



ADMINISTRATIVE REPORT

Report Date: March 15, 2019
Contact: Chris Baber
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VanRIMS No.: 08-2000-20
Meeting Date: City Clerks Use Only

TO: Vancouver City Council
FROM: General Manager of Engineering Services
SUBJECT: Neighbourhood Energy Expert Panel

RECOMMENDATION

- A. THAT Council approve the amended Terms of Reference for the Neighbourhood Energy Expert Panel (referred to in this report as the "Expert Panel"), to:
- i. ensure that Expert Panel membership aligns with Council approved diversity targets for advisory bodies,
 - ii. provide clarity on term lengths for Expert Panel member appointments,
 - iii. increase the number of Expert Panel members from three to four,
 - iv. provide greater clarity regarding the Expert Panel member appointment process, and
 - v. adopt miscellaneous house-keeping amendments to ensure that the Terms of Reference remain current and are consistent with the City's approach for deploying and enabling development of low carbon neighbourhood energy systems.

REPORT SUMMARY

This report seeks Council approval of changes to the Terms of Reference for the Neighbourhood Energy Expert Panel, to:

1. ensure that panel membership aligns with Council-approved diversity requirements for advisory bodies,
2. provide clarity on term lengths for Expert Panel member appointments,
3. increase the number of Expert Panel members from three to four,
4. clarify the process for appointments of new Expert Panel members, and

5. adopt miscellaneous house-keeping amendments to ensure that the Terms of Reference remain current and are consistent with the City's approach for deploying and enabling development of low carbon neighbourhood energy systems.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- In July 2010, Council approved the establishment of a third-party Expert Panel to advise staff and Council on future False Creek Neighbourhood Energy Utility ("NEU") rate adjustments.
- In September 2014, Council (in Camera) approved the expanded scope of Expert Panel to provide staff and Council with advice, on an as-requested basis, on key activities related to the implementation of the Vancouver Neighbourhood Energy Strategy, in addition to its established role related to NEU rate adjustments.
- In April 2016, Council passed a motion which requires the membership of all advisory committees to be at least 50% women.
- In March 2019, Council approved a policy for Diversity on Advisory Bodies.

REPORT

Background/Context

From the time that it was established eight years ago, and in accordance with the original Terms of Reference (approved by Council in July 2010), the Expert Panel has been providing staff and Council with independent, objective advice to help the City to ensure that NEU rate adjustments strike an appropriate balance between the need to recover the City's cost for operating the system and the customer's need to receive fair and competitive rates for energy services delivered.

In September 2014, the Terms of Reference was amended to expand the Expert Panel's role to include advisory duties on key activities related to the implementation of the Vancouver Neighbourhood Energy Strategy. The 2014 Terms of Reference is attached in Appendix B.

Strategic Analysis

Recommended Changes to the Expert Panel Terms of References

Since September 2014, a number of adjustments have been made to the City's approach for deploying and enabling the development of low carbon neighbourhood energy systems. In addition, in 2016 Council approved a motion to ensure that the membership of all City advisory bodies be a minimum 50% women. Further to that, Council approved a diversity policy for advisory bodies in March 2019.

Staff recommend changes to the Expert Panel Terms of Reference, as attached in Appendix A, to better align with these goals, and to provide greater clarity regarding the appointment process and term length for Expert Panel Members:

1. **Diversity:** Panel membership to comply with Council-approved diversity requirements for advisory committees.

- 2. Set Term Lengths:** Currently, Expert Panel members are appointed to three year terms, with no limit on the number of renewals or total duration served on the panel, and no requirement for staff to conduct external nominations before recommending renewal of an existing panellist.

Staff recommend increasing the maximum term length to five years and instituting a requirement for an external nomination process to be conducted for each position at least every ten years. This ten year requirement would also apply to existing panelists, and the nomination process would be consistent with (4) below.

