



## Fall 2021 Newsletter

### FORTISALBERTA PURCHASE PROPOSAL UPDATE

On April 13, 2019, Tomahawk REA members passed a motion requesting a purchase offer from FortisAlberta. At that time, FortisAlberta was not in a position to provide such an offer as the Company was engaged in various regulatory proceedings as a regulated utility before the Alberta Utilities Commission. Additionally, COVID restrictions placed on gatherings prevented FortisAlberta from engaging with the Board and the membership in face-to-face meetings that are necessary for a transaction of this nature. With some of the outstanding regulatory proceedings resolved, FortisAlberta met with the Tomahawk Board of Directors on July 13 and August 31, 2021, to share with the Board a sales purchase offer.

Both FortisAlberta and the TREA Board of Directors acknowledge the challenges that virtual meetings present in our current COVID environment. With a decision of this magnitude and in the best interests of membership, both parties are committed to hosting easily accessible, in-person open houses to present any offer properly and fully to membership for a sales vote. The timing of this step will depend on the provincial COVID restrictions in place. Once the current restrictions are lifted, FortisAlberta and the TREA Board will coordinate a plan of action within 30 days to host the open houses. Both organizations will review the restrictions over the coming weeks and work together to arrive at an acceptable presentation plan to accommodate all Tomahawk REA members while keeping safety top of mind.

We apologize that we are unable to share the purchase offer number until the Open House invitations are sent out and we thank you for your patience.

Should you have any questions please contact Melanie at the office at 780-514-8732 or [office.trea@gmail.com](mailto:office.trea@gmail.com).

# Utility Payment Deferral Program

On March 18, 2020 the Alberta Government announced that Albertans experiencing financial hardship related to the Covid-19 pandemic could defer electricity and natural gas bills until June 18, 2020 without any late fees or added interest payments.

The Alberta Utilities Commission (AUC) released a Bulletin on July 12, 2021, that stated “any utility bill payment amounts that were deferred and not repaid will be collected through an electricity rate rider and a natural gas rate rider from all Alberta customers.”

The following was released by the AUC on August 18, 2021, “the following Utility Payment Deferral Program rate rider charges will appear on residential customers’ bills for an average household:

Electricity rate rider – 27 cents per month (based on average residential

consumption estimated at 600 kilowatts).

Natural gas rate rider – 78 cents per month (based on average residential winter consumption estimated at 21 gigajoules).

The total amount to be collected from electric utility consumers will be no more than \$8.77 million, resulting in a rate rider of 0.045 cents per kilowatt hour, for an anticipated four months. The total amount that will be collected from natural gas utility customers is no more than \$6.1 million dollars, which result in a rate rider of 3.7 cents per gigajoule to be applied for an anticipated four months.

The electric and natural gas Utility Payment Deferral Program rate riders will appear on customer bills starting November 1, 2021 and, as directed in the Utility Payment Deferral Program Act, will be collected from customers over the next four months.”

## Note to All Members

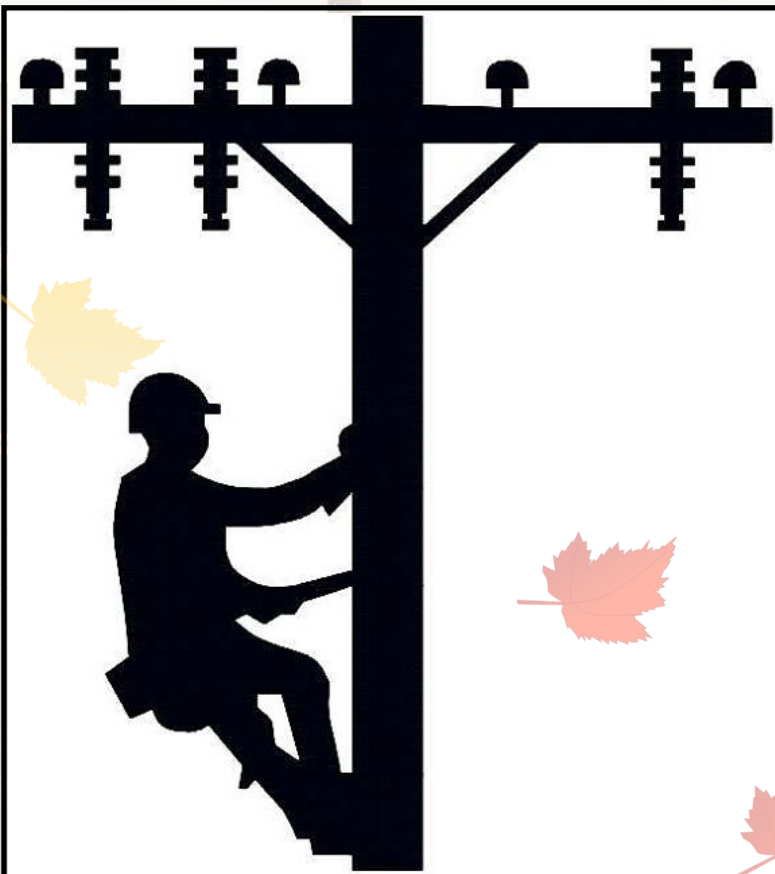
All members are free to purchase electricity services through TREA’s regulated rate tariff or from a retailer of their choice. The delivery of electricity to you is not affected by your choice. If you change who you purchase electricity services from, you will continue receiving electricity from TREA. For a current list of retailers you may choose from, visit <http://www.ucahelps.alberta.ca> or call 310-4822 (toll free in Alberta).

