

Written Responses to Public Accounts Committee

Affordability and Utilities – March 24, 2026, 9:00 am – 11:00 am

1. Regarding Affordability Considerations with Ministry of Service Alberta and Red Tape Reduction (PA-475)

Mr. Schmidt: Thank you very much. The annual report discusses “initiatives led by the Ministry of Service Alberta and Red Tape Reduction [including] incorporating affordability considerations into legislative proposals.” What legislative proposals in particular were completed in this fiscal year?

Mr. James: Yeah. The seniors’ discount required legislative changes to enable them to enact the 25 per cent reductions.

Mr. Schmidt: Was that the only legislative proposal?

Mr. James: That’s the primary one that we have. Oh, the red tape reduction as well and the various activities on red tape reduction.

Mr. Schmidt: Such as?

Mr. James: I would have to go back and look at the specific reports, but all ministries had an accountability to look at red tape across government to reduce costs.

Mr. Schmidt: Can you table that for the committee, the red tape initiatives that you were involved with?

Response

- To support the coordination of affordability efforts across Government, Affordability and Utilities partnered with Service Alberta and Red Tape Reduction to encourage departments to think about how legislative or regulatory amendments can save money for Albertans and businesses.
- Due to Cabinet confidentiality the affordability analysis provided in specific Red Tape Reduction amendments cannot be disclosed; however, the department continues to champion affordability efforts across government by providing affordability assessment analyses to other departments, whether through participation in a red tape reduction community of practice, direct collaboration, or other cross-ministry working groups that inform policy development.

2. Regarding Farmers on the Rate of Last Resort (PA-477 and PA-478)

Member Eremenko: Is there not an absence of viable options when 40 per cent of farmers are accessing the option of last resort? I mean, the department specifically changed the name from a regulated rate option to the rate of last resort, which tells me that there were no other options. What is the department doing? What did the department do in the fiscal year to address the fact that 60 per cent of people were accessing another option but 40 per cent were not? Nearly half did not feel like there was an alternative viable option. Has the department chosen to address the absence of other options given the rate of uptake for the rate of last resort?

Mr. James: No. I think it’s safer to say that the Utilities Consumer Advocate that is providing information to various providers including farm providers has the opportunity to inform them as

well. That 40 per cent was at the start of the program. I don't have the statistics sitting in front of me specifically on how much they've adjusted. We could find out what the change in farm rates are, though. Unfortunately, I don't have that sitting in front of me at this point, but the education programs that the Utilities Consumer Advocate runs are available to farmers as well to allow them to understand their options.

Member Eremenko: Could the department table that, please?

Mr. James: Yeah. We can find out what that number is.

Response

- The recent Market Surveillance Administrator report on the Rate of Last Resort (RoLR) reported the number of Alberta Utilities Commission (AUC) regulated farm sites on the RoLR decreased by 16 per cent during 2025. Many other farmers are members of Rural Electrification Associations (REAs) that only offer the RoLR, with REAs reporting to the Utilities Consumer Advocate (UCA) that they still have over 6,800 farm RoLR sites.
- The UCA is working with the Alberta Federation of Rural Electrification Associations and some REAs directly to help them identify options other than the RoLR to offer to their members. However, REA members elected their boards, and those elected boards are responsible to make the decisions on which products to offer to their members.
- In addition, the UCA recently completed Phase 1 of its online Cost Comparison Tool upgrade. Phase 1 was focused on residential customers while Phase 2 starts in summer 2026 will focus on upgrades for farm and small business customers to help them better understand their retail options.

3. Regarding the Rate of Last Resort Uptake in Edmonton (PA-480)

Member Eremenko: Thank you. I have just two more follow-up questions on my last block around the rate of last resort. You said that – sorry. Was it 17 or 13 per cent is the rate of uptake of the rate of last resort in Calgary?

Mr. James: I think it's down to on the order of 17 per cent within the Calgary region.

Member Eremenko: Seventeen per cent. Do you have the number for Edmonton?

