PUBLIC MEETING

Monday, December 7, 2026
6:00 pm

Hydronic Energy Service Amendment BYLAW NO. 9205

PURPOSE: Lonsdale Energy has applied to its regulator, the City of North Vancouver, for permission to modify its rates. Detailed information regarding the application is available at LonsdaleEnergy.ca.

PROVIDE WRITTEN INPUT: Complete the online form at **cnv.org/PublicMeetings** or mail or deliver written submissions to City Hall. All submissions must include your name and address and be received at City Hall no later than noon on **Monday, December 7, 2026.**

SPEAK AT THE HYBRID MEETING: In person at City Hall: On December 7, 2026, a sign-up sheet will be available in the lobby, outside the Council Chamber, between 5:30-5:50pm. After 5:30 pm, enter City Hall from 13th Street.

By Webex or phone: Pre-register online at **cnv.org/PublicMeetings**, or by phoning **604.990.4234** to provide contact details. Login instructions will be forwarded to you. ***All Webex/phone pre-registration must be submitted no later than noon on Monday, December 7, 2026.***

Non-registered speakers: Once all registered speakers have spoken, anyone who did not pre-register will also have an opportunity to provide input.

VIEW THE REPORT online at **cnv.org/PublicMeetings** anytime from **November 24 to December 7, 2026.**

QUESTIONS? Contact Lonsdale Energy at **info@lonsdaleenergy.ca** or **236-874-0176.**

Watch the meeting online at cnv.org/LiveStreaming or in person at City Hall

LONSDALE energy

141 WEST 14TH STREET / NORTH VANCOUVER / BC / V7M 1H9
T 604 985 7761 / F 604 985 9417 / CNV.ORG

city of north vancouver

CEO	Board Chair	CAO

The Corporation of **The City of North Vancouver**
Lonsdale Energy Corporation

Report

To: Mayor Linda Buchanan and Members of Council

From: Leigh Burbidge, Chief Financial Officer, Lonsdale Energy

Subject: 2026 Rate Review and Bylaw Amendment

Date: November 18, 2026 File No: 01-0510-20-0004/2026

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

Recommendation

PURSUANT to the report of the Chief Financial Officer, Lonsdale Energy, dated November 18, 2026, entitled "2026 Rate Review and Bylaw Amendment":

THAT "City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2026, No. 9205" (Schedule C and Other Fees) be considered for readings.

Attachments

1. 2026 Rate Review, Supporting Analysis (CityDocs 2872206)
2. City of North Vancouver Consolidated Hydronic Heat Energy Service Bylaw, 2004, No. 7575 (CityDocs 2872208)
3. City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2026, No. 9205 (CityDocs 2872209)

Summary

This report presents Lonsdale Energy's ("LE") 2026 Rate Review (***Attachment 1***) and provides Council with recommendations that the Meter, Capacity, and Connection rates be adjusted for the 2025 rate of inflation (2.3%) and that the Capacity Charge be adjusted by an additional 2%. The additional 2% increase represents the second of three planned stepped increases intended to fund the construction and operation of the new, low-carbon energy Urban Heat Recovery Centre ("UHRC").

If approved, the average monthly bill for a customer in a 750 sq. ft. residential unit would increase by about $2 per month. These recommendations are presented in Amendment Bylaw No. 9205 (***Attachment 3***).

Background

Lonsdale Energy was established in 2003 and has been in operation since the enactment of Bylaw No. 7575 (***Attachment 2***), which created the energy service. On an annual basis, LE management reviews the Company's rates and brings forward recommendations for Council's consideration. Customers are billed under three components:

- **Meter Charge:** a fixed charge that recovers administrative expenses from meter and bill customers.
- **Capacity Charge:** a fixed charge, based on a building's contracted heating capacity
- **Commodity Charge:** a variable charge, based on metered energy consumption, which adjusts automatically with the price of natural gas. *Note: The Commodity Charge is not affected by the recommendations provided in this report.*

Rate Setting Principles

LE's rates are set and reviewed within the context of three key principles derived from its mission to deliver clean, reliable, and competitively priced energy through the community energy system:



Reliability: Ensuring customers receive dependable energy service.

