

# HRP Inc. AGM Meeting

Monday October 23, 2023



## 2023 Annual General Meeting

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# Agenda

- Welcome
- Introductions & Background
- Financial Update 2023
- Operational Update
- Questions



# Hamilton Renewable Power Inc. Organizational Chart



# Background

- The City of Hamilton created Hamilton Renewable Power Inc. in 2005
- Originated with the City's desire to construct, operate and maintain a cogeneration facility; a source of renewable energy

## Woodward Wastewater Treatment Plant

- 1.6 MW generator
- Methane gas from the WWTP digesters
- Heat harvested from the engine
- Electricity generation of enough electricity to power approx. 1,300 homes
- Facilities heating
- Cogen operated by HCE Energy and maintained by Toromont Industries Ltd. Energy until December 31, 2025

## Glanbrook Landfill

- 2 combustion engines generating 3.2 MW of Energy
- Runs on landfill methane gas
- Horizontal and vertical collectors
- Perimeter header that conveys methane to engines
- Electricity generation of enough electricity to power 2,100 homes
- Cogen operated by Toromont Industries Ltd. Energy until December 31, 2023

# HRP Inc. Benefits to the City



As of 2022 , \$3,947,019 million in cumulative shareholder value (Dividends)



The annual net financial benefit is over \$1,000,000 since 2009 except for the last two years

Enough generating capacity to power 3,400 homes



Annual cO<sub>2</sub> emission reductions of approximately 60,000 tonnes (or 12,000 cars)



# Financial Update 2023

1. 2023 Budget
2. 2023 Actuals / Full Year Forecast
3. Financial Trends

# 2023 Budget

## 2023 OPERATING BUDGET

Year Ended December 31

	2023	2022	Change
Revenues	\$ 2,132,430	\$ 2,450,100	\$ (317,670)
Cost of Goods Sold	\$ 561,120	\$ 712,410	\$ (151,290)
Gross Profit	\$ 1,571,310	\$ 1,737,690	\$ (166,380)
Expenses	\$ 2,069,190	\$ 2,045,490	\$ 23,700
PIL Tax	\$ (131,940)	\$ (81,560)	\$ (50,380)
<b>Net Income (Loss)</b>	<b>\$ (365,940)</b>	<b>\$ (226,240)</b>	<b>\$ (139,700)</b>

# 2023 Full Year Forecast

## 2023 INCOME STATEMENT

Year Ended December 31

	FY Budget	FY Projection	
		Actuals	Variance
Revenues	\$ 2,132,430	\$ 1,780,228	\$ (352,202)
Cost of Goods Sold	\$ 561,120	\$ 456,935	\$ 104,185
Gross Profit	\$ 1,571,310	\$ 1,323,293	\$ (248,017)
Expenses	\$ 2,069,190	\$ 1,952,517	\$ 116,673
Income Before Tax	\$ (497,880)	\$ (629,224)	\$ (131,344)
PIL Tax	\$ (131,940)	\$ (186,073)	\$ 54,133
<b>Net Income (Loss)</b>	<b>\$ (365,940)</b>	<b>\$ (443,151)</b>	<b>\$ (77,211)</b>



