

# media release

City Manager's Department



**Subject** City of North Vancouver's Lonsdale Energy Corporation  
Seals Unique Public/Private Partnership Deal

**Date** March 4, 2004

The City's Lonsdale Energy Corporation has officially signed an operating agreement with Terasen Utility Services. The first public/private heating energy partnership on the North Shore has been formalized, resulting in a unique energy utility arrangement that will provide energy services to the Lower Lonsdale area.

The Lonsdale Energy Corporation is a wholly owned City corporation that will provide a district energy service in partnership with Terasen Utility Services (formerly BCG Services). Terms of the ten year agreement formalize the role of Terasen Utility Services as the provider of operating services, customer care services, billings, as well as the design, construction installation, maintenance and operations of all boiler plants.

The initial phase of the district heating program is already underway, with the first plant currently delivering energy to IGA and Shoppers Drug Mart in Lower Lonsdale. The next recipient of district heating will be the John Braithwaite Community Centre, followed by the residential towers in Lower Lonsdale later this year. 2000 residential units and 20 buildings over the next five years will benefit from the Lonsdale Energy Corporation.

"The City is committed to proactively building the most sustainable, livable community in the Lower Mainland", says Ken Tollstam, City Manager. "The Lonsdale Energy Corporation demonstrates the City's dedication to its goal of being a leader in the area of sustainability, as outlined in our Strategic Plan and Official Community Plan."

As Lower Lonsdale experiences major development growth, the new community owned utility will significantly reduce demand for electricity, while increasing the efficiency of energy supply. Lonsdale Energy Corporation will have the flexibility to use a variety of different energy inputs, enabling new residents to enjoy premium energy services at competitive costs. In addition, the entire City will benefit from the economic development and environmental attributes of local production and supply of energy services.

"The distributed generation concept that will be used by Lonsdale Energy Corporation will result in efficiencies of approximately 85 to 90 percent – a significant improvement over the business as usual scenario", says Brett Hodson, President, Terasen Utility Services. "This increase in efficiency arises from direct utilization of thermal energy, along with use of the most efficient boiler technology available in Canada."

Terasen praises the vision of City Council and its initiative in delivering the concept of district heating to its community in conjunction with the redevelopment of the City. Council will serve as the public regulator of Lonsdale Energy Corporation, and in turn,

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LEC will manage the system on behalf of the City, reporting regularly to Council on its performance.

The system consists of several “mini plants” containing more than 24 high-efficiency natural gas fired boilers, distributed at different locations throughout the service area. More than 20 buildings will ultimately be connected - representing two and a half million square feet of mixed commercial and multi-unit residential space. The efficiency improvements resulting from the replacement of inefficient boilers with efficient ones, elimination of the heat to electricity process, and electricity transmission losses translate into economic and environmental benefits for the City and the entire Province.

In 2003, the City successfully secured \$4 million from the Federal Government's Green Municipal Investment Fund to assist with the start up of the Lonsdale Energy Corporation.

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