



AGENDA

GAS, POWER AND TELECOMMUNICATIONS COMMITTEE

December 10, 2020, 1:00 PM
IN THE COUNCIL CHAMBER

Members

Councillor S. Chu, Chair
Councillor D. Farrell, Vice-Chair
Councillor S. Keating
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 November 12
5. CONSENT AGENDA
 - 5.1. DEFERRALS AND PROCEDURAL REQUESTS
None

5.2. BRIEFINGS

5.2.1. Status of Outstanding Motions and Directions, GPT2020-1349

5.2.2. Update on the Shared Access Network, GPT2020-1395

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, GPT2020-1350

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

**November 12, 2020, 1:00 PM
IN THE COUNCIL CHAMBER**

PRESENT: Councillor S. Chu, Chair (Remote Participation)
Councillor D. Farrell, Vice-Chair (Remote Participation)
Councillor S. Keating (Remote Participation)
Councillor J. Magliocca (Remote Participation)
Chief Financial Officer C. Male

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

1. CALL TO ORDER

The Acting City Clerk called the meeting of the Gas, Power and Telecommunications Committee to order at 1:00 p.m.

ROLL CALL

Councillor Chu, Councillor Farrell, Councillor Keating, Councillor Magliocca, and CFO Male.

2. ELECTION OF CHAIR AND VICE CHAIR

Election of Chair

Following nomination procedures, Councillor Chu was appointed as Chair of the Gas, Power and Telecommunications Committee, by acclamation.

Election of Vice Chair

Following nomination procedures, Councillor Farrell was appointed as Vice-Chair of the Gas, Power and Telecommunications Committee, by acclamation.

3. OPENING REMARKS

Councillor Chu provided opening remarks at today's Meeting.

4. CONFIRMATION OF AGENDA

Moved by Councillor Farrell

That the Agenda for the 2020 November 12 Regular Meeting of the Gas, Power and Telecommunications Committee be confirmed.

MOTION CARRIED

5. CONFIRMATION OF MINUTES

5.1 Minutes of the Regular Meeting of the Gas, Power, and Telecommunications Committee, 2020 October 08

Moved by Chief Financial Officer Male

That the Minutes of the 2020 October 08 Regular Meeting of the Gas, Power and Telecommunications Committee be confirmed.

MOTION CARRIED

6. CONSENT AGENDA

Moved by Councillor Magliocca

That the Consent Agenda be approved as follows:

6.1 DEFERRALS AND PROCEDURAL REQUESTS

None

6.2 BRIEFINGS

6.2.1 Status of Outstanding Motions and Directions, GPT2020-1223

For: (5): Councillor Chu, Councillor Farrell, Councillor Keating, Councillor Magliocca, and Chief Financial Officer Male

MOTION CARRIED

7. POSTPONED REPORTS

None

8. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

9. ITEMS DIRECTLY TO COMMITTEE

9.1 REFERRED REPORTS

None

9.2 NOTICE(S) OF MOTION

None

10. URGENT BUSINESS

None

11. CONFIDENTIAL ITEMS

Moved by Councillor Keating

That pursuant to Sections 23 (Local public body confidences) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting at 1:09 p.m., in the Council Boardroom, to discuss confidential matters with respect to the following Item:

11.1.1 Summary of Current Proceedings, GPT2020-1224

MOTION CARRIED

Committee reconvened in public meeting at 1:57 p.m. with Councillor Chu in the Chair (Remotely).

Moved by Councillor Magliocca

That Committee rise and report.

MOTION CARRIED

11.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

11.1.1 Summary of Current Proceedings, GPT2020-1224

Administration in attendance during the Closed Meeting discussions with respect to Report GPT2020-1224:

Clerks: J. Fraser and J. Palaschuk. Law: L. Bonnett. Advice: K. Hess, B. Whyte, and L. Rudderham.

That with respect to Confidential Report GPT2020-1224, the following be approved:

That the Gas, Power and Telecommunications Committee:

1. Receive this report for the Corporate record, and;
2. Direct that the report and attachments be held confidential pursuant to Section 23 (Local public body confidences) and Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act* and reviewed by 2023 November 12.

