

Standing Committee on Resource Stewardship

Report on Presentation by Southern Alberta Alternative Energy Partnership and Energy Futures Lab, February 2, 2023

Thirtieth Legislature
Fourth Session
February 2023



COMMITTEES
OF THE LEGISLATIVE ASSEMBLY

Standing Committee on Resource Stewardship

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STANDING COMMITTEE ON RESOURCE STEWARDSHIP

February 2023

**To the Honourable Nathan Cooper
Speaker of the Legislative Assembly
of the Province of Alberta**

As Chair of the Standing Committee on Resource Stewardship I have the honour of submitting its report respecting the presentation it received from Southern Alberta Alternative Energy Partnership and Energy Futures Lab on February 2, 2023.

Sincerely,

(original signed by)

David B. Hanson, MLA
Chair, Standing Committee on
Resource Stewardship

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MEMBERS OF THE STANDING COMMITTEE ON RESOURCE STEWARDSHIP

30th Legislature Fourth Session

David B. Hanson, MLA
Chair
Bonnyville-Cold Lake-St. Paul (UC)

Hon. Richard Feehan, MLA
Deputy Chair
Edmonton-Rutherford (NDP)

Hon. Leela Sharon Aheer, MLA
Chestermere-Strathmore (UC)

Christian E. Nielsen, MLA
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Hon. Ronald Orr, MLA
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Hon. Kathleen T. Ganley, MLA
Calgary-Mountain View (NDP)

R.J. Sigurdson, MLA
Highwood (UC)

Shane C. Getson, MLA
Lac Ste. Anne-Parkland (UC)

Peter Singh, MLA
Calgary-East (UC)

Hon. Whitney Issik, MLA
Calgary-Glenmore (UC)

Searle Turton, MLA
Spruce Grove-Stony Plain (UC)

Substitutions Pursuant to Standing Order 56(2.1-2.4):

Hon. David Eggen, MLA^{*}
Edmonton-North West (NDP)

Jason Stephan, MLA[†]
Red Deer-South (UC)

Hon. Josephine Pon, MLA[‡]
Calgary-Beddington (UC)

Heather Sweet, MLA[§]
Edmonton-Manning (NDP)

^{*} Substitution for Richard Feehan (Deputy Chair) on February 2, 2023.

[†] Substitution for Peter Singh on February 2, 2023.

[‡] Substitution for R.J. Sigurdson on February 2, 2023.

[§] Substitution for Kathleen Ganley on February 2, 2023.

1.0 INTRODUCTION

The Standing Committee on Resource Stewardship is one of three legislative policy committees appointed by the Legislative Assembly of Alberta. Standing Order 52.01(1)(c) indicates that the Committee's mandate is related to the areas of Affordability and Utilities, Agriculture and Irrigation, Energy, Environment and Protected Areas, Indigenous Relations, Municipal Affairs, Transportation and Economic Corridors, and Treasury Board and Finance. Under Standing Order 52.08(1) the Committee may "hold public meetings on any matter within its mandate."

On November 26, 2021, the Standing Committee on Resource Stewardship received a request from Southern Alberta Alternative Energy Partnerships (SAAEP) and Energy Futures Lab (EFL) to jointly make a presentation to the Committee. On December 21, 2022, the Committee decided to invite SAAEP and EFL to present to the Committee.

Moved by Ms Ganley that the Standing Committee on Resource Stewardship invite representatives from SouthGrow Regional Economic Development to make a presentation at a future meeting of the committee.

The Committee held a meeting on February 2, 2023, where it received a presentation from the SAAEP and EFL on their initiatives. Pursuant to Standing Order 52.08(3) the Committee directed that a report be prepared summarizing the presentation heard by the Committee on February 2, 2023, for tabling in the Assembly and distribution to relevant Government of Alberta Ministers.

