

2017 Bill 16

Third Session, 29th Legislature, 66 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 16

AN ACT TO CAP REGULATED ELECTRICITY RATES

THE MINISTER OF ENERGY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 16

2017

AN ACT TO CAP REGULATED ELECTRICITY RATES

(Assented to _____, 2017)

Table of Contents

- 1 Definitions
- 2 Imposition of maximum rates
- 3 Medicine Hat
- 4 Payments, reimbursements and adjustments
- 5 Operation of the Electric Utilities Act
- 6 Regulations
- 7 Consequential amendments
- 8 Coming into force

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

Definitions

1 In this Act,

- (a) “Commission” means the Alberta Utilities Commission established by the *Alberta Utilities Commission Act*;
- (b) “electric energy charge”,
 - (i) with respect to an owner, means the electric energy charge required to be shown on the bill of a regulated rate customer under section 15(a) of the *Regulated Rate Option Regulation*, and

- (ii) with respect to the City of Medicine Hat or a subsidiary of the City of Medicine Hat, means, subject to the regulations, the charge for which the City or subsidiary bills a customer that corresponds to the electric energy charge described in subclause (i);
- (c) “Market Surveillance Administrator” means the corporation continued by section 32 of the *Alberta Utilities Commission Act*;
- (d) “Minister” means the Minister of Energy;
- (e) “new RRO rate” means a new RRO rate as defined in the *Regulated Rate Option Regulation*;
- (f) “owner” means an owner as defined in the *Regulated Rate Option Regulation*;
- (g) “regulated rate customer” means a regulated rate customer as defined in the *Regulated Rate Option Regulation*;
- (h) “*Regulated Rate Option Regulation*” means the *Regulated Rate Option Regulation* (AR 262/2005).

Imposition of maximum rates

2(1) Notwithstanding any other enactment, during the period beginning on June 1, 2017, and ending on May 31, 2021, an owner whose regulated rate tariff is approved by the Commission pursuant to section 103(2) of the *Electric Utilities Act* shall determine the electric energy charge using

- (a) the applicable monthly rate per kWh determined in accordance with the owner’s new RRO rate energy price setting plan, or
- (b) the rate of 6.8 cents per kWh if that rate is lower than the rate referred to in clause (a).

2(2) Notwithstanding any other enactment, during the period beginning on June 1, 2017, and ending on May 31, 2021, an owner whose regulated rate tariff is approved by the council of a municipality or the board of directors of a rural electrification association pursuant to section 103(3) or (4) of the *Electric Utilities Act* shall determine the electric energy charge using

- (a) the applicable monthly rate per kWh determined in accordance with the owner's new RRO rate energy price setting plan, or
- (b) whichever of the following rates applies, if that rate is lower than the rate referred to in clause (a):
 - (i) the applicable rate per kWh, if any, provided for by regulations under section 6(1)(b);
 - (ii) if no applicable rate is provided for by regulations under section 6(1)(b), the rate of 6.8 cents per kWh.

Medicine Hat

3 If regulations are made under section 6(1)(c), during the period beginning on a date specified by the regulations and ending on May 31, 2021, the City of Medicine Hat and a subsidiary of the City of Medicine Hat shall determine the electric energy charge for a customer within a rate class specified in the regulations using

- (a) the applicable rate per kWh determined by the council of the City of Medicine Hat, or
- (b) the applicable rate per kWh provided for by the regulations under section 6(1)(c) if that rate is lower than the rate referred to in clause (a).

Payments, reimbursements and adjustments

4 The Minister may, in accordance with the regulations, make payments to or reimburse or provide adjustments to an owner or the City of Medicine Hat or a subsidiary of the City of Medicine Hat in respect of the difference or part of the difference between

- (a) amounts the owner, City or subsidiary would charge if it determined electric energy charges in accordance with section 2(1)(a) or (2)(a) or 3(a), as the case may be, and
- (b) amounts the owner, City or subsidiary charges when it determines electric energy charges in accordance with section 2(1)(b) or (2)(b) or 3(b), as the case may be, instead.

Operation of the Electric Utilities Act

5 Nothing in this Act or the regulations affects the operation of the *Electric Utilities Act* or the regulations under that Act except to provide for maximum rates that may be charged to regulated rate customers or to certain customers of the City of Medicine Hat or a subsidiary of the City of Medicine Hat and to authorize payments, reimbursements and adjustments under section 4, and in particular, without limiting the generality of the foregoing,

- (a) nothing in this Act or the regulations affects the duties of owners of electric distribution systems under section 103 of the *Electric Utilities Act*, including the duty of owners to prepare regulated rate tariffs for the purpose of recovering the prudent costs of providing electricity services to eligible customers, and
- (b) nothing in this Act or the regulations is intended to affect a new RRO rate energy price setting plan approved as part of an owner's regulated rate tariff in accordance with the *Regulated Rate Option Regulation*, whether approved before or after the coming into force of this section.

