

2022 Bill 22

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Third Session, 30th Legislature, 71 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 22**

## **ELECTRICITY STATUTES (MODERNIZING ALBERTA'S ELECTRICITY GRID) AMENDMENT ACT, 2022**

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THE ASSOCIATE MINISTER OF NATURAL GAS AND ELECTRICITY

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First Reading . . . . .

Second Reading . . . . .

Committee of the Whole . . . . .

Third Reading . . . . .

Royal Assent . . . . .

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*Bill 22*

## **BILL 22**

2022

### **ELECTRICITY STATUTES (MODERNIZING ALBERTA'S ELECTRICITY GRID) AMENDMENT ACT, 2022**

*(Assented to , 2022)*

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

#### **Alberta Utilities Commission Act**

**Amends SA 2007 cA-37.2**

**1(1) The *Alberta Utilities Commission Act* is amended by this section.**

**(2) Section 9(3)(b) is amended by adding “, energy storage facility” after “power plant”.**

## Explanatory Notes

### Alberta Utilities Commission Act

- 1(1) Amends chapter A-37.2 of the Statutes of Alberta, 2007.
- (2) Section 9(3)(b) presently reads:
- (3) Notwithstanding subsection (2), the Commission is not required to hold a hearing where*
- (b) on an application for the construction or operation of a hydro development, power plant or transmission line under the Hydro and Electric Energy Act or a gas utility pipeline under the Gas Utilities Act, the Commission is satisfied that the applicant has met the relevant Commission rules respecting each owner of land that may be directly and adversely affected by the Commission's decision on the application.*

**(3) Section 17(1) is amended**

- (a) by adding “, energy storage facility” after “power plant” wherever it occurs;**
- (b) by adding “, storage facility” after “, plant” wherever it occurs.**

**(4) Section 22(1) is amended by adding “, energy storage facility” after “power plant” wherever it occurs.**

**(5) Section 39(1)(a)(i) is amended by striking out “the supply” and substituting “the storage, discharge, supply”.**

(3) Section 17(1) presently reads:

*17(1) Where the Commission conducts a hearing or other proceeding on an application to construct or operate a hydro development, power plant or transmission line under the Hydro and Electric Energy Act or a gas utility pipeline under the Gas Utilities Act, it shall, in addition to any other matters it may or must consider in conducting the hearing or other proceeding, give consideration to whether construction or operation of the proposed hydro development, power plant, transmission line or gas utility pipeline is in the public interest, having regard to the social and economic effects of the development, plant, line or pipeline and the effects of the development, plant, line or pipeline on the environment.*

(4) Section 22(1) presently reads:

*22(1) For purposes of this section, “local intervener” means a person or group or association of persons who, in the opinion of the Commission,*

*(a) has an interest in, and*

*(b) is in actual occupation of or is entitled to occupy*

*land that is or may be directly and adversely affected by a decision or order of the Commission in or as a result of a hearing or other proceeding of the Commission on an application to construct or operate a hydro development, power plant or transmission line under the Hydro and Electric Energy Act or a gas utility pipeline under the Gas Utilities Act, but unless otherwise authorized by the Commission does not include a person or group or association of persons whose business interest may include a hydro development, power plant or transmission line or a gas utility pipeline.*

(5) Section 39(1)(a)(i) presently reads:

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

*(a) to carry out surveillance in respect of*

*(i) the supply, generation, transmission, distribution, trade, exchange, purchase or sale of electricity, electric energy, electricity services or ancillary services or any aspect of those activities, and*

**(6) The following is added after section 70:**

**Administration fee for Utilities Consumer Advocate**

**70.1(1)** In this section, “administration fee” means the amount or amounts imposed as a fee under subsection (3).

**(2)** The Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for Schedule 13.1 to that Act may

- (a) determine the amount required to pay for the Office of the Utilities Consumer Advocate’s estimated net expenditures associated with carrying out its powers, duties and functions for a fiscal year, and
- (b) notify the Commission of the amount.

**(3)** The Commission shall, in accordance with the rules under subsection (7), impose a fee sufficient to pay the amount under subsection (2)(b).

**(4)** The administration fee may be imposed on an owner of a utility or any other person over whom the Commission has jurisdiction or any person to whom the Commission provides services.

**(5)** If an administration fee is imposed on an owner or person by the Commission, the owner or person shall pay the amount of the fee to the Minister referred to in subsection (2)(b) in accordance with the rules under subsection (7).

**(6)** An amount paid by a person as an administration fee under this section is deemed to be a cost to that person for the purposes of the *Public Utilities Act*.

**(7)** The Commission may make rules

- (a) respecting the determination and calculation of an administration fee;
- (b) respecting the payment of administration fees;
- (c) respecting the owner or person or class of owner or person on whom Utilities Consumer Advocate fees may be imposed;

(6) Administration fee for Utilities Consumer Advocate.

- (d) respecting the exemption of any owner or person or any class of owner or person from the imposition of an administration fee;
- (e) providing for the imposition and payment of penalties for the late payment of administration fees;
- (f) respecting appeals with respect to the determination or imposition of administration fees.

**(7) Section 71(2) is amended by striking out “section 70(7)(e)” and substituting “section 70(7)(e) or 70.1(7)(e)”.**

**(8) Section 72 is amended by adding the following after subsection (1):**

**(1.1)** A person or owner who is required to pay an administration fee under section 70.1 may appeal the administration fee on the grounds and in accordance with the rules made under section 70.1(7)(f), and a decision confirming or varying an administration fee is deemed to be an order of the Commission imposing the payment of an administration fee, interest or a penalty under section 70.1 or 71, as the case may be.

