



AGENDA

GAS, POWER AND TELECOMMUNICATIONS COMMITTEE

September 9, 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, 2021 June 24
5. CONSENT AGENDA
 - 5.1. DEFERRALS AND PROCEDURAL REQUESTS
None
 - 5.2. BRIEFINGS

5.2.1. Status of Outstanding Motions and Directions, GPT2021-1085

5.2.2. Status of Outstanding Motions and Directions, GPT2021-1307

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, GPT2021-1304

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. Summary of Current Proceedings, GPT2021-1086

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: 2024 May 13

10.1.2. Status of Expenditures on Regulatory Proceedings, GPT2021-1306

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: 2025 September 30

10.2. URGENT BUSINESS

11. ADJOURNMENT



MINUTES

GAS, POWER AND TELECOMMUNICATIONS COMMITTEE

**June 24, 2021, 1:00 PM
IN THE COUNCIL CHAMBER**

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

ABSENT: Councillor D. Farrell, Vice-Chair (Personal)

ALSO PRESENT: Legislative Advisor J. Palaschuk
Legislative Advisor L. Kearnes

1. CALL TO ORDER

Councillor Chu called the Meeting to order at 1:00 p.m.

2. OPENING REMARKS

Councillor Chu provided opening remarks at today's Meeting.

ROLL CALL

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

Absent for Roll Call: Councillor Farrell.

3. CONFIRMATION OF AGENDA

Moved by Councillor Magliocca

That the Agenda for the 2021 June 24 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, 2021 April 29

Moved by Councillor Keating

That the Minutes of the 2021 April 29 Regular Meeting of the Gas, Power and Telecommunications Committee be confirmed.

MOTION CARRIED

5. CONSENT AGENDA

Moved by Chief Financial Officer Male

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, GPT2021-0898

5.2.2 Fibre Infrastructure Strategy Annual Update, GPT2021-0632

MOTION CARRIED

5.2.3 Update on 5G Readiness – Wireless Infrastructure on City-Owned Assets, GPT2021-0674

Moved by Chief Financial Officer Male

That with respect to Briefing Report GPT2021-0674, the following be approved:

Pursuant to Section 106(3) of the Procedure Bylaw 35M2017, the Gas, Power and Telecommunications Committee forward this Briefing Report to the 2021 July 05 Combined Meeting of Council.

MOTION CARRIED

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Industry Update on Electricity, Natural Gas and Telecommunications, GPT2021-0899

Moved by Councillor Magliocca

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

MOTION CARRIED

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 Councillor Keating

That pursuant to Sections 16 (Disclosure harmful to business interests of a third party), 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 now move into Closed Meeting at 1:14 p.m., in the Council Boardroom, to discuss confidential matters with respect to the following Items:

10.1.1 Summary of Current Proceedings, GPT2021-0715

10.1.2 GPT Bylaw Update (Verbal), GPT2021-1008

MOTION CARRIED

Committee reconvened in public meeting at 1:43 p.m. with Councillor Chu in the Chair (remotely).

Moved by Councillor Magliocca

That Committee rise and report.

MOTION CARRIED

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 Summary of Current Proceedings, GPT2021-0715

Administration in attendance during the Closed Meeting discussions with respect to Report GPT2021-0715:

Clerks: J. Palaschuk and L. Kearnes. Law: L. Bonnett and H. Chan.
Advice: K. Hess and B. Whyte.

Moved by Councillor Keating

That with respect to Report GPT2021-0715, the following be approved:

That the Gas, Power and Telecommunications Committee:

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

2. Direct that the report and attachment be heard in a closed meeting pursuant to Section 23 (Local public body confidences) of the *Freedom of Information and Protection of Privacy Act* and remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act* and to be reviewed by 2024 June 24.

MOTION CARRIED

10.1.2 GPT Bylaw Update (Verbal), GPT2021-1008

Administration in attendance during the Closed Meeting discussions with respect to Report GPT2021-1008:

Clerks: J. Palaschuk and L. Kearnes.

Moved by Chief Financial Officer Male

That with respect to Verbal Report GPT2021-1008, the following be approved:

The Gas, Power and Telecommunications Committee direct the closed meeting discussions remain confidential pursuant to sections 16 (Disclosure harmful to business interests of a third party) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2022 June 30.