Staff believe that the above approach will allow staff the opportunity to make recommendations to Council that balance the benefits of long-term continuity in the Expert Panel with the opportunity for fresh perspectives provided from turn-over.

- 3. Change to the Number of Expert Panel Members:** Increase the number of Expert Panel members from three to four, to increase the depth of expertise on the Expert Panel and improve the viability of achieving diversity requirements.

In addition, staff recommend discontinuing the practise of each Expert Panel member representing one of three core areas of expertise identified in the Terms of Reference (i.e. Utility Pricing and Regulation, Utility Finance, and Green Energy). Rather, staff recommend that the team of Expert Panel candidates, as a whole, provide expertise that covers all of these core areas.

- 4. Clarify Appointment Process for New Expert Panel Members:** While staff are not recommending a change to the appointment process for Expert Panel members, this report recommends an amendment to the Terms of Reference to provide greater clarity on the overall appointment process. This updated process will proceed as follows:

- i. Staff to initiate a search for, and identify potential candidates for appointment. This search to solicit input from contacts from within the utility industry and utility regulators, and issue a targeted call-out to peers as needed;
- ii. Undertake a screening and evaluation of selected candidates to ensure that recommended candidates meet the City's technical and diversity policy criteria;
- iii. Staff to recommend appointments to Council based on the individual's demonstrated expertise and objectivity, as well as compliance with Council approved diversity requirements.
- iv. Council to make final decision on any Expert Panel appointments.

- 5. Make Miscellaneous House-Keeping Amendments:** Staff recommend a number of minor amendments to the Terms of Reference to ensure that they remain current with the City's approach for deploying and enabling development of low carbon neighbourhood energy systems:

- i. In 2015, as part of the 5-year review of the Utility, Council approved a set of key financial performance indicators for the False Creek NEU, to guide NEU rate setting. Staff recommend updating the Terms of Reference to clarify that the Expert Panel is to consider these in their NEU rate setting advisory role.
- ii. Updates to the Terms of Reference to eliminate references to: i) the City undertaking competitive processes to award exclusive franchise rights to third-party owned utility providers serving defined geographical areas and ii) the City mandating connections to such third-party owned utilities.

These amendments align the Terms of Reference with the City's Zero Emissions Building Plan, whereby the City now has supportive policy in place to help enable low carbon utilities to work together with building developers to achieve low carbon outcomes.

For reference, a copy of the 2014 Expert Panel Terms of Reference is attached in Appendix B.

CONCLUSION

Staff recommends an amendment to the Expert Panel Terms of Reference, to ensure compliance with Council's set diversity targets for advisory bodies, as well as a number of other proposed amendments.

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CITY OF VANCOUVER NEIGHBOURHOOD ENERGY EXPERT PANEL - TERMS OF REFERENCE

APPROVED BY VANCOUVER CITY COUNCIL: <INSERT DATE>

1. OBJECTIVE

The Neighbourhood Energy Expert Panel (referred to as “Expert Panel” in these Terms of Reference) is established by the Vancouver City Council, and provides staff and Council with independent, objective, and expert advice for two Neighbourhood Energy program areas:

1. ***City-Owned Neighbourhood Energy (e.g. the False Creek Neighbourhood Energy Utility (“CoV NEU”))***: help to ensure that the rate structure, annual rates, and new rate policy for the CoV NEU achieve an appropriate and fair balance between the needs of the City and the customers of the utility.
2. ***Implementation of Third-Party Owned Neighbourhood Energy Systems (“NES”)***: help to ensure that new NES achieve the greenhouse gas emission targets set in the applicable CoV green building policy and strike an appropriate balance between the needs of the City and the interests of NES customers and energy providers.

2. SCOPE

2.1 COV NEU

The Expert Panel provides objective, expert advice to ensure that the rate structure, annual rates and new rate policy for the CoV NEU are consistent with Council’s approved rate setting principles (reference Section 2.1), within the long-term levelized rate structure established by City Council for the CoV NEU and other related policy.

