City of Richmond

Report to Committee

To:	Finance & Audit Committee	**Date:**	October 16, 2026
From:	Jerry Chong General Manager, Finance and Corporate Services Chief Financial Officer, Lulu Island Energy Company	**File:**	01-0060-20-LIEC1/2026-Vol 01
Re:	**2027 District Energy Utility Rates**		

Staff Recommendations

1. That the Alexandra District Energy Utility Bylaw No. 8641, Amendment Bylaw No. 10792 be introduced and given first, second and third readings;

2. That the Oval Village District Energy Utility Bylaw No. 9134, Amendment Bylaw No. 10793 be introduced and given first, second and third readings; and

3. That the City Centre District Energy Utility Bylaw No. 9895, Amendment Bylaw No. 10794 be introduced and given first, second and third readings.

Executive Summary

Lulu Island Energy Company Ltd. (LIEC), a corporation wholly-owned by the City of Richmond, was established to provide district energy services on behalf of the City. All capital and operating costs are recovered through revenues from user fees, ensuring that the business is financially self-sustainable. City Council is the regulator and sets customer rates.

LIEC is seeking Council approval of 2027 rate amendments for the Alexandra, Oval Village, and City Centre District Energy Utilities. A 4.0% rate increase is proposed for all service areas to address anticipated utility and inflationary cost pressures, support capital and operating requirements, and maintain the long-term financial self-sustainability of the company. For a typical residential customer, this represents an estimated increase of approximately $4.30 per month.

Even with the proposed adjustment, district-energy customers are expected to pay about 13% less than comparable conventional energy system customers. The increase also supports future infrastructure investment, reserve requirements, and the continued expansion of low carbon district energy service in Richmond.

Staff Report

Origin

The purpose of this report is to recommend the 2027 Alexandra District Energy Utility (ADEU), Oval Village District Energy Utility (OVDEU), and City Centre District Energy Utility (CCDEU) district energy utility rates.

This report supports Council's Strategic Plan 2022-2026 Focus Area #3 A Safe and Prepared Community:

> *3.4 Ensure civic infrastructure, assets and resources are effectively maintained and continue to meet the needs of the community as it grows.*

This report supports Council's Strategic Plan 2022-2026 Focus Area #5 A Leader in Environmental Sustainability:

> *Leadership in environmental sustainability through innovative, sustainable and proactive solutions that mitigate climate change and other environmental impacts.*
>
> *5.1 Continue to demonstrate leadership in proactive climate action and environmental sustainability.*

Lulu Island Energy Company Ltd. (LIEC), a corporation wholly-owned by the City of Richmond, was established to provide district energy services on behalf of the City. Information regarding LIEC's district energy utility (DEU) operations can be found in Attachment 1. All capital and operating costs are recovered through revenues from user fees, ensuring that the business is financially self-sustainable. City Council is the regulator and sets customer rates.

Analysis

The City incorporated LIEC in 2013 for the purpose of carrying out the City's district energy initiatives based on the following Council approved guiding principles:

1. The DEU will provide end users with energy costs that were competitive with conventional energy costs, based on the same level of service.
2. Council will retain the authority to set customer rates, fees and charges for DEU services.
3. The DEU will provide a flexible platform for adopting low-carbon energy technologies.

Based on these principles, LIEC staff have assessed the following factors when developing the 2027 rate recommendation:

- **Financially self-sustainable:** All LIEC service areas were established on the basis that all capital and operating costs would be recovered through revenues from user fees. Expenditures required to provide utility service include capital, operations, utilities, financing, and administration costs. These costs are susceptible to non-discretionary increases due to material and equipment cost increases, rises in electricity and natural gas rates and general inflation. Additionally, as endorsed by Council in 2022, LIEC executed

a Project Agreement (PA) with City Centre Energy Limited Partnership (Corix) to design, construct, finance, operate and maintain the CCDEU. As part of the annual planning process, Corix submits a request to LIEC for a rate increase for next year in line with the financial model regularly updated by LIEC and Corix. Following the rate increases as per the long-term financial model is critical to ensure the utility's positive financial performance and avoid increasing the capital repayment deferral account balance and/or under-recovering LIEC's operating expenses.

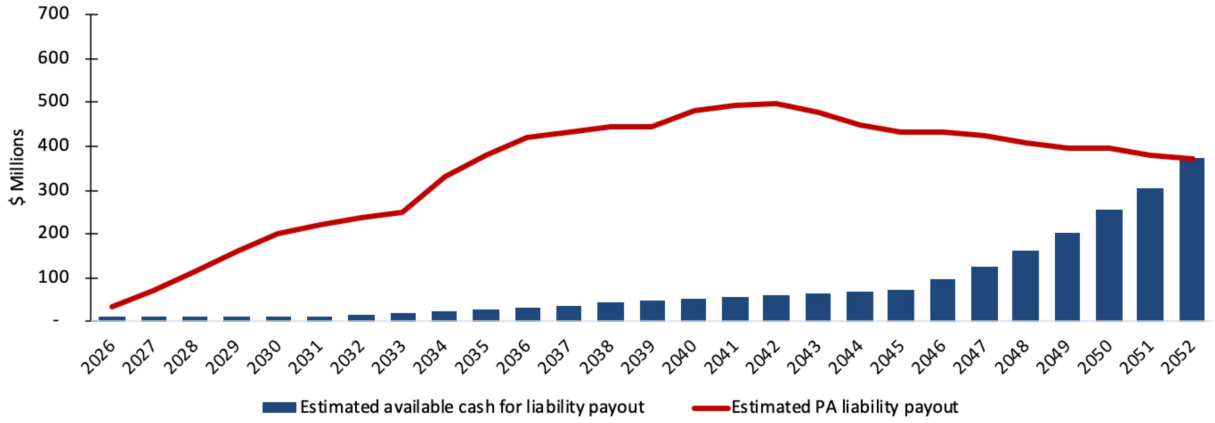
- **Competitive Rate:** Council's objective is to provide end users with annual energy costs that are competitive with conventional system energy costs, based on the same level of service. To date, LIEC's district energy rates have been compared to a Business as Usual (BAU) scenario based on the increase of conventional utilities (i.e. Fortis BC and BC Hydro). Staff regularly updates the BAU model to ensure the proposed district energy rates continue to be competitive with conventional energy systems that provide the same level of service and environmental performance.

