

Premier stands by deregulated power system

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Premier Alison Redford said Thursday she's not happy with allegations a major company moved improperly to drive up Alberta's power prices, but said oversight of the province's deregulated electricity market is working as it should.

Alberta's Market Surveillance Administrator filed the accusation against TransAlta Inc. earlier this week, claiming the Calgary-based company "undermined the integrity of the Alberta wholesale electric energy market by engaging in anti-competitive conduct."

In documents submitted to the Alberta Utilities Commission, the MSA - the province's electrical market watchdog - alleged that on four occasions in 2010 and 2011, TransAlta shut down power plants in the province during hours of high demand to increase the pool price of electricity.

"I'm very disappointed to know that this is out there," Redford told reporters. "But in terms of the fact we have a deregulated system, we've got confidence in that system. It's unfortunate if within that system people conduct themselves in a way that perhaps they shouldn't, but we do have independent agencies that are in place to deal with those sort of circumstances - and that's what we're seeing happen."

TransAlta has denied the charges and filed a complaint against the MSA, alleging the watchdog failed to act fairly in the matter. It called the MSA investigation "haphazard and contradictory," saying the watchdog initially portrayed the conduct as "onside" before eventually calling it "completely offside." The AUC has the authority to adjudicate the case and levy fines of up to \$1 million per day and require the offending utility to reimburse other market participants and consumers for their losses.