

2025 Bill 52

First Session, 31st Legislature, 3 Charles III

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 52

ENERGY AND UTILITIES STATUTES AMENDMENT ACT, 2025

THE MINISTER OF AFFORDABILITY AND UTILITIES

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 52

2025

ENERGY AND UTILITIES STATUTES AMENDMENT ACT, 2025

(Assented to _____, 2025)

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

Electric Utilities Act

Amends SA 2003 cE-5.1

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

(2) Section 1(1) is amended

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

(b) “ancillary services” means those services necessary to support the transmission and supply of electricity while maintaining reliable operation of the interconnected electric system;

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

(h.1) “day-ahead market” means a forward market operated by the Independent System Operator for the sale and purchase of electric energy and certain ancillary services, as set out in the regulations or as otherwise required for system operations, to be exchanged on the next day;

(h.2) “day-ahead market price” means the prices determined through the day-ahead market for the sale and purchase

Explanatory Notes

Electric Utilities Act

1(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,

(b) “ancillary services” means those services required to ensure that the interconnected electric system is operated in a manner that provides a satisfactory level of service with acceptable levels of voltage and frequency;

(p.1) “electricity market” means any type of market through or under which an offer, purchase, sale, trade or exchange of electricity, electric energy, electricity services or ancillary services takes place in relation to the production or consumption of electricity, electric energy, electricity services or ancillary services;

(p.2) “electricity market participant” means

(i) any person that supplies, generates, transmits, distributes, stores, discharges, trades, exchanges, purchases or sells

of electric energy or certain ancillary services for a specific settlement interval;

(c) by repealing clauses (p.1) and (p.2) and substituting the following:

(p.1) “electricity market” means any type of market through or under which an offer, trade, exchange, purchase, sale or forward transaction of electricity or electricity services takes place in relation to the production, consumption, transmission or financial settlement of electricity or electricity services;

(p.2) “electricity market participant” means

(i) a person who supplies, generates, transmits, distributes, stores, discharges, trades, exchanges, purchases or sells electricity or electricity services, or

(ii) a broker, brokerage, forward exchange or other entity that trades, facilitates the trading of, or participates in an electricity market,

but does not include the Independent System Operator;

(d) by repealing clause (q)(ii) and substituting the following:

(ii) making financial arrangements to manage financial risk associated with the day-ahead market price, the real-time market price or transmission constraints;

(e) by repealing clause (s) and substituting the following:

(s) “exchange”, unless the context indicates otherwise, means

(i) to provide or receive electric energy or ancillary services by means of the interconnected electric system, or

(ii) to enter into a financial transaction related to the purchase of, sale of or financial arrangements associated with electric energy or ancillary services;

electricity, electric energy, electricity services or ancillary services, or

- (ii) any broker, brokerage or forward exchange that trades or facilitates the trading of electricity, electric energy, electricity services or ancillary services;*
- (q) “electricity services” means the services associated with providing electricity to a person, including the following:*
 - (ii) making financial arrangements to manage financial risk associated with the pool price;*
- (s) “exchange” means to provide electric energy to or receive electric energy from the interconnected electric system;*
- (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 rate of last resort providers in order to identify responsibility for purchases of electric energy exchanged through the power pool;*
- (ll) “pool price” means the pool price established by the Independent System Operator under section 18(4);*
- (mm) “power pool” means the scheme operated by the Independent System Operator for*
 - (i) exchange of electric energy, and*
 - (ii) financial settlement for the exchange of electric energy;*
- (xx.1) “settlement interval” means*
 - (i) if the ISO rules do not establish a period of time of less than 60 minutes as the settlement interval, 60 minutes, or*
 - (ii) if the ISO rules establish a period of time of less than 60 minutes as the settlement interval, the period of time established by the ISO rules as the settlement interval;*

(f) in clause (cc) by striking out “power pool” and substituting “day-ahead market and real-time market”;

(g) by repealing clauses (ll) and (mm);

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

(pp.1) “real-time market” means a market operated by the Independent System Operator for the exchange of electric energy and certain ancillary services, as set out in the regulations or as otherwise required for system operations, to meet the operational needs of the interconnected electric system;

(pp.2) “real-time market price” means the prices determined through the real-time market for the exchange of electric energy or certain ancillary services for a specific settlement interval in real time;

(i) by adding the following after clause (ss.1):

(ss.11) “REM ISO rules” means the rules established by the Minister under section 20.01 for the operation of a restructured energy market;

(ss.12) “restructured energy market” means the framework within which electricity markets operate, including the day-ahead market and the real-time market, as well as the procurement of ancillary services and the management of transmission constraints, whether through market-based or non-market mechanisms;

