



Province of Alberta
Order in Council

O.C. 120 /2017

MAR 29 2017

ORDER IN COUNCIL

Approved and ordered:

Lieutenant Governor
or
Administrator

The Lieutenant Governor in Council

- (a) orders the Alberta Utilities Commission to inquire into and report to the Minister of Energy on matters relating to Electric Distribution System-Connected Generation, in accordance with the terms of reference in the attached Schedule,

and

- (b) determines that the Alberta Utilities Commission has the same power with respect to ordering by whom and to whom its costs and other costs of, or incidental to, the inquiry described in clause (a) are to be paid as the Commission has with respect to its hearings and other proceedings.

CHAIR

For Information only

Recommended by: Minister of Energy

Authority: Alberta Utilities Commission Act
(section 8)

SCHEDULE

Terms of Reference for an Inquiry into and Report to the Minister of Energy on Matters Relating to Electric Distribution System-Connected Generation

WHEREAS:

- A.** the Government of Alberta has set a firm target for 30 per cent of electric energy produced in Alberta to be generated from renewable sources such as wind, hydro and solar by 2030;
- B.** significant growth in distribution system-connected generation, including micro- and small-scale community generation, will contribute to the 30 per cent renewable electricity generation target;
- C.** the Government of Alberta is interested in the current and potential opportunities to enable and facilitate the development of alternative and renewable distribution system-connected generation, including micro- and small-scale community generation, throughout Alberta; including in distribution service territories operated by investor-owned utilities, municipalities, and Rural Electrification Associations;
- D.** renewable energy refers to energy obtained from resources that can be naturally replenished within a human lifespan, such as solar, wind, hydro, geothermal, and biomass;
- E.** alternative energy refers to energy obtained from non-conventional energy resources (i.e., not fossil fuels) or obtained from low-carbon intensity conventional sources of energy in a more efficient manner (e.g., combined heat and power applications);
- F.** Alberta's distribution systems, billing and settlement systems, and supporting Acts, Regulations and rules play a significant role in enabling and facilitating broader deployment of alternative and renewable distribution system-connected generation in Alberta;
- G.** the development of alternative and renewable distribution system-connected generation in Alberta, including micro- and small-scale community generation, should be in line with the Government of Alberta's objectives of providing clean, affordable and reliable energy to Albertans.
- H.** in order to permit the Government of Alberta to consider a full range of options on all issues relating to growth in alternative and renewable distribution system-connected generation, it is desirable that a review be conducted by the Alberta Utilities Commission;

THEREFORE the following terms of reference apply in respect of the inquiry into and report to the Minister of Energy on Matters Relating to Electric Distribution System-Connected Generation:

1. The Alberta Utilities Commission (AUC) shall inquire into the following matters for the purpose of gathering information:
 - (a) the current status of alternative and renewable distribution-connected generation in Alberta;
 - (b) the current state of Alberta's distribution systems, billing and settlement systems, and supporting Acts, Regulations and rules, to enable alternative and renewable distribution-connected generation;
 - (c) enablers and barriers to developing alternative and renewable distribution-connected generation, in Alberta; including but not be limited to:
 - (i) Alberta's electric distribution systems,
 - (ii) billing and settlement systems,
 - (iii) Acts, Regulations and rules governing distribution and retail,
 - (iv) rate design and tariff structures, including net metering,
 - (v) terms and conditions of service, and
 - (vi) the Alberta Interconnected Electric System;
 - (d) methods for assessing costs and benefits of infrastructure investments that may enable and facilitate broader deployment of alternative and renewable distribution-connected generation and efficient energy use; including but not be limited to:
 - (i) billing and settlement systems,
 - (ii) smart meters,
 - (iii) energy storage,
 - (iv) demand response,
 - (v) rate impacts to consumers, and
 - (vi) the potential for stranded infrastructure;
 - (e) current and potential regulatory approaches to consider alternative and renewable distribution-connected generation when planning the development of distribution networks;
 - (f) opportunities to improve processes for connecting alternative and renewable distribution-connected generation, not currently captured under the *Micro-generation Regulation*;
 - (g) the potential to align the planning and development of Alberta's distribution systems and broader deployment of alternative and renewable distribution-connected generation with the Government of Alberta's objectives of providing clean, affordable and reliable energy to Albertans.
2. In conducting the inquiry the AUC shall hear from interested stakeholders.
3. The AUC shall report to the Minister of Energy in relation to the matters referred to in clause 1.

4. The AUC's report:

- (a)** must not make recommendations but shall, through its analysis of the evidence on the record of the inquiry and review, provide findings and costs and benefits on various issues as it deems appropriate, and
- (b)** Must be submitted to the Minister of Energy within 9 months of the date on which the Order in Council to which this Schedule is attached was made, with an interim report submitted to the Minister of Energy no later than July 31, 2017.