**(9) Section 78(2) is amended by adding “energy storage facility,” after “power plant,” wherever it occurs.**



(7) Section 71(2) presently reads:

*(2) The Commission by order may impose on a person, in addition to any penalty payable under section 70(7)(e) and interest payable under subsection (1), a penalty of \$1000 for each day on which all or any part of an administration fee imposed on the person is not paid in accordance with the order of the Commission.*

(8) Section 72(1) presently reads:

*72(1) A person or owner who is required to pay an administration fee under section 70 may appeal the administration fee on the grounds and in accordance with the rules made under section 70(7)(f), and a decision confirming or varying an administration fee is deemed to be an order of the Commission imposing the payment of an administration fee, interest or a penalty under section 70 or 71, as the case may be.*

(9) Section 78(2) presently reads:

*(2) For the purposes of addressing security in respect of terrorist activity or the threat of terrorist activity, the Commission may make regulations*

*(a) respecting the shutting down of a gas utility pipeline, hydro development, power plant, transmission line or electric distribution system;*

*(b) respecting security measures to be taken in respect of a gas utility pipeline, hydro development, power plant, transmission line or electric distribution system;*

*(c) respecting access to information filed with the Commission in respect of a gas utility pipeline, hydro development, power plant, transmission line or electric distribution system.*

**(10) This section comes into force on Proclamation.**

### **Electric Utilities Act**

**Amends SA 2003 cE-5.1**

**2(1) The *Electric Utilities Act* is amended by this section.**

**(2) Section 1(1) is amended**

**(a) in clause (j) by adding “or energy storage resource” after “generating unit”;**

**(b) by repealing clause (m) and substituting the following:**

(m) “electric distribution system” means the plant, works, equipment, systems and services necessary to distribute electricity in a service area, but does not include

(i) a generating unit,

(ii) a transmission facility, or

(iii) an energy storage resource that is a component of an energy storage facility, except as approved by the Commission in accordance with section 25.1 of the *Hydro and Electric Energy Act*;

**(c) by repealing clause (p.2)(i) and substituting the following:**

(i) any person that supplies, generates, transmits, distributes, stores, discharges, trades, exchanges, purchases or sells electricity, electric energy, electricity services or ancillary services, or

**(d) by adding the following after clause (r):**

(r.1) “energy storage facility” has the meaning given to it in the *Hydro and Electric Energy Act*;

(r.2) “energy storage resource” means the component of an energy storage facility that uses a technology or process that is capable of using electric energy as an input, storing the energy for a period of time and then discharging electric energy as an output, and includes a

(10) Coming into force.

### **Electric Utilities Act**

**2(1)** Amends chapter E-5.1 of the Statutes of Alberta, 2003.

(2) Section 1(1) presently reads in part:

*1(1) In this Act,*

*(j) “distributed generation” means a generating unit that is interconnected with an electric distribution system;*

*(m) “electric distribution system” means the plant, works, equipment, systems and services necessary to distribute electricity in a service area, but does not include a generating unit or a transmission facility;*

*(p.2) “electricity market participant” means*

*(i) any person that supplies, generates, transmits, distributes, trades, exchanges, purchases or sells electricity, electric energy, electricity services or ancillary services, or*

*(u) “generating unit” means the component of a power plant that produces, from any source, electric energy and ancillary services, and includes a share of the following associated facilities that are necessary for the safe, reliable and economic operation of the generating unit, which may be used in common with other generating units:*

*(i) fuel and fuel handling equipment;*

*(ii) cooling water facilities;*

*(iii) switch yards;*

*(iv) other items;*

*(bb) “isolated generating unit” means a generating unit that is determined to be an isolated generating unit in accordance with the regulations made by the Minister under section 99;*

*(jj) “owner”, in respect of a generating unit, a transmission facility or an electric distribution system, means the owner,*

share of the following associated facilities that are necessary for the safe, reliable and economic operation of the energy storage resource, which may be used in common with other energy storage resources:

- (i) fuel and fuel handling equipment;
- (ii) cooling water facilities;
- (iii) switch yards;
- (iv) other items;

**(e) by repealing clause (u) and substituting the following:**

(u) “generating unit” means the component of a power plant that produces, from any source, electric energy and ancillary services, and includes a share of the following associated facilities that are necessary for the safe, reliable and economic operation of the generating unit, which may be used in common with other generating units:

- (i) fuel and fuel handling equipment;
- (ii) cooling water facilities;
- (iii) switch yards;
- (iv) other items;

but does not include an energy storage resource;

**(f) in clause (bb) by adding “or energy storage resource” after “a generating unit”;**

**(g) in clause (jj)**

(i) **by adding “, an energy storage resource” after “generating unit”;**

(ii) **by adding “, storage resource” after “that unit”;**

**(h) by adding the following after clause (vv):**

*operator, manager or lessee of that unit, facility or system, or any person who is acting as an agent for the owner, operator, manager or lessee, and in the event that one of those persons becomes bankrupt or insolvent, includes any trustee, liquidator or receiver appointed in respect of the bankruptcy or insolvency;*

*(bbb) “transmission facility” means an arrangement of conductors and transformation equipment that transmits electricity from the high voltage terminal of the generation transformer to the low voltage terminal of the step down transformer operating phase to phase at a nominal high voltage level of more than 25 000 volts to a nominal low voltage level of 25 000 volts or less, and includes*

*(vi) connections with electric systems in jurisdictions bordering Alberta,*

*but does not include a generating unit or an electric distribution system;*

(vv.1) “self-supply” means the production of electric energy on a property of which a person is the owner or a tenant where any of the electric energy is consumed on that property by that owner or tenant;

