



AGENDA

GAS, POWER AND TELECOMMUNICATIONS COMMITTEE

October 8, 2020, 1:00 PM
IN THE COUNCIL CHAMBER

Members

Councillor S. Chu, Chair
Councillor D. Farrell, Vice-Chair
Councillor J. Davison
Councillor J. Magliocca
Chief Financial Officer C. Male
Mayor N. Nenshi, Ex-Officio

SPECIAL NOTES:

Public are encouraged to follow Council and Committee meetings using the live stream [Calgary.ca/WatchLive](https://calgary.ca/WatchLive)

Public wishing to make a written submission may do so using the public submission form at the following link: [Public Submission Form](#)

Members may be participating remotely.

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
 - 4.1 Minutes of the Regular Meeting of the Gas, Power, and Telecommunications Committee, 2020 September 10
5. CONSENT AGENDA
 - 5.1 DEFERRALS AND PROCEDURAL REQUESTS
None

5.2 BRIEFINGS

5.2.1 Status of Outstanding Motions and Directions, GPT2020-1077

6. POSTPONED REPORTS

(including related/supplemental reports)

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Industry Update on Electricity, Natural Gas and Telecommunications, GPT2020-1078

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

10.2 URGENT BUSINESS

11. ADJOURNMENT



MINUTES

GAS, POWER AND TELECOMMUNICATIONS COMMITTEE

**September 10, 2020, 1:00 PM
IN THE COUNCIL CHAMBER**

PRESENT: Councillor S. Chu, Chair (Remote Participation)
Councillor D. Farrell, Vice-Chair (Remote Participation)
Councillor J. Davison (Remote Participation)
Councillor J. Magliocca (Remote Participation)
A/CFO L. Tochor (Remote Participation)

ALSO PRESENT: Acting City Clerk J. Fraser
Legislative Advisor J. Palaschuk

1. CALL TO ORDER

Councillor Chu called the Meeting to order at 1:10 p.m.

ROLL CALL

Councillor Chu, Councillor Davison, Councillor Farrell, and Councillor Magliocca.

The Gas, Power, and Telecommunications Committee, by general consent, recessed at 1:11 p.m. to the Call of the Chair.

Councillor Chu called the Meeting to order at 3:09 p.m.

ROLL CALL

Councillor Chu, Councillor Magliocca, and A/CFO Tochor.

Absent for Roll Call: Councillor Davison and Councillor Farrell.

2. OPENING REMARKS

Councillor Chu provided opening remarks at today's Meeting.

3. CONFIRMATION OF AGENDA

Moved by A/CFO L. Tochor

That the Agenda for the 2020 September 10 Regular Meeting of the Gas, Power and Telecommunications Committee be confirmed.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

- 4.1 Minutes of the Regular Meeting of the Gas, Power and Telecommunications Committee, 2020 July 16

Moved by Councillor Magliocca

That the Minutes of the 2020 July 16 Regular Meeting of the Gas, Power and Telecommunications be confirmed.

MOTION CARRIED

5. CONSENT AGENDA

Moved by Councillor Magliocca

That the Consent Agenda be approved as follows:

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

5.2 BRIEFINGS

- 5.2.1 Status of Outstanding Motions and Directions, GPT2020-0947

MOTION CARRIED

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

Moved by A/CFO L. Tochor

That pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of a public body) of the

Freedom of Information and Protection of Privacy Act, Committee move into Closed Meeting, at 3:11 p.m. in the Council Boardroom, to consider confidential matters with respect to the following items:

- 10.1.1 Summary of Current Proceedings, GPT2020-0948
- 10.1.2 Status of Expenditures on Regulatory Proceedings, GPT2020-0924
- 10.1.3 Shared Access Network Term and Delegated Authority, GPT2020-0886

MOTION CARRIED

Committee reconvened in Public Meeting at 3:24 p.m. with Councillor Chu in the Chair (Remotely).

Moved by A/CFO L. Tochor

That Committee rise and report.

MOTION CARRIED

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 Summary of Current Proceedings, GPT2020-0948

Administration in attendance during the Closed Meeting discussions with respect to Report GPT2020-0948:

Clerks: J. Fraser and J. Palaschuk. Observers: K. Hess, B. Cullen, L. Bonnett, S. Ohama, L. Rudderham, D. Basto, and J. Bradley.

Moved by A/CFO L. Tochor

That with respect to Report GPT2020-0948, the following be approved:

That the Gas, Power and Telecommunications Committee direct that the report and attachment remain confidential pursuant to Sections 23 (Local public body confidences) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2023 September 10.

