



Smart Grid Inquiry Report overview

The Alberta Utilities Commission issued the Smart Grid Inquiry Report earlier this year.

The purpose of the inquiry was to provide information to the Alberta government, so the government could consider implementing policies to support the deployment of smart grid technology. Moving forward with smart grid technology is a goal within Alberta's Provincial Energy Strategy.

Fifty-eight participants registered in the inquiry proceeding, including a joint presentation from Central Alberta REA and South Alta REA.

Five principles for the development of smart grid policies emerged:

1. Smart grid policies and objectives should be clear, well defined and articulated prior to smart grid investments being mandated.
2. Smart grid policies should maintain and enhance the reliability and quality of electricity service in Alberta.
3. Smart grid policies should support the operation and continuation of the competitive generation and retail markets and should not create artificial competitive advantages for one group of market participants over another.
4. Smart grid investments should be required to pass a cost-benefit test to protect customers from unnecessary rate increases.
5. Competitive market forces should be relied upon to the greatest extent possible to implement smart grid technologies in Alberta.

Key considerations within the report were:

- Seventy per cent of Alberta's electricity is consumed by industrial and commercial businesses.
- The introduction of multi-period pricing plans would require an overhaul to the current retail rate structure and there has been no significant demand for these types of services.
- A smart grid program would substantially increase the volume of data produced, exchanged, and would result in greater data transmission and storage requirements. This would require additional spending to make the necessary improvements.
- Issues related to security, privacy and the use of personal information and interoperability must be addressed at national and international levels.
- There was no definitive information regarding societal benefits and if, indeed, smart meters and AMI would actually force Albertans to modify their electricity consumption times.
- With regard to policy, an important decision is whether the Alberta government should proceed with mandated smart meter and AMI roll out, or to rely on an anticipated natural evolution of utilities to enhance their respective technologies.
- The report included a cost benefit methodology, which provided a range of scenarios that the government might consider. It was inferred that the scope of a mandated roll out might exclude some distribution entities, such as REAs and small, municipal utilities.

"Providing efficient energy services to rural Albertans"

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In essence, the report concluded: “The decision whether to deploy smart meters and AMI and, if so, how to deploy them depends on the unique characteristics of the jurisdiction in which the deployment is being considered and the unique circumstances of each distribution company. Not all of the potential benefits of smart meters and AMI can necessarily be realized in all jurisdictions or by all companies.

“Furthermore, the decision to deploy smart meters and AMI does not need to be an all-or-nothing decision. Smart meters and AMI could be deployed only for some customers in certain areas. In Alberta, there are a number of unique characteristics that must be addressed when considering smart meter and AMI deployment. These unique characteristics are described in the smart meter section of the report.”

Subsequent to the release of the report, CAREA was invited to meet with the Minister of Energy, Ron Liepert, and the Department of Energy staff to discuss the report.

CAREA was pleased to be informed by the minister that it will not be required to implement smart grid technology at this time. However, as a progressive organization, CAREA will continue to monitor smart grid technology as it develops, for cost versus benefits for its members.

