Renewable Subscription Service Program

ISSUE

SaskPower has recently launched a new Renewable Subscription Service (RSS) to replace its previous GreenPower program. This new initiative allows both existing GreenPower customers and new residential and commercial customers to purchase renewable energy to meet their environmental, social and governance needs. Administration is seeking direction from City Council on establishing a comparable program for Saskatoon Light & Power (SL&P) customers.

BACKGROUND

SaskPower launched the GreenPower program in 2002, which allowed customers to purchase, at an additional cost, EcoLogo Certified green or renewable energy in 100 kilowatt-hour blocks of power from dedicated wind generation facilities located in Saskatchewan. The program was also eligible to SL&P customers through a facilitation agreement.

After more than 20 years in service, the dedicated wind generation facilities are nearing their end-of-life in 2025 and are to be decommissioned soon. As a result, SaskPower discontinued the GreenPower program for its customers and launched a new RSS program in February of 2025.

The new RSS program offers similar benefits to customers like the former GreenPower program, except for the following differences:

- Customers can offset 25%, 50%, 75% or 100% of their monthly energy needs from renewable electricity, at a premium of 1.5 cents per kilowatt-hour;
- Renewable energy is supplied in the form of Renewable Energy Certificates (RECs), which is an internationally recognized unit of measurement that represents the environmental attributes from renewable energy;
- RECs are formed and validated by a third-party provider using various renewable energy sources connected to the Saskatchewan power grid and can grow over time. One REC represents one megawatt-hour (MWh) of renewable electricity generation from sources like wind, solar, hydro, biomass, etc.; and
- RECs are retired on behalf of all participating customers each year, thereby validating environmental benefit ownership and claim.

Current Status

SaskPower discontinued the GreenPower program for its customers effective February 20, 2025, with existing GreenPower customers given the option to enroll in the new RSS program. RECs for the RSS program are supplied through Midwest Renewable Energy Tracking Systems (M-RETS), a nonprofit organization that owns and operates the M-RETS tracking platform.

At the City of Saskatoon's (City) request, SaskPower has extended the GreenPower program for SL&P customers until November 30, 2025, to review program options going forward. SL&P currently has 18 customers participating in the GreenPower program, with the last day of participation under the program also being November 30, 2025.

While SL&P does not currently form RECs from its renewable electricity generation sources, renewable energy purchased from the Self-Generation program and the upcoming Dundonald Avenue Solar Farm project provides environmental benefits that can be used to form RECs. Registration with M-RETS is needed to form and sell equivalent RECs.

City of Saskatoon's Current Approach

The City has historically matched SaskPower programs and rates to ensure there is equity among all Saskatoon residents. The GreenPower program was offered to SL&P customers through a facilitation agreement with SaskPower, which included the City withholding a negligible fee to cover administrative costs and remitting the remainder of collected fees to SaskPower each year.

Approaches in Other Jurisdictions

Carbon offset programs are relevant in jurisdictions with high carbon emitting power generation. Several similar carbon offset programs exist in Alberta as shown in the table below. All programs offer RECs to their customers as the vehicle to offset their greenhouse gas (GHG) emissions arising from their power consumption.

Utility	Program Description	Levelized REC Cost
SaskPower (RSS Program)	RECs purchased as a percentage of customer power consumption	$15
ATCO Energy		$20
Vector Energy (Green Energy Plan)		$16.60
EPCOR (Chirp)		$20 to $30
Direct Energy (Green Power)	RECs purchased in kWh blocks	$20
Enmax (Evolve Program)		$17

OPTIONS

Three options have been proposed for further consideration with the offering of an RSS program for SL&P customers as follows:

Option 1: No RSS Program Offered
Option 2: Equivalent RSS Program Offered by the City
Option 3: SaskPower RSS Program Facilitated by the City

Evaluation of the options included the following considerations:

- Self-generation, while ideal for reducing electricity GHG emissions, is not an option for every customer wanting to offset their emissions;
- The City has committed to net-zero community GHG emissions by 2050 through the Climate Acton Plan, and is deciding on ways in which customers can participate in reducing emissions;

- The City has access to unclaimed environmental benefits acquired from local customer Self-Generation programs and upcoming renewable energy projects; and
- The transfer and retirement of RECs within Saskatoon complies with corporate GHG reporting and disclosure practices.

Option 1: No RSS Program Offered

Under this option, SL&P would not offer an RSS program to its customers. While this option has the least financial risk, it also creates inequity in opportunities to reduce electricity emissions among SaskPower and SL&P customers.

Advantages

- No additional cost or administrative burden.

Disadvantages

- Citizens and businesses within the SL&P franchise area will not have the opportunity to offset or reduce their carbon emissions from electrical energy consumption;
- Does not ensure equitable program offerings throughout the city for our residents and businesses; and
- Not offering a program may create a negative public perception of the City.