Recommended 2027 Customer Rates

LIEC's systems are still early in their operational life and still require significant capital investments in distribution infrastructure and low carbon energy sources to connect more customers and ensure low carbon objectives are achieved. BC Hydro rates are expected to increase by 3.75%, while natural gas costs are projected to increase by 3.8% next year due to delivery rate increases. For CCDEU, the annual payment to Corix is projected to increase by approximately 5.2% next year based on the latest financial model, which represents approximately 60% of LIEC's overall cost of service. When all three service areas are considered, the recommended 4.0% rate increase is sufficient to recover LIEC's projected cost of service in 2027.

In order to provide competitive and stable rates for LIEC customers, rates are levelized to gradually recover costs as the customer base is fully established. This approach ensures infrastructure costs are more equitably distributed between existing customers and those who connect in later years. Based on the most recent LIEC financial model (Attachment 2), customer rates are estimated to increase by 4.0% year-over-year in order to fully recover operating expenses and avoid increasing the capital repayment deferral account balance. This increase is consistent with the historical increase of conventional utilities, making LIEC rates competitive with conventional energy costs, as per City Council's objective. This increase also ensures LIEC will have enough reserve funds available at the end of the Project Agreement to meet future liability obligations. Graph 1 illustrates the relationship between the estimated available reserve funds for liability payouts and confirms that sufficient liquidity will be available to meet future obligations.

Graph 1 – Projected Liability Coverage

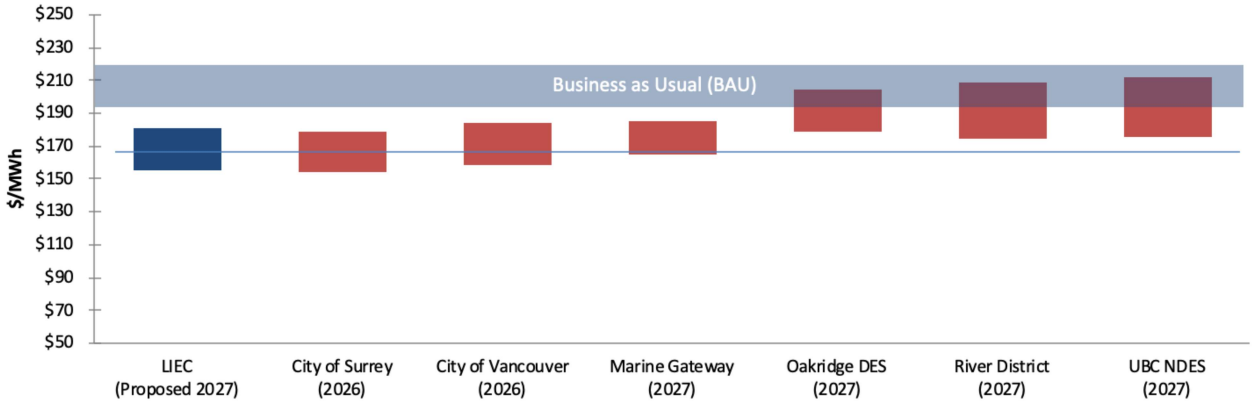


In consideration of these factors, a 4.0% rate increase is recommended for 2027 to ensure all capital and operating costs continue to be recovered in the long term. The recommended increase would also be sufficient to recover the non-discretionary increases due to electricity and natural gas rates and general inflation projected for 2027. The proposed 2027 service rates for the ADEU, OVDEU and CCDEU service areas are included in Attachments 7-9.

Rate Competitiveness

The recommended 4.0% rate increase also supports Council's objective to keep the annual energy costs for LIEC customers competitive with conventional energy costs, based on the same level of service. If the recommended rate increase is approved, LIEC customers would still be paying 13% less than users using equivalent conventional energy systems in Richmond based on the same level of service. Staff also conducted a benchmarking analysis to confirm LIEC rates are competitive with other district energy utilities in Metro Vancouver (see Graph 2).

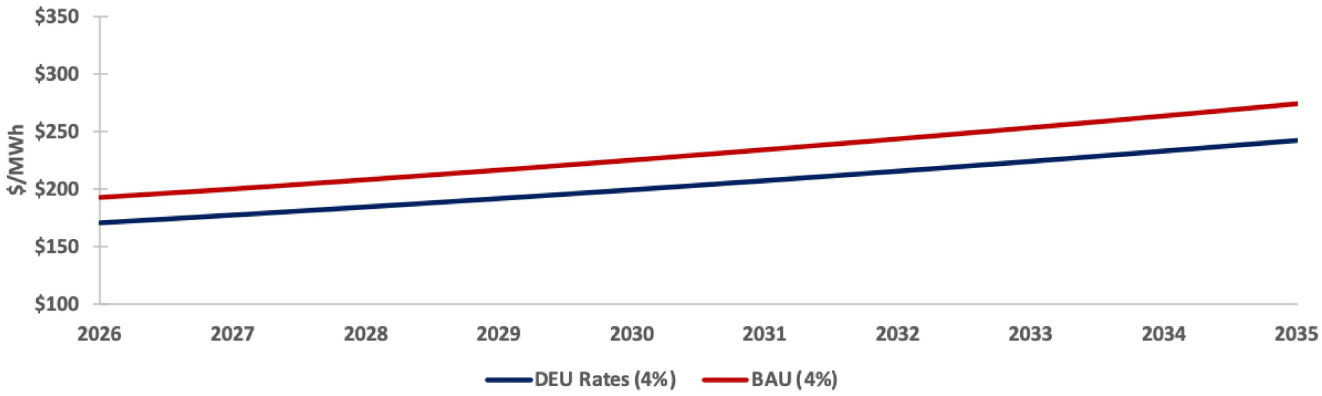
Graph 2 - Metro Vancouver DEU Rates Comparison[1]



The projected 4.0% year-over-year rate increase also ensures customer rates continue to grow at a similar rate to the historical increase of conventional utilities, making rates competitive in the long term (Graph 3).

[1] *Based on reported rates and assuming an EUI range of 70-90 kWh/m2 for heating and domestic hot water and 25 kWh/m2 for cooling*

Graph 3 – Projected DEU Rates vs BAU



The recommended 4.0% rate increase would result in approximately $4.30 per month increase in DEU fees in 2027 for the average LIEC residential customer.

Budgetary Implications

No impact to the City's budget. All LIEC capital and operating costs are recovered through user fees, as LIEC operates as a financially self-sustaining business enterprise.

Conclusion

The recommended 4.0% increase for ADEU, OVDEU and CCDEU 2027 service rates supports Council's objective to keep the annual energy costs for LIEC customers competitive with conventional energy costs, based on the same level of service. This rate increase also ensures sufficient revenues to offset capital investment and operating costs. Staff will continuously monitor energy costs and review the rate to ensure fairness for consumers and cost recovery for LIEC.

