



AUC updates

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Alberta Utilities Commission



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Presenters and the materials in this presentation do not speak on behalf of AUC Commission members. Commission members' views are expressed on the public record through AUC decisions.

AUC Inquiry process



Module A

- Focused on topics around land use and municipal involvement in our review process.
- Report delivered to government January 31.
- AUC received and utilized hundreds of submissions and substantial feedback from stakeholders on each of the key issues:
 - General public, municipalities, First Nations, Métis communities, investors, and industry associations.
 - Virtual oral submissions directly to the AUC panel.
 - Commissioned expert reports.



Module B

- Focused on the impact the increasing growth of renewables has on both generation supply mix and electricity system reliability.
- AUC commissioned FGS Longview and London Economics International to develop reports.
- Final report to be delivered to government by March 29, 2024.

Module A – AUC commitments



- Municipal participation rights will be automatically granted and municipalities will be eligible to request cost recovery for participation.



- Undertake a review of Rule 007 related to municipal submission requirements and clarify consultation requirements.



- Explore requirements for proponents to provide soil field verification earlier in the application process.



- Review Rule 007 requirements regarding proponent commitments in relation to reclamation and security funding obligations.



- Enhance the existing visual impact assessment requirements within Rule 007 to include a more structured visual impact assessment methodology within the AUC application review process.

Module B expert reports



FGS Longview

- Conducted market perception study on attractiveness of Alberta's power market from an investor perspective, identify the drivers behind changes in stakeholder perceptions, and assess investor views on potential market design changes.



London Economics International

- Conducted forward-looking analysis to project future market outcomes, analyze the impact of renewable energy generation on supply adequacy, and cost of electricity over time.
- Two “Base Case” scenarios representing a decarbonization policy pathway to achieving net-zero, based on AESO's preliminary 2024 LTO:
 - 2035 Base Case (federal policy)
 - 2050 Base Case (provincial policy)

Net-zero analysis for Alberta's electric distribution system



- Guidehouse report analyzed Alberta's electricity distribution system in the context of achieving net-zero goals.



- Cost of reaching net-zero for Alberta's electricity distribution system could be approximately \$3 billion by 2050, in addition to business-as-usual costs for distribution facility operators.



- Substantial cost reductions – up to \$800 million – can be achieved through system optimization.
 - Influenced by time-of-use rates and demand response.



- Costs driven by need for substantial infrastructure investment, EV and PV adoption, and enhancements to accommodate the deployment and electrification of DERs.



- AUC exploring framework for future work and refinement as the path to net-zero becomes clearer.

AUC next steps

- AUC Rule 007 consultation – details for consultation process, topics, timelines and participation methods to be released in coming weeks.
- Decisions on impacted proceedings being issued this month.
- Module B inquiry report to be delivered to government by March 29.
- Hearings for ISO rules and transmission cost allocations.
- Commitment to efficiency and effective processes, with continuous improvement to facilitate change in the utilities sector.