

1981 BILL 92

Third Session, 19th Legislature, 30 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 92

ELECTRIC ENERGY MARKETING ACT

THE MINISTER OF UTILITIES
AND TELEPHONES

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

ELECTRIC ENERGY MARKETING ACT

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Bill 92

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ELECTRIC ENERGY MARKETING ACT

(Assented to , 1981)

HER MAJESTY, by and with the advice and consent of the
Legislative Assembly of Alberta, enacts as follows:

Definitions

1 In this Act,

- (a) “Agency” means the Alberta Electric Energy Marketing Agency;
- (b) “electric distribution system” means any system, works, plant, equipment or service for the delivery, distribution or furnishing of electric energy directly to the consumer, but does not include a power plant or transmission line;
- (c) “Minister” means the Minister of Utilities and Telephones;
- (d) “pooling interface” means the point adjacent to and upstream from the place at which electric energy enters an electric distribution system and that is located pursuant to the regulations;
- (e) “power plant” means a facility for the generation of electric energy from any energy source;
- (f) “public utility” means any system, works, plant, equipment or service for the production or transmission of electric energy either directly or indirectly that will ultimately be used by the public;
- (g) “transmission line” means a system or arrangement of lines of wire or other conductors and transformation equipment, whereby electric energy is transmitted in bulk, and includes
 - (i) transmission circuits composed of the conductors which form the minimum set required to so transmit electric energy,
 - (ii) insulating and supporting structures,

(iii) substations,

(iv) operational and control devices, and

(v) all property of any kind used for the purpose of, or in connection with, or incidental to, the operation of the transmission line,

but does not include a power plant or an electric distribution system;

(h) "upstream" means closer to a power plant in a power plant/transmission line/electric distribution system sequence.

PART 1

Alberta Electric Energy Marketing Agency

Agency

2(1) There is hereby established a corporation called the "Alberta Electric Energy Marketing Agency" consisting of a chairman.

(2) The Lieutenant Governor in Council shall

(a) appoint the chairman to hold office for a prescribed term;

(b) prescribe the rate of remuneration to be paid by the Agency to the chairman.

(3) A chairman may hold office for more than 1 term.

(4) If the person who is appointed under subsection (2) ceases to hold office, the Deputy Minister of Utilities and Telephones is the chairman until a chairman is appointed under subsection (2).

Chairman

3 The chairman shall exercise and perform the powers, duties and functions of the Agency and may in writing delegate any power, duty or function conferred or imposed on him under this Act or the regulations to an officer or employee appointed under section 5.

Agency offices

4(1) The head office of the Agency shall be at the place in Alberta that is designated by the Lieutenant Governor in Council.

(2) The Agency may establish any other office that it considers necessary.

Agency employees

5(1) In accordance with the *Public Service Act* there may be appointed those officers and employees that are necessary for the conduct of the operations of the Agency.

(2) The Agency may obtain the services of any person providing

technical or professional services of a kind required by the Agency in connection with its operations.

Agent of Crown **6(1)** The Agency is for all purposes an agent of the Crown in right of Alberta and its powers may be exercised only as an agent of the Crown in right of Alberta.

(2) An action or other legal proceeding in respect of any right or obligation acquired or incurred by the Agency on behalf of the Crown in right of Alberta, whether in its name or in the name of the Crown in right of Alberta, may be brought or taken by or against the Agency, in the name of the Agency, in any court that would have jurisdiction if the Agency were not an agent of the Crown.

Fiscal year **7** The fiscal year of the Agency is the period commencing on April 1 in one year and ending on March 31 next following.

Annual report **8(1)** The Agency shall annually, after the end of its fiscal year, prepare a general report summarizing its operations during its last fiscal year including financial statements required under section 77 of the *Financial Administration Act* and any other information that the Lieutenant Governor in Council may require.

(2) When the report is prepared, the Minister shall lay a copy of it before the Legislative Assembly if it is then sitting and if not, within 15 days of the commencement of the next ensuing sitting.

Financial arrangements **9(1)** The Provincial Treasurer, on the request of the Agency, shall advance to the Agency out of the General Revenue Fund any money that is required by the Agency.

(2) At the end of the fiscal year of the Agency and from money voted by the Legislature for that purpose, the Provincial Treasurer shall pay out of the General Revenue Fund a grant to the Agency equal to any deficit as shown on the financial statements of the Agency.

(3) The Agency shall deposit to its account all money received by it under this Act and shall pay from its account the expenditures made by the Agency pursuant to this Act.

PART 2

Power of the Agency

Economic operation **10(1)** The Agency shall conduct its operations in such a way that the cost of electric energy in Alberta at pooling interfaces is minimized as much as is practicable in the circumstances.

(2) The Agency shall endeavour to conduct its operations in such

a way that no profit or loss results to the Agency on its operations as a whole.

Purchase and sale
of electric energy

11(1) The Agency may acquire or purchase

- (a) electric energy from the owner or operator of a public utility, or
- (b) electric energy from outside Alberta at or upstream from the point at which the transmission line carrying the energy crosses the Alberta border.

