balancingpool

2024

Annual Report

Contents

Message to Stakeholders from the Board Chair

This year marked a continuation of the activites related to the expiry of the 20-year Power Purchase Arrangements ("PPAs") on December 31, 2020.

Commercial and legal matters, with potentially significant consequences for consumers, were an important focus again this year. Over the past few years we have made significant progress in resolving these matters including the successful avoidance of approximately $590 million in claims. One legal matter remains and we will continue to manage it prudently to completion.

We worked closely with the Government of Alberta and relevant stakeholders to develop the regulations to enact the transfer of certain non-PPA Balancing Pool obligations to other entities. The transition of the Small Scale Generator Program to the Alberta Electric System Operator was completed in October.The Isolated Generation and Consumer Choice Regulation was amended to remove the Balancing Pool's liability for funding the decommissioning of Isolated Generation sites, completing our involvement in this program.

We initiated the process of transitioning the Payment in Lieu of Tax ("PILOT") program to the Government of Alberta.The 2024 tax year (and any adjustments relating to previous years) will be the final PILOT payments the Balancing Pool maintains responsibility for. We remain accountable for the Utility Consumer Advocate funding until it is transferred to the Alberta Utilities Commission in 2026. Finally, the Balancing Pool continues to manage our portolio of Environmental Performance Credits in a challenging market, with the aim of maximizing value for consumers.

This year also represented a time of transition on Board of Directors as longstanding Director Michelle Plouffe completed her term. I would like to offer my sincere thanks to Michelle for her outstanding contribution to the Balancing Pool on behalf of all Albertans. We have added two new members from the Government of Alberta to the Board.

I would also like to recognize the Balancing Pool staff for their tireless efforts again this year. The results of these efforts have been nothing short of incredible, especially given the challenging environment in which we have been operating.

Finally, I would like to thank our stakeholders and partners in government, agencies, industry and ratepayers for the constructive relationships we have maintained and for their ongoing support and perspective as we continue to tackle the important work ahead of us.

Greg Clark

Greg Clark
Chair

April 9, 2025

Governance of the Balancing Pool

Adhering to the *Electric Utilities Act (2003)*, the Minister of Affordability and Utilities appoints members of the Balancing Pool's Board of Directors on the basis of their cumulative expertise in order to enhance the performance of the Balancing Pool in exercising its powers and carrying out its duties, responsibilities and functions.

The Balancing Pool's Current Board

Greg Clark, Chair, is a community leader and entrepreneur. In 2006 he co-founded a technology consulting firm which led some of Calgary's largest content management and compliance implementations in the energy, oil and gas industry. The firm earned a distinction as one of Alberta's 50 fastest growing companies and was named one of Canada's top 250 information technology companies. He taught business management at the University of Calgary Faculty of Continuing Education and has extensive experience in strategic management consulting focused on information technology and knowledge management. Greg served his community in the Legislative Assembly of Alberta as MLA for Calgary-Elbow from 2015 to 2019. He holds an MBA in Executive Management with specialization in Knowledge Management from Royal Roads University, a BA from the University of Victoria and his ICD.D designation from the Institute of Corporate Directors.

Neil Kjelland is an accomplished leader with over 15 years' experience in public service. Currently serving as the Assistant Deputy Minister of Affordability for the Government of Alberta, Mr. Kjelland is responsible for leading efforts to address cost of living increases and to advocate for utility consumers. Previously, Mr. Kjelland held positions at the City of Edmonton and in the Government of Alberta where he led process operations, infrastructure development, and government procurement in a variety of contexts and roles. Mr. Kjelland holds an MBA from the University of Alberta, an MSc in Geological Engineering from Queen's University, and a BSc in Civil Engineering from the University of Alberta. Mr. Kjelland is also registered as a non-practicing engineer with the Association of Professional Engineers and Geoscientists of Alberta.

Paul LeBane has an extensive background in public sector finance and economics with both private and public sector experience. He is currently Assistant Deputy Minister with Department of Treasury Board and Finance responsible for the government's economic analysis and forecasting, tax policy, and data analytics functions. Prior to this, he served in other senior level economic roles with the Government of Alberta and worked in financial services in Toronto. Mr. LeBane is a CFA charter holder, a Chartered Professional Accountant, and holds master's degrees in finance and economics from Queen's University.