(j) by repealing clause (xx.1) and substituting the following:

(xx.1) “settlement interval” means one or more periods for which the financial settlement of transactions for electric energy or an ancillary service is calculated, as determined by

(i) any REM ISO rules established by the Minister under section 20.01, or

(ii) if no REM ISO rules are in force, the ISO rules;

(3) Section 5 is amended

- (a) in clause (a) by adding “and reliable” after “efficient”;**
- (b) by repealing clauses (b) and (c) and substituting the following:**
 - (b) to provide for competitive electricity markets, including a day-ahead market and a real-time market, enabling electricity market participants to exchange electric energy on terms that are fair, economically efficient and aligned with the operational requirements of the transmission system;
 - (b.1) to facilitate financial arrangements that allow electricity market participants to manage financial risks associated with electricity market prices and transmission constraints;
 - (c) to establish rules for efficient and reliable electricity markets, based on fair and open competition, that prevent distortions to electricity markets or the structure of the Alberta electric industry that arise from unfair advantages of any electricity market participant, including government-owned electricity market participants;

(4) Section 9(6) is amended by striking out “The Independent System Operator” and substituting “Subject to section 17.1 and the regulations, if any, the Independent System Operator”.

(5) Section 17 is amended

- (a) in clause (a) by striking out “power pool” and substituting “day-ahead market and real-time market”;**
- (b) by adding the following after clause (b):**
 - (b.1) to prioritize, restrict or vary the dispatch or pricing of electric energy during periods of transmission constraints in accordance with the regulations;

(3) Section 5 presently reads in part:

5 The purposes of this Act are

- (a) to provide an efficient Alberta electric industry structure including independent, separate corporations to carry out the responsibilities of the Independent System Operator and the Balancing Pool, and to set out the powers and duties of those corporations;*
- (b) to provide for a competitive power pool so that an efficient electricity market based on fair and open competition can develop, where all persons wishing to exchange electric energy through the power pool may do so on non-discriminatory terms and may make financial arrangements to manage financial risk associated with the pool price;*
- (c) to provide for rules so that an efficient electricity market based on fair and open competition can develop in which neither the market nor the structure of the Alberta electric industry is distorted by unfair advantages of government-owned participants or any other participant;*

(4) Section 9(6) presently reads:

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

(5) Section 17 presently reads in part:

17 The Independent System Operator has the following duties:

- (a) to operate the power pool in a manner that promotes the fair, efficient and openly competitive exchange of electric energy;*
- (c) to determine, according to relative economic merit, the order of dispatch of electric energy and ancillary services in Alberta and from scheduled exchanges of electric energy and*

(c) by repealing clauses (c) and (d) and substituting the following:

- (c) to determine the order of dispatch of electric energy and ancillary services in Alberta and from scheduled exchanges of electric energy and ancillary services between the interconnected electric system in Alberta and electric systems outside Alberta in a manner that minimizes the overall cost of dispatching electricity and satisfies the requirements for electricity in Alberta;
- (d) to carry out financial settlement for the electricity market at the respective market prices, unless this Act or the regulations provide otherwise;

(d) by repealing clause (f) and substituting the following:

- (f) to manage, procure and recover the costs associated with ancillary services, including entering into arrangements or agreements and determining the most appropriate procurement method;

(6) The following is added after section 17:

Procurement of ancillary services

17.1(1) The Independent System Operator may, subject to the regulations, if any, procure ancillary services, including by entering into arrangements or agreements, whether through the electricity market or by other means.

(2) In procuring ancillary services, the Independent System Operator must, subject to the regulations, if any, have regard to reliability, technical feasibility, costs and the principles of fairness, efficiency and open competition.

ancillary services between the interconnected electric system in Alberta and electric systems outside Alberta, to satisfy the requirements for electricity in Alberta;

- (d) to carry out financial settlement for all electric energy exchanged through the power pool at the pool price unless this Act or the regulations made by the Minister under section 41 provide otherwise;*
- (f) to manage and recover the costs for the provision of ancillary services;*

(6) Procurement of ancillary services.

(7) Section 18 is repealed and the following is substituted:

Operation of electricity market

18(1) The Independent System Operator must operate the electricity market in a manner that is fair, efficient and open to all electricity market participants exchanging or wishing to exchange electric energy through the electricity market and that gives all electricity market participants a reasonable opportunity to participate.

(2) Notwithstanding subsection (1), the Independent System Operator must operate the electricity market in a manner that accounts for transmission constraints.

(3) All electric energy entering or leaving the interconnected electric system must be exchanged through the day-ahead market or real-time market, except

(a) where section 39(1.1) or 105(1.1) applies, or

(b) as prescribed by the regulations.

