



## City of Hamilton Report for Consideration

**To:** Chair and Members  
Hamilton Renewable Power Inc. Board of Directors

**Date:** July 22, 2025

**Report No:** HRP25002

**Subject/Title:** Additional Funding Request for Consultant - Led Biogas Feasibility Study

**Ward(s) Affected:** City Wide

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### Recommendations

That the Board of Directors of Hamilton Renewable Power Inc. (HRP Inc.) **APPROVE** up to an additional \$100,000 from HRP Inc.'s Bank Account to cover the shortfall between the previously approved \$150,000 and the total project cost of \$250,000, to allow HRP Inc to proceed with award of RFP C11-40-25: Prime Consultant Services Required for Preliminary Design and Engineering of Biogas Upgrading Unit Installation and Connection to Utility Line.

### Key Facts

- At the September 12, 2024, Board of Directors meeting, HRP Inc. Board directed staff to engage a consultant to develop a work plan for the biogas utilization strategy at the Woodward Wastewater Treatment Plant, to be funded from HRP Inc. Bank Account at an upset limit, including contingency, not to exceed \$150,000.
- This report presents a funding request to address the shortfall of up to \$100,000 for the biogas feasibility study and 30% design, based on the revised estimated project cost of \$250,000.
- Drawing from HRP Inc.'s bank account would enable the project to proceed without delay, allowing HRP Inc to remain agile, maintain ownership and control, and advance its strategic energy and climate goals. A successful proponent was identified through RFP C11-40-25 following a formal evaluation process.

- Project work will commence pending approval of additional funding and the procurement award process.
- HRP Inc. has committed \$150,000 to the project and submitted a Green Municipal Fund (GMF) application for matching funds prior to confirming the final project budget.

## Financial Considerations

HRP Inc. has allocated \$150,000 to this initiative. The total project cost is estimated at \$250,000.

## Background

At its September 12, 2024 meeting, the HRP Inc. Board directed staff to engage a consultant to develop a work plan for the biogas utilization strategy at the Woodward Wastewater Treatment Plant, to be funded from the Bank Account at an upset limit, including contingency, not to exceed \$150,000.

RFP C11-40-25 was issued in April 2025 to procure a Prime Consultant to lead the feasibility study and 30% design. The RFP closed on May 2, 2025, and two submissions were received. One submission was eliminated through legal review, and the remaining proponent was evaluated and identified as successful submission.

As the proposed project cost exceeds the Board approved budget, this report outlines a funding option to address the shortfall in budget and allow the work to proceed.

## Analysis

An application was submitted to the Federation of Canadian Municipalities (FCM) Green Municipal Fund (GMF) requesting \$150,000 in matching funding, based on the original estimated budget. At the time, the final project cost had not yet been confirmed. The GMF program provides dollar-for-dollar matching for eligible expenses. This means that if the application is successful, GMF would fund approximately \$125,000, covering half the cost of the feasibility study. A response from GMF is expected between September and November 2025.

To avoid delays with the feasibility study, a funding decision is required now. To proceed without waiting for the outcome of the GMF application, HRP Inc. is proposing to draw up to an additional \$100,000 from its Bank Account to cover the funding shortfall. This approach allows the consultant-led work to begin immediately, ensuring continuity in project momentum, and maintaining flexibility to adjust the funding strategy once GMF results are known. If the GMF application is ultimately unsuccessful, HRP Inc. would remain responsible for the full project cost estimated at \$250,000.

## **Alternatives**

### **1. Delay Project Until GMF Results Are Received**

Under this approach, HRP Inc. would postpone the feasibility study until a funding decision is received from FCM, expected between September and November 2025. While this eliminates the need for interim funding, it would delay project advancement, potentially affect consultant availability, and stall momentum in achieving long-term climate and infrastructure goals. This approach also risks cost increases and reduced alignment with broader City initiatives. This is the second time HRP Inc. has taken this to market. As per procurement specialists' recommendation, it would be difficult to run another RFP for this requirement without treading into the potential “bid shopping” optics.

### **2. Scale Back Scope to \$150,000**

This option would reduce the project scope to fit within the currently approved \$150,000 HRP Inc. budget. While some foundational elements of the feasibility study could proceed, key components—specifically the 30% Preliminary Design, Process Flow Diagrams (PFDs), and Preliminary Layouts—would need to be removed.

Removing these elements would limit the level of detail and completeness of the study, which could impact HRP Inc.'s ability to move efficiently into implementation. The absence of design drawings and technical layouts may also result in delays during future phases, including permitting, cost estimating, and construction planning, and could introduce additional costs at a later stage. This option represents a more conservative upfront investment but may require additional work and funding in the future.

## **Relationship to Council Strategic Priorities**

### **1. Sustainable Economic & Ecological Development**

- **1.2 – Facilitate the growth of key sectors**

The feasibility study supports the expansion of Hamilton's cleantech and renewable energy sectors, opening opportunities for local employment, innovation, and green investment.

- **1.3 – Accelerate our response to climate change**

The project explores scalable RNG solutions that directly contribute to reducing greenhouse gas emissions and aligning with corporate and provincial climate targets.

- **1.4 – Protect green space and waterways**

Enhanced utilization of biogas contributes to better wastewater byproduct management, reducing flaring and associated environmental impacts.

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### 3. Responsiveness & Transparency

- **3.4 – Modernize City systems**

The study integrates sustainability into infrastructure planning and helps position HRP Inc. and Hamilton Water as leaders in low-carbon municipal operations, using data-driven decision-making.

### Previous Reports Submitted

[Hamilton Renewable Power Inc. \(HRP Inc.\) Renewable Natural Gas Development \(HRP202201\)](#), Hamilton Renewable Power Inc. Board Meeting, August 30, 2022

Hamilton Renewable Power Inc. (HRP INC.), [Hamilton Renewable Power Board Meeting September 12, 2024.](#)

### Consultation

- Jackie Kennedy, Acting General Manager, Public Works
- Shelley Hesmer, Treasurer of HRP Inc.
- Linda Campbell, Vice President of HRP Inc.

### Appendices and Schedules Attached

None

**Prepared by:** Yanni Simatis, Senior Vice President of HRP Inc.

**Submitted and recommended by:** Jackie Kennedy, Acting General Manager  
Public Works