Mr. James: I don't off the top of my head, but we'll try to get that number for you and get back to you.

Member Eremenko: Yes, please. Thank you. If you don't have it here for the committee, then if it can be tabled, please.

Response

- The department confirms 13 per cent of customers are on the RoLR in the Calgary Region as of January 1, 2026.
- The department confirms 26 per cent of customers are on the RoLR in the Edmonton Region as of January 1, 2026.

4. Regarding visitor satisfaction information for the Affordable Advice for Life website (PA-480 and PA-481)

Member Eremenko: Okay. Thank you. I am going to move on.

Moving on, then, to the affordability framework that's identified throughout the annual report, key objective 1.2 talks about working with partner ministries to educate and inform Albertans and

address financial challenges. Through the chair, we see that 3,800 unique visitors and 5,300 page views were reported for the affordable advice for life website, that my colleague mentioned earlier in committee. Does the department have anything more? You know, it's an output. It's bums in seats that tell us how many eyes have actually landed on the website, but I want to know about the effectiveness and the impact. What is it that actually tells us and the department and the government about the effectiveness of the program? Do they have any data about the relevance of the information on the website? Was this helpful for you? A quick kind of: how many stars would you rank your visit to the affordable advice for life website? Does the department have any information about click-throughs to tell us which sections of the website are of greater interest than others?

Mr. James: I don't have that information sitting here today, but again, the website itself is intended to provide base-level information to people.

Member Eremenko: Is it collected, but you just don't have it here today?

Mr. James: I would have to go back and see whether or not we collect information. What I do have for you is that we had 3,800 unique visitors, 1,300 returning visitors, as you noted, I believe, on that web page during that window of time, but I'm not sure that I have the click-through information.

Member Eremenko: Can the department provide any additional information about whether or not the website is in fact, you know, satisfying the user when they come to the site? Can you table any information about that?

Mr. James: Not sitting here today, I can't.

Member Eremenko: Well, there is the opportunity, through the chair, for the department to provide that information after the fact if it's not available today. I think that that would be incredibly important. It also tells us where the pinch points are for families in Alberta. Is it about financial literacy, or are more people driving towards the "How can I feed my kids?" part of the web page? Is that a yes? Can you table whatever information you have about the effectiveness of . . .

Mr. James: We can look at what the website shows.

Response

- Since launch, 80 per cent of respondents who provided feedback indicated the page was helpful.
- In 2025, the topics that generated interest included:
 - Budgeting and day-to-day money management
 - Saving
 - Debt and credit management
 - Preparing for life events (such as retirement)
 - Finding financial assistance
 - Financial support for families/post-secondary students
 - Financial literacy resources for youth/students/post-secondary students

5. Regarding UCA being cited in 44 Alberta Utilities Commission decisions (PA-487)

Member Eremenko: Thank you, Mr. Chair. Just one question for me. Pages 16 and 17 of the annual report discuss the Utilities Consumer Advocate and some of their significant results. The UCA was cited in 44 different Alberta Utilities Commission's decisions, leading to a total of \$280 million in cost disallowances. Forty-four decisions leading to \$280 million means, on average,

\$6.36 million per decision. It sounds like the UCA is only really a help for consumers large enough to fight very large charges. What is the typical profile of these consumers, please?

Response

- The UCA represents residential, small business, and farm consumers in AUC proceedings. These proceedings are typically initiated by regulated utilities and involve applications that affect rates, charges, or cost recovery across the entire customer base, rather than individual consumer disputes.
- As a result, while a single decision may result in a large dollar figure—such as a cost disallowance or reduced revenue requirement—the benefits flow to a broad group of consumers, including households, farms, and small businesses through lower rates or avoided future costs. The outcomes are not driven by the scale of individual consumers, but by the fact that UCA participates in system-wide regulatory cases where even modest percentage changes can translate into significant aggregate savings.
- The UCA spent \$3.1 million on its Regulatory Affairs program in fiscal year 2024-25; the \$280 million in savings for customers represents \$89 dollars of savings for consumers for every dollar spent.

