

2024 Bill 19

First Session, 31st Legislature, 2 Charles III

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 19

UTILITIES AFFORDABILITY STATUTES AMENDMENT ACT, 2024

THE MINISTER OF AFFORDABILITY AND UTILITIES

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 19

2024

UTILITIES AFFORDABILITY STATUTES AMENDMENT ACT, 2024

(Assented to _____, 2024)

HIS 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 31(2) is amended

(a) by adding the following after clause (h):

(h.1) rate of last resort provider;

(b) by repealing clause (j).

(3) Section 39 is amended

(a) in subsection (1)(b)(i.1) by striking out “*Regulated Rate Option Stability Act*” and substituting “*Rate of Last Resort Stability Act*”;

(b) in subsection (2)(a)(ix) by striking out “regulated rate provider” wherever it occurs and substituting “rate of last resort provider”;

Explanatory Notes

Alberta Utilities Commission Act

1(1) Amends chapter A-37.2 of the Statutes of Alberta, 2007.

(2) Section 31(2)(j) presently reads:

(2) For the purposes of this Part, the following words and phrases have the meaning given to them by the Electric Utilities Act:

(j) regulated rate provider;

(3) Section 39 presently reads in part:

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.1) contraventions of the Regulated Rate Option Stability Act or the regulations under that Act,

(c) in subsection (3)(a)(iii) by striking out “Regulated Rate Option Stability Act” and substituting “Rate of Last Resort Stability Act”.

(4) Sections 51(1)(a)(i.1) and 56(3)(a)(i.1) are amended by striking out “Regulated Rate Option Stability Act” and substituting “Rate of Last Resort Stability Act”.

(5) 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) *Without limiting the generality of subsection (1), the Market Surveillance Administrator's mandate*

(a) *in respect of the electricity market includes surveillance and, where applicable, investigation and enforcement, in respect of any one or more of the following:*

(ix) *the relationship between the owner of an electric distribution system and a regulated rate provider or between the regulated rate provider and an affiliated retailer, or any aspect of the parties in the relationship;*

(3) *In carrying out its mandate, the Market Surveillance Administrator shall assess the following:*

(a) *whether or not the conduct of an electricity market participant supports the fair, efficient and openly competitive operation of the electricity market and whether or not the electricity market participant has complied with or is complying with*

(iii) *the Regulated Rate Option Stability Act and the regulations under that Act,*

(4) Sections 51(1)(a)(i.1) and 56(3)(a)(i.1) presently read:

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

(a) *a person*

(i.1) *has contravened the Regulated Rate Option Stability Act or the regulations under that Act,*

56(3) The Commission may make an order

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

(i.1) *has contravened the Regulated Rate Option Stability Act or the regulations under that Act,*

(5) Coming into force.

Electric Utilities Act

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

(2) Section 1(1) is amended

- (a) in clause (l) by striking out “regulated rate provider” and substituting “rate of last resort provider”;**
- (b) in clause (cc) by striking out “regulated rate providers” and substituting “rate of last resort providers”;**
- (c) by adding the following after clause (oo):**
 - (oo.1) “rate of last resort provider” means the owner of an electric distribution system, or a person authorized by the owner, that provides electricity services to eligible customers in the owner’s service area under a regulated rate tariff;
- (d) by repealing clause (qq).**

(3) Section 103(9) is amended by striking out “regulated rate provider” and substituting “rate of last resort provider”.

