

PROPOSED 2023-2026 BLATCHFORD RENEWABLE ENERGY UTILITY BUDGET

RECOMMENDATION

That Utility Committee recommend to City Council Budget:

1. That the Blatchford Renewable Energy Utility 2023 Rate Filing, as outlined in Attachment 1 of the November 25, 2022, Financial and Corporate Services report FCS01479, be approved.
2. That the proposed 2023-2026 Capital Budget for the Blatchford Renewable Energy Utility in the amount of \$27.44 million, as outlined in Attachment 2 of the November 25, 2022, Financial and Corporate Services report FCS01479, be approved.
3. That the proposed 2023-2026 Blatchford Renewable Energy Utility Operating Budget, as outlined in Attachment 2 of the November 25, 2022, Financial and Corporate Services report FCS01479, be approved as follows:
 - a. 2023 Operating Budget with operating revenues of \$1.14 million and operating expenditures of \$3.07 million.
 - b. 2024 Operating Budget with operating revenues of \$1.45 million and operating expenditures of \$3.52 million.
 - c. 2025 Operating Budget with operating revenues of \$2.82 million and operating expenditures of \$4.15 million.
 - d. 2026 Operating Budget with operating revenues of \$3.94 million and operating expenditures of \$4.92 million.

Requested Council Action		Decision required	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work to achieve our strategic goals.		Climate Resilience	
City Plan Values	LIVE. PRESERVE.		
City Plan Big City Move(s)	Greener as we grow	Relationship to Council's Strategic Priorities	Climate adaptation and energy transition

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Corporate Business Plan	Transforming for the future
Council Policy, Program or Project Relationships	<ul style="list-style-type: none">• Blatchford Vision• Energy Transition Strategy• District Energy Strategy
Related Council Discussions	<ul style="list-style-type: none">• IIS01335, Executive Committee, October 12, 2022• FCS01239rev, City Council, June 20, 2022• FCS00807, Utility Committee, December 9, 2021

Executive Summary

- This report recommends the 2023-2026 capital and operating budgets for Blatchford Renewable Energy and presents the Annual Rate Filing to establish customer rates and fees for 2023.
- The 2023 Rate Filing builds upon the principles and framework established in previous Rate Filings and recommends that the Townhouse Monthly Charge and the Variable Rate be increased by 10 per cent to keep pace with natural gas and electricity utility bills for comparable residences outside of Blatchford.
- A new monthly charge for Multi-unit buildings is being introduced for 2023 that will replace the current Apartment Fixed Monthly Charge.
- The 2023 Rate Filing recommends that infrastructure fees for 2023 be set based on a 2.7 per cent increase from the approved 2022 infrastructure fees.
- Utility rates are prescribed under the Blatchford Renewable Energy Utility Bylaw 17943.
- Financial and Corporate Services report FCS01480 (Bylaw 20312 To Amend Bylaw 17943 Blatchford Renewable Energy Utility, Amendment No. 4), also at the November 25, 2022, Utility Committee Meeting, reflects the proposed new fees and charges to be effective January 1, 2023.

REPORT

In December 2016, City Council directed the creation of the Blatchford Renewable Energy Utility (BREU) on the basis of a District Energy Sharing System. This included the development of a draft Bylaw for Council's consideration to establish the Blatchford Renewable Energy Utility as a municipal public utility.

On April 10, 2018, City Council approved the Blatchford District Energy Utility Fiscal Policy C597 (Integrated Infrastructure Services report CR_5452), which was the prerequisite needed in support of the Blatchford Renewable Energy Utility Bylaw 17943 and subsequent rate filing. The Fiscal Policy outlines the financial parameters for the long-term sustainability of BREU. Policy 597 also defines the financial planning principles for BREU including:

- the utility will prepare a four-year Business Plan, to be presented to Utility Committee, prior to the preparation of the multi-year operating and capital budgets; and

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- Utility Committee will recommend annually to City Council the customer rates for the upcoming year, based on review of an annual rate filing prepared by the utility subsequent to the preparation and presentation of the four-year Business Plan.