6. Regarding the Nuclear Energy Mandate (PA-487)

Mr. Lundy: The annual report notes that in October 2024, the Minister of Affordability and Utilities received an expanded mandate to lead the “legislative, regulatory, and policy development of nuclear energy in Alberta.” During '24-25 the department “established a cross-ministry working group” to support this work and began developing an engagement strategy to inform future policy development and implementation related to small modular reactor technology. Through the chair to the deputy minister: what early foundational work was done in '24-25 as part of this mandate?

Response

- In 2024-25, the ministry laid the groundwork for Alberta’s nuclear energy policy by establishing governance structures, planning and preparing for engagement, and coordinating technical and regulatory information gathering and planning.
- Following Premier’s mandate letter in October 2023, the ministry’s mandate expanded and the ministry created two cross-government working groups:
- One at the ministerial level with Energy and Minerals, Environment and Protected Areas, Indigenous Relations, and the Premier’s Office to coordinate nuclear policy development.
- The other was established at the departmental official level with a range of representatives participating from Environment and Protected Areas; Indigenous Relations; Energy and Minerals; Jobs, Economy, Trade and Immigration; Executive Council; Municipal Affairs; and Technology and innovation to ensure coordination and collaboration with more departments and agencies participating in sub tables for Regulatory and Workforce Development.
- The ministry began gathering information to support development of a provincial nuclear regulatory framework, examining how federal oversight—administered by the Canadian Nuclear Safety Commission—intersects with Alberta’s competitive electricity market.
- Cross-jurisdictional work continued through the small modular reactor (SMR) bi-lateral table with Natural Resources Canada and the Government of Alberta, as well as through the Saskatchewan-Alberta Memorandum of Understanding.

- The focus in fiscal 2024-25 was on exchanging information and the development of key priorities.
- Emissions Reduction Alberta (ERA) also supported feasibility work, including \$600,000 committed to a joint study by X-energy Reactor Company and TransAlta.
 - AU staff reviewed and provided input on the final report delivered to ERA.

7. Regarding the Alberta Utilities Commission (PA-487)

Mr. Lundy: I would also like to read a question regarding the Alberta Utilities Commission timelines. Looking at performance indicator 2(a) on page 30 of the annual report, it shows that in 2024 the Alberta Utilities Commission met the legislated 180-day timeline “in 69 cases, achieving a compliance rate of 94.5 per cent.” This performance was delivered despite “a 25 per cent increase” in the overall number of facility applications received by the AUC during the year. A couple of questions for the record:

- a) **Mr. Lundy:** Could the deputy minister provide an overview of the Alberta Utilities Commission and its responsibilities?

Response

- The AUC is an independent, quasi-judicial agency that regulates investor-owned electric, natural gas, and water utilities, and certain municipally owned electricity utilities to ensure customers receive safe and reliable service at just and reasonable rates.
- The Commission is responsible for making timely decisions on the need, siting, construction, alteration, operation, and decommissioning of natural gas and certain electricity transmission facilities, including enforcement of its rulings, orders, and decisions.
- The statutory deadline for issuing needs and facility decisions is 180 days, with possible 90-day extensions under certain circumstances. These statutory timelines begin on the date when the AUC deems the application complete. The status of applications is tracked daily through the AUC’s eFiling system.
- The AUC reviews and approves numerous facility projects, including power generation, battery energy storage systems, and transmission lines, ensuring they are in the public interest.
- In 2024-25, the AUC processed 73 facility applications within this performance metric, all within the permissible timeline.
- The average processing timeline in 2024-25 was 57.8 days.
- In total, the AUC processed 817 applications across its regulatory functions, including rates, facilities, and law, during the 2024-25 fiscal year.

- b) **Mr. Lundy:** And could the deputy minister explain what factors contributed to a 25 per cent increase in overall applications?