The scope of the Expert Panel’s rate review includes the following factors used to establish annual rates for the CoV NEU:

- long-term forecasted cost inputs, including forecasted fuel costs and the CoV NEU’s cost of capital, including debt charges and return on equity premiums,
- revenue forecasts,
- the rate escalation factor that underlies the levelized rate structure, and annual inflationary rate increases,
- impacts to Council-approved key financial performance indicators and targets for the CoV NEU, and
- comparisons of the CoV NEU rates to other appropriate energy benchmarks to evaluate competitiveness.

The Expert Panel also reviews staff’s recommendations concerning any changes to the fundamental rate structure and design that may arise from time to time.

Upon completion of the rate setting process each year, the chair of the Expert Panel delivers a letter to communicate the Panel’s objective opinion on the proposed rate adjustments, which is attached to the staff report to Council. The chair of the Expert Panel may also attend the annual City Council meeting at which the CoV NEU rates are approved.

APPROVED RATE SETTING PRINCIPLES

On December 14, 2006, Council approved the following rate setting principles for the CoV NEU. These principles are used as guidelines for rate adjustments.

1. That CoV NEU rates are structured so as to recover the following costs incurred by the City, based on forecasted costs:
 - i. all direct operating costs associated with the CoV NEU,
 - ii. all debt service and repayment costs associated with the CoV NEU,
 - iii. the share of City administrative overheads that are attributable to the CoV NEU,
 - iv. property taxes and/or payments-in-lieu of property taxes, as appropriate,
 - v. a reserve fund for CoV NEU rate stabilization,
 - vi. an appropriate level of compensation for the risks and liabilities assumed by the City associated with the ownership and operation of the CoV NEU, and
 - vii. credits for any benefits provided by the CoV NEU to City taxpayers (e.g., contribution to corporate GHG reductions goals), as determined by Council.
2. That CoV NEU rates fairly apportion the aforementioned costs among customers of the CoV NEU.
3. That CoV NEU rates be understandable to customers, practical and cost-effective to implement.
4. That at least two separate rate classes (commercial and residential) be established to distinguish different types of CoV NEU customers, with rates reflecting each class's proportional contribution to total costs.
5. That, where feasible, CoV NEU rates provide price signals that encourage energy conservation by CoV NEU customers.
6. That the methodology for calculating CoV NEU rates provides year-to-year rate stability for NEU customers to the greatest extent possible.
7. That the methodology for calculating CoV NEU rates provide year-to-year revenue stability for the City to the greatest extent possible, and include the use of a rate stabilization reserve similar to that used by the City for other utility operations.
8. That rates be updated by Council annually based on forecasted costs, and adjusted to reflect any deviation from target levels of reserves, with annual rate changes requiring review and approval by Council followed by enactment of the necessary amendments to the CoV NEU by-law.

2.2 IMPLEMENTATION OF THIRD-PARTY OWNED NES

The Expert Panel also provides the City with strategic input, upon request of staff, to support the establishment of new NES in high density areas of the City such as the Downtown, Cambie Corridor, River District and Central Broadway areas. In the case of these new NES, the City's role is that of a facilitator, utilizing Council-approved enabling tools, while third-party owned utilities will typically design, build, own and operate systems.

Third-party owned NES are typically regulated by the BC Utilities Commission ("BCUC"), and the role of the Expert Panel is not intended to replace the role of the BCUC. For example, it is not intended that the Expert Panel be the reviewer for utility rates. The Expert Panel's role is to

provide advice to help strike an appropriate balance between the needs of the City, NES customers and utility providers. Examples of the types of NES implementation activities that the Expert Panel may provide input on include:

- procurement processes to select NES utility providers;
- infrastructure and business planning for establishment of new NES;
- development of strategies for use of specific City enabling tools; and
- key terms of legal agreements between the City and NES providers.