The Blatchford Renewable Energy Utility Business Plan - Annual Update was presented to Utility Committee on November 4, 2022 (Integrated Infrastructure Services report IIS01397). That report presented the 2023-2026 Business Plan and provided an overview of the development of the utility, including key activities and strategy, operational, financial and regulatory updates, with a focus on the next four years of operation.

Bylaw 17943, Blatchford Renewable Energy Utility Bylaw established the Blatchford Renewable Energy Utility and outlined requirements for properties to receive energy service through the Utility. Schedule B of Bylaw 17943 included the customer rates and infrastructure fees charged to Blatchford customers. Schedule B of Bylaw 20312 To Amend Bylaw 17943 Blatchford Renewable Energy Utility, Amendment No. 4 (November 25, 2022, Financial and Corporate Services Report FCS01480) incorporates the rates and infrastructure fees proposed in the 2023 Annual Rate Filing. The 2023 Annual Rate Filing, provided in Attachment 1, provides details of the determination of the proposed customer rates and infrastructure fees to be effective January 1 to December 31, 2023.

The growth of Blatchford Renewable Energy Utility is closely connected to the land development activities in Blatchford. Based on the most recent land development update for the Blatchford community, a total of 53 customer accounts are forecast to be connected to the utility system by the end of 2022, with a total of 438 customer accounts, amounting to over 400,000 m² of floor area, expected to connect by the end of 2026.

Carbon Budget

To support Edmonton's transition to a low carbon future, the 2023-2026 budget cycle will be the first time a carbon budget is completed and presented to Council in conjunction with the operating, capital and utility budgets. Use of the Carbon Budgeting and Accounting Framework will guide the organization and Council in understanding how financial decisions impact the achievement of emissions reductions targets or reduce Edmonton's carbon deficit.

All budget requests have been assessed for both qualitative carbon impacts and more detailed quantitative carbon impacts where possible. The qualitative assessment links direct emissions impacts to the four pathways in the Energy Transition Strategy and indicates indirect emissions impacts. Carbon impacts have been presented for capital project and operating service packages under consideration in the 2023-2026 budgets. Please refer to the 2023-2026 Carbon Budget (November 14, 2022, Financial and Corporate Services report FCS01478) for details.

Proposed 2023-2026 Capital Budget

The proposed 2023-2026 capital budget (2023-2026 Budget) for the Blatchford Renewable Energy Utility is included in Attachment 2. As discussed further below, the proposed 2023-2026 Budget includes short-term bridge financing to be used as working capital by the utility. The proposed budget also includes the issuance of long-term debt to fund the initial stages of the utility

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infrastructure developed during the 2019-2022 timeframe as well as the anticipated infrastructure to be developed during 2023-2026.

As outlined in the 2023-2026 Business Plan, capital development for Blatchford Renewable Energy over the next four years will be the extension of the distribution piping network, the growth of the existing Energy Centre One and the design and construction of the next Energy Centre.

Request for 2023-2026 Capital Budget

The following requests are supported with Capital Profiles in the Blatchford Renewable Energy Utility Proposed 2023-2026 Budget (Attachment 2.)

Scope Change - Energy Centre One Expansion

Current capacity at Energy Centre One is one megawatt (MW) of heating and one megawatt of cooling energy, which is enough to service the first few land development stages in Blatchford. The expansion of Energy Centre One is needed to provide energy for land development stages in Blatchford west and east, which are anticipated to come online between 2023 and 2026. At full capacity, Energy Centre One will be able to generate 4.25 MW of heating and 4 MW of cooling energy. Design for the expansion is underway in 2022, and the anticipated capital budget requirement in 2023 and 2024 to extend the capacity is \$3.18 million.