Option 2: Equivalent RSS Program Offered by the City

Under this option, SL&P would create an equivalent RSS program that would match SaskPower's program details and pricing. RECs would be formed from the environmental benefits received from Self-Generation customers and future renewable energy projects. If there is a shortage of available RECs provided by SL&P, the utility would purchase the required quantity from SaskPower on an as-needed basis.

This option would require SL&P to register with M-RETS for the formation, tracking, and retirement of RECs. Registration with M-RETS would ensure REC alignment with the SaskPower program. The annual cost for the delivery of the program is estimated to be $10,000.

The SL&P RSS program could be implemented by December 2025, to coincide with the termination of the GreenPower program. Initial RECs would be purchased from SaskPower and eventually replaced by City RECs once available. More details on an equivalent RSS program offered by the City is outlined in Appendix 1.

Advantages

- SL&P customers would have the opportunity to offset their carbon emissions, reflecting positively on the City;
- SL&P would be able to create and use RECs from its existing sustainable generation sources, and source additional RECs from SaskPower where necessary;
- Program revenue would offset program costs; and
- Any unused RECs could be used for future City purposes or programs.

Disadvantages

- Additional administrative resources required to monitor REC production and procure additional volume from SaskPower as needed.

Option 3: SaskPower RSS Program Facilitated by the City

Under this option, SL&P would facilitate SaskPower's RSS program giving SL&P customers the option to enroll in the program. The coordination would be similar to the process that was in place to allow customers to enroll in SaskPower's previous GreenPower program.

Some additional administrative effort would be required to ensure customer accounts and RSS program usage are kept current. Administrative costs would be recovered under the facilitation arrangement.

The RSS program would be implemented by December 2025, to coincide with the termination of the GreenPower program.

Advantages

- All SL&P customers will have the opportunity to offset their carbon emissions, reflecting positively on the City.

Disadvantages

- Additional administrative resources to monitor and communicate REC requirements to SaskPower;
- Internal RECs would not be created and could not be leveraged for other purposes; and
- Revenue from REC sales would be remitted to SaskPower, thereby losing the opportunity to offset the costs of renewable electricity generation programs and projects undertaken by the City.

RECOMMENDATION

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council that:

1. Option 2, Equivalent Renewable Subscription Service Program offered by the City, be approved as an optional program for customers to offset emissions associated with their electricity consumption;
2. Administration be directed to register with M-RETS for the formation, tracking, and retirement of City-owned Renewable Energy Certificates;
3. Renewable Energy Certificates be developed from the Self-Generation programs and future renewable energy projects for which the City has ownership of the environmental benefits; and
4. The City Solicitor be requested to prepare the appropriate amendments to *Bylaw No. 2685, The Electrical Light and Power Bylaw, 1940*, to include the Renewable Subscription Service program and associated fees as outlined in this report.

RATIONALE

Use of Unclaimed Environmental Benefits

The City currently does not have a mechanism to claim the environmental benefits from Self-Generation programs and future renewable energy projects. The recommended Option 2 allows the City to claim and use environmental benefits through the establishment of RECs, with each REC retired on behalf of RSS customers reflected as community emission reductions that are partly funded by the community participants.

The following table summarizes the available renewable energy from current and upcoming renewable energy programs and projects that can be utilized for the creation of RECs annually.

Source	Renewable Energy	RECs Available
Self-Generation (Roof-top Solar)	1,500 MWh	1,500
Dundonald Avenue Solar Farm	3,700 MWh	3,700
Total	**5,200 MWh**	**5,200**

An average residential customer would need about seven RECs per year to offset their electricity emissions.

Positive Impact on Customer Goals

Recommended Option 2 provides an alternative for customers who are unable to participate in Self-Generation programs, enabling them to reduce electricity related emissions and support their environmental, social, and governance goals.

Financial Benefit

A City-led RSS program carries minimal registration and administrative costs which can be recovered through the sale of RECs under the program. If program uptake is significant, additional revenues can be used to help offset the costs of renewable electricity generation programs and projects.

ADDITIONAL IMPLICATIONS/CONSIDERATIONS

Triple Bottom Line Implications

Implementation of the RSS program is anticipated to achieve multiple benefits outlined in Appendix 2 such as:

- Supporting customer carbon emission reduction initiatives;
- Ensuring equitable program offerings are available to all community members; and
- The potential for providing future revenue to support or study sustainable generation.

Financial Implications

Annual registration and administration costs for the RSS program are estimated to be $10,000. Depending on program uptake, revenue from this program could generate up to $50,000 annually.

COMMUNICATION ACTIVITIES

The following communication activities are planned following direction from City Council:

- A communication plan will be developed to alert the public to the new program;
- Existing GreenPower customers would be notified of the termination of the program and given the option to enroll in the new program;
- Existing and new Self-Generation program participants would be informed of the City's intention to form RECs from the renewable energy that is purchased under the program and given an opportunity to purchase the associated RECs; and
- A webpage will be added to the City's website to supply RSS program information and facilitate application intake.

APPENDICES

1. Renewable Subscription Service Program Overview
2. Triple Bottom Line Implications Renewable Subscription Service Program

Report Approval

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