



# HRPI INFORMATION REPORT

<b>TO:</b>	Mayor and Members of the Hamilton Renewable Power Inc. Shareholder
<b>COMMITTEE DATE:</b>	December 12, 2018
<b>SUBJECT/REPORT NO:</b>	Operational Update (HRPI 18-001) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
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<b>SUBMITTED BY:</b>	Rom D'Angelo, C.E.T.; CFM President, Hamilton Renewable Power Inc (HRPI)
<b>SIGNATURE:</b>	

## Council Direction:

Not applicable.

## Information:

The purpose of this Information Report is to advise and inform on the operational and financial status Hamilton Renewable Power Inc. (HRPI) business. Attached in Appendix A is an update of the operations for the Woodward cogeneration unit and the Glanbrook landfill site as well as a financial update and summary.

### Operational Update:

For the period of January 1, 2018 to September 30, 2018 the operational highlights include:

- Overall kilowatt hour combined production for Woodward & Glanbrook: is lower by 15.6%:
  - Glanbrook production is up +8.2% relative to last year (2017);
  - Woodward production is down from 2016 by 50.7%.
- Prime reason for decrease in production is the three (3) month period for which Woodward was offline as a result of the methane storage sphere coating project:
  - Woodward engine run hours is therefore lower by 2,548 hrs of run time year to date;

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*OUR Vision: To be the best place to raise a child and age successfully.*

*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*

- Glanbrook on the other hand had slightly higher engine run hours. A 1.0% increase yet by optimizing generator performance the electricity output at Glanbrook is 8.2% greater than the same period in 2017.

**Financial Update:**

The third quarter financial results for the period ending September 30, 2018 have exceeded budget expectations with a net profit of \$55,061 being realized, translating into a favourable YTD variance of \$113,116. Based on past revenue performance, a budgeted net loss of \$58,055 for this 9 month period was anticipated due to the temporary shutdown of the Woodward cogeneration facility. Improved production by the two Glanbrook engines has enabled 2018 revenues to surpass the \$2.051 million YTD budget target by \$166K or 8.1%. On the expenditure side of the ledger, a small positive variance of \$19K is being reported year-to-date, representing 1.2% of the total \$1.570 million budget.

Using best judgement and known facts, a net profit of approximately \$72K is being projected by year-end. This forecast assumes engine run hours and hourly production rates will be within budget targets for the remainder of the year. Although the 2018 year-end net profit forecast is lower than the \$129K amount achieved in 2017, it is similar to what was earned in the year 2015 and 2016, which ended up in the \$76K to \$77K range respectively.

The profitability of HRPI from the commencement of operations in the year 2006, as well as the net benefits realized by the City can be found in the accompanying appendices that provide an historical perspective on these and other key financial indicators.

If you require further information on this matter, please contact Frank Gazzola, Vice President at Extension 7518.

**Appendices and Schedules Attached**

Not applicable.