Scope Change - Extension of the Distribution Piping Network

The distribution piping network distributes the energy from the energy centres to the buildings and utility customers. As the development grows, so will the piping network. Additional distribution piping is needed to facilitate the anticipated Blatchford development scenario in the west, east and market areas. The anticipated capital requirement for the 2023-2026 budget is \$4.88 million for the planned extension of the distribution piping network.

New Profile Recommended for Funding - Design and Construction of the Next Energy Centre

According to the current land development scenario, additional energy capacity in the District Energy Sharing System, apart from Energy Centre One, will be needed by 2026. To align with the vision for Blatchford and the original business case for the District Energy Sharing System, the next major renewable energy source would be the heat from the two combined sewer lines that meet under the future Blatchford Market area. The majority of this energy demand would need to be provided by a new sewer heat exchange energy centre. With the project in schematic design development, updated sewer flow forecasts from EPCOR have reduced the expected future flow and hence the energy potential from the combined sewer system (updated business case in Attachment 3). Given this new information the utility proposes advancing a previously planned peaking energy centre prior to construction of the sewer heat exchange energy centre. At current estimations, the peaking energy centre would be commissioned in 2026 at an approximate cost of \$15.29 million, of which \$0.61 million for design work would be funded out of existing profile

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CM-83-8383 and \$14.68 million for delivery would be requested in the new capital profile 23-83-8385.

In comparison to the alternatives of building the sewer heat exchange energy centre or building an equivalent sized geo-exchange energy centre for operation in 2026, advancing the previously planned peaking energy centre to 2026 results in the lowest initial capital costs and provides some financial relief in the utility long-term funding gap, while fully providing the necessary thermal energy generation capacity to grow the utility customer base. This suggested pathway also provides the best ability to adjust utility capacity to development and building construction timelines. While advancing a peaking energy centre in advance of the sewer heat exchange energy centre deviates from the short-term sustainability goals, the impact on greenhouse gas emission reduction and renewable energy production is relatively small and short-lived. In the medium-term, with the future construction of the Sewer Heat Exchange Energy Centre, these goals will be achieved and maintained going forward. As well, the design work already completed on the Sewer Heat Exchange Energy Centre can still be applied in the future when construction goes ahead.

The following table provides the new 2023-2026 capital budget for the Blatchford Renewable Energy Utility (in millions):

Table 1: 2023-2026 BREU Proposed Capital Budget (\$ millions)

Profile	2023	2024	2025	2026	Total
Previously Approved					
Blatchford District Energy Sharing System - 22-83-8384	\$1.50	\$2.00	-	-	\$3.50
Distribution Piping System - 21-83-8384	\$1.20	-	-	-	\$1.20
Total Previously Approved	\$2.70	\$2.00	\$-	\$-	\$4.70
2023-2026 Capital Budget Requests					
Blatchford District Energy System (DES) (for Delivery of EC#1 Expansion) - 17-02-2107 <i>Scope Change</i>	\$2.70	\$0.48	-	-	\$3.18
Distribution Piping System (include energy meters) - 21-83-8384 <i>Scope Change</i>	\$1.22	\$1.22	\$1.22	\$1.22	\$4.88
Energy Centre #4 - Blatchford Renewable Energy - 23-83-8385 <i>New Profile</i>	-	\$0.44	\$5.68	\$8.56	\$14.68
Total Recommended (2023-2026)	\$3.92	\$2.14	\$6.90	\$9.78	\$22.74
Total Capital Budget	\$6.62	\$4.14	\$6.90	\$9.78	\$27.44

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Proposed 2023-2026 Operating Budget

Operating Budget

The proposed 2023-2026 Blatchford Operating Budget includes operating revenues in the amount of \$1.14 million, \$1.45 million, \$2.82 million and \$3.94 million respectively for 2023-2026. Operating revenues are comprised of “Rate Revenue” charged to Blatchford Renewable Energy Utility customers based on the proposed rates established in the 2023 Annual Rate filing and “Infrastructure Fee Revenue,” which is a one-time fee from builders that connect to the BREU District Energy Sharing System. Details of the determination of the 2023-2026 operating revenues are provided in Attachment 1 (Blatchford Renewable Energy Utility 2023 Rate Filing).

