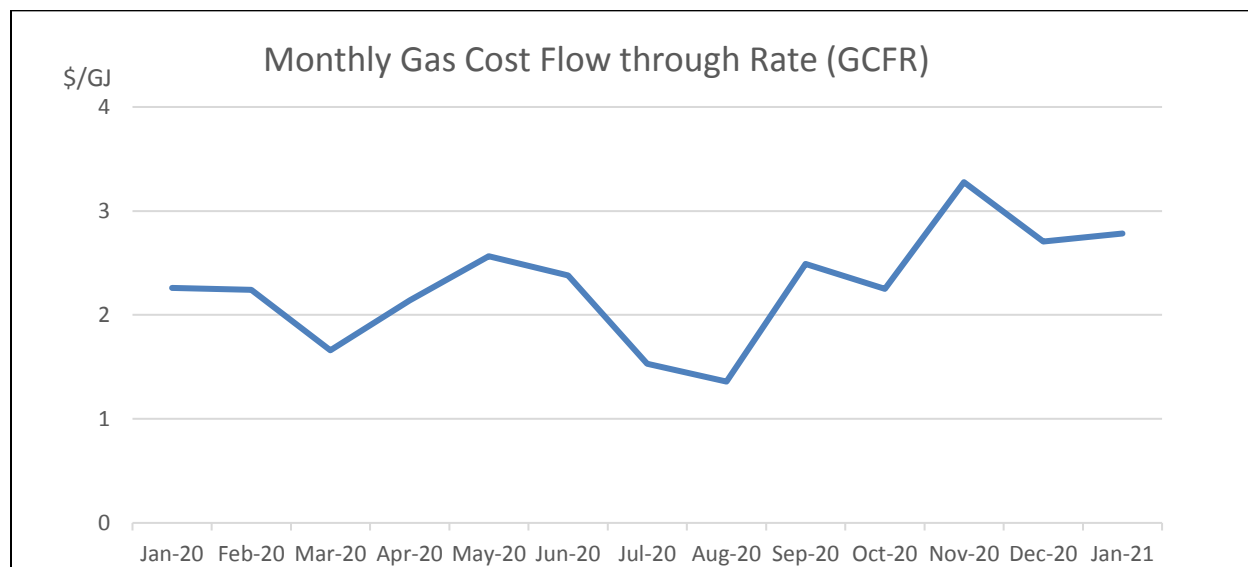
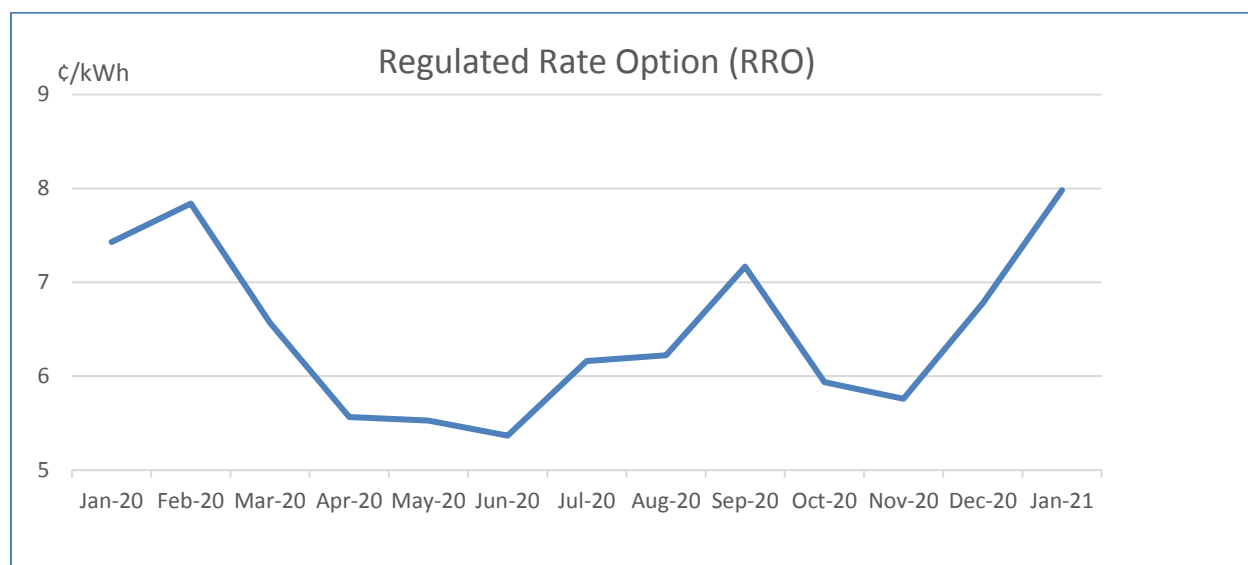


**ENERGY PRICES AND MARKETS****Natural Gas**

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.