Municipal Energy Policies

- Municipal Energy Efficiency and Sustainability
- Preparing for the Canadian Energy Strategy

Convention Policy Paper

Background

Objective

In 2012, AUMA's Board approved a project to develop municipal energy policies over a period of several years in consideration of the significant economic, environmental, social and governance impacts that the energy sector has on Alberta's urban municipalities.

The objective of the policies is to:

- Proactively resolve municipal challenges and opportunities arising from the energy sector.
- Respond effectively to provincial and federal legislation, policy and initiatives related to energy.

The Municipal Context – Role of Municipalities

Municipalities are both integral and essential to the successful development of energy in Alberta. Their role includes:

- Municipalities provide infrastructure to support energy related development in the province including support for transporting goods to and from markets and social infrastructure for the required workforce (e.g., affordable housing, emergency response, culture and recreation).
- Municipalities are significant consumers of energy in the province and are therefore impacted by federal and provincial regulations that impact the cost and variety of energy available.
- Municipalities are integral to the successful transportation of energy as critical utility corridors impact the land use planning decisions of municipalities and their residents.
- At times, municipalities are owners of utilities that provide services to residents and therefore are directly impacted by federal or provincial decisions to regulate industry.
- Municipalities are often held accountable for social, health, environmental, economic development impacts associated with energy sector development.

Process for Policy Development

The 2011 President's Summit on Energy created an opportunity for members to dialogue on various municipal impacts and identified topics of interest for policy development. AUMA then carried out comprehensive research which has been consolidated into a Reference Guide and Energy Policy Framework (available at http://www.auma.ca/live/AUMA/Toolkits+%26+Initiatives/Municipal+Energy+Policies+Framework) containing the vision statement and principles summarized on the following page.

In 2013, the Board selected the topics of:

- Municipal Energy Efficiency and Sustainability.
- The Canadian Energy Strategy.

Policy recommendations pertaining to these topics were developed and informed through research and consultation with external organizations and members' input received through interviews with select communities, a member survey, webinars, AUMA's standing committees, Digest requests, and Mayors Caucus discussions.

Vision

Municipal governments are responsible energy stewards and effectively and efficiently manage the environmental, infrastructure, social, and financial impacts of the energy sector on their communities.

Principles for Municipal Energy Policies

- Municipalities should set an example in managing energy consumption and implementing energy efficient technologies and practices in their operations.
- Reliable, affordable, and well planned energy production, distribution and transmission systems, based on effective long term land use planning between provincial and municipal governments, are essential to the growth and prosperity of Alberta.
- The development of renewable energy in Alberta should be strategic by balancing the short-term limitations of renewable energy to meet all of Alberta's energy demands with the long-term need to have an economically and environmentally sustainable energy future.
- Consumers, producers, and distributors should be encouraged using regulation, incentives and other pricing mechanisms to practice wise energy use.
- Federal, provincial, and municipal governments have a shared and increasing leadership role in education and awareness so that consumers can make informed choices about their energy use.

- The future development of Alberta's energy industry must strengthen municipal economies and address social, economic, and municipal infrastructure issues associated with rapid growth.
- The federal, provincial, and municipal governments should develop publically accessible accountability measures to monitor progress on energy and environmental goals.

Municipal Energy efficiency and Sustainability Policies

AUMA's policies with respect to municipal energy efficiency and sustainability address municipal issues and opportunities related to conservation, energy efficiency and renewable and alternative energy. Background information is available at: http://www.auma.ca/live/digitalAssets/71/71087_EPF-Energy_Efficiency_Background_Information.pdf

Topic	Proposed Policies
Alternative/Renewable Energy	1.1 The province should encourage green energy using a full cost accounting approach by: • Reviewing existing carbon emission charges to ensure they are a good proxy for all of the production costs, including environmental impacts (i.e., ensure a level playing field between carbon based and renewable/alternative energy sources). • Taking actions that lead to the formation of a consistent approach to carbon offsets in North America and being prepared for the possibility of a future that includes a broad-based form of carbon taxation. • Continuing to use Climate Change Emission Management Funds (CCEMF) to support GHG emission reductions. • Prioritizing CCEMF funding based on size of GHG reduction per cost incurred. 1.2 Municipalities should take a leadership role in using alternative energy based on a cost/benefit analysis.

Energy Efficiency	1.3 The province should provide incentives for efficient energy use and disincentives for poor usage.
	
	1.4 Federal and provincial governments should engage municipalities in the development and promotion of energy conservation and efficiency programs.
	