The proposed 2023-2026 operating budget is based on the current projected development pace for the community. It includes operating expenditures in the amount of \$3.07 million, \$3.52 million, \$4.15 million and \$4.92 million respectively for 2023 to 2026, which reflects the current approved personnel costs and other external services required to provide operating, maintenance, billing services, marketing and customer support functions.

The proposed budget includes funding for 2.0 Full Time Equivalents, a new project coordinator position and a new business analyst position, both starting in 2023. With the anticipated utility growth, the management of additional energy centre construction and capacity, the extension of the distribution piping network and increased customer connections, BREU will need these additional internal resources to provide business planning and engineering support.

In addition, the proposed 2023-2026 operating budget includes a cost increase of \$0.2 million starting in 2023 to address a motion made at Executive Committee on October 12, 2022. The increased cost of \$0.2 million is to undertake a feasibility study to expand the Utility to areas adjacent to Blatchford outside the current service area including, but not limited to, Hangar 14.

Also included in the proposed 2023-2026 operating expenditures are financing costs (interest expense) associated with the debt previously approved by Council, in addition to \$3.18 million of proposed debt to fund Blatchford District Energy System for delivery of the Energy Center #1 expansion (capital profile 17-02-2107), \$4.88 million to fund Distribution Piping System Development, including energy meters (capital profile 21-83-8384), and \$14.68 million to fund Energy Centre #4 (capital profile 23-83-8385). As discussed further below, debt financing has been included in the proposed 2023-2026 budget since a non-refundable cash infusion has not as of yet been secured to offset the capital investment required thus far.

Short Term Debt

City Policy C597A - Blatchford District Energy Utility Fiscal policy identifies that a number of years may be required for the Blatchford utility to begin to generate positive net income, positive cash flows, and transition towards long-term financial sustainability, as more residents move into the Blatchford development and become customers of BREU. This is reflected in the proposed Statement of Operations included in Attachment 2, which projects operating losses before other developer income for each of the years 2023 to 2026. Section 1c of Policy C597A states: “Where

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the Utility's cash position is insufficient to meet cash flow requirements, the Utility will borrow from the City of Edmonton on a short term basis, with the interest being paid by the Utility at an interest rate that compensates the City of Edmonton reflecting the Fund Balance were the cash was drawn."

Further to Section 1c of Policy C597A, the proposed 2023-2026 budget includes short term borrowing from the City of \$16 million. The loan is required from the City of Edmonton to provide working capital to fund the day-to-day operations of the BREU from 2023 to 2026. This bridge financing (including interest) will be repaid by BREU in future years as it moves towards financial sustainability and begins to generate positive net income and cash flows.

Details regarding the 2023 operating revenues and expenditures are provided in Attachment 2 (Proposed Budget) and Attachment 1 (2023 Rate Filing). The following table provides a summary of the proposed 2023-2026 operating revenues and expenditures (in millions).

Table 2: 2023-2026 BREU Proposed Operating Budget (\$millions)

	2023	2024	2025	2026
Operating Revenue	\$1.14	\$1.45	\$2.81	\$3.94
Operating Expenditures	\$3.07	\$3.52	\$4.15	\$4.92
Net Operating Requirement	(\$1.93)	(\$2.07)	(\$1.34)	(\$0.98)

Non-Refundable Cash Infusion

At the March 16, 2016, City Council meeting, the business case for developing the District Energy Sharing System at Blatchford was reviewed (Sustainable Development report CR_2977 District Energy Sharing System - Business Case and Detailed Rate Setting Analysis). The business case identified the need for a \$98 million non-refundable cash infusion for the initial years of operation to offset the capital investment required to establish the utility and allow it to grow to achieve financial sustainability. The business case and assumptions were subsequently updated as part of the Blatchford District Energy Utility Fiscal Policy presented to City Council on March 22, 2018, resulting in a reduction in the non-refundable cash infusion from \$98 million to \$93 million.

