

BLATCHFORD RENEWABLE ENERGY UTILITY

Annual Business Plan

Recommendation			
That the June 24, 2024, Integrated Infrastructure Services report IIS01945, be received for information.			
Requested Action		Information only	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work to achieve our strategic goals.		Climate Resilience	
City Plan Values	THRIVE		
City Plan Big City Move(s)	Greener as we grow	Relationship to Council's Strategic Priorities	Climate adaptation and energy transition
Corporate Business Plan	Transforming the future		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> Blatchford Vision Energy Transition and Adaptation Strategy District Energy Strategy 		
Related Council Discussions	<ul style="list-style-type: none"> FCS02051 Blatchford Renewable Energy Utility 2024 Rate Filing and Fall 2023 Supplemental Budget Adjustment 		

Executive Summary

- The Blatchford Renewable Energy Utility Annual Business Plan provides an overview of the Utility's development, including its strategic plan and key activities, as well as operational, financial and regulatory updates, with a focus on the next four years of operation.
- Blatchford Renewable Energy's goals align with City Council's ConnectEdmonton strategic goal of climate resilience. The Utility supports key actions on district energy development outlined in Edmonton's Energy Transition and Climate Adaptation Strategies.

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- Since the presentation of the 2023 to 2026 business plan, the development of the Utility has progressed in several ways, including reaching the fifth year of operation, the completed expansion of the first energy centre in the community and the design consideration for the next energy centre development, all based on an updated Utility Master Plan.
- The Utility's focus areas for the next four-year business plan include continuing its operational reliability and planning, and constructing its growth in parallel with the Blatchford Redevelopment Office and builder activity on-site.

REPORT

The business plan for Blatchford Renewable Energy (Attachment 1) provides an update to the last business plan presented to the Utility Committee on November 4, 2022 (IIS01397). The Utility's strategic objectives remain the growth of the District Energy Sharing System and the integration of emerging technologies into its operation to achieve steady state, reliable operation, financial sustainability and the achievement of the Council's vision for a carbon-neutral community powered entirely by renewable energy.

Key Business Plan Updates

- The first Blatchford residents have been connected to the District Energy Sharing System for five years. The system has worked without interruptions or concerns and has provided comfortable heating and cooling energy services.
- In 2024, the Utility updated its Master Plan, which provides a roadmap for development of district energy infrastructure alongside the land development in Blatchford. The key input variable for the Master Plan is land development information, including sale activities, parcel and building type specifics and construction timelines, resulting in updated energy requirements and utility infrastructure costs.
- Slight changes to the development forecast and building type development have resulted in an adjustment of heating and cooling loads. In addition, advanced design information, as a result of a sewer diversion program, has resulted in a small decrease in renewable energy generation impacting the Sewer Heat Exchange Energy Centre. The Utility is working on adjusting this decrease by extending other renewable energy sources in the community, such as geoexchange and implementing alternative low or zero carbon fuels.
- Special focus was given to the opportunity to reduce the total number of energy centres from six to four and, at the same time, optimize their location around the community. This has the potential to control and reduce the Utility's capital and operating costs in the future, simplifying project delivery while also gaining valuable developable land space. The Utility is reviewing the provided information and its impact and will bring forward advanced considerations at the appropriate time.
- The Utility also conducted a feasibility study on the potential to extend service connections outside of the current identified service area. The study identified 12 key opportunity buildings, which could potentially be integrated into the Utility over time. Being located outside of the service area of the Utility, any potential connection would have to be subject to both parties agreeing on technical and cost arrangements in accordance with Bylaw 17943, Blatchford Renewable Energy Utility.

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- Over the next four years, Blatchford Renewable Energy will focus on maintaining the Utility's operational performance, extending the distribution piping network, and optimizing and carefully developing the next energy centre. This will provide peak and base load service for the community.
- The Utility is projected to be connected to 114 accounts by the end of 2024. Guided by the sales activities of the Blatchford land development team and the construction activities by the builders', the Utility is expecting to grow its customer base to 413 accounts by 2027, which represents over 240,000 m² of floor area connected to the District Energy Sharing System.
- Based on the forecasted operating and capital need, the Utility will prepare the annual budget and the 2025 rate filing. These will be presented to Utility Committee and to City Council during budget deliberations in Q4 2024.

Community Insight

Through engagement for ConnectEdmonton and The City Plan, residents advised that the City of Edmonton must take a leadership role in climate resilience and energy transition. The Blatchford Renewable Energy Utility is aligned with that expectation.

GBA+

The District Energy Sharing System operated by Blatchford Renewable Energy supports City Council's 10-year Climate Resilience objectives and The City Plan and was identified as a "big win" in Edmonton's Community Energy Transition Strategy. The initiative is not directly public facing, and while there would be no changes in economic impact as a result of the project, the reduction of greenhouse gas emissions and the gain in energy resilience will be net positive impacts on a community level. In addition, the direct liability towards Edmontonians is limited. The project does not foresee any medium or long-term impact on Blatchford residents or visitors as a result of construction activities.

Attachment

1. Blatchford Renewable Energy - 2024-2027 Business Plan