2025 Bill 203

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 203

ENERGY STORAGE PLANNING FOR INVESTMENT ACT

MS AL-GUNEID

First Reading . . . . . .

Second Reading . . . . . .

Committee of the Whole . . . . . .

Third Reading . . . . . .

Royal Assent . . . . . .

Bill 203
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ENERGY STORAGE PLANNING FOR INVESTMENT ACT

(Assented to , 2025)

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

Interpretation

1(1) In this Act,

(a) "battery supply chain" includes critical mineral exploration, mining, processing and refining, battery component manufacturing, the supply of battery component parts and material recycling;

(b) "electricity grid" means the interconnected network of equipment and infrastructure for the generation, transmission, distribution and delivery of electricity in Alberta, and includes distributed generation systems and energy storage facilities;

(c) "energy storage" means a technology or process that is capable of using electric energy as an input, storing the energy for a period of time and then discharging electric energy as an output;

(d) "energy storage as a service" means a model by which an electric utility or other entity pays for services provided by an energy storage facility without owning that energy storage facility;

(e) "energy storage facility" has the same meaning as in the *Hydro and Electric Energy Act*;

(f) "energy storage resource" means the component of an energy storage facility that uses a technology or process that is capable of using electric energy as an input, storing the energy for a period of time and then discharging electric energy as an output, and includes a share of the following associated facilities that are necessary for the safe, reliable and economic operation of the energy storage resource, which may be used in common with other energy storage resources:

(i) fuel and fuel handling equipment;

(ii) cooling water facilities;

(iii) switch yards;

(iv) other items;

(g) "long duration energy storage" means energy storage that is capable of delivering an output of electricity for a duration of at least 8 hours;

(h) "Minister" means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for the *Electric Utilities Act*;

(i) "non-wires solution" means a strategy to defer or reduce the need for wire upgrades to the electricity grid and includes demand-side management, energy storage and the use of distributed energy resources;

(j) "wires solution" means an upgrade or addition to the wired components of the transmission system or electric distribution system.

(2) Unless otherwise provided in this Act, or unless the context otherwise requires, words and expressions used in this Act have the same meaning as provided in the *Electric Utilities Act.*

Purposes

2 The purposes of this Act are to require the Government to

(a) engage in coordinated planning for the modernization of the electricity grid, specifically in respect of energy storage as a service, long duration energy storage and the battery supply chain, and

(b) focus the coordinated planning on lowering electricity costs for customers, improving the reliability of the electricity grid, increasing the low-cost and low-emissions energy supply, and creating the appropriate market conditions for investment in energy storage development in Alberta.

Energy storage plan

3(1) The Minister must, in accordance with this section, establish a plan to facilitate the use of energy storage and implementation of energy storage as a service in Alberta.

(2) The plan must address each of the following matters:

(a) a regulatory framework and payment options that ensure that energy storage facilities' revenue streams fully reflect the value of all the benefits energy storage provides to the electricity grid, including reliable and affordable energy, and financial and environmental benefits arising from the avoidance or deferral of wires solutions;

(b) options for energy storage as a non-wires solution for distribution-level ancillary services;

(c) options for owners of electric utilities to consider the procurement of energy storage services from third parties;

(d) evaluation and approval criteria for the incorporation of energy storage projects in electric distribution system plans, including

(i) cost-effectiveness tests that compare investments in energy storage to investments in other non-wires solutions and investments in wires solutions, and

(ii) pre-approval of eligible investments or contracts within the distribution system plans;

(e) options for competitive procurement methods or aggregator contracts as a standard approach for sourcing energy storage services;

(f) options for a distribution-level framework that would allow energy storage to provide services such as peak shaving, congestion relief and upgrade deferral to the electricity grid, including the option of simplified participation rules for small and aggregated energy storage projects;

(g) mechanisms for electric utilities to recover and share the costs of energy storage as a service, including performance incentives or shared savings models;

(h) potential legislative amendments respecting requirements for the Independent System Operator to determine transmission system connection cost allocation and transmission reinforcement payments that are specific to energy storage resources;

(i) opportunities to ensure that distribution-level energy storage planning is coordinated with the transmission-cost allocation rules administered by the Independent System Operator.

(3) In making the plan, the Minister must consider the following objectives:

(a) alleviating congestion and localized capacity constraints of the electricity grid;

(b) minimizing costs to persons purchasing electricity, including customers;

(c) ensuring competitive and transparent procurement processes for energy storage services that are consistent with fair, efficient and openly competitive principles;

(d) alignment with good electric utility practice and good regulatory practice;

(e) the coordination of regulated and non-regulated non-wires solutions;

(f) the preference for a non-wires solution over a wires solution when the cost of the non-wires solution does not exceed the cost of the wires solution;

(g) maximizing the net environmental benefits of energy storage;

(h) the participation of Indigenous Peoples in projects related to energy storage in a manner that respects best practices for early, ongoing and transparent engagement with Indigenous Peoples;

(i) the desirability of cost recovery mechanisms for energy storage that result in rates of return on investment comparable to the rates of return on investments in wires solutions, adjusted for the respective degrees of risk of the investments.