(4) A person shall not intentionally cause or permit electric energy or ancillary services to enter or leave the interconnected electric system except in accordance with ISO rules.

(5) The Independent System Operator must, in accordance with ISO rules,

(a) establish day-ahead market and real-time market prices for each settlement interval, excluding any portion of ISO fees, and

(b) make these prices publicly available.

(6) Any prices established under subsection (5) may vary by location, subject to the regulations, if any.

(7) The Independent System Operator may, in accordance with ISO rules, establish and amend one or more pricing frameworks applicable to the electricity market, including

(a) minimum and maximum offer prices,

(7) Section 18 presently reads:

18(1) The Independent System Operator must operate the power pool in a manner that is fair, efficient and open to all electricity market participants exchanging or wishing to exchange electric energy through the power pool and that gives all electricity market participants a reasonable opportunity to do so.

(2) All electric energy entering or leaving the interconnected electric system must be exchanged through the power pool unless section 39(1.1) or 105(1.1) apply or regulations made under section 41, section 99 or section 142 provide otherwise.

(3) A person shall not intentionally cause or permit electric energy or ancillary services to enter or leave the interconnected electric system except in accordance with ISO rules.

(4) The Independent System Operator must, in accordance with the ISO rules,

(a) establish the pool price for each settlement interval for electric energy exchanged through the power pool, which must not include any portion of the ISO fees, and

(b) make the pool price available to the public.

- (b) processes for reviewing and updating prices, and
- (c) safeguards to limit the exercise of excess market power and ensure transparency.

(8) When exercising its authority under subsection (7), the Independent System Operator must ensure that any pricing framework aligns with the objectives of economic efficiency and reliability for Albertans.

(8) Section 19(2)(c) is amended by striking out “a price other than the pool price” and substituting “a price established in the day-ahead market or real-time market”.

(9) Section 20(1) is amended

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

- (b) the operation of the day-ahead market and real-time market and the exchange of electric energy through these markets, subject to any REM ISO rules established by the Minister under section 20.01;

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

- (c.1) the managing of transmission constraints, including rules that prioritize, restrict or vary the dispatch or pricing of electric energy during periods of transmission constraints;

(c) in clause (d) by adding “and cost recovery” after “provision”.

(10) The following is added after section 20:

(8) Section 19(2)(c) presently reads:

(2) Exchange of electric energy under a direct sales agreement or a forward contract must be undertaken in accordance with ISO rules, including rules

(c) authorizing that financial settlement may be at a price other than the pool price for electric energy sold or purchased under a direct sales agreement or forward contract, and

(9) Section 20(1) presently reads in part:

20(1) The Independent System Operator may make rules respecting

(b) the operation of the power pool and the exchange of electric energy through the power pool;

(d) the provision of ancillary services;

(10) REM ISO rules.

REM ISO rules

20.01(1) The Minister may, by regulation, establish REM ISO rules for the operation of a restructured energy market and to support its implementation.

(2) A regulation made under subsection (1) may

- (a) adopt by reference, with or without modification, a technical document that forms part of the REM ISO rules,
- (b) provide that the REM ISO rules are administered by the Independent System Operator,
- (c) authorize the Independent System Operator to propose amendments to the REM ISO rules, subject to the approval of the Minister,
- (d) provide that sections 25 and 26 do not apply to the REM ISO rules, and
- (e) notwithstanding any other provision of this Act and subject to the approval of the Minister, authorize the Independent System Operator to rescind any ISO rules that are inconsistent with the REM ISO rules.

(3) REM ISO rules established by the Minister under subsection (1) take effect without requiring approval by the Commission and, on the repeal of a regulation made under this section, continue in force as an approved ISO rule under the Act.

(11) Section 21(1)(a) is amended by striking out “power pool” and substituting “day-ahead market and real-time market”.

(12) Section 29 is amended

- (a) by renumbering it as section 29(1);**

(11) Section 21(1)(a) presently reads:

21(1) The Independent System Operator must establish and charge fees payable by electricity market participants

(a) for the exchange of electric energy through the power pool,

(12) Section 29 presently reads:

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

(2) For the purposes of subsection (1), reasonable opportunity does not require the removal of transmission constraints.

(3) Nothing in this section obligates the Independent System Operator to plan the transmission system in a manner that removes all transmission constraints or ensures unconstrained access to the transmission system for any electricity market participant.

(13) Section 30 is amended

(a) by repealing subsection (2)(a)(ii);

(b) in subsection (4) by striking out “or” at the end of clause (a), by adding “or” at the end of clause (b) and by adding the following after clause (b):

(c) using a combination of the ISO tariff and ISO fees for either or both of these costs, provided that the Independent System Operator delineates the portion of costs recovered under each payment type and ensures that the combined recovery does not exceed the costs incurred.