Remuneration of Board Members

A summary of remuneration Members were eligible to receive in 2024, is as follows:

Chair - retainer $85,000 / year
Member - retainer $27,500 / year
Board meetings - $1,100 / meeting

The Chair of the Balancing Pool does not receive meeting fees for Board meetings or additional Balancing Pool business.

2024 Meeting Attendance and Remuneration

Balancing Pool Board Member	Board Meeting Attendance	2024 Remuneration ($) [1]
Greg Clark	4 of 4	85,000
Michelle Plouffe [2]	2 of 2	15,961
Neil Kjelland [4]	2 of 2	nil
Lowell Epp [3] [4]	1 of 1	nil
Attendance		100,961

(1) 2024 remuneration includes base retainer and Member meeting fees.

(2) Michelle Plouffe’s term ended in April 2024.

(3) Lowell Epp's appointment was from September 2024 to March 2025.

(4) Neil Kjelland and Lowell Epp are government of Alberta employees and do not receive compensation from the Balancing Pool.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2024

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") dated April 9, 2025, should be read in conjunction with the audited financial statements of the Balancing Pool for the years ended December 31, 2024, and 2023. The financial statements for the year ended December 31, 2024, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards") and are presented in Canadian dollars.

The Balancing Pool was established in 1998 by the Government of Alberta to help manage the transition to competition in Alberta's electricity industry. The Balancing Pool's obligations and responsibilities are governed by the *Electric Utilities Act (2003)* and its supporting regulations.

Results at a Glance

Financial Results *(in thousands of Canadian dollars)*	**2024**	2023
Statement of Income and Comprehensive Income		
Consumer collection per MWh	$1.30	$2.20
Revenue from contracts with customers (Consumer collection)	78,905	129,355
Other income from operating activities	7,809	22,084
Expenses (income)	(4,004)	2,018
Income before other income (expense)	90,718	149,421
Other income (expense)	(30,564)	25,308
Change to the Balancing Pool deferral account	60,154	174,729
Statement of Financial Position		
Total assets	105,144	118,409
Total liabilities	441,848	515,267
Net liabilities attributable to the Balancing Pool deferral account	(336,704)	(396,858)

Legislated Duties

The Balancing Pool's legislated duties include the following:

- Allocate (or collect) any forecasted cash surplus (or deficit) to (from) electricity consumers in Alberta in annual amounts;
- Fund the decommissioning and reclamation costs associated with certain generation facilities in Alberta;
- Participate in dispute resolution processes;
- Act as the default market participant and provide settlement functions in relation to certain projects developed under the *Small Scale Generation Regulation*;
- Fund initiatives in the electricity industry at the direction of the Minister of Affordability and Utilities.

On March 6, 2024, the *Electricity Statutes (Modernizing Alberta's Electricity Grid) Amendment Act, 2022* was proclaimed and the related regulations were brought into force. The following Balancing Pool responsibilities are assigned to other agencies. Please see the following summary:

- The responsibilities of the Balancing Pool in the *Small Scale Generation Regulation* are assigned to the Alberta Electric System Operator effective October 1, 2024.
- The collection of installments (refunds) under the *Payment in Lieu of Tax Regulation* ("PILOT") is assigned to the Crown in right of Alberta effective January 1, 2025. The Balancing Pool will be responsible for collection of installments (refunds) for tax year 2024 and prior.
- Funding for the Utilities Consumer Advocate has been assigned to the utilities and collection of funding will be administered and enforced by the Alberta Utilities Commission ("AUC") effective March 6, 2024.
- Amendments to the *Isolated Generating Units and Customer Choice Regulation* removes the Balancing Pool's liability for reclamation and abandonment costs of Isolated Generating sites as well as funding the sale of Isolated Generating units effective March 6, 2024.

Assets

Details of Assets	**2024**	2023
Cash and cash equivalents	65,654	52,079
Trade and other receivables	7,160	22,640
Inventory	32,330	43,690
Total assets	105,144	118,409

Trade and Other Receivables

Trade and other receivables balance at December 31, 2024 include amounts receivable for the consumer collection for December 2024.