MOTION CARRIED

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

Moved by Councillor Magliocca

That this meeting adjourn at 1:45 p.m.

MOTION CARRIED

The following Item has been forwarded to the 2021 July 05 Combined Meeting of Council:

BRIEFINGS

- Update on 5G Readiness – Wireless Infrastructure on City-Owned Assets, GPT2021-0674

The next Regular Meeting of the Gas, Power and Telecommunications Committee is scheduled to be held on 2021 July 29 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
2021 September 09**

**ISC: UNRESTRICTED
GPT2021-1085**

Status of Outstanding Motions and Directions

PURPOSE OF BRIEFING

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

SUPPORTING INFORMATION

The Gas Power Telecommunications Committee has directed that this briefing be prepared on a monthly basis for each scheduled meeting. As of 2021 July 6, there are no outstanding motions and directions.

ATTACHMENT(S)

1. None

BRIEFING

Page 1 of 1

Item # 5.2.2

**Chief Financial Officer's Briefing to
Gas, Power and Telecommunications
2021 September 09**

**ISC: UNRESTRICTED
GPT2021-1307**

Status of Outstanding Motions and Directions

PURPOSE OF BRIEFING

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

SUPPORTING INFORMATION

The Gas Power Telecommunications Committee has directed that this briefing be prepared on a monthly basis for each scheduled meeting. As of 2021 August 16, there are no outstanding motions and directions.

ATTACHMENT(S)

1. None

**Chief Financial Officer's Report to
Gas, Power and Telecommunications
2021 September 9**

**ISC: UNRESTRICTED
GPT2021-1304
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.
- The Federal Court of Appeal has granted TELUS leave to appeal an April 2021 CRTC decision that supported the role of municipalities. TELUS was opposed to the CRTC's assertion that they did not have the authority to grant access to carriers to install wireless infrastructure on municipal assets afforded under the definition of 'transmission line.' TELUS is attempting to broaden the definition of 'transmission line' in order to gain access to municipal assets (such as street light poles) to install wireless (5G) equipment in the same manner they have access to the rights of way. The Federation of Canadian Municipalities (FCM) had intervened in support of the municipal role of rights-of-way management. We believe that it would be prudent for Calgary to collaborate with FCM and intervene to highlight the work Calgary has done to reduce or eliminate barriers to the deployment of wireless infrastructure on City assets.
- 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.
- 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 implications were applicable.

**Chief Financial Officer's Report to
Gas, Power and Telecommunications
2021 September 9**

**ISC: UNRESTRICTED
GPT2021-1304
Page 2 of 2**

Industry Update on Electricity, Natural Gas and Telecommunications

Environmental

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

Economic

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

Service and Financial Implications

No anticipated financial impact

RISK

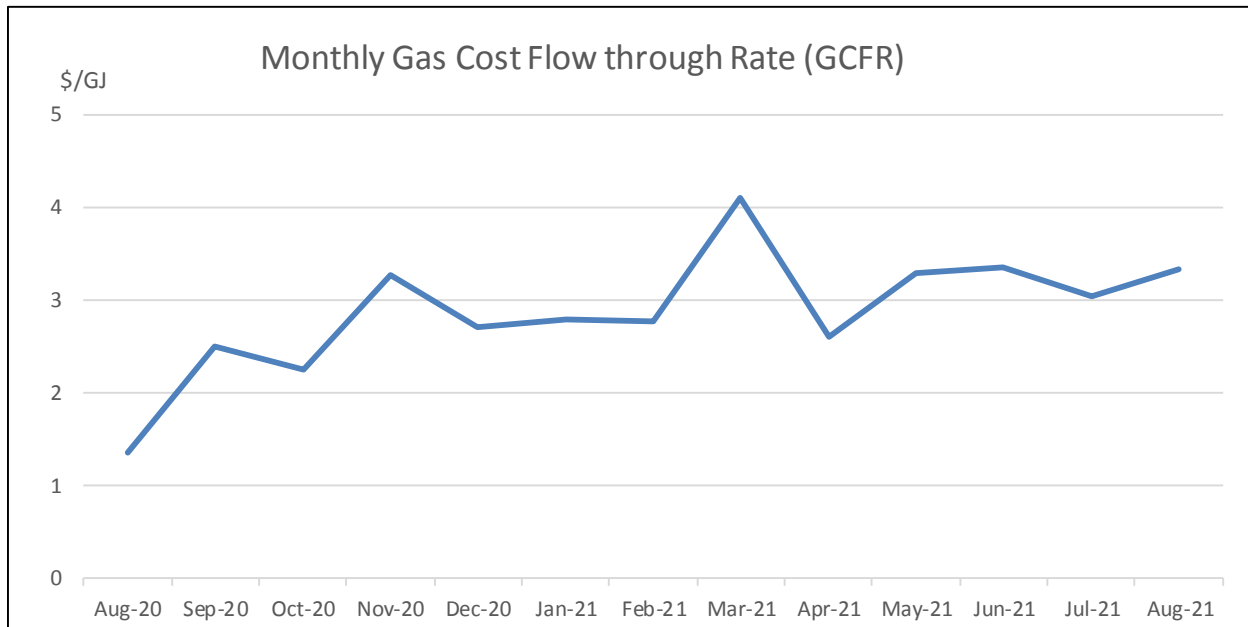
No business plan implications arise from this report.

