#### Considerations about Solar Farms in Southern Alberta



Presented to the Medicine Hat Utilities Ratepayer Association

By Michelle Stirling Communications Manager Friends of Science Society ©2024





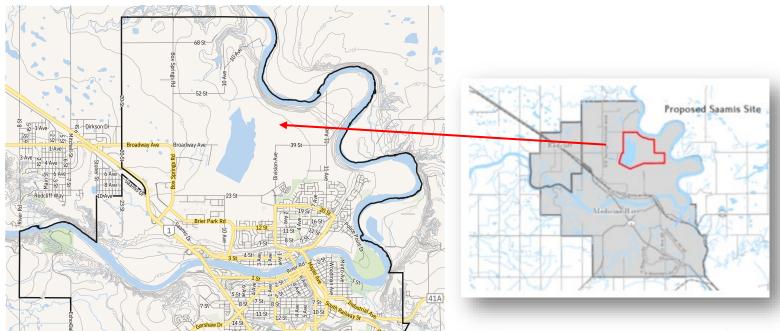


Medicine Hat **Utilities** Ratepayer Association has some questions about the proposed Saamis Solar Farm project

- QUESTIONS:
- Effect of renewables on overall electricity reliability?
- Do renewables affect selling price?
- Do these projects ever make money? If so, how long?
- Climate pattern changes yes or no?
- Is it practical to retire traditional power sources?
- Any other issues of relevance

- MHURA BACKGROUND INFO:
- The original approval for the Saamis Solar Park (SSP) was for a 325 MW plant with New Grian 1056S Substation.
- The City is claiming that their only desire is to have the rights approved for DP Energy. They claim that their desire is to only develop 75MW initially with possible further development some time in the future.
- The other change would be to feed the power into the City's grid rather than the provincial grid.

## Location of Saamis Solar Park is within Medicine Hat Municipal Boundaries



https://dpenergy.com/canada-saamis-solarpark-alberta/

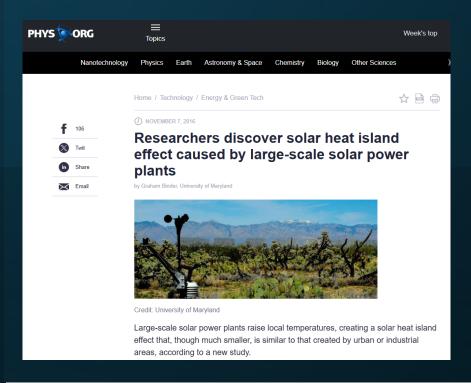
#### **Project Location**

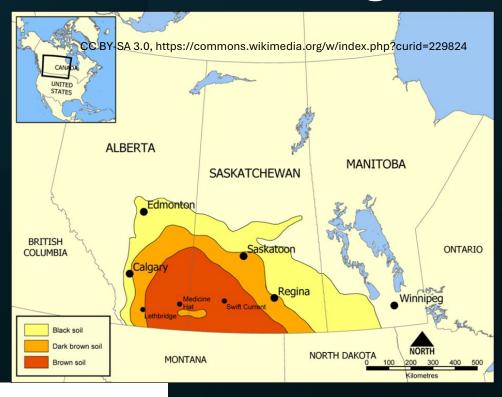
Saamis Solar Park Ltd. is currently planning a solar project on land in the north-eastern industrial sector of the city of Medicine Hat.





#### Medicine Hat is Already in the Palliser Triangle

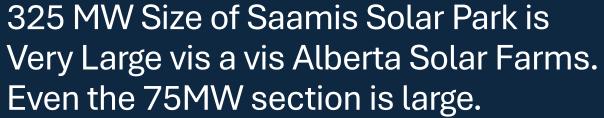


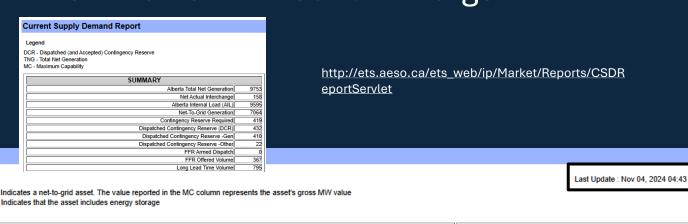


For this study, the team defined the heat island effect as the difference in ambient air temperature around the solar power plant compared to that of the surrounding wild desert landscape. Findings demonstrated that temperatures around a solar power plant were 5.4-7.2 °F (3-4 °C) warmer than nearby wildlands.

https://phys.org/news/2016-11-solar-islandeffect-large-scale-

power.html#:~:text=Findings%20demonstrated %20that%20temperatures%20around,C)%20wa mer%20than%20nearby%20wildlands





GENERATION MC DCR 13681 7182 122 HYDRO 894 103 181 ENERGY STORAGE 190 107 SOLAR 1812 5340 WIND 2171 OTHER 444 260 DUAL FUEL COAL TOTAL 22361 9716 410

GENERATION			
GROUP	MC	TNG	DCR
GAS	1368	7178	122
HYDRO	8 <mark>9</mark> 4	104	181
ENERGY STORAGE	198	0	107
SOLAR	1812	0	0
WIND	5340	2168	0
OTHER	444	261	0
DUAL FUEL	0	0	0
COAL	0	0	0
TOTAL	22361	9711	410

	SOLAR						
	ASSET	MC	TNG	DCR			
	BRD1 Burdett (BRD1)			0			
	BUR1 Burdett (BUR1)			0			
	Barlow Solar (BLS1)	31	0				
	Big Sky Solar (ACD1)	140	0				
	Brooks Solar (BSC1)	15	0				
	Brooks Solar 1 (BRK1)						
	Brooks Solar 2 (BRK2)			0			
	COL1 Coaldale (COL1) <sup>A</sup>			0			
	Chappice Lake (CHP1) <sup>A</sup>	14	0				
	Claresholm 1 (CLR1)	58	0				
	Claresholm 2 (CLR2)	75 41	0				
	Clydesdale 1 (CLY1)						
	Clydesdale 2 (CLY2)	34	0				
	Conrad 1 (CRD1)	23	0				
	Conrad 2 (CRD2)	18	0				
	Deerfoot (DFT1)	41	0				
	East Strathmore Namaka (NMK1)	20	0				
?	Empress Solar Park (EMP1)	39	0				
	Fox Coulee Solar (FCS1)	80					
	Hays (HYS1)	23	0				
All values listed are in MW	Hull (HUL1)		0				
	Innisfail (INF1) Jenner (JER1)	22	0				
	Joffre Solar 1 (JES1)	25	0				
ACTUAL FLOW	Joffre Solar 2 (JFS2)	22	0				
202	Kneehill Solar (TRH1)	25	0				
-61	Lethbridge Solar (CLD1)	9	0				
0	Michichi Creek (MCH1) <sup>A</sup>	14	0				
141	Michichi Solar (MIC1)	25	0				
	Monarch (MON1) <sup>A</sup>		0				
	Saddlebrook Solar (SDL1)		o				
	Sollair Solar Energy Plant (SLR1		o				
	Spring Coulee (SGC1)			0			
	Stavely (STV1)			0			
	Strathmore 1 (STR1)			0			
	Strathmore 2 (STR2)			0			
	Suffield (SUF1)			0			
	Travers (TVS1)			0			
	Vaushall (VVIII)			0			
	Vulcan (VCN1) <sup>A</sup>			0			
	Westfield Yellow Lake (WEF1)			0			
	Wheatcrest (WCR1)			0			
	Youngstown Solar (YNG1)			0			
	kisikaw-pisim 1 (KKP1)*			0			
	kisikaw-pisim 2 (KKP2)			0			

