



Staff Report to Council - for Direction

Title: Rural Economic Development - Rural Economic Development Grant Funding - Clean Energy Transition Cluster Project

From: Claire Dodds, Commissioner of Community Development

Date: June 20, 2024

Report Number: CDO-2024-013

Staff Recommendation:

That Council authorize the Warden and Clerk to enter into a Rural Economic Development (RED) Fund Contribution Agreement (CA) with His Majesty the King in right of Ontario as represented by the Minister of Rural Affairs; and

That Council authorize use of the Economic Development - Departmental Reserve of \$29,000 in 2024 as the County Contribution to the project.

Report Summary:

In 2024, staff applied for and received \$150,000 in funding from the Rural Economic Development Fund Program to support the development of a Clean Energy Transition Project. This report outlines the project that aims to educate local businesses on clean energy transition; coordinate energy transition initiatives; attract investment; and foster industry collaboration. The County's 50% funding contribution is recommended to be offset using the Economic Development - Departmental Reserve over the next three budget years.

Background:

In February 2024, staff made an application to the Rural Economic Development (RED) Fund Program for funding to support a project to further the mandates of the Community Development Office and the Bruce County Strategic Plan. This submission included a request for multi-year funding to develop and advance a Clean Energy Transition Cluster project.

Staff received confirmation on June 4, 2024 that the funding application was approved for the maximum amount of RED funding, in the amount of \$150,000. This funding is to be leveraged with matching County funds of \$150,000 over a two-year period, for a total investment in the project of \$300,000. This project will span three County budget years (2024, 2025 and 2026). Staff recommend funding this project with the Economic Development - Departmental Reserve.

The Clean Energy Transition project will establish a cluster of businesses leading the charge in energy transition, with a focus on implementing clean energy sources.

The project was developed to specifically utilize County expertise to leverage multiple provincial initiatives and investments in energy transition. This work builds on the provincial direction established through reports including the [Ontario's Electrification and Energy Transition Panel](#) report which states that "it would leverage regional clusters and build on various industrial sector strengths to position Ontario as a key player in select global clean economy value chains.", as well as the [Independent Electricity System Operator, Pathways to Decarbonization](#) report which highlights that "there should be an increased focus on the work identified in Ontario's Low-Carbon Hydrogen Strategy, including recognizing if and how low-carbon fuels can contribute to the decarbonization of the electricity grid". Building on Bruce County's existing knowledge and concentration of investment in the energy sector, this project will help drive transition and future investment in clean energy technologies in the County.

The RED grant funding will provide resources for actions to support Bruce County's Clean Energy Transition Cluster project. The project will hire a contract Energy Transition Coordinator to provide coordination of projects to drive private investment. To be successful, energy transition projects will require a willing business, expertise in research and development, a company that can bring this together and the financial support to make it viable. The cluster will ensure that all parties are at the table to facilitate a successful investment.

To accomplish the project goals, the project will aim to:

- **Educate** - Ensuring that businesses in Bruce County understand clean energy opportunities.
- **Initiate** - Provide direct support and coordination between the various actors to facilitate energy transition projects in the area.
- **Attract** - Utilize the cluster to attract companies and organizations looking to invest in research and pilot projects in energy transition to Bruce County.
- **Coordinate** - Bring together industry groups to advocate for more support to energy transition projects.

The overall intent is to leverage this funding opportunity to accelerate the energy transition of local businesses while building the local economy and community of practice for upcoming changes in the energy sector that will impact business.

This project is anticipated to begin on October 1, 2024 and run until September 30, 2026. Funding announcements will be made public following execution of the Agreement with the Ministry. Closer to the date, staff will present a full workplan to launch this project.

Financial/Staffing/Legal/IT Considerations:

The RED grant provides 50% funding for the Clean Energy Transition Cluster project up to \$150,000. The County's contribution to this project for 2024 will be \$29,000, which is recommended to be drawn from the Economic Development - Departmental Reserve. The projected 2024-year end balance of this reserve is \$204,970, with the balance after proposed use being \$175,970. The target balance for this reserve is \$100,000.

The Economic Development budget has sufficient reserve funds to provide this contribution across the three budget years, 2024, 2025 and 2026. Future allocations from reserves will be included in the 2025 and 2026 budgets for Council's approval.

Interdepartmental Consultation:

Corporate Services was consulted in the development of this report.

Link to Strategic Goals and Objectives:

Growth and Innovation - Promote responsible growth

Environment and Climate Change - Build capacity to adapt to and mitigate the impacts of climate change.

Link to Departmental Plan Goals and Objectives, if any:

This project directly supports the mandate of the Community Development Office project to grow the Clean Energy and Medical Isotopes Sectors. It also directly supports the Economic Development Strategic Plan by promoting the diversification of the economic base.

Report Author:

Pierre Valley, Economic Development Officer

Departmental Approval:

Jeff Loney, Manager, Economic Development

Approved for Submission:

Claire Dodds, Commissioner Community Development