

Bylaw 17943

Blatchford Renewable Energy Utility

Purpose

To establish a new municipal utility that will provide thermal energy to buildings within the Blatchford community for heating, cooling and domestic hot water through a district energy sharing system.

Readings

Bylaw 17943 is ready for three readings.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 17943 be considered for third reading.”

Bylaw 17943 is authorized under the *Municipal Government Act*.

Position of Administration

Administration supports this Bylaw.

Previous Council/Committee Action

At the November 16, 2018, Utility Committee meeting, Bylaw 17943 was forwarded to City Council for the appropriate readings.

At the October 25, 2018, Utility Committee meeting, the following motion was passed:

That the October 15, 2018, Integrated Infrastructure Services report CR_4358, be postponed to the November 16, 2018, Utility Committee meeting.

At the February 28, 2017, Agenda Review Committee meeting, Bylaw 17943 was re-routed to Utility Committee.

At the December 8/9, 2016, City Council meeting, the following motion was passed:

2. That Administration draft a Bylaw for Council's consideration to establish a Renewable Energy Utility for Blatchford as a municipal public utility.

Executive Summary

The Bylaw establishes the Blatchford Renewable Energy Utility and outlines the requirements for properties to receive energy service through the utility.

Report

The Blatchford Renewable Energy Utility will provide thermal energy for the heating, cooling and domestic hot water within the Blatchford community through a District Energy Sharing System (DESS). The Bylaw covers the connection and access to the DESS and establishes fees and charges for the service. The following is a summary of the key items addressed in the Bylaw:

- Establishment of Blatchford DESS Service Area

Schedule A of the Bylaw provides the boundaries of the Blatchford Service Area. All buildings within this service area are required to connect to the DESS unless the buildings are built to at least a net-zero carbon standard.

- Service Connections, Building Mechanical Systems and Utility Infrastructure

Owners (builders) are required to install service connections, of which some will become utility infrastructure once constructed. The City will install energy meters and energy transfer stations (if required) on the properties. Owners are required to provide adequate space within their buildings for City-installed infrastructure and to provide access to the City for the purpose of construction, maintenance and repair of utility infrastructure. The DESS service requirements outline the obligations for the owners to maintain and repair their building mechanical systems.

- Fee, Charges and Other Costs

The Bylaw outlines relevant fees and charges for the DESS service. The rates were developed through a rate setting study undertaken and validated by external consultants. Schedule B in Bylaw 17943 provides the fees and charges for the DESS service, which consist of an infrastructure fee (payable upon issuance of a building permit) as well as fixed (based on building type) and variable charges for the consumption of thermal energy. Properties that require the installation of energy transfer stations will be required to pay installation costs for this infrastructure.

- Enforcement

Although there are no specific fine amounts, a general fine in the amount of \$1,000 has been included for contravention of any provision of the Bylaw.

- City Manager Authority

The City Manager has been delegated certain authority with respect to the technical and administrative processes relating to the DESS. In particular, the City Manager may determine the DESS service requirements, which will include requirements relating to the connection to the DESS. Attachments 2 and 3 of this report contain the DESS service requirements for developments currently planned for the service area. The City Manager also has the authority to determine the requirements for establishing that a premises will be net zero carbon standard and not required to connect to the DESS.

Corporate Outcomes and Performance Management

Corporate Outcome(s): The City of Edmonton has a resilient financial position			
Outcome(s)	Measure(s)	Result(s)	Target(s)
The City of Edmonton has a resilient financial position	City Asset Sustainability (actual expenditure on capital infrastructure divided by required expenditure).	0.91 (2016)	1.00 (2018)

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Financial	Blatchford Utility is financially not sustainable	3 -Possible	3 - Major	9 - Medium	Proper financial planning steps and bylaw in place, support and review from external experts, funding proposals submitted.	
Legal / Regulatory	Blatchford Utility is not properly set up	1 - Rare	1 - Minor	1 - Low	Proper legal and financial review and planning, development of bylaw	
Project Management	Operation of the Utility is impacted	2 - Unlikely	1 - Minor	2 - Low	Ensure rigorous and planning steps are followed in developing the Utility and prepare for Operation.	

Public Engagement

There is no legal requirement for advertising or holding a public hearing for this Bylaw. Administration has provided an overview of this Bylaw to the Energy Transition Advisory Committee, key Utilities (such as ATCO and EPCOR) and affected stakeholders such as NAIT.

Budget/Financial Implications

Administration is in parallel bringing forward CR_6372 Blatchford Utility Proposed 2019-2022 Budget that will outline the rate filing and budget for the Blatchford Renewable Energy Utility. The results of this report are implemented in the Bylaw 17943.

Attachments

1. Bylaw 17943
2. DESS Service Requirements for Fee-simple Townhouses
3. DESS Service Requirements for Condo Lots (Townhouses, Apartment style buildings and Mixed-use buildings)

Others Reviewing this Report

- T. Burge, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations
- P. Ross, Acting Deputy City Manager, Urban Form and Corporate Strategic Development