Inventory

Inventory includes emission credits held for trading. In 2023, the Balancing Pool and TransAlta reached a negotiated settlement related to a Hydro PPA change in law dispute. In the settlement, the Balancing Pool received 873,792 emission credits generated from the Hydro PPA units. At December 31, 2024, the emission credits were written down by $11.4 million to net realizable value which was determined based on the recent selling price of emission credits less costs to sell.

Liabilities

Details of Liabilities	**2024**	2023
Trade and other payables	17,882	10,197
Related party loan	415,310	483,965
Reclamation and abandonment provision	8,656	21,105
Total liabilities	441,848	515,267

Trade and Other Payables

Trade and other payables at December 31, 2024 include *Payment in Lieu of Tax* refund, operating expenses, and accruals for the Utility Consumer Advocate ("UCA").

Related Party Loans

At December 31, 2024, the Balancing Pool had $415.3 million in short-term notes issued to the Government of Alberta including accrued interest of $1.9 million.

Reclamation and Abandonment Provision

The reclamation and abandonment provision estimates decommissioning costs of eligible PPA-related facilities (Sundance A).

Pursuant to Section 5 of the *Power Purchase Arrangements Regulation*, the Owner of a PPA-related generating unit who applies to the AUC to decommission a unit within one year of the termination of the PPA is entitled to receive from the Balancing Pool the amount by which the decommissioning costs exceed the amount the Owner collected from consumers before January 1, 2001 and subsequently through the PPA term. Decommissioning cost recovery by the Owner is subject to review and approval by the AUC and is conditional on the unit ceasing operations within one year of PPA termination.

In December 2018, TransAlta submitted a decommissioning application to the AUC for Sundance A in accordance with the *Power Purchase Arrangements Regulation.*

The Balancing Pool disputed several aspects of TransAlta's decommissioning plan submitted to the AUC. The AUC hearing was held over the course of 2024 with a decision released in early December 2024. The AUC determined the Balancing Pool owed TransAlta $8.6 million to decommission Sundance A. This resulted in a $13.4 million decrease to the provision.

Balancing Pool Deferral Account

Balancing Pool Deferral Account	**2024**	2023
Deferral account, beginning of year	(396,858)	(571,587)
Change to the Balancing Pool deferral account	60,154	174,729
Deferral account, end of year	(336,704)	(396,858)

The Balancing Pool's deferral account liability decreased by $60.1 million at 2024 year-end relative to the prior year. The decrease in the deferral account liability is primarily the result of the consumer collection from electricity consumers and the reclamation and abandonment recovery for Sundance A offset by the decline in value of emission credits and interest expense on the loan.

Operations

Revenue from Contracts with Customers (Consumer Collection)

The consumer collection is reviewed and approved annually by the Board of Directors of the Balancing Pool in accordance with the *Balancing Pool Regulation*. For 2024, the Balancing Pool Board of Directors approved a consumer collection of $1.30 per MWh of demand, resulting in an annual amount of $78.9 million collected from electricity consumers. In accordance with the *Balancing Pool Regulation*, consumer collection is determined by calculating the annual collection amount over the next 6 years to December 31, 2030.

Other Income from Operating Activities

Details of Other Income from Operating Activities	**2024**	2023
Payments in lieu of tax (PILOT)	7,809	22,084

Payments in Lieu of Tax

PILOT receipts (payments) are based on the taxable income of a municipal entity as defined in Section 147 of the *Electric Utilities Act* and the *Payment in Lieu of Tax Regulation*. In general, PILOT amounts are equal to the amount of corporate income tax the municipal entity would be required to pay each year pursuant to the *Income Tax Act of Canada* and the *Alberta Corporate Tax Act* if they were subject to income tax. PILOT payments remitted by the municipal entity are subject to audit by Alberta Tax and Revenue Administration. The Balancing Pool has no control over the timing and amount of PILOT instalments remitted by the municipal entities or adjustments and/or refunds in relation to reassessments of prior years.

