

2025 Bill 8

Second Session, 31st Legislature, 4 Charles III

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 8

**UTILITIES STATUTES
AMENDMENT ACT, 2025**

THE MINISTER OF AFFORDABILITY AND UTILITIES

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 8

2025

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:

Alberta Utilities Commission Act

Amends SA 2007 cA-37.2

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

(2) Section 1 is amended

- (a) in clause (d) by adding “, and includes the REM ISO rules” after “*Electric Utilities Act*”;**
- (b) by adding the following after clause (g):**
 - (h) “REM ISO rules” means REM ISO rules as defined in the *Electric Utilities Act*.

(3) Section 39 is amended

- (a) in subsection (1)(b)(ii) by adding “or promote” after “support”;**
- (b) by repealing subsection (3)(d) and substituting the following:**
 - (d) whether or not the ISO rules, excluding the REM ISO rules,

Explanatory Notes

Alberta Utilities Commission Act

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

(2) Section 1 presently reads in part:

1 In this Act,

(d) “ISO rules” means rules made by the Independent System Operator under the Electric Utilities Act;

(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) are sufficient to discourage anti-competitive practices in the electric industry, and
- (ii) support the fair, efficient and openly competitive operation of the electricity market.

(4) 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 is amended

(a) in subsection (1) by adding the following after clause (h):

(h.01) “data centre” has the meaning given to it in regulations made by the Minister under section 41.01;

(b) in subsection (2)(d) by adding “, and includes the REM ISO rules established by the Minister under section 20.01” after “or the regulations”.

(3) Section 16(2)(b) is amended

(a) by adding “41.01 or” after “section”;

(b) by adding “or (b.12)” after “99(b.11)”.

(4) Section 20(1) is amended by adding the following after clause (i):

(i.1) data centres;

- (ii) *conduct that does not support the fair, efficient and openly competitive operation of the electricity market or the natural gas market, and*
- (3) *In carrying out its mandate, the Market Surveillance Administrator shall assess the following:*
 - (d) *whether or not the ISO rules are sufficient to discourage anti-competitive practices in the electric industry and whether or not the ISO rules support the fair, efficient and openly competitive operation of the electricity market.*
- (4) Coming into force.

Electric Utilities Act

- 2(1) Amends chapter E-5.1 of the Statutes of Alberta, 2003.
- (2) Section 1 presently reads in part:
 - (d) *“ISO rules” means the rules made by the Independent System Operator under section 19 or 20 or the regulations;*
- (3) Section 16(2)(b) presently reads:
 - (2) *Subsection (1) does not apply to*
 - (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.*
- (4) Adds to powers of Independent System Operator to make rules.

(5) Section 20.21 is amended

(a) by adding the following after subsection (2):

(2.1) Subsection (2) does not apply to an ISO rule made under section 20(1)(i.1).

(2.2) The Commission may approve an ISO rule made under section 20(1)(i.1) and filed under section 20.2 or 20.6 only if the Commission is satisfied that

- (a) the ISO rule meets the criteria specified in the regulations made by the Minister under section 41.01, and
- (b) the Independent System Operator, in developing the rule, complied with the Commission rules made under section 20.9.

(b) in subsection (4) by striking out “subsection (2)” and substituting “subsections (2) and (2.2)”.

(6) Section 20.8 is amended by adding “and the Independent System Operator” after “electricity market participant”.

(7) Section 25 is amended

(a) by adding the following after subsection (1.1):

(1.11) Subsections (1)(b)(ii) and (1.1)(b) do not apply in respect of an ISO rule made under section 20(1)(i.1).

(1.111) An electricity market participant or the Market Surveillance Administrator may make a written complaint to the Commission about an ISO rule made under section 20(1)(i.1) that is in effect on one or more of the following grounds:

- (a) in the case of an electricity market participant, on any of the grounds set out in subsection (1)(b)(i) and (iii);
- (b) in the case of the Market Surveillance Administrator, on any of the grounds set out in subsection (1.1)(a) and (c);

(5) Section 20.21(4) presently reads:

(4) The Independent System Operator has the onus of satisfying the Commission with respect to the matters referred to in subsection (2).

(6) Section 20.8 presently reads in part:

20.8 An electricity market participant must comply with

(7) Adds grounds for complaints by electricity market participants or Market Surveillance Administrator to Commission about ISO rules respecting data centres.

- (c) in either case, on one or more of the grounds specified in the regulations made by the Minister under section 41.01.

(b) by adding the following after subsection (4.11):

(4.12) Subsections (4.1)(b) and (4.11)(b) do not apply in respect of an ISO rule made under section 20(1)(i.1).

(4.13) Where an electricity market participant or the Market Surveillance Administrator files a complaint about an ISO rule made under section 20(1)(i.1) on one or more of the grounds specified in the regulations made by the Minister under section 41.01, the electricity market participant or the Market Surveillance Administrator, as the case may be, has the onus of proving the grounds on which the complaint is made.

