

Alberta's energy sector plays a tremendous role in the province's economic development. AAMDC members are often among those impacted by new energy projects through increased municipal revenues and employment opportunities or environmental implications and strain on municipal infrastructure. As Government of Alberta shifts its focus towards the development of renewable energy, rural municipalities will likely play a major role in hosting and supporting such infrastructure.

What is the AAMDC's position on the importance of having a municipal perspective in energy production and development?

- Rural municipalities are often directly impacted by energy projects because rural Alberta is the home to the majority of Alberta's energy resources. Rural municipalities should be consulted before an energy project is approved, during its construction and operation, and upon its decommissioning.
- The instability of an energy-based economy has significant local impacts for rural municipalities since energy development has traditionally been critical to the viability of rural Alberta. A diversified, stable, and sustainable energy industry will not only benefit the province as a whole, but will allow rural municipalities greater planning and growth certainty.

What financial considerations do rural municipalities have with respect to energy production and development?

- Many rural municipalities are leaders in piloting alternative and renewable energy technologies, such as solar. Not only have these technologies assisted rural municipalities and residents in lowering their long-term energy costs, but they also contribute to mitigating the impacts of climate change.
- The costs of preparing for energy project approval hearings under the regulatory system often preclude municipalities from participating. The provincial government must ensure that municipalities have an opportunity to make their concerns heard at approval hearings.
- While energy projects often provide local and provincial economic benefits, they may also place great strain on municipal infrastructure. Taxation revenues collected by municipalities that host energy projects are typically required to maintain and expand infrastructure to accommodate increased use.

- In some cases, insolvent energy companies can not pay the taxes that they owe to municipalities. In these cases, municipalities lose tax revenue and are still responsible for paying the education property tax requisition to the Government of Alberta. Municipalities need tools to recover taxes from insolvent property owners, and should not be required to cover the education property tax requisition on abandoned industrial property.

What collaborative relationships are essential to rural municipalities in energy production and development?

- The AAMDC works collaboratively with rural municipalities, other levels of government, regulators, industry, landowners, and other stakeholders to encourage best management practices for energy production and development.
- The AAMDC encourages rural municipalities and industry partners to engage proactively on energy development, planning, reclamation and address local concerns in an efficient manner.

How does the work of the AAMDC support the sustainability of the energy industry?

- Through the Municipal Climate Change Action Centre, the AAMDC works with the Alberta Urban Municipalities Association to provide municipalities with grants and rebates for energy efficient building and infrastructure retrofits.
- To support consumer protection, the AAMDC is actively involved with organizations such as the Utilities Consumer Advocate and value-added initiatives including the AAMDC's Energy Program focused on aggregated purchasing.
- The AAMDC participates in committees such as the Transmission Facilities Cost Monitoring Committee. At this table, the AAMDC advocates for the sustainability of a robust, reliable, and cost-effective energy grid in Alberta.
- Rural electrification associations (REAs) continue to operate and adapt despite changes and challenges in the electricity marketplace. Since they first electrified rural communities across Alberta, REAs have been institutions that have supported rural industries and residents with low-cost and community owned electricity.

What current energy related issues are impacting rural Alberta?

Climate Leadership Plan and Alternative Energy Development

- The Government of Alberta's Climate Leadership Plan has the potential to make Alberta a world leader in renewable energy development and climate change mitigation. However, provincial decision-makers must consider the local impacts that transforming Alberta's energy industry will have on rural communities in the

form of potential job losses and reduction in industrial taxation revenues. The AAMDC and rural municipalities look forward to working with the government of Alberta to address these impacts.

- When transitioning from existing energy sources to renewable energy sources, the Government of Alberta must consider not only the broader environmental benefits of such a transition, but also the local economic and community impacts as well. Many of Alberta's communities have historically grown around the extraction and production of energy resources, and any policy changes that devalue that resource should be accompanied by concrete plans to ensure that the impacted communities remain viable.

Electricity Transmission and Rates

- Alberta Energy should ensure that the retail energy market is regulated in such a way to maximize competition and ensure that Albertans receive the best possible energy rates.
- Alberta Energy should require the AUC to formally include the review of municipal land-use plans when reviewing transmission development applications.
- Rural Electrification Associations (REAs) are vital sources of retail energy competition in many rural areas. Any changes to Alberta's retail electricity market should ensure that REAs are able to operate on a level playing field with investor-owned utilities.

Transloader Facilities

- Facilities that host the transloading of petroleum products from rail to truck or pipeline must be properly regulated. Responsibility for regulation must be clearly established and not fall onto local authorities.

Market Access

- Both rail and pipelines are vital to allowing energy resources to reach market. Each of these modes of transportation carries with them planning, environmental, and safety challenges for municipalities. As such, municipalities should be consulted on proposed pipeline or rail infrastructure for energy use.

For more information, visit www.aamdc.com for an online **Resolution Database** which includes information on all active resolutions and emerging issues related to energy.

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