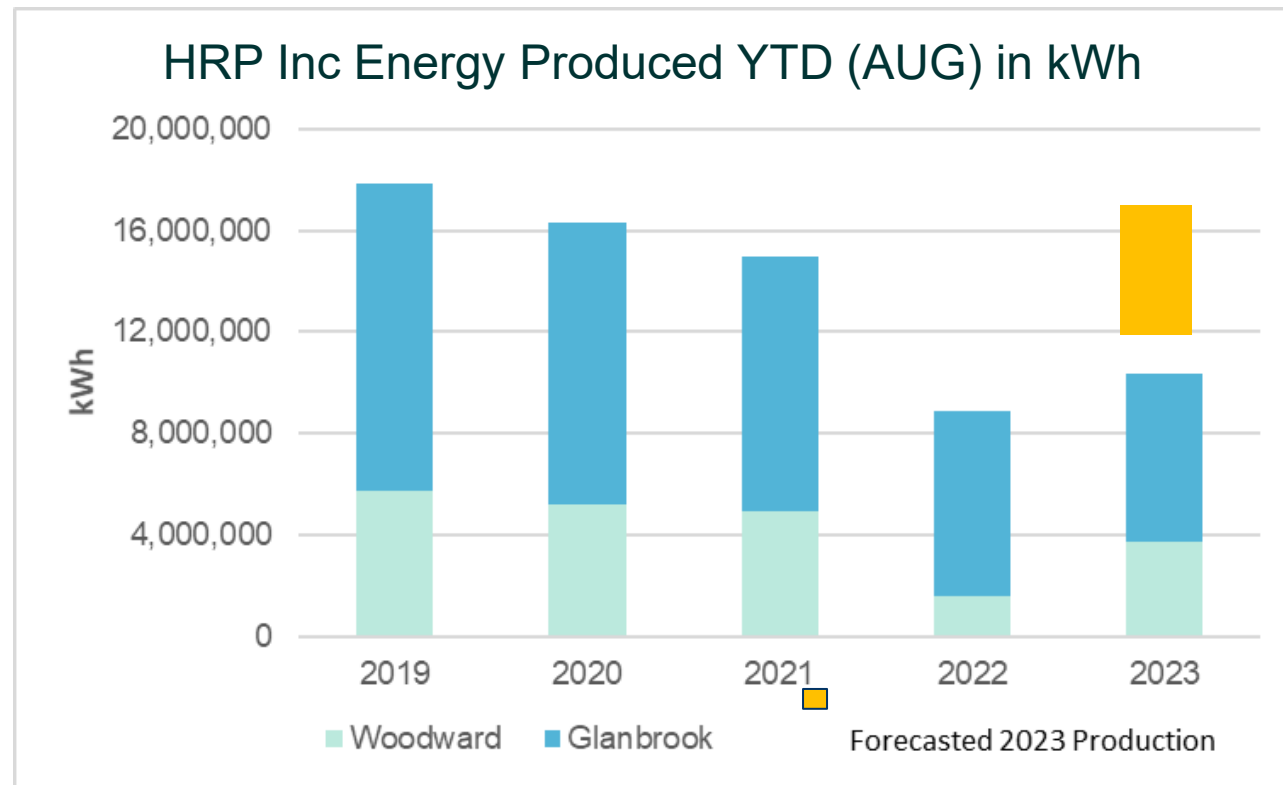
# Financial Trends

## NET EARNINGS / DIVIDEND / CITY NET BENEFIT

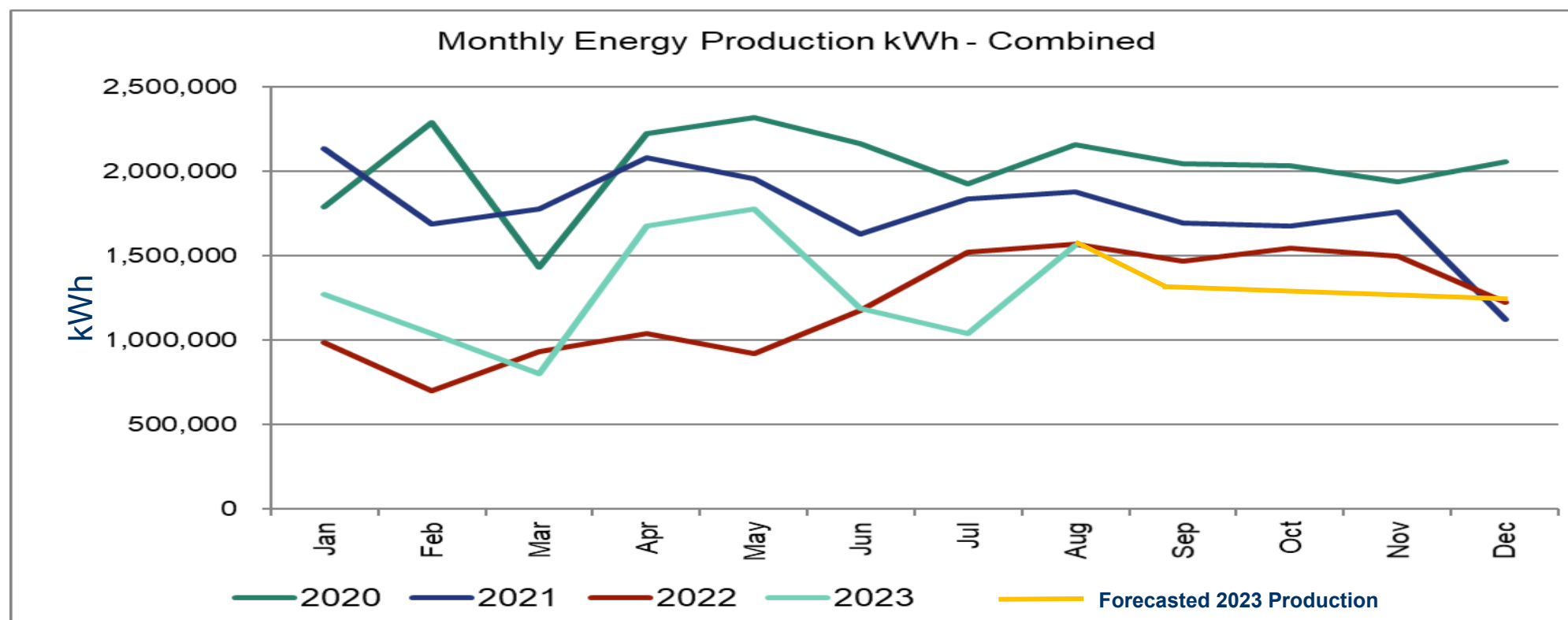
Year	Net Income	Dividend	City Net Benefit
2006	\$ (218,363)	\$ -	\$ 11,257
2007	\$ 184,301	\$ -	\$ 591,719
2008	\$ (28,544)	\$ -	\$ 447,373
2009	\$ 834,850	\$ -	\$ 2,000,345
2010	\$ 816,973	\$ 1,257,963	\$ 2,213,378
2011	\$ 635,185	\$ 736,920	\$ 2,033,743
2012	\$ 399,710	\$ 626,642	\$ 1,708,212
2013	\$ 306,585	\$ 306,122	\$ 1,686,137
2014	\$ 279,202	\$ 295,816	\$ 1,633,667
2015	\$ 75,935	\$ 249,150	\$ 1,517,245
2016	\$ 76,892	\$ 60,748	\$ 1,301,246
2017	\$ 128,821	\$ 61,514	\$ 1,210,308
2018	\$ 133,711	\$ 103,057	\$ 1,131,862
2019	\$ 177,646	\$ 106,970	\$ 1,169,466
2020	\$ (66,331)	\$ 142,117	\$ 1,210,916
2021	\$ (264,527)	\$ -	\$ 963,239
2022	\$ (474,989)	\$ -	\$ 734,038
2023 *	\$ (443,151)	\$ -	\$ 729,334
<b>Total</b>	<b>\$ 2,553,906</b>	<b>\$ 3,947,019</b>	<b>\$ 22,293,485</b>

\* Forecast

# Operational Update



# Operational Update



# Operational Challenges & Next Steps

## Woodward Wastewater Treatment Plant

- Cogeneration Unit: Aging asset, increased downtime in 2023 due to mechanical and electrical repairs
- Operation & Maintenance contract expires December 31, 2025
- Pursue design/ engineering work to convert biogas into renewable natural gas (RNG) in 2024
- Working with Hamilton Water to explore avenues of enhanced biogas production



# Operational Challenges & Next Steps

## Glanbrook Landfill

- Cogeneration units: Aging asset, frequent repair, low biogas yield, gas wells condition
- Operation & Maintenance contract expires December 31, 2023
- Waste division engaged WSP Canada Inc. to conduct landfill biogas assessment
- Participated in University of Waterloo landfill study project to study biogas potential in the landfill



# Questions?



**HRP Inc.**