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## The Voice of Business

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November 10, 2014

Hon. Frank Oberle  
Minister of Energy  
408 Legislature Building  
10800 97 Avenue  
Edmonton, AB T5K 2B6

Dear Minister Oberle:

The Medicine Hat & District Chamber of Commerce is pleased to see the Government of Alberta is currently developing an Alternative and Renewable Energy Framework for our province. We are interested in the outcome of this initiative as during the Alberta Chambers of Commerce 76<sup>th</sup> Provincial Conference and Policy Session the policy resolution titled 'Developing a Framework for Alternative Energy in Alberta' was renewed, after previously being adopted in 2011.

As you know, a continued reliance on fossil fuel for electricity generation presents a significant vulnerability for the Alberta economy, particularly to natural gas price fluctuations. By pursuing the development of alternative energy the province's economy will be hedged against electricity price volatility and in other cases, may help to immediately lower consumer costs as renewable technologies are now cost competitive with traditional generation. Unfortunately Alberta's merchant market makes these projects difficult to finance and may be stalling the expansion of alternative energy projects in our province.

In 2010 more than 70 representatives from interested parties produced a majority view that government policies could foster renewable and alternative energy development, if it was market based and supported production. Out of this effort, several groups, business and energy experts continued to work on a solution that could work in Alberta's unique market and concluded that a province-wide Retailer-Based Emissions Intensity Standard (RBEIS) is a workable solution to transition the province's expanding electrical system to a cleaner state. To support the RBEIS, the framework further recommended that reforms be made to the Alberta Utilities Commission (AUC) regulatory process to streamline the process thereby reducing clean energy costs.

The standard gives the provincial government the flexibility to progressively reduce the province's fossil fuel dependency, and the associated emissions over time, while allowing the market to decide which clean technologies they want to adopt, in a manner that is congruent with the existing electricity market. The framework already has considerable political momentum and fits well within Alberta's existing Specified Gas Emitters Regulation (SGER) and pool system, and could be considered to be highly feasible.

From the above information we developed two recommendations for the Government of Alberta. Due to the timeliness of this issue we are resubmitting the recommendations contained in our policy to ensure the Government of Alberta has convenient access to them. Our full policy is enclosed as well.

1. Adopt a Retail-Based Emissions Intensity Standard energy policy framework to encourage the development of alternative energy provision in the province.
2. Work to reform the Alberta Utilities Commission Regulatory Process in order to decrease inefficiencies in getting projects developed while maintaining environmental and stakeholder integrity.

We appreciate the importance the government has placed on this initiative and request that the Government of Alberta consider these two recommendations in the creation of the Alternative and Renewable Energy Framework.

If you require further information, please contact our Executive Director, Lisa Kowalchuk at 403-527-5214 ext 222 or [lisa@medicinehatchamber.com](mailto:lisa@medicinehatchamber.com)

Sincerely,

Khrista Vogt  
2014-2015 President, Board of Directors

cc:

Enclosure: *Developing a Framework for Alternative Energy in Alberta*, renewed by the ACC on May 31, 2014.