



AB Today – Daily Report July 26, 2019

Quotation of the day

“No rodeo should be without their dunk tank.”

*Premier **Jason Kenney** encouraged citizens to report any information on the [theft](#) of the Boyle Rodeo dunk tank — perpetrated by “some jerks” — to the RCMP.*

Today in AB

On the schedule

The House is adjourned until Tuesday, October 22.

Premier Watch

Premier **Jason Kenney** [resumed](#) his pancake flipping and parade cruising summer duties at the Medicine Hat Stampede and Exhibition on Thursday.

Sticking with an energy-only market will worsen reliability, NDP charges

Now that the Alberta government has said it is cancelling a scheduled revamp of the province’s electricity market, NDP Energy critic **Irfan Sabir** believes Albertans can expect rolling blackouts and spikes in energy prices.

In 2016, the former NDP government decided in favour of moving to a capacity market, which means power generators are paid for both the price of the electricity they use and for their overall capacity. The decision was made amid concerns Alberta was at risk of running into an energy shortage and facing price spikes thanks to plans to shutter the province’s coal powered plants by 2030 and to bring more renewable energy to market.

Energy Minister **Sonya Savage** quashed the change Wednesday, announcing the UCP government had consulted with stakeholders who “overwhelmingly” endorsed keeping the status quo energy-only market, meaning power generators will continue to be paid for their direct electricity production based on wholesale prices.

But Sabir questioned the intentions of those unnamed stakeholders and called on the government to identify them. “If the minister won't release information about who was consulted and what information they're using to make this decision, we can only speculate as to what their motives are here — it certainly isn't affordability for Albertans,” he said.

“Albertans remember days of price spikes and rolling power outages — and now this government wants to send us back to that time,” Sabir added, in a statement. “This decision will make things more expensive and less predictable for Albertans.”

While several jurisdictions — including U.S. states New York, Massachusetts, Pennsylvania, and Maryland — have switched to a capacity market, there are fears such a switch can result in oversupply and higher overall costs. In an energy-only market, concerns revolve around price fluctuation because supply-and-demand changes over time, which in turn raises fear of outages.

The government did not disclose the stakeholders it met with, saying only that they comprised of generators, regulated utilities and retail providers, representatives of small and industrial consumers, financial institutions and other investors, as well as the Alberta Electricity Systems Operator (AESO).

In a statement to *AB Today*, ENMAX president and CEO **Gianna Manes** said her company supports the government's decision. “This market design has served our province well and we believe continuing in this direction is the right decision for Albertans,” she wrote.

Officials worried about the grid, minister says renewables hope hasn't materialized

An FAQ page on the AESO's website says the organization became concerned about grid stability in 2011 when it “started to notice shifts in the willingness of investors to develop new generation in Alberta,”

Officials were worried the existing market was not sufficiently incentivizing legacy companies to invest in new electricity generation capacity, especially since the NDP planned to help fund new renewable energy infrastructure that would eventually drive electricity prices down, per a [report](#) from the Calgary School of Public Policy authored by **David P. Brown**.

“This combined with the global shift towards markets with more stable revenues, trends toward increased renewable generation and the federal coal retirement schedules, led the AESO to conduct a market assessment,” the AESO website states. The assessment concluded a

capacity market would ensure reliability, drive competition and innovation, hike revenues for suppliers, increase stability and spur investor confidence.

The NDP concurred and a plan was made to shift to a capacity market by 2021.

Following Savage's announcement, the AESO issued a [statement](#) saying it is "well positioned to support the government" in its decision to carry on with the current market design.

Documents on the AESO's website related to the planned switch to a capacity market are now identified as "for historical reference."

Significant resources had been employed to facilitate the planned change, including the formation of [three stakeholder working groups](#) that provided input on the capacity market's design.

In January, the AESO filed an application with the Alberta Utilities Commission seeking approval for rules governing the Independent System Operator that would be in charge of future capacity auctions. A decision was expected by the end of this month, and capacity auctions were set to begin in November 2021.

Savage said, since the 2016 determination, renewable energy has not become as significant a force in the market as predicted, suggesting worries it would suppress electricity prices have been nullified.

The NDP had set the goal of getting 5,000 megawatts of green energy online by 2030 via the Renewable Electricity Program. Since taking office the UCP has cancelled the program, which incentivized wind and solar projects and micro-generation sites across the province, calling it a "costly subsidy."

The UCP's election platform cites data from Calgary-based energy consultancy EDC Associates Ltd. that projected the province could still add 1,566 megawatts of renewable power through 2030, without government subsidies.

The new government has also scrapped the NDP's Climate Leadership Plan, which mandated coal phase-out deadlines. However, on the campaign trail, Kenney told reporters, "as long as at least the Trudeau government is in office, our coal plants would still be affected by the federal 2030 deadline." Coal currently supplies about half of Alberta's electricity capacity.

Minister Savage said Wednesday the 6.8 cents per kilowatt hour price cap, set by the NDP in 2017, will be reviewed.

Today's events

July 26 at 9 a.m. – Calgary

Culture, Multiculturalism and Status of Women Minister **Leela Aheer** will speak at the Miss Asia Calgary event.

Weekend events

July 27 at 11 a.m. – Calgary

Culture, Multiculturalism and Status of Women Minister **Leela Aheer** will speak at the opening of Love with Humanity Association's mini outdoor food bank service.

July 27 at 2 p.m. – Medicine Hat

Agriculture and Forestry Minister **Devin Dreeshen** will speak at the Medicine Hat Rodeo.