## **WELCOME TO DRAYTON VALLEY CASSIDY FAMILY!!**

The Tomahawk Board of Directors would like to welcome Drew Cassidy and family to Drayton Valley. Battle River Power Coop employs' Drew to work on the TREA distribution system. We couldn't be happier that Drew has decided to make Drayton Valley his home.

## **UPDATING MEMBER INFORMATION**

It is extremely important to make sure the information the office has for you is current. With planned and unplanned outages there needs to be a way to reach you. If you are selling your property, we need to know who is buying it! If you do not feel comfortable giving us that information, please express to the new owners how important it is to contact the office. Also with the pending sale vote we need to have all contracts up to date. If you are not a member in good standing you will not be able to vote. If you do not know if you have a contract with the Tomahawk REA, phone 780-514-8732 or email [office.trea@gmail.com](mailto:office.trea@gmail.com). You have a voice and we want to hear it.



**Tomahawk REA 2021 pole change is now complete with a total of 90 poles replaced this year! Coastal Pole continues to work in our service area pole testing for pole replacement in 2022.**

# High Energy Prices in Alberta

The cost of purchasing power in Alberta reached historically high prices, commencing in February of 2021, reaching as high as 17 cents per kwh. Electricity delivery and pricing in Alberta is managed by the AESO (Alberta Energy System Operator). The AESO balances supply and demand 24/7, 365 days a year, dispatching power sold by generators.

Electricity pricing is determined by the AESO based on supply and demand.

In 2021, Alberta hit an all-time record of 11,729 megawatts in February 2021 and broke its all-time summer demand record in June, hitting 11,414 megawatts – both events causing pricing to increase.

AESO noted that the Power Purchase Agreements are concluded giving generators an unencumbered pricing market.

The cost of natural gas is increasing and as more generators move from coal to natural gas, energy prices will continue to be affected higher.

Renewable energy sources are intermittent and highly dependent on weather conditions, and can adversely affect prices as experienced in February 2021.

Post pandemic increases in consumption as the economy begins to gain traction are expected, contributing to higher consumption

and increasing prices.

Expect RRO prices will continue to increase higher, as generators appear unrestricted on pricing.

The trend is very concerning as society moves to an increasing reliance on electricity with electric vehicles, electric heating in homes, etcetera to achieve the Federal mandate of net zero emissions.

It is unknown how AESO and the provincial government intend to address the high electricity generation costs for members and consumers.

The following was taken from the Market Surveillance Administrator (MSA) Quarterly Report for Q2 2021:

“The average pool price for Q2 2021 was \$104.51/MWh, the highest since Q2 2013 and a 250% increase compared to Q2 2020. The higher pool prices year-over-year were driven by a number of factors including higher demand, generation outages, increased natural gas prices, low wind generation, and exceptionally hot weather in June.”

We highly recommend Members on RRO to enter into an energy contract from a retailer of their choice by contacting [www.ucahelps](http://www.ucahelps), or call 310-4811 for a retailer of their choice.