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# Notice AUC inquiry into the ongoing economic, orderly and efficient development of electricity generation in Alberta

## AUC inquiry process for Module B

### Proceeding 28542

The Alberta Utilities Commission (AUC), the independent utilities regulator, is opening an inquiry into the ongoing economic, orderly and efficient development of electricity generation in Alberta.

#### Scope of the AUC's inquiry

The inquiry has been separated into two modules (Module A and Module B) to explore the key issues identified in the Alberta government's order-in-council. <u>Module A</u>, which is being considered in Proceeding 28501, will explore the land impact issues identified in the Alberta government's order-in-council.

In Module B, the AUC has been directed to consider the impact the increasing growth of renewables has to both generation supply mix and electricity system reliability. The AUC is aware that the Alberta Electric System Operator (AESO) is undertaking complementary work relating to system reliability. The AUC intends to take the AESO's work into account to support the inquiry.

| Expert   | Scope of report   |
|--|---|
| London Economics<br>International LLC<br>(LEI) | <ul> <li>Review and assess prior studies that evaluate the evolution of the Alberta electric system from a technical and/or economic perspective in order to inform reliability and affordability questions.</li> <li>Following stakeholder engagement, development of a technical, simulation-based assessment of future wholesale market fundamentals under the current energy market design over the long term to evaluate future system reliability (e.g., resource adequacy) and consider electric utility bill impacts for retail customers.</li> </ul> |
| Longview<br>Communications &<br>Public Affairs | <ul> <li>Using targeted stakeholder engagement and other means, gauge current perception of Alberta's power market by relevant generation developers (incumbent and non-incumbent) and sources of capital to review attractiveness of Alberta's market structure, views on potential market structure changes, and appetite for merchant power risk.</li> <li>Identify the drivers behind stakeholder perception of Alberta's power market.</li> </ul>  |

The AUC has commissioned two expert reports as summarized below. The scope of work for each report is set out in detail in a separate letter.

#### Written submissions

Parties may provide written submissions responding to the expert reports on the AUC's <u>eFiling System</u>. To provide written submissions for the inquiry, please visit our website and log in to the AUC's eFiling System, go to Proceeding 28542, and register to participate under the "registered parties" tab. Instructions for how to register an eFiling System account and submit a document can be found in the AUC's <u>eFiling System basics brochure</u>.

#### Technical meeting – November 9, 2023

The AUC will host a technical meeting on November 9, 2023, from 1 p.m. to 4 p.m. to discuss and obtain feedback on LEI's simulation-based assessment. The meeting will be held in-person at the AUC's Calgary office. To register for this session, please email <u>info@auc.ab.ca</u> by **November 7, 2023**.

#### **Participant funding**

The AUC will not provide funding for participation in Module B of the inquiry given the issues and process outlined in this notice.

#### **Module B process steps**

The AUC has established the following process schedule for Module B:

| Process step  | Date              |
|---|-------------------|
| Technical meeting to discuss LEI simulation approach                | November 9, 2023  |
| AUC publishes independent expert reports                            | February 7, 2024  |
| Technical meeting for experts to answer questions regarding reports | February 14, 2024 |
| Parties to provide written submissions on the expert reports        | February 29, 2024 |

Information on how interested Albertans can participate in Module A of the inquiry can be found on the AUC's website: <u>AUC inquiry into the ongoing economic, orderly and efficient</u> <u>development of electricity generation in Alberta – Module A</u>.

#### Privacy

To support an open and transparent process, information you send to the AUC will be publicly available through the AUC's <u>eFiling System</u>. If there is confidential information you would like to file, a request must be made in advance of filing your submission.

Please contact us at 310-4AUC (310-4282) in Alberta or <u>info@auc.ab.ca</u> for more information or assistance.

Issued on October 24, 2023.

Alberta Utilities Commission