



## The Cost of Electricity in Alberta

As we have outlined in previous newsletters, there are three main components in Alberta electricity delivery: generation, transmission and distribution. Battle River Power Coop is a not-for-profit organization that provides electricity distribution to our membership at cost. Battle River Power Coop does not generate electricity; rather we purchase electricity from the Alberta Electric System Operator (AESO).

Electricity delivery and pricing in Alberta is managed by the AESO. The AESO balances supply and demand 24/7, 365 days a year, dispatching power sold by generators using the lowest-priced electricity first and then the next lowest until the need for power has been satisfied. In other words, electricity pricing is determined by the AESO based on supply and demand. In 2021, Alberta hit an all-time record of 11,729 megawatts in February 2021 and broke its all-time summer demand record in June, hitting 11,414 megawatts – both events causing pricing to increase.

### The Regulated Rate Option (RRO)

It is important to note the current RRO is not a “regulated” rate; it is a default rate for consumers who do not have a contract. Under the previous government, this rate was price-capped but that cap



was removed in November 2019. As a result, supply and demand affects pricing of the Regulated Rate Option.

### A Look At What Is Happening

Since the beginning of the year, Battle River Power Coop has experienced a considerable shift in the price of electricity that we purchase from the AESO.

The Coop calculates the average increase in electricity pricing in the first six months of this year to be **26.8% higher** than the same period last year.

Many factors are contributing to this including, but not limited to:

- Power Purchase Agreements concluded giving generators an unencumbered pricing market.
- Natural gas price is increasing and as more generators move from coal to natural gas, generation cost will increase.
- Alberta is reliant on carbon based inputs for generation; inputs which are carbon pricing taxable by the Federal Government.
- Alberta is reliant on importing generation for peak loads.
- Renewable energy sources are dependent on weather and can adversely affect pricing (as in February 2021).
- Post pandemic economic recovery is contributing to higher consumption and increased rates (law of supply and demand).

## The Outlook

Energy prices from the AESO have been the Coop's largest expense this year, and equally the most unpredictable. Battle River Power Coop's model for calculating the RRO is being updated to reflect this new realm of price spikes and real costs of increasing electricity prices that we will be paying.

## Stability Versus Variable

Electricity contracts are one way to stabilize monthly rates. Members are encouraged to consider a contract from a retailer of their choice by contacting [www.ucahelps.alberta.ca](http://www.ucahelps.alberta.ca) or calling 310-4811 for a list of options.

Battle River Power Coop offers the Battle River Rural Energy Contract that provides a stable monthly rate of \$0.0635 per kilowatt hour and runs to December 31, 2023. Members wishing to take advantage of this stable rate must submit a signed contract by the 20th of the month to receive the rate for the following month. Call Utility Billing (1-877-428-3972) for additional details.

## Utility Payment Deferral Program

Albertans will notice an extra charge on their natural gas and electricity bills this fall as a result of the Utility Payment Deferral Program initiated last year.

Associate Minister of Natural Gas and Electricity Dale Nally announced recently that while most customers who took advantage of the Program settled their outstanding balances, some have not. Battle River Power Coop requested to opt out of the repayment program as our costs were fully recovered, but that request was denied.

This fall, all Alberta utility rate payers, including Battle River Power Coop members, will see a small and temporary **Utility Deferral Adjustment** rate rider on their electricity and natural gas bills. The Alberta Utilities Commission is in the process of gathering the total remaining debt from retailers and will determine the amount and length of the rider that will be required.

The government maintains "This small, temporary rate rider ensures that the debt will be repaid in the most transparent and straightforward manner."

# Battle River Power Coop

## 2020 Annual General Meeting Report 2021 Annual General Meeting Report

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On Thursday July 22, 2021, Battle River Power Coop held the 2020 and 2021 Annual General Meetings via Zoom.

Following is the General Manager Report submitted by Bill Klassen.

The last many months have been unique. The most distinctive concern was the early 2020 announcement of COVID-19 and its potential implications. Battle River Power Coop responded quickly and implemented our Pandemic Plan.

This plan incorporated a totally different work environment for all employees inclusive of different internal procedures for office and field staff. Social distancing, working from home, alternating days in the office, and the inability to gather as a group was new to us all.

However, as a group we all cooperated in learning to adapt and made the commitment to keep safe and persevere 'to keep the power on' as dedicated Battle River Power Coop employees.

The 2020 Illumina Member Survey confirmed member satisfaction with the Coop is consistent with past years and remains strong. It notes that employees are easy to reach, are helpful, knowledgeable, and courteous. While the survey noted the Coop's many strengths that we leverage daily (particularly employee knowledge, reliable power, and community investment), one area members wanted to see advanced is resolving an issue on the first call. We are working as a team to address that concern along with other areas of continuous improvement.

Over the last two years, I am pleased to report that we continue to collaborate with the counties on capital projects and vegetation management.

We commenced and completed annual pole upgrading programs (400 in total). This included replacing 1950 era poles to improve the integrity and reliability of our system.

Our annual Health and Safety Certificate of Recognition Audit was successful and the Municipal Quality Management Plan is approved.

