



## AGENDA

### GAS, POWER AND TELECOMMUNICATIONS COMMITTEE

February 11, 2021, 9:30 AM  
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 January 14
5. CONSENT AGENDA
  - 5.1. DEFERRALS AND PROCEDURAL REQUESTS  
None
  - 5.2. BRIEFINGS

5.2.1. Status of Outstanding Motions and Directions, GPT2021-0163

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 - GPT2021-0164

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

10.1.1. 2021 Gas, Power and Telecommunications Work Plan, GPT2021-0152  
Report and Attachments held confidential pursuant to Sections 23 (Local public  
body confidences) and 24 (Advice from officials) of the *Freedom of Information  
and Protection of Privacy Act*.

**Review By: 2026 January 31**

10.2. URGENT BUSINESS

11. ADJOURNMENT



## MINUTES

### GAS, POWER AND TELECOMMUNICATIONS COMMITTEE

**January 14, 2021, 9:30 AM  
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 (Remote Participation)

**ALSO PRESENT:** Acting City Clerk J. Fraser  
Legislative Advisor A. de Grood

**1. CALL TO ORDER**

Councillor Chu called the Meeting to order at 9:30 a.m.

**ROLL CALL:**

Councillor Chu, Councillor Magliocca, Councillor Farrell, Councillor Keating, and Chief Financial Officer Male.

**2. OPENING REMARKS**

Councillor Chu provided opening remarks at today's Meeting.

**3. CONFIRMATION OF AGENDA**

**Moved by** Councillor Farrell

That the Agenda for today's meeting be amended by adding the following as item of Confidential Urgent Business:

- 10.2.1 Regulatory Update (Verbal), GPT2021-0131

**MOTION CARRIED**

**Moved by** Councillor Magliocca

That the Agenda for the 2021 January 14 Regular Meeting of the Gas, Power and Telecommunications Committee be confirmed, **as amended**.

**MOTION CARRIED**

**4. CONFIRMATION OF MINUTES**

- 4.1 Minutes of the Regular Meeting of the Gas, Power, and Telecommunications Committee, 2020 December 10

**Moved by** Councillor Farrell

That the Minutes of the 2020 December 10 Regular Meeting of the Gas, Power and Telecommunications Committee be confirmed.

**MOTION CARRIED**

5. CONSENT AGENDA

**Moved by** Councillor Keating

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, GPT2021-0053

**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** Chief Financial Officer Male

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 9:35 a.m. in the Council Boardroom to discuss confidential matters with respect to the following Items:

- 10.1.1 Summary of Current Proceedings, GPT2021-0054
- 10.2.1 Regulatory Update (Verbal), GPT2021-0131

**MOTION CARRIED**

Committee reconvened in Public Meeting at 10:25 a.m. with Councillor Chu in the Chair (Remotely).

**Moved by** Councillor Farrell

That Committee rise and report.

**MOTION CARRIED**

**10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES**

**10.1.1 Summary of Current Proceedings, GPT2021-0054**

Administration in attendance during the Closed Meeting discussions with respect to Report GPT2021-0054:

Clerks: J. Fraser and A. Degrood. Law: H. Chan, L. Bonnett, and C. Van Hell. Advice: C. Male, B. Whyte, K. Hess, and R. Holberton.

**Moved by** Councillor Farrell

That with respect to Report GPT2021-0054, the following be approved:

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

1. Receive this Report for the Corporate Record, and;
2. 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 2024 January 14.

**MOTION CARRIED**

**10.2 URGENT BUSINESS**

**10.2.1 Regulatory Update (Verbal), GPT2021-0131**

Administration in attendance during the Closed Meeting discussions with respect to Report GPT2021-0131:

Clerks: J. Fraser and A. Degrood. Law: H. Chan, L. Bonnett, and C. Van Hell. Advice: C. Male, B. Whyte, K. Hess, and R. Holberton.

