursued regarding registering greenhouse gas (GHG) emission credits. Effective June 21<sup>st</sup>, 2022, GHG emission credits can be generated and monetized from existing compressed natural gas (CNG) stations supplying CNG fuel to vehicles and other applications, as stated in the Clean Fuel Regulation (CFR).

The CFR is new, complex and not many organizations are able to quickly react to the current short-term opportunity being pursued. The City of Hamilton will benefit from coordinating our CNG fuel volumes with Enbridge and their much larger fleet and numerous CNG stations in this joint effort. Their expertise and ability to assist in registering our CNG facility and our associated emission credits with theirs is what allows this opportunity to proceed for the CNG volumes used in the period of June 21 to December 31, 2022.

Enbridge has agreed to ensure no costs will be borne by the City. When the emission credits are monetized, the City will be paid 85% of the value of the credits. It is expected these credits could provide the City between \$50,000 to over \$150,000, depending on the value of the credits at the time of the transaction. The transaction and funds transfer are expected to occur in Q2 to Q3 of 2023. As per the Energy and Sustainability Policy, these funds will be directed to the Energy Fund Reserve (112272). For the City of Hamilton, these commodity and emission transactional agreements and delegated authority are outlined in the Corporate Energy and Sustainability Policy.

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Registering Emission Credits within Clean Fuel Regulations (City Wide) (EFFM22-01) – Page 2 of 2**

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For further information please contact Tom Chessman, Manager, Energy Initiatives, EFFM, Public Works Department at 905-546-2424, Extension 2494.

**APPENDICES AND SCHEDULES ATTACHED**

N/A