ATTACHMENT(S)

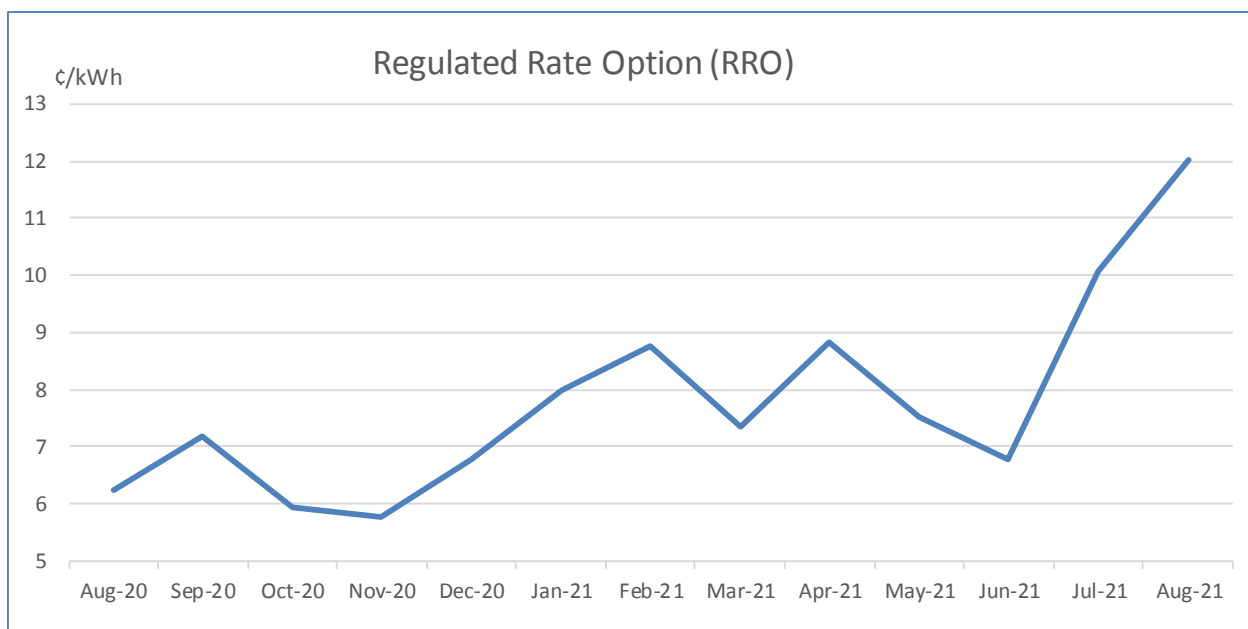
1. Industry Update on Electricity, Natural Gas and Telecommunications

ENERGY PRICES AND MARKETS**Natural Gas**

The 2021 August gas cost flow-through rate was \$3.33 per gigajoule. The generally accepted natural gas industry price forecast is for relatively stable prices through 2021, although some upside potential is possible, with North American natural gas storage levels recently falling below the 5-year average.