**Moved by** Councillor Magliocca

That with respect to Report GPT2021-0131, the following be approved:

That the Gas, Power, and Telecommunications Committee:

1. Forward this item to 2020 February 8 Combined Meeting of Council;
2. Direct Administration to file a Performance Based Review Letter with the Alberta Utilities Commission; and

3. Direct that the Closed Meeting discussions be held confidential pursuant to Sections 23 (Local public body confidences) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

**MOTION CARRIED**

11. ADJOURNMENT

**Moved by** Chief Financial Officer Male

That this meeting adjourn at 10:34 a.m.

**MOTION CARRIED**

The following items have been forwarded to the 2021 February 8 Combined Meeting of Council:

CONSENT:

- Summary of Current Proceedings, GPT2021-0054
- Regulatory Update (Verbal), GPT2021-0131

The next Regular Meeting of the Gas, Power, and Telecommunications Committee is scheduled to be held on 2021 February 11 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

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CHAIR

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ACTING CITY CLERK

# BRIEFING

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Item # 5.2.1

**Chief Financial Officer's Briefing to  
Gas, Power and Telecommunications  
2021 February 11**

**ISC: UNRESTRICTED  
GPT2021-0163**

## **Status of Outstanding Motions and Directions**

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### **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

GPT2021-0163  
ATTACHMENT 1

ITEM	DATE OF REQUEST	REQUEST	COMMITTEE DIRECTION	STATUS
Send GPT2021-0054 (Summary of Current Proceedings) and GPT2021-0131 (Regulatory Update) to Council.	2021 January 14	Direction	Send both GPT2021-0054 and GPT2021-0131 to the 2021 February 8 meeting of City Council. Prepare a short presentation to accompany the GPT2021-0131 (Regulatory Update) report.	On-going
Send a letter to the AUC requesting PBR review.	2021 January 14	Direction	Send a letter to Alberta Utilities Commission (AUC) requesting a separate proceeding to review the success of first and second generation Performance Based Regulation (PBR).	On-going



**Chief Financial Officer's Report to  
Gas, Power and Telecommunications  
2021 February 11**

**ISC: UNRESTRICTED  
GPT2021-0164  
Page 1 of 2**

## **Industry Update on Electricity, Natural Gas and Telecommunications**

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### **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  
GPT2021-0164  
Page 2 of 2**

**Industry Update on Electricity, Natural Gas and Telecommunications**

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**Service and Financial Implications**

No anticipated financial impact

**RISK**

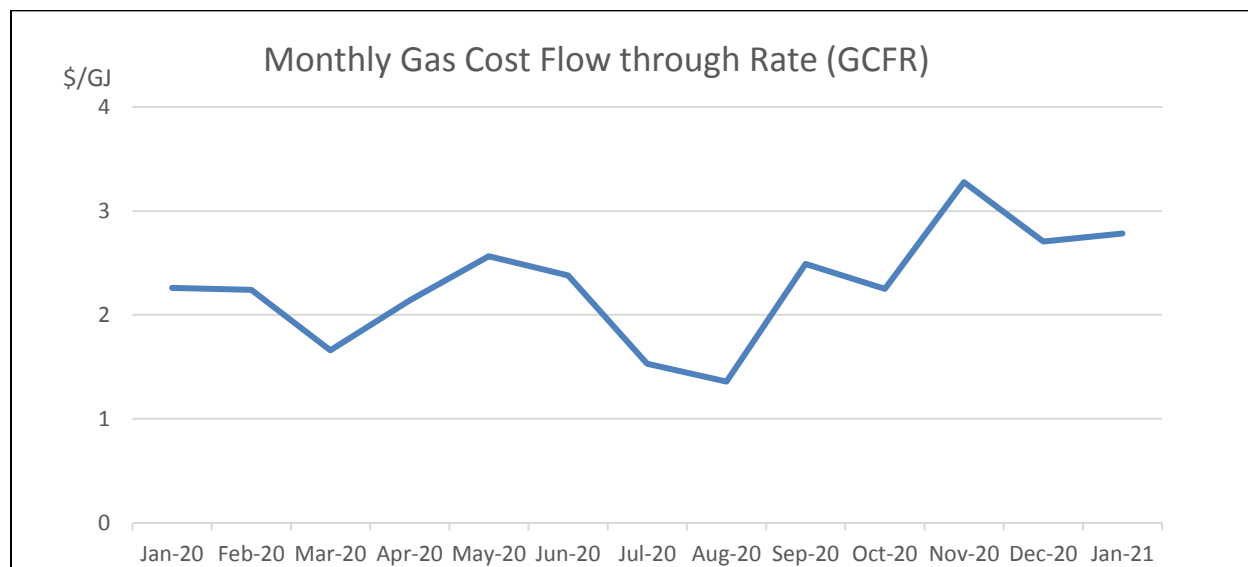
No business plan implications arise from this report.

