May 23, 2019

Ms. Gaëtane Lemay
Clerk
Standing Senate Committee on National Finance
The Senate of Canada
Ottawa, Ontario
Canada, K1A 0A4

Re: Electricity Sector Feedback on Bill C-97

Ms. Lemay,

The Canadian Electricity Association (CEA) welcomes the opportunity to comment as the Senate Committee on National Finance considers Bill C-97 Budget Implementation Act, 2019, No. 1. We would appreciate the opportunity to appear before the committee directly to further elaborate on our feedback detailed in the enclosed submission.

CEA is the national voice of electricity. Our members include generation, transmission and distribution companies, as well as technology and service providers from across the country. The sector employs 81,000 Canadians and contributes $30 billion to Canada’s GDP. Over 80 percent of Canada’s electricity generation is non-emitting, making it one of the cleanest in the world. In fact, the Canadian electricity sector has already reduced GHG emissions by 30% since 2005.

Electricity will play an essential role as Canada transitions to a low carbon economy. The electricity sector is uniquely positioned to help advance Canada’s clean energy future. Bill C-97 contains many measures that will help this endeavour.

The proposed Bill makes important investments in energy efficiency measures in buildings, which will be administered through the Federation of Canadian Municipalities. Our sector is always very happy when customers can find new ways to use less of our product. Doing so has real advantages for the users of the building, but also reduces the need for expansion of the grid. A kilowatt not used is cheaper than making a new one.

The Bill will also encourage the adoption of electric vehicles by incentivizing purchases by consumers and businesses, as well as adding charging infrastructure in parking garages, workplaces and multi-unit residential buildings.
Bill C-97’s regulatory updates to the *Electricity Gas Inspection Act (EGIA)* and the *Weight and Measures Act (WMA)* will also help facilitate this process. They a enable a regulatory pathway for new metering technologies to be used on an interim basis, while processes for permanent approval are initiated. CEA has provided more detailed comments in the enclosed submission. However, overall CEA is supportive of these amendments as a first step towards a more comprehensive modernization of the EGIA.

Regarding modernization of the EGIA, CEA has submitted our suggested amendments to that act to Measurement Canada (MC), which we hope will inform the basis of substantive and important modernization efforts. As such we ask that the attached report entitled “Recommendations for Modernizing the Electricity & Gas Inspection Act (EGIA) and Associated Regulations” be circulated amongst the committee.

Sincerely,

Channa S. Perera
VP, Policy Development

Enclosed:
1. CEA’s interpretation and comments on the latest amendments to the Electricity & Gas Inspection Act (EGIA) & the Weights & Measures Act (WMA)
2. Recommendations for Modernizing the Electricity & Gas Inspection Act (EGIA) and Associated Regulations
CEA’s interpretation and comments on the latest amendments to the Electricity & Gas Inspection Act (EGIA) & the Weights & Measures Act (WMA):

Overall, CEA is supportive of the proposed amendments to the EGIA and WMA. They are a positive step in the right direction in terms of enabling the commercialization of innovative technologies including Electric Vehicle Direct Current Fast Chargers and Adaptive LED Streetlighting.

CEA looks forward to working with the department of Innovation Science and Economic Development (ISED) and Measurement Canada (MC) to identify and prioritize areas and/or technologies for the early utilization of these amendments. CEA is also eager to work with ISED and MC to highlight additional areas in the acts that could further enable the commercialization of innovative technologies, while also enhancing consumer choice, and of course, ensuring consumer protection.

EGIA: CEA provides the following comments with respect to the amendment of Rule 28.1, which grants the Minister the ability to make regulations prescribing units of measurement for electricity and gas sales:

CEA is supportive of this measure, as it gives the Government of Canada (GoC) regulatory flexibility to help keep pace with new and innovative technologies. As we understand it, by enabling a legislative pathway for new Legal Units of Measurement (LUMs), industry is signaled and/or incentivized to invest in new technologies, while simultaneously giving MC time to perform internal due diligence and regulatory verification work. Before this proposed amendment, industry was required to delay investment in innovative technologies for several years while MC performed its internal processes.