**(i) in clause (bbb) by striking out the portion following subclause (vi) and substituting the following:**

but does not include

- (vii) a generating unit,
- (viii) an electric distribution system, or
- (ix) an energy storage resource, unless it is included in a needs identification document that has been approved by the Commission in accordance with section 34(3)(a);

**(3) Section 2(1) is amended**

**(a) by repealing clause (a)(ii) and substituting the following:**

- (ii) by generating units that produce electric energy, or energy storage resources that store or discharge electric energy, under contract to the City or to a subsidiary of the City and consumed in that service area,

**(b) by repealing clause (b) and substituting the following:**

- (b) the portion of electric energy that is self-supply produced on a property of which a person is the owner or a tenant and that is consumed solely on that property by that owner or tenant, except in respect of a rate included in a tariff approved by the Commission having regard to the principle set out in section 122(2)(b);
- (b.1) the portion of electric energy produced by an industrial system that is consumed by the industrial system;

**(4) Section 9(6) is amended by adding “, energy storage resource” after “facility”.**

(3) Section 2(1) presently reads in part:

*2(1) This Act does not apply to*

*(a) electric energy produced in the service area of the City of Medicine Hat*

*(ii) by generating units that produce electric energy under contract to the City or to a subsidiary of the City and consumed in that service area,*

*unless the City passes a bylaw that is approved by the Lieutenant Governor in Council under section 138;*

*(b) electric energy produced on property of which a person is the owner or a tenant, and consumed solely by that person and solely on that property;*

(4) Section 9(6) presently reads:

*(6) The Independent System Operator may not own or hold an interest in any transmission facility, electric distribution system or generating unit.*

**(5) Section 16(2) is repealed and the following is substituted:**

**(2)** Subsection (1) does not apply to

- (a) the development of renewable electricity program proposals under the *Renewable Electricity Act*, or
- (b) the powers, duties, responsibilities and functions of the Independent System Operator specified in the regulations made under section 99(b.11) except as provided in those regulations.

**(6) Section 18(2) is amended by adding** “section 39(1.1) or 105(1.1) apply or” **after** “unless”.

**(7) Section 30(2)(a)(ii) is amended by adding** “or energy storage resource” **after** “generating unit” **wherever it occurs.**

**(8) Section 32(b) is amended by adding** “or energy storage resource” **after** “generating unit” **wherever it occurs.**



(5) Section 16(2) presently reads:

*(2) Subsection (1) does not apply to the development of renewable electricity program proposals under the Renewable Electricity Act.*

(6) Section 18(2) presently reads:

*(2) All electric energy entering or leaving the interconnected electric system must be exchanged through the power pool unless regulations made under section 41, section 99 or section 142 provide otherwise.*

(7) Section 30(2)(a)(ii) presently reads:

*(2) The rates to be charged by the Independent System Operator for each class of service must reflect the prudent costs that are reasonably attributable to each class of system access service provided by the Independent System Operator, and the rates must*

*(a) be sufficient to recover*

*(ii) the amounts to be paid to the owner of a generating unit in circumstances in which the Independent System Operator directs that a generating unit must continue to operate, and the costs to make prudent arrangements to manage the financial risk associated with those amounts,*

(8) Section 32(b) presently reads:

*32 The Independent System Operator must*

*(b) pay incremental generation costs that are owing to the owner of a generating unit if the Independent System Operator directs that a generating unit must continue to operate, and make prudent arrangements to manage the financial risk associated with those costs;*

**(9) Section 39 is amended by adding the following after subsection (1):**

**(1.1)** An owner of a transmission facility that owns an energy storage resource that has been included in a needs identification document that has been approved by the Commission in accordance with section 34(3)(a) may not offer electric energy or ancillary services from that energy storage resource to any electricity market.

**(10) Section 88(a.1) is repealed and the following is substituted:**

- (a.1) defining “annualized amount” for the purpose of this Act;
- (a.2) respecting the calculation or establishment of the annualized amount, including the information that must be provided by the Independent System Operator for that purpose;

**(11) Section 95 is amended**

**(a) in subsection (1) by adding “or energy storage resource” after “in a generating unit”;**

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

**(1.1)** A municipality or a subsidiary of a municipality that is the owner of an electric distribution system or transmission facility may hold an interest in an energy storage resource that is included in that electric distribution system or transmission facility.

**(c) in subsection (2)**

- (i) by adding “or energy storage resource” after “in a generating unit”;**
- (ii) by adding “or storage capacity” after “generating capacity”;**

(9) Section 39 presently reads in part:

*39(1) Each owner of a transmission facility must operate and maintain the transmission facility in a manner that is consistent with the safe, reliable and economic operation of the interconnected electric system.*

(10) Section 88 presently reads in part:

*88 The Minister may make regulations*

*(a.1) defining “annualized amount” or determining how it is to be calculated;*

(11) Section 95 presently reads:

*95(1) No municipality and no subsidiary of a municipality may hold, directly or indirectly, an interest in a generating unit except in accordance with any or all of the provisions of this section and the regulations.*

*(2) If a municipality or a subsidiary of a municipality had an interest in a generating unit on May 1, 1995, that municipality or subsidiary may continue to hold that interest after May 1, 1995 if the generating capacity of the unit does not increase significantly beyond its capacity on that date.*