**ATTACHMENT(S)**

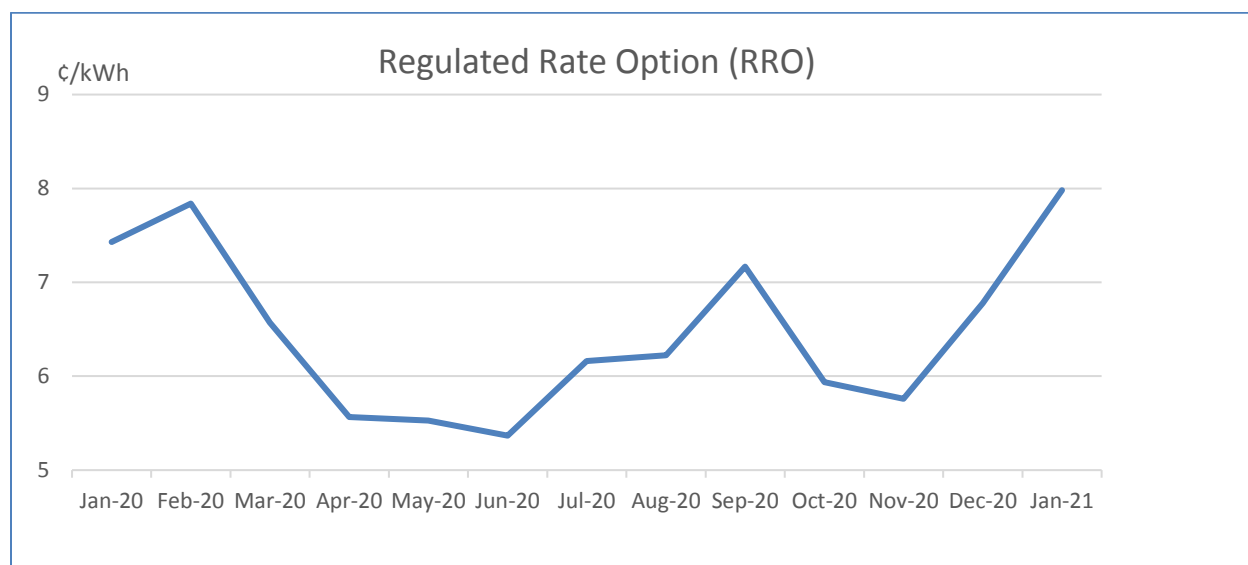
1. Industry Update on Electricity, Natural Gas and Telecommunications

**ENERGY PRICES AND MARKETS****Natural Gas**

The 2021 January gas cost flow-through rate (GCFR) was \$2.78 per gigajoule. Prices are forecast to remain relatively strong into 2021. Natural gas costs for The City in 2020 were 6.0 per cent (\$541,000) higher relative to 2019, largely due to the Federal Carbon Tax.

**Electricity**

The ENMAX regulated rate option (RRO) price for 2021 January was 7.98 cents per kilowatt-hour. Electricity costs for The City in 2020 were 3.3 per cent (\$2,500,000) lower relative to 2019, largely due to decreased transit electricity usage.



The month to date all-hours average power pool price for 2021 January 18 was 4.51 cents per kilowatt-hour. For reference, the all-hours average price for 2020 January was 12.07 cents per

kilowatt-hour. Power pool prices are forecast to stay between 6 and 7 cents per kilowatt-hour for the remainder of 2021.

