

...from your Chairman

NORTH PARKLAND POWER REA BOARD OF DIRECTOR'S ANNUAL REPORT FOR 2019

The last year has seen steady growth in the membership with twenty-five new services built, an increase of five over that of 2017. System maintenance continues to be an integral part of our operation; the staff completed \$350,000.00 dollars of improvements in 2018 to ensure the system is as efficient as possible. We have also increased the brushing budget by \$100,000.00 to allow our contractor to focus on high priority areas as well as continuing to follow the current program that is in place. There has been some interest in the REA providing commercial services on the system, which would add some strength to entire co-op should this happen.

The Alberta Utilities Commission (AUC) ruled in favour of Fortis's application regarding urban municipal boundaries within our operating area. While we will lose the affected sites over time, the AUC ruling allowed the services to remain with the REA until such time as the land changed owner's, or rezoned, and development happens on the land. As a result, the impact on the co-op will not be as harmful as first expected.

The board and staff continue to work on several government initiative's such as the Capacity Market. This will impact all Alberta power consumer's and will come into effect in 2021. A capacity market pays electricity generators for having the ability to reliably make power available regardless of how often they sell energy onto the grid. The purpose of the capacity market is to ensure there will be an adequate supply of electricity to meet the province's demand. The initial and intended purpose of making this change is to ensure a stable market for generators to make investment in new cleaner energy.

The AUC and Alberta Electric System Operator are planning to conduct a study of the distribution grid within the province regarding the ability to accommodate distributed generation. Distributed generation is usually small-scale technologies including solar, wind and hydro used to produce electricity at, or close to, the end users of power and often by the end users of power. The AUC was asked not to make conclusions, but to investigate the pros and cons of various dimension of distribution system-connected generation, and to research what issues and challenges may arise in the expansion of such generation.

The next year for NPP will see some investment in some much-needed new equipment and for the most part a "steady as you go" strategy. The co-op has a full complement of experienced staff that has been doing a great job at building and maintaining our system.

From the Board of Director's, thank you to the membership for your support.

Charles Newell
Chairman