City staff will engage the Expert Panel at critical milestones in the implementation of new systems. Depending on the nature of the implementation activity, the Expert Panel's input may be provided verbally, by email, or by way of formal letter to staff. In its advice to the City, the Expert Panel will consider within the following third-party owned NES implementation objectives.

THIRD-PARTY OWNED NES IMPLEMENTATION OBJECTIVES

In its competitive procurement processes, the City has defined the following general objectives for the successful implementation of third-party owned NES:

- a) Maximize greenhouse gas reduction potential, and at a minimum achieving the greenhouse gas emissions targets set in applicable CoV green building policy, through:
 - low carbon conversion of existing steam heat systems
 - establishment of low carbon neighbourhood energy supply to new developments and existing buildings within target areas
 - use technological approaches and phasing strategies that maximize expansion potential and adaptability to different energy sources and customer building types
- b) Provide utility services that are reliable and affordable for customers, using BCUC regulation where required by provincial law
- c) Minimize the City's financial and legal exposure and risk
- d) Contribute to positive economic development in the City
- e) Minimize schedule, technology and financial risk for building developers
- f) Develop new energy centres in a manner consistent with the City's "Energy Centre Guidelines"
- g) Incorporate flexibility to enable appropriate City Enabling Tools as described in the Vancouver Neighbourhood Energy Strategy to keep rates affordable and enable early adoption of low carbon energy supplies
- h) Implement NES in a coordinated manner with other energy utilities, as well as major redevelopments, to result in complementary integration of systems that maximizes economies of scale where appropriate and limits conflict between utilities
- i) Where feasible, support the development and demonstration of innovative and local technologies

3. SELECTION CRITERIA FOR THE EXPERT PANEL

The Expert Panel has four members, one of which serves as Chairperson. The selection criteria for the Expert Panel are:

- **EXPERTISE:** The Expert Panel shall have within its membership a variety of expertise to ensure a balanced review process. Core areas of expertise provided by the Expert Panel members as follows:
 - Utility Pricing and Regulation: Demonstrated expertise and experience in the area of utility rate setting and regulation, ideally with past experience working for or reporting to the British Columbia Utilities Commission or another similar regulatory body.
 - Finance: A sophisticated understanding with demonstrated expertise and experience in utility finance and financial modelling.
 - Green Energy: Demonstrated expertise in the area of low carbon energy production, energy demand management and related public policy.
- **OBJECTIVITY:** Each Expert Panel member must be able to carry out the work objectively, have the demonstrated ability to make complex decisions that equitably balance the interests of various stakeholders, and be perceived as a credible, objective expert. In the interest of avoiding any conflicts of interest, Expert Panel members should not be:
 - an employee of the City of Vancouver;
 - an elected official for the City of Vancouver;
 - a customer of the CoV NEU or another NES to which Vancouver Neighbourhood Energy Strategy implementation work applies;
 - an employee or major shareholder of a competing energy utility; or
 - in any position or role that would be perceived as a conflict of interest as related to the responsibilities described in these Terms of Reference.

4. SELECTION PROCESS AND MEMBERSHIP TERM

Candidates for Expert Panel Membership will be recommended to City Council by the General Manager of Engineering Services and the General Manager of Financial Services.

Recommendations will be made based on each individual's demonstrated expertise and objectivity, as described in Section 3, and also compliance with diversity targets set by Council for City advisory bodies. City Council is responsible for appointing members to the Expert Panel.

The external nomination process for Expert Panel members will proceed as follows:

- Staff to initiate a search for, and identify potential candidates for appointment. This search to solicit input from contacts from within the utility industry and utility regulators, and issue a targeted call-out to peers as needed.
- Undertake a screening and evaluation of selected candidates to ensure that recommended candidates meet the City's technical and diversity policy criteria.
- Staff to identify nominees for appointment by Council based on the individual's demonstrated expertise and objectivity, as well as compliance with Council approved diversity policy for advisory bodies.