(2) The Agency may sell electric energy only

- (a) to the owner or operator of a public utility at or upstream from a pooling interface, or
- (b) for removal from Alberta at a point at which the transmission line carrying the energy crosses the Alberta border.

Information to the
Agency

12 The owner or operator of a public utility or an electric distribution system shall provide the Agency with any information that the Agency requires for the purposes of this Act or the regulations.

Power of Agency

13 The Agency may

- (a) act as a principal, agent or broker in connection with the marketing of electric energy;
- (b) subject to the regulations, set the price at which or pricing formula under which it sells electric energy;
- (c) enter into agreements with respect to short-term emergency power supplies;
- (d) enter into agreements that have as their object the marketing of electric energy between Alberta and any other jurisdiction;
- (e) do any act incidental to or in connection with its powers under this or any other Act.

Sale and purchase
in Alberta

14(1) The owner of electric energy produced or exchanged for energy produced in Alberta entering a pooling interface shall sell that electric energy at the pooling interface to the Agency at the price or under the pricing formula set by the Public Utilities Board under the *Public Utilities Board Act*.

(2) The Agency shall resell the electric energy leaving the pooling interface to the person from whom it was purchased under subsection (1) at the price or under the pricing formula set by the Agency.

(3) The person from whom electric energy was purchased under subsection (1) shall repurchase all the electric energy it sold to the

Agency at the pooling interface and at the price or under the pricing formula set by the Agency.

(4) If the electric energy entering a pooling interface is owned by the Agency, the Agency shall sell that energy to the public utility or electric distribution system when the energy leaves the pooling interface established for that public utility or electric distribution system and the public utility or electric distribution system, as the case may be, shall purchase the energy from the Agency at the price or under the pricing formula set by the Agency.

(5) Subject to the regulations, the price or pricing formula set by the Agency for the purposes of subsections (2), (3) and (4) shall reflect an averaging of prices.

Offence

15(1) A person who neglects, fails or omits to do or perform any act or thing required by this Act or the regulations to be done or performed by him is guilty of an offence.

(2) The officers and directors of a corporation are jointly and severally liable for any offence against this Act or the regulations by the corporation or by any of its officers whether or not the corporation has been prosecuted or convicted.

(3) An individual who is guilty of an offence under this Act or the regulations is liable to a fine of not more than \$1000 and, in default of payment, to imprisonment for a term of not more than 6 months.

(4) A corporation that is guilty of an offence under this Act or the regulations is liable to a fine of not more than \$10 000.

Regulations

16(1) The Lieutenant Governor in Council may make regulations for the establishment of a scheme or plan for the orderly marketing of electric energy.

(2) Without restricting subsection (1), the Lieutenant Governor in Council may make regulations

(a) providing generally for the control and regulation by the Agency of the marketing of electric energy at a pooling interface;

(b) conferring or imposing on any person or class of persons engaged in the marketing of electric energy any power or duty necessary to implement or carry out the scheme or plan;

(c) respecting the price at or pricing formula under which electric energy is to be sold by the Agency for ultimate delivery to a particular class or classes of consumer;

(d) governing a tariff of fees to be charged by the Agency for any service provided by the Agency;

(e) authorizing the Agency to accept and exercise any authority

or power granted to it by the Governor in Council or any agency of the Government of Canada;

(f) establishing for all purposes the location of a pooling interface;

(g) identifying a public utility that is required to sell electric energy to the Agency;

(h) identifying a public utility or electric distribution system that is required to purchase electric energy from the Agency;

(i) exempting a public utility from any or all of the requirements of this Act or regulations;

(j) governing the conditions under which the Agency may exchange electric energy;

(k) governing the methods to be used in calculating the quantity of electric energy acquired and sold by the Agency;

(l) governing the methods to be used in calculating the price at which electric energy is acquired and sold by the Agency;

(m) providing for any other matter in connection with or incidental to the operation of a scheme or plan.

PART 3

Consequential

Consequential
amendments

17 *The Public Utilities Board Act is amended*

(a) *by adding the following after section 70(2):*

(2.1) Notwithstanding subsection (2), sections 79 to 83, 89 and 90 apply to that part of a public utility owned or operated by a municipality that is at and upstream from the pooling interface and to which the *Electric Energy Marketing Act* applies.

(b) in section 81.01(2) by striking out “and” at the end of clause (a) and by adding the following after clause (a):

(a.1) with respect to a public utility to which the *Electric Energy Marketing Act* applies, specifically to that portion of the public utility that is at and upstream from the pooling interface, and

(c) by repealing section 81.01(3) and substituting the following:

(3) In fixing the fair return that an owner of a public utility is entitled to earn on the rate base, the Board shall give due consideration to

(a) any effect on the public utility of the *Electric Energy Marketing Act*,

(b) the price to be paid for electric energy to the public utility or by the public utility under the *Electric Energy Marketing Act*, and

(c) all those facts that in the Board’s opinion are relevant.

(d) in section 81.02 by adding the following after clause (a):

(a.1) the Board shall consider the effect of the *Electric Energy Marketing Act* on the revenues and costs of the owner with respect to the generation, transmission and distribution of electric energy,

Coming into force **18** This Act comes into force on Proclamation.