(4) Section 105(1) is amended

- (a) in clause (g)**
 - (i) by striking out “regulated rate provider” wherever it occurs and substituting “rate of last resort provider”;**
 - (ii) by striking out “regulated rate provider’s” and substituting “rate of last resort provider’s”;**
- (b) in clause (i) by striking out “regulated rate provider” and substituting “rate of last resort provider”.**

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

1(1) In this Act,

- (l) “distribution tariff billing” means an account for electric distribution service provided to a retailer or a regulated rate provider;*
- (cc) “load settlement” means the process of determining the consumption of electric energy in each settlement interval of each customer in Alberta and providing that information to the Independent System Operator, retailers and regulated rate providers in order to identify responsibility for purchases of electric energy exchanged through the power pool;*
- (qq) “regulated rate provider” means the owner of an electric distribution system, or a person authorized by the owner that provides electricity services to eligible customers in the owner’s service area under a regulated rate tariff;*

(3) Section 103(9) presently reads:

(9) If an eligible customer who is in the service area of the owner’s electric distribution system is not enrolled with a retailer, the owner is the customer’s regulated rate provider and the customer is deemed to have elected to purchase electricity services under that owner’s regulated rate tariff.

(4) Section 105(1) presently reads in part:

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

- (g) to provide to a retailer or the owner’s regulated rate provider sufficient, accurate and timely information about the retailer’s or the regulated rate provider’s customers, including metering information about the electricity consumed by those customers in order to enable the retailer or regulated rate provider to bill and to respond to inquiries and complaints from customers concerning billing for electricity services;*
- (i) to act as a regulated rate provider to eligible customers who pay a regulated rate for electricity;*

(5) Section 106(b) is amended by striking out “regulated rate provider” and substituting “rate of last resort provider”.

(6) Section 108 is amended

- (a) in clause (c)(iv) by striking out “regulated rate provider” and substituting “rate of last resort provider”;**
- (b) in clause (f)(ii) by striking out “regulated rate providers” and substituting “rate of last resort providers”;**
- (c) in clauses (g) and (j) by striking out “regulated rate provider” wherever it occurs and substituting “rate of last resort provider”;**
- (d) in clause (n) by striking out “regulated rate providers” and substituting “rate of last resort providers”.**

(5) Section 106(b) presently reads:

106 An owner of an electric distribution system shall not carry out any function required or permitted by this Act or the regulations to be carried out by a retailer except

- (b) in respect of electricity services provided under a regulated rate tariff when the owner acts as a regulated rate provider, or*

(6) Section 108 presently reads in part:

108 The Minister may make regulations

- (c) respecting the responsibilities of an owner of an electric distribution system*
- (iv) to perform metering and to maintain information systems, including frequency of meter reading cycles, use of automated meter reading software and equipment, and access to meter data for retailers, the owner's regulated rate provider or customers;*
- (f) respecting the terms and conditions that must be included or form part of any agreement or arrangement between*
 - (ii) owners and retailers or regulated rate providers;*
- (g) establishing a code of conduct governing the relationship between*
 - (i) an owner of an electric distribution system and its regulated rate provider,*
 - (iii) the owner's regulated rate provider and an affiliated retailer,*

or any aspect of the activities of the parties in the relationship;
- (j) exempting a regulated rate provider from ISO rules that require providing financial security in respect of electric energy acquired by the regulated rate provider to meet its obligations under the regulated rate tariff;*
- (n) respecting the accuracy of billing by regulated rate providers;*

(7) Section 129 is amended

- (a) in subsection (1) by striking out “regulated rate providers” and substituting “rate of last resort providers”;**
- (b) in subsection (2) by striking out “regulated rate provider” and substituting “rate of last resort provider”;**
- (c) in subsections (3) and (5) by striking out “regulated rate provider” wherever it occurs and substituting “rate of last resort provider”.**

(8) Section 139 is amended

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

Grant of right to distribute electric energy

139(1) A right to distribute electricity granted by a municipality to an owner of an electric distribution system has no effect unless the grant is approved by the Commission.

(7) Section 129 presently reads in part:

129(1) The Commission may make rules respecting service standards for owners of electric utilities, regulated rate providers and retailers, including rules respecting the following:

(2) On application or on its own initiative, the Commission may investigate to determine whether the owner of an electric utility, regulated rate provider or retailer is complying with the rules respecting service standards.