Respectfully submitted,

Jerry Chong
General Manager, Finance and Corporate Services

Report Contributors

This report was prepared by Constantino Retes, Senior Project Manager (LIEC) and Helen Zhao, Controller (LIEC), and reviewed by Finance and Law.

Endorsed by Serena Lusk, CAO

Att. 1: District Energy in Richmond
Att. 2: LIEC Financial Model (September 2026)
Att. 3: DEU Greenhouse Gas (GHG) Emissions Reductions
Att. 4: Alexandra Neighbourhood and ADEU Service Area
Att. 5: Oval Village Neighbourhood and OVDEU Service Area
Att. 6: City Centre and CCDEU Service Area
Att. 7: ADEU Proposed 2027 Rates for Services
Att. 8: OVDEU Proposed 2027 Rates for Services
Att. 9: CCDEU Proposed 2027 Rates for Services

Attachment 1 – District Energy in Richmond

Richmond's 2041 Official Community Plan (OCP) establishes a target to reduce greenhouse gas (GHG) emissions 50 percent below 2007 levels by 2030 and 100 percent by 2050. The City identified district energy utilities (DEUs) as a leading strategy to achieve the City's GHG reduction goals and incorporated Lulu Island Energy Company Ltd. (LIEC) in 2013 for the purpose of carrying out the City's district energy initiatives based on the following guiding principles:

1. The DEU will provide end users with energy costs that were competitive with conventional energy costs, based on the same level of service.
2. Council will retain the authority to set customer rates, fees and charges for DEU services.
3. The DEU will provide a flexible platform for adopting low-carbon energy technologies.

The City established three DEU service areas: ADEU, OVDEU, and CCDEU. Table 1 below provides a summary of the developments connected under the DEU service areas to date.

Table 1 – DEU Bylaw Service Areas - Current and Projected Connected Space

	Buildings To-Date	Residential Units To-Date	Floor Area	
			To-Date	Build-out
Alexandra DEU	13	2,200	2.4M ft^2	4.4M ft^2
Oval Village DEU	15	3,524	3.7M ft^2	6.4M ft^2
City Centre DEU	8	3,085	3.2M ft^2	48M ft^2
Total	**36**	**8,809**	**9.3M ft^2**	**58.8M ft^2**

The ADEU provides heating and cooling services to ten residential buildings, the large commercial development at "Central at Garden City", the Richmond Jamatkhana Temple, and Fire Hall No. 3, comprising 2,200 residential units and over 2.4 million square feet of floor area. While some electricity was consumed for pumping and equipment operations, most of this energy was currently produced locally from the geo-exchange fields in the greenway corridor and West Cambie Park, and highly efficient air source heat pumps.

The OVDEU services 15 buildings, containing 3,524 residential units. Energy is currently supplied from the four interim energy centres with natural gas boilers, which provide almost 24 MW of heating capacity. LIEC received a $6.2 million grant from the CleanBC Communities Fund for the design and construction of a sewer heat recovery permanent energy centre for the area. This project is expected to be completed in 2031. Once completed, the system will be able to produce up to 70% of low-carbon energy from the Gilbert Trunk sanitary force main sewer.

The CCDEU currently services eight buildings, comprised of 3,085 residential units and approximately 3.2 million square feet of floor area. While off-site energy infrastructure is being built, CCDEU utilizes on-site low-carbon energy plants to service new customers. At full build-out, 176 developments, 28,000 residential units and approximately 48 million square feet of floor space will be serviced by 5 permanent energy centers with over 130 MW of heating and 115 MW of cooling capacity. The built-out system is estimated to reduce over one million tonnes of GHG emissions compared to conventional service.

LIEC Financial Model Summary										
	2027	2028	2029	2030	2031	2032	2037	2042	2047	2052
CCDEU Customer Rate Increase	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
ADEU Commercial Rate Increase	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
ADEU Residential Rate Increase	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
LIEC Overall (ADEU + CCDEU)										
Metered Billings	13,324,806	15,918,593	19,635,743	22,592,280	26,352,233	32,145,461	62,925,393	96,586,908	135,860,260	176,670,039
Total Revenue	14,306,291	16,900,079	20,617,229	23,573,766	27,333,719	33,126,947	63,906,879	97,568,394	136,841,746	177,651,525
Gross Margin	4,181,814	5,374,358	7,263,204	8,836,895	10,552,271	9,059,915	21,555,499	41,253,293	59,285,230	80,577,347
Net Income	662,866	226,298	570,227	313,702	195,092	(1,627,815)	(722,662)	13,557,774	28,524,345	60,367,071
EBITA	6,051,287	8,369,673	11,390,022	13,644,648	16,129,460	19,993,376	42,715,960	67,491,223	83,357,671	105,982,447
Gross Margin %	29%	32%	35%	37%	39%	27%	34%	42%	43%	45%
Net Income %	5%	1%	3%	1%	1%	-5%	-1%	14%	21%	34%
Overall EBITA %	42%	50%	55%	58%	59%	60%	67%	69%	61%	60%

Estimated Development Timing for Future Connections										
Square Footage	2027	2028	2029	2030	2031	2032	2037	2042	2047	2052
New connections	0	6	9	6	8	6	9	6	3	3
Incremental ADEU (ft2)	-	179,235	495,764	316,529	125,244	125,243	-	-	-	-
Incremental CCDEU (ft2)	-	1,243,244	1,777,303	801,168	1,624,316	2,311,946	2,899,375	1,317,600	1,831,831	1,178,496
Total (ft2)	-	1,422,480	2,273,067	1,117,697	1,749,559	2,437,189	2,899,375	1,317,600	1,831,831	1,178,496
Cumulative (ft2)	9,329,739	10,752,219	13,025,286	14,142,983	15,892,542	18,329,731	29,224,043	37,090,908	42,996,391	46,144,837

