

Bulletin 2025-07

June 19, 2025

Enabling time-varying rates for residential and other electricity customers in Alberta

As part of its commitment to ensuring the lowest reasonable delivered costs of electricity to customers, the Alberta Utilities Commission (AUC) explored the potential benefits of enabling time-varying rates in Alberta and if those benefits could reasonably be expected to outweigh the costs of enablement. The AUC's assessment incorporated analysis from external experts, and it is summarized in the [Report](#) attached to this bulletin. A draft copy of the Report was shared with regulated distribution facility owners and the Alberta Electric System Operator (AESO), all of whom provided written feedback which can be accessed [here](#) and which will help inform the AUC's work going forward.

The Report concludes that the expected benefits of enabling time-varying rates for residential and other small consumers of electricity will outweigh the expected costs by orders of magnitude. This conclusion was not challenged by distribution facility owners or the AESO.

Given that the expected benefits significantly outweigh the anticipated costs, the AUC wishes to move forward with the work required to broadly enable time-varying rates, as well as other demand response and demand-side management opportunities. In particular, the AUC wants to determine the most appropriate path to achieving that end in a manner that is cost-effective, timely and supportive of open competition.

A critical first step is to determine whether a centralized meter data management approach should be pursued or if the existing decentralized approach, whereby each distributor continues to verify, store and communicate meter reading data for their respective customers, should be continued. While the AUC explored a high-level estimate of the cost trade-offs between these approaches in the Report, the estimate did not incorporate actual information from distributors and retailers regarding existing and future, planned systems and their functionality, nor did it reflect the subsequent Ministerial direction to the AESO to implement 5-minute settlement by 2032 (for transmission-connected loads, generators and interties) and by 2040 (for all loads).

The AUC will engage with retailers, distributors, the AESO and other interested parties starting in September 2025, to refine the cost estimates, and explore the relative merits, opportunities and challenges presented by different approaches (centralized versus decentralized) to the collection, management and access of customers' electricity data.

If you wish to be involved in this engagement, we ask that you provide the following to Debbie Boylan by email at debbie.boylan@auc.ab.ca by July 15, 2025:

- The name(s) of and contact information for the representatives of your organization who will be involved in the working group.
- A brief description of your organization and its interest in this area.
- Any issues or considerations that your organization recommends should be incorporated in this scope of work.
- If your organization has an opportunity to join with other organizations aligned in interest for the purposes of participating in this working group. For example, given the number of competitive retailers currently operating in Alberta, it may be preferable for groups of retailers who are aligned in interest to appoint a spokesperson or a consortium for the purposes of participating in this engagement.

The AUC thanks all interested parties for their support with this work. Any questions related to this bulletin may be directed to Kristjana Kellgren at kristjana.kellgren@auc.ab.ca or 780-427-8558.

Alberta Utilities Commission