



Edmonton

Blatchford Renewable Energy (BRE) Utility 2025 Utility Rate Filing and Fall 2024 Supplemental Budget Adjustment

Utility Committee, November 8, 2024
Financial and Corporate Services

Presentation Outline

- Operational Update
- Current Financial Situation
- Proposed 2025 Utility Rates
- Business-As-Usual (BAU) Comparison
- Fall 2024 Supplemental Budget Adjustment
- Next Steps

Operational Update

- **5 years** of successful DESS operation; award-winning design
- **Blatchford and its Utility** is growing
- **\$23M grant** from Gov't Canada to expand DESS capacity
 - ◆ Energy Center#1 and Distribution Piping extensions
 - ◆ Planning and design of next Energy Center
- **Funds from HAF** for Utility integration in multi-unit buildings
- **Set to be one of the most efficient and largest** systems of its kind in Canada
- **Examine shared-utility** approach in 2025 (UC motion - June)

Current Financial Situation

- Administration presented to Utility Committee (June 23, 2024):
 - ◆ FCS01999 BRE Utility Fiscal Policy C597B
 - ◆ IIS01945 2024-2027 Business Plan for BRE

- Required \$70 million non-refundable cash infusion
 - ◆ \$93 million (original)
 - ◆ \$23 million federal grant (secured)
 - Natural Resources Canada - Smart Renewables and Electrification Pathways Program

Current Financial Situation (cont.)

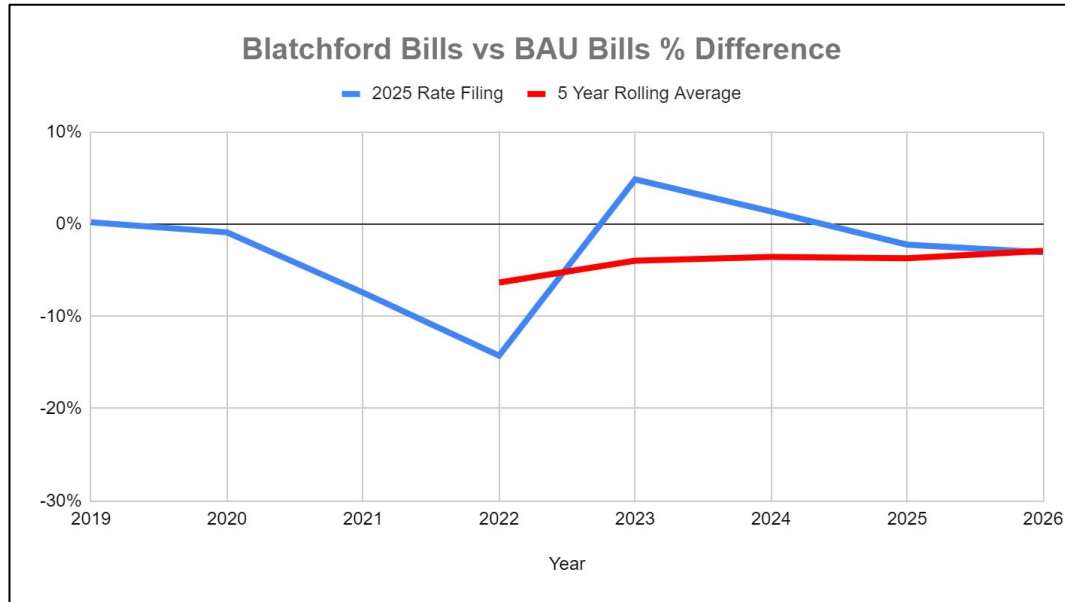
- Timing of required non-refundable cash infusion
 - ◆ Coincide with next major capital expansion
 - Secured before 2028 (current estimate)
- Operating shortfalls being funded by bridge financing through City of Edmonton working capital
- Future capital investment will only proceed at the speed supported by operational requirements
 - ◆ Current energy centre is forecasted to satisfy expected energy load requirements until 2027 (current estimate)
 - ◆ Administration will continue to explore external funding opportunities

Proposed 2025 Utility Rates

Description	2025 Rate Increase	2025	2024 Rate Increase	2024
Infrastructure Fee				
Townhouse Lot Residential (per unit)	2.7%	\$1,999.60	2.7%	\$1,947.03
Multi-Unit Lot Residential (per unit)	2.7%	\$1,999.60	2.7%	\$1,947.03
Multi-Unit Lot Commercial (per square meter)	2.7%	\$22.85	2.7%	\$22.24
Townhouse Lot				
Monthly Charge (unit per day)	10.0%	\$2.07	10.0%	\$1.88
Variable Heating and Cooling (per kWh)	10.0%	\$0.0358	10.0%	\$0.0325
Multi-Unit Lot				
Monthly Charge (per kW peak capacity per month)	2.7%	\$13.18	2.7%	\$12.84
Variable Heating and Cooling (per kWh)	10.0%	\$0.0358	10.0%	\$0.0325

→ Proposed increases are consistent with those approved in the prior rate filings and 2023-2026 budget discussions

Business-As-Usual (BAU) Comparison



- Utility rates have been historically below BAU
 - ◆ 5 year rolling average (red line)
 - ◆ Forecasted to continue to be below BAU

Fall 2024 Supplemental Budget Adjustment

- Proposed changes to revenue and expenditure targets in Approved Operating Budget (2023-2026)
- Budget reduced due to the update in methodology for forecasting customer counts and energy load requirements
 - ◆ 2025 Operating Budget
 - Expenditure budget decreased by \$243,100
 - Revenue budget decreased by \$318,200
 - ◆ 2026 Operating Budget
 - Expenditure budget decreased by \$325,900
 - Revenue budget decreased by \$1,215,700

Next Steps

- Bylaw 20962 - To Amend Bylaw 17943 Blatchford Renewable Energy Utility, Amendment No 6

- Business Plan Update
 - ◆ Planned for 2025

- Response to Council Motion (June 2024 Utility Committee)
 - ◆ Evaluating viability of a Shared Utility Approach
 - ◆ Planned for 2025

Questions?