(3) If the Commission is of the opinion that the owner of an electric utility, regulated rate provider or retailer has failed or is failing to comply with the rules respecting service quality standards, the Commission may by order do all or any of the following:

(a) direct the owner, regulated rate provider or retailer to take any action to improve services that the Commission considers just and reasonable;

(b) direct the owner, regulated rate provider or retailer to provide the customer with a credit, of an amount specified by the Commission, to compensate the customer for the owner's, provider's or retailer's failure to comply with the rules respecting service quality standards;

(c) prohibit the owner, regulated rate provider or retailer from engaging in any activity or conduct that the Commission considers to be detrimental to customer service;

(5) Subsection (1)(a) to (e), (g), (i) and (j) do not apply to a regulated rate provider that is a municipality or subsidiary of a municipality referred to in section 103(3) or to a regulated rate provider that is a rural electrification association referred to in section 103(4).

(8) Section 139 presently reads in part:

139(1) A right to distribute electricity granted by a municipality

(a) to an owner of an electric distribution system has no effect unless the grant is approved by the Commission;

(b) to a subsidiary of the municipality does not require Commission approval.

(b) by repealing subsection (6) and substituting the following:

(6) Notwithstanding subsection (1) and section 45(5) of the *Municipal Government Act*, a right to distribute electricity granted by a municipality to a corporation controlled by the municipality or to a subsidiary of the municipality before the coming into force of this subsection, and that continues in effect after the coming into force of this subsection, continues in effect according to the terms and conditions of the grant until the earliest of the following:

- (a) the date the Commission approves the grant in accordance with subsections (2) and (3);
- (b) the date the grant is terminated under subsection (7).

(7) A grant referred to in subsection (6) that has not been approved by the Commission after the coming into force of this subsection is terminated 270 days after the coming into force of this subsection.

(8) For the purposes of subsections (4) and (6), a corporation is controlled by a municipality if the test set out in section 1(2) of the *Municipal Government Act* is met.

(9) This section comes into force on Proclamation.

Gas Utilities Act

Amends RSA 2000 cG-5

3(1) The *Gas Utilities Act* is amended by this section.

(2) Section 49 is amended by adding the following after subsection (3):

(4) Notwithstanding subsection (1) and section 45(5) of the *Municipal Government Act*, a privilege or franchise granted by a municipality within Alberta to an owner of a gas utility before the coming into force of this subsection, and that continues in effect after the coming into force of this subsection, continues in effect according to the terms and conditions of the grant until the earliest of the following:

(6) For the purpose of subsection (4), a corporation is controlled by a municipality if the test set out in section 1(2) of the Municipal Government Act is met.

(9) Coming into force.

Gas Utilities Act

3(1) Amends chapter G-5 of the Revised Statutes of Alberta 2000.

(2) Section 49 presently reads in part:

(3) The Commission may, in giving its approval under subsection (2), impose any conditions as to construction, equipment, maintenance, service or operation that the public convenience and interests reasonably require.

- (a) the date the Commission approves the grant in accordance with subsections (2) and (3);
- (b) the date the grant is terminated under subsection (5).

(5) A grant referred to in subsection (4) that has not been approved by the Commission after the coming into force of this subsection is terminated 270 days after the coming into force of this subsection.

(3) This section comes into force on Proclamation.

Government Organization Act

Amends RSA 2000 cG-10

4(1) The *Government Organization Act* is amended by this section.

(2) Schedule 13.1 is amended in section 1

- (a) in clause (a)(i) by striking out “*Regulated Rate Option Regulation*” and substituting “*Rate of Last Resort Regulation*”;
- (b) in clause (c)(i) by striking out “regulated rate provider” and substituting “rate of last resort provider”.

(3) This section comes into force on Proclamation.

Municipal Government Act

Amends RSA 2000 cM-26

5(1) The *Municipal Government Act* is amended by this section.

(2) Section 45(4) and (5) are repealed and the following is substituted:

- (4) Subsection (3)(b) does not apply to an agreement between a council and a regional services commission to provide a utility

(3) Coming into force.

Government Organization Act

4(1) Amends chapter G-10 of the Revised Statutes of Alberta 2000.

