

The Cost of Electricity in Alberta

In Alberta, electricity is purchased from the Alberta Electric System Operator (AESO) and electricity delivery and pricing is also managed by the AESO. The AESO balances supply and demand 24/7, 365 days a year, dispatching power sold by generators using the lowest-priced electricity first and then the next lowest until the need for power has been satisfied. 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.



The Regulated Rate Option (RRO)

It is important to note the current RRO is not a “regulated” rate; it is a default rate for consumers who do not have a contract. Under the previous government, this rate was price-capped but that cap was removed in November 2019. As a result, supply and demand affects pricing of the Regulated Rate Option.

A Look At What Is Happening

The average price of electricity has been climbing higher in the last months with increases in the plus 20% over the same period last year. Many factors are contributing to this including, but not limited to:

- Power Purchase Agreements concluded giving generators an unencumbered pricing market.
- Natural gas price is increasing and as more generators move from coal to natural gas, generation cost will increase.
- Alberta is reliant on carbon based inputs for generation; inputs that are carbon pricing taxable by the Federal Government.

- Alberta is reliant on importing generation for peak loads.
- Renewable energy sources are dependent on weather and can adversely affect pricing (as in February 2021).
- Post pandemic economic recovery is contributing to higher consumption and increased rates (law of supply and demand).

The Outlook

While it is hard to predict exactly what Alberta electricity prices are going to look like some months from now, there is a consensus the trend upward will continue as post pandemic demand draws on supply.

Stability Versus Variable

Electricity contracts are one way to stabilize monthly rates. Members can consider a contract from a retailer of their choice by contacting www.ucahelps.alberta.ca (or calling 310-4811) or going to the REA website: www.westwetakiwnrea.com for a list of retailers serving our members.

For power troubles or service requests, contact: FortisAlberta (the distribution system operator for West Wetaskiwin REA): Toll-free: 1-855-333-9473 or 780-310-9473

For REA inquiries contact:
West Wetaskiwin REA
R.R. #1 Station Main,
Wetaskiwin, Alberta T9A 1W8
Phone: 780-335-9378 (WEST)
E-mail: westwet@telus.net
www.westwetaskiwinrea.com

For billing or account inquiries contact:
Battle River Power Coop
Box 1420
Camrose, Alberta T4V 1X3
Toll-free: 1-877-428-3972
E-mail: brpc@brpower.coop
www.brpower.coop

Energy Tips for Immediate and Long Term Savings



Laundry

- Set household water temperature no higher than 48.5°C (or 120°F).
- Wash loads in cold water, using hot only when necessary and always use cold for the rinse.
- Do only full laundry loads or minimally adjust water levels to match load size.
- Clean your dryer lint trap before each load.
- Dry consecutive loads to harvest heat remaining in your dryer from the last load.

Long Term

- Drain 1-2 gallons from the bottom of your water heater each year to reduce sediment build up.
- Verify that the dryer vent hose is tightly connected to the inside wall fitting and to the dryer, and that it is not kinked or clogged.
- Make sure the outdoor dryer exhausts door closes when the dryer is off.

Kitchen

- Set refrigerator temperature to between 1.1°C and 2.7°C (or 34° to 37°F).
- When stovetop cooking, put lids on pots and match the pot size to the heating element.
- Turn off the kitchen exhaust fan after cooking.
- Run your dishwasher only when it is fully loaded and use the air dry cycle instead of heat-dry.

Long Term

- Clean your refrigerator coils minimally once per year.
- Ensure gaskets around the fridge door seal tightly.
- Deep clean your dishwasher on a regular basis to maximize its efficiency.

Lighting

- Replace any lightbulb that burns more than one hour per day with an LED bulb.
- Turn off unnecessary lighting.

Long Term

- Review your current lighting needs and plan to replace bulbs with LEDs.
- Incorporate motion sensors, timers or outdoor photocells.

Miscellaneous

In summer, remember to run ceiling fans in the counter clockwise direction creating a downward air flow and “wind-chill” effect. In the winter, ceiling fans need to spin clockwise on low speed creating an updraft that helps move warm air trapped near the ceiling back down and around the room.

Utility Payment Deferral Program

This fall all Alberta utility rate payers will see a small and temporary **Utility Deferral Adjustment** rate rider on their electricity and natural gas bills as a result of the Utility Payment Deferral Program initiated last year. Associate Minister of Natural Gas and Electricity Dale Nally announced recently that while most customers who took advantage of the Program settled their outstanding balances, some have not. The Alberta Utilities Commission is in the process of gathering the total remaining debt from retailers and will determine the amount and length of the rider that will be required.

Regulated
Rate
Option



The Regulated Rate Option (RRO) 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. It is not a ‘regulated’ rate, rather is a default rate. If you do not have a contract with an electricity retailer, then you are on the RRO. For July 2021, the RRO is priced at \$0.10123 per kWh, reflected on your enclosed orange bill. For August 2021, the Battle River Power Coop monthly RRO billing rate is \$0.15861.

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

Information on West Wetaskiwin REA’s Code of Conduct Regulation Compliance Plan can be found on our website: www.westwetaskiwinrea.com