INTERCHANGE

Montana

TOTAL

British Columbia

Saskatchewan

#### Three Existing Alberta Solar Farms and Costs

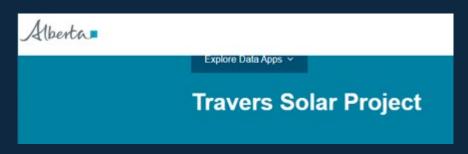
- Saddlebrook, near Aldersyde
- 81 MW
- \$106 Million



- Sollair, near Airdrie
- 75 MW
- \$150 Million



- Travers, south of Lomond
- 465 MW
- \$700 million
- Largest solar project in North America





## Who pays the \$600 million?

#### City looks to buy Saamis Solar

BY COLLIN GALLANT ON AUGUST 28, 2024.

#### SUBSCRIBE NOW

#### @@CollinGallant

The City of Medicine Hat plans to buy a proposal for the largest urban solar array in Canada from a private developer that already has approval to build on 1,600 acres in northwest Medicine Hat.

The Saamis Solar Park is designed to produce 325 megawatts of power in peak conditions – slightly more than the cityowned gas-fired complex – and would partially cover a large former industrial site left over from fertilizer production.



The layout of the Saamis Solar Park as presented by DP Energy to the Alberta Utilities Commission. The City of Medicine Hat energy division announced Tuesday it will apply to purchase the approved solar project, which could cost \$600 million to build.--Supplied photo

Private-sector developer DP Energy earned approval to build the estimated \$600-million project from provincial regulators in July.

On Tuesday, the city's energy division announced it is seeking regulatory approval to purchase the project, stating it would add production capacity and position the city to meet net-zero timelines now being developed and debated by other levels of government.

## If it sounds too good to be true, ask more questions



- City of Medicine Hat analysis states that each 25-megawatt block of solar capacity could reduce provincial TIER levy payments by \$1.5 million each year, raising to \$2.4 million in 2027, when initial phases of a city-owned Saamis array could be in operation.
- Two years ago, energy officials and Mayor Linnsie Clark told the News that green energy would be strongly considered when the 110-year-old power company planned for its next expansion.
- That was in response to federal budgeting that could provide up to 15 per cent of construction costs, low-interest financing from the Canada Infrastructure Bank and a guaranteed "contract for difference" that would pay a carbon levy rebate even if the levy was cancelled by a new Conservative government.
- Clark did not return calls seeking comment Tuesday.
- While the full construction estimate is \$600 million, the undisclosed sale price would be much less.
- Last April, council approved \$7 million for an undisclosed "early clean energy opportunity" that this week Pancoast said related to the city meeting some conditions on its side of the sale.

#### Going Green

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An electricity surcharge set by the Chief Administrative Officer in order to balance the revenues and costs of the Electric Utility's programs that provide renewable or alternative energy.



#### **ENERGY, LAND AND ENVIRONMENT COMMITTEE MEETING**

Thursday, September 05, 2024 4:00 PM

City Hall, Ted Grimm Conference Room

MS Teams: Join the meeting now

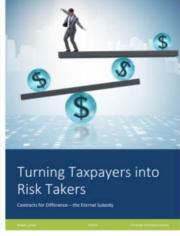
The Municipal Government Act (MGA) states all meetings are public unless the <u>Freedom of Information and Protection of Privacy Act</u> (FOIP) applies. See applicable references below.

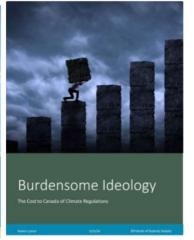
Council Standing Committee meetings that are conducted through Microsoft Teams are recorded and kept temporarily for the use of Council and approved staff only. For more information regarding the storage and use of the recordings, please contact the FOIP Head at <a href="mailto:clerk@medicinehat.ca">clerk@medicinehat.ca</a>

 https://docs.medicinehat.ca/OnBaseAgend aOnline/Documents/ViewDocument/ENER GY%2C\_LAND\_AND\_ENVIRONMENT\_COM MITTEE\_MEETING\_5675\_Agenda\_Packet\_9\_ 5\_2024\_4\_00\_00\_PM.pdf?meetingId=5675& documentType=AgendaPacket&itemId=0&publishId=0&isSection=false

# Canadian Infrastructure Bank loan...contracts for difference...federal funding? It's all YOUR money.









More than Axe the Tax — Nix Net Zero; these reports say why

1) What is climate policy costing us? "The total federal and provincial expenditures on climate measures over the period 2020 to 2030 as listed by the Carbon Policy Tracker are \$476 billion or \$11,900 per resident of Canada. This equates to roughly \$28,000 per household (i.e. an average of \$2,800 per household per year). This is just what has been announced to date; there remain five more fiscal years before 2030 during which governments may add more initiatives."

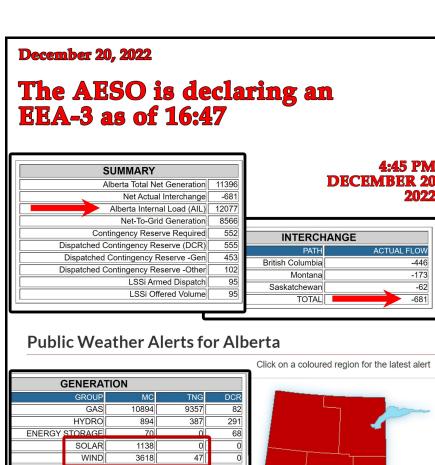
- 2) How about Contracts for Difference? (one example) In the referenced article above the CO2 emissions abatement is 185,000 tonnes (instead of the projected 9 million tonnes). As such the math is: (185,000 tonnes x \$86.5 per Tonne + \$200 million) / 185,000 tonnes = \$1,167.58 / tonne. That's quite the carbon tax, eh?
- 3) Reaching Net Zero? So, the Net Zero challenge ranges between \$2 trillion and \$5.2 trillion. That is an almost unimaginable amount of money. \$2 trillion is \$50,000 for every one of Canada's 40 million residents now, or \$118,000 for every household. \$5.2 trillion is \$130,000 for every resident, or \$306,000 for every household. Averaged over 27 years, \$2 trillion would cost every one of today's residents about \$1,850 per year; averaged over 27 years, \$5.2 trillion would cost every one of today's residents \$4,815 per year.

westernstandard.news/opinion/stirli...