*(3) If*

*(a) a municipality had an interest in a generating unit on May 1, 1995, and*

*(b) a subsidiary of the municipality acquires the interest after May 1, 1995,*

*the municipality and the subsidiary are considered to be in compliance with subsection (2) if the generating capacity of the generating unit does not increase significantly beyond its capacity on May 1, 1995.*

- (d) in subsection (3)**
  - (i) in clause (a) by adding “or energy storage resource” after “in a generating unit”;**
  - (ii) in the portion following clause (b) by adding “or storage capacity of the energy storage resource” after “the generating unit”;**
- (e) in subsection (4)**
  - (i) by adding “or energy storage resource” after “in a generating unit”;**
  - (ii) by adding “or the storage capacity of that storage resource” after “of that unit”;**
  - (iii) by adding “and energy storage resources” after “other generating units”;**
- (f) in subsections (5), (6) and (7) by adding “or energy storage resource” after “in a generating unit” wherever it occurs;**
- (g) in subsection (8)**
  - (i) by adding “or energy storage resource” after “generating unit” wherever it occurs;**
  - (ii) by adding “or discharged by the storage resource” after “by the unit”;**
- (h) in subsection (9)**
  - (i) by adding “or energy storage resource” after “a generating unit”;**
  - (ii) by adding “or discharged by the storage resource” after “by the unit”;**
- (i) in subsections (10), (11), (12) and (13) by adding “or energy storage resource” after “in a generating unit”.**

*(4) The City of Medicine Hat or a subsidiary of the City may hold an interest in a generating unit if the generating capacity of that unit and all other generating units in which the City or a subsidiary of the City has an interest does not exceed the capacity that is needed to reliably meet the requirements of customers in the service area of the City.*

*(5) The Commission must determine whether*

- (a) a proposal by the City of Medicine Hat or a subsidiary of the City to hold an interest in a generating unit, or*
- (b) an interest in a generating unit that is held by the City of Medicine Hat or a subsidiary of the City*

*is in accordance with subsection (4).*

*(6) Before making a determination under subsection (5), the Commission must obtain an independent assessment about whether the proposal to hold an interest in a generating unit or whether the interest in a generating unit is in accordance with subsection (4).*

*(7) The City of Medicine Hat or a subsidiary of the City cannot acquire an interest in a generating unit under subsection (4) during any period that the City or a subsidiary of the City does not provide the information or statements required by a regulation made under section 142(1)(h).*

*(8) A municipality or a subsidiary of a municipality may hold an interest in a generating unit located within the boundaries of the municipality if the generating unit is part of a process that is carried out on property of which the municipality or subsidiary is the owner or tenant and the electric energy produced by the unit is incidental to the main purpose of that process.*

*(9) A municipality or a subsidiary of a municipality may hold an interest in a generating unit located within the boundaries of the municipality on property of which the municipality or subsidiary is the owner or tenant if a majority of the electric energy produced annually by the unit is used by the municipality or subsidiary on that property.*

*(10) A municipality or a subsidiary of a municipality may, with the authorization of the Minister, hold an interest in a generating unit if the arrangement under which the interest is held is structured in a manner that prevents any tax advantage, subsidy or financing*

**(12) Section 99(b.11) is amended by striking out “and” at the end of subclause (iii), adding “and” at the end of subclause (iv) and adding the following after subclause (iv):**

- (v) respecting the powers, duties, responsibilities and functions of the Independent System Operator with respect to small scale generating units, including community generation generating units, including, without limitation, regulations
- (A) requiring the Independent System Operator to act as an electricity market participant on behalf of small scale power producers, and
- (B) specifying powers, duties, responsibilities and functions of the Independent System Operator for the purposes of section 16(2)(b) and how they are to be carried out;

**(13) Section 105 is amended**

**(a) in subsection (1)**

**(i) by adding the following after clause (a):**

*advantage or any other direct or indirect benefit as a result of association with the municipality or subsidiary.*

*(11) The Minister must establish procedures to obtain an independent assessment about whether a proposal by a municipality or a subsidiary of a municipality to hold an interest in a generating unit under subsection (10) is in accordance with that subsection.*

*(12) If the independent assessment concludes that a proposal by a municipality or a subsidiary of a municipality to hold an interest in a generating unit under subsection (10) is in accordance with that subsection, the Minister must give an authorization.*

*(13) The Minister may establish procedures to facilitate the resolution of any dispute under this section, except those dealt with by the Commission under subsections (4) to (6), about whether an interest or a proposed interest of a municipality or a subsidiary of a municipality in a generating unit is in accordance with this section.*

(12) Section 99(b.11) presently reads:

*99 The Minister may make regulations*

*(b.11) respecting small scale generating units, including community generation generating units, including, without limitation, regulations*

*(i) defining “small scale generating unit” and “community generation generating unit”,*

*(ii) respecting the development, connection and operation of small scale generating units,*

*(iii) respecting the environmental, social or economic benefits to be conferred by small scale generating units that are community generation generating units, and*

*(iv) specifying which provisions of this Act and the regulations do not apply to small scale generating units;*

(13) Section 105 presently reads in part:

*105(1) The owner of an electric distribution system has the following duties:*

*(a) to provide electric distribution service that is not unduly discriminatory;*

(a.1) to prepare electric distribution system plans in accordance with any regulations made by the Minister under section 108;

(ii) **in clause (b) by adding** “and any non-wires services” **after** “served by the electric distribution system”;

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

**(1.1)** An owner of an electric distribution system that owns an energy storage resource that is a component of an energy storage facility approved by the Commission in accordance with section 25.1 of the *Hydro and Electric Energy Act* may not offer electric energy or ancillary services from that energy storage resource to any electricity market.