Details of PILOT	2024	2023
Instalments received for current or prior tax year	8,683	22,950
Instalment re-allocations and refunds for prior tax years	(814)	(986)
Audit (costs) recovery	(60)	120
Total PILOT income	7,809	22,084

Expenses (Income)

Details of Expense (Income)	2024	2023
Cost of sales	163	224
Mandated costs	6,151	5,156
General and administrative	1,052	1,264
Commercial costs	2,046	2,293
Reclamation and abandonment recovery	(13,416)	(6,919)
Total expenses (income)	(4,004)	2,018

Mandated Costs

Mandated costs in 2024 increased relative to 2023 due to a revised estimate for annual operating costs of the UCA.

Commercial Costs

Commercial costs of $2.0 million for 2024 represent legal, professional and consulting expenditures related to PPA-related commercial disputes, the Sundance A decommissioning application, other legal matters and costs associated with managing the Balancing Pool's emission credits. Commercial costs have declined from the prior year due to the successful resolution of commercial and legal matters in 2024.

Liquidity and Cash Flow

To manage liquidity risk, the Balancing Pool forecasts cash flows for a period of 12 months and beyond to December 31, 2030. In addition, the Balancing Pool may borrow funds from Alberta Treasury and Finance.

Cash and Cash Equivalents	2024	2023
Cash and cash equivalents, beginning of year	52,079	52,470
Net cash provided by operating activities	103,528	145,054
Net cash used in financing activities	(89,953)	(145,445)
Cash and cash equivalents, end of year	65,654	52,079

Risks and Risk Management

The Balancing Pool is or was exposed to limited risks while executing its mandate. The risks are unique to the organization given its role and responsibilities in the Alberta electricity industry. The risks the Balancing Pool is exposed to in executing its mandate include the following:

PPA decommissioning risk

If a PPA Owner had elected to decommission its facility, the Balancing Pool may have been required to recompense the Owner for a portion of its decommissioning costs. The Balancing Pool would be financially liable for decommissioning costs exceeding the amounts the Owner had collected prior to deregulation and subsequently through the PPA payments.

In December 2018, TransAlta submitted an application to the AUC to decommission the Sundance A unit. The Balancing Pool disputed several aspects of TransAlta's decommissioning plan. The AUC released its decision on Sundance A decommissioning in December 2024 (see Note 10 of the Balancing Pool’s audited financial statements for the year ended December 31, 2024). The Balancing Pool faces no other risk regarding PPA decommissioning other than the Sundance A unit.

Interest Rate Risk

The Balancing Pool is exposed to interest rate risk on the related party loan. The value of the related party loan will change due to fluctuations in market interest rates.

Liquidity

To meet short-term liquidity needs, the Balancing Pool has a loan agreement in place with Alberta Treasury Board and Finance.

Internal Controls

The Chief Executive Officer and the Controller of the Balancing Pool have established and maintained internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with International Financial Reporting Standards.

There are no changes to the internal controls that have materially affected the Balancing Pool's ICFR during 2024.

Commitments and Contingencies

Refer to Note 12 of the Balancing Pool's audited financial statements for the year ended December 31, 2024 for a description of commitments and contingencies.

Subsequent Events

Refer to Note 16 of the Balancing Pool's audited financial statements for the year ended December 31, 2024 for a description of subsequent events.

Related Party Transactions

Refer to Note 15 and Note 16 of the Balancing Pool's audited financial statements for the year ended December 31, 2024 for a description of related party transactions.

Accounting Policy Changes

The Balancing Pool prepares its financial statements in accordance with IFRS Accounting Standards. Refer to Note 3 of the Balancing Pool's audited financial statements for the year ended December 31, 2024 for a description of amended standards adopted by the Balancing Pool and recently announced accounting pronouncements that have been issued, but are not yet effective.

Critical Accounting Estimates

Since a determination of certain assets, liabilities, revenues and expenses is dependent upon future events, the preparation of these financial statements requires the use of estimates and assumptions, which have been made using careful judgment. Actual results will differ from these estimates. In particular, there were significant accounting estimates made in relation to the following items:

Inventory

Emission credits acquired through the Hydro PPA negotiated settlement, are recorded as inventory, and carried at net realizable value. Emission credits were recognized initially at fair value based upon current market prices.