The non-refundable cash infusion is a key element in enabling the Blatchford Renewable Energy Utility to achieve two principles reflected in both the business case and Fiscal Policy: (1) ensure that the utility becomes financially sustainable in the long run without any ongoing subsidy, and (2) ensure customers pay a comparable fee to what they would elsewhere in the city through their energy utility bills and annual maintenance costs.

Administration has recently updated the original financial model to determine what current non-refundable cash infusion is required to uphold these two principles. Key assumptions for that financial model update include; the current land development timelines, customer projections and energy requirements, capital and operating costs (including equipment maintenance and BREU administrative costs), utility rates and fees, and other economic assumptions as identified (e.g., interest rates, inflation, discount rate). The conclusion based on

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the new analysis is that the \$93 million cash infusion is still required, as BREU's financial outlook remains similar to what it was in 2018.

There could be opportunities to lower that figure, should various assumptions or policy decisions change, including the appetite for slightly higher medium-term utility rate and fee increases. There is a range to the cash infusion that is manageable in terms of BREU's long-term financial health, based on different decisions City Council may take looking at different assumptions involving future rate increases and debt financing, amongst others. Currently, looking at variations of these factors in the updated financial model, the required cash infusion could be in a range between \$70 and \$93 million. BREU is committed to frequent review of the financial model and will bring any long-term considerations to Utility Committee and Council when they arise. BREU, with Council's support, continues to advocate for grant opportunities on the provincial and federal level. So far, no external funding has been received; however, the Utility continues to apply for grant funding opportunities.

Since grant funding has not as of yet been secured, the proposed 2023-2026 budget includes debt financing to be incurred by BREU for the initial stages of infrastructure investment. However, the utility will ultimately require grant funding or some other form of a non-refundable cash infusion to be financially sustainable. Without the non-refundable cash infusion, the cost of BREU's services would become uncompetitive, placing a higher burden on Blatchford ratepayers compared to ratepayers living elsewhere in Edmonton.

If sufficient grant funding is not obtained, other alternatives for the non-refundable cash infusion would need to be considered including potentially increasing the infrastructure connection fee or utility customer rates, utilizing retained earnings from the Blatchford Land Development, partnering with external utility providers or potential use of tax-supported debt.

2023 Rate Filing

The 2023 Annual Rate Filing (Attachment 1) provides details of the revenue and expenditure amounts forecast for 2023 as well as the proposed customer fees and charges effective January 1, 2023, for Blatchford Renewable Energy Utility. As discussed in Section 6.2 of the rate filing, the 2023 fees and charges build upon the regulatory framework and customer rates established in previous (2019 - 2022) Annual Rate Filings.

The 2023 Rate Filing is guided by the overarching policy statement contained in Policy C597A:

"Similar to private utilities, the Utility will account for the cost of services under a full cost accounting approach. All customer charges will be based upon cost of service with the end user (customer) paying at most a comparable fee to what they would elsewhere in the City of Edmonton through their energy utility bills and annual maintenance costs."

Under a traditional cost of service approach, customer rates are established each year to allow the utility to recover its annual operating costs. However, given the small number of utility customers in the initial years of Blatchford's operation, a cost of service approach would result in

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significantly higher utility fees than those paid elsewhere in Edmonton and what Blatchford Utility customers could reasonably be expected to incur. Therefore, an alternative method was implemented to initially establish 2019 customer rates based on a “pegged approach”, whereby Blatchford utility customer bills were set, or “pegged”, based on typical utility bills in 2019 for heating, cooling, and hot water in Edmonton.