Moved by Mr. Nielsen that the Standing Committee on Resource Stewardship direct the Legislative Assembly Office to prepare a draft report to the Legislative Assembly summarizing the presentation to the committee by SouthGrow Regional Economic Development at its February 2, 2023, meeting and that the chair and the deputy chair be authorized to approve the final report after its distribution to the committee for review.

This report contains a summary of the presentation received by the Standing Committee on Resource Stewardship on February 2, 2023. This report is not intended to be a comprehensive record of the Committee's proceedings. For a complete record of the presentation consult transcript no. 30-4-2, pages RS-813 to RS-819, available at assembly.ab.ca.

2.0 SUMMARY OF PRESENTATION

On February 2, 2023, Peter Casurella, representing Southern Alberta Alternative Energy Partnership, and Peter Nickel, representing Energy Futures Lab, presented to the Committee. Casurella and Nickel made a joint presentation and requested that Alberta's leadership create policies to ensure a predictable, stable investment environment for investors and suppliers in Alberta's electricity sector. In the letter in which they requested to make a presentation to the committee (dated November 26, 2021), the presenters' stated objective was to see a modernization of "Alberta's regulatory compact to include non-traditional energy developments that will ensure business certainty and speed in receiving the permits, licensing, and grid connection processes."

Casurella and Nickel asserted that Alberta needs legislation, policy, and regulations to guide the future of Alberta's energy sector. According to Nickel, clear policy and planning will ensure that the electrical grid can sustain the increase in electricity usage resulting from Alberta's economic growth. Casurella added that high-quality domestic and foreign investments in Alberta's competitive electricity market would come from an environment of market predictability over an extended period of time. He explained that the success of alternative energy such as natural gas, solar, wind and nuclear is contingent on "long-term predictability" to ensure that these projects have "a business case so they can provide revenue back to their investors." Summing up the state of the electricity market in Alberta, he explained,

We've got a deregulated energy market, which means people want to take advantage of it. This is just another step that we need to take to give them the additional certainty to unlock that capital. It will provide that predictability and certainty. It'll help us unlock that foreign investment and unlock domestic investment that's desperately needed for all of our ratepayers, everybody who's seen their electricity bill go up, and directly affect affordability as we move forward.

Casurella and Nickel recommended convening industry leaders, potentially with the assistance of Energy Futures Lab, to examine global best practices and strategies to offer recommendations to the Government of Alberta that ensure an effective energy transition.

The presenters iterated that a modernized regulatory and policy regime would provide certainty in the market and affordability for Albertans. Casurella explained the need for "strategic planning writ large on a provincial scale to guide the direction" of legislation affecting the nontraditional energy sector. Casurella pointed to the benefits of recent legislation in the sector but noted that Alberta's legislation and policy towards energy has traditionally been "reactive."

We're always responding to new problems that are emerging in a reactionary way, and we're never getting ahead of the issues. Sitting down and crafting this vision for the future of Alberta would be getting ahead ... looking proactively at the future and setting the table for the industry.

The presenters concluded that proactive policies and regulations would ensure a predictable energy market and create a strong legacy for Albertans, who will benefit from the resulting economic opportunities.

A robust discussion ensued, during which the Committee asked questions about the state of Alberta's energy sector. In particular, the Committee inquired about the tensions between market generation efficiency and energy distribution. Nickel explained that Alberta could resolve this challenge through compensation frameworks for utilities distribution and transmission. The Committee also inquired about new technologies such as microgeneration and electric vehicles and their impact on the electrical grid. Casurella explained that good policy and clear strategic direction from the province, as requested throughout their presentation, would ensure that these opportunities are profitable in Alberta. It would also ensure that new technologies are deployed in a manner that ensures affordability and guides logistics for infrastructure development.

APPENDIX: LIST OF PRESENTERS

Individual	Organization
Bradley Nickel, Business Opportunity Specialist	Equus REA Ltd., representing Energy Futures Lab
Peter Casurella, Executive Director	SouthGrow Regional Economic Development, representing Southern Alberta Alternative Energy Partnership