For: (5): Councillor Chu, Councillor Farrell, Councillor Keating, Councillor Magliocca, and Chief Financial Officer Male

MOTION CARRIED

11.2 URGENT BUSINESS

None

12. ADJOURNMENT

Moved by Councillor Keating

That this meeting adjourn at 2:03 p.m.

MOTION CARRIED

The next Regular Meeting of the Gas, Power, and Telecommunications Committee is scheduled to be held on 2020 December 10 at 1:00 p.m.

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 December 10**

**ISC: UNRESTRICTED
GPT2020-1349**

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. This briefing, and Attachment 1, provides a summary of outstanding items for the GPT Committee.

For the specific items listed in Attachment 1, the background is available in the original report presented to GPT as well as the minutes of the applicable GPT meeting. This report is in alignment with the mandate of the Gas, Power and Telecommunications Committee.

This briefing tracks outstanding motions and directions from the GPT Committee to Administration. The attachment 1 has no specific risk associated with it. Directions or motions with risk implications will be addressed in the attachment or a separate report on the directions or motions.

ATTACHMENT(S)

1. Status of Outstanding Motions and Directions

STATUS OF OUTSTANDING MOTIONS AND DIRECTIONS

GPT 2020-1349
Attachment 1

ITEM	DATE OF REQUEST	REQUEST	COMMITTEE DIRECTION	STATUS
Discuss public notification of City regulatory success in AUC PBR Anomaly Decision (Decision 25422)	2020 November 12	Direction	GPT Committee members will discuss and decide if a public notification should be made to inform of the recent regulatory success in AUC Decision 25422 – Performance Based Regulation Anomaly Adjustments.	On-going
Review timing of letter to the AUC on PBR review.	2020 November 12	Direction	Regulatory staff have a drafted a letter to the AUC proposing a formal PBR review proceeding. GPT Committee members may wish to wait until 2021 to send the letter to the AUC. ENMAX has expressed opposition to this proposal.	On-going

BRIEFING

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Item # 5.2.2

**Deputy City Manager's Office Briefing to
Gas, Power and Telecommunications
2020 December 10**

**ISC: UNRESTRICTED
GPT2020-1395**

Update on the Shared Access Network

PURPOSE OF BRIEFING

On 2020 November 2, Council referred GPT2020-0886, Shared Access Network and Delegated Authority, back to Administration for further work and to return to Council through the Gas, Power, and Telecommunications (GPT) Committee in Q4 2020.

The purpose of this briefing note is to close the loop on GPT2020-0886 and inform Council that no direction is required.

SUPPORTING INFORMATION

As part of the next generation of mobile networks (commonly referred to as 5G), wireless service providers (WSPs) are seeking access to municipal assets for the installation of small cell antennas and other wireless infrastructure. At the same time, the Federal Government is in the process of modernizing the suite of legislation that governs broadcasting and telecommunications including proposals to facilitate the “efficient rollout of safe and secure advanced networks, including the impending implementation of 5G.”

Conversations began in February 2019 with ENMAX to establish a shared access network (SAN) model for enabling wireless service providers, such as Rogers, Telus and Shaw/Freedom Mobile, to rapidly deploy wireless infrastructure to street light poles while reducing disruption and negative impacts on communities and businesses.

In August 2019, The City informed WSPs of its work with ENMAX to establish a shared access network model. Detailed presentations were provided to WSPs on 2020 April 20, 2020 June 08 and 2020 June 29. Based on these presentations, the WSPs identified specific issues with the SAN model.

Administration submitted GPT2020-0886 to GPT in September 2020 in anticipation that any residual issues identified by the WSPs would be addressed and the SAN model may be implemented.

On 2020 November 3, Administration pivoted away from the SAN model in response to unresolved concerns from some WSPs that the anticipated benefits would not be realized. Any further delays associated with further refining the SAN model may have resulted in the WSPs missing the 2021 construction season and The City viewed this as a barrier to the advancement of critical telecommunications infrastructure. As such, Administration no longer requires direction from Council.