**Electricity**

The ENMAX regulated rate option price for 2021 August was 12.02 cents per kilowatt-hour.



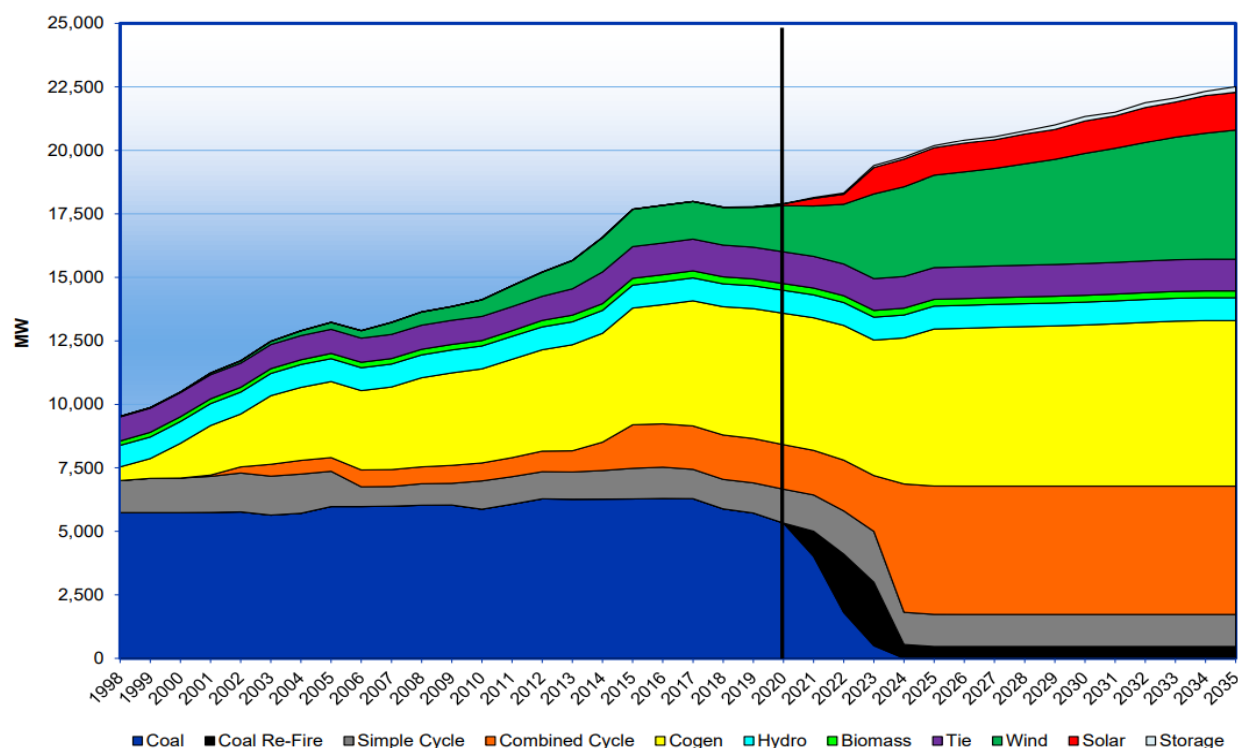
At 12.02 cents per kilowatt-hour, the 2021 August ENMAX residential regulated rate option price is the highest since 2012 February. Regulated rate option prices have soared in recent months due to higher than expected load (demand) causing wholesale power prices in Alberta to hit their highest summer averages since 2013.

The month to date all-hours average wholesale power pool price (as of 2021 August 16) was 10.94 cents per kilowatt-hour. For reference, the all-hours average wholesale price for last month (2021 July) and a year ago (2020 August) and were 12.41 and 4.11 cents per kilowatt-hour, respectively. The generally accepted power industry price forecast has prices averaging at 9.11 cents per kilowatt-hour for the remainder of 2021. For reference, 2020 September to December prices averaged 4.35 cents per kilowatt-hour.