(14) Section 32 is amended by adding the following after clause (f):

29 The Independent System Operator must provide system access service on the transmission system in a manner that gives all electricity market participants wishing to exchange electric energy and ancillary services a reasonable opportunity to do so.

(13) Section 30 presently reads in part:

(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 or energy storage resource in circumstances in which the Independent System Operator directs that a generating unit or energy storage resource must continue to operate, and the costs to make prudent arrangements to manage the financial risk associated with those amounts,

(4) The Independent System Operator may recover the costs of transmission line losses and the costs of arranging provision of ancillary services acquired from electricity market participants by

(a) including either or both of those costs in the tariff, in addition to the amounts and costs described in subsection (2), in which case the Commission must include in the tariff the additional costs it considers to be prudent, or

(b) establishing and charging ISO fees for either or both of those costs.

(14) Transmission constraint management costs.

- (g) pay the costs of managing transmission constraints, subject to the regulations.

(15) Section 33(1) is repealed and the following is substituted:

Transmission system planning

33(1) The Independent System Operator must forecast the transmission needs of Alberta and develop plans for the transmission system to

- (a) provide efficient, reliable and fair system access service, recognizing that the Independent System Operator is not obligated to plan for the removal of all transmission constraints, and
- (b) ensure the timely implementation of required transmission system expansions and enhancements in a manner that maintains system reliability and can reasonably be expected to maximize economic efficiency.

(16) Section 34(1)(a) is amended by adding “transmission” before “constraint” wherever it occurs.

(17) Section 41 is amended

- (a) in subsection (1) by adding the following after clause (a.2):

(15) Section 33(1) presently reads:

33(1) The Independent System Operator must forecast the needs of Alberta and develop plans for the transmission system to provide efficient, reliable and non-discriminatory system access service and the timely implementation of required transmission system expansions and enhancements.

(16) Section 34(1)(a) presently reads:

34(1) When the Independent System Operator determines that an expansion or enhancement of the capability of the transmission system is or may be required to meet the needs of Alberta and is in the public interest, the Independent System Operator must, subject to the regulations, prepare and submit to the Commission for approval a needs identification document that

(a) describes the constraint or condition affecting the operation or performance of the transmission system and indicates the means by which or the manner in which the constraint or condition could be alleviated,

(17) Adds regulation-making authority.

- (a.3) for the management of transmission constraints by the Independent System Operator, including
 - (i) prioritizing, restricting or varying the dispatch or pricing of electric energy, and
 - (ii) providing for financial arrangements to manage risks associated with transmission constraints;
- (a.4) specifying the ancillary services that may be included in the markets referred to in section 1(1)(h.1) and (pp.1), including regulations authorizing the Independent System Operator to determine additional ancillary services as required for system operations;
- (a.5) establishing REM ISO rules for the operation of the restructured energy market;

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

(1.1) For greater clarity, any regulations made under subsection (1)(a.4) prevail over ISO rules made by the Independent System Operator under section 20(1) to the extent of any conflict, subject to the Minister's authority under section 20.01(2)(c) and (e) to amend or rescind, respectively, ISO rules.

(18) The following is added after section 103:

Consumer awareness surcharge

103.1(1) The Minister may, in accordance with the regulations, impose a consumer awareness surcharge on all eligible customers for the purpose of funding initiatives that

- (a) inform customers of their electricity service options,
- (b) improve customer knowledge of electricity markets and options, and
- (c) cover administrative costs related to implementing customer awareness programs.

(2) The consumer awareness surcharge must be

(18) Consumer awareness surcharge.

- (a) determined in accordance with the rate or calculation method and conditions prescribed by the regulations,
- (b) collected from eligible customers by rate of last resort providers in accordance with the regulations, and
- (c) remitted to the Minister in the manner and within the timeframe specified in the regulations.

(19) Section 108 is amended

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

- (l.1) respecting a consumer awareness surcharge, including
 - (i) the establishment, collection and remittance of the consumer awareness surcharge,
 - (ii) prescribing the rate or calculation method and conditions for determining the surcharge,
 - (iii) the use and distribution of funds collected under the surcharge,
 - (iv) the accountability measures, including reporting and audits, used to administer the surcharge, and
 - (v) the review and adjustment of the surcharge to ensure alignment with program costs and objectives;

(b) in clause (o) by striking out “ “affiliated gas retailer” and “default supplier” ” and substituting “ “affiliated gas retailer”, “default supplier” and “consumer awareness surcharge” ”.

