

# Natural Resource Canada Commercial and Institutional Building Sector Funding

## ISSUE

Administration applied for funding under the Natural Resources Canada (NRCan) ISO 50001 in the Commercial and Institutional Buildings Sector Fund. City Council approval is required to authorize the Mayor and City Clerk to execute the Contribution Agreement under the Corporate Seal if the application is successful.

## RECOMMENDATION

That the Standing Policy Committee on Environment, Utilities, and Corporate Services recommend to City Council that:

1. If the application for the NRCan ISO 50001 in the Commercial and Institutional Buildings Sector Fund is approved, City Council authorize the Mayor and City Clerk to execute the Agreement under the Corporate Seal;
2. If required, the Senior Financial Business Partner be granted delegated authority to sign and submit progress reports and financial claims related to the program;
3. If the application is successful, Capital Project P.10004 Energy Management Program be increased by \$100,714 to incorporate NRCan funding.

## BACKGROUND

The ISO 50001 Energy Management Standard (ISO 50001) is an internationally recognized voluntary standard that provides a framework to improve energy performance by making better use of high energy assets. To help implement these energy standards in commercial and institutional buildings, NRCan has provided financial assistance for organizations to complete feasibility studies or conduct gap analyses to determine the viability of implementing an ISO 50001 Energy Management System (EnMS).

City Council at its Regular Business Meeting on [December 20, 2023](#), approved Saskatoon Water (SW) to enter into an agreement with NRCan to perform an ISO 50001 gap analysis on the current EnMS at Water Treatment Operating Facilities and explore ways to improve the EnMS. The ISO 50001 gap analysis was completed in March 2024, and cost \$10,100, which was 100% covered by NRCan.

In September 2024, NRCan began accepting applications under their ISO 50001 in the Commercial and Institutional Buildings Sector Fund for not-for-profit organizations, to receive financial assistance to implement an ISO 50001 EnMS. The fund provides up to 75% of eligible costs to a maximum of \$200,000 for an organization to achieve ISO 50001 compliance or certification.

## DISCUSSION/ANALYSIS

Since 2022, the Saskatoon Water Department (SW) has been managing energy use through their Energy Management Program. The Energy Management Program, which is administered by SW's Energy Manager, is responsible for managing energy performance ensuring the energy data is understood by the department and City of Saskatoon (City). This enables SW to strategically plan and perform actions to systematically drive energy waste, variability, and use down.

The ISO 50001 gap analysis, completed in March 2024, was conducted by SW's Energy Manager utilizing the United States Department of Energy 50001 Ready Energy Management Assessment tool. The tool incorporates the steps and processes for all the categories required in the ISO 50001 into tasks and sub tasks for evaluations. From the evaluation, corrective actions were identified for SW's EnMS at Water Treatment Operating Facilities that would bring the EnMS into compliance with ISO 50001. Implementation of the corrective actions and obtaining external verification services to achieve ISO 50001 compliance is estimated to cost \$134,285 in staff time and external auditing fees.

SW has submitted a proposal under NRCan's Commercial and Institutional Buildings Sector Fund to obtain a total of \$100,714 to address the corrective actions identified for the Water Treatment Operating Facilities EnMS to achieve ISO 50001 compliance. Under the proposal, SW has also committed \$33,571 from Capital Project P.10004 Energy Management Program. The following tasks will be completed under the project:

- A review of the ISO 50001 gap analysis completed in March 2024, and proposed corrective actions identified.
- Implementation of the proposed corrective actions in the following EnMS areas:
  - Context of Organization;
  - Leadership;
  - Planning;
  - Support;
  - Operation;
  - Performance Evaluation; and
  - Improvement.
- Review of the corrective actions implemented to identify any additional actions needed.
- Completion of a Post Gap ISO 50001 Analysis and Report to NRCan to demonstrate ISO 50001 compliance.

If funding is approved by NRCan, the project is planned to begin in April 2025 and be completed by March 2026. Upon completion of this project SW will be able to prove that their Water Treatment Operating Facilities EnMS is a sustainable and internationally recognized energy management system through ISO 50001 compliance. This will help SW manage their energy use more effectively, apply for future external funding opportunities, and contribute to the City's goals of reducing emissions and driving down energy waste.

### **FINANCIAL IMPLICATIONS**

The total cost of this proposed project is \$134,285, which was approved by City Council during the 2024/2025 budget deliberations. If approved, NRCan will cover \$100,714, with the remaining \$33,571 funded through the Capital Project P.10004 Energy Management Program. Successful funding from NRCan would allow \$100,714 to be reallocated to other projects within the Energy Management Program at the Water Treatment Plant.

### **OTHER IMPLICATIONS**

There are no privacy, legal, or social implications identified.

### **NEXT STEPS**

No follow-up is required.

#### Report Approval

Written by:	Bibian Rajakumar, Energy Manager, Saskatoon Water
Reviewed by:	Mitch McMann, Engineering Services Manager, Saskatoon Water Jeremy Meinema, Senior Financial Business Partner, Finance Alan Rankine, Senior Legal Counsel, City Solicitor's Office Russ Munro, Director of Saskatoon Water
Approved by:	Angela Gardiner, General Manager, Utilities and Environment