(8) Section 29(1) is repealed and the following is substituted:

Providing system access service

29(1) The Independent System Operator must provide system access service on the transmission system in a manner that

- (a) subject to clause (b), gives all electricity market participants wishing to exchange electric energy and ancillary services a reasonable opportunity to do so, and
- (b) maintains the reliability and adequacy of the interconnected electric system.

(9) Section 30(4) is repealed and the following is substituted:

(4) The Independent System Operator may recover the costs of procuring ancillary services from electricity market participants by

- (a) including the 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,
- (b) establishing and charging ISO fees for the costs, or

(8) Section 29(1) presently reads:

29(1) 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.

(9) Section 30(4) presently reads:

(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,*
- (b) establishing and charging ISO fees for either or both of those costs, or*

- (c) using a combination of the ISO tariff and ISO fees for the 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.

(10) The following is added after section 41:

Regulations — data centres

41.01 The Minister may make regulations respecting data centres, including regulations

- (a) defining “data centre”;
- (b) respecting classes of data centres;
- (c) respecting the provision of system access service to data centres;
- (d) respecting load management, load shedding and the consumption of electricity by data centres;
- (e) respecting the Commission’s approval of an ISO rule made under section 20(1)(i.1);
- (f) respecting complaints to the Commission about an ISO rule made under section 20(1)(i.1);
- (g) respecting the powers, duties, responsibilities and functions of the Independent System Operator with respect to data centres;
- (h) specifying which provisions of this Act and the regulations do not apply to data centres.

(11) Section 99 is amended by adding the following after clause (b.11):

- (b.12) respecting incumbents, including, without limitation, regulations
 - (i) defining “incumbent”,

(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.

(10) Regulations — data centres.

(11) Adds regulation-making authority.

- (ii) respecting the determination and treatment of incumbents,
- (iii) respecting payments in respect of incumbents, including, without limitation, regulations respecting
 - (A) the collection and use of funds for payments,
 - (B) eligibility to receive payments,
 - (C) the method of calculating the payment amount, and
 - (D) who is to make or receive payments,
- (iv) respecting the powers, duties, responsibilities and functions of the Independent System Operator with respect to incumbents, and
- (v) specifying which provisions of this Act and the regulations do not apply to incumbents;

(12) Subsections (2)(b), (3)(b), (6), (9) and (11) come into force on Proclamation.

Energy and Utilities Statutes Amendment Act, 2025

Amends SA 2025 c8

3(1) The *Energy and Utilities Statutes Amendment Act, 2025* is amended by this section.

(2) Section 1(2)(b) is amended by repealing the new section 1(1)(h.1) and substituting the following:

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

(12) Coming into force.

**Energy and Utilities Statutes
Amendment Act, 2025**

3(1) Amends chapter 8 of the Statutes of Alberta, 2025.

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

(2) Section 1(1) is amended

(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;

(3) Section 1(5)(c) is amended by repealing the new section 17(c) 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
 - (i) satisfies the requirements for electricity in Alberta, and
 - (ii) can reasonably be expected to minimize the overall cost of dispatching electricity;

(4) Section 1(7) is amended by repealing the new section 18(6) and substituting the following:

- (6) Subject to the regulations, the prices established under subsection (5)
 - (a) must include the costs of recovering transmission line losses, and
 - (b) may vary by location.

(5) Section 1(8) is amended by striking out “a price established in the day-ahead market or real-time market” and substituting “a price other than a price established in the day-ahead market or real-time market”.

(6) Section 1(10) is amended in the new section 20.01(2)

- (a) in clause (a) by adding “all or” after “forms”;
- (b) by striking out “and” at the end of clause (d) and adding the following after clause (e):
 - (f) authorize the Independent System Operator to bring all or part of the REM ISO rules into force at times determined by the Independent System Operator,
 - (g) authorize the Independent System Operator, where the restructured energy market cannot operate normally, to suspend the application of all or part of the REM ISO

(3) Section 1(5)(c) presently reads in part:

(5) Section 17 is amended 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;*

(4) Section 1(7) presently reads in part:

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

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

(5) Section 1(8) presently reads:

(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”.

(6) Section 1(10) presently reads in part:

- (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,*
- (d) provide that sections 25 and 26 do not apply to the REM ISO rules, and*

rules and to apply, to the extent necessary, the ISO rules that were in force immediately before the REM ISO rules came into force,

- (h) require the Independent System Operator, in the circumstances prescribed in the regulations,
 - (i) to obtain the Minister's approval before taking any action described in clause (g), or
 - (ii) to notify the Minister immediately after taking any action described in clause (g),

and

- (i) authorize the Minister, by order, to direct the Independent System Operator to end a suspension under clause (g) and to reinstate the application of the REM ISO rules.