Projected Capital Expenditures for LIEC										
	2027	2028	2029	2030	2031	2032	2037	2042	2047	2052
CCDEU CAPEX										
Annual Corix CAPEX	37,774,638	40,438,488	43,263,513	38,014,736	20,719,988	14,280,587	14,018,036	21,799,791	4,880,943	411,358
Annual ETS Contribution	1,100,000	3,572,200	4,240,201	5,012,597	3,034,896	4,933,158	8,545,656	8,196,257	4,583,365	4,664,248
Annual LCEP Contribution	-	1,423,907	2,762,618	3,291,272	-	4,444,220	15,096,851	-	-	-
Annual DCP Contribution	-	5,614,199	3,939,897	617,621	6,435,048	13,503,233	-	2,438,571	6,113,129	-
CCDEU LIEC In-house CAPEX	1,320,556	1,042,276	1,035,156	1,069,238	1,041,909	1,047,026	1,144,347	1,263,451	1,394,952	1,540,140
	40,195,194	52,091,070	55,241,385	48,005,464	31,231,841	38,208,223	38,804,890	33,698,070	16,972,389	6,615,746
Cumulative CCDEU Capital Assets	125,651,016	177,742,087	232,983,471	280,988,935	312,220,777	350,429,000	639,143,109	836,148,834	929,941,922	961,660,089
ADEU CAPEX										
Annual ADEU ETS Contribution	-	1,500,000	2,250,000	-	750,000	-	-	-	-	-
ADEU LIEC in-house CAPEX	942,218	1,865,920	1,189,108	2,926,020	2,531,541	2,537,171	317,060	350,060	386,495	426,722
	942,218	3,365,920	3,439,108	2,926,020	3,281,541	2,537,171	317,060	350,060	386,495	426,722
Cumulative ADEU Capital Assets	29,720,082	33,086,003	36,525,111	39,451,131	42,732,672	45,269,843	50,944,184	52,627,179	54,485,342	56,536,903
Cumulative LIEC Capital Assets	155,371,099	210,828,089	269,508,582	320,440,066	354,953,448	395,698,843	690,087,292	888,776,013	984,427,264	1,018,196,992

The total estimated Project Liability at the end of the contract (YR 2052)	$	371	million
The total estimated Capex financed through CCDEU Project Agreement	$	591	million

Disclaimer:
The financial model is based on information, projections, and assumptions available at the time of preparation. It reflects current market conditions, business strategies, and anticipated developments. The model is subject to change as circumstances evolve. Staff will review and update the financial model regularly to ensure its continued relevance and accuracy.