## **UTILITIES AND INDUSTRY DEVELOPMENTS**

### **Canadian Carbon Tax to increase to \$170 a tonne by 2030**

On 2020 December 11 the federal government released the government's strategy to reduce greenhouse gas emissions. The increase in the federal carbon tax on fuels to \$170 a tonne by 2030 is designed to wean Canadians off fossil fuels. The tax hike will result in higher costs for consumers when they buy gasoline. The price at the pump will increase by 38 cents a litre by 2030 as a result of this new plan, and the cost of natural gas and propane will rise as well.

The carbon tax hike is proposed to fund \$15 billion in new spending on climate initiatives over the next 10 years. These include improvements to the country's electric vehicle charging infrastructure, rebates and tax write-offs for zero-emissions vehicles and funding for home retrofits, among dozens of other proposed policies.

This change will increase Natural Gas costs for the City significantly. In 2020 the federal carbon tax was \$30 a tonne and the City paid over \$600,000 to the Federal government in carbon taxes on natural gas.

### **Incoming United States President Joe Biden to cancel Keystone XL pipeline**

On 2021 January 20 Joe Biden was sworn in as the 46<sup>th</sup> President of the United States. The Keystone XL pipeline was cancelled on his first day in office. The 1,700-mile (2,735-kilometer) pipeline would carry roughly 800,000 barrels of oil a day from Alberta to the Texas Gulf Coast, passing through Montana, South Dakota, Nebraska, Kansas and Oklahoma. TC Energy Corp. announced on 2021 January 17 it would spend US\$1.7 billion on a solar, wind and battery-powered operating system for the pipeline to ensure it is zero-emission by 2030. TC Energy also announced it would rely exclusively on union labour in hopes to avoid the cancellation of this project.

The Keystone Pipeline was subjected to over 10 years of environmental and regulatory reviews. It is expected approximately 11,000 jobs tied to the Keystone pipeline will be lost as a result of its cancellation. Many of those 11,000 layoffs will be in Calgary. The Alberta Government has spent approximately \$1.5 billion in taxpayer funds in support of the Keystone XL project.

### **Alberta Government cancels 11 coal leases**

On 2021 January 18 the Alberta Government announced it would cancel 11 coal leases from its 2020 December auction. The decision to reverse the planned expansion of coal mining in the Rocky Mountains comes after large public opposition, with tens of thousands of people signing petitions, writing letters and joining online groups.

There are currently more than 840,000 hectares (1 hectare is about 2.5 acres, and a CFL football field is about 2 acres in size) of coal leases and rights in the Eastern Slopes of the Rocky Mountains. Eight coal leases that were sold in 2020 May remain in effect.

## **TELECOMMUNICATIONS DEVELOPMENTS**

**SpaceX starts testing Starlink internet service in the English countryside**

SpaceX's satellite broadband service Starlink is now being tested in the U.K. after it was given a license by U.K. telecoms regulator Ofcom. Starlink was issued with an "Earth station network licence" in 2020 November. In an interview from 2020 March, Elon Musk said "SpaceX could make up to \$30 billion a year by providing broadband designed to serve the hardest to serve customers".

Starlink is charging U.K. customers £439 for the satellite dish and other communications equipment, as well as an £89 monthly fee and a £54 shipping fee (1 British Pound = \$1.7 CAD). Starlink is expecting speeds of between 50 megabits per second (Mbps) and 150 Mbps. The average broadband speed in the U.K. is 64 Mbps but those in rural areas often struggle to get anywhere near that. It's unclear how many homes and offices are currently using Starlink's service in the U.K.

In 2020 October, Starlink launched its public beta service called "Better Than Nothing" to serve the northern US and southern Canada. Starlink will charge beta users \$99 per month plus a one-time fee of \$499 for the user terminal, mounting tripod, and router.

In late 2021 January Starlink is expected to expand its beta test in North America to a larger coverage area as more satellites are deployed.