



Affordability and Utilities

Ministry Business Plan



Affordability and Utilities

Business Plan 2024-27

Ministry Fact Sheet – Mandate and Structure

The Ministry of Affordability and Utilities leads and coordinates the government's ongoing efforts to make everyday life more affordable for Albertans. Affordability remains a priority for Albertans, and the Government of Alberta is taking decisive action to support Albertans' quality-of-life by addressing cost of living expenses and maintaining the Alberta Advantage.

The ministry leads the coordination of programs to deliver broad cost-of-living relief to all Albertans, with additional targeted affordability supports for families, seniors, and vulnerable Albertans. These efforts will increase affordability for families and businesses and help parents, seniors, and vulnerable Albertans with their daily cost of living expenses.

The ministry also manages and develops policy for the province's utilities sector to ensure affordable, safe, and reliable electricity and natural gas systems for Albertans.

While Alberta's economy continues to perform well, many Albertans are struggling to afford to heat and power their homes and businesses. The ministry will take action to provide relief for Albertans. In addition, the ministry will develop long-term solutions to inform and protect consumers and address the cost of utilities in the province.

With the evolution of technology and Alberta's anticipated population growth, the electricity system is expected to evolve rapidly in the coming years. Government policy and legislation needs to keep pace with these changes to ensure the modernization of the electric grid takes place in an orderly and efficient manner, keeping costs as low as possible, and supporting Alberta's continued economic growth through stable and reliable electricity supply.

The Department of Affordability and Utilities:

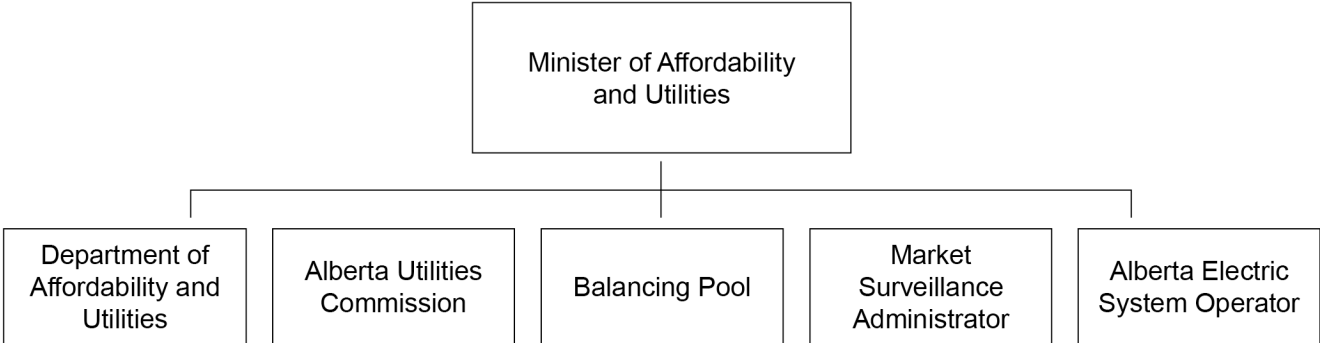
- leads the government's ongoing efforts to make everyday life more affordable for Albertans;
- manages policy, legislation, regulation, and programming related to the generation, transmission, distribution, retail, and wholesale markets for electricity to ensure an affordable, safe, and reliable electricity system for Albertans;
- manages policy, legislation, regulation, and programming related to the distribution and retail marketing of natural gas to ensure an affordable, safe, and reliable natural gas system for Albertans;
- manages the policy and programs supporting the expansion and upgrading of rural utility infrastructure; and
- oversees the Utilities Consumer Advocate's critical role in representing, educating, and supporting residential, small business and farm consumers of electricity and natural gas.

The Alberta Utilities Commission regulates the investor-owned utilities sector, generation development, and natural gas and electricity markets to protect social, economic, and environmental interests of Albertans. Its operations are funded by Alberta rate payers through an administration fee levied on Alberta's utilities and the independent system operator.

The Balancing Pool supports the management of Alberta's electric industry by supporting a fair, efficient and openly competitive electricity market in Alberta by performing the legislated duties and responsibilities set out in its mandate.

The Market Surveillance Administrator is the independent monitor of Alberta's electricity and retail natural gas markets that protects and promotes fair, efficient, and openly competitive operations.

