

Energy rebates for Albertans

Energy costs rising around the world

Throughout the COVID-19 pandemic, global energy costs have risen sharply due to the lag between demand and production. Russia's war on Ukraine has also sharply increased energy costs. Wholesale natural gas and electricity prices are expected to remain high given such global impacts.

These shifts in the global energy market, combined with the increased federal carbon tax and high demand as the economy grows, have resulted in high electricity and natural gas prices, and higher bills for many Alberta taxpayers.

More than ever, Alberta families, farmers and entrepreneurs are struggling with soaring energy prices.

At this critical time, as our province recovers from the pandemic, Albertans are looking to government for support.

Millions of Albertans to benefit

To support Albertans through this challenging period, government will implement an Electricity Rebate Program and a Natural Gas Rebate Program:

- **The Electricity Rebate Program** will help cover the higher electricity bills that many Albertans experienced during the winter of 2021-2022. The program will provide \$150 in total electricity rebates (\$50 for three months in a row).
- **The Natural Gas Rebate Program** will provide relief on natural gas bills to support Albertans. Natural gas rebates will kick in if regulated natural gas rates exceed \$6.50 per gigajoule between October 1, 2022 and March 31, 2023.

Most households, small apartment buildings, farms, and small industrial and commercial businesses will be eligible for rebates.

Rebates require new legislation

Before the electricity and natural gas rebates can be implemented, some of Alberta's laws need to be updated.

The existing *Natural Gas Price Protection Act* does not allow for rebates on electricity bills, so it needs to be repealed.

In its place, Bill 18 – the *Utility Commodity Rebate Act* – will help Albertans with the high cost of both electricity and natural gas.

The new legislation will let both rebates to appear on bills for eligible consumers in the coming months.

The *Utility Commodity Rebate Act* and regulations will let the Alberta government provide electricity rebates to help Albertans with the high electricity costs experienced in January, February and March 2022.

The new act will not affect any duties and obligations of utilities regulated under the *Electric Utilities Act* or the *Gas Utilities Act*.



Rebates timeline:

- February 24, 2022: Natural Gas Rebate Program announced as part of Budget 2022.
- March 7, 2022: Electricity Rebate Program announced.
- April 20, 2022: Bill 18: *Utility Commodity Rebate Act* tabled.
- Spring 2022: If passed, the *Utility Commodity Rebate Act* comes into effect upon receiving Royal Assent to avoid delays. Necessary regulations will be put in place soon as possible.
- Spring-Summer-Fall 2022: Alberta government works with utility providers and regulators to apply the Electricity Rebate directly to eligible bills as soon as possible. The Natural Gas Rebate Program is currently scheduled for launch in the fall.

Additional support for Albertans

The electricity rebate and the natural gas rebate are part of the Alberta government's broader, long-term work to help Albertans manage high energy prices.

- **Providing relief at the pumps:** Drivers are saving the 13-cent provincial fuel tax on every litre of gasoline or diesel they buy in Alberta. With the corresponding reduction in GST, this amounts to total savings of about:
 - \$6.80 per tank for a compact car (50 litres)
 - \$7.21 for a small SUV (53 litres)
 - \$12.65 for a mid-size SUV (93 litres)
 - \$18.50 for a large pickup truck (136 litres)
 - \$185.50 for a semi-trailer (1,364 litres)

This measure will remain in place until at least June 30, 2022, when the Alberta government will consider the future of the tax, based on a sliding scale of the price of West Texas Intermediate crude.

- **Enabling new options for energy:** The Alberta government will introduce upcoming legislation to enable unlimited self-supply of energy, with the option to export, and also energy storage. These technologies help promote long-term affordability.
- **Maintaining efficiency:** To ensure the efficiency of the province's electricity system, Alberta's government is reviewing the province's distribution and transmission policies. Government is also working with its agencies and industry to ensure the current system operates as efficiently as possible, minimizing the need for new builds that add costs to ratepayers' bills.
- **Ensuring consumer choice:** A key tenant of Alberta's electricity and natural gas system is consumer choice. Consumers – including residential and small businesses – can choose which contract best serves their needs.

While Alberta's government does not control the price of natural gas, it does encourage Albertans to consider electricity and natural gas retailers that offer fixed long-term rates (1 to 5 years). This could help provide more stability in many Albertans' natural gas and electricity bills.

- **Spurring innovation:** Alberta's energy-only electricity market helps spur innovation and competition that benefits taxpayers.

There are currently about 50 power plants under construction in the province totaling over 4000 MW of new generation capacity. This additional supply should help mitigate future energy price increases.