11:39 AM · Jun 3, 2024 · **39.5K** Views

#### Effect of Renewables on Reliability.

Sudden loss of solar under clouds or at night or a drop in wind - you must have equivalent power at the ready to take over. Sudden surges/drops can affect dispatchable plants and grid stability as well.



OTHER 466 **DUAL FUEL** COAL 811 TOTAL 18344 11396

#### DYING WITH RENEWABLES

Importing at a pool price of \$999/MW because there is not enough gas and coal capacity



-173

#### How will Medicine Hat pay for the Solar Farm?

#### City's stunted utility revenue likely to get worse

BY COLLIN GALLANT ON OCTOBER 31, 2024.



#### @@CollinGallant

Medicine Hat's combined power and gas production units may struggle to stay in the black by 2026, as already hurting revenue could be dragged down further by higher carbon taxes and increasing cost to manage shrinking gas production, division officials told city council on Wednesday.

They expect the power plant and much smaller gas business to remain cash positive,

but with lower prices, sales and revenue alongside higher carbon costs and accounting measures for remaining well abandonment work.

As power and gas prices continue to fall, the City of

early as 2026 .-- NEWS FILE PHOTO

Medicine Hat could face a non-existent dividend by as

That could provide just a \$600,000 dividend to municipal coffers in two years, compared to more than \$200 million over 2022 and 2023.



This year, financial officials estimate a \$19-million profit on power will be set against a \$6-million loss on gas, making the net dividend to city coffers about \$12 million, or about \$50 million less than expected.

Next year, the proposed budget predicts a \$25.9-million profit on power and \$19.9-million loss on gas, for a dividend of \$6 million.

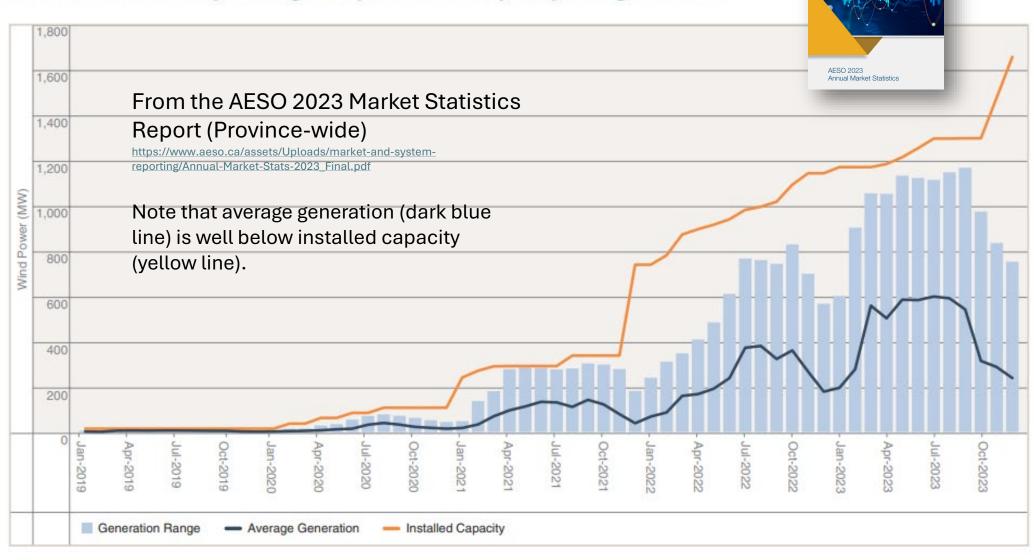
Then an \$18.4-million power dividend in 2026 would be eaten up almost entirely by an expected \$17.8-million loss in gas once net income is adjusted for well-liabilities.

"Those are forecasted at his point, and it's certainly not as rosy a picture as it has been in the previous couple of years," said Mayor Linnsie Clark. "Forecasts can change and we've heard about some of the uncertainties tonight, and in previous presentations.

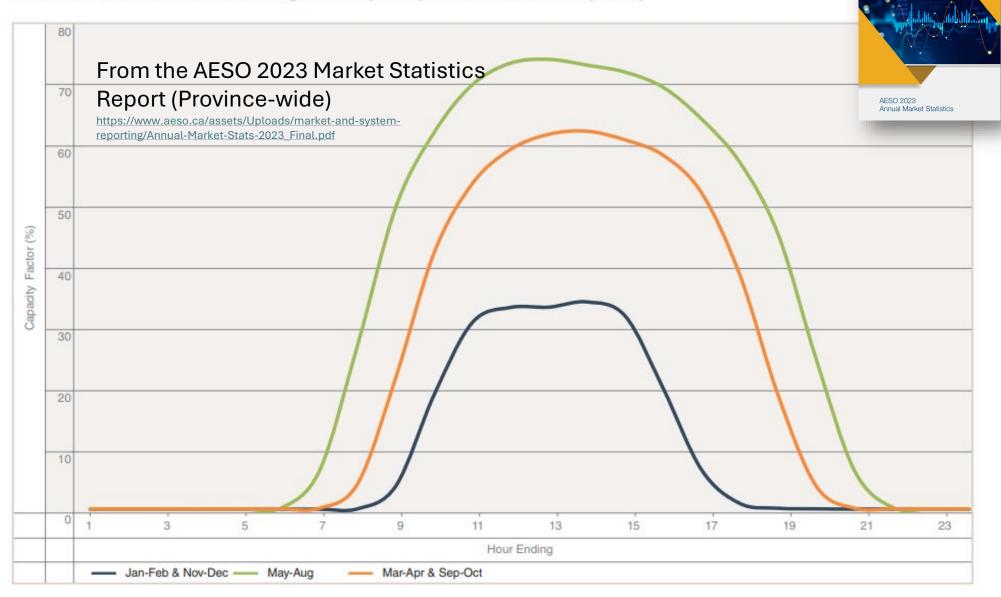
"Energy is always a bit of a wave, and it's incumbent upon us as the owner of an energy company to prepare and mitigate those risks as best we can."

https://medicinehatnews.com/news/local-news/2024/10/31/citys-stunted-utility-revenue-likely-to-get-worse/

#### FIGURE 31: Monthly average on-peak solar capacity and generation



#### FIGURE 32: Seasonal average hourly output of solar fleet (2023)



#### Do Renewables Affect Selling Price?

**NET ZERO AND THE** 

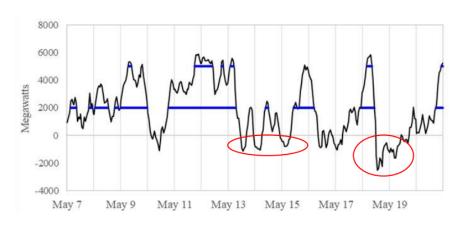
**FUTURE POWER GRID** 

OCTOBER 1, 2024 - 7PM BEST WESTERN VILLAGE PARK INN CALGARY, ALBERTA

PRESENTED BY RANDY STUBBINGS, P. ENG.

