

March 26, 2020

Hon. Sonya Savage
Minister of Energy
Government of Alberta
10800 97 Ave
Edmonton, Alberta T5K 2B6

Re: Utility Cost Relief

Dear Minister:

I am writing to you on behalf of over 1100 Alberta hotels, including the 720 members of the Alberta Hotel & Lodging Association (AHLA). Alberta's hotel industry is being decimated by the combined economic impacts of the COVID-19 situation and the collapse of Alberta's oil & gas industry. As of this morning, we estimate that over 50% of hotel rooms in the province have closed, and 80% of people working in the industry have been laid off.

The AHLA applauds the measures your government has taken to relax payment terms for small commercial users, including hotels. However, the AHLA estimates that over 700 hotels exceed the threshold to benefit from this policy for consumption of both natural gas and electrical energy. The AHLA asks that the steps you have taken be expanded to support liquidity for all hotels in the province. Further, we recommend that the Government of Alberta:

1) Defer payment on utility invoices for a period of 90 days with no interest or penalties.

All parties in the energy supply chain should contribute to cost relief on utility costs. Under the current structure, retailers bear the full weight of the receivable risk. We believe this risk should be spread over all parties to the generation, transmission, distribution, and sale of both power and natural gas.

2) Suspend transmission demand, and distribution demand charges on electricity billings for 90 days. Suspend distribution demand charges on natural gas billings for 90 days.

These charges are significant and should be adjusted during this crisis period when many hotels are closed or operating at low occupancy with closed pools, lounges, and food & beverage outlets.

3) Suspend the federal carbon levy until after the Supreme Court ruling in June 2020.

This levy adds a significant cost to utility bills. By delaying the carbon levy until after the Supreme Court renders a decision, both retail and commercial utility customers can reduce costs, improving liquidity.

The AHLA appreciates your government's willingness consider every tool it has at its disposal to ensure liquidity for Alberta businesses, including hotels, so they can continue to provide jobs for Albertans and be ready to contribute to our province's recovery.

Yours truly,

Original Signed by

Dave Kaiser, CHA
President & CEO

cc. Hon. Jason Kenney, Premier
Hon. Travis Toews, Minister of Finance and President of Treasury Board
Hon. Tanya Fir, Minister of Economic Development, Tourism, and Trade
Hon. Jordan Copping, Minister of Labour and Immigration
Hon. Dale Nally, Associate Minister of Natural Gas and Electricity