This amendment is a good first step in updating the EGIA and its regulations to enable innovation in the metering of electricity, and in this case potentially allowing for the commercialization of EV fast charging technologies (and enabling LUMs), making electric vehicle charging affordable and equitable for consumers. For a complete look at CEA’s position on the EGIA please see the report entitled “Recommendations for Modernizing the Electricity & Gas Inspection Act (EGIA) and Associated Regulations” which has been included in this email.

WMA: CEA members provide the following comments with respect to proposed amendments of the WMA:
1. Removal of the words “moving parts” from definitions of “measuring machine” and “weighing machine” in Section 2.

CEA Interpretation: Devices which measure length, area, volume, capacity, temperature or time will no longer be restricted to mechanical devices.

Comment from CEA: Removal of the words “moving parts” increases flexibility given that there is no longer a restriction for these devices to be mechanical only. CEA members are supportive of this amendment.

2. Creation of ministerial regulation authority to add new measurement standards if emerging technologies require measurement standards not yet approved.

CEA Interpretation: The creation of a new authority will address measurement standards resulting from new technology in a timely fashion.

Comment from CEA: This is expected to be a positive change given that it will allow for increased possibilities for innovation, and it continues to show a willingness to be flexible and adaptive. Stakeholders should be consulted on the proposed rulings or standards before they are put into effect so that the impact can be fully assessed. CEA also recommends that the minister and the authority group work together to eliminate any potential conflicts between the WMA and EGIA to ensure that they are completely aligned.

CEA supports this amendment provided our above concerns are addressed.

3. Allow the Minister to exempt devices from inspection requirements for longer than one year so that new devices can be used and tested in the marketplace.

CEA member Interpretation: Utilities will be authorized to test, use and bill customers on devices that are exempt from inspection requirements for more than one year. We can foresee a difficulty that MC may incur upon themselves where the devices fail after being embedded in the field which will be a difficult decision to either recall or force wires owners to stop these devices for billing purposes.

CEA Comment: Requires some discussion. It is unclear to CEA on why an evaluation period of more than 1 year is required before subjecting these devices to inspection requirements. There is a risk that after non-approved/inspected devices are widely implemented, Measurement Canada finds that they are unsuitable for use. This creates a significant financial risk to utilities that could be ordered to remove a large amount of installed product at their own cost.
CEA would also be concerned if this amendment provides an opportunity for a non-approved group to embed a product in the marketplace before the exemption is removed.

4. Payments are to be made after an inspection or examination instead of at the time services are performed.

CEA Interpretation: CEA understands that this amendment is geared towards customers who dispute metering system accuracy via the Measurement Canada dispute mechanism - customers will not have to pay for a dispute up front so that they can receive the results of an inspection and make a determination on appropriate payment terms thereafter.

CEA Comment: This amendment has no impact to utilities but is geared towards Measurement Canada internal policy change. CEA supports this amendment. This amendment is more customer friendly and helps to reduce amount of required transactions and administrative work.

5. Update schedule 1 to WMA to incorporate a reference to new internationally agreed upon measurement standards.

CEA Interpretation: Instead of listing each unit in schedule 1, the WMA will now provide a link or reference to an internationally agreed standard.

This amendment will keep Canada’s standards up to date with international standards. WMA updates will not be delayed after a new standard of measurement is implemented. Rather, utilities can now simply refer to the international document.

CEA Comment: CEA supports this amendment provided that stakeholders are provided with regular updates of changes to the international standards.

Complex Metering Initiative (CMI):
CEA has reviewed the comments on the CMI and has not identified any concerns. CEA is heavily involved with the CMI.

Conclusion:

As discussed above, the proposed amendments to the EGIA and WMA are seen as a positive step in the right direction towards enabling the innovative technologies that will usher in Canada’s clean energy future, and CEA is eager to work with ISED and MC to identify priority areas and/or technologies for the utilization of the proposed amendments.
However, as CEA’s attached submission denotes, as with many sectors, the electricity sector is experiencing profound change that is being ushered in by digitization and other innovative technologies. This is not only challenging the electricity sector, but it is also challenging the regulatory frameworks that utilities operates under.

Therefore, these amendments are seen as positive developments in the context of more comprehensive movement towards modernizing the EGIA and WMA.