(7) Section 1(17)(a) is amended by adding the following after the new section 41(1)(a.5):

- (a.6) respecting the management and recovery of the costs of transmission line losses by the Independent System Operator;

(8) Section 2(2)(a) is amended by repealing the new section 1(g.2) and substituting the following:

- (g.2) "hydrogen-blended natural gas" means hydrogen-blended natural gas as defined in the *Gas Utilities Act*;

(9) Section 3(2)(b) is amended

- (a) by repealing the new section 1(1)(g.3) and substituting the following:**

- (g.3) "hydrogen-blended natural gas" means natural gas into which hydrogen gas has been blended

(7) Adds regulation-making power.

(8) Section 2(2)(a) presently reads in part:

(2) Section 1 is amended

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

(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;

(9) Section 3(2)(b) presently reads in part:

(2) Section 1(1) is amended

(b) by adding the following after clause (g.1):

- (i) at a concentration that does not exceed the maximum blending limit, or
 - (ii) for delivery to consumers by a hydrogen-blending pilot project;
- (g.31) “hydrogen-blending pilot project” means a hydrogen-blending pilot project prescribed by the regulations made under section 48.4(1)(h);
- (b) in the new section 1(1)(g.4) by striking out “prescribed” and substituting “established”.**
- (10) Section 3(6) is amended by striking out “under Part 4.1”.**

(11) Section 3(12) is amended

- (a) by repealing the new section 48.1 and substituting the following:**

Definitions

48.1 In this Part,

- (a) “gas distribution system” means a gas distribution system as defined in Part 2.1;
 - (b) “owner of a hydrogen-blending pilot project” means the owner of a gas utility that includes a hydrogen-blending pilot project.
- (b) in the new section 48.2**
- (i) **in subsection (1) by striking out “supply” and substituting “provide”;**
 - (ii) **in subsection (2) by striking out “supply hydrogen-blended natural gas” and substituting “provide hydrogen-blended natural gas services”;**
- (c) by repealing the new section 48.3(a) and substituting the following:**

(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;*

(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;*

(10) Section 3(6) presently reads:

(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”.

(11) Section 3(12) presently reads in part:

(12) The following is added after section 48:

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

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.

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

48.4(1) The Minister may make regulations

- (a) through just and reasonable rates, tolls or charges, or schedules of them that are fixed by the Commission separately from the rates, tolls or charges, or schedules

of them fixed under Part 4 for the natural gas component of the hydrogen-blended natural gas, and

(d) by adding the following after the new section 48.3:

Costs — hydrogen-blending pilot projects

48.31(1) Despite section 48.3 and in accordance with the regulations, the owner of a hydrogen-blending pilot project may apply to the Commission to recover costs related to the provision of hydrogen-blended natural gas services that were prudently incurred before February 25, 2025, through just and reasonable rates, tolls or charges, or schedules of them fixed by the Commission under Part 4.

(e) in the new section 48.4

(i) in subsection (1)

(A) in clause (b) by striking out “prescribing” and substituting “respecting”;

(B) by renumbering clause (h) as clause (j) and adding the following after clause (g):

- (h) prescribing a portion of a gas utility that was delivering hydrogen-blended natural gas to consumers before February 25, 2025, as a hydrogen-blending pilot project;
- (i) respecting hydrogen-blending pilot projects, including regulations
 - (i) respecting the maximum percentage of hydrogen gas by volume that may be blended with natural gas in a gas distribution system as part of a hydrogen-blending pilot project,
 - (ii) respecting applications by an owner of a hydrogen-blending pilot project for cost recovery under Part 4,

- (b) prescribing the maximum percentage of hydrogen gas by volume that may be blended with natural gas in a gas distribution system;*
- (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.*

- (iii) respecting the types of costs incurred before February 25, 2025, that are eligible to be submitted by the owner of hydrogen-blending pilot project in an application for cost recovery under Part 4, and
- (iv) respecting reporting requirements, including the project-related information the owner of a hydrogen-blending pilot project must submit and to whom;

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

(2) Despite anything in this Act, regulations made under subsection (1) may, with respect to a hydrogen-blending pilot project, do any of the following with or without conditions:

- (a) exempt the hydrogen-blending pilot project from any provision of Part 2.1, Part 4 or this Part;
- (b) vary or substitute any provision of Part 2.1, Part 4 or this Part in respect of the hydrogen-blending pilot project.

(iii) in subsection (3) by striking out “and” at the end of clause (a), adding “and” at the end of clause (b) and adding the following after clause (b):

- (c) adopt or incorporate, in whole or in part or with modifications, documents that set out standards, codes, guidelines or other rules relating to any matter in respect of which a regulation may be made under this Part.

(iv) by adding the following after subsection (3):

(4) If a standard, code, guideline or other rule is adopted or incorporated by regulation under this Part, the Minister shall ensure that a copy of the standard, code, guideline or other rule is made available to a person on request.

RECORD OF DEBATE

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