

Alberta Electricity Policy Overview

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Policy Context

Transformation of Alberta's Grid

Rapid renewable growth and AI data centres reshape Alberta's electricity system and planning needs.

Role of Energy Storage

Energy storage is a foundational resource providing system flexibility and supporting reliability and affordability.

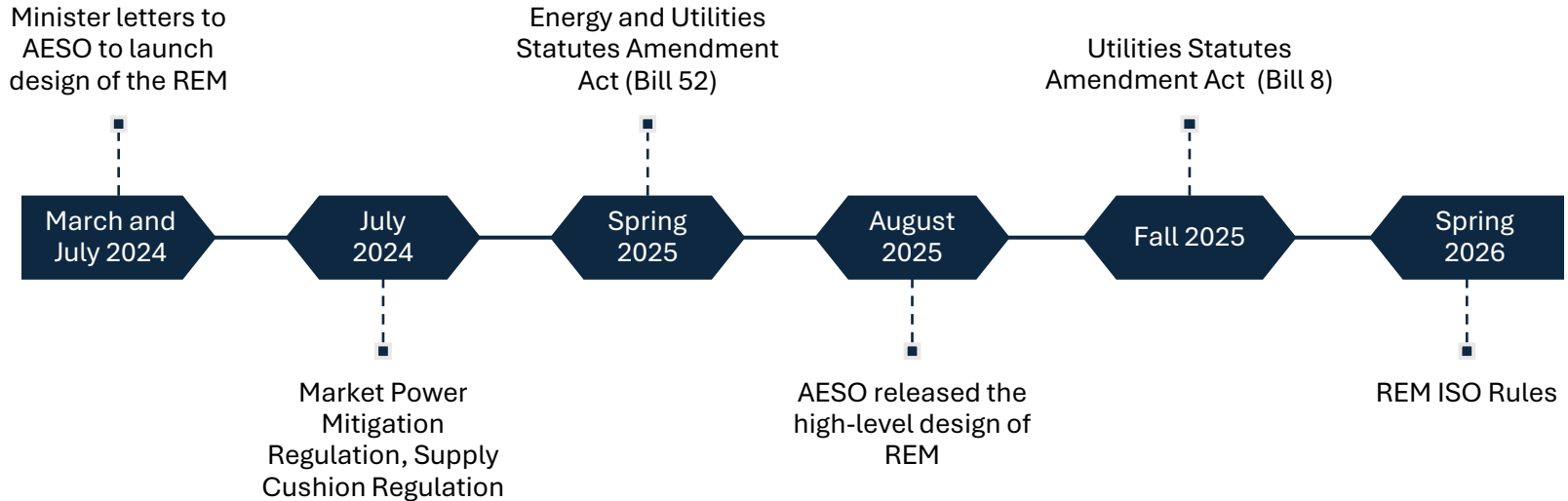
Policy and Market Objectives

Policies focus on affordable electricity, system reliability, sustainability, and maintaining a strong investment climate.

Integration Challenges and Solutions

Energy storage addresses challenges by providing multiple grid services like frequency response and congestion relief.

Restructured Energy Market (REM)



Energy Storage and the REM

Enhanced reliability

- FFR+, R30, fast response times

Locational congestion signals

- Arbitrage, congestion relief

Co-optimized energy and ancillary services

- Reduce extreme prices without suppressing signals

Wider real-time price ranges

- Arbitrage, reduce volatility

Transmission Policy

- July 2024 letter to AESO:
 - Optimal Transmission Planning (OTP) standard
 - Assigning costs on a cost-causation basis
- July 2025: *Transmission Regulation* amended:
 - OTP framework
 - Locational marginal pricing
 - Transmission reinforcement payment
- March 2026: *Transmission Regulation* amended:
 - Generating Unit Owner's Contribution (GUOC) refund
 - Line losses

Energy Storage:

- Defer or reduce need for transmission upgrades
- Relieve local congestion
- Potential considerations for reducing peak flow issues

Data Centres

- Financial Statutes Amendment Act (Bill 12), 2025
- Utilities Statutes Amendment Act (Bill 8), 2025
- Alberta's AI Data Centre Strategy, Dec. 2024
 - Laid groundwork for 2025 actions on power capacity, sustainable cooling, and economic growth contexts relevant to energy policy.

Energy Storage:

- Stabilizing role for data centres to support grid integration
- Reduced need for 'gold-plate' transmission
- Help balance load ramping

Interties

Partnership Agreement

- First of its kind, focused on a national energy corridor
Advance and expand opportunities for mutually beneficial electricity trade in Canada
- Indigenous communities are meaningful partners

Regulatory Updates

- July 2025 Transmission Regulation amendments
- March 2026 Transmission Regulation amendments

Energy Storage:

- Seconds-hours of response complement longer duration intertie response
- Smoothing ramping
- Reduce need to constrain ATC



Alberta – Canada MOU

Alberta's Electricity Commitments:

- Completing a carbon pricing equivalency agreement for the electricity sector on or before April 1, 2026, which will lead to the *Clean Electricity Regulations* being put in abeyance in Alberta.
- Completing Alberta's policy framework for AI data centres which is to be finalized on or before July 1, 2026.
- Completing Alberta's nuclear power generation strategy which is to be finalized on or before January 1, 2027.
- Collaborate with Canada to significantly increase interties with western provinces (and possibly northern regions) to build the low carbon generation and transmission grid needed for growth.

Energy Storage:

Canada commits to work collaboratively with Alberta to design policy supports that enable deployment of nuclear technology, CCUS and energy storage to enable decarbonization of the electricity system, while ensuring its reliability and affordability.

2026 and Beyond

Question	Flames	Oilers
Cup window	 Closed	 Wide open

2026 and Beyond

- Incumbency treatment payments (ITPs)
- Long-term congestion management
- Microgeneration
- Distribution
 - Rate disparity
 - Demand-side management, planning

Thank you