#### Effects of Nondispatchable Renewables

- As renewables increase further, both G2 and G5 are needed less
  - Energy sales are lower
  - Run cycles are shorter and less predictable
- The rate at which net demand changes is higher
- When net demand would be negative, some renewable generation must be curtailed

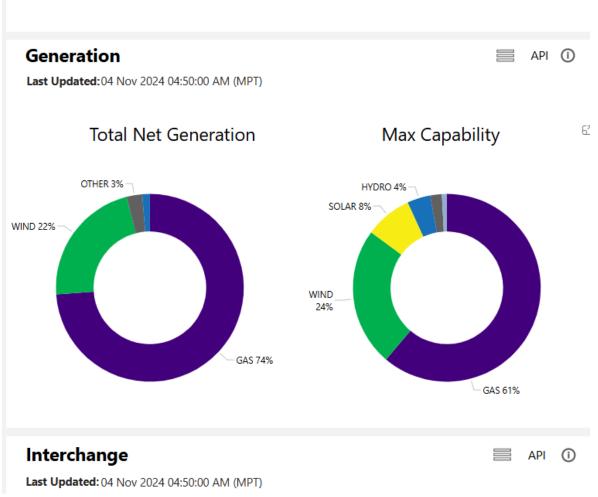


https://friendsofscience.org/library/events/net-zero-and-the-future-power-grid.html

## Is it practical to retire traditional power sources? No.

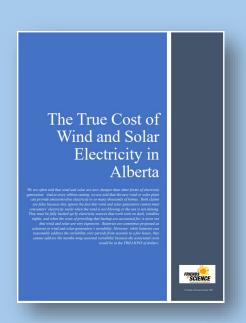


Current



https://aeso-portal.powerappsportals.com/data-portal-dashboard/

#### Baseload generation is required.



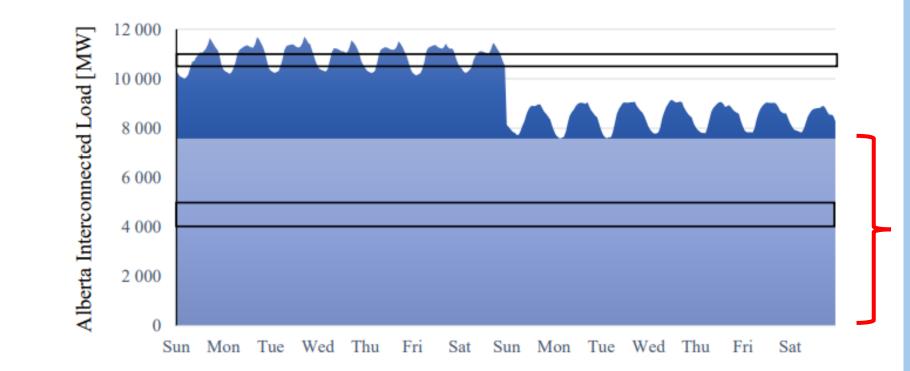
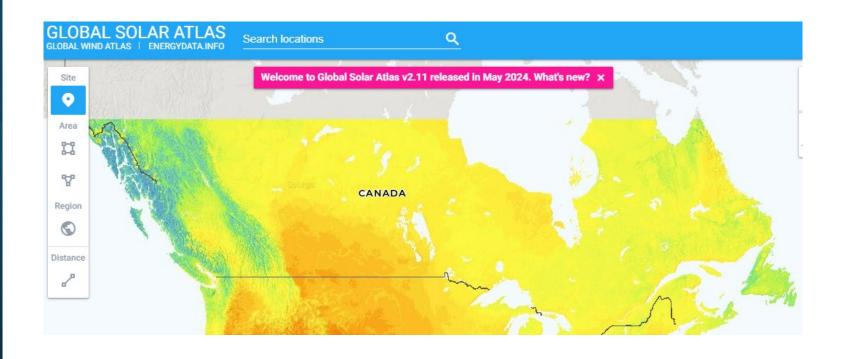
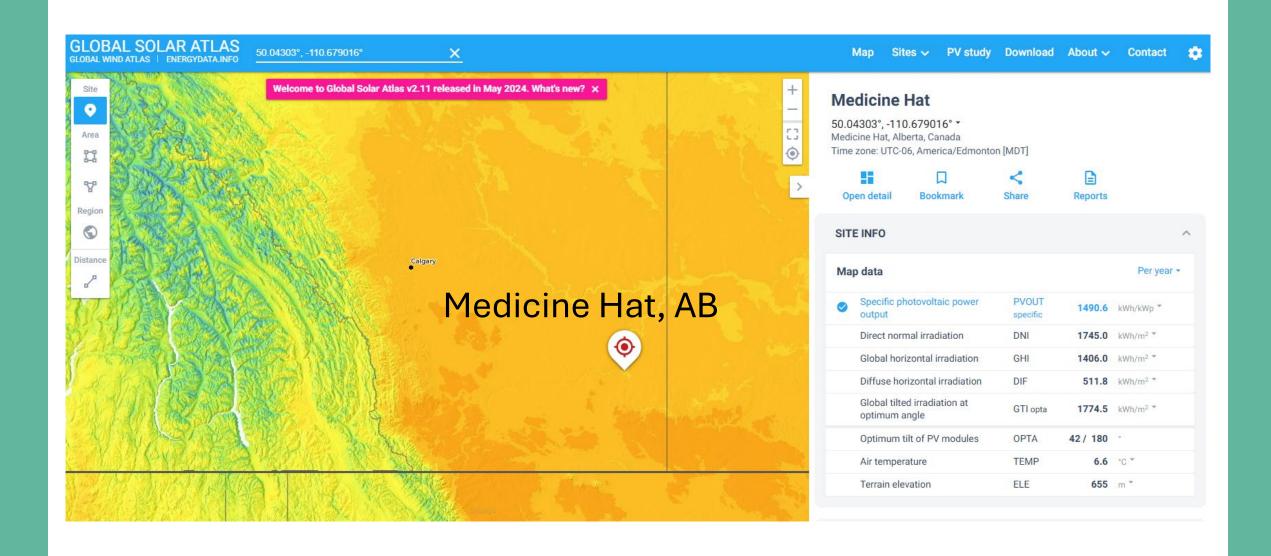


Figure B1: Alberta Interconnected Load for a winter week (left) and a summer week (right) in 2020. The annual base load is shown in lighter blue. The black rectangles will be discussed later.