Commitments and Contingencies

The Balancing Pool has been named in certain legal claims as part of the normal course of business. The Corporation has evaluated each claim based on its merits. The final outcome of these matters are uncertain and may impact the Balancing Pool's financial results.

Forward-Looking Information

Certain information in this MD&A is forward-looking information. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "target" or similar words suggesting future outcomes. By their nature, such statements are subject to various risks and uncertainties that could cause the Balancing Pool's actual results and experience to differ materially from the anticipated results.

FINANCIAL STATEMENTS

Years ended December 31, 2024 and 2023

Independent auditor's report

To the Board of Directors of Balancing Pool

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Balancing Pool (the Corporation) as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Corporation's financial statements comprise:

- the statement of financial position as at December 31, 2024;
- the statement of income and comprehensive income for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

PricewaterhouseCoopers LLP
Suncor Energy Centre, 111 5th Avenue South West, Suite 3100, Calgary, Alberta, Canada T2P 5L3
T.: +1 403 509 7500, F.: +1 403 781 1825, Fax to mail: ca_calgary_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional

Accountants Calgary, Alberta
April 9, 2025

Balancing Pool **Statements of Financial Position** **(in thousands of Canadian dollars)**	**2024**	2023
Assets		
Current assets		
Cash and cash equivalents	**65,654**	**52,079**
Trade and other receivables (Note 5)	**7,160**	**22,640**
Inventory (Note 7)	**32,330**	**43,690**
Total Assets	**105,144**	**118,409**
Liabilities		
Current liabilities		
Trade payables and other accrued liabilities (Note 9)	**17,882**	**10,197**
Related party loan (Note 15)	**415,310**	**483,965**
Reclamation and abandonment provision (Note 10)	**8,656**	**21,105**
Total Liabilities	**441,848**	**515,267**
Net liabilities attributable to the Balancing Pool deferral account (Note 11)	**(336,704)**	**(396,858)**
Contingencies and commitments (Note 12)		
Subsequent events (Note 16)		

See accompanying notes to the financial statements.

On behalf of the Balancing Pool:

Greg Clark

Greg Clark
Chair

Neil Kjelland

Neil Kjelland
Vice-Chair

Balancing Pool **Statements of Income and Comprehensive Income** (in thousands of Canadian dollars)	**2024**	2023
Revenue from contracts with customers		
Consumer collection (Note 3)	**78,905**	**129,355**
Other income from operating activities		
Payments in lieu of tax	**7,809**	**22,084**
Expenses (income)		
Cost of sales (Note 13)	**163**	**224**
Reclamation and abandonment recovery (Note 10, Note 12)	**(13,416)**	**(6,919)**
Mandated costs (Note 15)	**6,151**	**5,156**
General and administrative	**1,052**	**1,264**
Commercial costs (Note 14)	**2,046**	**2,293**
	(4,004)	**2,018**
Income before other income (expense)	**90,718**	**149,421**
Other income (expense)		
Finance expense (Note 8)	**(22,282)**	**(19,820)**
Interest income	**3,077**	**1,438**
Other income (expense) (Note 7)	**(11,359)**	**43,690**
	(30,564)	**25,308**
Change to the Balancing Pool deferral account (Note 11)	**60,154**	**174,729**

See accompanying notes to the financial statements.

Balancing Pool Statements of Cash Flows (in thousands of Canadian dollars)	2024	2023
Cash flow provided by (used in)		
Operating activities		
Change to the Balancing Pool deferral account	60,154	174,729
Adjustments for		
Amortization and depreciation	-	3
Reclamation and abandonment recovery (Note 10)	(13,432)	(5,420)
Finance expense (Note 8)	22,282	19,820
Fair value changes on emission credits held for trading (Note 7)	11,359	-
Hydro PPA negotiated settlement (Note 7)	-	(43,690)
Reclamation and abandonment expenditures (Note 10)	-	(71)
Net change in non-cash working capital:		
Trade and other receivables	15,480	(5,370)
Trade payable and other accrued liabilities	7,685	5,053
Net cash provided by operating activities	103,528	145,054
Financing activities		
Lease payments	-	(2)
Payments on related party loan (Note 15)	(1,859,752)	(1,181,633)
Interest paid on related party loan (Note 15)	(23,247)	(19,617)
Proceeds from issue of related party loan (Note 15)	1,793,046	1,055,807
Net cash used in financing activities	(89,953)	(145,445)
Change in cash and cash equivalents	13,575	(391)
Cash and cash equivalents, beginning of year	52,079	52,470
Cash and cash equivalents, end of year	65,654	52,079