MOTION CARRIED

10.1.2 Status of Expenditures on Regulatory Proceedings, GPT2020-0924

Administration in attendance during the Closed Meeting discussions with respect to Report GPT2020-0924:

Clerks: J. Fraser and J. Palaschuk. Observers: K. Hess, B. Cullen, L. Bonnett, S. Ohama, L. Rudderham, D. Basto, and J. Bradley.

Moved by Councillor Magliocca

That with respect to Report GPT2020-0924, the following be approved:

That the Gas, Power and Telecommunications Committee direct that the report and attachment remain confidential pursuant to Sections 23 (local

public body confidences) and 24 (advice from officials) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed 2025 September 30.

MOTION CARRIED

10.1.3 Shared Access Network Term and Delegated Authority, GPT2020-0886

Administration in attendance during the Closed Meeting discussions with respect to Report GPT2020-0886:

Clerks: J. Fraser and J. Palaschuk. Advice: K. Hess and B. Cullen. Observers: L. Bonnett, S. Ohama, L. Rudderham, D. Basto, and J. Bradley.

Moved by Councillor Magliocca

That with respect to Report GPT2020-0886, the following be approved:

That the Gas, Power and Telecommunications Committee recommends that Council:

1. Authorize the City Manager to approve of any amendments to the terms and conditions and enter into the Shared Communication Infrastructure Mutual Licence Agreement;
2. Authorize the City Manager, Director of Roads and Manager of Traffic to approve any amendments to the terms and conditions and enter into site licences for the installation of wireless infrastructure and related equipment on City-owned designated street light poles; and
3. Direct that the Report and Attachment remain confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, until the Wireless Infrastructure Deployment Program Master Agreements are executed, to be reviewed by 2024 September 20.

MOTION CARRIED

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

Moved by A/CFO L. Tochor

That this meeting adjourn at 3:25 p.m.

MOTION CARRIED

The following item has been forwarded to the 2020 October 05 Combined Meeting of Council:

CONSENT

- Shared Access Network Term and Delegated Authority, GPT2020-0886

The next Regular Meeting of the Gas, Power, and Telecommunications Committee is scheduled to be held on 2020 October 08 at 1:00 p.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

UNCONFIRMED

BRIEFING

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Item # 5.2.1

**Chief Financial Officer's Briefing to
Gas, Power and Telecommunications
2020 October 08**

**ISC: UNRESTRICTED
GPT2020-1077**

Status of Outstanding Motions and Directions

PURPOSE OF BRIEFING

This briefing details the outstanding items for the Gas, Power and Telecommunications (GPT) Committee from previous meetings.

SUPPORTING INFORMATION

The GPT Committee has directed that this briefing be prepared on a monthly basis for each scheduled meeting. As of 2020 September 17, there are no outstanding motions and directions.

ATTACHMENT(S)

None

**Chief Financial Officer's Report to
Gas, Power and Telecommunications
2020 October 8**

**ISC: UNRESTRICTED
GPT2020-1078
Page 1 of 2**

Industry Update on Electricity, Natural Gas and Telecommunications

RECOMMENDATION(S):

That the Gas, Power and Telecommunications Committee receive this report for the Corporate Record.

HIGHLIGHTS

- The Gas, Power and Telecommunications Committee has requested that this report be prepared every second meeting.
- Natural gas and electricity markets are analyzed to provide an understanding of energy prices which affect The City's utility costs, Calgarians who pay for utility services and franchise fee revenue.
- Policy issues in Alberta's regulated utilities and general utility industry developments that could have an impact on The City's interests are reviewed to keep committee members informed of issues that may require future regulatory intervention or impact The City's operations.
- Attachment 1 provides details on recent developments in Alberta's Utilities industry
- This report is in alignment with the mandate of the Gas, Power and Telecommunications Committee.

DISCUSSION

- In this report the recent Regulated Rates for Electricity and Natural Gas are graphed. City costs for these two commodities are also tracked.
- The remainder of this report consists of analysis on utility and telecommunications topics.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

Public Communication or Engagement was not required

IMPLICATIONS

Social

This report aligns with The City's Triple Bottom Line Policy Framework. The analysis determined that no social, environmental or economic implications were applicable.

Environmental

This report aligns with The City's Triple Bottom Line Policy Framework. The analysis determined that no social, environmental or economic implications were applicable.

Economic

This report aligns with The City's Triple Bottom Line Policy Framework. The analysis determined that no social, environmental or economic implications were applicable.