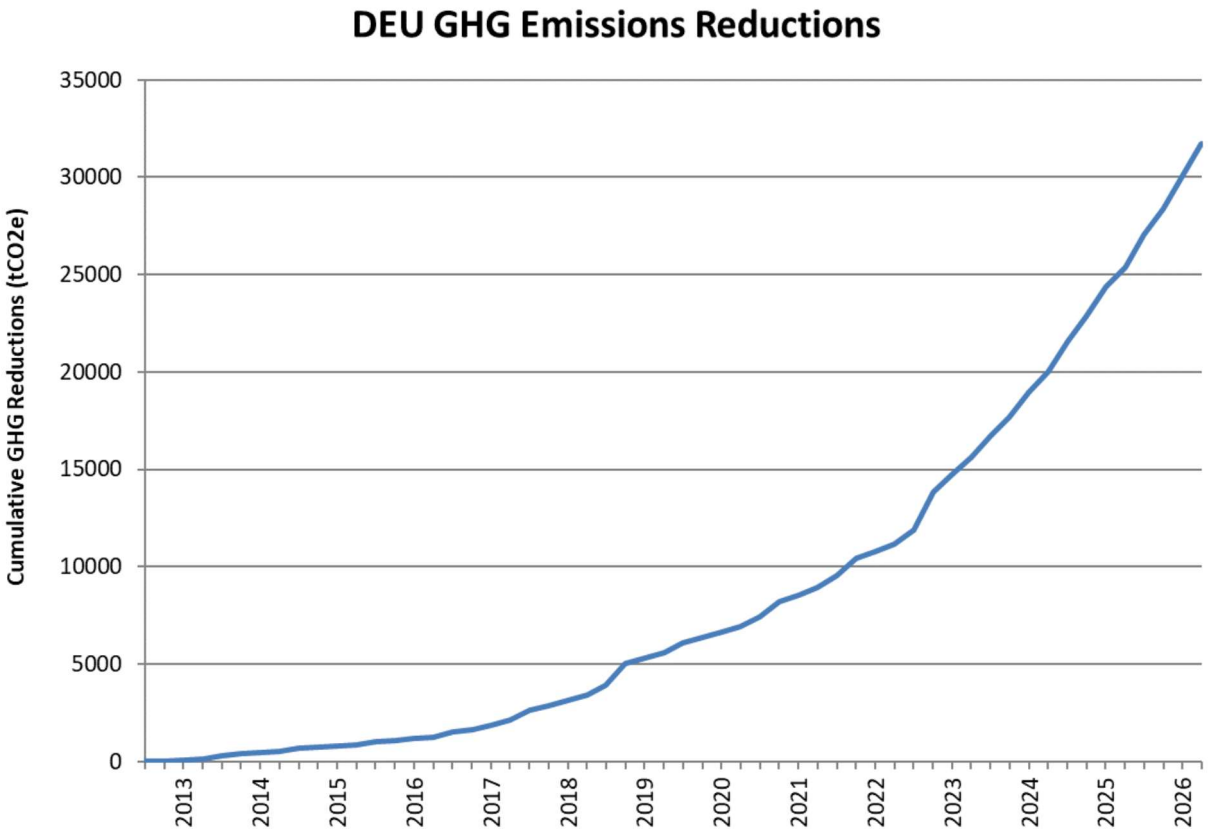
LIEC - Overall Financial Pro-Formas

Project Year	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10	YR 15	YR 20	YR 25	YR 30
Year	2027	2028	2029	2030	2031	2032	2037	2042	2047	2052
INCOME STATEMENT										
Revenue										
Metered billings - ADEU	3,246,786	3,644,924	4,473,159	5,257,311	5,581,742	6,124,892	8,517,004	10,362,238	12,607,247	15,338,643
Metered billings - CCDEU	10,078,020	12,273,669	15,162,584	17,334,969	20,770,491	26,020,568	54,408,388	86,224,670	123,253,013	161,331,395
Service fee	981,486	981,486	981,486	981,486	981,486	981,486	981,486	981,486	981,486	981,486
Total Revenue	14,306,291	16,900,079	20,617,229	23,573,766	27,333,719	33,126,947	63,906,879	97,568,394	136,841,746	177,651,525
Expenses										
Utility expenses - ADEU	302,886	338,742	420,586	482,757	520,728	560,965	776,763	945,052	1,149,800	1,398,907
Contract expense - ADEU	766,760	789,762	813,455	837,859	1,034,211	1,153,890	1,239,499	1,281,574	1,328,028	1,379,317
Utility expenses - CCDEU	2,791,565	3,333,182	3,998,291	4,388,543	5,092,388	5,902,031	10,193,440	14,411,118	18,205,030	21,542,213
Contract expense - CCDEU	2,937,956	3,073,150	3,238,625	3,619,973	3,852,380	4,319,950	7,248,166	10,543,491	24,831,939	39,370,777
Utility expense - DCP	-	34,296	61,090	93,496	151,018	380,976	1,047,268	1,419,809	2,079,872	2,322,789
Contract expense - DCP	-	32,729	74,863	117,412	348,320	916,505	2,795,984	4,010,479	5,071,018	5,998,893
Depreciation expense	3,325,311	3,923,860	4,747,115	5,196,830	5,782,403	10,832,715	19,050,260	23,703,579	24,890,829	25,061,281
General and administration expense	3,083,494	2,963,719	3,071,702	3,173,062	3,315,020	3,826,473	5,250,959	6,708,366	10,270,421	9,124,446
Financing income	(606,000)	(500,206)	(515,923)	(559,296)	(229,133)	(249,107)	(482,363)	(824,614)	(626,618)	(836,357)
Financing expense	2,669,110	4,719,720	6,588,603	8,693,413	10,381,098	11,037,582	24,870,726	31,054,484	30,569,115	21,390,453
Developers contributions	(1,627,656)	(2,035,173)	(2,451,405)	(2,783,985)	(3,109,807)	(3,927,219)	(7,361,161)	(9,242,717)	(9,452,032)	(9,468,265)
	13,643,425	16,673,781	20,047,003	23,260,064	27,138,628	34,754,761	64,629,540	84,010,620	108,317,401	117,284,454
Net Income	662,866	226,298	570,227	313,702	195,092	(1,627,815)	(722,662)	13,557,774	28,524,345	60,367,071
Cumulative net income	16,700,924	16,927,222	17,497,449	17,811,151	18,006,242	16,378,428	6,709,570	48,172,044	161,395,783	394,354,292
EBITA										
Net income per above	662,866	226,298	570,227	313,702	195,092	(1,627,815)	(722,662)	13,557,774	28,524,345	60,367,071
Depreciation expense	3,325,311	3,923,860	4,747,115	5,196,830	5,782,403	10,832,715	19,050,260	23,703,579	24,890,829	25,061,281
Net financing expense (income)	2,063,110	4,219,514	6,072,680	8,134,116	10,151,966	10,788,475	24,388,362	30,229,870	29,942,497	20,554,096
EBITA	6,051,287	8,369,673	11,390,022	13,644,648	16,129,460	19,993,376	42,715,960	67,491,223	83,357,671	105,982,447
CASH FLOW STATEMENT										
Cash inflow from meter billing	13,324,806	15,918,593	19,635,743	22,592,280	26,352,233	32,145,461	62,925,393	96,586,908	135,860,260	176,670,039
Cash inflow from service fee	981,486	981,486	981,486	981,486	981,486	981,486	981,486	981,486	981,486	981,486
Cash inflow from other income	606,000	500,206	515,923	559,296	229,133	249,107	482,363	824,614	626,618	836,357
	14,912,291	17,400,285	21,133,152	24,133,062	27,562,852	33,376,054	64,389,242	98,393,008	137,468,363	178,487,882
Less: ADEU utility	(302,886)	(338,742)	(420,586)	(482,757)	(520,728)	(560,965)	(776,763)	(945,052)	(1,149,800)	(1,398,907)
Less: ADEU contract	(766,760)	(789,762)	(813,455)	(837,859)	(1,034,211)	(1,153,890)	(1,239,499)	(1,281,574)	(1,328,028)	(1,379,317)
Less: Payment to Corix	(8,287,651)	(10,133,585)	(12,897,384)	(14,600,030)	(17,574,770)	(21,633,965)	(46,481,557)	(78,805,622)	(93,309,901)	(96,655,655)
Less: LIEC Management and Overhead	(2,134,942)	(2,253,647)	(2,318,960)	(2,373,749)	(2,462,117)	(2,552,114)	(3,051,962)	(3,591,406)	(4,252,070)	(5,226,319)
Less: Utility - DCP	-	(34,296)	(61,090)	(93,496)	(151,018)	(380,976)	(1,047,268)	(1,419,809)	(2,079,872)	(2,322,789)
Less: Contract expense - DCP	-	(32,729)	(74,863)	(117,412)	(348,320)	(916,505)	(2,795,984)	(4,010,479)	(5,071,018)	(5,998,893)
	(11,492,238)	(13,582,761)	(16,586,339)	(18,505,302)	(22,091,165)	(27,198,414)	(55,393,034)	(90,053,941)	(107,190,689)	(112,981,881)
Net cash flow from operations	3,420,053	3,817,524	4,546,814	5,627,760	5,471,687	6,177,639	8,996,208	8,339,068	30,277,675	65,506,001
Less: LIEC Financed Capital Projects	(2,262,775)	(2,908,196)	(2,224,264)	(3,995,258)	(3,573,450)	(3,584,198)	(1,461,407)	(1,613,511)	(1,781,447)	(1,966,861)
Less: Contributions	(1,100,000)	(5,072,200)	(6,490,201)	(5,012,597)	(3,784,896)	(4,933,158)	(8,545,656)	(8,196,257)	(4,583,365)	(4,664,248)
Add: Developers contributions	1,100,000	5,072,200	6,490,201	5,012,597	3,784,896	4,933,158	8,545,656	8,196,257	4,583,365	4,664,248
Annual Cash Flow	1,157,278	909,328	2,322,550	1,632,501	1,898,236	2,593,441	7,534,801	6,725,556	28,496,228	63,539,140
Cumulative cash flow	19,134,784	20,044,112	22,366,662	23,999,163	25,897,400	28,490,841	58,806,467	95,225,854	163,888,875	411,417,961
Cumulative cash flow	19,134,784	20,044,112	22,366,662	23,999,163	25,897,400	28,490,841	58,806,467	95,225,854	163,888,875	411,417,961
Revenue lag	(2,861,258)	(3,380,016)	(4,123,446)	(1,885,901)	(2,186,698)	(2,650,156)	(5,112,550)	(7,805,472)	(10,947,340)	(14,212,122)
Estimated year-end cash balance	16,273,526	16,664,096	18,243,216	22,113,262	23,710,702	25,840,685	53,693,917	87,420,383	152,941,535	397,205,839
Working capital	(3,395,690)	(4,146,585)	(4,626,326)	(5,522,791)	(6,799,604)	(7,742,197)	(15,270,609)	(24,963,887)	(26,602,820)	(22,596,376)
Capital projects	(2,908,196)	(2,224,264)	(3,995,258)	(3,573,450)	(3,584,198)	(3,600,114)	(1,490,635)	(1,645,782)	(1,817,076)	(1,966,861)
Estimated available cash for liability payout	9,969,639	10,293,248	9,621,632	13,017,021	13,326,901	14,498,375	36,932,673	60,810,714	124,521,639	372,642,602
Estimated PA liability payout	71,139,874	113,280,901	158,225,291	199,141,240	222,465,227	237,645,770	431,281,816	496,767,153	422,925,529	371,256,747