UTILITIES AND INDUSTRY DEVELOPMENTS

The Changing Face of Alberta's Electricity Generation – Past, Present and Future

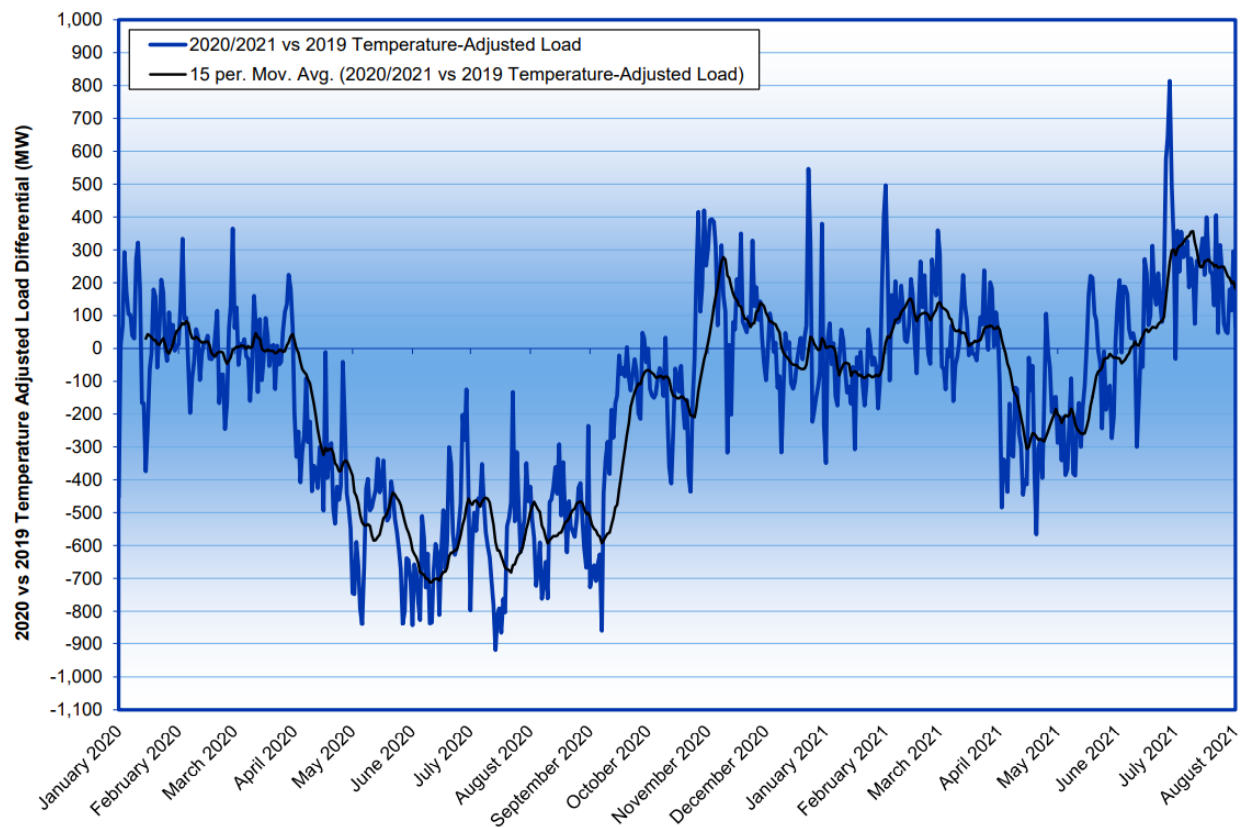
The graph below shows how Alberta's installed electricity generation capacity (by fuel source) has evolved from 1998 to the present, along with a forecast out to 2035. Multiple trends are noticeable. Baseload generation (i.e. generation that is considered more predictable/reliable and typically runs around the clock) has evolved from coal (dark blue area) to combined cycle (orange), largely as a result of increasing environmental legislation making coal fired power more expensive and decreasing natural gas prices since the mid 2000s as a result of shale gas plays. Coal fired generation is expected to be fully retired and/or converted to natural gas sources by the end of 2023. The environmental legislation coupled with technological improvements have also led to strong forecasts for further proliferation of renewable energy sources (wind and solar) in Alberta. For reference, Alberta has about 30 billion tonnes of coal reserves. An average of 25 to 30 million tonnes of coal is produced each year in Alberta.