The term of each Expert Panel member appointment shall be no more than five years. The terms of members appointed to the Panel vary to create a schedule of staggered term renewals. While Expert Panel appointments may be renewed by Council, an external nomination process must be conducted for each panel position at least every ten years.

5. PRIMARY LIASON WITH CITY STAFF

The City's Neighbourhood Energy Manager will be the primary liaison between City staff and the Expert Panel, and will provide administrative support to the Expert Panel as needed. While the primary liaison will be with City staff, for the specific purpose of CoV NEU rate setting, the Expert Panel's final recommendation letter is addressed to City Council and attached to the annual staff rate report. For activities that relate to the implementation of new NES, the Expert Panel's advice will be provided upon request of the Neighbourhood Energy Manager.

6. CONFIDENTIALITY

Expert Panelists may be required to enter into non-disclosure agreement(s) with the City to hold information confidential on:

- negotiations and related discussions related to any activity that could reasonably be expected to harm the interests of the City if such information were made public or shared with other parties; and
- third-party proprietary information, where the release of such information could harm the City's business relationship with the third-party and/or put the City into default on its contractual obligations to the third-party.

7. BUDGET AND STIPEND

The budget for Expert Panel activities is approved by Council as part of the annual City Operating Budget. The stipend amounts are to be determined by staff within approved budgets, as follows:

- CoV NEU Rate Setting: stipend is a fixed annual payment, in the amount of \$3,585 per year for the Expert Panel Chair Person and \$2,390 per year for Expert Panelists (2019 values listed here). These amounts are subject to annual inflationary adjustments.
- Establishment of new NES: Due to significant year-to-year variability in the NES implementation activities, stipend amounts will be determined on a case-by-case basis for individual activities. Such amounts will be consistent with the degree of effort and related stipend amount for CoV NEU activities.

All expenses submitted by the Expert Panel members will be reviewed and approved by the Neighbourhood Energy Manager, provided the expenses are within the approved budget.

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CITY OF VANCOUVER NEIGHBOURHOOD ENERGY EXPERT PANEL – PREVIOUSLY APPROVED TERMS OF REFERENCE

APPROVED BY VANCOUVER CITY COUNCIL: SEPTEMBER 30, 2014

1. OBJECTIVE

The Neighbourhood Energy Expert Panel (referred to as “Expert Panel” in these Terms of Reference) is established by the Vancouver City Council, and provides staff and Council with independent, objective, and expert advice for two Neighbourhood Energy program areas:

1. ***Southeast False Creek Neighbourhood Energy Utility (“SEFC NEU”)***: help to ensure that the rate structure, annual rates, and new rate policy for the NEU achieve an appropriate and fair balance between the needs of the City and the customers of the utility.
2. ***Implementation of New Neighbourhood Energy Systems (“NES”)***: help to ensure that new NES are implemented in a way that strikes an appropriate balance between the needs of the City and the interests of NES customers and utility providers.

2. SCOPE

2.1 SEFC NEU

The Expert Panel provides objective, expert advice to ensure that the rate structure, annual rates and new rate policy for the NEU are consistent with Council’s approved rate setting principles (reference Section 2.1), within the long-term levelized rate structure established by City Council for the NEU and other related policy.

The scope of the Expert Panel’s rate review includes the following factors used to establish annual rates for the NEU:

- long-term forecasted cost inputs, including forecasted fuel costs and the NEU’s cost of capital, including debt charges and return on equity premiums,
- revenue forecasts,
- the rate escalation factor that underlies the levelized rate structure, and annual inflationary rate increases,
- rate stabilization reserve requirements, and
- comparisons of the NEU rates to other appropriate energy benchmarks to evaluate competitiveness.

The Expert Panel also reviews staff's recommendations concerning any changes to the fundamental rate structure and design that may arise from time to time.

Upon completion of the rate setting process each year, the chair of the Expert Panel delivers a letter to communicate the Panel's objective opinion on the proposed rate adjustments, which is attached to the staff report to Council. The chair of the Expert Panel may also attend the annual City Council meeting at which the NEU rates are approved.

