

1990 BILL 10

Second Session, 22nd Legislature, 39 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 10

**SMALL POWER RESEARCH AND DEVELOPMENT
AMENDMENT ACT, 1990**

MR. BRADLEY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

Bill 10
Mr. Bradley

BILL 10

1990

SMALL POWER RESEARCH AND DEVELOPMENT AMENDMENT ACT, 1990

(Assented to _____, 1990)

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

*1 The Small Power Research and Development Act is amended by
this Act.*

2 Section 1 is amended

(a) in clause (a)

(i) by adding “, subject to section 1.1,” after “means”;

(ii) by repealing subclause (i) and substituting the following:

*(i) produces electric energy from solar, wind, hydro,
geothermal, biomass or peat resources,*

(b) by adding the following after clause (f):

*(g) “supplementary fuel” means fossil fuel or waste energy
derived from fossil fuel;*

3 The following is added after section 1:

1.1(1) A power production facility that produces electric energy
from peat or biomass does not cease to be an eligible power
production facility by reason only that it uses a supplementary
fuel in the production of electric energy if it uses that fuel in the
amount and in the manner permitted by the regulations.

Explanatory Notes

1 This Bill will amend chapter S-13.75 of the Statutes of Alberta, 1988.

2 Section 1 presently reads in part:

1 In this Act,

(a) "eligible power production facility" means a power generator or generators that constitute a single power production facility that

(i) produces electric energy from wind, hydro or biomass,

(ii) has a nameplate capacity of

(A) not more than 2.5 MW, or

(B) more than 2.5 MW and is a pilot project within the meaning of the regulations, and

(iii) meets the other eligibility requirements established in or pursuant to the regulations;

3 Use of supplementary fuel.

(2) Notwithstanding section 3, where a small power production facility uses more supplementary fuel in the production of electric energy than is permitted by the regulations, the price paid for the power produced by that excess amount is 50% of the price determined in accordance with section 3(1).

4 *Section 2(2)(a) is amended*

(a) *by striking out* “who owns the eligible power production facility”;

(b) *in subclause (i) by striking out* “is located” *and substituting* “is or will be located”.

5 *Section 3 is amended*

(a) *by repealing subsection (1)(b) and substituting the following:*

(b) provide that the public utility is to pay to the small power producer in respect of power delivered under the contract for the first 10 years of the contract an amount per kilowatt hour determined by one of the following options:

(i) 5.2¢ per kilowatt hour for power delivered up to December 31, 1994 and 6¢ per kilowatt hour for power delivered in subsequent years;

(ii) 4.64¢ per kilowatt hour for power delivered in 1990 and, for power delivered in 1991 and subsequent years, a price per kilowatt hour based on 4.64¢ and adjusted annually for inflation in the manner prescribed in the regulations,

(b) *by adding the following after subsection (1):*

(1.1) The small power producer shall, at the time the small power production contract is entered into, choose which price

4 Section 2(2) presently reads:

(2) The Minister may not make a final allocation under subsection (1) unless he is satisfied that

(a) the small power producer who owns the eligible power production facility

(i) has entered into a small power production contract with the public utility in whose service area the eligible power production facility is located, and

(ii) has complied or will comply with the requirements of all applicable enactments relative to the construction, operation and connection of the eligible power production facility,

and

(b) all other preconditions and requirements established in or pursuant to the regulations have been satisfied.

5 Section 3 presently reads in part:

3(1) A small power production contract shall

(a) be stated to be for a term of years established in or pursuant to the regulations,

(b) provide that the public utility shall pay to the small power producer in respect of power delivered under the contract the amount of 5.2¢ per kilowatt hour for the term of the contract,

(c) provide that the small power producer shall bear all costs up to and including the point of the connection with the public utility's facilities, which costs shall include the cost of any transmission facilities that may be required in order to effect the connection, the cost of metering the delivered power and the cost of any modifications of the public utility's facilities that may be required in order to utilize the delivered power, and

(d) be in a form that is satisfactory to the Public Utilities Board.

determination option under subsection (1)(b) will apply to the contract, and that choice may not be changed.

(1.2) Where the term of a small power production contract is greater than 10 years, the Public Utilities Board shall, during the 10th year of the contract, review and adjust the price payable for power delivered under the contract so that the price payable for the 11th year and subsequent years of the contract will be the greater of

(a) the utility avoided cost, and

(b) the price that would be payable during the 10th year of the contract, if determined under subsection (1)(b)(ii).

6 *Section 7 is amended by adding the following after clause (h):*

(h.1) prescribing the manner of calculating the inflation adjustment for the purposes of section 3(1)(b)(ii);

(h.2) requiring a public utility to pay to a small power producer that is a utility company within the meaning of the *Utility Companies Income Tax Rebates Act* an amount equal to the amount of rebates granted by the small power producer to its customers under that Act, and providing for the manner in which those payments are to be made;

7 *This Act comes into force on Proclamation.*

6 Section 7 presently reads in part:

7 The Lieutenant Governor in Council may make regulations

(h) prescribing the term of a small power production contract, or the manner in which it is determined, for the purposes of section 3(1)(a);

7 Coming into force.

Explanatory Notes