Affordability: Keeping energy costs fair and competitive for customers.

Environmental Sustainability: Supporting lower-carbon energy and the transition to a net-zero future.

Utility Operations

Over the past year, Lonsdale Energy has continued to demonstrate responsible financial stewardship while making meaningful progress on its environmental and community commitments.

Like other utilities, LE faces rising costs for materials, equipment and labour, making it increasingly important to manage resources carefully and prioritize investments that protect long-term service reliability. This includes ongoing maintenance and renewal of infrastructure, preventative maintenance to reduce the risk of service disruptions, and investments in employee health and safety to ensure staff have the training, equipment and resources needed to work safely.

At the same time, LE has leveraged significant senior government funding to advance the Urban Heat Recovery Centre, which will increase the share of low-carbon energy delivered to 20%.

Lonsdale Energy has also strengthened its commitment to customers through the development of resources such as its own website and an annual report, improved customer feedback tracking, and continued efforts to enhance service and community engagement.

Together, these efforts reflect a balanced approach to managing costs, maintaining a reliable energy service, reducing emissions and delivering long-term value to the community.

Cooling Services and Rates

Lonsdale Energy's community energy system was originally designed for heating. Cooling services are currently offered to a small subset of customers where it proved to be technically feasible and economically viable (typically for larger commercial customers, and where waste heat can be recovered and reused).

Lonsdale Energy is developing a cooling policy to guide the provision of cooling to existing and new buildings. An update is expected to be presented to City Council in 2027.

Cooling rates are not affected by the recommendations provided in this report.

Discussion

Proposed Rate Adjustments

As part of conducting a preliminary analysis of the company's annual rate review (***Attachment 1***), staff have developed the following recommendations for Council's consideration, proposing that all recommendation take effect as of January 1, 2027:

Rate Schedule 1			
(Approx. annual consumption is < 300 MWh)	2025 Council-Approved Rates	Proposed Adjustment	January 1, 2027 Proposed Rates
Meter Charge (per month)	$ 37.74	2.3%	$ 38.61
Capacity Charge (per kW)	$ 5.8576	4.3%	$ 6.1094
*Commodity Charge (per kWh)	$ 0.04794	n/a	$ 0.04794
** Adjusted proportionally to FortisBC's Rate 3, please see website for latest rate.*			
Rate Schedule 2			
(Approx. annual consumption is > 300 MWh)	2025 Council-Approved Rates	Proposed Adjustment	January 1, 2027 Proposed Rates
Meter Charge (per month)	$ 203.23	2.3%	$ 207.91
Capacity Charge (per kW)	$ 5.8576	4.3%	$ 6.1094
*Commodity Charge (per kWh)	$ 0.04050	n/a	$ 0.04050
** Adjusted proportionally to FortisBC's Rate 3, please see website for latest rate.*			
Low-carbon Energy Commodity Rate			
Optional Rate for full GHG benefits	2025 Council-Approved Rates	Proposed Adjustment	January 1, 2027 Proposed Rates
*Commodity Charge (per kWh)	$ 0.06174	n/a	$ 0.06174
** Adjusted proportionally to FortisBC's RNG rate, please see website for latest rate.*			
Connection Fees			
Connection Fees	2025 Council-Approved Rates	Proposed Adjustment	January 1, 2027 Proposed Rates
Connection Fee (per kW)	$ 99.04	2.3%	$ 101.32
*Connection Fee Minimum	$ 78,825	2.3%	$ 80,638

Table 1: Proposed rates effective January 1, 2027
Capacity charge adjustment includes 2.3% inflationary adjustment and 2% increase for UHRC costs.

1. **Inflationary Adjustment to the Meter Charges and Capacity Charges:** Staff recommend adjusting these rates by the 2025 change in Statistics Canada's Consumer Price Index ("CPI") All-item Index of 2.3% to account for annual inflation since the last rate review. This adjustment accounts for the rising costs

to operate and maintain the system and protect Lonsdale Energy's purchasing power.

2. **Inflationary Adjustment to Connection Fee Minimum**: Staff recommend adjusting the minimum connection fee of $78,825 to $80,638 by the change in the CPI All-item Index of 2.3%.