(4) In making the plan, the Minister must do the following:

(a) consult with

(i) the Independent System Operator,

(ii) the Commission,

(iii) Indigenous Peoples,

(iv) academics and researchers, as the Minister considers appropriate, and

(v) any other individual or organization that the Minister considers appropriate;

(b) review approaches to the matters referred to in subsection (2) that have been implemented in other provinces and jurisdictions outside Canada.

(5) The Minister must complete the plan no later than 12 months after the coming into force of this Act, and, on completion, publish it on the publicly accessible website administered by the Minister's department.

Battery supply chain plan

4(1) Despite section 1, in this section, "Minister" means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for the *Mineral Resource Development Act*.

(2) The Minister must make a plan in respect of developing and strengthening elements of the battery supply chain in Alberta.

(3) The plan must include specific program measures designed to achieve the purpose set out in subsection (2).

(4) In making the plan, the Minister must consult with the applicable member of the Executive Council determined under section 16 of the *Government Organization Act* as the Minister responsible for each of the following Acts:

(a) *Alberta Research and Innovation Act*;

(b) *Alberta Investment Attraction Act*;

(c) any other enactment substantially related to any part of the battery supply chain.

(5) The Minister must, no later than 12 months after the coming into force of this Act, publish the following by making them available on the publicly accessible website administered by the Minister's department:

(a) the plan;

(b) a summary of the feedback provided by members of the Executive Council as part of the consultations conducted under subsection (4).

(6) The Minister must establish and take steps to implement the measures set out in the plan published under subsection (5).

(7) Commencing the calendar year after the date on which the plan and summary are published under subsection (5), the Minister must, before December 31 of each year

(a) complete a report on the Minister's progress in respect of achieving each measure set out in the plan, and

(b) on completion of the report, publish the report on the publicly accessible website administered by the Minister's department.

Task Force on long duration energy storage

5(1) In this section,

(a) "member", in respect of the Task Force, means a member appointed under subsection (2);

(b) "Task Force" means the Long Duration Energy Storage Task Force established by the Minister under subsection (2).

(2) The Minister must, within 3 months of the coming into force of this Act and in accordance with subsections (3) to (5)

(a) establish a Long Duration Energy Storage Task Force, and

(b) appoint at least 7 members, but no more than 10 members, to the Task Force for a term not exceeding 2 years.

(3) At least 3 of the members appointed must be on the nomination of the Minister referred to in section 4(1).

(4) In respect of nominations other than those referred to in subsection (3), the Minister must consult the member of the Executive Council determined under section 16 of the *Government Organization Act* as the Minister responsible for the *Alberta Research and Innovation Act*.

(5) The members of the Task Force must include the following:

(a) at least 2 individuals who are researchers or experts in energy storage from academic or technical institutions in Alberta;

(b) at least 1 individual, other than an individual referred to in clause (a), who has expertise in economics relating to energy storage;

(c) at least 1 individual from each of the following sectors or organizations:

(i) think tanks or other public policy research organizations dedicated to furthering knowledge, research and discourse on energy innovation in Canada;

(ii) electric utilities;

(iii) energy storage system engineering or construction;

(d) at least 1 individual who is a representative of a membership-based association in the area of energy storage and renewable energy.

(6) The purpose of the Task Force is to make recommendations to the Minister in respect of each of the following matters relating to long duration energy storage in Alberta:

(a) reducing economic barriers to the use of long duration energy storage technologies;

(b) advancing research opportunities for early stage long duration energy storage technologies along their development cycle;

(c) supporting opportunities for the commercialization of long duration energy storage;

(d) addressing

(i) Independent System Operator rules and processes that may be barriers to the use and development of long duration energy storage, and

(ii) possible Commission rules for the approval process for long duration energy storage facility applications.

(7) To fulfill its purpose set out in subsection (6), the Task Force must do each of the following:

(a) research and analyze information about long duration energy storage;

(b) consult with the Independent System Operator;

(c) consult key sectoral organizations, academics and other individuals and organizations it considers necessary to fulfill its mandate;

(d) submit a report to the Minister containing its recommendations in respect of the matters set out in subsection (6).

(8) In carrying out its duties, the Task Force may do any of the following:

(a) request from any Minister referred to in this section any information or data in the custody of that Minister that the Task Force requires to make its recommendations;

(b) receive and hear submissions from individuals or groups relating to the Task Force's purposes;

(c) publish, in its report to the Minister, a summary of the submissions referred to in clause (b).

(9) The Task Force must provide its report to the Minister within 2 years of its establishment.

(10) On receiving the report from the Task Force, the Minister must publish the report on the publicly accessible website administered by the Minister's department.

(11) The Minister may, in respect of a member's appointment under subsection (2), set out each of the following in the member's appointment:

(a) the amount of remuneration that may be paid to the member;

(b) each type of expense for which the member may be reimbursed.

Record of Debate

Stage	Date	Member	From	To	Total	Cumulative Total