Having initially set customer rates for 2019 based on the pegged approach, rates for 2020, 2021 and 2022 used a “levelized approach”, consistent with the rate setting methodology in the business case presented to City Council on March 15, 2016 (Sustainable Development report CR_2977 District Energy Sharing System - Business Case and Detailed Rate Setting Analysis), for the development of the district energy sharing system (DESS) at Blatchford. Under the levelized approach, customer rates in the business case are increased by 2.7 per cent on average each year over the initial 50 years to ensure rate increases are stable and predictable. Rates under-recover costs in the early years of the utility’s operation when the customer base is small, but gradually recover past costs in the later years when the customer base is fully established. In line with the levelized approach, customer rates recommended in each of the 2020, 2021 and 2022 Annual Rate Filings and approved by City Council increased the previous year’s customer rates by 2.7 percent.

The proposed 2023-2026 BREU operating budget includes debt financing to fund the initial years of capital infrastructure investment since a non-refundable cash infusion has not as of yet been secured. This debt financing results in both interest expense and amortization of capital assets being included in the operating expenditures of the proposed 2023-2026 budget. However, for purposes of calculating the revenue requirement and deferral account under Cost of Service in the 2023 Rate Filing, a non-refundable cash contribution for the initial capital investments has been assumed at this time, resulting in no long term interest expense or amortization being incorporated. The 2023 revenue requirement and deferral account under Cost of Service will be amended in future annual rate filings as the availability of the non-refundable cash infusion is further clarified.

Proposed 2023 Customer Rates

Administration is proposing to make the following changes to the rates and fees charged to BREU customers effective January 1, 2023:

- A 10 per cent increase in the Townhouse Monthly Charge and the Variable Charge, compared to a 2.7 per cent increase in the 2019-2022 Rate Filings, in order to keep pace with current utility bills for heating, cooling and hot water elsewhere in Edmonton.
- Replacement of the Apartment Monthly Charge (\$1.21 per unit per day) with a new Multi-Unit Monthly Charge (\$12.50 per kW of peak demand per month) that will be applicable to all buildings, other than Townhouses, connecting to the DESS;

As discussed above, the Blatchford Renewable Energy Utility Fiscal Policy requires that customers pay, at most, a comparable fee to what they would elsewhere in Edmonton through their energy utility bills and annual maintenance costs (“Business as Usual”). In accordance with this requirement, the 2023 Annual Rate Filing includes a discussion of the comparison of the total

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utility costs for BREU customers against the current Business as Usual costs for other residents within Edmonton.

As a result of significant increases in the cost of electricity and natural gas in Alberta in the last year, and a forecast of continued high electricity and natural gas commodity costs, Business as Usual costs are currently considerably higher than total utility costs for Blatchford customers and it is expected that this will continue over the next several years.

Accordingly, for 2023 BREU is recommending a 10 per cent increase in the Townhouse Monthly Charge and Variable Charge compared to the 2022 rates to close the current gap between Business as Usual costs and utility costs for residents in Blatchford. As shown in the table below, based on the five-year average utility bills and maintenance costs from 2020 to 2024, the annual utility costs for Blatchford Renewable Energy customers (assuming 10 per cent increases in BREU rates in 2023 and 2024) are still projected to be 12 per cent lower than the Business as Usual costs for comparable residents elsewhere in Edmonton.

Annual Utility Costs <i>(five year average 2020-2024)</i>	Blatchford Renewable Energy Customers	Business as Usual (BAU)	Blatchford vs BAU Customers (% Difference)
Townhouse	\$1,911 per year	\$2,174 per year	12.1% lower