**(14) Section 108 is amended by adding the following after clause (a):**

- (a.1) respecting electric distribution system plans under section 105(1)(a.1), including, without limitation, regulations respecting
- (i) the objectives and purpose of electric distribution system plans,
  - (ii) the information that must be included in electric distribution system plans, and
  - (iii) the timing, frequency and sharing of electric distribution system plans;

**(15) Section 119(2) is amended by adding** “or energy storage resources” **after** “isolated generating units” **wherever it occurs.**

**(16) Section 122 is amended**

- (a) in subsection (1)(b) by adding** “, energy storage resources” **after** “isolated generating units”;
- (b) by repealing subsection (2) and substituting the following:**



*(b) to make decisions about building, upgrading and improving the electric distribution system for the purpose of providing safe, reliable and economic delivery of electric energy having regard to managing losses of electric energy to customers in the service area served by the electric distribution system;*

(14) Adds to regulation-making powers of Minister.

(15) Section 119(2) presently reads:

*(2) An owner of an electric utility that makes a tariff application and that also owns isolated generating units must include the costs and expenses related to the isolated generating units in the application in accordance with the regulations.*

(16) Section 122 presently reads in part:

*122(1) When considering a tariff application, the Commission must have regard for the principle that a tariff approved by it must provide the owner of an electric utility with a reasonable opportunity to recover*

**(2)** When the Independent System Operator is the applicant for tariff approval, the Commission must have regard for the principles that a tariff approved by it must provide the Independent System Operator with a reasonable opportunity to recover

- (a) all of the items referred to in subsection (1) that are applicable to the Independent System Operator, and
- (b) a just and reasonable share of the costs associated with the transmission system from
  - (i) electricity market participants that are connected to the interconnected electric system and that self-supply, or
  - (ii) the owners of electric distribution systems that provide electric distribution services to market participants that self-supply.

**(2.1)** Subsection (2)(b) does not apply in respect of electricity consumed by customers who are industrial systems.

**(17) Section 142(1)(l.1) is repealed and the following is substituted:**

- (l.1) respecting reliability standards for or in relation to transmission facilities, electric distribution systems, generating units, energy storage resources or the owners or users of those facilities, systems, units or resources.

**(18) Section 147 is amended**

- (a) in subsections (3) and (6) by striking out “Balancing Pool” and substituting “entity designated in the regulations”;**
- (b) in subsection (8)**
  - (i) by striking out “to the Balancing Pool” wherever it occurs;**
  - (ii) by adding the following after clause (a):**

*(b) other prudent costs and expenses associated with isolated generating units, transmission, exchange or distribution of electricity or associated with the Independent System Operator if, in the Commission's opinion, they are applicable to the electric utility,*

*(2) When the Independent System Operator is the applicant for tariff approval, the Commission must have regard for the principle that a tariff approved by it must provide the Independent System Operator with a reasonable opportunity to recover all of the items referred to in subsection (1) that are applicable to the Independent System Operator.*

(17) Section 142(1)(1.1) presently reads:

*142(1) The Lieutenant Governor in Council may make regulations*

*(1.1) respecting reliability standards for or in relation to transmission facilities, electric distribution systems or generating units or the owners or users of those facilities, systems or units.*

(18) Section 147 presently reads in part:

*(3) If a municipal entity is exempt as a result of subsection 149(1) of the Income Tax Act (Canada) from the payment of tax under that Act or the Alberta Corporate Tax Act, it must, in accordance with the regulations, pay to the Balancing Pool in respect of each taxation year an amount equal to the amount of tax that it would be liable to pay under*

*(a) the Income Tax Act (Canada), and*

*(b) the Alberta Corporate Tax Act,*

*if it were not exempt.*

- (a.1) designating the entity to which payments are to be made under subsections (3) and (6);

**(19) This section comes into force on Proclamation.**

### **Hydro and Electric Energy Act**

**Amends RSA 2000 cH-16**

**3(1) The *Hydro and Electric Energy Act* is amended by this section.**

**(2) Section 1 is amended**

**(a) in subsection (1)**

**(i) by repealing clause (b) and substituting the following:**

**(b) “electric distribution system” means**

- (i) any system, works, plant, equipment or service for the delivery, distribution or furnishing of electric energy directly to consumers, and
- (ii) an energy storage facility approved by the Commission in accordance with section 25.1,

but does not include a power plant or a transmission line;

*(6) The City of Medicine Hat and each subsidiary of the City must pay to the Balancing Pool an amount calculated in accordance with the regulations made under subsection (8).*

*(8) The Lieutenant Governor in Council may make regulations for the purposes of this section, including regulations*

*(a) respecting the calculation of the amount to be paid to the Balancing Pool under subsection (3);*

*(b) respecting the interval for payment of the amount to be paid to the Balancing Pool;*

*(d) respecting the calculation of amounts to be paid to the Balancing Pool by the City of Medicine Hat or a subsidiary of the City;*

(19) Coming into force.

