

2000, c. 22: AN ACT TO AMEND THE ACT RESPECTING THE RÉGIE DE L'ÉNERGIE AND OTHER LEGISLATIVE PROVISIONS

S.Q. 2000, c. 22.

(Bill 116)

Introduced 11 May 2000
Passage in principle 2 June 2000
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Assented to 16 June 2000

Régie de l'énergie
DOSSIER: R-3579-2005
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EXPLANATORY NOTES

This bill amends the Act respecting the Régie de l'énergie in order to modify the board's jurisdiction as regards electric power rates, to introduce more competition into the electricity market, to make the board's mode of operation more flexible and to broaden its sources of funding.

The bill establishes the procedure for setting the rates and conditions applicable to the transmission and distribution of electric power. The costs to be taken into consideration by the Régie when setting the rates chargeable by the electric power distributor are treated differently according to whether or not the needs of Québec markets are being satisfied out of the heritage electricity pool. The annual heritage electricity pool is determined to correspond to a consumption of up to 165 terawatt-hours. The average cost of heritage pool electricity is set at 2.79 cents per kilowatt-hour and may be reduced by the Government.

The cost of electric power other than heritage pool electricity will be determined by way of a tender solicitation governed by a procedure and a code of ethics submitted to the Régie's approval. Supply contracts will be awarded on the basis of the lowest tendered price and such other factors as the applicable transmission costs. Compliance with the tender solicitation procedure and code of ethics will be monitored by the Régie, and supply contracts entered into by the electric power distributor will require the prior approval of the Régie.

The determination of transmission rates and rates chargeable by the electric power distributor will be subject to a number of criteria, including uniformity throughout the territory served, and certain electric power transmission and distribution assets in operation or under construction are to be recognized for the purposes of rate setting. Moreover, the rates applicable to a class of consumers cannot be modified in order to alleviate the cross-subsidization of the rates charged by the electric power distributor.

Certain rules governing the operation of the Régie are to be altered, for instance as concerns the nature of the applications that may be examined and decided by a single commissioner. Moreover, the Régie will be authorized to hold conciliation sessions. The rules

governing the financing of the Régie's activities are amended as are the provisions pertaining to the regulatory empowerment of the Régie and the Government.

Lastly, the bill contains technical amendments, amendments for concordance and transitional

provisions.

LEGISLATION AMENDED BY THIS BILL

- Act respecting land use planning and development (R.S.Q., chapter A-19.1);
- Cities and Towns Act (R.S.Q., chapter C-19);
- Municipal Code of Québec (R.S.Q., chapter C-27.1);
- Act respecting the exportation of electric power (R.S.Q., chapter E-23);
- Hydro-Québec Act (R.S.Q., chapter H-5);
- Act respecting certain public utility installations (R.S.Q., chapter I-13);
- Act respecting the Régie de l'énergie (R.S.Q., chapter R-6.01);
- Watercourses Act (R.S.Q., chapter R-13).

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

c. R-6.01, s. 1, am.

- 1.** Section 1 of the Act respecting the Régie de l'énergie (R.S.Q., chapter R-6.01) is amended by replacing the first paragraph by the following paragraph:

Applicability.

“1. This Act applies to the supply, transmission and distribution of electric power and to the supply, transmission, distribution and storage of natural gas delivered or intended for delivery by pipeline to a consumer.”

c. R-6.01, s. 2, am.

- 2.** Section 2 of the said Act is amended

(1) by inserting the following definition after the definition of “electric power production equipment”:

“electric power supply contract” ;

“ “electric power supply contract” means a contract entered into between the electric power distributor and a supplier for the purpose of meeting the electric power needs of Québec markets;”;

(2) by replacing the definition of “electric power distributor” by the following definition:

“electric power distributor”

“ “electric power distributor” means Hydro-Québec when carrying on electric power distribution activities;”;

(3) by inserting the following definitions after the definition of “electric power