

Draft 4

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CONSULTATION DRAFT

AN ACT TO AMEND THE RENEWABLE ENERGY ACT

BILL NO.

2021

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

1. Subsection 1(1) of the *Renewable Energy Act* R.S.P.E.I. 1988, Cap. R-12.1, is amended
 - (a) by renumbering clause (a) as (a.1);
 - (b) by the addition of the following immediately before clause (a.1):
 - (a) “aggregator” means an entity that aggregates and coordinates the dispatch of one or more distributed energy storage systems for the purposes of providing grid services, for reducing customer bills, or for any other purpose;
 - (c) by the addition of the following after clause (c):
 - (c.1) “energy storage system” means a system capable of storing previously generated electric energy and of releasing that electric energy at a later time;
 - (d) in clause (u), by the repeal of subclauses (iv) and (v) and the substitution of the following:
 - (iv) organic material,
 - (v) an energy storage system, and
 - (vi) such other sources as are prescribed by the regulations.
 - (e) in clause (w)
 - (i) by the addition of the words “or aggregator” after the word “facility”, and
 - (ii) by the addition of the words “or energy storage system” after the words “energy source”.

2. The Act is amended by the addition of the following after section 2:**2.1 Renewable electricity standards**

- (1) For the calendar year beginning on January 1, 2025 and for each calendar year thereafter until December 31, 2029, every public utility shall, in accordance with the regulations, obtain an amount equivalent to at least 50 percent of the total amount of energy that it sells during that calendar year from renewable energy sources.

Further renewable electricity standards

- (2) For the calendar year beginning on January 1, 2030 and for each calendar year thereafter, every public utility shall, in accordance with the regulations, obtain an amount equivalent to 100 percent of the total amount of energy that it sells during that calendar year from renewable energy sources.

Annual report

- (3) Every public utility shall, for the year beginning on January 1, 2021 and for each year thereafter, submit to the Minister an annual report in a form and at a time required by the regulations, that sets out
- (a) the total amount, in kilowatt hours, of the electric energy that the public utility sold in the preceding year; and
 - (b) the total amount, in kilowatt hours, of the electric energy that the public utility obtained in the preceding year from a renewable energy source.

Signing annual report

- (4) The report submitted to the Minister under subsection (3) shall be signed and sworn by an officer or other person engaged in the management of the public utility at the time the report is submitted.

Exception

- (5) A public utility is not required to comply with subsection (1) or (2) in respect of any calendar year for which the public utility is exempted by the Minister under subsection (6).

Application for exemption

- (6) The Minister may, on application by a public utility, exempt the public utility from the requirements of subsection (1) or (2) for any one or more calendar years, as the Minister considers appropriate, if the Minister is satisfied that the public utility has entered into an agreement with one or more public utilities that ensures that the average of the total amount of electric energy that the parties to the agreement have obtained or will obtain from renewable energy sources, during the calendar year or years for which the exemption is sought, is equal to or exceeds the requirements in subsection (1) or (2).

Inquiry into compliance

- (7) The Lieutenant Governor in Council may direct the Commission to inquire into, and report on, any matter related to the compliance by a public utility with the requirements of this section.

Report public

- (8) The Minister shall, within 30 days of receiving a report referred to in subsection (3), make copies of the report available to the public.

2.2 Offence re renewable electricity standards

- (1) Every public utility that fails to comply with subsection 2.1(1) or (2) is guilty of an offence and liable on summary conviction to a fine of not more than \$500,000.

Offence for failure to submit annual return

- (2) Every public utility that is required by section 2.1 to submit an annual report and that fails to do so when and as required by that section is guilty of an offence and liable on summary conviction to a fine of \$500 for every day or part of a day that the failure continues.

Payment of fine

- (3) Where a public utility pays all or part of a fine imposed under this section, the Commission shall, after receiving notice from the Minister of the imposition and payment of the fine, ensure that the fine is deducted from the amount which the public utility would otherwise be entitled to earn under the *Electric Power Act* as a just and reasonable return upon its undertaking.

3. Subsection 8(1) of the Act is repealed and the following substituted:**8 Purchase price**

- (1) Every public utility that purchases electric energy from
- (a) a municipal renewable energy generator; or
 - (b) a medium capacity renewable energy generator
- shall pay at least the prescribed minimum rate or price for the electric energy.

4. Subclause 11(3)(c)(iii) of the Act is amended by the addition of the words “, or based on such standard,” after the words “Engineers Inc.”.**5. Section 18 of the Act is amended by the addition of the following after clause (b):**

- (b.1) respecting the establishment of interim standards in addition to those in subsection 2.1(1) or (2);
- (b.2) respecting the establishment of a renewable energy credit trading system for the purposes of meeting the requirements set out in subsection 2.1(1) or (2);

EXPLANATORY NOTES

SECTION 1 amends section 1 of the *Renewable Energy Act* to add a definition of “aggregator”, to add a definition of “energy storage system”, to include energy storage systems within the definitions of “renewable energy source” and “renewable energy generation facility”, and to include aggregators within the definition of “renewable energy generation facility”.

SECTION 2 requires every public utility to obtain an amount equivalent to at least 50 percent of the total amount of energy that it sells each calendar year from 2025 through 2029 from renewable energy sources, and from 2030 on to obtain an amount equivalent to 100 percent of the total amount of energy that it sells each calendar year from such sources. The section also requires public utilities to submit annual reports to the Minister and provides an exemption for public utilities from the individual minimum standards where they jointly comply with other utilities under agreements. The section also allows the Lieutenant Governor to direct the Commission to inquire into compliance by public utilities, and provides that reports that are submitted are to be made public. The section also establishes offences for public utilities.

SECTION 3 removes the requirement for large capacity renewable energy generators to pay at least the prescribed minimum rate or price for the electric energy.

SECTION 4 amends a requirement respecting the requirement for an assessment on whether the proposed operation of a net-metering system is likely to have a serious adverse impact on the ability of a public utility to otherwise operate and maintain its business and electrical system in a manner consistent with any current standard published by the Institute of Electrical and Electronics Engineers Inc., to allow for the use of standards based on those published standards.

SECTION 5 adds powers to make regulations respecting the establishment of interim renewable energy standards, and respecting the establishment of a renewable energy credit trading system for the purposes of meeting the renewable energy standards.