



Financial and Corporate Services

Edmonton

**Blatchford Renewable Energy
Utility 2024 Rate Filing and Fall
2023 Supplemental Budget
Adjustment**

Utility Committee, November 3, 2023

Blatchford Renewable Energy Utility (BREU) Presentation Outline

- Operational Update
- Current Financial Situation
- Proposed 2024 Utility Rates
- Business-As-Usual Comparison
- Wholesale Electricity Pool Price Forecast
- Fall 2023 Supplemental Budget Adjustment
- Next Steps

Blatchford Renewable Energy Utility (BREU) Operational Update

- Continued growth and operation of the District Energy Sharing System (DESS) to achieve Council's vision for the community
- Connection forecast based on actual development scenario and pace
- Capital work on track, with focus on Energy Center 1 and distribution piping network expansion
- Ongoing feasibility work for the Utility's growth

Blatchford Renewable Energy Utility (BREU) Current Financial Situation

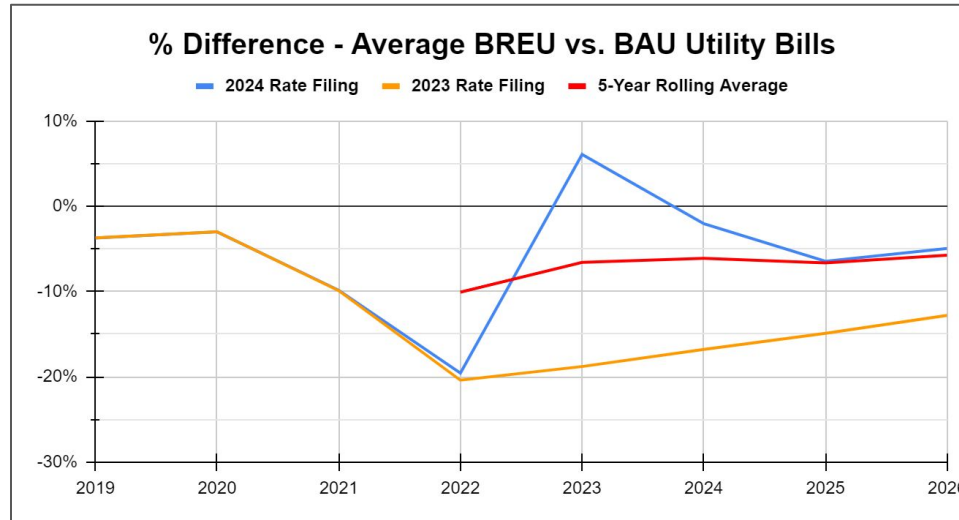
- Required \$93 million non-refundable cash infusion
 - ◆ \$23.7 million Federal Grant (Natural Resources Canada - Smart Renewables and Electrification Pathways Program)
- Timing of non-refundable cash infusion
 - ◆ Operating shortfalls being funded by short-term bridge financing through City of Edmonton working capital
- Utility Fiscal Policy and Business Plan updates to be provided by end of Q2 2024

Blatchford Renewable Energy Utility (BREU) Proposed 2024 Utility Rates

Description	2024 Rate Increase	2024	2023	2023 Rate Increase
Townhouse Lot				
Monthly Charge (unit per day)	10.0%	\$1.88	\$1.71	10.0%
Variable Heating and Cooling (per kWh)	10.0%	\$0.0325	\$0.0296	10.0%
Multi-Unit Lot				
Monthly Charge (per kW peak capacity per month)	2.7%	\$12.84	\$12.50	NEW
Variable Heating and Cooling (per kWh)	10.0%	\$0.0325	\$0.0296	10.0%
Infrastructure Fee				
Townhouse Lot Residential (per unit)	2.7%	\$1,947.03	\$1,895.84	2.7%
Multi-Unit Lot Residential (per unit)	2.7%	\$1,947.03	\$1,895.84	2.7%
Multi-Unit Lot Commercial (per square meter)	2.7%	\$22.24	\$21.66	2.7%

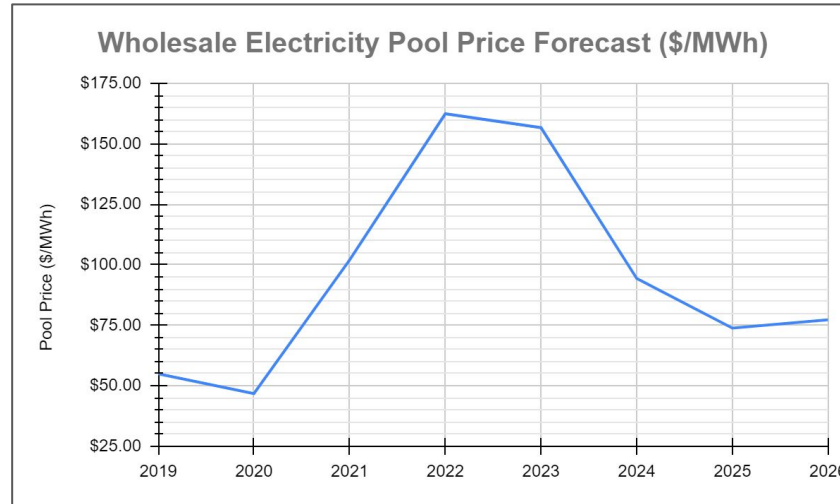
→ Proposed increases are consistent with those approved in the 2023 rate filing and align with discussions leading to the approval of the 2023-2026 operating and capital budgets

Blatchford Renewable Energy Utility (BREU) Business-As-Usual (BAU) Comparison



→ 5-year rolling average (represented by the red line) shows that Blatchford rates are historically below BAU and is forecast to continue to be below BAU through to 2026.

Blatchford Renewable Energy Utility (BREU) Wholesale Electricity Pool Price Forecast (\$/MWh)



→ Forecast information provided by independent third-party energy consulting firm.

Blatchford Renewable Energy Utility (BREU) Fall 2023 Supplemental Budget Adjustment

- Proposed changes to revenue targets in Approved Operating Budget (2023-2026)
 - ◆ 2024 Operating Budget reduced by \$1.16 million
 - ◆ 2025 Operating Budget reduced by \$2.03 million
 - ◆ 2026 Operating Budget be reduced by \$2.10 million
- Changes are a result of adjusted customer connections and resulting required energy system loads

Blatchford Renewable Energy Utility (BREU)

Next Steps

- Bylaw 20628 - Blatchford Renewable Energy Utility Bylaw, Amendment No. 5 (FCS02090)
- Utility Fiscal Policy and Business Plan updates to be provided by end of Q2 2024

Thank you. Questions?