See accompanying notes to the financial statements

Notes to Financial Statements

1. Reporting Entity and Nature of Operations

Formation and Duties of the Balancing Pool

The Balancing Pool was formed to facilitate policy implementation and to support the functioning of the electricity industry for the benefit of Albertans. The *Electric Utilities Act (2003)* ("EUA") and certain regulations made under it established the mandate of the Balancing Pool, which was principally to manage certain assets, liabilities, revenues, and expenses associated with the ongoing evolution of Alberta's electric industry.

The Balancing Pool was established in 1998 as a separate financial account of the Power Pool Council (the "Council") and commenced operations in 1999. The Council was a statutory corporation established under the *Electric Utilities Act of Alberta (1995)*. With the proclamation of the EUA on June 1, 2003, the Balancing Pool was established as a separate statutory corporation (the "Corporation"). The assets and liabilities of the Council that relate to the duties, responsibilities and powers of the Balancing Pool were transferred to the Corporation.

Under the EUA, the Corporation is required to operate without a profit or loss (Note 11). No share capital for the Corporation has been issued.

The Balancing Pool Board of Directors (the "Board") consists of individual members who are independent of persons having a material interest in the Alberta electric industry. The members of the Board are appointed by the Minister of Affordability and Utilities of the Government of Alberta.

The head office and records of the Balancing Pool are located at Suite 1800, 330 - 5 Avenue SW, Calgary, Alberta, Canada.

Activities of the Balancing Pool

The initial allocation of assets and liabilities to the Balancing Pool was charged to a deferral account. Differences between annual revenues and expenditures are also charged or credited to the Balancing Pool deferral account.

The EUA requires that the Balancing Pool forecast its revenues and expenses. Any excess or shortfall of funds in the accounts is to be allocated to, or provided by, electricity consumers over time.

On March 6, 2024, the *Electricity Statutes (Modernizing Alberta's Electricity Grid) Amendment Act, 2022* was proclaimed and the related regulations were brought into force. The following Balancing Pool responsibilities are assigned to other agencies.

- The responsibilities of the Balancing Pool in the Small Scale Generation Regulation are assigned to the Alberta Electric System Operator ("AESO") effective October 1, 2024.
- The collection of installments (refunds) under the PILOT regulations is assigned to the Crown in right of Alberta effective January 1, 2025. The Balancing Pool will be responsible for collection of installments (refunds) for tax year 2024 and prior.
- Funding for the Utilities Consumer Advocate ("UCA") has been assigned to the utilities and collection of funding will be administered and enforced by the Alberta Utilities Commission ("AUC"). The legislations is effective March 6, 2024, however, the new process with the AUC will be developed over the course of 2025. As such, the Balancing Pool will still be responsible for funding the UCA up to March 31, 2026.
- Amendments to the Isolated Generating Units and Customer Choice Regulation removes the Balancing Pool's liability for reclamation and abandonment costs of Isolated Generating sites as well as funding the sale of Isolated Generating units effective March 6, 2024.

The Balancing Pool's business activities in 2024 include the following:

- Collection of funds from electricity consumers.
- Trade emission credit inventory.
- Payments (refund) in lieu of tax for tax year 2024 and prior.
- Repayment of the outstanding loan with the Provincial government.
- Resolving outstanding legal disputes related to the PPAs.
- Acting as agent for Small Scale Generators up to September 30, 2024.
- Funding the Utility Consumer Advocate up to March 31, 2026.
- Funding certain decommissioning obligations.

Revenue from Contracts with Customers

i) Consumer collection

Pursuant to Section 82 of the EUA, the Balancing Pool collects or allocates an annualized amount from electricity customers. The consumer collection from the AESO is being accounted for as revenue of the Balancing Pool. The Balancing Pool has applied judgment in determining that the consumer collection collected via rate Rider F, as specified in the EUA, is analogous to a contract with a customer. The legislation contained in the EUA established the Balancing Pool's right to recover operating shortfalls from electricity customers via Rider F of the AESO tariff.