Work continues with the WSPs to enter into Master License Agreements under a new open access network model. In the meantime, an interim agreement is in place to allow Administration to respond to requests from WSPs to attach wireless equipment to City-owned assets.

ATTACHMENT(S)

None.

**Chief Financial Officer's Report to
Gas, Power and Telecommunications
2020 December 10**

**ISC: UNRESTRICTED
GPT2020-1350
Page 1 of 2**

Industry Update on Electricity, Natural Gas and Telecommunications

RECOMMENDATION(S):

That the Gas, Power and Telecommunications Committee:

1. Receive this report for the Corporate Record and for discussion.

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**

**ISC: UNRESTRICTED
GPT2020-1350
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Industry Update on Electricity, Natural Gas and Telecommunications

Service and Financial Implications

No anticipated financial impact

RISK

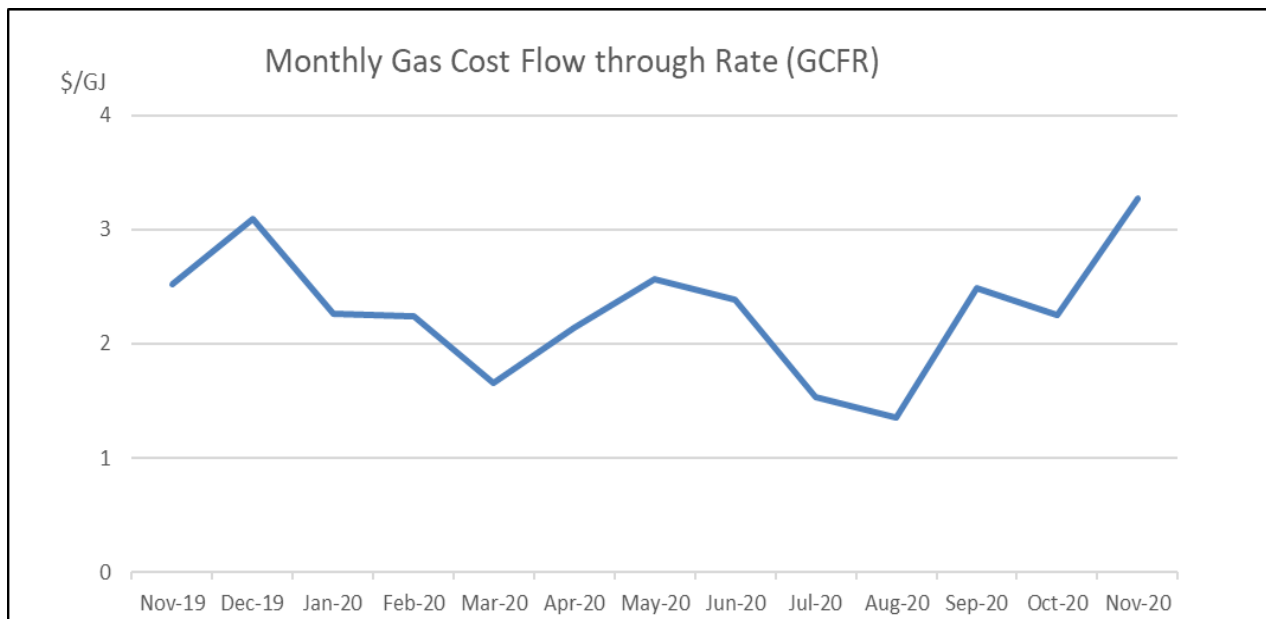
The GPT expenditures for 2020 are forecast to come in under budget. No business plan implications arise from this report.

