

Draft 6

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**AN ACT TO AMEND THE ELECTRIC POWER ACT**

**BILL NO.**

**2021**

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BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

**1.(1) Section 16.1 of the *Electric Power Act* R.S.P.E.I. 1988, Cap. E- 4 is amended by adding the following after subsection (5.1):**

**Emissions reductions estimate**

(5.2) In addition to the requirements of subsection (5) or (5.1), an energy efficiency and demand-side resources plan that is submitted to the Commission by a public utility shall include a reasonable estimate of greenhouse gas and other emissions reductions that would be achieved under the plan.

**(2) Clause 16.1(6)(b) of the Act is amended by the addition of the words “, and meets the requirement of subsection (5.2)” following the words “may be”.**

**3. Section 20 of the Act is amended by the addition of the following after subsection (1.2):**

**Promotion of energy efficiency**

(1.3) A decision made under subsection (1) or (1.2)

(a) shall ensure that any rates, tolls or charges that are confirmed, determined or fixed, promote energy efficiency and demand-side resource measures; and

(b) where the decision relates to a residential class of customers, shall not permit a reduction in rates, tolls or charges for a service or a portion of a service that is based upon an increase in use of electric energy by a customer.

**Definition, residential class**

(1.4) For the purpose of subsection (1.3), “residential class of customers” means any class of residential customers recognized by the Island Regulatory and Appeals Commission.

**Transitional, agricultural class**

- (1.5) Subsection (1.3) shall not apply in relation to an agricultural class of customers for the three years immediately following the coming into force of this subsection..

**Definition, agricultural class**

- (1.6) For the purpose of subsection (1.5), “agricultural class of customers” means any class of agricultural customers recognized by the Commission, in which agricultural operators have the option to participate.

**Time-variant pricing**

- (1.7) A decision made under subsection (1) or (1.2) after December 31, 2022 shall ensure that any rates, tolls or charges that are confirmed, determined or fixed, include the option for customers of the utility to receive service through a system of time-variant pricing that
- (a) provides for rates that vary over time according to the cost of providing service; and
  - (b) promotes the use of available supply of electric energy generated from renewable sources within the province, in accordance with the *Renewable Energy Act* R.S.P.E.I. 1988, Cap. R-12.1.

**Clarification respecting variable rates**

- (1.8) For greater clarity, the ordinary variations of rates throughout the day as part of time-variant pricing do not constitute variations of rates for the purposes of subsection 20(1).

**Exception respecting time-variant pricing**

- (1.9) Notwithstanding clause 20(1.3)(b), for the purposes of implementing energy efficiency and demand-side resource measures or for the purposes of subclause (1.7)(b), time-variant pricing may permit a reduction in rates, tolls or charges for a service that is based upon an increase in use of electric energy by a customer.

## EXPLANATORY NOTES

**SECTION 1** adds a requirement to the *Electric Power Act* that an energy efficiency and demand-side resources plan include a reasonable estimate of greenhouse gas and other emissions reductions that would be achieved under the plan.

**SECTION 2** provides that a decision by the Island Regulatory and Appeals Commission on a review of the rates, tolls or charges of a public utility shall ensure that any rates, tolls or charges that are confirmed, determined or fixed, promote energy efficiency and demand-side resource measures; and where the decision relates to a residential class of customers, shall not permit a reduction in rates, tolls or charges for a service or a portion of a service based on an increase in use of electric energy by a customer. The section also provides that such a decision shall not apply in relation to an agricultural class of customers for three years following the coming into force of proposed subsection 20(1.5), and provides for time-variant rates.