

Committee recommends more transmission lines

Rural electricity support group argues current system leads to higher costs

BY HANNEKE BROOYMANS, EDMONTON JOURNAL NOVEMBER 5, 2009

Alberta's electricity market is not in a "normal state" and building more transmission capacity would help, a provincial government committee was told Wednesday.

The province's power market is poorly connected with other jurisdictions, essentially leaving it isolated and with few options to reduce electricity prices for consumers, said Glenn Hennig, a board member of the Alberta Federation of Rural Electrification Associations, which provide rural communities with support for their electricity needs and services.

Hennig and several other industry leaders spoke to the all-party Standing Committee on Resources and Environment.

"I believe the Alberta electricity market is not in a normal state," Hennig said.

One of the association's main concerns was the increasing amount of consolidation in the competitive electricity retail market. "I think people should really be concerned," Hennig said. Building more transmission capacity and allowing the rural electrification associations to sell electricity outside their borders would help, he said.

Capital Power president and CEO Brian Vaasjo told the committee that some days the transmission lines in the province are so congested that power can't be moved to some parts of the province, so power is imported instead.

Unfettered access to transmission ensures Albertans get access to the least cost power available to them at any time of the day, he said.

But Enmax CEO Gary Holden said a good transmission policy would give incentive to power generators to locate power plants next to where they were needed. Building transmission lines is as expensive as constructing a plant, but a significant difference is that the lines don't generate any power, he said.

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