Source: EDC Associates

Impact of Covid-19 on Alberta electricity demand

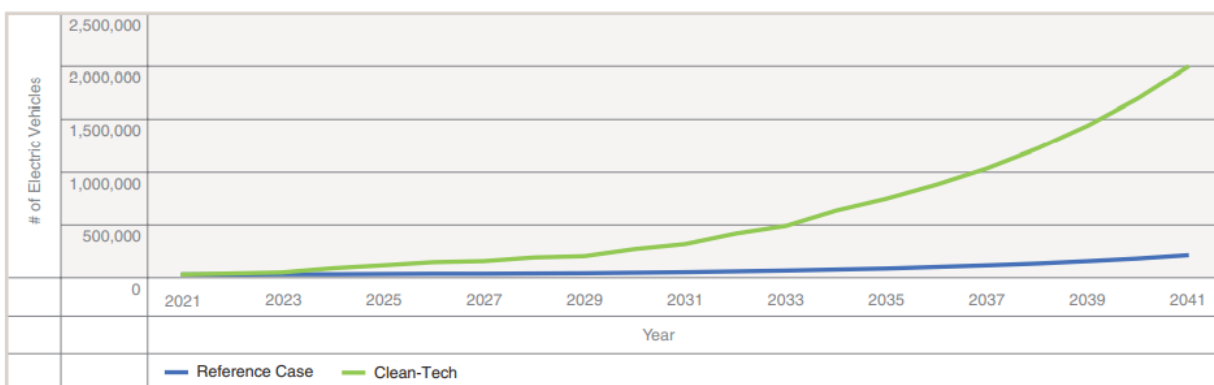
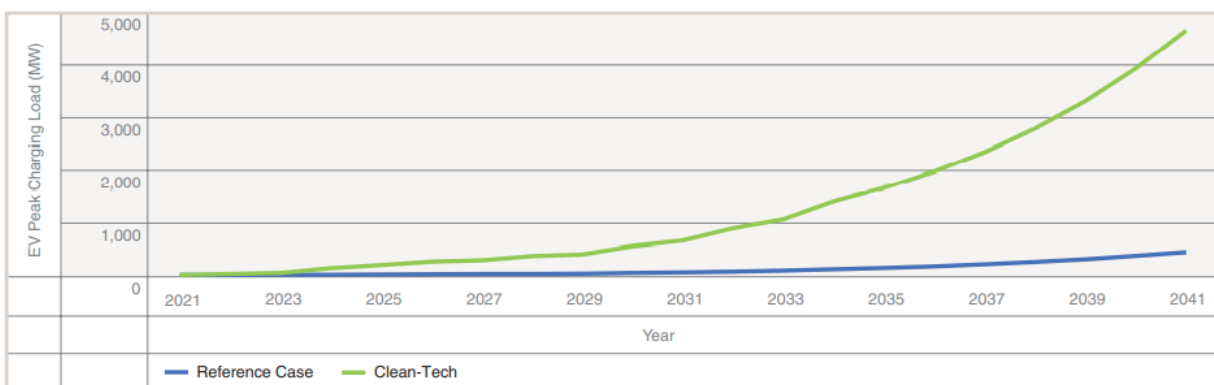
The graph below illustrates Alberta's daily temperature-adjusted load differential compared to 2019 (pre-COVID conditions) which shows that the electricity demand destruction peaked at 900 MW in the spring/summer of 2020. Electricity demand in Alberta began staging a robust rebound in early 2021 as crude oil production ramped back up and many businesses started reopening. However, subsequent "waves" of COVID-19 in Alberta resulted in increased restrictions in the spring of 2021 and additional demand destruction. Thanks to a near full reopening of the economy in late June/early July, electricity demand growth is now back into positive territory relative to pre-pandemic (2019) levels.



Source: EDC Associates

Forecasting Electric Vehicles and their Demand for Power in Alberta

Electric vehicles are an emerging option for motorists as an alternative to conventional fossil-fueled (i.e. internal-combustion engine) transportation. Although changing legislation, consumer preferences and affordability may still be challenging to predict for electric vehicle usage, the Alberta Electric System Operator has made forecasts for the usage of electric vehicles in Alberta under two scenarios ("Figure 4") and the subsequent impact on electric demand in Alberta ("Figure 5").