	1.5 The provincial and federal governments should incent municipal energy efficiencies by:
	
	• Allowing them to compete for funding from the CCEMF, including: ensuring small communities have the capacity to make successful applications.
	• Recognizing carbon offsets related to:
	  ○ Municipal energy efficiencies (e.g., street lighting, retrofits, transit, etc.);
	  ○ MCCAC (current or renewed);
	  ○ Municipal energy efficiency standards; and
	  ○ Alternative and renewable fuel usage.
	1.6 The province should remove obstacles to GHG emission reduction validations (e.g., using a sample set of street lights, rather than measuring each light separately).
	
	1.7 AUMA should encourage members to leverage federal/provincial incentives for green municipal energy.
	
	1.8 The province should take meaningful action to promote consumer awareness of tools and mechanisms available to reduce energy demand.
	
	1.9 AUMA should work towards creating more tangible evidence to illustrate the fact that municipalities are taking on projects that improve the province's image as an energy leader.
	
	1.10 The province should provide municipalities with the ability to increase the energy efficiency performance level required in their community, above what is prescribed in the National Building Code.

District Energy	1.11 The province should remove (regulatory, competitive) obstacles on site to site electricity distribution and heat transfers, in order to promote district energy solutions. 1.12 AUMA should provide educational opportunities that engage members in learning about the potential for district energy, the existing barriers and how municipalities can play a role in overcoming these barriers.

Electricity	1.13 The province should replace aging coal fired electricity plants. 1.14 The province should review the current policy for granting access to the grid to: • Ensure the intended objectives for access by alternatives and renewables are being met; • Evaluate unintended consequences associated with the impact on spot market prices (including any municipal impacts); and • Evaluate the potential for electricity storage to eliminate the need for this policy. 1.15 The province should implement a cost/benefit analysis into the feasibility of building transmission to zones of renewable or low-emission generation (hydro, wind, biomass, district energy, natural gas, etc.) and work towards determining proper funding sources for implementation purposes. 1.16 The province should produce nuclear and hydro power guidelines that ensure proper municipal input for any proposed nuclear or hydro power development. 1.17 The province should educate consumers about smart grid technology and then review the costs and benefits of implementing a smart grid system. 1.18 The province should review mechanisms to allow the distribution of detailed energy consumption data to municipalities for analysis, planning and education.
Transportation	1.19 The province should index and make Green Trip permanent, and expand its scope to include an operational component and other forms of green transportation. 1.20 The province and municipalities should lead the education of individuals on transportation alternatives (e.g., bike lanes, transit usage, etc.). 1.21 Municipalities should be provided with information about efficient transportation options and the suite of price mechanisms/policies available (e.g., toll roads, vehicle taxes, parking and vehicle size restrictions) to encourage efficiency. 1.22 The provincial and federal governments working with municipalities should promote regional transportation solutions. 1.23 The provincial and federal governments should review and promote the costs and benefits of alternative transportation mechanisms versus the current reliance on vehicles to encourage a shift in citizen perspectives.

Canadian Energy Strategy

AUMA plans to provide input into a collection of 10 projects that will comprise the Canadian Energy Strategy that is being developed between participating provinces. Many of the topics pertaining to these policies have already been addressed through our 2012 policies on abandoned energy infrastructure and transportation and utility corridors or are covered by the 2013 policies related to energy efficiency and sustainability. Policies addressing the remaining elements of the Canadian Energy Strategy can be found below. Background information is available at: http://www.auma.ca/live/digital Assets/71/71086_EPF-

Topic	Proposed Policies
Transmission and Transportation Networks	2.1 The provincial and federal governments should improve funding mechanisms for public transit and multi-modal transportation, including the development and implementation of a long-term, multi-modal transportation plan.
Efficient Regulatory Approval Process	2.2 The regulatory approval process should be streamlined to avoid duplications and to ensure a one-window approach, but should also continue to provide adequate protection for: • Public health and safety; • The environment; and • Addressing municipal impacts. 2.3 Adequate and timely consultations with municipalities must be a requirement under the regulatory approval process with regard to energy development/extraction, transmission and distribution (including the impact of shadow populations). 2.4 The provincial regulatory processes should take into account the impact on municipalities' (both those directly and indirectly impacted) energy development, including the impact on infrastructure, labour force needs, and the potential to stagger energy development.
Addressing Human Resource Needs	2.5 The province, in consultation with municipalities, should develop comprehensive labour force strategies that: • Address the impact of rapid population growth (e.g., infrastructure pressures and the need for more emergency response and other services); • Provide the required quality of life services necessary to attract and retain a long term work force; • Address the impacts of transitory/shadow workforces (e.g., added protective and settlement services); and • Work to promote permanent settlement.
Expand Scope of Topics Reviewed	2.6 The scope of the Canadian Energy Strategy work should include: • An assessment of the impact of energy development on social services and supports, water quality and availability, and air quality; and • District/distributed energy.