The Board of Directors continued the commitment to education and awarded annual scholarships to member's youth who are enrolled in post-secondary degrees and diplomas. Presentations were accomplished at a Board meeting and announced in our newsletter.

Meal to the Field continued to be successful in 2020 and 2021. Our staff practiced social distancing while delivering much appreciated meals to members working hard through their harvest season. We also collected and delivered food bank donations over Christmas.

System reliability standards and power restoration statistics remain fairly consistent, taking into account our intermingled system with FortisAlberta. The following table shows the annual percentages of outage causes.

	Fiscal YE 2020	Fiscal YE 2021
Weather	58%	53%
Pre-planned	29%	30%
Fortis	13%	17%

Innovation did not take a back seat to the pandemic and we launched our mobile Outage App. This App not only provides current information regarding power service, but allows members to connect, while on the go, with all of our departments.

Battle River Power Coop continues to support our community and province. Once again over the last years, our commitment to buying local has been demonstrated through strategic spending initiatives.

For the previous two years, almost 20% (\$12 Million), of our annual expenditures have been local, in the communities we serve, and provincially we spent \$45.5 Million, which accounted for nearly 70% of our total.

We consistently promote, in our newsletter and social media platforms, our Member Benefit Program that offers specific discounts to members for many products and services.

Annually we demonstrate the financial advantage of receiving farm distribution service rates from Battle River Power Coop versus a for-profit utility company. Our last two years' results clearly demonstrate our ability to operate cooperatively, and that was further

reinforced by the announcement of no distribution tariff increase for year 2021.

In the year ending 2020, the membership saved over \$5 Million as a whole, with the average member saving being \$564.61. In the year ending 2021, members saved on average \$695.15 with an overall membership saving of nearly \$6 Million. This savings remains in members' hands and in our rural communities.

We are pleased to expand our distribution services to include Tomahawk Rural Electrification Association (REA) and most recently West Wetaskiwin REA. Our organizations collaborated to ensure the quality of service we provide our members would extend to the new affiliates.

I sincerely thank the Chairman, Dan Astner, and the Board of Directors for all the thoughtful guidance, perseverance and hard work they have done on behalf of the members for the last two years.

Without question, the staff have persevered through significant disruption, uncertainty and unexpected growth. Each and every employee, consultant and contractor rose to the challenges experienced throughout 2020 and 2021 and have my sincerest and utmost gratitude.

Not only did we achieve it safely, we thrived. And finally, all of us at Battle River Power Coop thank each of you members for your amazing support and loyalty that makes this company so great!



# WIN A MEAL TO THE FIELD

Pictured: 2020 Winners - the Price family from the Sedgewick area.

Battle River Power Coop is pleased to announce our Meal to the Field Contest for 2021. Let us help make a harvesting day a little easier by delivering a meal right to your field.

## Meal to the Field Contest Entry Form

Name: \_\_\_\_\_

Account #: \_\_\_\_\_

Phone #: \_\_\_\_\_

**How to enter:** Mail the form to: Box 1420, Camrose, AB T4V 1X3 (Attention: Nansee)  
**Complete fillable form on website:** [www.brpower.coop/our-community/meal-to-the-field/](http://www.brpower.coop/our-community/meal-to-the-field/)  
**Fax to:** 780.672.7969  
**Scan and email to:** nansee.hughes@brpower.coop  
**Drop off** at the office – we'd love to see you!

By submitting this entry you agree to the contest rules as follows:

- I. Contest is open to members in good standing of Battle River Power Coop
- II. Limited to one entry per member
- III. By entering, the winner agrees to the use of their name, address and photo by Battle River Power Coop in various communication channels without compensation

Entering the contest is easy – complete and submit the entry form above or from our website: [www.brpower.coop/our-community/meal-to-the-field/](http://www.brpower.coop/our-community/meal-to-the-field/). Contest includes 10 Meals to the Field for six people each. Delivery times are Monday – Friday: late morning to mid-afternoon. **Deadline is Friday, September 10, 2021 – so don't delay – enter NOW!**

## REGULATED RATE OPTION



The RRO may increase or decrease from month to month as it is priced on the open market and subject to many factors relating to supply and demand. It is not a 'regulated' rate, rather it is a default rate. If you do not have an energy contract, then you are on the RRO.

For July 2021, the RRO is priced at \$0.09544 per kWh, reflected on your enclosed blue bill. For August 2021, the REA monthly rate as calculated under the RRO regulation is \$0.15299. Detailed information on the monthly RRO is available on: [www.brpower.coop](http://www.brpower.coop).

The Battle River Rural Energy Contract rate is \$0.0635 per kWh until December 31, 2023.

Members are free to purchase electricity services from a retailer of their choice. For a list of retailers, visit [ucahelps.alberta.ca](http://ucahelps.alberta.ca) or call 310-4822 (toll free in Alberta).

BATTLE RIVER POWER COOP IS AVAILABLE FOR POWER TROUBLE CALLS 24/7/365 CALL TOLL-FREE: 1.877.428.3972