3. **Additional adjustment of 2.0% to the Capacity Charge:** The 2% increase represents the second of three planned stepped increases intended to fund the construction and operation of the new Urban Heat Recovery Centre.

The Commodity Charge makes up 40 - 50% of charges to customers and is automatically adjusted proportionally with the cost of natural gas, therefore, there are no recommendations for adjusting this charge.

Impact to Customers

Assuming no changes in the Commodity Charge, these recommendations are forecast to result in a bottom-line percentage increase of 3.3% to the average residential customer as of January 1, 2027, compared to the rates approved by Council in October of 2025. It should be noted that, due to an administrative error, the previously approved adjustments to the Meter and Capacity Charges were not implemented. As a result, customers have continued to be charged the previous rates.

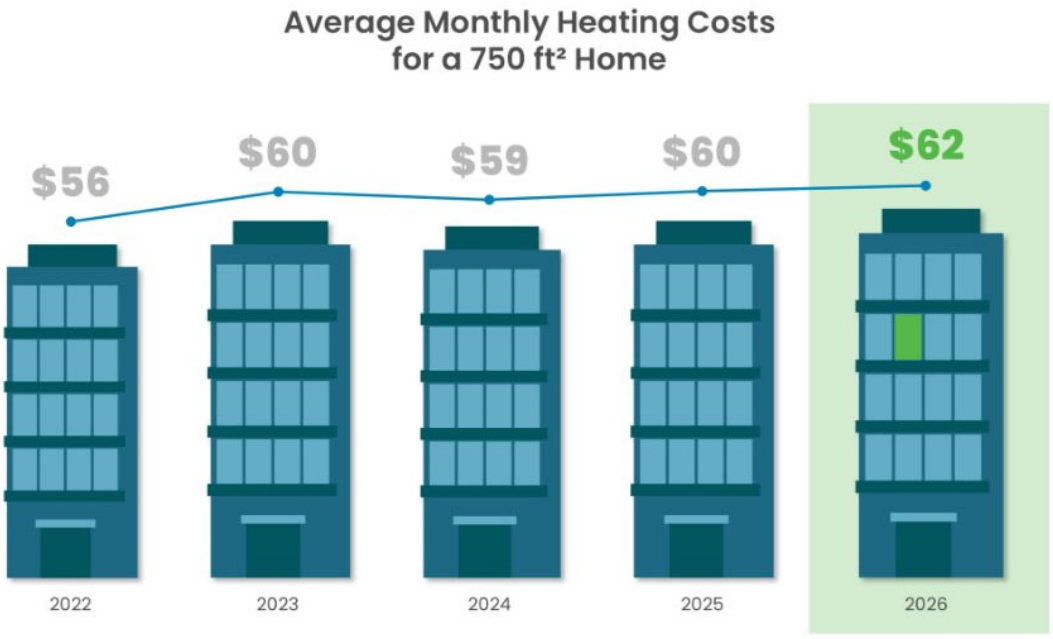

Figure 1: Estimated monthly heating cost for a 750 sq. ft. unit *in a residential building*
Note: Heating costs in 2024 were lower than 2023 primarily due to lower price of natural gas.

Rate Affordability

Notwithstanding these adjustments, Lonsdale Energy continues to provide competitively priced community energy services, with an effective average rate of approximately $124/MWh for Rate Schedule 1, remaining well below its self-imposed rate ceiling of BC Hydro's residential electricity rate plus 15%, currently estimated at $160/MWh.

