

This document can be made available in other accessible formats as soon as practicable and upon request

STAFF REPORT: Finance & IT Services



REPORT TO: Committee of the Whole
MEETING DATE: November 13, 2013
REPORT NO.: FIT.13.59
SUBJECT: LAS Program Update
PREPARED BY: Serena Wilgress, Manager of Purchasing & Risk Management

A. Recommendations

THAT Council receive Staff Report FIT.13.59, "LAS Program Update" for information purposes.

B. Background

The Town enrolled in the LAS Electricity Program in 2011. AMO's report on the first full year of saving's (July 2012 to June 2013) was recently received. The Town realized savings as follows:

- 60 accounts hedged at 75% yielded savings of \$25,644.79, a 9.6% savings compared to regular Time of Use costs
- 10 streetlight accounts yielded savings of \$5,876.59, a 15.5% savings compared to Regulated Pricing Plan costs

In October, 2013 the Town enrolled an additional 36 streetlight accounts in the LAS Spot Market pricing. The Town estimates additional savings between October and June 2014 with the enrolment of these accounts.

AMO's report notes: *Program members saved a total of \$4 million compared to RPP/TOU rates across the 107 participating municipalities, with average savings of 10% for hedge accounts and 16% for streetlight accounts.* The Town's savings are comparable to the other municipalities enrolled in the program.

C. The Blue Mountains' Strategic Plan

Ensuring long-term financial sustainability

Providing a strong, well managed municipal government

D. Environmental Impacts

None

E. Financial Impact

The Town realized a savings on electricity of \$31,521.38 from July 2012 to June 2013.

F. In Consultation With

Robert Cummings, Director of Finance & IT Services

G. Attached

LAS Electricity Commodity Savings Review (July 2012 to June 2013)

Respectfully submitted,

Serena Wilgress

Serena Wilgress, Manager of Purchasing & Risk Management

Rob Cummings

Robert Cummings, CMA
Director of Finance & IT Services

For more information, please contact:

Serena Wilgress
purchasing@thebluemountains.ca
519-599-3131 x278



Sept 2013

Hedge Accounts

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Total Usage (kWh) * See Note 1	232,208	236,845	216,264	230,808	257,546	295,702	333,004	300,586	305,886	245,005	160,765	192,966
Enrolled Accounts	60	60	60	60	60	60	60	60	60	60	60	60
Hedge Price Including Program Fees (\$/kWh)	\$0.0340	\$0.0340	\$0.0340	\$0.0340	\$0.0340	\$0.0340	\$0.0305	\$0.0305	\$0.0305	\$0.0305	\$0.0305	\$0.0305
LAS Program Hedge (kWh)	285,262	301,572	223,860	200,011	211,034	208,435	297,079	270,947	265,403	201,165	184,613	168,965
Weighted Avg. Spot Market Price (\$/kWh)	\$0.0337	\$0.0293	\$0.0261	\$0.0224	\$0.0266	\$0.0255	\$0.0316	\$0.0293	\$0.0293	\$0.0289	\$0.0254	\$0.0238
Global Adjustment Market Charge (\$/kWh)	\$0.0512	\$0.0378	\$0.0383	\$0.0534	\$0.0477	\$0.0494	\$0.0377	\$0.0573	\$0.0437	\$0.0564	\$0.0513	\$0.0641
Total Cost LAS Program	\$19,803	\$17,309	\$15,696	\$19,816	\$20,699	\$23,921	\$22,750	\$26,356	\$22,647	\$21,219	\$13,273	\$18,093
Avg LAS Price per kWh (incl. GA)	\$0.0853	\$0.0731	\$0.0726	\$0.0859	\$0.0804	\$0.0809	\$0.0683	\$0.0877	\$0.0740	\$0.0866	\$0.0826	\$0.0938
Comparable Time-of-Use (RPP) Cost * See Note 2	\$20,643	\$21,056	\$19,226	\$20,519	\$22,664	\$26,022	\$29,304	\$26,452	\$26,918	\$21,560	\$14,935	\$17,927
Monthly Savings / (Cost)	\$841	\$3,746	\$3,530	\$703	\$1,965	\$2,101	\$6,554	\$95	\$4,271	\$341	\$1,662	-\$167

3,007,586 Total kWh

2,818,345 Hedge (kWh)

\$0.0809 Average cost per kWh

\$267,225.38 Total TOU Cost

\$25,644.79 LAS Savings

9.6% LAS Savings Compared to TOU

Streetlight Accounts

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Total Usage (kWh)	29,506	32,946	35,812	40,805	43,283	46,436	45,564	38,549	37,666	36,242	30,703	27,799
Enrolled Accounts	10	10	10	10	10	10	10	10	10	10	10	10
RPP Usage - 1st Tier Price (kWh)	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
RPP Usage - 2nd Tier Price (kWh)	22,005.53	25,445.90	28,312.25	33,304.82	35,782.69	38,936.23	38,064.10	31,049.43	30,166.42	28,742.37	23,203.18	20,298.77
Average Spot Market Price - (\$/kWh) * See Note 3	\$0.0296	\$0.0242	\$0.0288	\$0.0247	\$0.0264	\$0.0231	\$0.0248	\$0.0219	\$0.0109	\$0.0157	\$0.0152	\$0.0129
Global Adjustment Market Charge (\$/kWh)	\$0.0512	\$0.0378	\$0.0383	\$0.0534	\$0.0477	\$0.0494	\$0.0377	\$0.0573	\$0.0437	\$0.0564	\$0.0513	\$0.0641
Total Cost LAS Program	\$2,443	\$2,103	\$2,464	\$3,249	\$3,267	\$3,429	\$2,909	\$3,113	\$2,118	\$2,672	\$2,101	\$2,200
Avg LAS Price per kWh (incl. GA and LAS fee)	\$0.0828	\$0.0638	\$0.0688	\$0.0796	\$0.0755	\$0.0738	\$0.0638	\$0.0808	\$0.0562	\$0.0737	\$0.0684	\$0.0792
Comparable RPP Cost * See Note 4	\$2,499	\$2,802	\$3,054	\$3,493	\$3,668	\$3,942	\$3,867	\$3,256	\$3,179	\$3,056	\$2,696	\$2,432
Monthly Savings / (Cost)	\$56	\$699	\$590	\$245	\$401	\$514	\$957	\$143	\$1,061	\$383	\$595	\$232

445,312 Total kWh

\$0.0722 Average cost per kWh

\$37,945.19 Total RPP Cost

\$5,876.59 LAS Savings

15.5% LAS Savings Compared to RPP

LAS - Total Monthly Savings / (Cost)	\$897	\$4,445	\$4,120	\$948	\$2,366	\$2,615	\$7,512	\$239	\$5,333	\$725	\$2,258	\$65
---	--------------	----------------	----------------	--------------	----------------	----------------	----------------	--------------	----------------	--------------	----------------	-------------

Annual Program Savings / (Cost) \$31,521

Notes

- 1) We have assumed that all accounts are RPP/TOU eligible (i.e. under 250,000kWh/year consumption)
- 2) **Time-of-use (TOU)** rates used for each month are based on the rates for that month with the following split: 45% off-peak, 27.5% mid-peak., and 27.5% on-peak.
- 3) This price represents the average HOEP for the hours of operation of a typical streetlight account using an approved streetlight profile.
- 4) RPP rates for the period reviewed were: 7.5 / 8.8 cents/kWh - July to October 2012; 7.4 / 8.7 cents/kWh - November 2012 to April 2013, and 7.8 / 9.1 cents/kWh for May -July 2013.

LAS Electricity Program Monthly Savings - July 2012-June 2013