Other income

i) Investment income and changes in fair value of investments

Cash, cash equivalents and investments held by the Balancing Pool generate investment income consisting of interest.

ii) Payments (refunds) in Lieu of Tax ("PILOT")

Pursuant to Section 147 of the EUA, the Balancing Pool collects installments (refunds) which is a notional amount of tax from electricity companies controlled by municipal entities that are active in Alberta's competitive electricity market and are otherwise exempt from the payment of tax under the *Income Tax Act* or the *Alberta Corporate Tax Act*. The Balancing Pool does not calculate instalment payments or refunds and it does not audit PILOT filings. PILOT instalments are calculated by the payer and PILOT filings are subject to audit by Alberta Tax and Revenue.

Expenses

i) Cost of sales

Cost of sales includes amortization and depreciation, banking fees and costs associated with the administration of the Small Scale Generation Regulation.

ii) Other costs

Under the terms of government legislation, the Balancing Pool is obligated to make payments to certain entities for such matters as reclamation and abandonment. The Minister of Affordability and Utilities may direct the Balancing Pool to also fund specific payments under Section 148 of the EUA, which amounts are included in mandated costs.

2. Basis of Presentation

These financial statements for the year ended December 31, 2024, have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards") and include as comparative information for the year ended December 31, 2023.

These financial statements were authorized and approved for issue by the Board of the Balancing Pool on April 9, 2025.

3. Summary of Material Accounting Policies

The material accounting policies used in the preparation of these financial statements are as follows:

Basis of Measurement

These financial statements have been prepared on a historical cost convention, except for the emission credits which were initially recognized and measured at fair value as part of the Hydro PPA negotiated settlement.

Revenue from Contracts with Customers

The Balancing Pool applies IFRS 15, *Revenue from contracts with customers* for its revenue arrangements.

Consumer Collection (Allocation)

Upon adoption of IFRS 15, consumer collection revenue is recognized in the statement of income and comprehensive income on an accrual basis in the period in which amounts are charged (refunded) to electricity customers based on an annualized tariff amount, which is the point in time when control of the goods and services passes to the customer. Consumer collection revenue is measured at the fair value of the consideration received or receivable. The Corporation has elected to recognize revenue based on amounts invoiced.

The timing of revenue recognition does not result in any contract assets or liabilities and there are no unfulfilled performance obligations at any point in time. The Balancing Pool has applied judgment in the application of its accounting policy that the consumer collection (allocation) represents a contract with a customer in the scope of IFRS 15 (see Note 1).

Other Income (Expense) Recognition

(a) Investment income

Investment income resulting from interest is recorded on an accrual basis when there is reasonable assurance as to its measurement and collectability.

(b) Payments (refunds) in Lieu of Tax ("PILOT")

PILOT funds are accrued based on instalments received from or refunds paid to a municipal entity for a particular tax year. PILOT payments are calculated by the municipal entities and are subject to assessment and audit by Alberta Tax and Revenue Administration. Adjustments, if any, arising from audits, or other legal proceedings, related to historical tax periods are recorded in the current year, upon receipt. Adjustments, if any, arising from audits for the preceding year, are accrued in the preceding year.

Income Taxes

No provision has been made for current or deferred income tax as the Balancing Pool is exempt from Federal and Provincial income tax.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on deposit at the bank.

Trade and Other Receivables

Trade and other receivables are classified and measured at amortized cost less any impairment.

Inventory

Emission credits, which have been acquired through the Hydro PPA negotiated settlement, are recorded as inventory, and carried at net realizable value. Emission credits are limited to a life of between five to eight years depending on the vintage.

Impairment – Financial Assets

The Corporation applies IFRS 9, *Financial Instruments*, simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due. Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Corporation, and a failure to make contractual payments for a period of greater than 120 days past due.

No impairment provision has been recorded at December 31, 2024, related to trade and other receivables.

Reclamation and Abandonment Obligations

Reclamation and abandonment obligations include legal obligations requiring the Balancing Pool to fund the decommissioning of tangible long-lived assets such as generation and production facilities. A provision is made for the estimated cost of site reclamation and restoration.