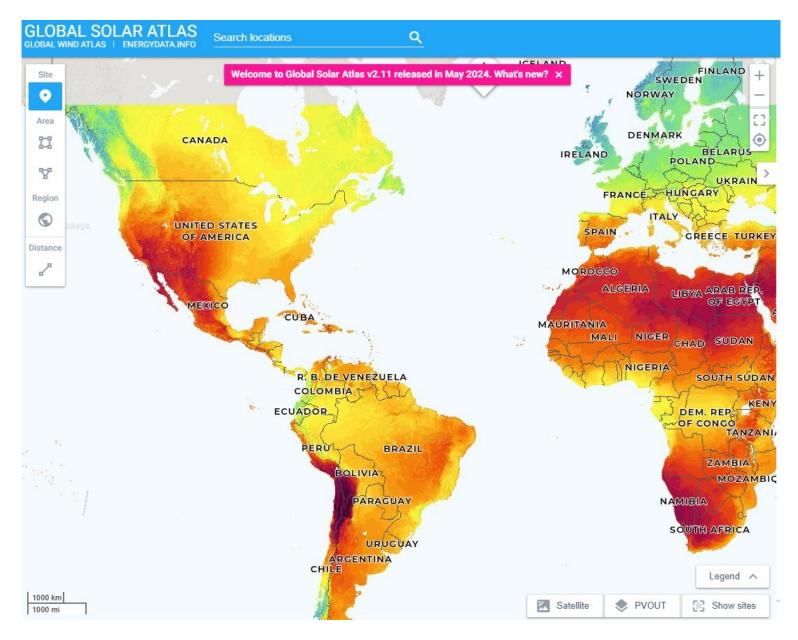
Medicine Hat has some of the Best Solar Resources in Canada. True.

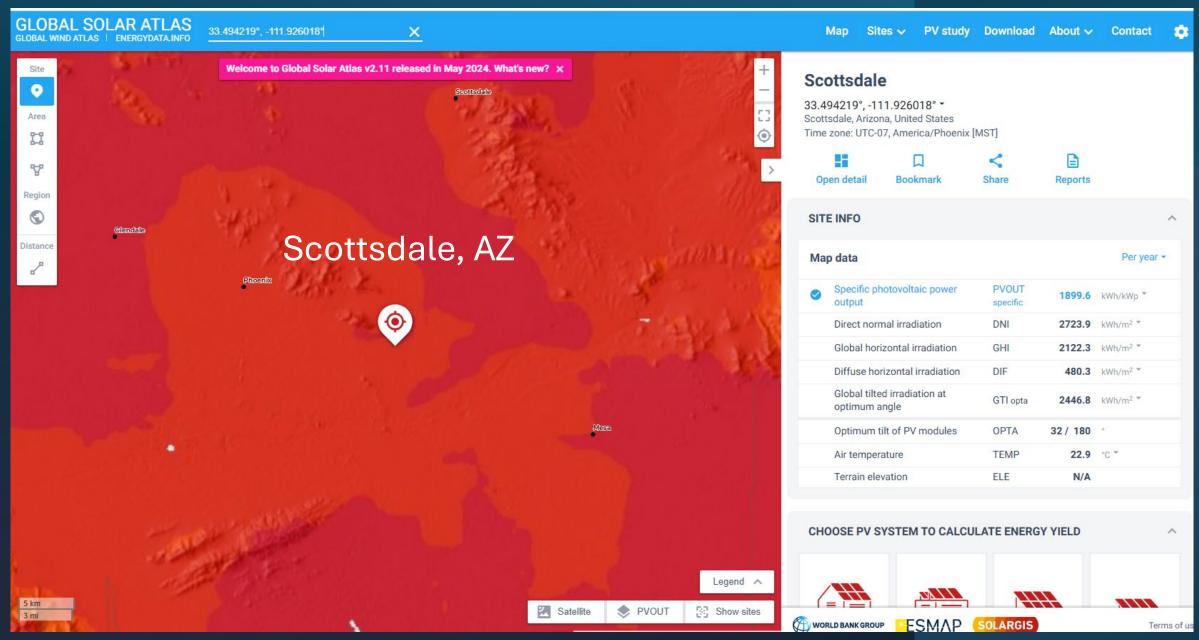


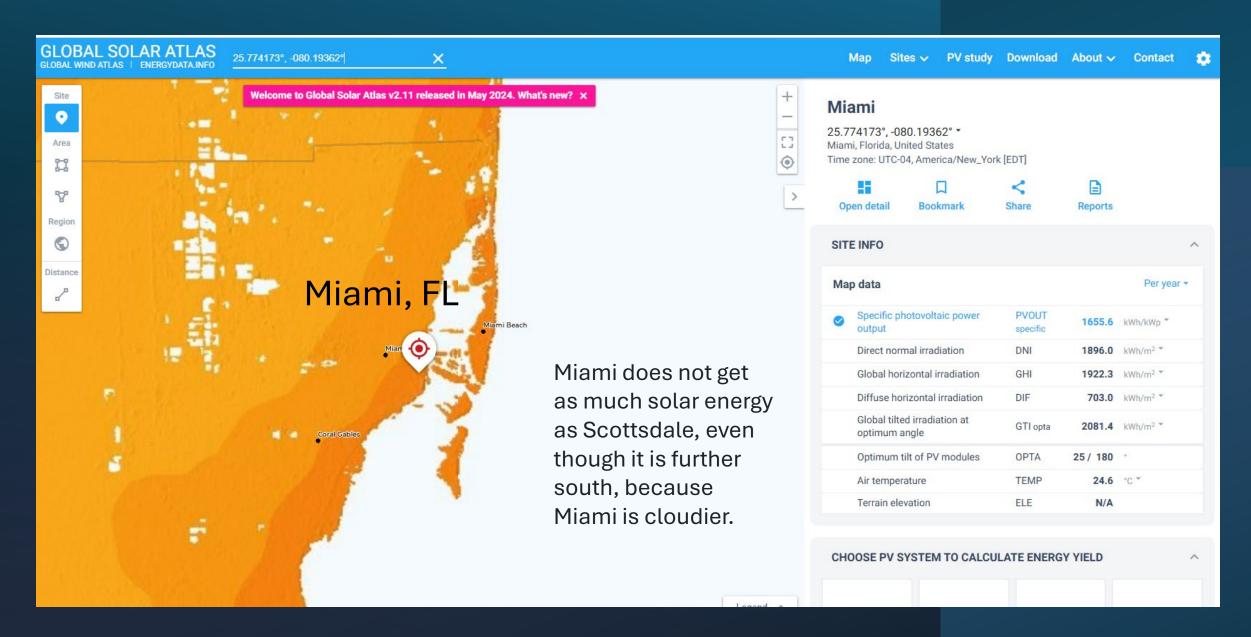
https://globalsolaratlas.info/map?c=50.180416,-113.670044,7&s=50.04303,-110.679016&m=site



How does
Canada's best
compare to
other places
for solar?