(20) Section 111(2)(b) is amended by striking out “power pool” and substituting “day-ahead market and real-time market”.

(19) Section 108 presently reads in part:

108 The Minister may make regulations

- (o) defining “eligible customers”, “rate classification customers”, “affiliated electricity retailer”, “affiliated gas retailer” and “default supplier”.*

(20) Section 111(2)(b) presently reads:

(2) Retailers may

- (b) exchange electric energy through the power pool on behalf of their customers.*

(21) Section 122(1)(g) is repealed and the following is substituted:

- (g) the costs and expenses associated with financial arrangements to manage financial risk associated with the day-ahead market and real-time market prices if the arrangements are, in the Commission's opinion, prudently made, and

(22) Section 142(1)(l) is amended by adding the following after subclause (v.1):

- (v.11) respecting the procurement of ancillary services by the Independent System Operator, including regulations
 - (A) prescribing requirements under section 17.1, and
 - (B) specifying circumstances, for the purposes of section 9(6), in which such procurement does not constitute the Independent System Operator owning or holding an interest in a transmission facility, energy storage resource, electric distribution system or generating unit,

(23) Section 143(d) is repealed.

(24) The following is added after section 143:

Adoption by reference

143.1(1) A regulation under this Act may adopt or incorporate, in whole, in part or with modifications, documents that set out

(21) Section 122(1)(g) presently reads:

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

(g) the costs and expenses associated with financial arrangements to manage financial risk associated with the pool price if the arrangements are, in the Commission's opinion, prudently made, and

(22) Adds regulation-making authority.

(23) Section 143(d) presently reads:

143 Any regulation made by the Minister or the Lieutenant Governor in Council under this Act may

(d) adopt or declare to be in force any code or standard, with or without modifications, specified or described in the regulation.

(24) Adoption by reference; codes of practice, guidelines, etc.

standards, practices, codes of practice, guidelines, objectives, methods or other rules of any government, organization or person, including, without limitation, any standards, practices, codes of practice, guidelines, objectives or methods developed by the Minister under section 143.2, as they read at a particular time or as amended or replaced from time to time relating to any matter in respect of which a regulation may be made under this Act.

(2) Where a standard, practice, code of practice, guideline, objective, method or other rule is adopted or incorporated by regulation under this Act, the Minister shall ensure that a copy of the standard, practice, code of practice, guideline, objective, method or other rule is made available to a person on request.

Codes of practice, guidelines, etc.

143.2 The Minister may develop standards, practices, codes of practice, guidelines, objectives or methods relating to any matter in respect of which a regulation may be made under this Act.

(25) This section, except subsections (4), (5)(d), (6), (18), (19) and (22), comes into force on Proclamation.

(26) Subsections (18) and (19) are deemed to have come into force on January 1, 2025.

Gas Distribution Act

Amends RSA 2000 cG-3

2(1) The *Gas Distribution Act* is amended by this section.

(2) Section 1 is amended

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

(25) Coming into force.

(26) Coming into force.

Gas Distribution Act

2(1) Amends chapter G-3 of the Revised Statutes of Alberta 2000.

(2) Section 1 presently reads in part:

1 In this Act,

(h) “low pressure distribution pipeline” means a pipeline that

- (g.1) “hydrogen gas” means molecular hydrogen in its gaseous form that is intended for use as an energy carrier or a fuel;
- (g.2) “hydrogen-blended natural gas” means natural gas into which hydrogen gas has been blended at a concentration that does not exceed the maximum blending limit prescribed in the regulations under the *Gas Utilities Act*;
- (b) in clauses (h)(i), (m)(ii) and (n) by striking out “gas” and substituting “propane, natural gas or hydrogen-blended natural gas”;**
- (c) in clause (p) by striking out “delivery of gas” and substituting “delivery of propane, natural gas or hydrogen-blended natural gas”.**

(3) 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 1(1) is amended

- (a) in clause (g)(ii) by adding “or hydrogen-blended natural gas” after “supplying of gas”;**
- (b) by adding the following after clause (g.1):**
 - (g.2) “hydrogen gas” means molecular hydrogen in its gaseous form that is intended for use as an energy carrier or a fuel;
 - (g.3) “hydrogen-blended natural gas” means natural gas into which hydrogen gas has been blended at a concentration that does not exceed the maximum blending limit;

- (i) *is used for transmitting gas for domestic, commercial or industrial purposes,*
- (m) *“plant” means a pipeline that*
 - (ii) *is dedicated to supplying gas to that portion of a franchise area that is annexed by an urban municipality;*
- (n) *“primary service line” means a pipeline that is used to deliver gas to a single consumer;*
- (p) *“rural gas utility” means a system of pipelines used for the supply, transmission, distribution and delivery of gas to consumers in a franchise area;*

(3) Coming into force.

