



Province of Alberta

RENEWABLE ELECTRICITY ACT

Statutes of Alberta, 2016
Chapter R-16.5

Current as of August 1, 2018

Office Consolidation

© Published by Alberta Queen's Printer

Alberta Queen's Printer
Suite 700, Park Plaza
10611 - 98 Avenue
Edmonton, AB T5K 2P7
Phone: 780-427-4952
Fax: 780-452-0668

E-mail: qp@gov.ab.ca
Shop on-line at www.qp.alberta.ca

Copyright and Permission Statement

Alberta Queen's Printer holds copyright on behalf of the Government of Alberta in right of Her Majesty the Queen for all Government of Alberta legislation. Alberta Queen's Printer permits any person to reproduce Alberta's statutes and regulations without seeking permission and without charge, provided due diligence is exercised to ensure the accuracy of the materials produced, and Crown copyright is acknowledged in the following format:

© Alberta Queen's Printer, 20__.*

*The year of first publication of the legal materials is to be completed.

Note

All persons making use of this consolidation are reminded that it has no legislative sanction, that amendments have been embodied for convenience of reference only. The official Statutes and Regulations should be consulted for all purposes of interpreting and applying the law.

RENEWABLE ELECTRICITY ACT

Chapter R-16.5

Table of Contents

1	Definitions
2	Renewable electric energy targets, ministerial duties
3	Ministerial direction, objectives, criteria re programs, proposals
4	Development of renewable electricity program proposals
5	Ministerial approval of renewable electricity program proposal
6	Fairness advisor
7	Implementation of renewable electricity programs
8	ISO interest in generating unit
9	Administration of renewable electricity support agreements
10	Payments to and by ISO re renewable electricity support agreements
11	ISO funding re proposal development, program implementation, agreement administration
12	Funds for payment to ISO
13	Annual report
14	Ministerial direction to ISO
15	Application of other enactments
16	Investigation, consideration of complaints re ISO program proposal development not permitted
17	Deemed market participant
18	Regulations
	Consequential Amendments, Related Amendments and Coming into Force
19-22	Consequential and related amendments
23	Coming into force

Preamble

WHEREAS the promotion of renewable electricity generation is a core component of the Government of Alberta's overall approach to reducing greenhouse gas emissions and improving air quality;

WHEREAS the Government of Alberta believes that it is desirable to promote the growth of renewable electricity generation in Alberta and is committed to funding programs to do so; and

WHEREAS the Government of Alberta believes that it is desirable to establish a target for electricity produced in Alberta from renewable energy resources;

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

Definitions

1 In this Act,

- (a) "Commission" means the Alberta Utilities Commission established by the *Alberta Utilities Commission Act*;
- (b) "electric energy" means electric energy as defined in the *Electric Utilities Act*;
- (c) "electricity" means electricity as defined in the *Electric Utilities Act*;
- (d) "generator" means a person that has entered into a renewable electricity support agreement with the ISO under section 7(4);
- (e) "ISO" means the Independent System Operator established by the *Electric Utilities Act*;
- (f) "large-scale renewable electricity generation" means generation of renewable electricity from a power plant with a total nominal capacity of at least 5 megawatts;
- (g) "MSA" means the Market Surveillance Administrator under the *Alberta Utilities Commission Act*;
- (h) "Minister" means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act;
- (i) "renewable electricity" means electricity that has been produced from a renewable energy resource;

- (j) “renewable electricity program” means a program proposal approved under section 5(3);
- (k) “renewable electricity support agreement” means an agreement entered into under section 7(4);
- (l) “renewable energy resource” means an energy resource that occurs naturally and that can be replenished or renewed within a human lifespan, including, but not limited to,
 - (i) moving water,
 - (ii) wind,
 - (iii) heat from the earth,
 - (iv) sunlight, and
 - (v) sustainable biomass.

Renewable electric energy targets, ministerial duties

2(1) A target is established that at least 30% of the electric energy produced in Alberta, measured on an annual basis, will be produced from renewable energy resources.

(2) The Minister shall ensure that the target established in subsection (1) is met by the end of 2030.

(3) The Minister shall, in compliance with any regulations made under section 18(b) or (c),

- (a) establish interim targets,
- (b) conduct periodic progress reviews until the 30% renewable electric energy target is met, and
- (c) make the results of the periodic progress reviews available to the public.

**Ministerial direction, objectives, criteria
re programs, proposals**

3(1) The Minister may, from time to time or on a periodic basis, direct the ISO to develop a proposal for a program to promote large-scale renewable electricity generation in Alberta.

(2) The Minister may establish

- (a) renewable electricity program objectives that promote specific goals, including environmental, social or economic goals, and
 - (b) specific evaluation criteria to be used by the ISO in developing a proposal for a renewable electricity program and in implementing a renewable electricity program to meet the objectives.
- (3) The Minister shall provide the ISO with any objectives or criteria established under this section.