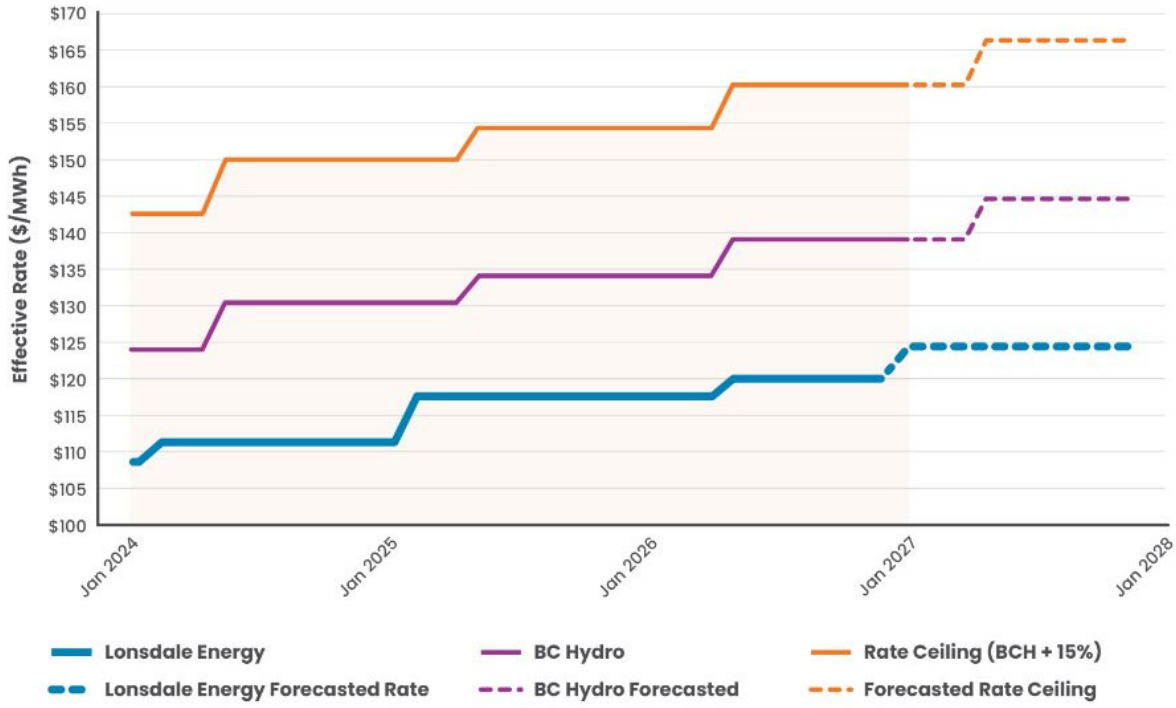

Figure 2: Lonsdale Energy's effective heating rate compared to BC Hydro's rates and LE's rate ceiling
Effective Rate represents the blended rate incorporating the Meter, Capacity, and Commodity Charges, expressed as an equivalent cost per unit of energy consumed ($/kWh).

Conclusion

Lonsdale Energy continues to offer competitive pricing for its services. Residential customers can expect average monthly costs of approximately $62 for a 70 m² (750 sq. ft.) home, an increase of just $2 per month from the previously approved rate increase in October 2025. These recommendations balance keeping energy affordable for customers with recovering the costs of operating and maintaining the community energy system and supporting the transition to lower-carbon energy sources.

Public Engagement

Lonsdale Energy will inform customers of the public meeting to consider the proposed rate recommendations through email and by requesting property managers to share a notice with residents. Information will also be posted on the Company's website and included in the customer newsletter, with additional advertising in the North Shore News. If approved, Lonsdale Energy will communicate the changes to customers through follow-up notices outlining the approved rates and their effective date.

Financial Implications

The Urban Heat Recovery Centre is expected to result in incremental annual operating costs reflecting additional staffing, maintenance, debt servicing and standalone-facility costs not previously incurred under the Company's boiler-based system. Approximately half of the UHRC’s construction cost has already been secured through grants and low-interest financing, reducing the corresponding pressure on rates. Staging the Capacity Charge increase over three years (2025–2027) is intended to avoid a single, significant rate adjustment upon the UHRC's commissioning.

Based on current financial projections, management confirms that Lonsdale Energy is expected to remain profitable.

Inter-Departmental Implications

Continued investment in Lonsdale Energy is important to advancing the City's Climate and Environment Strategy and supporting its long-term emissions reduction and net-zero goals. The proposed rates support the ongoing operation, maintenance, and expansion of the community energy system, as well as the transition to lower-carbon energy sources.

Continued collaboration between Lonsdale Energy and City departments will help ensure that growth, infrastructure planning and investment decisions support the City's broader sustainability and community development goals.

