

# Local Authority Services (LAS) Electricity Procurement Program

## Electricity Program Summary



# Who is LAS?



Part of the AMO family, **Local Authority Services (LAS)** is a provider of competitively-priced and sustainable co-operative business services for Ontario municipalities and the broader public sector.

We offer:

- Administrative
- **Energy (Electricity)**
- *Digital*
- Financial
- Municipal Assets

# Purpose of the Electricity program



To provide stable and predictable commodity pricing for your electricity accounts by removing accounts from Time Of Use (TOU) & Regulated Price Plan (RPP) rates, in favour of a hedged purchase price.

- Our program launched in 2007 with 25 municipalities; today there are 143 Ontario public sector participants enrolled
- Annual Hedge of approximately 306,000 MWh - 134 municipalities use this option
- LAS offers 100% Spot Market billing (for Streetlights or any other municipal accounts deemed appropriate) - 11 municipalities use this option

# What is a Hedge?



- Hedging is a longer-term commitment that yields predictable commodity costs
- LAS purchases a hedge annually for the subsequent year
- You can ‘fix’ a portion of your municipal electricity commodity costs by purchasing (hedging) up to 75% of your annual electricity usage
- The hedged commodity price is typically locked in for 12 months.

# Program benefits



- Predictable electricity commodity costs through managing aggregated purchasing and market exposure
- Turn-key solution and continuous support with data, reporting, and analysis
- Annual consumption and energy charge summaries upon request
- LAS Purchase Summaries - expected commodity costs for the following year, with comparison to RPP and Time-of-Use rates
- Commodity newsletters and webinars keeping you up-to-date with natural gas and electricity market trends



# What are the program fees?

- LAS hedge fee is \$1.50 per MWH or \$0.0015 per kWh; this fee is only applied to the portion of consumption that is hedged
- \$6/month per enrolled streetlight account (not per fixture)
- \$10 account/month for any spot-market billed accounts (if a municipality does not have a hedge in place with LAS)
- A small per month/account transaction fee to cover our costs related to your LDC

## What is our current (2024) LAS commodity hedge price?

- 5.1 ¢/kWh, inclusive of LAS fees



# LAS rates compared to market rates: Hedge

## LAS Rates

Hedged Accounts	Price (¢/kWh)	Ratio	Total (¢/kWh)
LAS 2024 Hedge Price (including program fee)	5.021	50%	2.511
Avg. Spot Market - HOEP	3.303	50%	1.652
Global Adjustment	6.262	100%	6.262
<b>Expected Total Commodity Rate (Jan 1 – Dec 31, 2024)</b>			<b>10.425</b>

## Time-of-Use Rates (at Nov 2023)

Time-of-Use Price Periods	Time-of-Use Price (¢/kWh)	Ratio	Total (¢/kWh)
Off-Peak	8.7	55%	4.785
Mid-Peak	12.2	22.5%	2.745
On-Peak	18.2	22.5%	4.095
<b>Expected Total Commodity Rate Time-of-Use (Jan 1 – Dec 31, 2024)</b>			<b>11.625</b>



# LAS rates compared to market rates: Streetlights

## LAS Rates

Streetlight Accounts	Price (¢/kWh)	Ratio	Total (¢/kWh)
Avg. SL Spot Market –HOEP (including program fee)	2.765	100%	2.765
Global Adjustment	6.262	105%	6.262
<b>Expected Total Commodity Rate (Jan 1 – Dec 31, 2024)</b>			<b>9.03</b>

## RPP Rates (at Nov 2023)

Tiered Price	Price (¢/kWh)	Ratio	Total (¢/kWh)
Tier 1 (first 750 kWh/monthly)	10.3	50%	5.15
Tier 2 (>750 kWh/monthly)	12.5	50%	6.25
<b>Expected Total Commodity Rate Tired (Jan 1 – Dec 31, 2024)</b>			<b>11.40</b>



# What is the Global Adjustment?(GA)



- GA = the difference between the guaranteed price the province pays to energy producers and the Market Price.  
(Global Adjustment = Guaranteed Price – Market Price)
- Customers who pay the Hourly Ontario Energy Price (HOEP/SPOT Market) or have signed a retail contract (i.e. LAS), will have a separate line item for the GA on their electricity bill
- GA varies from month-to-month
- GA also helps to cover the cost of building new electricity infrastructure, maintaining the current electricity grid and support conservation and demand programs (CDM)
- **All electricity customers in Ontario pay Global Adjustment. It is built into Time-Of-Use and tiered RPP prices.**

# How to Join



- LAS electricity team can evaluate municipality eligibility to join the program – you can enroll mid-year with 100% spot market billing or be part of LAS' next annual hedge purchase
- Provide council resolution or by-law related to program enrollment or provide staff direction to enroll based on a delegated authority by-law/policy.
- LAS will provide customized agreement to municipality for signature
- Municipality provides copies of the electricity utility invoices or a list of accounts with corresponding address for LAS review and enrollment