

# POWER LINES

VOLUME 13, ISSUE 2

SUMMER—AUGUST 2019

**Representation | Engagement | Advocacy**

## 2019 SUMMER SESSION RECAP



The theme "change" was the framework for the day with the take-away nugget: "change is constant" - it is something we all live with and must adapt to in order to move forward.

This year our keynote speaker, Graham Neil of CTV fame, started us off with laughs. Partnered with Donovan Workun of Atomic Improv, the pair brought us "**The Power of Yes,**" and, with it, three points to remember: 1) **Say yes more often**, 2) **Actively listen** to one another - don't just listen to respond, and 3) **Be positive** - support, acceptance, and passion for one another's ideas encourages interaction. Although it's easier to say no, we are encouraged to make a change by **working together** in order to come up with **better solutions**.

### Sessions:

#### **Regulatory Trends: Dr. M. Yahya, Vice-Dean of Law from the U of A**

This speaker's experience with the utility commission brought industry insight and expertise on how regulatory change is processed.

#### **AUC Proceedings Update: Shauna Gibbons, Main Street Law**

AFREA legal counsel reported on current proceeding updates and expected actions before the utility commission.

#### **Health Safety & Environment Industry Changes: and the Business Management System: John Wettstein, Wettstein Safety Strategies Inc.**

Topic included the whys of having an HSE system, due diligence, risk management, emergency plans, investigations, contractor management.

#### **Technology Change—Broadband: Roger Grove and Claudette Dunsing from Telecommunications & Registries, Service Alberta**

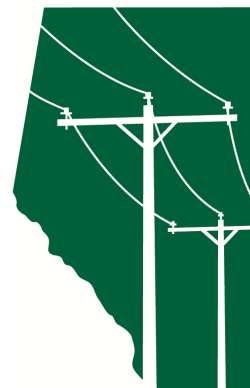
Discussion on provincial and federal expectations of broadband and that hi-speed broadband should be an essential communication service.

#### **Member Information—Dino Wylie and Bob Peyton, Al Nagel, AFREA**

- Update on Reciprocal Insurance Exchange
- Options for Increasing Membership Fess
- Focus Chart outlining roles of the AFREA and the REA

Presentations are posted on the AFREA Internal Document area of our website. For member-only access use your email and password. If you have not signed into the site before, please email [linda@afrea.ab.ca](mailto:linda@afrea.ab.ca) at the Federation office for instructions.

## AFREA



### Quick Notes

- **13th Annual Federation Charity Golf Classic: Thursday, August 8th, 2019—MS fundraiser.**
- **Watch for weekly news updates in the AFREA E-News sent to your inbox each Saturday morning at 10:00 am.**
- **If you have any news, events, or stories you would like to share, please email: [janeth@afrea.ab.ca](mailto:janeth@afrea.ab.ca) or [linda@afrea.ab.ca](mailto:linda@afrea.ab.ca) at the Federation office.**

### In This Issue:

- Summer Session Recap
- Regulatory Updates
  - #23870
  - #23757
- **When Knowledge Is Power - Our laws begin with us**

### Next Issue:

Fall  
District Meetings

## REGULATORY UPDATE

### Proceeding 23870: Review and Variance of Decision 22164-D01-2018: Background

On May 8, 2019 EQUS argued at the Calgary Court of Appeal that the Alberta Utilities Commission (AUC) erred in their decision in Proceeding 22164 to allow FortisAlberta to expand their service areas to include sites and members on lands annexed to certain municipalities. This proceeding, as you may recall, was initiated by FortisAlberta in order to bring full effect to the Municipal Franchise Agreements (MFA) for those certain municipalities, and therefore their exclusive rights of service on those annexed lands. It is a common misconception that an appeal in Canadian law is a second chance. This is not like a review in sports or what may be considered an appeal in television programs or movies. In this instance, a successful appeal to the Alberta Court of Appeal requires very detailed and specific legal arguments about how the AUC was wrong in law. This is a difficult argument to make. Justice Rowbotham heard EQUS' case, the reply argument from FortisAlberta, and a very brief explanation of process from the AUC counsel. A decision is expected to be published by early 2020.

#### Update:

EQUS REA appeared before the Court of Appeal on May 8, 2019 and requested leave to appeal the Alberta Utilities Commission (AUC)'s Annexation Decision (Proceeding 22164). On July 11, 2019 Justice Rowbotham denied the leave to appeal. The Decision was filed in the public domain on July 12, 2019. In her Decision, Justice Rowbotham cited various aspects of the *Municipal Government Act* and case law as reasons for denying the request. You can view the full decision online at <http://canlii.ca/t/j1dn2>

There is no further recourse for EQUS and the AUC Decision stands. Of particular interest in the Decision, however, was the term "grandfathering" used by Justice Rowbotham. This was not a term that was accepted by the AUC but was clearly how the Court interpreted their Decision.