The Alberta Electric System Operator is responsible for the safe and reliable operation of the Alberta Interconnected Electric System including management, short and long-term grid planning, and market operation.



A more detailed description of the Ministry of Affordability and Utilities and its programs and initiatives can be found at: www.alberta.ca/affordability-and-utilities.aspx.

The Ministry of Affordability and Utilities remains committed to regulatory approaches and program delivery that reduce unnecessary government oversight and emphasize outcomes, in order to improve access to government services, attract investment, support innovation and competitiveness, and grow Alberta businesses.

Ministry business plans should be considered in conjunction with all budget documents - including the Fiscal Plan, Government Strategic Plan, and Estimates - which work together to provide a complete overview of government’s commitment to responsible fiscal management.

2024-27 Business Plan

Outcome 1

Albertans have the information and support needed to make cost-of-living more affordable

Albertans continue to face challenges of affordability with daily cost-of-living expenses. The Ministry of Affordability and Utilities will lead the Government of Alberta’s affordability measures to inform and support Albertans to feed their families, heat and power their homes, and manage the daily cost of living.

Key Objectives

- 1.1 Lead and coordinate the Government of Alberta’s ongoing efforts to identify and advance opportunities to address affordability and cost-of-living concerns of Albertans.
- 1.2 Work with partner ministries to educate and inform Albertans about strategies to address ongoing cost-of-living expenses associated with utilities, housing, insurance, food, and other core household expenses.
- 1.3 Mediate disputes with utility providers for Alberta’s electricity, natural gas, and water consumers through the Utilities Consumer Advocate.
- 1.4 Provide ongoing natural gas price stability for Albertans year-round through the Natural Gas Rebate Program.
- 1.5 Address the cost of utility payments for Albertans by:
 - Exploring how to design rates for electricity and natural gas to best serve Albertans;
 - Protecting consumers from spikes in electricity and natural gas prices;
 - Identifying opportunities to reduce transmission, distribution, and other costs;
 - Educating Albertans about alternatives to the Regulated Rate Option; and
 - Advocating for consumers through interventions in Alberta Utilities Commission proceedings by the Utilities Consumer Advocate.

Initiatives Supporting Key Objectives

- Promote and support the Affordability Portal on alberta.ca to function as an accessible self-serve tool that provides Albertans with information on how to achieve lower cost of living outcomes.
- \$8.2 million is budgeted for the Utilities Consumer Advocate in 2024-25 to educate Albertans, mediate disputes, and advocate in the interest of utility consumers.
- Provide permanent natural gas price protection through the Natural Gas Rebate Program to provide year-round price stability to Albertans from volatile natural gas prices.
- Continue to review Alberta’s transmission policies to maximize the use of existing transmission infrastructure and limit the need for costly new builds.

Performance Metrics

1.a Performance Measure: Albertans’ engagement with online affordability resources

This measure evaluates the effectiveness of Affordability and Utilities’ online affordability initiatives by measuring website visitation to Affordability and Utilities web resources (Affordability Portal, and Utilities Consumer Advocate) educating Albertans about affordability.

Targets	2024-25	900,000	2025-26	1,000,000	2026-27	1,100,000
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1.b Performance Indicator: Alberta annual inflation rate compared to national level

Alberta’s annual inflation rate including its components (e.g., food, energy, and shelter), while not entirely within Alberta’s control, demonstrates the affordability challenges facing Albertans.

		2019	2020	2021	2022	2023
Alberta / Canada	All Items	1.7 / 2.0	1.1 / 0.7	3.2 / 3.4	6.5 / 6.8	3.4 / 4.0
	Food	3.7 / 3.4	2.6 / 2.3	2.7 / 2.5	8.3 / 8.9	7.7 / 8.0
(Percent change)	Energy ¹	-3.5 / -2.2	-3.7 / -7.6	26.0 / 18.9	20.9 / 22.6	-6.6 / -3.4
	Shelter ²	2.4 / 2.5	1.3 / 1.7	3.2 / 3.9	6.6 / 6.9	6.3 / 5.6

Note 1: Energy includes gasoline, natural gas, and electricity prices.

Note 2: Shelter includes rented and owned accommodation costs.