ATTACHMENT(S)

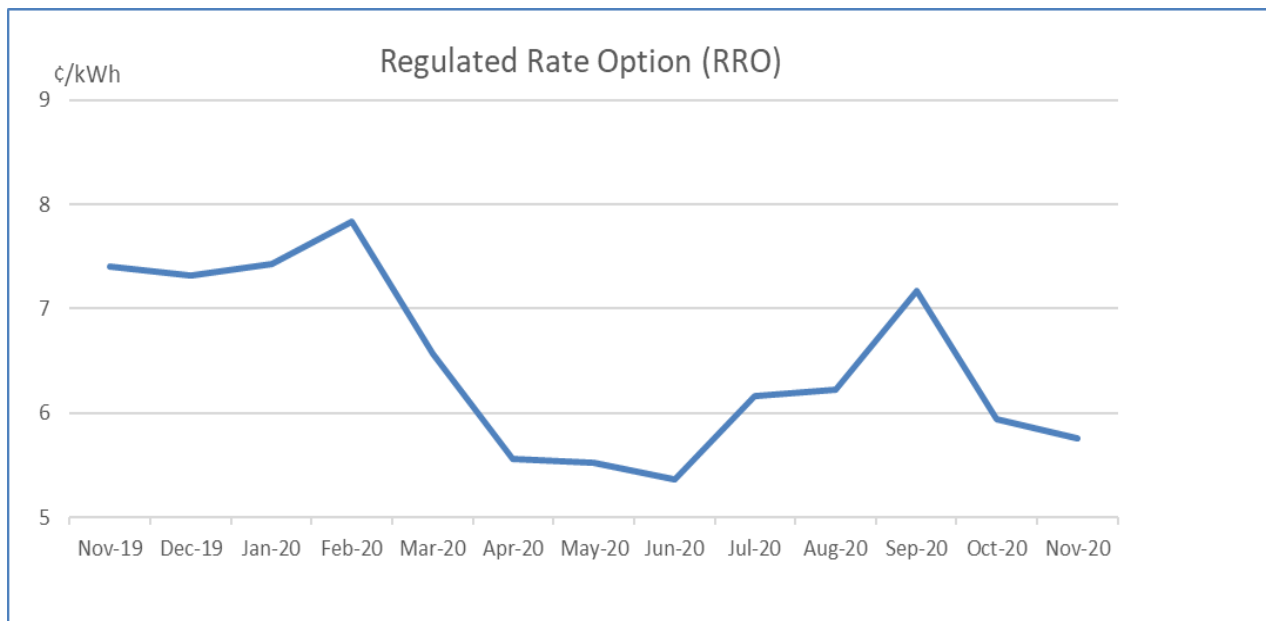
1. Industry Update on Electricity, Natural Gas and Telecommunications

ENERGY PRICES AND MARKETS**Natural Gas**

The 2020 November gas cost flow-through rate (GCFR) was \$3.28 per gigajoule. Prices are forecast to remain relatively strong into 2021. Natural gas costs for The City thus far in 2020 are 1.5 per cent (\$110,000) higher relative to 2019.

**Electricity**

The ENMAX regulated rate option (RRO) price for 2020 November was 5.76 cents per kilowatt-hour. Electricity costs for The City thus far in 2020 are 3.2 per cent (\$2,000,000) lower relative to 2019, largely due to decreased transit electricity usage.