Gas Utilities Act

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

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

1(1) In this Act,

- (g) *“gas utility” means*
 - (ii) *any system, works, plant, pipes, equipment or service for the production, gathering, conveying, transmission, transporting, delivery, furnishing or supplying of gas by retail or wholesale, either directly or indirectly, to or for the public or any member of the public, whether an individual or a corporation, other than the transportation, delivery, furnishing or supplying by retail or wholesale, either directly or indirectly, of liquefied petroleum gas*

- (g.4) “maximum blending limit” means the maximum percentage of hydrogen gas by volume prescribed in the regulations that may be blended with natural gas in a gas distribution system as defined in Part 2.1;

(3) Section 16 is amended

- (a) in the portion preceding clause (a) by adding** “or hydrogen-blended natural gas” **after** “the gas”;
- (b) in clause (a) by adding** “or hydrogen-blended natural gas” **after** “gas”;
- (c) in clause (b) by striking out** “service or gas” **and substituting** “service, gas or hydrogen-blended natural gas”.

(4) Section 17 is amended by striking out “supply of gas” **wherever it occurs and substituting** “supply of gas or hydrogen-blended natural gas”.

(5) Section 25(a) and (b) are amended by adding “, hydrogen-blended natural gas” **after** “any gas”.

(except propane and butanes) by means of tank car, tank wagon, cylinder or vessel,

(3) Section 16 presently reads in part:

16 When it is made to appear to the Commission, on the application of any owner of a gas utility or of any municipality or person having an interest, present or contingent, in the matter in respect of which the application is made, that there is reason to believe that the tolls demanded by an owner of a gas utility exceed what is just and reasonable, having regard to the nature and quality of the service rendered or of the gas supplied, the Commission

- (a) may proceed to hold any investigation that it thinks fit into all matters relating to the nature and quality of the service or the gas supplied, or to the performance of the service and the tolls or charges demanded for it,*
- (b) may make any order respecting the improvement of the service or gas and as to the tolls or charges demanded, that seems to it to be just and reasonable, and*

(4) Section 17 presently reads:

17 When by a contract between an owner of a gas utility and a municipality or person for the supply of gas by means of the gas utility, any rate, toll or charge is agreed on either as a fixed or variable rate, toll or charge, or a maximum or minimum rate, toll or charge, and whether that rate, toll or charge is agreed on with respect to a present or future supply of gas, then, notwithstanding anything in this Act, the Public Utilities Act or the Alberta Utilities Commission Act, the Commission may, on the application of the owner, municipality or person and on it being shown on the hearing of the application that the rate, toll or charge is insufficient, excessive, unjust or unreasonable, change the rate, toll or charge to any other greater or lesser rate, toll or charge that it considers fair and reasonable.

(5) Section 25 presently reads in part:

(6) Section 35(a) is amended by striking out “supplied or service” **and substituting** “supplied, any hydrogen-blended natural gas supplied under Part 4.1 or any service”.

(7) Section 36 is amended

- (a) by striking out** “The Commission” **and substituting** “Subject to Part 4.1, the Commission”;
- (b) in clause (e) by adding** “or hydrogen-blended natural gas” **after** “deliver gas”.

(8) Section 40 is amended by striking out “In fixing” **and substituting** “Subject to Part 4.1, in fixing”.

25 *No owner of a gas utility shall*

- (a) *make, impose or extract any unjust or unreasonable or unjustly discriminatory or unduly preferential individual or joint rate, commutation rate or other special rate, toll, fare, charge or schedule for any gas or service supplied or rendered by it within Alberta,*
- (b) *adopt or impose any unjust or unreasonable classification in the making of or as the basis of any individual or joint rate, toll, fare, charge or schedule for any gas or service rendered by it within Alberta,*

(6) Section 35(a) presently reads:

35 *An owner of a gas utility shall, with respect to the gas utility,*

- (a) *file with the Commission complete schedules of every classification employed and of every individual or joint rate, toll, fare or charge made, charged or enacted by the owner for any gas supplied or service rendered within Alberta, as may be prescribed by the Commission,*

(7) Section 36 presently reads in part:

36 *The Commission, on its own initiative or on the application of a person having an interest, may by order in writing, which is to be made after giving notice to and hearing the parties interested,*

- (a) *fix just and reasonable individual rates, joint rates, tolls or charges or schedules of them, as well as commutation and other special rates, which shall be imposed, observed and followed afterwards by the owner of the gas utility,*
- (e) *require an owner of a gas utility to supply and deliver gas to the persons, for the purposes, at the rates, prices and charges and on the terms and conditions that the Commission directs, fixes or imposes.*

(8) Section 40 presently reads in part:

(9) Section 41 is amended by striking out “In fixing” and substituting “Subject to Part 4.1, in fixing”.

