



To: Toronto Public Library Board – January 21, 2002

From: City Librarian

Subject: **Purchase of Electricity**

Purpose:

To provide authority for Toronto Public Library to enter into an agreement with the City of Toronto to negotiate and enter into an electricity pricing arrangement with Toronto Hydro Energy Services Inc. (THESI) for the supply of electricity as required by the City and its Agencies, Boards and Commissions.

Funding Implications and Impact Statement:

Toronto Public Library's 2001 budget for electrical power usage is \$2,500,000. The City's proposed 2002 budget guidelines include a 15% increase for the cost of electricity. There are indications that the Province will deregulate the electricity market and allow it to be open for competition in May 2002, and the expectation is that deregulation will cause electricity prices to increase.

The costs for electricity will be accommodated within Toronto Public Library's operating budget.

Recommendation:

It is recommended that the Toronto Public Library Board provide authority for appropriate City staff to act on behalf of Toronto Public Library to negotiate and enter into an electricity pricing arrangement with Toronto Hydro Energy Services Inc. or the City of Toronto for the supply of electricity as required, as per the attached October 2, 2001 City Staff Report from the Acting Chief Administrative Officer to the Policy and Finance Committee re Purchase of Electricity.

Background:

Since mid-2000, Toronto Public Library has had representation on the City's Power Purchase Agreement Working Group. The purpose of the Group is to produce an agreement for the purchase of electricity for all City Departments, Agencies, Boards and Commissions, as per the direction of the Policy and Finance Committee Report No. 3 of the meeting of February 29, March 1 and March 2, 2000.

The attached Toronto Staff Report was presented to the City Council's Policy and Finance Committee meeting of November 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> of 2001. The Policy and Finance Committee approved the recommendation, thereby permitting City staff to negotiate and enter into an agreement with Toronto Hydro Electrical Services Inc. to provide electrical power requirements to the City. THESI has proposed terms and unit (KWH) prices, which they are committed to until February 15, 2002.

Comments:

By giving authority for Toronto Public Library to enter into a partnership with the City and its other Agencies, Boards and Commissions, Toronto Public Library will reap the benefits of available City expertise through the negotiating process and become a partner in a high volume user group, which will equate to lower unit prices.

Conclusion:

This report requests authority to enter into an agreement with the City and its Agencies, Boards and Commissions for the purchase of electrical power.

Contact:

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City Librarian

List of Attachments:

October 2, 2001 Report to Policy and Finance Committee from the Acting Chief Administrative Officer