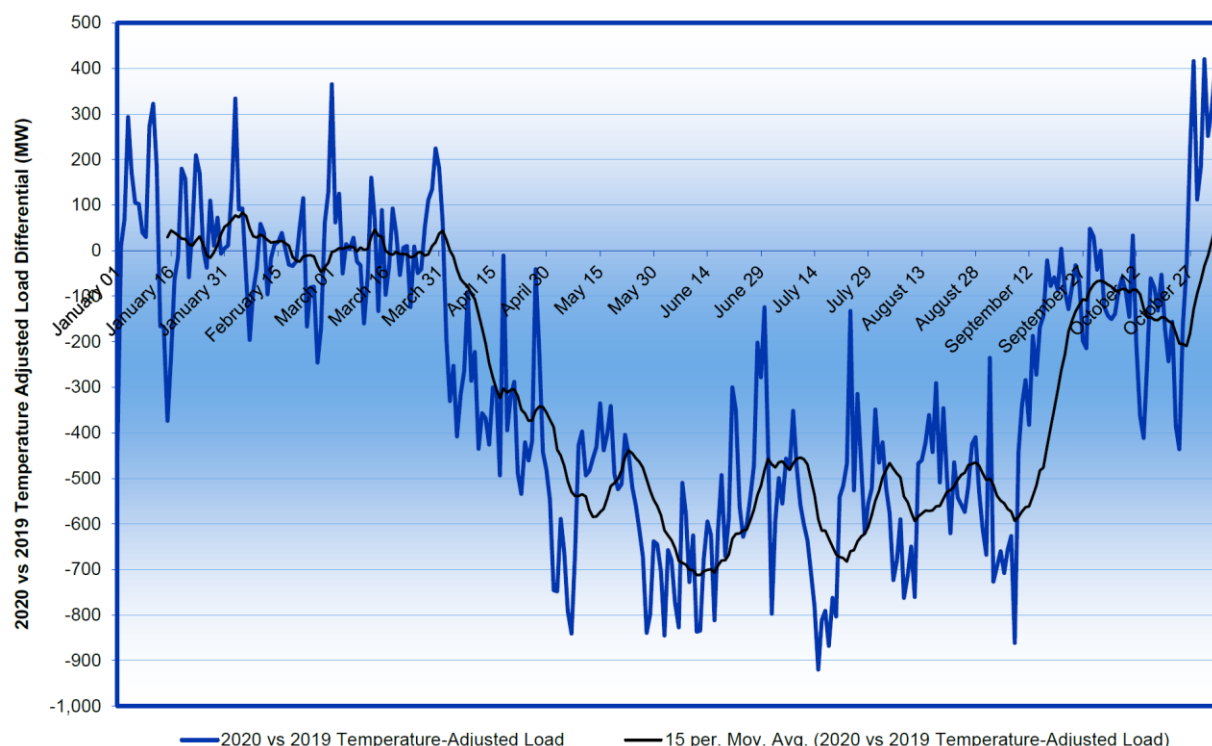


The month-to-date all-hours average power pool price for 2020 November 16 was 3.77 cents per kilowatt-hour. For reference, the all-hours average price for 2019 November was 5.62 cents per kilowatt-hour. Power pool prices are forecast to remain at approximately 5 cents per kilowatt-hour for the remainder of 2020.

UTILITIES AND INDUSTRY DEVELOPMENTS

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

The daily temperature adjusted year over year Alberta Internal Load (“AIL”) differential has shown significant signs of improvement, actually moving into positive territory in November. The strong return in year over year load during the last few weeks is attributable to Alberta returning to some degree of normalcy, such as schools and business re-opening. Concurrently, large industrial facility outages, (due to oil production shut-ins, maintenance and operational issues) have been resolved. Electrical load is expected to continue to improve as recent corporate announcements suggest that various oil producers are restarting shut-in oil production and that most oil sand outages have been completed. If oil prices remain strong and Alberta is able to avoid another prolonged lockdown, electricity load growth may continue.