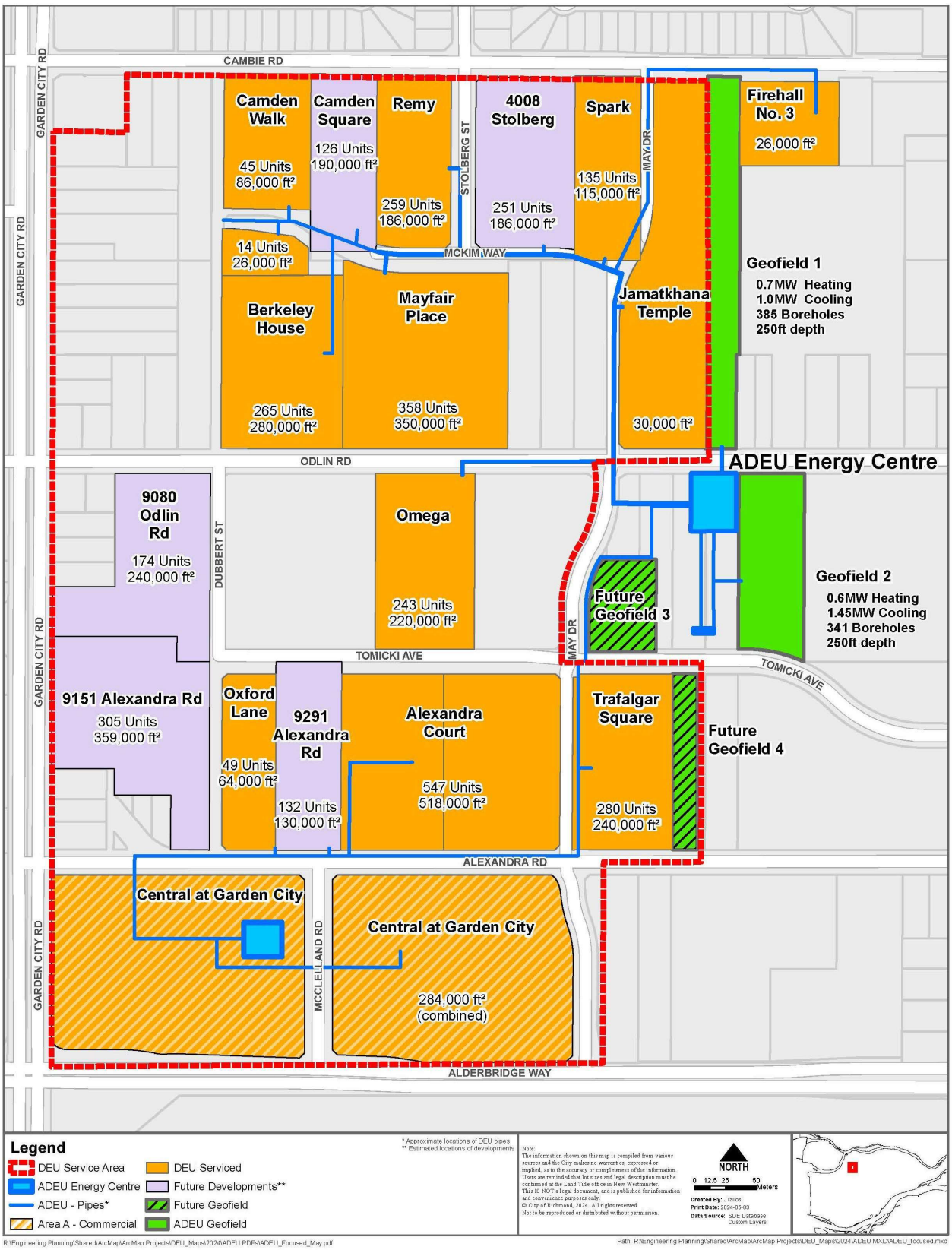
Disclaimer:

The financial model is based on information, projections, and assumptions available at the time of preparation. It reflects current market conditions, business strategies, and anticipated developments. The model is subject to change as circumstances evolve. Staff will review and update the financial model regularly to ensure its continued relevance and accuracy.

