

Collusion in the power industry?

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Who would have thought that Alberta's foray into a deregulated electricity market would produce so many shocking headlines? Now we're hearing allegations of collusion in the province's 10-year transmission plan.

One of the generators, **Enmax**, claims that Alberta Energy summoned the key players in the power industry to a meeting last February and gave them carte blanche to carve up \$20 billion in new transmission contracts. The Wildrose Alliance has asked the provincial ethics commissioner and the premier to investigate, but we're not holding our breath. The premier dismissed the allegations Wednesday as "a bunch of crap."

That response is not likely to build public confidence in the government's electricity program. Confidence has been waning since the Conservatives under Ralph Klein developed a scheme that pushes householders to shop for electricity contracts and also requires consumers to pay 100 per cent of the cost of new transmission lines. Previously the cost was split with electrical generators.

Not only has deregulation brought volatility to the price of electricity, but it has been behind the whole debate over transmission, which is still regulated. In a deregulated market, private investors determine when and where to build power plants. But the availability of transmission is a critical factor in making those decisions. Prior to the passage of Bill 50 earlier this month, a public regulatory body called the Alberta Utilities Commission made the decisions on all transmission lines with the aid of public hearings. Now cabinet has grabbed the power to make those decisions for lines it deems critical.

Most Albertans don't really comprehend what is really going on. It's just too darn complicated. When a recent Ipsos Reid poll asked 1,200 residents of Calgary, Sherwood Park and Fort McMurray if they were interested in learning more about Alberta's electricity system, 52 per cent said "no."

They may get more interested when their electricity bills start to balloon in the coming years. But by then it will be too late to do much about the decisions being made behind closed doors today.

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