## **Hydro and Electric Energy Act**

**3(1)** Amends chapter H-16 of the Revised Statutes of Alberta 2000.

(2) Section 1 presently reads in part:

*1(1) In this Act,*

*(b) “electric distribution system” means any system, works, plant, equipment or service for the delivery, distribution or furnishing of electric energy directly to the consumers, but does not include a power plant or transmission line;*

*(o) “transmission line” means a system or arrangement of lines of wire or other conductors and transformation equipment, wholly in Alberta, whereby electric energy, however produced, is transmitted in bulk, and includes*

*(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.*

**(ii) by adding the following after clause (c):**

- (c.1) “energy storage facility” means a facility that uses any technology or process that is capable of using electric energy as an input, storing the energy for a period of time and then discharging electric energy as an output;

**(iii) by adding the following after clause (f):**

- (f.1) “Independent System Operator” means the Independent System Operator established under the *Electric Utilities Act*;

**(iv) by adding the following after clause (g):**

- (g.1) “isolated generating unit” means isolated generating unit as defined in the *Electric Utilities Act*;

**(v) in clause (o) by striking out “and” at the end of subclause (iv), adding “and” at the end of subclause (v) and adding the following after subclause (v):**

- (vi) an energy storage facility included in a needs identification document that has been approved by the Commission in accordance with section 34(3)(a) of the *Electric Utilities Act*,

**(b) by repealing subsection (2)(b) and substituting the following:**

- (b) any line, system or installation is, or is part of, a power plant, an energy storage facility, a transmission line, an industrial system or an electric distribution system.

**(3) Section 3(1) is amended**

**(a) by striking out “or” at the end of clause (a) and adding the following after clause (a):**

- (a.1) an application under section 13.01 for the construction and operation of an energy storage facility, or

(2) *The decision of the Commission is final as to whether*

(b) *any line or system or installation is, or is part of, a power plant, a transmission line, industrial system or an electric distribution system.*

(3) Section 3(1) presently reads in part:

*3(1) Where the Commission is considering*

(a) *an application under section 11 for the construction or operation of a generating unit as defined in the Electric Utilities Act, or*

(c) *shall not have regard to whether the generating unit is an economic source of electric energy in Alberta or to whether*

**(b) in clause (c)**

- (i) by adding** “or energy storage facility” **after** “generating unit”;
- (ii) by striking out** “such facility” **and substituting** “such generating unit or energy storage facility”.

**(4) Section 4 is amended**

**(a) by repealing subsection (5) and substituting the following:**

**(5)** Where the Commission is not satisfied that subsection (3)(a) to (g) have been met, the Commission may make a designation under subsection (1) if the Commission is satisfied

**(a)** that

- (i)** subsections (3)(a) to (g) and (4) have been substantially met, and
- (ii)** there is a significant and sustained increase in efficiency in a process of the industrial operation or in the production and consumption of electric energy by the industrial operation as a result of the integration of the electric system with the industrial operations the electric system forms part of and serves,

or

- (b)** that the production from the generating unit associated with the industrial operation
  - (i)** is self-supply, and
  - (ii)** was self-supply with an in-service date before January 1, 2022.

**(b) in subsection (6)(b) by striking out “(5)(b)” and substituting “(5)(a)(ii)”;**

**(c) in subsection (8) by adding “, “self-supply”” after ““interconnected electric system””.**



*there is a need for the electric energy to be produced by such facility in meeting the requirements for electric energy in Alberta or outside Alberta,*

(4) Section 4 presently reads in part:

*(5) Where the Commission is not satisfied that all of clauses (a) to (g) of subsection (3) have been met, the Commission may make a designation under subsection (1) if the Commission is satisfied that*

*(a) all of clauses (a) to (g) of subsection (3) and subsection (4) have been substantially met, and*

*(b) there is a significant and sustained increase in efficiency in a process of the industrial operation or in the production and consumption of electric energy by the industrial operation as a result of the integration of the electric system with the industrial operations the electric system forms part of and serves.*

*(6) The Commission may make regulations*

*(b) respecting how the criteria in subsection (5)(b) may be met where a generating unit uses solution gas that would otherwise be flared to produce electricity.*

*(8) In this section, “electric distribution system”, “electric energy”, “electricity”, “interconnected electric system” and “service area” have the meanings given to them in the Electric Utilities Act.*

**(5) Section 5 is amended**

**(a) in subsection (1)**

**(i) in clauses (b), (c), (d), (g) and (h) by adding “, energy storage facility” after “power plant”;**

**(ii) in clause (i) by adding “, energy storage facilities” after “power plants”;**

**(iii) in clause (r) by adding “, energy storage facility” after “power plant”;**

**(b) in subsection (4) by adding “, energy storage facility” after “power plant”.**

(5) Section 5 presently reads in part:

*5(1) The Commission may make regulations*

- (b) excluding a hydro development, power plant, transmission line or electric distribution system of a kind described in the regulations from the application of any provision of this Act or the regulations, either generally or in a particular case;*
- (c) prescribing the measures to be taken to identify and protect from public access any power plant or transmission line;*
- (d) prescribing conditions subject to which the holder of an approval, permit or licence under this Act or a person proposing to construct a power plant, transmission line or electric distribution system may enter on land of another person in the absence of an agreement for the entry with the other person, which regulations shall be in addition to any applicable provisions of the Surveys Act;*
- (g) regarding equipment, materials and installations that may be used in any power plant or transmission line or in any works, fittings, machinery, plant or appliance connected with it;*
- (h) as to the measures to be taken in the construction, operation or abandonment of any power plant or transmission line for
  - (i) the protection of life, property and wildlife, and*
  - (ii) the prevention and extinguishment of fires;**
- (i) as to the inspection of power plants and transmission lines both during and after construction;*
- (r) prescribing a uniform system of accounts applicable to any person owning or operating a hydro development, power plant, transmission line or electric distribution system not exempted by the regulations or by the Commission.*

*(4) Subject to the approval of the Minister responsible for the Environmental Protection and Enhancement Act, the Commission may make regulations as to the measures to be taken in the construction, operation or abandonment of any power plant or transmission line for the control of pollution and ensuring environment conservation.*

