



Office of the Minister  
MLA, Dunvegan-Central Peace-Notley

AR32048

February 13, 2019

Mr. Michael Law  
President and Chief Executive Officer  
Alberta Electric System Operator (AESO)  
[michael.law@aeso.ca](mailto:michael.law@aeso.ca)

Dear Mr. Law:

Following the success of the recent Renewable Electricity Program (REP) competitions REP 2 and 3, this letter serves to direct the AESO to develop a new proposal, REP 4, to procure up to 400 megawatts of renewable electricity to promote large-scale renewable electricity generation in Alberta, per Section 3 of the *Renewable Electricity Act*.

As the Government of Alberta is committed to encouraging and supporting economic development in Alberta's Indigenous communities, the AESO should consider and advise on how to build on the highly successful REP 2 approach that required a minimum of 25 per cent Indigenous equity ownership per project. Economic benefit for Indigenous communities is a required outcome for REP 4.

In developing its recommendations to government, the AESO must consider and apply lessons learned from previous REP rounds, including incorporating feedback from Indigenous stakeholders, and must provide recommendations on:

- the continued requirement to use existing or planned transmission or distribution infrastructure;
- a payment mechanism that is compatible with Alberta's evolving power market structure;
- options for enabling greater participation by projects located on a First Nation reserve or Métis Settlement in Alberta; and
- a target in-service date.

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The AESO is directed to ensure that the successful REP 4 projects meet the following criteria:

- Eligible projects are limited to new or expanded renewable electricity generation projects located in Alberta.
- Eligible projects must be greater than five megawatts in size.
- Eligible fuels must meet the Alberta's definition of renewable energy resources as defined in the *Renewable Electricity Act*.

For the purposes of REP 4, the following apply:

- Indigenous is defined as one of a combination of the following:
  - First Nation communities, Métis Settlements, Métis Nation of Alberta, and the Aseniwuche Winewak Nation; or
  - Indigenous community-owned organization and/or business.
- All proposals must be in compliance with the terms and conditions of any previous Government of Alberta funding.
- The Indigenous community must be located in the Province of Alberta.

In accordance with s. 5 (2) (v)(vi) of the *Renewable Electricity Act*, identify cost ceilings related to the development, implementation, and administration of the programs when developing REP 4 recommendations.

For the purposes of clarity, please incorporate work already underway resulting from my prior October 5, 2018, direction letter into these requested REP 4 recommendations. This work is already underway and the newly requested REP 4 recommendations must be submitted for my consideration no later than June 3, 2019.

Thank you for your excellent work to date in developing and executing the REP. Please continue to work closely with Alberta Energy in the development of these recommendations.

Sincerely,



Margaret McCuaig-Boyd  
Minister

cc: Honourable Richard Feehan, Minister of Indigenous Relations  
Coleen Volk, Deputy Minister, Alberta Energy  
Doug Lammie, Alberta Energy