**Development of renewable electricity
program proposals**

4 When directed by the Minister under section 3(1) to develop a proposal, the ISO shall develop a proposal for a renewable electricity program that

- (a) promotes large-scale renewable electricity generation in Alberta,
- (b) employs a fair and transparent competitive process,
- (c) does not jeopardize the safe, reliable and economic operation of the interconnected electric system, as defined in the *Electric Utilities Act*, and
- (d) addresses the renewable electricity program objectives and evaluation criteria, if any, established by the Minister under section 3(2).

**Ministerial approval of renewable electricity
program proposal**

5(1) The ISO shall submit a proposal for a renewable electricity program developed under section 4 to the Minister for approval.

(2) A proposal submitted under subsection (1) must be accompanied with

- (a) details respecting
 - (i) the competitive process that would be held to implement the program and its associated objectives in a cost-effective manner,
 - (ii) the manner in which the program would meet the renewable electricity program objectives, if any, established by the Minister under section 3(2),

- (iii) the criteria that would be used to evaluate participants in the competitive process, including any evaluation criteria established by the Minister under section 3(2), and the manner in which participants and renewable electricity projects would be evaluated in relation to the criteria,
 - (iv) the manner in which the ministerial renewable electricity program objectives and evaluation criteria would be made public and communicated to interested parties prior to the competitive process,
 - (v) the costs of the development of the program proposal,
 - (vi) an estimate of the costs and expenses to implement the program and to administer the renewable electricity support agreements entered into with respect to the program,
 - (vii) an estimate of the payments that will be made under the renewable electricity support agreements,
 - (viii) the amount of the fees that the ISO proposes to levy on participants and generators to cover the prudent costs and expenses it expects to incur in developing the proposal for the renewable electricity program, implementing the renewable electricity program and administering renewable electricity support agreements, and
 - (ix) any other matter, as required by the Minister,
- (b) a copy of the description, to be provided to participants in the competitive process, of the terms and conditions that would be included in the renewable electricity support agreements, and
 - (c) a copy of the draft renewable electricity support agreement.
- (3)** The Minister may approve, with or without modification, a proposal for a renewable electricity program submitted under this section.

Fairness advisor

- 6** The ISO shall engage a person who is external to the ISO to serve as a fairness advisor

- (a) to provide advice to the ISO with respect to the development of the competitive process referred to in section 5 to ensure that it is a fair process, and
- (b) to ensure that the implementation of a program under section 7 is conducted fairly.

Implementation of renewable electricity programs

7(1) The ISO shall hold a competitive process in respect of each renewable electricity program in accordance with the details provided under section 5(2)(a) in respect of the program.

(2) The ISO shall advise the Minister of the results of the competitive process, including

- (a) the quantity of renewable electricity capacity that has been offered in respect of each renewable electricity project proposed in the competitive process, and
- (b) an updated estimate of the costs and expenses the ISO will incur to administer the renewable electricity support agreements and an updated estimate of the payments that will be made by the ISO under the renewable electricity support agreements.

(3) If the Minister approves

- (a) the total quantity of renewable electricity in respect of which renewable electricity support agreements may be entered into,
- (b) the estimate of the costs and expenses to administer the renewable electricity support agreements and the estimate of the payments that will be made under the renewable electricity support agreements, and
- (c) the final form of the renewable electricity support agreement,

the ISO shall select the successful participants from the competitive process.

(4) The ISO is authorized to enter into a renewable electricity support agreement with a successful participant selected under subsection (3) for the purposes of

- (a) imposing obligations on the selected participant in respect of the development and operation of a renewable electricity project, and

- (b) setting out the terms under which payments will be made between the ISO and the selected participant in respect of the renewable electricity generated by the renewable electricity project.

(5) The ISO shall file with the Minister a copy of each renewable electricity support agreement that is entered into with a successful participant in the competitive process.

ISO interest in generating unit

8(1) Despite section 9(6) of the *Electric Utilities Act*, the ISO may, in accordance with any commercial terms that are part of a renewable electricity program, hold a security or other interest in a generating unit, as defined in that Act, as security in relation to generator default or insolvency.

(2) The ISO shall

- (a) notify the Minister prior to enforcing a security interest held pursuant to subsection (1), and
- (b) enforce a security interest in accordance with any direction of the Minister.

(3) Any interest in a generating unit held by the ISO pursuant to subsection (1), and any ownership interest resulting from the enforcement of a security interest, shall be transferred or assigned in accordance with any direction of the Minister.

Administration of renewable electricity support agreements

9 The ISO shall

- (a) administer the renewable electricity support agreements that have been entered into,
- (b) provide a statement to the Minister on a monthly basis setting out the amounts to be paid by the ISO to, or the amounts to be collected by the ISO from, each generator, in accordance with the renewable electricity support agreements, and
- (c) pay the amounts, or collect the amounts, that are to be paid or collected from each generator in accordance with the statement provided under clause (b).