**Chief Financial Officer's Report to
Gas, Power and Telecommunications
2020 October 8**

**ISC: UNRESTRICTED
GPT2020-1078
Page 2 of 2**

Industry Update on Electricity, Natural Gas and Telecommunications

Service and Financial Implications

As a result of this report, there is no anticipated financial impact

RISK

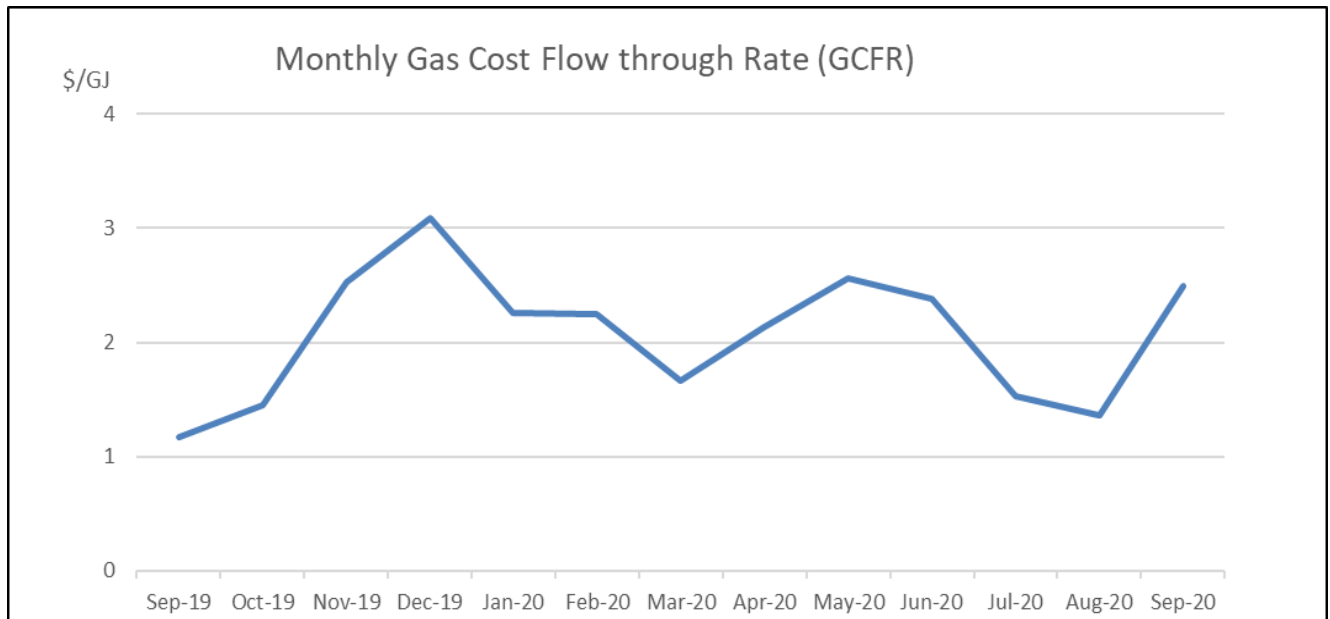
The GPT expenditures for 2020 are forecast to come in under budget. No business plan implications arise from this report.

ATTACHMENT(S)