Regulations

6(1) The Minister may make regulations

- (a) defining any word or expression used but not defined in this Act and further defining or redefining "electric energy charge" for the purposes of section 1(b)(ii);
- (b) determining or providing for mechanisms for determining one or more rates per kWh for the purposes of section 2(2)(b)(i) and determining the rate, if any, that applies to a particular owner or rate class of a particular owner;
- (c) specifying a date and specifying rate classes for the purposes of section 3 and determining or providing for mechanisms for determining the rate per kWh that applies to the City of Medicine Hat or a subsidiary of the City of Medicine Hat or to a particular rate class of the City or subsidiary for the purposes of section 3(b);
- (d) respecting the making of payments, and the provision of reimbursements and adjustments, under section 4

- (i) to owners whose regulated rate tariffs are approved by the Commission pursuant to section 103(2) of the *Electric Utilities Act*,
 - (ii) to owners whose regulated rate tariffs are approved by the council of a municipality or the board of directors of a rural electrification association pursuant to section 103(3) or (4) of the *Electric Utilities Act*, and
 - (iii) to the City of Medicine Hat or a subsidiary of the City of Medicine Hat,
- including, without limitation, regulations
- (iv) respecting eligibility criteria for payments, reimbursements and adjustments,
 - (v) providing for mechanisms for determining the amounts of payments, reimbursements and adjustments,
 - (vi) respecting the manner in which payments, reimbursements and adjustments will be provided, and
 - (vii) respecting the use of deferral accounts for the purposes of payments, reimbursements and adjustments;
- (e) respecting information, including personal information of customers, to be provided by owners, the City of Medicine Hat and a subsidiary of the City of Medicine Hat to the Commission, the Market Surveillance Administrator or the Minister for the purposes of this Act;
 - (f) adding to, clarifying, limiting or restricting any powers, duties or functions of the Commission or the Market Surveillance Administrator as the Minister considers necessary or advisable to enable the Commission or the Market Surveillance Administrator to exercise powers, duties or functions for the purposes of this Act;
 - (g) respecting any matter or thing that the Minister considers necessary to carry out the purposes of this Act.

(2) Regulations under section 6(1)(d) may be specific or general in their application.

(3) A regulation made under this Act is, if it so provides, effective with reference to a period before it was made but not before June 1, 2017.

Consequential amendments

7(1) The *Alberta Utilities Commission Act* is amended

(a) in section 39

(i) in subsection (1)(b) by adding the following after subclause (i):

(i.1) contraventions of *An Act to Cap Regulated Electricity Rates* or the regulations under that Act,

(ii) in subsection (3)(b) by striking out “or” at the end of subclause (ii.1) and adding the following after subclause (ii.1):

(ii.2) *An Act to Cap Regulated Electricity Rates* and the regulations under that Act,

(b) in section 51(1)(a) by adding the following after subclause (i):

(i.1) has contravened *An Act to Cap Regulated Electricity Rates* or the regulations under that Act,

(c) in section 56(3)(a) by adding the following after subclause (i):

(i.1) has contravened *An Act to Cap Regulated Electricity Rates* or the regulations under that Act,

Explanatory Notes

7(1) Amends chapter A-37.2 of the Statutes of Alberta, 2007. Sections 39(1)(b)(i) and (3)(b)(ii.1), 51(1)(a)(i) and 56(3)(a)(i) presently read:

39(1) Subject to regulations made under section 59(1)(a), the Market Surveillance Administrator has the mandate

(b) to investigate matters, on its own initiative or on receiving a complaint or referral under section 41, and to undertake activities to address

(i) contraventions of the Electric Utilities Act, the regulations under that Act, the ISO rules, reliability standards, Part 2.1 of the Gas Utilities Act or the regulations under that Act or of decisions, orders or rules of the Commission,

(3) In carrying out its mandate, the Market Surveillance Administrator shall assess whether or not

(b) the person carrying out the conduct has complied with or is complying with

(ii.1) the Renewable Electricity Act, the regulations under that Act and any renewable electricity support agreements entered into under that Act, in the case of an electricity market participant, or

51(1) If the Market Surveillance Administrator is satisfied that

(a) a person

(i) has contravened the Electric Utilities Act, a regulation under that Act, an ISO rule or a reliability standard,

56(3) The Commission may make an order

(2) The *Climate Leadership Act* is amended in section 3(2) by striking out “or” at the end of clause (a), adding “or” at the end of clause (b) and adding the following after clause (b):

- (c) to make payments or provide reimbursements or adjustments under *An Act to Cap Regulated Electricity Rates* for the purposes of that Act.

Coming into force

8 Sections 2(2), 3 and 6(1)(c) and (d)(iii) come into force on Proclamation.

(a) *if it is of the opinion that a person*

(i) *has contravened the Electric Utilities Act, a regulation under that Act, an ISO rule or a reliability standard,*

(2) Amends chapter C-16.9 of the Statutes of Alberta, 2016.

Section 3 presently reads:

3(1) The purpose of this Act is to provide for a carbon levy on consumers of fuel to be effected through a series of payment and remittance obligations that apply to persons throughout the fuel supply chains.

(2) The revenue from the carbon levy may only be used

(a) for initiatives related to reducing emissions of greenhouse gases or supporting Alberta's ability to adapt to climate change, or

(b) to provide rebates or adjustments related to the carbon levy to consumers, businesses and communities, including adjustments in the form of tax credits or tax rate reductions.

8 Coming into force.

RECORD OF DEBATE

Stage	Date	Member	From	To
		Questions and Comments	From	To

Stage	Date	Member	From	To
		Questions and Comments	From	To

Stage	Date	Member	From	To
		Questions and Comments	From	To

Stage	Date	Member	From	To
		Questions and Comments	From	To