The AFREA continues to recommend REAs be in contact with the municipalities, hamlets, villages, and towns within your boundaries to ensure the terms of your relationship are upheld. Grandfathering was the standard prior to the Annexation Decision, and Justice Rowbotham's Decision refers to it. There are grandfathering provisions for annexed REA services and members, and the municipality should not intervene with a bylaw to circumvent those provisions.

Please inform the AFREA if you hear of any bylaws being drafted with the intention of circumventing the grandfathering provisions. Please call Al Nagel, CEO, at the Federation office if you have any questions or concerns.

*"What is interesting is the power and the impact of social media...  
So we must try to use social media in a good way."*

~ Malala Yousafzai, activist

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## Regulatory Update ... Continued

### **Proceeding 23757: Proceeding to Consider ISO Rules to Implement the Capacity Market: Background**

As you may know the AFREA represented its members, and therefore residential and farm consumers, and rural Alberta, in the recent oral hearing for provisional approval of ISO rules to implement a capacity market. This is the “provisional hearing” which means the larger, more robust review of the rules will occur immediately following the decision. The AFREA has fully participated and cross-examined a number of parties including the Alberta Electric System Operator (AESO). The oral hearing concluded on June 11, 2019 with written argument due on June 21, 2019 and written reply argument due on June 28, 2019. A decision is expected from the Commission on or before July 31, 2019.

Update: On July 24, 2019 Minister of Energy, Sonya Savage, issued a press release stating the Government of Alberta is “restoring investor confidence in Alberta’s electricity system by returning to a cost-effective, reliable energy-only market.”

The AFREA has and will continue to work in the best interest of its members. The AFREA supports the need for a safe, reliable, and economic generation fleet.

We look forward to working with government to ensure a strong and vibrant market in the electricity industry.

This is a very complex situation that is still unfolding. The Alberta Electric System Operator (AESO) has requested permission to withdraw their application, which will likely have the effect of voiding the time requirements of the Electric Utilities Act, however this is not yet certain.

We will update you in the coming days as we learn more.

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### **The AFREA is involved in a number of other proceedings to represent our members.**

Developments and updates will be reported as they come available. Watch our weekly E-News for reports.

- **Proceeding 24405: Generic Proceeding to Review Rate Treatment of Distribution System Acquisition Costs Under Performance-Based Regulation**
- **Proceeding 24116: Electric Distribution System Inquiry**
- **NEW - Proceeding 24747: ATCO Electric 2019 Distribution Tariff Application (DTA) - Phase II Application**

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<http://www.cooperators.ca/en/About-Us/why-coops-are-better/members-benefits-program.aspx>

## WHEN KNOWLEDGE IS POWER—OUR LAWS BEGIN WITH US

When the Legislature is in session and debating new bills (proposed laws), it's easy to get the impression that laws are made and passed only under the Legislature dome. But laws are, in fact, considered year-round by ministers and MLAs when they talk to citizens to find out what they are thinking.<sup>[1]</sup>

Laws begin with us—citizens and groups of citizens, who are concerned about issues that affect them.

This is exactly what is going on when the Federation is invited into discussions to change options, policies, rules, and many other matters that affect the way REAs operate. By doing this, we are bringing forward a unified and unique REA voice to present our own informed ideas and solutions on how to best regulate electricity for all Albertans. We can not expect effective representation from our government unless we do our part to contribute wisely in these discussions.

It is true that no minister or MLA can agree with every single opinion they hear. Eventually, the cabinet minister responsible for a portfolio and MLAs representing their constituents will form a position. The position they take will depend on party platforms and their own personal beliefs. *But, it will also be based on what they have determined most people think about a certain issue.*<sup>[2]</sup> So it is our duty to speak collectively on what REAs and their members need in order to ensure we operate better and serve Albertans better.

The past few years have been remarkably busy for discussing changes to Alberta's electricity sector.

<sup>[1]</sup> *The Citizen's Guide to the Alberta Legislature, 9<sup>th</sup> Edition* (Edmonton: Legislative Assembly of Alberta, 2016), 28-30. <http://www.assembly.ab.ca/pub/gdbook/CitizensGuide.pdf> Accessed September 26, 2017.

<sup>[2]</sup> *Ibid.*, 23.

## PURSUING AN REA FUTURE—GOVERNMENT

### Our Asks on Your Behalf:

- Establish the exclusive right to serve all consumers up to 500 KVA within designated REA area.
- All services with a size greater than 500 KVA will be negotiable between the consumer and the area wire owners.
- REAs have a 'duty to serve' all consumers within the designated service area.
- All existing distribution assets are grandfathered—this provision effectively insulates Investor-Owned Utilities (IOUs) **and** REAs from immediate asset loss.

### DESIGNATED SERVICE AREAS HAVE BEEN DETERMINED NECESSARY FOR REA SURVIVAL.



AFREA & FEDERATION OF ALBERTA GAS CO-OPS LTD.

THURSDAY, AUGUST 8, 2019  
GOOSE HUMMOCK GOLF RESORT

## 13<sup>th</sup> Annual Federation Charity Golf Classic

Watch upcoming E-News and the Special Edition Power Lines for our golf report 2019.