BREU has been in discussions with several builders over the last year and, based on those discussions and review of comparable energy utility rates, proposes to replace the current Apartment Monthly Charge (\$1.21/day) with a new Multi-Unit Monthly Charge effective January 1, 2023. The Multi-Unit Monthly Charge will be applied to all new customer connections in Blatchford other than Townhouses and will include a dollar per kW per month Monthly Charge applied to the expected peak demand of a customer, instead of the dollar per day Monthly Charge paid by Townhouse customers. For multi-unit buildings that will contain multiple end-uses (e.g retail/office) and will also contain significant amounts of common area that would require heating and cooling, BREU considers that a charge per kW of demand better reflects the principle of cost causation than the fixed daily charge per dwelling/unit. A monthly charge based on the peak demand of a building allows for better and more accurate billing of the thermal energy used by multi-unit buildings to be built in Blatchford, than a daily fixed charge per unit type of rate structure. All BREU customers will continue to be charged the Variable Charge based on the amount of thermal energy (kWh) consumed during the billing period.

The table below shows the 2022 approved customer rates and the recommended 2023 rates.

Rate Component	2022 Approved Rates	Proposed Increase (10%)	2023 Proposed Rates (2022 Escalated by 10%)
Variable Charge (\$/kWh):	\$0.0269	\$0.0027	\$0.0296
Monthly Charge (\$/day):			
Townhouse Lot	\$1.55	\$0.16	\$1.71

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Apartments	\$1.21	Discontinued	Discontinued
NEW - Monthly Charge (\$/kW peak demand/month):			
Multi-unit Lot	N/A	New	\$12.50

Proposed 2023 Infrastructure Fees

Due to the addition of the Monthly Charge for Multi-Unit lots, Administration is proposing to add a new infrastructure fee category and change the name of the other two current 2022 approved infrastructure fees. The current Residential fee will be renamed to Townhouse Lot - Residential and the current Commercial fee renamed to Multi-Unit lot - Commercial. A new Multi-unit lot - Residential fee category will be introduced effective January 1, 2023 and will be the same dollar per unit charge as the Townhouse Lot - Residential Infrastructure Fee. It will be applied to all new multi-unit connections in Blatchford that include primarily residential space and uses.

BREU is recommending a 2.7 per cent increase be applied to the 2022 approved Infrastructure Fees, similar to the increases approved in the 2019-2022 rate filings. The table below shows the 2022 approved Infrastructure Fees and the recommended 2023 Infrastructure Fees based on a 2.7 per cent escalation rate.

	2022 Approved Fees	Proposed Increase (2.7%)	2023 Proposed Rates (2022 Escalated by 2.7%)
Infrastructure Fee:			
Townhouse lot - Residential (\$/unit)	\$1,845.78	\$50.06	\$1,895.84
Multi-unit lot - Residential (\$/unit)	N/A	N/A	\$1,895.84
Multi-unit lot - Commercial (\$/m2)	\$21.09	\$0.57	\$21.66

Further details regarding the proposed rates and fees for 2023 are provided in Attachment 1.

COMMUNITY INSIGHT

Perspectives from Edmontonians regarding 2023-2026 budget priorities are outlined in the October 31, 2022, Communications and Engagement report CE01489 - Budget 2023-2026 Community Insights.

Since the Blatchford redevelopment started in 2008, Administration has engaged in extensive discussions, public consultations, and expert analysis to inform the development of the community, including the concept of Blatchford Renewable Energy. Regular updates are provided to City Council's Energy Transition Climate Resilience Committee.

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The cost of providing utility service for Blatchford Renewable Energy is equitably allocated to customers. Customer rates are guided by the policy statements and applicable industry best practice, and utility rate design principles in Blatchford District Energy Utility Fiscal Policy C597A. Utility rates and fees are based on a cost of service methodology whereby rates are designed to fairly apportion the cost of providing utility service to individual customer classes based on the cost of providing service among customers.

ATTACHMENTS

1. Blatchford Renewable Energy Utility 2023 Rate Filing
2. Blatchford Renewable Energy Utility - 2023-2026 Budget and Plans
3. Sewer Heat Exchange Energy Centre - Business Case
4. Administration Response to Information Requests of the Utility Advisor