# These 2021 reports compare Medicine Hat and Miami Solar

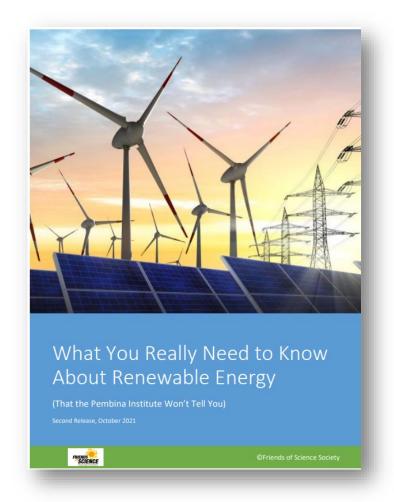
https://blog.friendsofscience.org/2021/04/ 25/the-true-cost-of-wind-and-solarelectricity-in-alberta/

https://blog.friendsofscience.org/wpcontent/uploads/2021/10/Response-to-Pembinas-What-You-Need-to-Know-Parts-Aand-B-Oct-20-2021.pdf

## The True Cost of Wind and Solar Electricity in Alberta

We are often told that wind and solar are now cheaper than other forms of electricity generation. And at every ribbon-cutting, we are told that the new wind or solar plant can provide emissions-free electricity to so many thousands of homes. Both claims are false because they ignore the fact that wind and solar generators cannot meet consumers' electricity needs when the wind is not blowing or the sun is not shinting. They must be fully backed up by electricity sources that work even on dark, windless nights, and when the costs of providing that backup are accounted for, it turns out that wind and solar are very expensive. Batteries are sometimes proposed as solutions to wind and solar generation's variability. However, while batteries can reasonably address the variability soever periods from seconds to a few hours, they cannot address the months-long seasonal variability because the associated costs would be in the TRILLIONS of dollars.





## Cheaper? Can Power 'X' number of Homes? Emissions-free?

True or False?

- We are often told that wind and solar are now cheaper than other forms of electricity generation.
- And at every ribbon-cutting, we are told that the new wind or solar plant can provide emissions-free electricity to so many thousands of homes.
- Both claims are false because they ignore the fact that wind and solar generators cannot meet consumers' electricity needs when the wind is not blowing, or the sun is not shining.
- They must be fully backed up by electricity sources that work even on dark, windless nights, and when the costs of providing that backup are accounted for, it turns out that wind and solar are very expensive.
- Batteries are sometimes proposed as solutions to wind and solar generation's variability.
- However, while batteries can reasonably address the variability over periods from seconds to a few hours, they cannot address the months-long seasonal variability because the associated costs would be in the TRILLIONS of dollars.

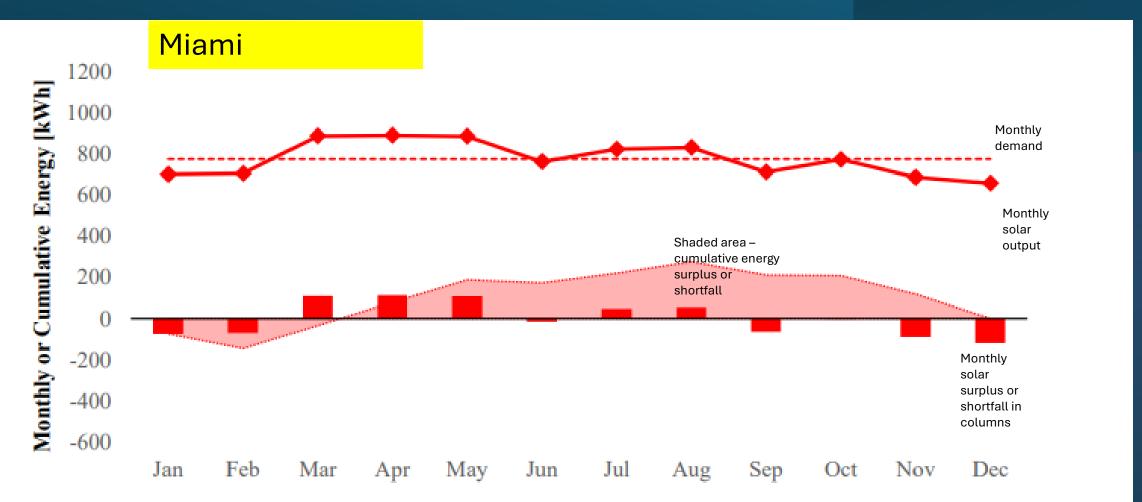


Figure A3: This chart shows: (i) monthly solar output as a solid line with markers; (ii) monthly electricity demand as a dashed line; (iii) monthly energy surplus (+) or shortfall (-) as columns; and (iv) the cumulative energy surplus or shortfall at the end of each month as a shaded area. The chart is for the Miami electricity consumer.

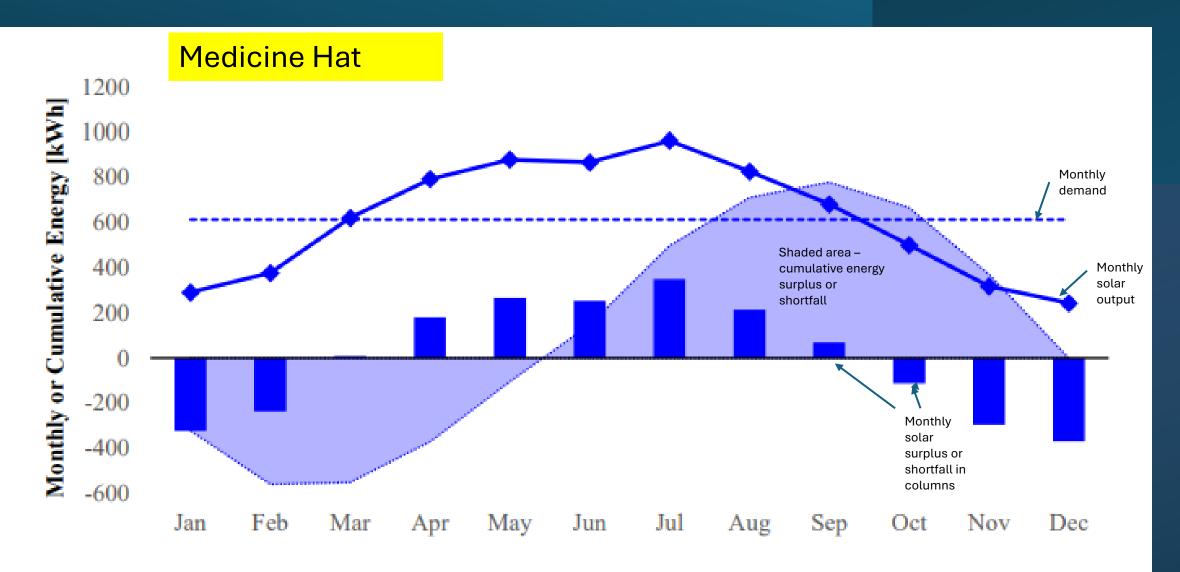


Figure A4: This chart is the same as Figure A3, except that it's for the Medicine Hat customer.