(10) Section 45(1) is amended by striking out “Instead” and substituting “Subject to Part 4.1, instead”.

(11) Section 46 is amended

(a) in subsection (1)

(i) in clause (a) by adding “or hydrogen-blended natural gas” after “which gas”;

(ii) in clause (b) by adding “or hydrogen-blended natural gas” after “gas” wherever it occurs;

40 In fixing just and reasonable rates, tolls or charges, or schedules of them, to be imposed, observed and followed afterwards by an owner of a gas utility,

- (a) the Commission may consider all revenues and costs of the owner that are in the Commission's opinion applicable to a period consisting of*

(9) Section 41 presently reads:

41 In fixing just and reasonable rates, tolls or charges, or schedules of them, under this Part, to be imposed afterwards by the owner of a gas utility, the Commission shall not fix any rate, toll or charge or schedules of them in a manner that the rate to the consumers or any class of consumers may be increased from year to year or other period without a further application to and order of the Commission.

(10) Section 45(1) presently reads:

45(1) Instead of fixing or approving rates, tolls or charges, or schedules of them, under sections 36(a), 37, 40, 41, 42 and 44, the Commission, on its own initiative or on the application of a person having an interest, may by order in writing fix or approve just and reasonable rates, tolls or charges, or schedules of them,

- (a) that are intended to result in cost savings or other benefits to be allocated between the owner of the gas utility and its customers, or*
- (b) that are otherwise in the public interest.*

(11) Section 46 presently reads in part:

46(1) Without in any way affecting the jurisdiction of the Commission, other than as expressly provided for in this section, the Commission

- (a) may hear any application on behalf of the council of any municipality within which gas is distributed or supplied by a gas utility,*

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

(2) If the council of a municipality in its application or by a subsequent application requests it, the Commission shall, when in its opinion the supply of gas or hydrogen-blended natural gas is inadequate for the demand of consumers of gas or hydrogen-blended natural gas within the municipality, prescribe reasonable rules and regulations requiring the gas utility conveying gas or hydrogen-blended natural gas to, or distributing it within, the municipality to augment the supply of gas or hydrogen-blended natural gas so conveyed or distributed, when in the judgment of the Commission it is practicable to do so.

(c) in subsection (3) by striking out “gas” wherever it occurs and substituting “gas or hydrogen-blended natural gas”.

(12) The following is added after section 48:

Part 4.1 Hydrogen Blending

Definitions

48.1 In this Part, “gas distribution system” means a gas distribution system as defined in Part 2.1.

Approval for hydrogen blending

48.2(1) The owner of a gas utility shall not supply hydrogen-blended natural gas services to consumers without the approval of the Commission under this Part.

(2) The owner of a gas utility may apply, in accordance with the regulations, to the Commission for approval to supply hydrogen-blended natural gas to specified consumers.

(b) may investigate the question of the supply of gas and the cost of producing, conveying, distributing, supplying and selling gas to consumers within the municipality,

(2) If the council of a municipality in its application or by a subsequent application makes request for it, the Commission shall, when in its opinion the supply of gas is inadequate for the demand of consumers of gas within the municipality, prescribe reasonable rules and regulations requiring the gas utility conveying gas to, or distributing it within the municipality to augment the supply of gas so conveyed or distributed, when in the judgment of the Commission it is practicable to do so.

(3) If any request for it is made under this section, the Commission shall fix and determine a reasonable price or prices at which gas will be sold within the municipality, having regard to the purpose for which it is used, and shall fix the period during which those prices are to be in effect, and may also prescribe fair and reasonable rates and charges for producing, conveying, distributing, buying or selling gas, or may establish a fair and equitable division of the proceeds of the sale of gas between the person producing or supplying the gas, and the person distributing or selling it to consumers within the municipality.

(12) Part 4.1 Hydrogen Blending.

(3) The Commission may not approve an application unless the Commission is satisfied that

- (a) the application meets the criteria and requirements established in the regulations, and
- (b) the owner of the gas utility has received consent in accordance with the regulations.

Hydrogen gas costs

48.3 The owner of a gas utility may only recover costs related to the provision of hydrogen-blended natural gas services

- (a) through a just and reasonable rate that is fixed by the Commission separately from the rate fixed under Part 4 for the natural gas component of the hydrogen-blended natural gas, and
- (b) from consumers who receive hydrogen-blended natural gas services.