(2) Section 1 of Schedule 13.1 presently reads in part:

1 In this Schedule,

(a) “consumer” means a person who is

(i) an eligible customer as defined in the Regulated Rate Option Regulation (AR 262/2005),

(c) “provider” means

(i) a regulated rate provider as defined in the Electric Utilities Act,

(3) Coming into force.

Municipal Government Act

5(1) Amends chapter M-26 of the Revised Statutes of Alberta 2000.

(2) Section 45(4) and (5) presently read:

(4) Subsection (3)(b) does not apply to an agreement to provide a utility service between a council and a regional services commission.

service unless the utility service to be provided is fuel, electric power or both.

(5) An agreement made under this section before the coming into force of this subsection, and that continues in effect after the coming into force of this subsection, between a council and a corporation controlled by the municipality or a council and a subsidiary of the municipality within the meaning of section 1(3) of the *Electric Utilities Act* to provide fuel, electric power or both must be submitted to the Alberta Utilities Commission for approval by the Alberta Utilities Commission.

(3) The following is added after section 45:

Calculation of fees

45.01 An agreement made under section 45 shall not provide for the payment by a person of any fee the amount of which is calculated, in whole or in part, using

- (a) a price per kilowatt hour of electric power that varies periodically according to the market price for electric power, or
- (b) a price per gigajoule of fuel that varies periodically according to the market price for fuel.

(4) Section 75.4(3) is amended by striking out “, except section 45(3)(b),”.

(5) Section 360 is amended

- (a) by renumbering subsection (1) as subsection (1.1) and by adding the following before subsection (1.1):**

360(1) In this section, “electric distribution system”, “electricity” and “transmission system” have the meanings given to them in the *Electric Utilities Act*.

- (b) by repealing subsections (4) to (4.2) and substituting the following:**

(4) If a tax agreement with the operator of a public utility that supplies fuel provides for the calculation of the payment as a

(5) Subsection (3) does not apply to an agreement to provide a utility service between a council and a subsidiary of the municipality within the meaning of section 1(3) of the Electric Utilities Act.

(3) Calculation of fees.

(4) Section 75.4(3) presently reads:

(3) Sections 43 to 47, except section 45(3)(b), apply to a utility service provided by a controlled corporation.

(5) Section 360 presently reads in part:

(4) If a tax agreement with the operator of a public utility that supplies fuel provides for the calculation of the payment as a percentage of the gross revenue of the public utility, that gross revenue is the aggregate of

$$gr + (qu.ns \times vpu)$$

where:

“gr” is the gross revenue of the public utility for the year;

percentage of the gross revenue of the public utility, that gross revenue is the gross revenue of the public utility for the year.

(4.01) No tax agreement with an operator referred to in subsection (4) may provide for the use, in calculating the whole or part of the payment, of a price per gigajoule of fuel that varies periodically according to the market price for fuel.

(4.1) If a tax agreement with the operator of a public utility that transports electricity by way of a transmission system, an electric distribution system or both provides for the calculation of the payment as a percentage of the gross revenue of the public utility, that gross revenue is the gross revenue received by the public utility under its distribution tariff for the year.

(4.2) No tax agreement with an operator referred to in subsection (4.1) may provide for the use, in calculating the whole or part of the payment, of a price per kilowatt hour of electricity that varies periodically according to the market price for electricity.

(c) by adding the following after subsection (5):

(6) An agreement made under this section before the coming into force of this subsection, and that continues in effect after the coming into force of this subsection, with an operator referred to in subsection (4) or (4.1) who was not, before the coming into force of this subsection, subject to regulation by the Alberta Utilities Commission must be submitted to the Alberta Utilities Commission for approval by the Alberta Utilities Commission.

(6) This section comes into force on Proclamation.

“qu.ns” is the quantity of fuel in respect of which transportation service was provided during the year by means of the fuel distribution system of the provider of the public utility;

“vpu” is the deemed value per unit quantity of fuel determined by the Alberta Utilities Commission for that year for the fuel in respect of which transportation service was so provided.

