

# Government of Alberta launches and seeks input on Community Generation Program for renewable electricity

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On November 22, 2018, the Government of Alberta announced that it is investing \$200 million of Climate Leadership Plan funds to launch a new Community Generation Program (Program).[1] The Program will support Alberta in reaching its target of 30% renewable electricity by 2030 and will provide dedicated funding to support community generation projects in areas affected by the phase-out of coal-fired electricity.[2] The \$200-million fund will guarantee the price that community-scale renewable energy projects receive for the power they produce.[3] The Climate Change Office hopes to launch the Program in the fall of 2019.

The Program is facilitated by the *Small Scale Generation Regulation* (Regulation), which comes into force on January 1, 2019.[4] The Regulation provides certain incentives for community generating units. The following generating units are eligible:

- Units that exclusively use energy generated from products having EcoLogo certification or solar, wind, hydro, fuel cell, geothermal, biomass or other generation sources that meet the required emissions target; and
- Units that will be connected to an electric distribution system for the purpose of supplying electricity to the interconnected electric system or within an isolated community.[5]

The Regulation allows a power producer who owns a small-scale generating unit that is the subject of a community benefits agreement or statement to apply to the Alberta Utilities Commission (AUC) to have the unit qualified as a community generating unit.[6] In order to qualify, the small-scale power producer must either be a community group or enter into a contract with a community group and confer social, environmental or economic benefits to that group.[7] "Community group" is broadly defined in the Regulation and includes co-ops, Alberta *Indian Act* bands, Metis settlements, condominium corporations and registered charities.[8] This definition will address some of the ambiguity that arose from the AUC's Final Report for the Alberta Electric Distribution System-Connected Generation Inquiry, which stated that there is no commonly accepted definition of "community" as applied to community generation and as a result there are no provisions that limit who or what can be considered a "community." [9]

Generally, small-scale generating unit owners will be responsible for the cost of connecting the generating unit.[10] However, if the small-scale generating unit is qualified by the AUC as a community generating unit, the distribution owner is responsible for the upfront cost of installing the metre and for the cost of system reliability upgrades for generation in an isolated community.[11] The Independent System Operator will then compensate the distribution owner in an amount determined by the AUC.[12]

The Regulation does not set out how funds from the Program will be allocated. However, the Climate Change Office has stated that Program applicants must demonstrate community benefits such as revenue from electricity production, local jobs, training opportunities, new social programs or new infrastructure.<sup>[13]</sup> The Climate Change Office is currently seeking input from interested vendors regarding the design and development of the Program infrastructure. Recommendations are due on December 13, 2018 by 2:00 pm MT. More information regarding the request for input can be found [here](#).

As noted in the National Energy Board's report on the economics of solar power, most communities in Alberta can expect to save money with community-solar projects.<sup>[14]</sup> However, as indicated by the Alberta Electric Distribution System-Connected Generation Inquiry, the Government of Alberta is aware that additional steps must be taken to enable and facilitate the development of alternative and renewable distribution system-connected generation, including small-scale community generation.<sup>[15]</sup> The announced Program appears to be aimed at filling that gap by facilitating the growth of renewable generation as a component of the local community electricity supply mix. In addition, the Alberta Utilities Commission recently announced the commencement of an Electric Distribution System Inquiry, where the Commission will examine regulatory and distribution rate matters with a view to ensuring the applicable regime aligns with the evolving nature of electricity production in Alberta, including the growth of community generation.<sup>[16]</sup> The Inquiry will commence in January 2019, with statements of intent to participate due January 4, 2019 and initial comments due January 18, 2019. The results of this inquiry may influence how communities participate in the recently announced Program in late 2019.

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[1] Alberta, Climate Change Office, *Putting power in the hands of communities*, (Edmonton: Climate Change Office, 2008) accessed 2 December 2018.

[2] Alberta, Climate Change Office, *Putting power in the hands of communities*, (Edmonton: Climate Change Office, 2008) accessed 2 December 2018.

[3] Alberta, Climate Change Office, *Putting power in the hands of communities*, (Edmonton: Climate Change Office, 2008) accessed 2 December 2018.

[4] Alta Reg 194/2018, s 11.

[5] Alta Reg 194/2018, ss 1(g),(l).

[6] Alta Reg 194/2018, s 3(1).

[7] Alta Reg 194/2018, ss 1(b),(c).

[8] Alta Reg 194/2018, s 1(e).

[9] Alberta Utilities Commission, *Alberta Electric Distribution System-Connected Generation Inquiry: Final Report* (29 December 2017) accessed 2 December 2018.

[10] Alta Reg 194/2018, s 5(1).

[11] Alta Reg 194/2018, ss 5(2), (3).

[12] Alta Reg 194/2018, ss 5(2), (3).

[13] Alberta, Climate Change Office, *Putting power in the hands of communities*, (Edmonton: Climate Change Office, 2008) accessed 2 December 2018.

[14] Canada, National Energy Board, *The Economics of Solar Power in Canada*, (National Energy Board, 2018) accessed 2 December 2018.

[15] Alberta OIC 120/2017.

[16] Alberta Utilities Commission, Bulletin 2018-17: *Electric Distribution System Inquiry* (December 6, 2018).