Strategic Plan, OCP or Policy Implications

Lonsdale Energy’s goals align with Council’s Resilient City Strategic Priority, leading the way in climate action and acting as a steward of the environment for future generations by implementing the following initiative: “Support Lonsdale Energy Corporation in advancing its decarbonization strategy in order to transition to a net-zero emissions system.”

Respectfully Submitted:

Leigh Burbidge
Chief Financial Officer, Lonsdale Energy

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 9205

A Bylaw to amend the City of North Vancouver "Hydronic Energy Service Bylaw, 2004, No. 7575"

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as **"City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2026, No. 9205" (Schedule C and Other Fees).**

2. "Hydronic Energy Service Bylaw, 2004, No. 7575" is amended as follows:

   A. Under Schedule B and the Standard Fees and Charges Schedule, under the Service Connection Fee, by deleting "$99.04 per kilowatt" and replacing it with "$101.32 per kilowatt".

   B. Under Schedule B and the Standard Fees and Charges Schedule, under the Service Connection Fee, by deleting "with a minimum fee of $78,825" and replacing it with "with a minimum fee of $80,638".

   C. By deleting Schedule "C" in its entirety and replacing it with the Schedule "C" attached to this Bylaw.

3. This Bylaw shall be effective as of the 1st day of January, 2027.

READ a first time on the <> day of <>, 2026.

READ a second time on the <> day of <>, 2026.

READ a third time on the <> day of <>, 2026.

ADOPTED on the <> day of <>, 2026.

MAYOR

CORPORATE OFFICER

SCHEDULE "C"
FEES, RATES AND CHARGES

The rates, fees and charges payable in respect of the Service defined in "Hydronic Energy Service Bylaw, 2004, No. 7575" are as set out below.

Except as otherwise stated, capitalized terms in this Schedule "C" shall have the meaning defined in the General Terms and Conditions of "Hydronic Energy Service Bylaw, 2004, No. 7575" attached as Schedule "B".

PROVISION OF HEATING TO PREMISES:

The rates payable for the provision of Hydronic Energy Heating Service to Premises are a combination of the meter charge, capacity charge and commodity charge.

RESIDENTIAL SERVICE

RATE SCHEDULE 1

(a) **Meter Charge** – A monthly charge of $38.61 for each Service Connection serving the Premises.

(b) **Capacity Charge** – A monthly charge of $6.1094 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.

(c) **Commodity Charge** – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying $0.03398 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 from the price established as of July 1, 2016.

RATE SCHEDULE 2

(a) **Meter Charge** – A monthly charge of $207.91 for each Service Connection serving the Premises.

(b) **Capacity Charge** – A monthly charge of $6.1094 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.

(c) **Commodity Charge** – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying $0.02871 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 from the price established as of July 1, 2016.

COMMERCIAL SERVICE

RATE SCHEDULE 1

(a) **Meter Charge** – A monthly charge of $38.61 for each Service Connection serving the Premises.

(b) **Capacity Charge** – A monthly charge of $6.1094 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.

(c) **Commodity Charge** – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying $0.03398 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 from the price established as of July 1, 2016.

RATE SCHEDULE 2

(a) **Meter Charge** – A monthly charge of $207.91 for each Service Connection serving the Premises.

(b) **Capacity Charge** – A monthly charge of $6.1094 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.

(c) **Commodity Charge** – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying $0.02871 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 from the price established as of July 1, 2016.

LOW-CARBON ENERGY COMMODITY RATE

Commodity Charge – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying $0.06174 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 and Cost of Renewable Natural Gas from the price established as of November 1, 2025. This is an optional rate; written requests received by the Service Provider on or before December 31 will be eligible for enrollment in the Low-Carbon Energy Commodity Rate for the following calendar year. Requests received after December 31 may be accepted at the discretion of the Service Provider and subject to the availability of low-carbon energy supply.

PROVISION OF COOLING TO PREMISES:

The rates payable for the provision of Hydronic Energy Cooling Service to Premises shall be determined by Council for each Premises which connects to and uses the Hydronic Energy Cooling Service.

In addition to the foregoing rates the fees and charges set out in the Standard Fees and Charges attached as a schedule to the General Terms and Conditions will apply to the provision of the Service.