

Duffield R.E.A Ltd

310-POWR

December 2024



A NOTE FROM YOUR REA PRESIDENT

December Stable energy rate is 9.5 cents /kwh (DREA contract rate of 12 cents minus DREA energy credit of 2.5 cents/kwh).

December Variable energy rate (RRO) is 10.5 cents/kwh (regular rate of 13 cents minus DREA energy credit of 2.5 cents/kwh).

Electricity sales to consumers is about to change.

The Government of Alberta created an initiative to stabilize the retail cost of electricity. This has been labeled as Rate of Last Resort (ROLR). This initiative applies only to uncontracted energy, variable rate (RRO), where the price may vary each month.

This initiative **does not** apply to the energy contract Duffield REA has with members.

The Duffield REA and others who retail energy were required to file a rate pricing calculation and establish an energy rate for the next two years, effective January 1, 2025.

The approved rate that applies to Duffield REA members under the new ROLR is set at 12.588 cents per kwh. This rate is in effect for two years, January 1, 2025, thru December 31, 2026.

It is important to note this is **higher** than the Duffield REA variable rate (RRO) over the past six months. When applying the energy credit, the effective Duffield REA variable rate was 11 cents/kwh, July thru November, with the December rate at 10.5 cents/kwh.

The significant amount of money spent by Duffield REA to develop the pricing plan, forecasting and procuring energy for the next two years has added to the ROLR energy cost. This is in addition to the one cent/kwh charged by the government for their administration costs.

The Duffield REA energy credit program **will not** apply to the new ROLR program.

Albert Wagner
President
Duffield REA
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Duffield REA Energy Contract.

The current Duffield REA energy contract is in effect until March 31, 2025, at which time a new contract will be offered. Members without an energy contract can sign up any time.

The current energy contract is 12 cents/kwh. However, since establishing this rate, electricity costs have trended lower, thus your board has diligently instituted an **energy credit** to pass savings back to members. The energy credit July thru November was 2 cents, increasing to 2.5 cents/kwh for December. This was in addition to the \$100 contract signing credit offered to members in April.

Working for Members in the Energy Market

Your Board of Directors have taken steps to hold in check the cost of electricity for members:

- Reducing members' energy cost by more than \$206,00 since August 2021. The REA entered into a "contract of differences" with a power provider in August 2021. This contract is designed to offer a measure of stability in the cost of energy to members.
- Stopping loan repayment from members without an energy contract. The Alberta Government capped electricity rates at 13.5 cents/kwh in January, February and March of 2023. It then issued a loan for the difference of what the REA was allowed to charge and the actual cost. The loan repayment was forced onto members without an energy contract. Duffield REA opted to stop this loan repayment collection in July of this year, choosing to repay out of general funds.
- Contract signing credit and energy credit. As electricity costs trended lower, additional savings were passed on to members by a \$100 contract signing credit and an energy credit which is determined and applied each month.

Passing of REA Director Barry Vanderwell

Barry Vanderwell, a longtime director of the Duffield REA, passed away December 6, 2024. Barry was an active and effective member of the board. His contribution will be missed not only at the board table but by the whole Duffield REA membership. Our condolences go out to Barry's family.