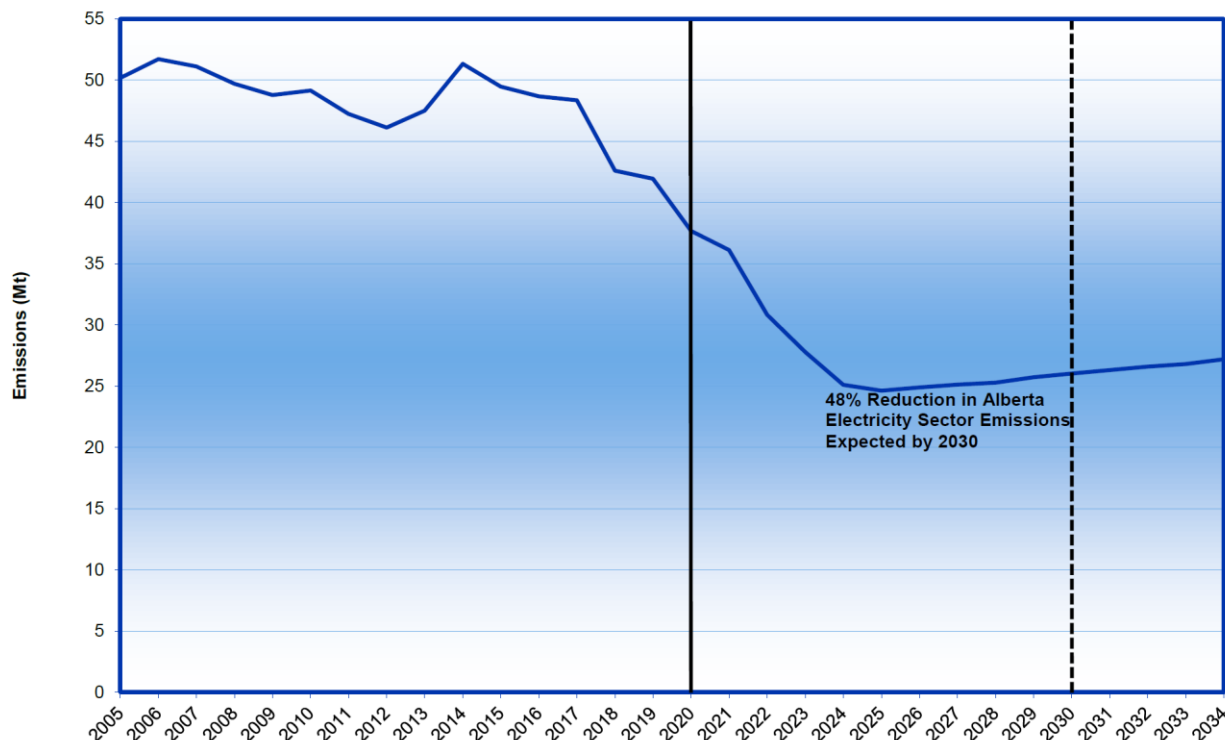


*Source – EDC Associates Q4-2020 update

Alberta electricity sector well positioned to meet Paris climate goal

Under Alberta's current carbon compliance policy, the province's electricity sector is expected to easily surpass Paris Accord expectations. It is forecast that 2030 emissions will be at an almost 50% reduction from 2005 levels. The sharp drop-off can be attributed to the Alberta government showing firm policy guidance by supporting an energy-only market design that rewards efficient resources and strong renewable energy growth. It is expected coal retirements will continue

due to the combination of low natural gas prices coupled with high carbon costs. The graph below shows the expected future reduction in Alberta electricity generation emissions.



ENMAX selling downtown District Energy center

On 2020 November 6 ENMAX announced it had reached a deal to sell the District Energy Centre to a U.K.-based clean energy company (Atlantica Sustainable) for \$27million. The District Energy Centre was built in 2010 at a cost of \$32 million, with funds from all three levels of government. The District Energy Centre generates 55 MW of thermal energy and connects to customers through a network of insulated underground pipes.

ATCO completes large off-grid solar project in northern Alberta

Canadian Utilities, an ATCO company, on 2020 November 18 announced the completion of Canada's largest (2800 kW) off-grid solar project. The solar project will provide 25 per cent of Fort Chipewyan electricity needs annually, reducing trucking and consumption of diesel fuel by approximately 800,000 litres per year. Fort Chipewyan is located about 150 kilometres away from the nearest tie-in to Alberta's electric grid, and is home to nearly 1,000 residents who rely solely on diesel-fueled generation for electricity. Each year, diesel is transported to the town by trucks on a winter ice road.

TELECOMMUNICATIONS DEVELOPMENTS

Canada parliament passes motion to review banning Huawei 5G technology

On 2020 November 18 Canada's parliament passed a motion (179-146), which called on the government within 30 days to officially ban Huawei 5G technology from being used in the country. The motion put forward by the Conservative opposition identified China as a threat to Canadian interests and values, and urged the government to draft a plan to "combat China's growing foreign operations" in Canada. The motion also called for the Trudeau government to come up with a plan to counter Chinese operations aimed at intimidating Chinese nationals living in Canada.

Canada's main allies in the intelligence-sharing FiveEyes group(United States, United Kingdom, Australia and New Zealand)have all already taken steps to ban Huawei 5G technology.