Payments to and by ISO re renewable electricity support agreements

10(1) If, according to a monthly statement provided under section 9(b), the ISO is to pay a generator, the Minister shall pay the ISO the amount set out in the statement.

(2) If, according to a monthly statement provided under section 9(b), the ISO is to collect funds from a generator, the ISO shall, on receipt of those funds, pay them to the Minister.

ISO funding re proposal development, program implementation, agreement administration

11(1) The ISO shall levy reasonable fees

- (a) on the participants in the competitive process, and
- (b) on the generators in accordance with the terms and conditions of the respective renewable electricity support agreements

for the purposes of recovering the prudent costs and expenses the ISO incurs in developing a proposal for a renewable electricity program, implementing a renewable electricity program and administering renewable electricity support agreements.

(2) If the Minister determines that the ISO's costs and expenses are prudent and that the fees levied under subsection (1) are insufficient to recover those costs and expenses, the Minister shall pay the ISO the amount of the shortfall.

Funds for payment to ISO

12 On notice from the Minister to the President of Treasury Board, Minister of Finance, payments shall be paid from the General Revenue Fund for the amounts payable by the Minister to the ISO under sections 10(1) and 11(2) that have not been paid from the Climate Change and Emissions Management Fund under the *Climate Change and Emissions Management Act*.

Annual report

13(1) The ISO shall, within 120 days after the end of its fiscal year, submit an annual report to the Minister, containing the information as required by the Minister in respect of

- (a) renewable electricity support agreements, including information about the amounts paid by the ISO and the

amounts collected by the ISO under the renewable electricity support agreements during the fiscal year,

- (b) the costs and expenses incurred by the ISO during the fiscal year in developing proposals for renewable electricity programs, implementing renewable electricity programs and administering renewable electricity support agreements, and
- (c) the fees levied during the fiscal year on participants in a competitive process and on generators.

(2) The ISO shall, on request, provide to the Minister any other reports and information relating to its duties, responsibilities and functions under this Act.

Ministerial direction to ISO

14(1) The Minister may provide directions to the ISO for the purposes of enhancing accountability or the control of costs in respect of renewable electricity programs or renewable electricity support agreements under this Act.

(2) The ISO shall comply with any directions provided under subsection (1), subject to the obligations imposed on the ISO by renewable electricity support agreements.

Application of other enactments

15 Except where specifically provided to the contrary, nothing in this Act or the regulations relieves any person from compliance with any other enactment.

Investigation, consideration of complaints re ISO program proposal development not permitted

16(1) Despite sections 39, 41 and 42 of the *Alberta Utilities Commission Act*, the MSA is not permitted to investigate complaints against the ISO regarding the development of a proposal for a renewable electricity program.

(2) Despite section 26 of the *Electric Utilities Act*, the Commission is not permitted to consider complaints against the ISO regarding the development of a proposal for a renewable electricity program.

Deemed market participant

17 A person who

- (a) participates in a competitive process under this Act, or

- (b) is a generator

is deemed to be an electricity market participant for the purposes of sections 39 and 46 of the *Alberta Utilities Commission Act* and section 6 of the *Electric Utilities Act*.

2016 cR-16.5 s17;2018 c10 s2(41)

Regulations

18 The Lieutenant Governor in Council may make regulations

- (a) respecting the calculation of electric energy produced in Alberta and the proportion of that energy that is produced from renewable energy resources, for the purpose of section 2(1);
- (b) respecting the establishment of interim targets;
- (c) respecting the review of progress and effectiveness of programs toward achieving renewable electricity targets, including, without limitation, regulations respecting the results of the review;
- (d) respecting the development of renewable electricity program proposals and the implementation of renewable electricity programs;
- (e) respecting further or additional powers, duties and functions of the person serving as fairness advisor;
- (f) respecting the powers, duties and functions of the ISO, the MSA and the Commission under this Act, including, without limitation, regulations adding to, clarifying, limiting or restricting a power, duty or function of the ISO, the MSA or the Commission under this Act;
- (g) respecting funding agreements between the Minister and the ISO for the purposes of this Act;
- (h) respecting annual reports under section 13;
- (i) respecting audits of the ISO in respect of renewable electricity programs and renewable electricity support agreements;
- (j) defining any word or expression used but not defined in this Act;
- (k) respecting any other matter that the Lieutenant Governor in Council considers necessary or advisable to carry out the intent of this Act.

**Consequential Amendments,
Related Amendments and
Coming into Force**

19 to 22 *(These sections amend other Acts; the amendments have been incorporated into those Acts.)*

Coming into force

23 This Act comes into force on Proclamation.

(NOTE: Proclaimed in force March 31, 2017.)



Printed on Recycled Paper 