

## Frequently Asked Questions about Bill 50 - Electric Statutes Amendment Act, 2009

### WHAT IS BILL 50 ABOUT?

Bill 50, or the *Electric Statutes Amendment Act, 2009*, gives authority to the Government of Alberta to approve the need for critical transmission infrastructure. Bill 50 was introduced on June 1, 2009 in the Alberta Legislature and was passed into law on November 26, 2009.

### WHAT IS “CRITICAL TRANSMISSION INFRASTRUCTURE”?

Bill 50 designates the following four transmission upgrading projects as Critical Transmission Infrastructure (CTI):

- Two high voltage direct current transmission facilities between the Edmonton and Calgary regions;
- One double circuit 500 kV alternating current transmission facility connecting to the 500 kV transmission system on the south side of the City of Edmonton and to a new substation to be built in the Gibbons - Redwater region;
- A new 240 kV substation to be built in the southeast area of the City of Calgary; and
- Two single circuit 500 kV alternating current transmission facilities from the Edmonton region to the Fort McMurray region.

### WHY DO WE NEED NEW TRANSMISSION INFRASTRUCTURE?

Load growth is the primary driver. Transmission investment is needed to reliably serve the expanding demand, reduce congestion and facilitate a competitive market. 11,500 megawatts of new generation - nearly equal to the current amount of electricity that can be produced in the province today - will be required during the next 20 years to meet forecasted demand for electricity and replace older power plant facilities. The Provincial Energy Strategy also calls for increased development of renewable and low-emission generation.

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## **HOW IS THE AESO INVOLVED?**

The Alberta Electric System Operator (AESO) released its Long-term Transmission System Plan in June 2009. The Long-term Transmission System Plan describes future transmission development in Alberta and identifies several CTI projects that are required between 2010 and 2017 to meet the current and future electricity needs of Albertans.

## **WHAT DOES THE REGULATORY PROCESS FOR CTI DEVELOPMENT LOOK LIKE WITH BILL 50?**

### ***The Regulatory Process Prior to Bill 50***

All proposed projects for transmission development in Alberta proceeded through two stages of approval. The first is the “Needs” stage. If approval was obtained at this stage; the project proceeded to a second “Facility” stage. For both stages, approval was required from the Alberta Utilities Commission (AUC).

### ***The Regulatory Process Under Bill 50***

The regulatory process remains the same except where CTI projects are concerned. The need for CTI projects will be approved by the Government of Alberta. The Facility stage approval process is still required.

The AUC will continue to approve the need for non-CTI projects.

## **WHAT WILL THESE CHANGES TO THE REGULATORY PROCESS FOR TRANSMISSION DEVELOPMENT MEAN FOR ALBERTANS?**

While the Government, instead of the AUC, will approve the need for CTI projects, the process for siting all transmission infrastructure projects will remain unchanged: Albertans will continue to play an important role in where these facilities get built. Further, the AESO plans to consult with Albertans on its transmission plans to the same high standards we’ve held ourselves to in the past.

The following table describes the regulatory process for transmission development prior to Bill 50 and describes the resulting changes at both the Needs and Facility stages.

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Needs Stage	
<b>Step One</b>	The Alberta Electric System Operator (AESO) forecasts future demand for electricity, determines what additions or upgrades are needed to meet that demand, and meets with the public in areas that could be affected.
<b>Step Two</b>	The AESO prepares and submits a Needs Identification Document (NID) to the AUC for approval.
<b>CHANGE</b>	<i>Bill 50 empowers the Government of Alberta, instead of the AUC, to approve the need for CTI projects.</i>
Facility Stage	
<b>Step One</b>	The AESO directs a transmission facility owner (TFO) to prepare and submit a facilities application to the AUC for approval. The TFO is typically selected as the one in whose service area the project is to be located.
<b>CHANGE</b>	<i>Under Bill 50, the Government of Alberta or the AESO may assign a TFO to a project. Future CTI projects may be assigned through a competitive process.</i>
<b>Step Two</b>	The assigned TFO must develop a facilities application. This process requires the TFO to consult with landowners on the proposed route or location of these facilities.
<b>Step Three</b>	The TFO proposes a specific route/location of the facilities in the facilities application to the AUC.
<b>Step Four</b>	The AUC may hold a public hearing on the facilities application, including consideration of the proposed route/location where potentially affected landowners may intervene; and renders a decision on the application.

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