

# **Renewable Power Generation Investment Trust Fund**

**Concept Proposal to the City of Peterborough  
With respect to the investment of proceeds from the sale of PDI to Hydro One**



Submitted by Transition Town Peterborough Inc.

171 A Rink St. Suite 166, Peterborough, On. K9J 2J6

[www.transitiontownpeterborough.ca](http://www.transitiontownpeterborough.ca)

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## A Introduction

1. This Concept Proposal is presented as the first phase of a Phased Program Planning Process which includes Concept/ Feasibility/ Design/ Implementation.
2. For reference this Concept Proposal titled Local Renewable Power Generation Investment Trust Fund is referenced as the **Trust Fund** .
3. The two other Options as proposed to City Council are :-

The Creation of a Peterborough Legacy Investment Fund referred to as the **Legacy Fund**

And the City of Peterborough Holdings Inc Investing in Renewables herein referred to as **Ptbo Holdings Fund**.

4. It is recognized, that there are viable combinations of these three Options that could be explored to achieve similar outcomes.... some of these will be referenced in this proposal.
5. This concept proposal makes no attempt to quantify the financial return on investment and financial risk of any of the Fund Options versus the other.
6. This proposal refrains from the diversionary discussion of whether or not the City of Peterborough can actually set up a operational investment trust or structurally similar entity. That discussion and research would be part of the Feasability/Design Phase. However, Transition Town research indicates that a Trust of this type can be created just as the City could set up its own municipal bank and issue its own complimentary currency as Transition Town Peterborough has demonstrated. The advantages of a Trust over simply a Resilient Community Fund as an example come in to play when the long term commitment involved in the adaptation of everything to guide the City and County into the Post Carbon era of 2050 is appropriately considered .
7. *This proposal constitutes Transition Town Peterborough's contribution to put the Trust Fund Option in the most favorable position to help create a more Resilient Community in the context of the Climate Crisis Emergency as declared by the City Of Peterborough.*
8. With full disclosure Transition Town Peterborough as a not for profit social enterprize is not now nor a anticipated future candidate for funding from this Trust Fund Option as recommended.

## B Trust Fund Leading Objectives.

Leading Objectives are designed to :-

- maximize the local renewable power generation of the City and County of Peterborough. The understanding is that *% of Energy Consumed that is Locally*

*Generated* is a critical measure of Energy Security and Community Resilience as referenced in Appendix 2

- 
- maximize the number of local sustainable jobs created .
- support projects that encourage local investment both large and small such as both Energy Co Ops and Farmers and Food Co Ops with Energy Co Op components.
- support projects that maximize the local Economic Multiplier effect such as those that make use of the Kawartha Loon Local Currency and other local supplier inputs and services.
- support the prioritization of projects that integrate renewable power generation with other life essentials including food ,water, wellness and culture. These projects could include a downtown solar energy co- operative to increase Energy Security leading to the social and economic viability and vitality of the Ptbo Downtown Core as the heart and soul of the community. Other candidates for local renewable power generation systems would include the Regional Hospital, any local electrified public transportation system, any physical infrastructure Regional Food Hub and year round farmers' market, Trent University, Fleming College and any future replacement of the Memorial Centre.
- integrate with projects that also lead to and support Energy Descent required to make the community even more resilient.

## **C Trust Fund Recommendation and Integration with the City of Peterborough's Climate Crisis Emergency Response**

1. The lack of integration of any of the three Options with our local Climate Crisis Emergency Response has to be considered an opportunity lost of significant magnitude. The Trust Fund Recommendation is considered the best option to help move the community into a robust leadership position with respect to its Climate Crisis Emergency Response.
2. The Trust Fund Option as recommended is for a minimum of \$50 Million into the Trust and the balance of proceeds from the sale of PDI to be held in a short term investment reserve to firstly set up the Trust Operation and Executive and operating staffing to launch within a year.
3. This recommendation is presented in support of the idea that a capital gain produced by long term investment by the citizens of the City and County of Peterborough such as we have with the sale of PDI needs to be invested for the long term Energy Security and the 4 E's Framework benefit of those same citizens. The 4 E's Framework is presented in the attached Appendix 2.
4. The Trust Fund Option would be formed at arms length from the City Of Peterborough with likely two City Councillors on the Board of Directors serving in an oversight capacity while productively removing politics from the investment decision making

process for greater local energy security.

5. The Trust Fund would be a Operational Investment Trust with some characteristics and skill sets that are inherent in both the Legacy Fund Option and the Ptbo Holdings Option. As an example The Trust Fund Option would likely use commercial risk analysis and rate of return objectives such as already exist in both of the other two options. However the Trust Fund Option would only invest in local renewable energy projects both large and small while the Legacy Fund Option would likely be shaped to maximize the return on investment (ROI) with little or no constraint on investment location or type of investment.
6. It is recognized that all or part of the return from both The Legacy Fund Option or the Ptbo Holdings Option could be re-invested in a Resilient Community Fund. However relying on future City Councils to keep that re- investment in place during the times of budgetary constraints such as now exists during the COVID 19 Pandemic supports the need for a Trust Fund committed to the long term objectives as presented in Section B.
7. The Legacy Fund represents the least desirable option with marginal opportunity to provide any more leverage against the Trust Fund objectives as outlined in Section B than the re-investment of the return as presented above.
8. Ptbo Holdings has very important and marketable skills involving the oversight if not the actual work to evaluate and engineer renewable energy projects of all types including integration with the existing local grid soon to be owned and operated by Hydro One. It also has the skill to act as Operator of large and medium size energy projects of various types, and has further demonstrated ability to work with both commercial and residential users on increasing energy efficiency.