FIGURE 4: Assumed Number of Electric Vehicles in Alberta**FIGURE 5: Incremental Peak Load Attributed to Electric Vehicles**

Source: Alberta Electric System Operator, 2021 Long-term Outlook

The reference case (blue lines) assumes that growth in electric vehicle sales result in about 195,000 electric vehicles on Alberta roads and will translate to 120 MW of average demand growth and nearly 400 MW of peak demand growth by 2040. The “clean-tech” scenario (green lines) assumes a global trend towards decarbonization and domestic policies encouraging renewable energy investments. This scenario also assumes a more aggressive electric vehicle adoption rate, with electric vehicles representing about 30 per cent of Alberta vehicles by 2040 (just under two million electric vehicles on Alberta roads). This will result in 1,185 MW of average demand growth and 3,900 MW of peak demand growth. For reference, in 2021, 14,000 electric vehicles are estimated to be on Alberta roads.

TELECOMMUNICATIONS DEVELOPMENTS

Canadian Telecomm regulator ruling in favor of “Big-Three”

On 2021 May 27 the Canadian Radio-television and Telecommunications Commission (CRTC) ruled that it would not significantly lower the rates that small companies must pay to access the high-speed broadband networks of larger rivals, including Bell Communications, Telus Corporation and Rogers Communications, known as the “Big Three.”

That followed a CRTC ruling in 2021 April when it asked large telecom firms to offer wholesale wireless access to so-called smaller companies known in the industry as Mobile Virtual Network

Operators (MVNOs). These smaller competitors could then resell the capacity at reduced retail prices and pass on the savings to consumers.

This ruling will allow the big carriers to charge rates like those that were originally set in 2016 for wholesale access to their broadband networks.

On 2021 June 28, independent telecom TekSavvy Solutions filed a leave to appeal the 2021 May 21 CRTC ruling, requesting that the 2019 Final Rates Order be restored and that CRTC chair Ian Scott be removed for bias.

According to Reuters, as of 31 May 2021, the Big Three operators controlled 89.2 per cent of subscribers and 90.7 per cent of revenue in Canada's telecom industry. Analysts have warned the market concentration will only intensify if Rogers' planned \$26 billion acquisition of Shaw Communications is allowed to proceed. Regulatory will continue to monitor and report on the progress of the proposed transaction of Rogers acquiring Shaw.

Telus appealing Canadian Telecomm Regulator Decision

In 2019 January, the CRTC launched a national review of wireless services (Telecom Notice 2019-57). The consultations had three focus areas:

1. Competition in the retail wireless market;
2. The wholesale regulatory framework, including access by competitors to existing wireless networks; and
3. **The future of mobile wireless services in Canada, with a focus on reducing barriers to infrastructure deployment (related to 5G deployment) *[emphasis added]***

As the consultations unfolded, several carriers argued that municipalities constituted a barrier to the future deployment of 5G technology.

The Federation of Canadian Municipalities (FCM) organized a strong response to these attempts at sidelining the municipal role in rights-of-way management and municipal control over other taxpayer assets.

On 2021 April 15, the CRTC published its decision: **Telecom Regulatory Policy 2021-130** which supported the role of municipalities.

On May 14, 2021 TELUS filed a leave to appeal the recent CRTC decision to the Federal Courts. TELUS was opposed to the CRTC's assertion that they did not have the authority to allow carriers to "break-up" the roads and other municipal assets (Street Light Poles) to install wireless (5G) equipment. TELUS also asserted their carriers should have access rights to all public assets.

Despite a strong submission filed by FCM, the Federal Court of Appeal, in August, granted TELUS leave to appeal. The next step is for TELUS to file a Notice of Appeal. This document indicates that they actually want to proceed (FCM fully expects they will go ahead) and will mark the start of the deadlines for the appeal process itself. TELUS has 60 days to file the Notice so it is very hard to predict when the clock will start ticking for FCM to prepare its submissions as they are the Respondent in this case.

Given the work the Calgary has done over the last several years to reduce or eliminate any barriers to the deployment of wireless infrastructure on City assets, we believe it would be prudent for Calgary to intervene in this matter to ensure the Court is aware. This work would be coordinated with FCM and handled by City resources.