APPROVED RATE SETTING PRINCIPLES

On December 14, 2006, Council approved the following rate setting principles for the SEFC NEU. These principles are used as guidelines for rate adjustments.

1. That NEU rates are structured so as to recover the following costs incurred by the City, based on forecasted costs:
 - i. all direct operating costs associated with the NEU,
 - ii. all debt service and repayment costs associated with the NEU,
 - iii. the share of City administrative overheads that are attributable to the NEU,
 - iv. property taxes and/or payments-in-lieu of property taxes, as appropriate,
 - v.a reserve fund for NEU rate stabilization,
 - vi. an appropriate level of compensation for the risks and liabilities assumed by the City associated with the ownership and operation of the NEU, and
 - vii. credits for any benefits provided by the NEU to City taxpayers (e.g., contribution to corporate GHG reductions goals), as determined by Council.
2. That NEU rates fairly apportion the aforementioned costs among customers of the NEU.
3. That NEU rates be understandable to customers, practical and cost-effective to implement.
4. That at least two separate rate classes (commercial and residential) be established to distinguish different types of NEU customers, with rates reflecting each class's proportional contribution to total costs.
5. That, where feasible, NEU rates provide price signals that encourage energy conservation by NEU customers.
6. That the methodology for calculating NEU rates provides year-to-year rate stability for NEU customers to the greatest extent possible.

7. That the methodology for calculating NEU rates provide year-to-year revenue stability for the City to the greatest extent possible, and include the use of a rate stabilization reserve similar to that used by the City for other utility operations.
8. That rates be updated by Council annually based on forecasted costs, and adjusted to reflect any deviation from target levels of reserves, with annual rate changes requiring review and approval by Council followed by enactment of the necessary amendments to the NEU by-law.

2.2 IMPLEMENTATION OF NEW NES

The Expert Panel also provides the City with strategic input, upon request of staff, to support the establishment of new NES in high density areas of the City such as the Downtown, Cambie Corridor and Central Broadway areas. In the case of these new NES, the City's role is that of a facilitator, utilizing enabling tools such as connection policy and franchise agreements with utilities, while private sector utilities will typically design, build, own and operate systems.

These new NES are regulated by the BC Utilities Commission ("BCUC"), and the role of the Expert Panel is not intended to replace the role of the BCUC. For example, it is not intended that the Expert Panel be the approver for utility rates. The Expert Panel's role is to provide advice to help strike an appropriate balance between the needs of the City, NES customers and utility providers. Examples of the types of NES implementation activities that the Expert Panel may provide input on include:

- procurement processes to select NES utility providers;
- infrastructure and business planning for establishment of new NES;
- development of strategies for use of specific City enabling tools; and
- key terms of franchise and other legal agreements between the City and NES providers.

City staff will engage the Expert Panel at critical milestones in the implementation of new systems. Depending on the nature of the implementation activity, the Expert Panel's input may be provided verbally, by email, or by way of formal letter to staff. In its advice to the City, the Expert Panel will consider within the following new NES implementation objectives.

NEW NES IMPLEMENTATION OBJECTIVES

In its competitive procurement processes, the City has defined the following general objectives for the successful implementation of new NES:

- j) Maximize greenhouse gas reduction potential, through:
 - low carbon conversion of existing steam heat systems
 - establishment of low carbon neighbourhood energy supply to new developments and existing buildings within target areas

- use technological approaches and phasing strategies that maximize expansion potential and adaptability to different energy sources and customer building types
- k) Provide utility services that are reliable and affordable for customers, using BCUC regulation
- l) Minimize the City's financial and legal exposure and risk
- m) Contribute to positive economic development in the City
- n) Minimize schedule, technology and financial risk for building developers
- o) Develop new energy centres in a manner consistent with the City's "Energy Centre Guidelines"
- p) Incorporate flexibility to enable appropriate City Enabling Tools as described in the Vancouver Neighbourhood Energy Strategy to keep rates affordable and enable early adoption of low carbon energy supplies
- q) Implement NES in a coordinated manner with other energy utilities, as well as major redevelopments, to result in complementary integration of systems that maximizes economies of scale where appropriate and limits conflict between utilities
- r) Where feasible, support the development and demonstration of innovative and local technologies