**(6) Section 8 is amended**

**(a) in subsection (1)**

**(i) in clause (a) by adding “, energy storage facilities” after “power plants”;**

**(ii) in clause (b) by adding “, energy storage facility” after “power plant”;**

**(iii) in clause (c)**

**(A) by adding “, energy storage facilities” after “tests at power plants”;**

**(B) by adding “and energy storage facilities” after “samples at power plants”;**

**(iv) in clause (d) by adding “, energy storage facilities” after “power plants”;**

**(b) in subsection (3) by adding “, energy storage facility” after “power plant”.**

**(7) The heading after section 8 is amended by adding “, Energy Storage Facilities” after “Power Plants”.**

(6) Section 8 presently reads in part:

*8(1) At any reasonable time, a member of the Commission and any person authorized by the Commission*

- (a) shall have access to power plants, transmission lines and electric distribution systems and routes of proposed transmission lines, and to all buildings, installations, structures and land connected with them,*
- (b) may enter on any land that the member or authorized person must cross to reach a power plant, transmission line or electric distribution system,*
- (c) is entitled to make inspections, investigations or tests at power plants, transmission lines and electric distribution systems, and to take samples at power plants, and*
- (d) is entitled to inspect all books, records and documents pertaining to hydro developments, power plants, transmission lines and electric distribution systems.*

*(3) Any person who is the holder of an approval, permit or licence under Part 2 or 3, or any person in charge of a hydro development, power plant, transmission line or electric distribution system, or any contractor or employee of such a person*

- (a) shall permit any member of the Commission or any person authorized by the Commission to exercise the powers conferred by subsection (1), and*
- (b) shall assist any member of the Commission or any person authorized by the Commission in the exercise of the powers conferred by subsection (1).*

(7) The heading after section 8 presently reads:

*Part 2  
Hydro Developments, Power Plants and Transmission Lines*

**(8) The following is added after section 13:**

### **Energy Storage Facilities**

#### **Approval of energy storage facility**

**13.01(1)** No person shall construct or operate an energy storage facility unless the Commission, by order, has approved the construction and operation of the energy storage facility.

**(2)** The Commission may make rules with respect to the procedures and processes applicable to locating, building, constructing and operating an energy storage facility.

#### **Survey of site**

**13.02** Notwithstanding section 13.01, the site of an energy storage facility may be surveyed without an order or approval.

#### **Exemptions**

**13.03(1)** Section 13.01 does not apply to

- (a) a person storing electric energy solely for the person's own use, unless the Commission otherwise directs, or
- (b) an energy storage facility that is included in an electric distribution system or transmission line.

**(2)** Notwithstanding subsection (1)(a), a person storing or proposing to store electric energy solely for the person's own use shall, if required by the regulations to do so, immediately notify the Commission of the use or proposed use and provide any details of the storage and use that the Commission requires.

**(9) Sections 18(1), (2) and (5), 19(2) and 20(3) are amended by adding “, energy storage facility” after “power plant” wherever it occurs.**

(8) Energy Storage Facilities.

(9) Sections 18(1), (2) and (5), 19(2) and 20(3) presently read:

*18(1) The owner or operator of a power plant, transmission line or electric distribution system shall not connect that power plant, transmission line or electric distribution system, or cause or permit it to be connected,*

*(a) to any other power plant, transmission line or electric distribution system, unless the connection is in accordance with an order under this section, or*

*(b) to any industrial system or other service where the connection may seriously affect the operation of an*





*interconnected electric system or a communications system as prescribed in the regulations.*

*(2) The Commission, either on its own initiative or on application or complaint in writing, may, with the authorization of the Lieutenant Governor in Council and by order in writing directed to the owner of a power plant, transmission line or electric distribution system,*

- (a) if on the application of the owner or operator, approve the plans of the owner subject to any modification or alteration the Commission considers desirable, or deny the application,*
- (b) require the owner to connect the owner's works with other works or proposed works owned by the owner or by any other owner of a power plant, transmission line or electric distribution system,*
- (c) require the owner to suspend the use of any connection if, in the opinion of the Commission, the continuation of a connection may seriously affect the operation of any interconnected electric system or communications system, or*
- (d) require the owner to share and participate or otherwise combine its interests for the transmission or distribution of electric energy with any other owner of a transmission line or electric distribution system,*

*and may prescribe any terms and conditions the Commission considers suitable.*

*(5) The owner or operator of a power plant, transmission line or electric distribution system applying for an order for the connection of its works with other works or proposed works shall file with the Commission*

- (a) particulars of the proposed connection,*
- (b) if the other works or proposed works are those of another owner, particulars of the operating agreement with the other owner, and*
- (c) any related information that the Commission requires.*

*19(2) Without restricting the generality of subsection (1), the Commission may do one or more of the following:*

**(10) Section 21 is amended**

**(a) in subsection (2) by striking out** “within the meaning of the *Electric Utilities Act*”;

**(b) by adding the following after subsection (2):**

**(3)** This section applies in respect of an energy storage facility only if the energy storage facility

(a) contains an isolated generating unit, or

(b) is included in a transmission line.