Attachment 3 – DEU Greenhouse Gas (GHG) Emissions Reductions



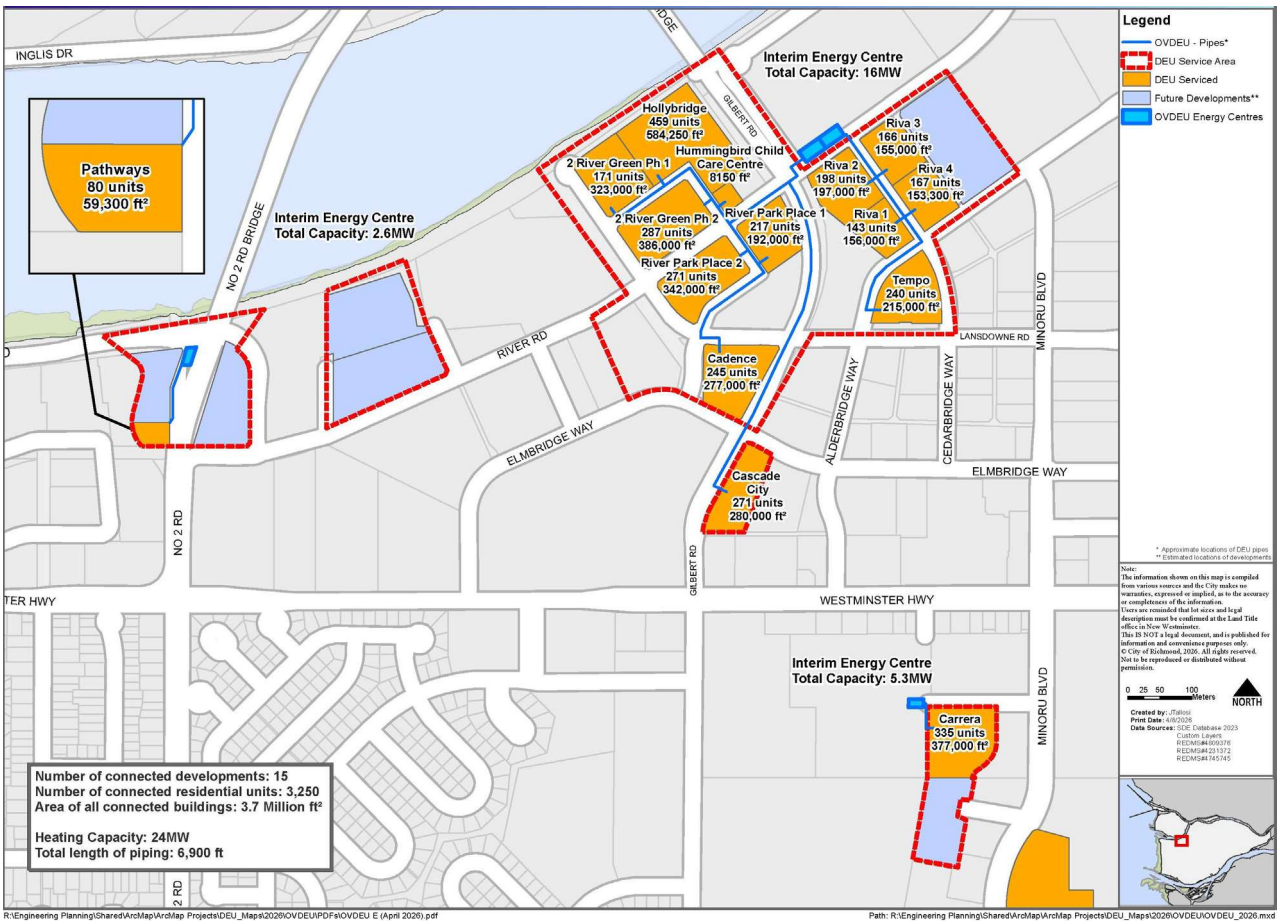
Attachment 4 – Alexandra Neighbourhood and ADEU Service Area



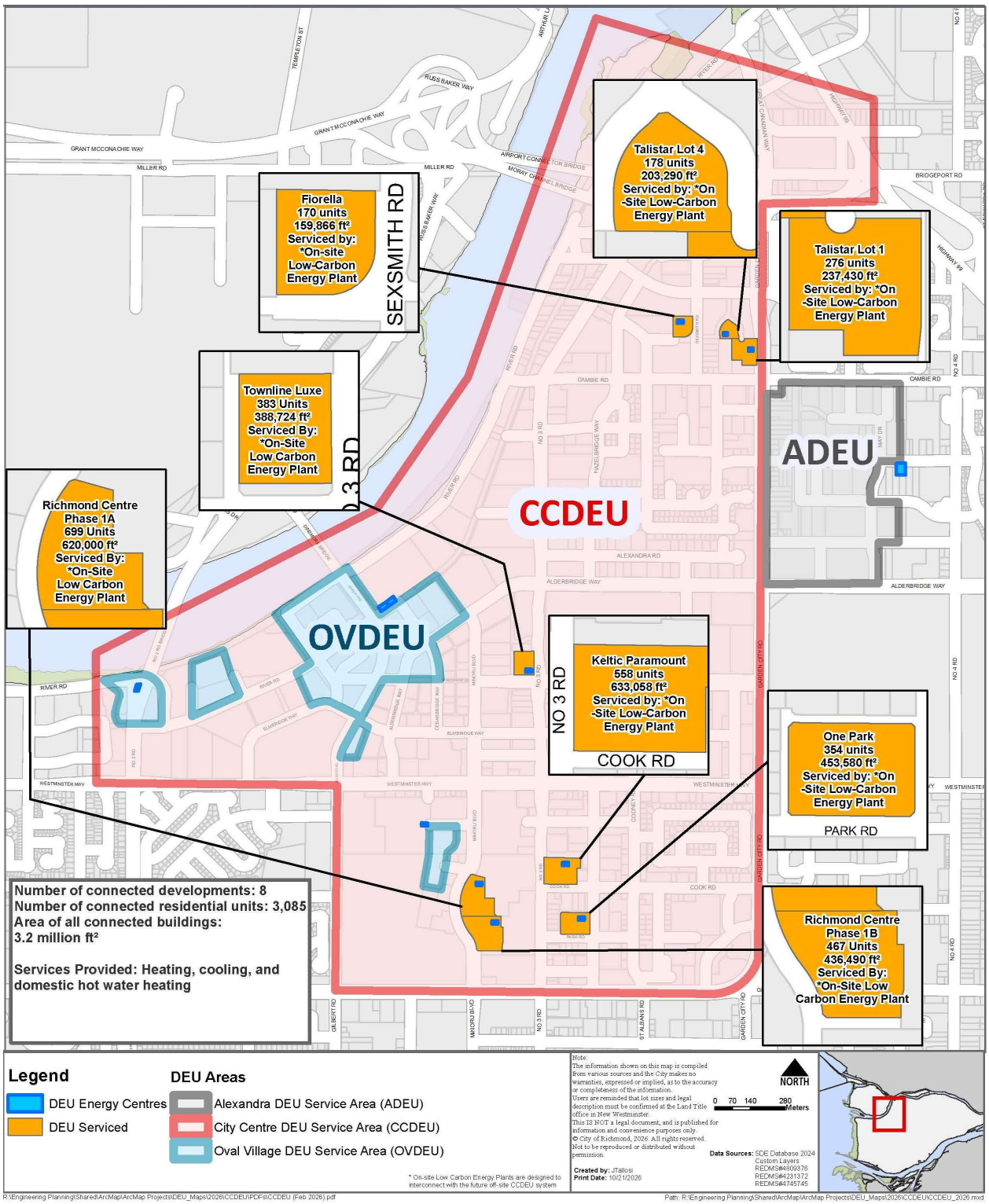
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Attachment 5 – Oval Village Neighbourhood and OVDEU Service Area



Attachment 6 – City Centre and CCDEU Service Area



Attachment 7 – ADEU Proposed 2027 Rates for Services

Table 1: Proposed Rates for Services, excluding commercial area (Area A)