Regulations

48.4(1) The Minister may make regulations

- (a) defining any terms used but not defined in this Part;
- (b) prescribing the maximum percentage of hydrogen gas by volume that may be blended with natural gas in a gas distribution system;
- (c) respecting applications under section 48.2;
- (d) establishing criteria the Commission shall use to consider an application from the owner of a gas utility for approval to provide hydrogen-blended natural gas services to consumers by means of a gas distribution system;
- (e) respecting the consent required before the Commission may approve an application from an owner of a gas utility to add hydrogen-blended natural gas to its gas distribution system, including but not limited to regulations respecting

- (i) the process for determining the eligibility of persons who are residents of a region or who are consumers of the owner of a gas utility to consent to an application,
 - (ii) the process by which consent must be ascertained,
 - (iii) the percentage of eligible persons who need to consent before an application can be approved,
 - (iv) the documents, records and proof of consent that an owner of a gas utility shall provide to the Commission, and
 - (v) the timelines for implementation if the requirements for consent are met and the application is approved;
- (f) respecting the procurement of hydrogen gas for the purposes of this Part, including regulations respecting
- (i) the entity responsible for procuring hydrogen gas for use in hydrogen-blended natural gas,
 - (ii) the process that must be used for the procurement of hydrogen gas,
 - (iii) the determination of the price to be paid for the procured hydrogen gas by consumers receiving hydrogen-blended natural gas services,
 - (iv) how consumers will be billed for the hydrogen gas component of the hydrogen-blended natural gas, and
 - (v) how the money paid by consumers for the hydrogen gas component of the hydrogen-blended natural gas will be remitted to the entity that procured the hydrogen gas;
- (g) respecting the costs incurred by an owner of a gas utility that shall be considered by the Commission as costs related to hydrogen-blended natural gas services;
- (h) respecting any other matter or thing that the Minister considers necessary or advisable to carry out the intent of this Part.

(2) Despite anything in this Act, regulations under subsection (1) may, with respect to a pilot project for hydrogen-blended natural gas services that was initiated before February 25, 2025,

- (a) exempt the pilot project from this Part or any provision of it, or
- (b) vary or substitute any provision of this Part in respect of the pilot project,

with or without conditions.

(3) A regulation made under this Part may

- (a) be specific or general in its application and include conditions, restrictions and limitations, and
- (b) apply to all of Alberta or any part of Alberta.

(13) The heading preceding section 49 is repealed and the following is substituted:

Part 5 Miscellaneous

(14) Section 59 is amended by adding “or hydrogen-blended natural gas” after “sale of gas”.

(15) This section comes into force on Proclamation.

(13) The heading preceding section 49 presently reads:

*Part 4
Miscellaneous*

(14) Section 59 presently reads:

59 For the purposes of this Act, the commission has the same powers in respect of the plant, premises, equipment, service and organization for the production, distribution and sale of gas in Alberta, and in respect of the business of an owner of a gas utility and in respect of an owner of a gas utility, that are by the Public Utilities Act conferred on the Commission in the case of a public utility under that Act.

(15) Coming into force.

Hydro and Electric Energy Act

Amends RSA 2000 cH-16

4(1) The *Hydro and Electric Energy Act* is amended by this section.

(2) Section 29(4)(e) is amended by striking out “pool price” and substituting “day-ahead market price and real-time market price, as defined in the *Electric Utilities Act*,”.

(3) This section comes into force on Proclamation.

Petroleum Marketing Act

Amends RSA 2000 cP-10

5(1) The *Petroleum Marketing Act* is amended by this section.

(2) Section 2(1.2) is amended by striking out “7” and substituting “13”.

Hydro and Electric Energy Act

4(1) Amends chapter H-16 of the Revised Statutes of Alberta 2000.

(2) Section 29(4)(e) presently reads:

(4) When an order made under subsection (1) or (3) reduces the service area of an electric distribution system, the Commission, if it considers such a provision suitable, may make provision in the order for

(e) compensation for any obligations or commitments arising from financial arrangements to manage financial risk associated with the pool price or from other arrangements made by the electric distribution system,

and provide that if agreement on the amount of any compensation provided for cannot be reached between the parties, the amount is to be determined by the Alberta Utilities Commission on the application of either party.

(3) Coming into force.

Petroleum Marketing Act

5(1) Amends chapter P-10 of the Revised Statutes of Alberta 2000.

(2) Section 2(1.2) presently reads:

(1.2) There shall be a board of directors of the Commission consisting of not more than 7 directors appointed by the Minister.

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
Stage	Date	Member	From	To
		Interventions	From	To