July 27 at 5:10 p.m. – Calgary

Culture, Multiculturalism and Status of Women Minister **Leela Aheer** will speak at Kerala Fest 2019 at the Genesis Centre.

July 28 at 6 p.m. – Conklin

The Freedom Conservative Party will hold a town hall in the Conklin Multiplex to speak to the issue of rural crime.

Topics of conversation

- Suncor said its net earnings in the second quarter of 2019 nearly tripled year-over-year to \$2.73 billion, or \$1.74 per share, citing the province's corporate income tax rate drop as a boost.
 - In a [report](#) to shareholders, the company said the deferred income tax recovery brought in \$1.116 billion, allowing it to deliver record-setting revenues in spite of oil production curtailments.
- Project Reconciliation, an Indigenous-led group wanting to purchase the Trans Mountain pipeline, submitted a bid to the federal government, CBC [reports](#), despite the fact that Ottawa is not yet accepting bids for the expansion project.
- The City of Edmonton says there are no plans to end photo radar in the capital city — despite the UCP confirming this week it would move ahead with implementing NDP-era guidelines to reduce its use.
 - The City of Edmonton claims the number of tickets have declined and that photo radar is doing its job.

- Actress and PETA honorary director **Pamela Anderson** is calling on Premier **Jason Kenney** and Agriculture and Forestry Minister **Devin Dreeshen** to end chuckwagon racing in the province.
 - “After recently moving back to my beautiful native Canada, my heart sank as I read about six horses who died in this year’s chuckwagon races at the Calgary Stampede,” Anderson [wrote](#) on her personal website, joining the chorus of animal activists calling for the ban.
 - “Tightening the rules — as the Stampede did in 2010 — isn’t enough,” Anderson continued. “More than a dozen horses have died since then, because these races are inherently cruel and dangerous. Horses have suffered from fractured legs and broken backs, while others have had heart attacks. Anyone watching can see animals foaming at the mouth as their eyes roll back in their heads.”
 - Dreeshen [responded](#) to Anderson, saying he is a huge fan of her work but disagrees with her stance on the rodeo. Dreeshen invited Anderson to meet with Alberta farmers and ranchers.
 - “These animals are bred to race and are often old and nearing the end of their working lives,” Dreesehn said. “Alberta Rodeos promote Alberta’s western traditions while giving horses a way to retire doing something they love.”

- Federal E-Day could be rescheduled. A judge has ordered Elections Canada to reconsider whether polling day should be moved from October 21, the legal deadline, because it conflicts with a Jewish holiday.
 - Chief Electoral Officer **Stéphane Perrault**, who previously decided against changing the date under a short timeline, will have to take a second look and issue a new decision by August 1. The judge said his decision must adequately balance the Charter rights of affected voters and election law.
 - Perrault can’t change Election Day — he can only make recommendations to cabinet.
 - B’nai Brith Canada and **Chani Aryeh-Bain**, the federal Conservative candidate in Eglinton—Lawrence who brought forward the legal challenge, have suggested holding the vote on October 28.
 - That would mean the election would be held after the Alberta legislature gets back in session on October 22.

Appointments and employments

McMillan Vantage

- Former government spokesperson, lobbyist, ex-journalist and UCP candidate for Calgary—Buffalo **Tom Olsen** [snagged a new job](#) as a government relations and communications consultant with McMillan Vantage Policy Group.

Lobbyist registrations

If you are looking for further information on any lobbying registry, it is all public and easily searchable [here](#).

Consultants who registered as lobbyists from July 19, 2019 – July 25, 2019

- **Pierre Alvarez**, Global Public Affairs
 - **Clients:** Trans Mountain Corporation
- **Jason Ennis, Elan MacDonald**, Global Public Affairs
 - **Clients:** Carbon Credit Solutions Inc.
- **Jeremy Twigg**, FleishmanHillard HighRoad Corp.
 - **Clients:** West Coast Reduction Ltd.
- **Jerry Dernchuk**, JLD Strategies
 - **Clients:** Bellatrix Exploration Ltd.
- **Sonia Kont, Monte Solberg**, New West Public Affairs
 - **Clients:** Canadian Stewardship Services Alliance
- **Matt Solberg, Michael Solberg, Sonia Kont, Monte Solberg**, New West Public Affairs
 - **Clients:** Cement Association of Canada
- **Nancy Cruz**, The Capital Hill Group
 - **Clients:** Sanofi Pasteur Limited
- **Michael Lohner**, CSG Canadian Strategy Group Inc. (also operating as Crestview Strategy (Alberta))
 - **Clients:** Novo Nordisk Canada Inc.
- **Nick Koolsbergen, Trisha Rinneard**, Wellington Advocacy Inc.
 - **Clients:** Bayshore Healthcare LTD
- **Amber Ruddy**, Counsel Public Affairs Inc.
 - **Clients:** Merit Contractors Association

Organizations that registered in-house lobbyists from July 19, 2019 – July 25, 2019

- EDF Renewable Development Inc.
- Methanex Corporation
- Gateway Casinos & Entertainment Limited
- The Co-operators Group Ltd.
- DynalifeDX
- Shell Canada Limited
- Canadian Natural Resources Limited
- Syngenta Canada Inc.
- Janssen Inc.
- Enel Green Power Canada Inc.
- The Co-operators Group Ltd.
- Canadian Pacific
- Cenovus Energy Inc.
- Lime Technology Inc.