	ADEU	
	2026	**2027**
Capacity Charge One: Monthly charge per square foot of the building gross floor area	$0.1058	$0.1100
Volumetric Charge: Charge per megawatt hour of energy consumed by the building	$26.756	$27.826
Excess Demand Fee - for each watt per square foot of each of the estimated peak heat energy demand and the estimated peak cooling demand that exceeds 6 W/ft2	$0.2150	$0.2236

Table 2: Proposed Rates for Services, commercial area (Area A)

	Area A	
	2026	**2027**
Volumetric Charge: Charge per megawatt hour of energy consumed	$103.855	$108.009

Attachment 8 – OVDEU Proposed 2027 Rates for Services

OVDEU

	2026	**2027**
Capacity Charge One: Monthly charge per square foot of the building gross floor area	$0.0739	$0.0769
Volumetric Charge: Charge per megawatt hour of energy consumed by the building	$45.516	$47.337
Excess Demand Fee - for each watt per square foot of the aggregate of the estimated peak heat energy demand that exceeds 6 W/ft2	$0.2150	$0.2236

Attachment 9 – CCDEU Proposed 2027 Rates for Services

CCDEU

	2026	**2027**
Capacity Charge One: Monthly charge per square foot of the building gross floor area	$0.0862	$0.0896
Volumetric Charge: Charge per megawatt hour of energy consumed by the building	$52.980	$55.099
Excess Demand Fee - for each watt per square foot of each of the estimated peak heat energy demand and the estimated peak cooling demand that exceeds 6 W/ft2	$0.2150	$0.2236

City of Richmond

Bylaw 10792

Alexandra District Energy Utility Bylaw No. 8641 Amendment Bylaw No. 10792

The Council of the City of Richmond enacts as follows:

1. The Alexandra District Energy Utility Bylaw No. 8641, as amended, is further amended by deleting Schedule C (Rates and Charges) in its entirety and replacing it with a new Schedule C attached as Schedule A to this Bylaw.

2. This Bylaw is cited as **"Alexandra District Energy Utility Bylaw No. 8641, Amendment Bylaw No. 10792".**

FIRST READING	
SECOND READING	
THIRD READING	
ADOPTED	

CITY OF RICHMOND
APPROVED for content by originating dept.
CR
APPROVED for legality by Solicitor
BRB

MAYOR

CORPORATE OFFICER

8516174

Schedule A to Bylaw No. 10792

SCHEDULE C to BYLAW NO. 8641

Rates and Charges

PART 1 - RATES FOR SERVICES

The following charges, as amended from time to time, will constitute the Rates for Services for the Service Area excluding shaded Area A as shown in Schedule A to this Bylaw:

(a) Capacity charge – a monthly charge of $0.1100 per square foot of Gross Floor Area; and

(b) Volumetric charge – a charge of $27.826 per megawatt hour of Energy returned from the Energy Transfer Station at the Designated Property.

PART 2 - EXCESS DEMAND FEE

Excess demand fee of $0.2236 for each watt per square foot of each of the estimated peak heat energy demand and estimated cooling demand referred to in section 21.1(e)(i), 21.1(e)(ii), and 21.1(e)(iii) that exceeds 6 watts per square foot.

PART 3 - RATES FOR SERVICES APPLICABLE TO AREA A

The following charges will constitute the Rates for Services applicable only to the Designated Properties identified within the shaded area (Area A) shown in Schedule A to this bylaw:

(a) Volumetric charge – a charge of $108.009 per megawatt hour of Energy returned from the Energy Transfer Station at the Designated Property calculated on each of (i) an energy use of 2644 MWh per annum ("Basic Supply Amount"), and (ii) any energy use in excess of the Basic Supply Amount.

City of Richmond

Bylaw 10793

Oval Village District Energy Utility Bylaw No. 9134 Amendment Bylaw No. 10793

The Council of the City of Richmond enacts as follows:

1. The Oval Village District Energy Utility Bylaw No. 9134, as amended, is further amended by deleting Schedule D (Rates and Charges) of the Bylaw in its entirety and replacing it with a new Schedule D as attached as Schedule A to this Bylaw.

2. This Bylaw is cited as **"Oval Village District Energy Utility Bylaw No. 9134, Amendment Bylaw No. 10793".**

FIRST READING	_____	CITY OF RICHMOND
SECOND READING	_____	APPROVED for content by originating dept. CR
THIRD READING	_____	
ADOPTED	_____	APPROVED for legality by Solicitor BRB

_____ MAYOR

_____ CORPORATE OFFICER

8516176

Schedule A to Bylaw No. 10793

SCHEDULE D

Rates and Charges

PART 1 - RATES FOR SERVICES

The following charges, as amended from time to time, will constitute the Rates for Services:

(a) capacity charge - a monthly charge of $0.0769 per square foot of gross floor area; and

(b) volumetric charge – a monthly charge of $47.337 per megawatt hour of Energy returned from the Energy Transfer Station at the Designated Property.

PART 2 - EXCESS DEMAND FEE

Excess demand fee of $0.2236 for each watt per square foot of the aggregate of the estimated peak heat energy demand referred to in section 19.1(e) (i), (ii), and (iii) that exceeds 6 watts per square foot.

City of Richmond

Bylaw 10794

City Centre District Energy Utility Bylaw No. 9895 Amendment Bylaw No. 10794

The Council of the City of Richmond enacts as follows:

1. City Centre District Energy Utility Bylaw No. 9895, as amended, is further amended by deleting Schedule D (Rates and Charges) in its entirety and replacing it with a new Schedule D as attached as Schedule A to this Bylaw.

2. This Bylaw is cited as **"City Centre District Energy Utility Bylaw No. 9895, Amendment Bylaw No. 10794".**

FIRST READING	
SECOND READING	
THIRD READING	
ADOPTED	

CITY OF RICHMOND
APPROVED for content by originating dept.
CR
APPROVED for legality by Solicitor
BRB

MAYOR

CORPORATE OFFICER

8516179

Schedule A to Bylaw No. 10794

SCHEDULE D

Rates and Charges

PART 1 - RATES FOR SERVICES

The following charges, as amended from time to time, will constitute the Rates for Services:

(a) capacity charge - a monthly charge of $0.0896 per square foot of gross floor area; and
(b) volumetric charge – a monthly charge of $55.099 per megawatt hour of Energy returned from the Energy Transfer Station at the Designated Property.

PART 2 - EXCESS DEMAND FEE

Excess demand fee of $0.2236 for each watt per square foot of each of the estimated peak heat energy demand and estimated cooling demand referred to in section 19.1(f) (i), 19.1(f) (ii) and 19.1(f) (iii) that exceeds 6 watts per square foot.