#### Seasonal Variations Create Problems

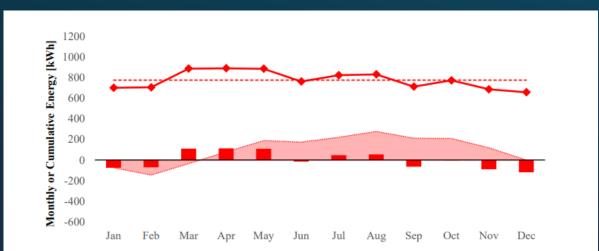
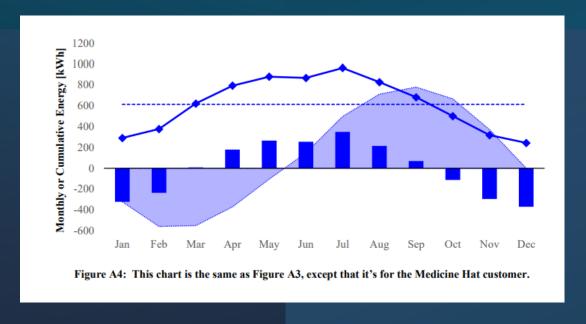


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These differences between Miami and Medicine Hat are inescapable consequences of the greater seasonal variation of solar energy at higher latitudes, and they clearly show why simply comparing annual energy production between solar arrays in different parts of the world is meaningless.

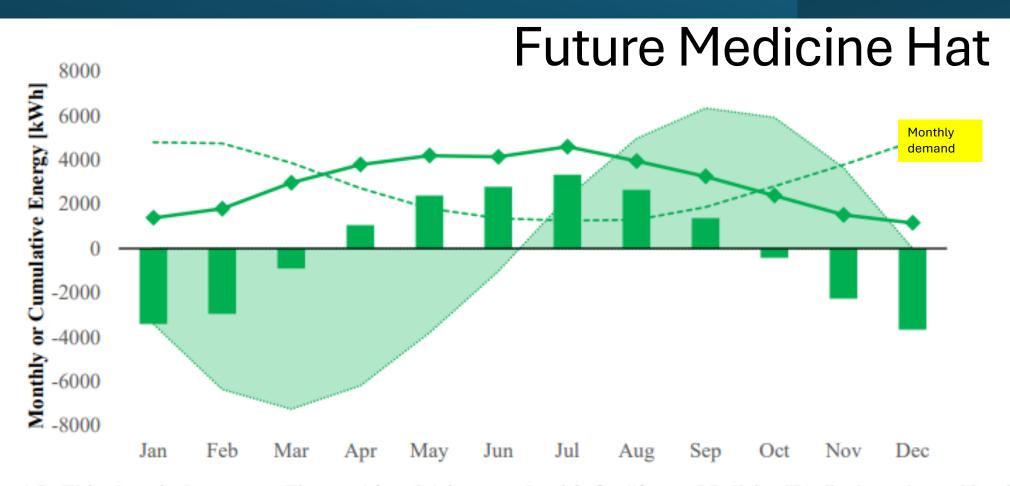


Figure A5: This chart is the same as Figures A3 and A4 except that it's for "future Medicine Hat," where the residential use of fossil fuels is assumed to have been eliminated. The anti-correlation between solar generation and electricity demand is obvious. Caution must be used when comparing this chart to Figures A3 and A4: the vertical scale here is much different than on the other two charts.

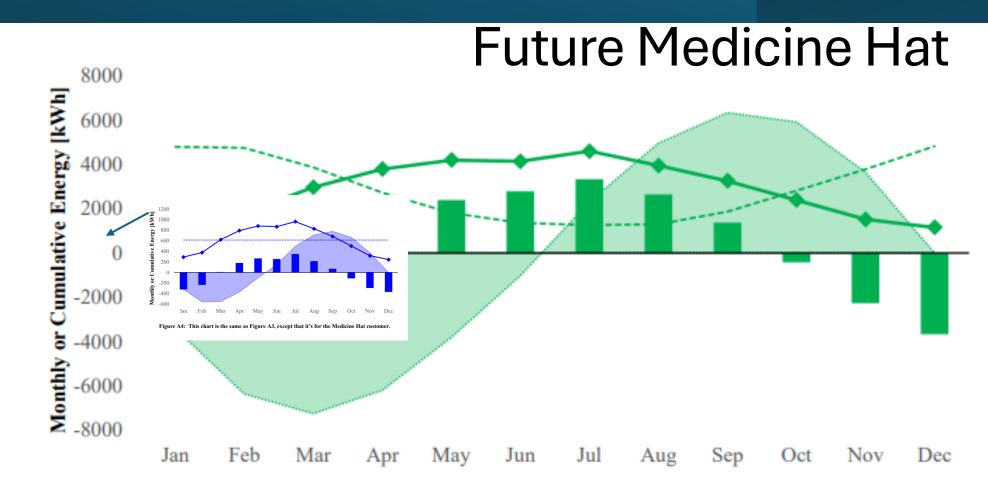
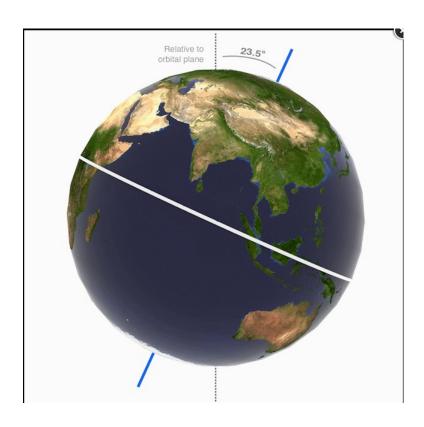


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## Storage for High Latitudes?

- As we move further away from the equator, solar energy's seasonal variation gets larger and electricity demand tends to shift from summerpeaking to winter-peaking.
- In Alberta the winter peaks will become vastly larger if consumers are forced to convert from natural gas heating to electric heating.

  [Note: Heat pumps are more efficient than gas furnaces, but at extremely cold temperatures they shut down and electric backup is needed.]
- The changes to supply and demand that occur as we move to higher latitudes increase the amount of storage needed to turn solar generators into reliable energy sources.
- In Alberta, the needed storage is not just that required to get through a few cloudy days, but rather that required to get through the October-to-March solar energy shortfall. This amount of battery storage is not economically feasible for Alberta families.



https://sealevel.jpl.nasa.gov/oceanobservation/understanding-climate/theearth/#:~:text=Because%20the%20Earth%20is%20 a,at%20noon%20on%20the%20equator.



## Do these projects ever make money. If so, how long?

- These projects often make lots money for the developer. Sometimes for carbon market traders.
- Sometimes the subsidies and trade-offs against the burden of carbon tax appears to make them profitable – but subsidies come from YOUR pocket, too.
- AESO is looking at lowering the price floor from \$0/MWh to NEGATIVE \$100/MWh. Negative prices would arise when it's very sunny and/or windy and there's lots of solar and/or wind generation.
- What happens when it hails? How long a life does a solar farm have?
- Will you have to PAY someone to take power during over supply, like Ontario?
- Costs of decommissioning/recycling?