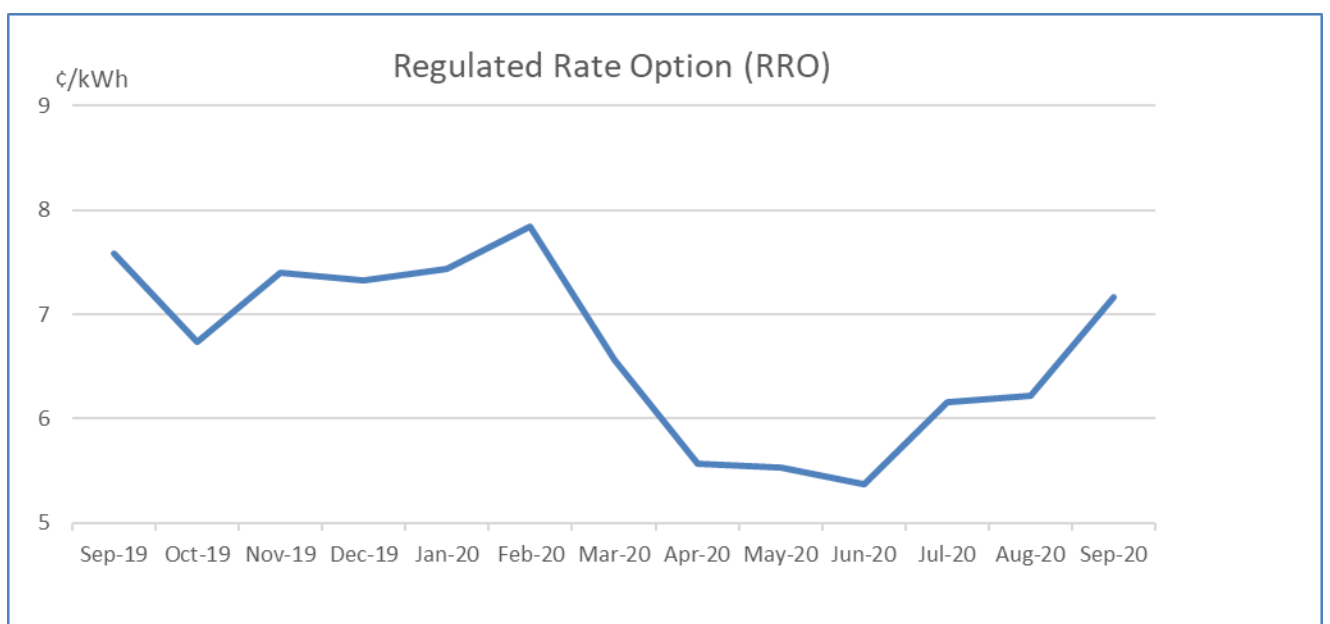
1. Attachment 1 – Industry Update on Electricity, Natural Gas and Telecommunications

ENERGY PRICES AND MARKETS**Natural Gas**

The 2020 September gas cost flow-through rate (GCFR) was \$2.49 per gigajoule. Prices are forecast to remain stable for the remainder of 2020. Natural gas costs for The City thus far in 2020 are 5.4 percent (\$349,000) lower relative to 2019, largely due to a warmer winter in 2020.

**Electricity**

The ENMAX regulated rate option (RRO) price for 2020 September was 7.17 cents per kilowatt-hour. The price cap of 6.8 cents per kilowatt-hour is no longer in effect as of 2019 December. Electricity costs for The City thus far in 2020 are 4.2 per cent (\$2,000,000) lower relative to 2019, largely due to decreased transit electricity usage.