(4.1) If a tax agreement with the operator of a public utility that transports electricity by way of a transmission system, an electric distribution system, or both, provides for the calculation of the payment as a percentage of the gross revenue of the public utility, that gross revenue is

(a) gr, or

(b) $gr + (qu.ns \times vpu)$,

where:

“gr” is the gross revenue received by the public utility under its distribution tariff for the year;

“qu.ns” is the quantity of electricity in respect of which system access service, electric distribution service, or both, were provided during the year by means of the transmission system, the electric distribution system, or both, of the provider of the public utility;

“vpu” is the deemed value per unit quantity of electricity determined by the Alberta Utilities Commission for that year for the electricity in respect of which system access service, electric distribution service, or both, were so provided.

(4.2) In subsection (4.1), “electric distribution service”, “electric distribution system”, “electricity”, “system access service” and “transmission system” have the meanings given to them in the Electric Utilities Act.

(6) Coming into force.

Regulated Rate Option Stability Act

Amends SA 2017 cR-13.5

6(1) The *Regulated Rate Option Stability Act* is amended by this section.

(2) The title and chapter number of the Act are repealed and the following is substituted:

RATE OF LAST RESORT STABILITY ACT

Chapter R-4.5

(3) Section 1 is amended

(a) in clause **(b)(i)** by striking out “*Regulated Rate Option Regulation*” and substituting “*Rate of Last Resort Regulation*”;

(b) by repealing clause **(e)**;

(c) in clause **(f)** by striking out “*Regulated Rate Option Regulation*” and substituting “*Rate of Last Resort Regulation*”;

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

(f.01) “Rate of Last Resort” means a Rate of Last Resort as defined in the *Rate of Last Resort Regulation*;

(f.02) “*Rate of Last Resort Regulation*” means the *Rate of Last Resort Regulation* (AR 262/2005);

(e) in clause **(g)** by striking out “*Regulated Rate Option Regulation*” and substituting “*Rate of Last Resort Regulation*”;

(f) by repealing clause **(h)**.

(4) Section 2(a)(i) is amended by striking out “new RRO rate” and substituting “Rate of Last Resort”.

Regulated Rate Option Stability Act

6(1) Amends chapter R-13.5 of the Statutes of Alberta, 2017.

(2) The title and chapter number presently read:

REGULATED RATE OPTION STABILITY ACT
Chapter R-13.5

(3) Section 1 presently reads in part:

1 In this 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*
- (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).*

(4) Section 2(a)(i) presently reads:

2 Notwithstanding any other enactment, during the deferral period

- (a) an owner shall determine the electric energy charge using*

(5) Section 4.2(1) is amended by striking out “Regulated Rate Option Regulation” and substituting “Rate of Last Resort Regulation”.

(6) Section 5(b) is amended

- (a) by striking out “new RRO rate” and substituting “Rate of Last Resort”;**
- (b) by striking out “Regulated Rate Option Regulation” and substituting “Rate of Last Resort Regulation”.**

(7) This section comes into force on Proclamation.

- (i) *the applicable monthly rate per kWh determined in accordance with the owner's new RRO rate energy price setting plan, or*

(5) Section 4.2(1) presently reads:

4.2(1) Notwithstanding anything to the contrary in the Regulated Rate Option Regulation, an owner shall establish a deferral account with the approval of the owner's reviewing agency on or before December 23, 2022, for the purposes of administering the recovery of the deferral amount in the recovery period, with interest calculated in accordance with section 4.1(5).

(6) Section 5(b) presently reads:

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's Electric Utility during the deferral period, to provide owners and the City of Medicine Hat's Electric Utility with the ability to recover deferral amounts, with interest, in the recovery period and to permit owners and the City of Medicine Hat's Electric Utility to maintain deferral accounts for this purpose, and in particular, without limiting the generality of the foregoing,

- (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.*

(7) Coming into force.

RECORD OF DEBATE

Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To
Stage	Date	Member	From	To
		Interventions	From	To
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		Interventions	From	To