



INFORMATION REPORT

TO:	Chair and Members of the HRP Inc. Board
DATE:	June 13, 2024
SUBJECT/REPORT NO:	Hamilton Renewable Power Inc. Operating and Financial Update
WARD(S) AFFECTED:	N/A
PREPARED BY:	Linda Campbell, VP, Operations Shelley Hesmer, Treasurer
SUBMITTED BY:	Carlyle Khan President, HRP Inc.
SIGNATURE:	

The purpose of this Information Update is to advise and inform on the financial status of HRP Inc. business and provide a high-level overview of current operations.

Attached in Appendix “A” is the presentation of the financial update for 2023 and an overview of the 2024 financial comparisons of budget vs. actual for the Woodward Avenue Wastewater Treatment Plant Co-Generation Facility and the Glanbrook Landfill site Combine-Heat-and-Power plants.

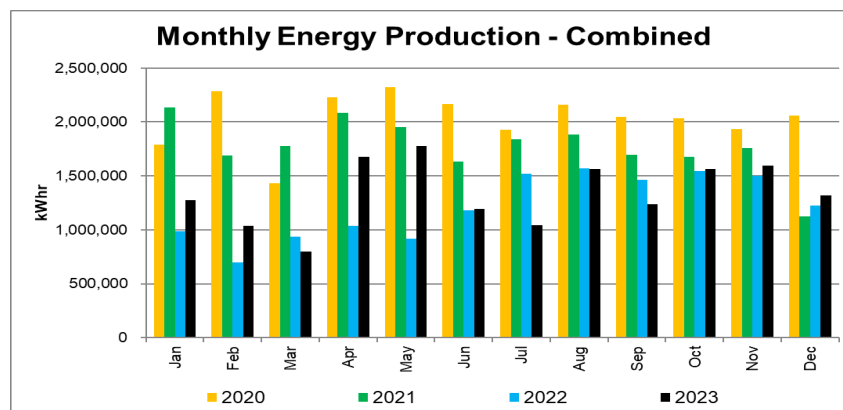
2023 Audit Updates

As a result of the City of Hamilton cybersecurity incident on February 25, 2024, the validation of financials as it relates to the relationship between the City of Hamilton (City) and Hamilton Renewable Power Inc. (HRP Inc.) by the external auditors cannot be confirmed at this time. The 2023 HRP Inc Financial Statements will be brought forward to the board for final approval once this information can be validated by the external auditors.

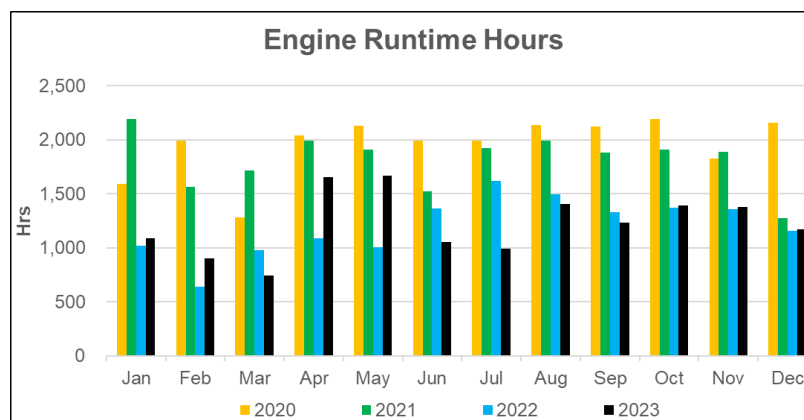
A copy of the draft 2023 Hamilton Renewable Power Inc. Financial Statements is attached as Appendix “B”.

Operational Update For the period of January 1st, 2023, to December 31, 2023 the operational highlights include:

- Overall kilowatt hour combined production for Woodward & Glanbrook:
 - Glanbrook production is down by 6.8% relative to last year (2022);
 - Woodward production is up 53.7% from 2022.



- Prime reasons for production performance:
 - Glanbrook had 16.7% lower engine run hours compared to the same period in 2022 due primarily to lower methane availability at site;
 - Woodward engine run hours are higher by 42.5% compared to same period in 2022 as the unit was down from January-May 2022.



2023 Financial Update

HRP Inc. is reporting a net loss of \$455,583 for the 2023 fiscal year. The main contributing factor for the net loss is attributed to lower revenues than expenses.

Actual revenues for 2023 were \$1,870,108. Revenues were lower than budget by \$262,322. Glanbrook landfill site experienced lower methane production in 2023 than expected.

Actual expenses for 2023 were \$1,978,714. Expenses were lower than budget by \$90,476.

Cost of goods sold (COGS) for 2023 were \$473,680. COGS were lower than budget by \$87,440. In 2023, HRP Inc. experienced lower methane production at the Glanbrook landfill site. COGS represents the cost of methane purchased from the City.

Recovery in lieu of taxes for 2023 was \$126,703. This is a variance of \$5,237 lower than budget for 2023.

2023 net benefits to the City were \$735,441. The cumulative net benefit to the City since 2006 represents approximately \$22.3 million. This net benefit amount includes salary recoveries for legal and administrative support, cost of methane purchased from the City and dividends paid to the City in previous years.

A copy of the draft 2023 HRP Inc. financial statements is attached as Appendix "B".

If you require further information on this matter, please contact Shelley Hesmer, Treasurer at extension 4157.

Appendices and Schedules Attached

Appendix "A" - Hamilton Renewable Power Inc. Board Meeting Presentation

Appendix "B" - Draft 2023 Hamilton Renewable Power Inc. Financial Statements