



# talk about

# Bill 50

September 2009

Bill 50, the *Electric Statutes Amendment Act, 2009*, was given first reading in the Legislature on June 1, 2009. Second reading has started and will continue, along with the rest of the legislative process, later this fall. Follow the progress of this bill at [www.assembly.ab.ca](http://www.assembly.ab.ca).

Bill 50 amends three existing pieces of legislation: the *Alberta Utilities Commission Act*, the *Electric Utilities Act* and the *Hydro and Electric Energy Act*.

## What does Bill 50 do?

Bill 50 provides government the authority to approve the need for critical transmission infrastructure. This means that the Government of Alberta will be responsible for approving the need for major transmission lines just like it does for other infrastructure that is a public good like roads, schools and hospitals.

Bill 50 does not change the province's commitment to ensuring an open and transparent siting process. The Alberta Utilities Commission (AUC) will continue to be responsible for making decisions on the siting of transmission facilities, including determining the specific location for individual power lines.

## Why do we need new transmission infrastructure?

Alberta's transmission system has been working at or near its limits for extended periods of time, increasing the risk of widespread power outages and unreliable service. No major transmission upgrades have been built in more than 20 years.

## Where are the facts and figures that support the need for the projects in Bill 50?

The Alberta Electric System Operator (AESO), Alberta's not-for-profit electricity system planner, is independent from the electricity industry. The AESO has identified the transmission system that is required to meet the needs of Albertans into the future. The AESO operates in the public interest in accordance with direction contained in the *Electric Utilities Act*. The AESO has the statutory mandate, the resources, the technical expertise and skills to prepare long-term transmission system plans for Alberta. The AESO's long-term plan identifies the immediate requirement for five critical transmission infrastructure projects. The long-term plan was made public in June 2009 and is available at [http://www.aeso.ca/downloads/AESO\\_LTTSP\\_Final\\_July\\_2009.pdf](http://www.aeso.ca/downloads/AESO_LTTSP_Final_July_2009.pdf)

or by calling toll-free 1-888-588-2376.

## Immediately required critical transmission infrastructure project overview (cost estimate in brackets):

The first of these critical transmission infrastructure projects, the southern system reinforcement, was approved by the provincial regulator on September 8, 2009 (\$2.5 billion).

The remaining four critical transmission infrastructure projects that will be approved with passage of Bill 50 are:

1. Two new high-voltage direct current lines between Edmonton and Calgary to carry more power to Alberta consumers in central and southern Alberta (\$3.1 billion).

STATUS UPDATE: the transmission facility owners (AltaLink and ATCO) have started preliminary planning work, including environmental assessments, siting options and public and landowner consultations.

2. One new alternating current line between Edmonton and the Heartland area to carry power to industrial consumers like Alberta upgrading facilities (\$400 million).

STATUS UPDATE: the transmission facility owners (AltaLink and EPCOR) have started preliminary planning work, including environmental assessments, siting options and public and landowner consultations.

3. Two new alternating current lines between Edmonton and Fort McMurray to carry power from co-generation plants to Alberta consumers (\$2 billion).

4. A substation in Calgary to provide more reliable service to customers in south Calgary (\$100 million).

Total cost estimate for these five projects is \$8.1 billion.

## How does this affect my electricity bill?

For every billion dollars spent on transmission, the estimated cost for the average residential household (which uses approximately 600 kilowatt hours per month) is \$1.00 per month.

Transmission rates, the charges for transmission projects on customers bills, are regulated by the AUC.

Transmission rates are user based (related to consumption). The impact to the average residential customer's bill for these five projects will be approximately \$8.00 per month or \$96 a year. This increase will start around 2012 and will gradually appear on customers bills over the following five years as the transmission projects are completed.