Outcome 2

Alberta's utility system is safe and reliable while supporting an affordable life for Albertans

Alberta's utility system faces pressure from the federal government to achieve a carbon-neutral power grid by 2035 while continuing to ensure that it remains safe, reliable and affordable. The Ministry of Affordability and Utilities will support an affordable, safe, and reliable utility system that attracts investment, supports job creation, and reflects the interests of Albertans and Alberta businesses.

Key Objectives

- 2.1 Review Affordability and Utilities' agencies to ensure their missions and operations align with the government's goal to ensure an affordable, safe, and reliable utility system for Albertans.
- 2.2 Ensure the safe, reliable, and responsible development and operation of the electric and natural gas system to support Alberta's economic growth.
- 2.3 Streamline legislative requirements and regulatory processes for Alberta's utilities sector to better attract investment and encourage more affordable utilities for Albertans.
- 2.4 Develop policies to enable the integration of distributed energy resources (such as roof-top solar, battery storage, energy efficient technologies, etc.) to inform and support Albertans to manage their energy costs and consumption.

Initiatives Supporting Key Objectives

- \$34.3 million is budgeted to the Alberta Utilities Commission in 2024-25 to regulate electricity and natural gas rates.
- \$6.4 million is budgeted for the Rural Gas and Electric Programs in 2024-25 to support the installation and upgrading of rural utility infrastructure.
- Ongoing regulated rate option review for electricity to protect consumers from spikes in electricity prices, while ensuring Albertans continue to have a competitive range of provider choices.
- Review and modernize Alberta's distribution legislation to provide guidance to the electricity sector.
- Working to support Alberta's commitment to achieving carbon-neutrality by 2050.
- Working with Indigenous Relations to review and make recommendations to accelerate the connection of Indigenous communities to electricity and natural gas.

Performance Metrics

2.a Performance Measure: Timeliness of need and facility application processing (Alberta Utilities Commission)

This measure monitors the Alberta Utilities Commission's performance at meeting the legislated 180-day review timeline for need and facility applications. These statutory timelines begin on the date when the Alberta Utilities Commission deems the application complete.

In 2022, 94 per cent of Alberta Utilities Commission needs and facilities applications were determined within 180 days.

Targets	2024-25	100%	2025-26	100%	2026-27	100%
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2.b Performance Indicator: Generation and storage capacity (in megawatts)

	2018	2019	2020	2021	2022
Natural Gas	7,516	7,636	7,907	9,165	11,254
Coal (Target 0% by 2030)	5,723	5,723	5,574	3,591	1,381
Renewables	2,825	3,028	3,194	3,671	5,693
Other	128	128	128	131	134
Total generation capacity	16,193	16,515	16,803	16,558	18,463
Storage Capacity (megawatt hours) ⁱ	N/A	N/A	10	50	130

2.c Performance Indicator: Investment in electricity generation, transmission, and distribution (2022 results are preliminary actual)

	2018	2019	2020	2021	2022
Total investment in electricity generation, transmission, and distribution (Cdn\$ billions)	2.45	2.61	2.83	4.73	5.47

ⁱ Note: Storage capacity was not tracked prior to 2020.

STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable		2024-25 Estimate	2025-26 Target	2026-27 Target
	2023-24 Budget	2023-24 Forecast			
REVENUE					
Investment Income	400	400	400	400	400
Net Income Balancing Pool	102,649	148,998	64,510	64,833	65,157
Other Revenue	13,819	89,159	118,065	127,196	158,607
Energy industry levies	32,250	32,250	33,015	33,803	33,803
Consolidated Total	149,118	270,807	215,990	226,232	257,967
EXPENSE					
Ministry Support Services	3,374	3,374	4,851	5,407	5,407
Affordability and Utilities	22,118	22,968	22,343	22,762	25,253
Utility Rebate and Grant Programs	49,266	49,907	1,700	1,700	1,700
Climate Change	31,493	19,093	28,966	26,554	24,270
Utilities Regulation	33,523	33,523	34,280	35,068	35,537
Consolidated Total	139,774	128,865	92,140	91,491	92,167
Net Operating Result	9,344	141,942	123,850	134,741	165,800
CAPITAL INVESTMENT					
Ministry Support Services	25	25	25	25	25
Utilities Regulation	750	750	750	750	750
Consolidated Total	775	775	775	775	775