ENMAX Power Virtual Information Session

Developer Community

December 12, 2023

Welcome

AGENDA FOR TODAY

- Safety Moment
- ENMAX Power as a Regulated Utility
- Information: AUC Decision on Maximum Investment Levels
- Update: Transformer Allocation Strategy
- Questions

SAFETY MOMENT: Working near ENMAX Power Infrastructure on Construction Sites

ENMAX Power has identified an increasing trend of construction sites failing to follow the ENMAX Ground Disturbance Guidelines.

- **SAFETY IS TOP PRIORITY – ALL DEVELOPERS AND CONTRACTORS MUST FOLLOW ENMAX POWER'S GROUND DISTURBANCE GUIDELINES**
- Destructive excavating practices including road grading, surface construction including driveway apron excavation and compaction, landscaping and building construction activities have resulted in:
  - Severe public safety hazard with exposure of and/or risk of contact with energized infrastructure.
  - Damage to electrical and telecommunication infrastructure resulting in additional costs and schedule impacts to developers.
  - Damage to ground grids and above grade facilities including transformers and bollards.
- ENMAX Power offers a free safety tutorial for companies with employees or equipment working near electrical infrastructure in Calgary.
  - **Hazardous Electrical Awareness Tutorial (H.E.A.T.)** provides your workers with the basic awareness required to work safely around electrical equipment to prevent lifelong injuries or death.

Unsafe Grading

Unsafe Grading leading to Transformer Damage

Unsafe Paving

Damaged Duct

ENMAX Power as a Regulated Utility

ENMAX Power is regulated by the Alberta Utilities Commission (AUC) who approves our distribution tariff based on allowable costs. ENMAX Power is required to comply with the AUC's Directions, including the approved Maximum Investment Level.

- ENMAX Power as a distribution facility owner (DFO) owns and operates the electric distribution system in and around the City of Calgary, providing service to approximately 550,000 customer sites.
- ENMAX Power is regulated by the AUC under the *Electric Utilities Act (EUA).* Under the EUA, DFOs have an obligation to serve and are required to make decisions about building and upgrading its distribution system, for the purpose of providing safe reliable and economic delivery of electric energy, to customers in their service area.
- ENMAX Power is regulated by the AUC. The AUC approves ENMAX Power' Terms and Conditions, including its Maximum Investment Level (MIL). ENMAX Power must connect customers in accordance with the *EUA* and the approved tariff.

ENMAX Power's Terms and Conditions, including its MIL is approved by the Alberta Utilities Commission.

ENMAX Power is required to comply with its Terms and Conditions and all AUC Directions.

Alberta Utilities Commission Decision - *Residential Standards of Service and Maximum Investment Levels – Phase 2*

This Decision will impact the Calgary Development Industry including, ENMAX Power.

- The residential development community petitioned the Alberta Utilities Commission to increase the Maximum Investment Levels (MILs) of Alberta electric utilities for residential developments in 2022.
- In response, the AUC conducted a proceeding to review the investment levels of all Alberta electric utilities.
- ENMAX Power took the position in the proceeding that investment by the utilities was appropriate and should recover the full cost of a standard service based on individual utility standards for servicing.
- On October 18, 2023, the AUC issued a Decision confirming that utility investment in standard and non-standard residential developments should continue and approved a generic maximum investment level (MIL) of $3,016 effective January 2024.
- Residential established and greenfield developers will now fund a larger portion for electrical service to their communities.
- Your ENMAX Project Manager will share more information as it becomes available.

End of Transformer Allocation Strategy

AS OF NOVEMBER 13, 2023, ENMAX Power has ended the Transformer Allocation Strategy

- In September 2022, ENMAX Power informed the development community of a global supply chain challenge facing the entirety of the electricity industry.
- Following several shipment delays and partial deliveries from our suppliers, ENMAX Power took several actions to respond to the challenge.
  - Increased our suppliers and orders
  - Explored Specification Changes
  - Introduced the Transformer Allocation Strategy
- The Transformer Allocation Strategy proved successful in avoiding a complete stock-out situation.
- As communicated in September 2022, ENMAX Power anticipated the end of the Transformer Allocation Strategy by the end of 2023. **ENMAX Power will no longer be deferring transformers on jobs currently in progress and any new developments entering construction.**
- **Moving forward:**
  - With the high volume of lots to be completed in Q4 2023, the current priority is to focus on timely energization for each in progress site.
  - ENMAX Power will continue with the current practice of requiring a developer to place a request for any required deferred transformer for the remainder of the year
  - In early 2024, ENMAX Power will begin to install the outstanding transformers in a systematic manner with the goal to have the balance installed by the end of Q1, 2024.

QUESTIONS

ENMAX