



ALBERTA
ENERGY

*Office of the Minister
Deputy Government House Leader
MLA, Calgary-North West*

July 25, 2019

AR33195

Dear Stakeholder:

The Government of Alberta committed to consulting with stakeholders on “whether Alberta should return to an energy-only electricity market or create a capacity market, reporting back to Albertans within 90-days.”

Over the past several weeks, I have met with both the Alberta Electric System Operator (AESO) and stakeholders representing broad interests across the sector on the subject of Alberta’s market design. The feedback I received indicated an overwhelming preference among stakeholders for the energy-only market design.

After careful consideration, the Government of Alberta has decided it is in the public interest to return to the existing energy-only market. Alberta’s energy-only market is a proven system that has successfully attracted investment into the province and supported a high quality of life for Albertans. Government believes the existing energy-only market will continue to provide Albertans with a reliable supply of electricity at affordable prices.

We understand that timely implementation of this important decision is key to restoring investor confidence. Accordingly, government intends to introduce legislation as quickly as possible to halt implementation of a capacity market and return to an energy-only market.

During my consultations, I also heard concerns about a lack of clarity regarding mandates and roles of Alberta's electricity agencies. I have directed Alberta Energy to examine and propose options to address these concerns.

Sincerely,

Honourable Sonya Savage
Minister of Energy