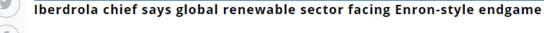


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HOME WORLD REGIONS T&D DIGITALIZATION GAS FIRED RENEWABLES DECENTRALIZED ENE



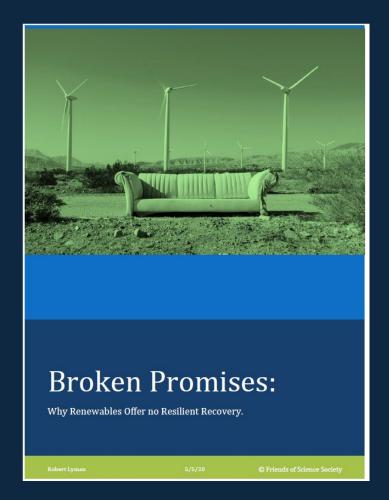
- 6 02/22/2018
  By Diarmaid Williams
  International Digital Editor
- International Digital Editor
- The chief executive of Spanish utility Iberdrola, Ignacio Galan, has warned of the prospect of financial disaster for the global renewable energy sector, reminiscent of the collapse of Enron.

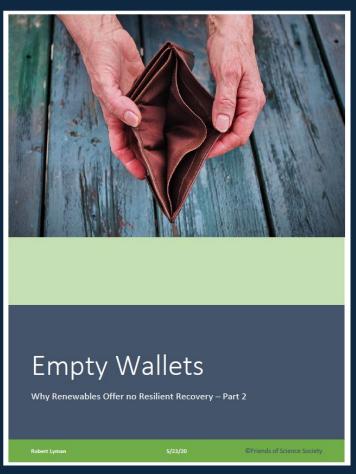
Galan said, that the imminent end of cheap finance would have a damaging impact on the new players to the green energy market, adding that these new non-industrial entrants with little experience were making overly aggressive bids on contracts to build renewable energy, thinking its was a financial "el Dorado".

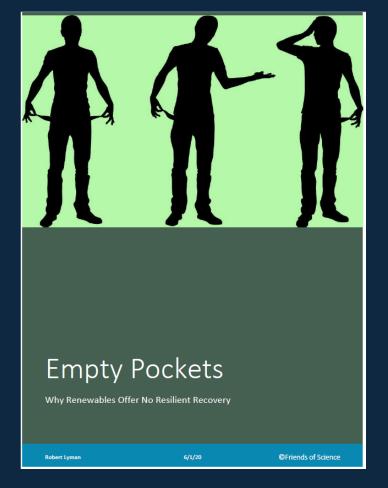
"Because money is so cheap, many people who have no talent in the sector have been coming with an extremely high level of leverage," he told the Financial Times. "With the change of the rates, there will be a clean up of the sector."

https://www.powerengineeringint.com/renewables/iberdrola-chief-says-global-renewable-sector-facing-enron-style-endgame/

#### Why Renewables Offer no Resilient Recovery







### Climate pattern changes, yes or no?



#### Facts vs Fortune Telling

Alberta's Climate Future Report Review

Friends of Science Society

2020-05-24

Gas	World Warming	Canadian Contribution	Alberta Contribution
	C/Century	C/Century	C/Century
$CO_2$	0.85	0.016	0.0052
CH <sub>4</sub>	0.085	0.0016	0.00052
N <sub>2</sub> O	0.064	0.0012	0.0037
<b>Total</b>	<b>1.0</b>	<mark>0.019</mark>	<mark>0.006</mark>

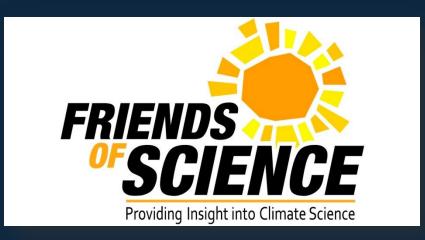
six thousandths

- -The world warming column is from: C. de Lange, J. Ferguson, W. Happer & W. A. van Wijngaarden, **2022**, "Nitrous Oxide & Climate", *Atmos. & Oceanic Phys.* arXiv: 2211.15780.
- -Canada produced 1.9% of CO<sub>2</sub> according to <a href="https://www.worldometers.info/co2-emissions/">https://www.worldometers.info/co2-emissions/</a>
- -According to Environment and Natural Resources Dept. of Government of Canada in 2019 Alberta generated about 37% of Canada's carbon dioxide equivalent output.
- -For simplicity, we assume same emission fraction for  $\mathrm{CH_4}$  and  $\mathrm{N_2O}$  as for  $\mathrm{CO_2}$

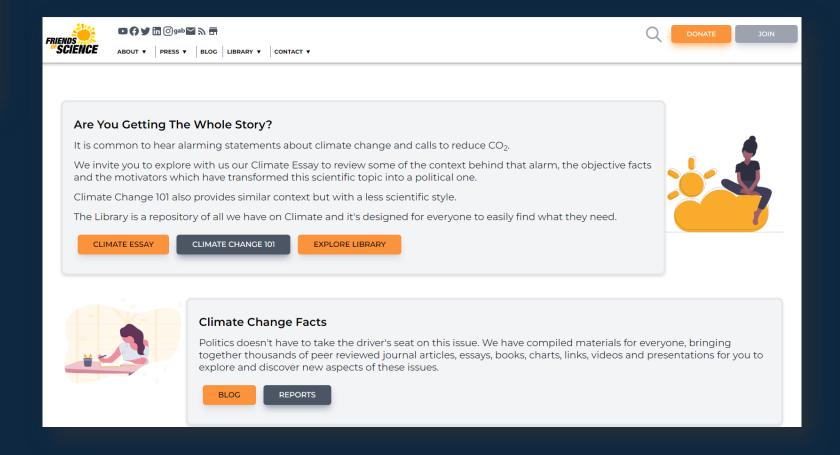
## In closing: Medicine Hat's situation, like many cities, is complicated.

- Squeezed by Net Zero diktats
- Squeezed by carbon tax on gas powered electricity
- Offered grants and 'free money' for renewables
- Facing losses due to market conditions/orphaned wells
- Appealing opportunity to deal with a brownfield site

- Will the proposed solution make things worse?
   Create more problems?
- Grid instability?
- Requirement to pay the grid to take excess power?
- Regional heat dome, warming/drying esp for the large project?
- Creation of micro-climate which may affect local weather extremes (hail, convective heat, soil drying)? Snakes may not be the only environmental consideration.
- Long-term cost-benefit?
- Cost of decommissioning/recycling? Who does that burden fall to?



Join our 22-year battle for common sense and evidence-based climate and energy policy!



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