

DATE OF MEETING MAY 19, 2021

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SUBJECT FortisBC Vehicle Incentive Program

OVERVIEW

Purpose of Report:

To advise the Finance and Audit Committee that the City submitted an application and has been awarded a Natural Gas Vehicle Incentive totaling \$13,600 from the FortisBC Vehicle Incentive Program.

BACKGROUND

FortisBC's Vehicle Incentive Program provides incentives to purchase a natural gas vehicle instead of the diesel equivalent. This incentive allows the City of Nanaimo to take advantage of the cost-savings benefits and emission reductions that compressed natural gas (CNG) or liquefied natural gas (LNG) fuel provides.

Applicants to the FortisBC Vehicle Incentive Program will be awarded an incentive percentage calculated at the sole discretion of FortisBC. FortisBC advised the incentive percentage would be 20% of the price differential between the vehicles to be purchased and diesel powered vehicles having the same or similar attributes (excluding any optional add-ons such as extended warranties and post outfitting expenses) and may be subject to a maximum incentive cap based on vehicle/industry type and an identical vehicle with a diesel engine.

There is no funding limit or matching requirement for the application. Key requirements in the application included the following:

- Eligible vehicles include:
 - heavy-duty vehicle: a truck or tractor-trailer with a manufacturer's gross vehicle weight rating of 11,793 kg or more
 - medium-duty vehicle: a vehicle with a manufacturer's gross vehicle weight rating of more than 5,360 kg but less than 11,793 kg
- Scanned copies of the detailed truck specifications and quotes from the vehicle dealer
- Annual litres of diesel fuel displacement calculation

The funding application was submitted 2021-APR-30. Funding was awarded on 2021-MAY-06.]

DISCUSSION

The City applied for up to \$13,600 in grant funding for the New Automated Refuse Truck to be ordered this year. The project met the eligibility requirements listed above and is included in the 2021 – 2025 Financial Plan. The purchase of a CNG vehicle supports the City's Green Fleet Strategy.

New Automated Refuse Truck

The 2021 – 2025 Financial Plan includes implementation of the second of the two new routes. The implementation of the second route was accelerated from July 2022 to January 2021 with the new refuse collector operating one of the existing spare units until a new automated unit arrives. The new unit is anticipated to be ordered shortly and will arrive in 9 – 12 months.

The total project budget is approximately \$459,600. The tender for the purchase came in over the project budget and the grant funding will be used to reduce the shortfall. |

CONCLUSION

The City has applied for and received a FortisBC Vehicle Incentive in the amount of \$13,600 for 2021 related to the purchase of a New Automated Refuse Truck. |

SUMMARY POINTS

- The City has applied for up to \$13,600 in funding from the FortisBC Vehicle Incentive Program and received notification of our approval of this funding on 06-MAY-2021.
- The purchase of a CNG vehicle supports the City's Green Fleet Strategy.
- Estimated project completion date is 31-MAY-2021

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