



**Village of Rycroft  
Request for Decision**

**Council Meeting Date: June 21, 2022**

**TOPIC:** Participation in Alberta Municipalities Power+ program

**RECOMMENDED ACTION:** That Council authorize the execution of the Power+ Contract to participate in the Alberta Municipalities Power+ for procurement of electricity for the Village of Rycroft starting January 1, 2024.

**BACKGROUND:** Currently we have a contract with AMSC (now called AB Munis) to December 2023. We did get lucky at the time we entered the contract we secured a fixed low rate, apparently us and another Village were 2 lucky municipalities to hit the rate on the day at the lowest it ever was, otherwise we would be paying more if we did not do that. Alberta Municipalities is now offering Power+ for municipal and not-for-profit organization's energy needs relating to the procurement of electricity starting January 1, 2024.

Alberta Municipalities provides aggregated services to member municipalities, their employees, Community Related Organizations (CROs) and Not-for-Profit Organizations. Alberta Municipalities suite of aggregated services include employee benefits, insurance coverages, risk management, casual legal, retirement services, managed IT, and energy management services.

Their Energy Program was launched by Alberta Municipalities at the time Alberta deregulated its electric utility industry to meet the needs of its members. The Alberta Municipalities membership participating in the program has benefited since the program's inception in 2001 through the cost-effective supply of aggregated energy: Natural Gas, Electricity and optional Green Power. The Energy Program is a member owned program governed by the elected and appointed AMSC Board of Governors and is delivered through strategic partnerships within the industry.

As experts in Alberta's communities, Alberta Municipalities provides a stronger focus on customer service and support, consistently accurate billing practices, customized products and terms, energy efficiency services (includes assisting municipalities in implementation) and energy management. Consistently looking for ways to better serve its members, Alberta Municipalities Power+ is the next evolution of the energy services structured to assist members in achieving cost savings and budget certainty.

**Alberta Municipalities Energy**

For over 20 years, Alberta Municipalities has been procuring electricity for its members through a structured aggregation process. Over time, process improvements have been made, a customized and a customer care centre has been established in Alberta.

Alberta Municipalities has heard from its members that they are looking for long-term budget stability and are aware of the changes facing the energy industry. In response, they have created a new energy offering, Power+.

Power+ offers the same reliability and cost savings achieved through a unique aggregation process combined with the ability to lock in for 10 years. This long-term solution allows access to energy pricing right from its source, avoiding costs incurred when dealing with intermediaries and mitigating long-term carbon cost increases.

**Long-term budget stability:** By allowing municipalities to access energy pricing right from its source, the best possible rates available are provided and minimal costs are incurred. Benefits from entering into this long-term contract include:

- Long-term contracts result in long-term budget stability.
- Costs incurred from dealing with intermediaries are avoided by joining an aggregated Power Purchase Arrangement approach.
- Mitigating the risk of increased prices when generators are taken offline for maintenance.
- Avoiding incurring future carbon pricing increases by locking into a long-term rate.

**All Alberta Municipalities Energy offerings include:**

- A fully-managed, transparent and publicly procured aggregation process.
- The option to purchase from renewable energy sources to help meet environmental goals.
- Customer care located in Alberta and dedicated to serving members.
- Access to advice and expertise offered to all members regardless of the size of the organization.

**Product:** The Power+ program will procure electricity for members with the option to purchase from renewable energy sources.

**Term:** Program members can benefit significantly from locking into a long-term contract of 10 years.

**FINANCIAL IMPLICATIONS:** The standard fee structure is below:

<u>Commodity</u>	<u>Procurement Fee</u>	<u>Retail Service Charge (RSC)</u>
Electricity	\$0.00315/kWh	\$0.00315/kWh

(subject to \$20 min/site/month excluding unaggregated Streetlights)

We are advised that due to the size of the procurement membership, we will be assured of the lowest possible rate from anyone.

**POLICY AND/OR LEGISLATIVE IMPLICATIONS:** None.

**ALTERNATIVE OPTIONS:**

1. Council could motion to not enter the program and enter a different arrangement when the current contract expires.

**ATTACHMENTS:** Alberta Municipalities Power+ Brochure

Peter Thomas

Chief Administrative Officer

June 14, 2022

Date