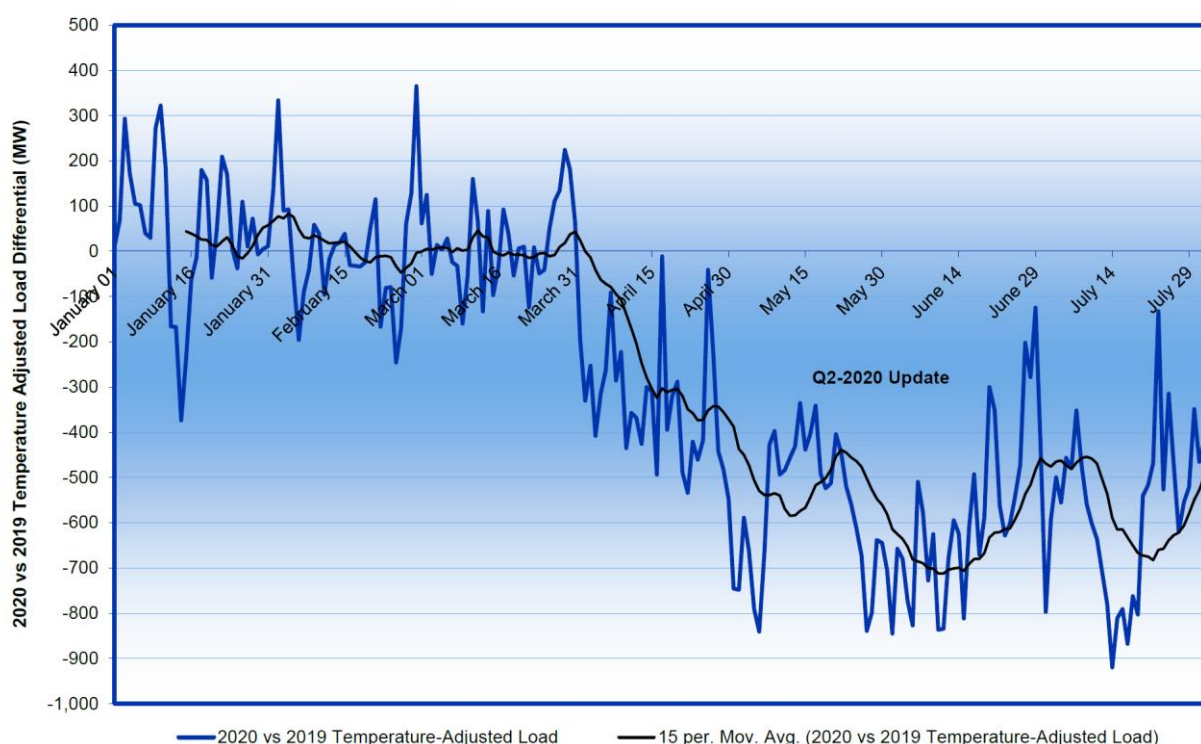


The month-to-date all-hours average power pool price for 2020 September 14 was 3.75 cents per kilowatt-hour. For reference, the all-hours average price for 2019 September was 5.45 cents per kilowatt-hour. Power pool prices are forecast to remain at approximately 5 cents per kilowatt-hour for the remainder of 2020.

UTILITIES AND INDUSTRY DEVELOPMENTS

Impact of COVID-19 and Low Oil Prices on Alberta Electricity demand

Beginning in 2020 April the economic shutdown began to impact provincial electricity demand. Daily temperature adjusted load was over 800 MW lower in the beginning of May on a year-over-year basis. By mid-May electricity consumption had begun to improve. Currently demand destruction is sitting at about 500 MW. The graph below shows the daily temperature adjusted load differential (2020 vs 2019).



*Source – EDC Associates Q3-2020 update

The good news, is that electricity demand is expected to strengthen over the coming months as comparatively stronger oil prices has led some oil producers to restart shut-in oil production.

Alberta Government Supports Small Modular Nuclear Reactor development

Alberta is joining three other provinces to support the advancement and deployment of nuclear energy through small modular reactors (SMRs). Premier Jason Kenney announced 2020 August 7 that the Alberta provincial government will sign on to an existing memorandum of understanding with Ontario, Saskatchewan and New Brunswick. The province hopes the nuclear technology will allow power to be provided to remote communities, diversify the economy, create jobs and reduce greenhouse gas emissions. The intent is for Alberta to stay at

the forefront of the latest development in SMR technology and to ensure that the province will have the appropriate regulatory framework in place, should private industry decide to pursue it in the future.

Halkirk residents concerned with consultation process on new Wind farm

Residents of Halkirk, Alberta (about 2.5 hours NE of Calgary) have recently raised concerns about the consultation process undertaken by Capital Power regarding a proposed Wind farm in the area. Capital Power has proposed a 74 turbine site spread over 100 square kilometers. One resident in particular stated that Capital Power “tricked” him into signing his consent in exchange for \$10 by telling him his neighbors were all in agreement with the project. He was promised more money once the turbines were operational. He later learned that many of his neighbours had not given consent.

Further, the Wind farm plans would see a turbine just 650 metres from a local landing strip, despite recommendations from Transport Canada that turbines should be at least four kilometres from a runway. The Alberta Utilities Commission (AUC) approved the Capital Power project as being in the public interest. The AUC put 24 conditions on the project's approval, which the company must meet to complete it. Capital Power has not yet begun construction and must complete this project no later than 2022 December.

TELECOMMUNICATIONS DEVELOPMENTS

SpaceX launch of Starlink internet satellites continues

Global, wireless internet service could be a reality as early as 2021. Starlink (an affiliate company to Elon Musk's SpaceX) is a space-based internet service provider that seeks to provide high-speed internet service (100 mbps or enough to watch two HD movies at once). The company is planning near-global coverage of the populated world by 2021, bringing this service to locations where access previously has been unreliable, expensive or completely unavailable. Starlink has announced that once its fleet of 840 low-earth orbit satellites (about 550 km altitude) are operational it will be ready to offer service to customers.

The hardware required to access the Starlink satellites has been kept secret up until recently when a 2020 June 23 Business Insider article showed photographs of the new user terminal. The dish antenna is approximately the size of a medium pizza, though it is not entirely clear how large or heavy the entire assembly will be. Elon Musk has stated the Starlink system setup will involve only two steps “plug-in, and point at the sky”. It is not yet clear if this level of simplicity will be available in the immediate future.

Because Canada is such a large and sparsely populated country reliable internet service has typically relied on Federal support. This service could allow many rural and remote communities a market-based solution to connect to the internet. The Resilience Calgary strategy (Action 1B.1) which addresses internet access and affordability may be positively impacted if the Starlink system works as expected.