

## How Energy Bills Can Skyrocket

FENN REA has seen some volatility in the RRO over the last few months. Various influences, going back several months, impact the RRO.

First, February 2021 was an eventful month for energy generation and consumption in Alberta. Albertans across the province experienced some of the coldest temperatures on record.

The seemingly unending polar vortex, the continuing shift from coal to natural gas-fired generation as well as record breaking electricity demand wreaked havoc on electric bills.

Unsurprisingly, cold weather increases electricity demand. Even more so when accompanied by windchill, with temperatures reaching  $-40^{\circ}$  to  $-50^{\circ}\text{C}$ . Demand is also compounded with more Albertans staying indoors, using lights, electronics and other appliances.

In fact on February 9th, 2021 the province set a new all-time record for electricity usage. According to the Alberta Electric System Operator (AESO), 11,729 megawatts of power was used, passing the previous record set in January 2020, by 31 megawatts. AESO Communications Director, Mike Deising, stated, “That increase – 31 megawatts – is sizable and about the equivalent of a moderately sized generation facility.”

Other generation issues (including the loss of renewables) and higher natural gas pricing also contributed to the increase with electricity pricing averaging \$254.25/megawatt hour. The tight supply cushion (ratio between supply and demand), within the Alberta electricity market during this time period, created volatility in the wholesale market resulting in increasing pool pricing and raising the end cost.

So when the “perfect storm” hits with generation costing more and demand from long periods of extremely cold weather pressuring supply; that translates to higher per kWh (kilowatt hour) cost. When end user consumption increases (re people spending more time indoors) more kWh is used. Greater kWh usage triggers a transmission cost increase as transmission cost follows consumption. All these factors result in a higher monthly bill.

Our RRO provider, Battle River Power Coop, utilizes a mix of innovative strategies to establish the monthly RRO. However, the reality for early 2021 was an unprecedented number of influencing events that translated to increased rates.

Going forward, upward pressure on rates will continue with the retirement of the Power Purchase Arrangements. A reported cost in the multi-million dollar range will inevitably be absorbed by Alberta power consumers.



For power outages, emergency power troubles and service requests, contact the distribution system operator for FENN REA: **ATCO Electric**  
Phone toll-free: 1-800-668-2248

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# WHEN THUNDER ROARS, GO INDOORS!



Annually, over 160 Canadians are injured by lightning strikes and in some instances, those strikes are fatal. June through August are peak months with Thursday to Saturday being peak days. Following are some basic tips to keep safe in a lightning storm.

**To plan for a safe day, check the weather forecast first.** If thunderstorms are forecast, avoid being outdoors at the time or make an alternate plan. Identify safe places and determine how long it will take you to reach them.

**If you are out, watch the skies for developing thunderstorms and listen for thunder.** As soon as you hear thunder, get to a safe location. If you can hear thunder, then you are susceptible to being hit by lightning. In fact, more people are struck by lightning before and after a thunderstorm, than during one.

**Get to a safe place.** A safe location is a fully enclosed building with wiring and plumbing. Sheds, picnic shelters, tents or covered porches do not protect you from lightning as they are unable to ground a lightning strike. If no sturdy building is close by, get into a metal-roofed vehicle and close all windows. If neither preceding option is available, take shelter in a low-lying area but be on the alert for other storm dangers, such as flooding.

**If caught outdoors far away from shelter, stay away from tall objects.** This includes trees, poles, wires and fences.

**Being indoors does not guarantee your safety.** If you shelter indoors, stay away from electrical appliances and equipment, doors, windows, and anything else that will conduct electricity, such as water. Delay taking a shower, doing laundry, or washing the dishes by hand.

**Do not handle electrical equipment, telephones or plumbing.** These are all electrical conductors. Use battery operated or cordless devices only as electrical current from a lightning strike can travel through wires and cords, using the path of least resistance. If your equipment is directly connected to a power source and or internet feed, then you are not safe. If you are using equipment with no wire connecting it to a power source (e.g., wireless laptop or cordless phone), then you are safe.

**Follow the 30 minute rule.** Remain in your safe location for 30 minutes after the last rumble of thunder is heard before resuming any activities. Remember, every time you hear thunder you need to restart the clock until 30 minutes has passed, because if you can hear thunder rumble, you can be hit by lightning.

## Regulated Rate Option (RRO)

The RRO rate may increase or decrease from month to month as it is priced on the open market and subject to many factors relating to supply and demand. If you do not have a contract with an electricity retailer, then you receive the default RRO rate.

For April 2021, the RRO is priced at \$0.08434 per kWh, which is reflected on your enclosed bill. For May 2021, the Battle River Power Coop monthly RRO billing rate for FENN REA members is \$0.08150. The RRO rate is also listed on [www.fennrea.com](http://www.fennrea.com).

Members are free to purchase electricity services from a retailer of their choice. For a list of retailers, visit [ucahelps.alberta.ca](http://ucahelps.alberta.ca) or call 310-4822 (toll free in Alberta).

Information on FENN REA's Code of Conduct Compliance Plan can be found on our website: [www.fennrea.com](http://www.fennrea.com)