

June 2, 2020

Utility Payment Deferral Program

The Utility Payment Deferral Program ("Deferral Program") was announced by the Government of Alberta to help mitigate the financial impacts of the COVID-19 pandemic. The Deferral Program permits residential, farm and small commercial customers with annual electricity consumption of less than 250 megawatt-hours the option to enroll in the Deferral Program with their electricity retailer, allowing them to postpone bill payments for electricity for up to three months. The Deferral Program came into effect on March 18, 2020 and will run until June 18, 2020.

The Balancing Pool's Funding Role

The Balancing Pool will be providing financial backstop arrangements to electricity retailers for customers that enroll in the Deferral Program. This will be done by advancing funds to eligible electricity retailers that choose to be financially backstopped and that have entered into a funding agreement with the Balancing Pool. The funding will cover all electricity charges deferred by consumers in the deferral period, except the transmission charges, which will be backstopped by the Alberta Electric System Operator (AESO).

Repayment and Recovery of Balancing Pool Funding

Any amounts deferred by consumers in the deferral period will be recovered in the 12-month period after the Deferral Program concludes on June 18, 2020, during which time customers will be required to repay their deferred balances. This 12-month period is referred to as the "repayment period". The Balancing Pool will recover the funded amounts from electricity retailers during the repayment period as customers repay their deferred balances to their electricity retailers. To the extent that electricity retailers are unable to recover all of their customer's deferred balances by the end of the repayment period, any outstanding shortfall amounts owed to the Balancing Pool will be paid through rate rider mechanism approved by the Alberta Utilities Commission (AUC). Any outstanding shortfall amounts owed to the AESO for transmission charges will be recovered through transmission rates and a rate rider mechanism approved by the AUC.

Program Implementation

To implement the Deferral Program, the Government of Alberta enacted the Utility Payment Deferral Program Act and issued Ministerial Order 234/2020 that directs the Balancing Pool to provide funding of up to \$119 million.

Resource Links

Alberta Energy: <https://www.alberta.ca/utility-payment-deferral.aspx> or
<https://www.alberta.ca/release.cfm?xID=7128235BF78CD-DDC6-C14D-B1F6FF492D9C28CC>

Utility Consumer Advocate: <https://www.ucahelps.alberta.ca/utility-payment-deferral.aspx>

AUC: <http://www.auc.ab.ca/News/2020/Bulletin%202020-19.pdf>