- (a) *require changes in the plans and specifications of a hydro development, power plant or transmission line;*
- (b) *require changes in the location of a hydro development, power plant or transmission line;*
- (c) *prescribe a date before which the construction of, or operation of, the hydro development, power plant or transmission line must commence;*
- (d) *prescribe the location and route of the transmission line as precisely as it considers suitable;*
- (e) *prescribe the location of the right of way of the transmission line and the relationship of its boundaries to the transmission line or any part of the transmission line.*

*20(3) Notwithstanding section 11 or 15, when an operator has discontinued the operation of but has not dismantled or removed a hydro development, power plant or transmission line and an interruption or emergency is experienced or is reasonably foreseen, the Commission may authorize, or with the approval of the Minister responsible for this Act may order, the operation of the hydro development, power plant or transmission line and associated facilities until the interruption or emergency or the foreseen interruption or emergency has passed.*

(10) Section 21 presently reads in part:

*(2) This section applies in respect of a power plant only if the power plant contains an isolated generating unit within the meaning of the Electric Utilities Act.*

**(11) Section 22 is amended**

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

**Notice of discontinuance of operations required**

**22(1)** This section applies in respect of a power plant or energy storage facility to which section 21 does not apply.

- (b) **in subsection (2)**

- (i) **by adding** “or energy storage facility” **after** “for a power plant”;
- (ii) **by adding** “or energy storage facility” **after** “operated a power plant”;
- (iii) **by striking out** “established under the *Electric Utilities Act*”;
- (iv) **by adding** “or energy storage facility” **after** “the power plant”.

**(12) The following is added after section 25:**

**Ownership of an energy storage facility**

**25.1(1)** An owner of an electric distribution system shall not own or operate an energy storage facility without the approval of the Commission.

(2) Approval under this section shall not be given unless the Commission is satisfied that the owner is not able to competitively procure non-wires services.

(3) Notwithstanding subsection (2), the Commission may approve an application for approval, having regard to the public interest and any economic alternatives available to the owner, if

- (a) there is only one provider of a non-wires service available,
- (b) competitively procuring non-wires services is not economic, or
- (c) the proposed use of an energy storage facility would provide superior safety and reliability to the electric distribution system.

(11) Section 22 presently reads in part:

*22(1) This section applies only to a power plant that contains a generating unit that is not an isolated generating unit within the meaning of the Electric Utilities Act.*

*(2) A person who holds an approval for a power plant under this Part, and a person who operated a power plant on June 1, 1971, shall provide written notice to the Commission and the Independent System Operator established under the Electric Utilities Act before permanently discontinuing the operation of, or permanently dismantling or removing any works or installations forming part of, the power plant.*

(12) Ownership of an energy storage facility.

**(13) Section 33 is amended by adding “or energy storage facility” after “power plant”.**

**(14) Section 37 is amended**

**(a) in subsection (1)**

**(i) by adding “, an energy storage facility” after “purposes of a power plant”;**

**(ii) by repealing clause (b) and substituting the following:**

(b) by expropriation under the *Expropriation Act*, in the case of a power plant or energy storage facility containing an isolated generating unit, or

**(b) in subsection (2)**

**(i) by adding “, energy storage facility” after “purposes of a power plant”;**

**(ii) by repealing clause (b) and substituting the following:**

(b) under section 6 of the *Metis Settlements Land Protection Act*, in the case of a power plant or energy storage facility containing an isolated generating unit, or

**(15) Section 40 is amended by adding “, energy storage facility” after “power plant”.**

(13) Section 33 presently reads:

*33 In this Part, “operator” means the holder of an approval to construct or operate a power plant or of a permit to construct or licence to operate a transmission line under Part 2.*

(14) Section 37 presently reads in part:

*37(1) When an operator requires an estate or interest in land, other than in patented land as defined in the Metis Settlements Act, for the purposes of a power plant or a transmission line, the estate or interest may be acquired in land owned by the Crown or by any other person*

*(b) by expropriation under the Expropriation Act, in the case of a power plant containing an isolated generating unit as defined in the Electric Utilities Act, or*

*(2) When an operator requires an estate or interest less than the fee simple in patented land as defined in the Metis Settlements Act for the purposes of a power plant or transmission line, the estate or interest may be acquired*

*(b) under section 6 of the Metis Settlements Land Protection Act, in the case of a power plant containing an isolated generating unit as defined in the Electric Utilities Act, or*

(15) Section 40 presently reads:

*40 An approval or permit granted pursuant to this Act does not relieve the owner or operator of a hydro development, power plant, transmission line or electric distribution system from the necessity of obtaining any order, permit, licence, consent or authorization that the owner or operator is required to obtain under any other Act or regulation under any other Act.*

**(16) The following is added after section 42:**

**Persons deemed to hold approvals, etc.**

**42.1(1)** If on the coming into force of this section a person was

- (a) operating an energy storage facility, or
- (b) constructing an energy storage facility under authority provided for in this Act,

the person is until further order deemed to be the holder of a subsisting approval covering the operation or construction of the person's energy storage facility.

**(2)** When a person is deemed to be the holder of an approval by reason of subsection (1), the Commission may issue to the person an approval in substitution for the one the person is deemed to hold under subsection (1), on notice, if any, that the Commission considers suitable.

**(17) This section comes into force on Proclamation.**



(16) Persons deemed to hold approvals, etc.

(17) Coming into force.





**RECORD OF DEBATE**

Stage	Date	Member	From	To
		<b>Interventions</b>	<b>From</b>	<b>To</b>
<b>Stage</b>	<b>Date</b>	<b>Member</b>	<b>From</b>	<b>To</b>
		<b>Interventions</b>	<b>From</b>	<b>To</b>
<b>Stage</b>	<b>Date</b>	<b>Member</b>	<b>From</b>	<b>To</b>
		<b>Interventions</b>	<b>From</b>	<b>To</b>
<b>Stage</b>	<b>Date</b>	<b>Member</b>	<b>From</b>	<b>To</b>
		<b>Interventions</b>	<b>From</b>	<b>To</b>