3. SELECTION CRITERIA FOR THE EXPERT PANEL

The Expert Panel has three members. The selection criteria for the Expert Panel are:

- **EXPERTISE:** The Expert Panel shall have within its membership a variety of expertise to ensure a balanced review process. Expertise should be divided amongst Expert Panel members as follows:
 - Utility Pricing and Regulation (Chairperson): Demonstrated expertise and experience in the area of utility finance/pricing, ideally with past experience working for or reporting to British Columbia Utilities Commission or another similar regulatory body.
 - Finance: A sophisticated understanding with demonstrated expertise and experience in finance and financial modelling, ideally in the field of utility finance and pricing.
 - Green Energy: Demonstrated expertise in the area of low carbon energy production and demand management.
- **OBJECTIVITY:** Each Expert Panel member must be able to carry out the work objectively, have the demonstrated ability to make complex decisions that equitably balance the interests of various stakeholders, and be perceived as a credible,

objective expert. In the interest of avoiding any conflicts of interest, Expert Panel members should not be:

- an employee of the City of Vancouver;
- an elected official for the City of Vancouver;
- a customer of the SEFC NEU or another NES to which Vancouver Neighbourhood Energy Strategy implementation work applies;
- an employee or major shareholder of a competing energy utility; or
- in any position or role that would be perceived as a conflict of interest as related to the responsibilities described in these Terms of Reference.

4. SELECTION PROCESS AND MEMBERSHIP TERM

Candidates for Expert Panel Membership will be recommended to City Council by the General Manager of Engineering Services and the General Manager of Financial Services. Recommendations will be made based on each individual's demonstrated expertise and objectivity, as described in Section 4.1. City Council is responsible for appointing members to the Expert Panel.

The term of each Expert Panel member is three years. The terms of members appointed to the Panel may be varied to create a schedule of staggered term renewals.

5. PRIMARY LIASON WITH CITY STAFF

The City's Neighbourhood Energy Manager will be the primary liaison between City staff and the Expert Panel, and will provide administrative support to the Expert Panel as needed. While the primary liaison will be with City staff, for the specific purpose of SEFC NEU rate setting, the Expert Panel's final recommendation letter is addressed to City Council and attached to the annual staff rate report. For activities that relate to the implementation of new NES, the Expert Panel's advice will be provided upon request of the Neighbourhood Energy Manager.

6. CONFIDENTIALITY

Expert Panelists may be required to enter into non-disclosure agreement(s) with the City to hold information confidential on:

- negotiations and related discussions related to any activity that could reasonably be expected to harm the interests of the City if such information were made public or shared with other parties; and
- third-party proprietary information, where the release of such information could harm the City's business relationship with the third-party and/or put the City into default on its contractual obligations to the third-party.

7. BUDGET AND STIPEND

The budget for Expert Panel activities is approved by Council as part of the annual City Operating Budget. The stipend amounts are to be determined by staff within approved budgets, as follows:

- SEFC NEU Rate Setting: stipend is a fixed annual payment, in the amount of \$3,000 per year for the Expert Panel Chair Person and \$2,000 per year for Expert Panelists. These amounts are subject to inflationary adjustment.
- Establishment of new NES: Due to significant year-to-year variability in the NES implementation activities, stipend amounts will be determined on a case-by-case basis for individual activities. Such amounts will be consistent with the degree of effort and related stipend amount for SEFC NEU activities.

All expenses submitted by the Expert Panel members will be reviewed and approved by the Neighbourhood Energy Manager, provided the expenses are within the approved budget.