Unfortunately the ability to advocate and promote energy efficiency without strong dedication to a net community-wide energy descent initiative is not likely to create the resilient community needed to flourish in the Post Carbon Era. Suggesting that Ptbo Holdings could maximize the communities Renewable Energy projects while supporting and promoting energy efficiency and then asking them to lead the drive for net community-wide Energy Descent is like asking them to shoot themselves in the foot and plan for their own demise. Its simply not a compatible mission for Ptbo Holdings .

As such the opportunity for the Ptbo Holdings Fund to achieve the Trust Fund long term objectives presented is much less than the Trust Fund Option as presented..

9. However, the Trust Fund Option policy formulation would allow Peterborough Holdings to apply for some portion of the Funds for its own renewable energy projects. These projects would likely be of lower risk and actually help to stabilize the Trust Funds income in its early start-up phase.
10. The Trust Fund's first recommendation of project plans review and evaluation and as For Fee Project Operator, would be to Ptbo Holdings in order to maximize local investment.
11. *It is this separation of the fund source at arms length from the City of Peterborough and from Ptbo Holdings that has the potential to create more projects more quickly that*

*create more local small and medium investment opportunities that create more local sustainable jobs through the community building the Economic Multiplier Effect and in the end produce a higher percentage of local power as a measure of Community Resilience and as renewables lead to lower local carbon emissions .*

**D Expanding the Trust embracing the whole of the City and County's Non Capital Cost Response to the Climate Crisis Emergency.**

1. The Trust idea has been in the Transition Town Peterborough play book since its inception in 2007.  
The global transition model addresses the Energy Economic and Environmental predicament that we are in and deals with all three together at the same time as a system, and in so doing pursues absolute Energy Descent as well as Emissions Reduction from the burning of fossil fuels to create a more resilient community to prepare for whatever lies ahead.  
Switching from fossil fuels to renewables is the first mitigation and adaptive step but will not on its own prepare us for the Post Carbon Economy of 2050 and beyond.
2. Transition Town Peterborough has conducted multiple Town Halls and follow up group sessions on the formation of a City and County Owned Investment Trust ..at the time it was called the Triple E Trust representing Energy, Economics, Environment and with the addition of Equity as the fourth E the Transition Town model now talks about the 4 E 's Framework.
3. The Investment Trust idea and focus on building a more Resilient Community has been left to the Non-Profit sector and to the small amount of money provided by Grants and locally-owned business sponsors.  
The City and County's efforts were and are about gaining business and NFP support for the Community Sustainability Plan and Climate Change Action Plan with no project plan funding behind them. The result is a public perception of these plans as award programs with little accountability to the Citizens of the City and County of Peterborough.
4. Hopefully, the City Council will take this Trust Fund Recommendation for the management and use of the funds from the sale of PDI as a significant opportunity in its own right and to begin the process of expanding the Trust to embrace the whole of the City and County's response to the Climate Crisis Emergency.
5. As a brief outline a **4 E's Operating Investment Trust** would:
  - a) Require annual funding from both the City and County of Perborough (estimated at 1% of respective 2020 operating budgets rising to 2% by 2030 )
  - b) Clearly define its Community Based 4 E Resiliency Goals and Objectives
  - c) Be composed of at least three entities at this writing including the:  
**Renewable Energy Fund:** created with funds from the Sale of PDI  
**Climate Crisis Emergency Fund** already started by the City of Peterborough

and where the bulk of the annual funding from the City and County would go. **Kawartha Loon Exchange** transferring the Currency Issuer from Transition Town to the 4 E's Operating Investment Trust allowing the Trust to accept the interest on the Canadian Dollar Reserve which backs the Kawartha Loon

- d) Clearly identify the beneficiaries of the Trust as the Citizens of the City and County of Peterborough.
- 6. Expanding the Trust to a City and County jointly owned and supported Investment Trust is the best way to work together and make our community whole in terms of building resilience in life essentials. This is not to say that the negotiating process and trade offs will easily be digested by either party ,but to even think that the City and County can address what lies ahead on their own is beyond comprehension.
- 7. Lastly, now is the time to face the reality that nothing much that we are doing collectively is enough for our community to fully recover from the social and economic Impact of COVID 19, let alone prepare us for the Climate Crisis Emergency that lies ahead. It therefore seems to be the time to think and act boldly in the best interest of the Citizens of the City and County of Peterborough.

**Transition Town Peterborough May 2020**