Response

- The rise in applications is linked to Alberta’s strong investment environment, the end of the pause on renewable generation approvals on February 29, 2024, and an increase in renewable project proponents seeking approvals prior to the implementation of new policies regarding development on high value agriculture land.
- Higher volumes of renewable generation projects—including wind, solar, and storage—advanced through the regulatory process in 2024.

- In 2024, 41 new applications for renewable generation projects were filed with the AUC in contrast to the 18 new renewable applications filed in 2023.
 - The AUC also approved more renewable projects (24) in 2024 compared to 2023 (12).
 - Increased transmission and distribution development activity also drove more filings, reflecting population growth and load expansion.
 - Regulatory changes, including the renewable inquiry and updated planning frameworks, contributed to a surge of submissions as proponents sought clarity and approvals.
 - Strong investor interest in Alberta's competitive electricity market continued to generate new project proposals across multiple technologies.
- c) **Mr. Lundy:** How did the Alberta Utilities Commission manage this level of increase in approvals while still maintaining similar timelines to previous years?

Response

- Despite a 25 per cent increase in applications, the AUC met the legislated 180-day timeline in 94.5 per cent of cases by applying strong procedural discipline and experienced regulatory capacity.
- The AUC has established performance standards and timelines for processing facility applications.
- There are five categories of facility applications based on process requirements that are driven by the complexity of an application.
- The performance standards for record development are premised on the process steps necessary to ensure a complete application and a sufficient evidentiary record to allow the Commission to decide whether approval of an application is in the public interest.
- Factors contributing towards meeting established timelines include completeness of applications and evidence filed with the AUC and timely participation from all parties, including the applicant and interveners.
- Applications delayed beyond 180 days were primarily affected by the temporary Generation Approval Pause or proponents needing additional time—not internal processing delays.
- Strong internal coordination and clear performance standards supported the Commission in maintaining near-100 per cent compliance with legislated timelines.

8. Regarding Coal Phase-Out (PA-487)

Mr. Lundy: I would also like to read in a question, through the chair, of course, related to coal phase-out agreements. I'd like to make a reference to page 43 of the annual report, where it notes that the province continued scheduled payments under the coal phase-out agreements. Of course, in 2016 the NDP committed Alberta ratepayers to long-term payments as part of the accelerated coal phase-out. Although the final coal-fired generation units were retired in 2024, these costs established under the NDP still continue to this day.

- a) **Mr. Lundy:** Through the chair, given the long-term nature of these agreements, could the deputy minister explain the remaining payment schedule and obligations in more detail so that Albertans have a clear and accurate understanding of the costs?

Response

- Alberta continues to make scheduled payments under the 14-year coal phase-out agreements signed in 2016, with payments running until 2030 to compensate operators for stranded asset value.

- The agreements were established with three companies operating six coal-fired plants that would have continued operating past 2030 without provincial policy intervention.
 - Total payments under the agreements amount to approximately \$1.3 billion, spread over annual installments from 2016 through 2030 (\$94.3 million annually).
 - With Alberta's final coal unit retired in June 2024, payments now represent the tail end of the wind-down of long-term contractual obligations.
 - These payments continue to decline in fiscal impact over time as obligations unwind toward their 2030 expiration.
- b) **Mr. Lundy:** And one final question, through the chair: how does our approach to electricity policy and system transitions differ from the approach taken by the NDP in 2016, particularly with respect to minimizing long-term financial risk for Albertans?

Response

- The coal phase-out agreements were established to address decisions made under the accelerated 2016 policy, which created stranded asset costs requiring long-term compensation.
- Today's approach relies on competitive market signals, ensuring future transitions—such as increased renewables, gas conversions, or emerging technologies—do not require legacy settlement payments.
- The existing agreements continue to be honoured to avoid costly contract cancellations, which could result in significant legal exposure and termination fees.
- Declining coal-related obligations in budget profiles demonstrate that structured wind-down is the most fiscally responsible approach for consumers.