Reclamation and abandonment obligations are measured as the present value of management's best estimate of expenditures required to settle the present obligation at the period end date. Subsequent to the initial measurement, the obligations are adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as a finance expense. Increases / decreases due to changes in the estimated future cash flows are expensed. Actual costs incurred upon settlement of the reclamation and abandonment obligations are charged against the provision to the extent the provision was established.

The Balancing Pool's estimates of reclamation and abandonment obligations are based on reclamation standards that meet current regulatory requirements. The estimate of the total liability of future site restoration costs may be subject to change based on amendments to laws and regulations. Accordingly, the amount of the liability will be subject to re-measurement at each period end date.

Pursuant to Section 5 of the *Power Purchase Arrangements Regulation*, a PPA Owner may apply to the AUC to receive from the Balancing Pool the amount by which decommissioning costs related to a former PPA unit exceed the amount the PPA Owner collected from consumers before January 1, 2001 and subsequently through the PPA, provided that the unit has ceased generating electricity and the application is made within one year of the termination or expiration of the PPA. Section 5 of the *Power Purchase Arrangements Regulations* does not apply after December 31, 2018.

The reclamation and abandonment provision includes an estimate of the costs associated with decommissioning costs for the Sundance A unit if the AUC approves the costs.

The discount rate used to value these liabilities is based upon the risk-free rate and may be adjusted for other risks associated with these liabilities.

Other Provisions

Provisions for obligations are recognized when the Balancing Pool has a present legal or constructive obligation as a result of past events, it may be probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a risk-free discount rate that reflects current market assessments of the time value of money. The increase in the provision due to the passage of time is recognized as finance expense.

Amended standards adopted by the Corporation

The Balancing Pool has adopted the following accounting amendment that is effective for the annual periods beginning January 1, 2024. The adoption of this amendment did not have a material impact on the Corporation's financial statements.

Amendments to IAS 1, *Presentation of Financial Statements*, issued in 2020 and 2022, clarify requirements for classifying liabilities as current or non-current and introduce additional disclosures of material information that enables users of financial statements to comprehend the risk that non-current liabilities with covenants may become payable within the next twelve months. These amendments have been applied retrospectively.

Recently announced accounting pronouncements

The following standards, amendments and interpretations are issued, but not yet effective as at December 31, 2024, and the Balancing Pool intends to adopt these standards, amendments and interpretations when they become effective.

IFRS 18, *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued new IFRS 18, *Presentation and Disclosure in Financial Statements* replacing IAS 1. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 introduces the following key changes:

- Structure of the statement of income: IFRS 18 introduces a defined structure for the statement of income composed of operating, investing, and financing categories with defined subtotals, such as operating earnings (loss), earnings (loss) before financing and income taxes and net earnings (loss) for the year. The new guidance also requires disclosure of expenses in the operating category by nature, function or a mix of both on the face of the statement of income.

- Disclosures on management-defined performance measures ("MPMs"): IFRS 18 requires companies to disclose definitions of company-specific MPMs that are related to the statement of income (loss) and provide reconciliations between the MPMs and the most similar specified subtotals within the statement of income in a single note.
- Aggregation and disaggregation (impacting all primary financial statements and notes): IFRS 18 sets out enhanced guidance on the principles of how items should be aggregated based on shared characteristics. The changes are expected to provide more detailed and useful information to investors.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Balancing Pool is currently assessing the impact of this new IFRS accounting standard on its financial statements.

Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*

In May 2024, the IASB issued narrow-scope amendments to the recognition, derecognition and classification requirements in IFRS 9, *Financial Instruments* and introduced additional disclosure requirements in IFRS 7, *Financial Instruments: Disclosure*. The amendments include:

- Clarification on the timing of recognition and derecognition of financial assets and liabilities, with a new optional exception introduced for earlier derecognition of financial liabilities settled through electronic payment systems.
- Introduction of additional disclosures for certain financial instruments with contractual terms that could change the timing or amount of contractual cash flows due to contingent events that are not directly related to changes in basic lending risks and costs.
- Additional guidance for assessing whether the contractual cash flows of financial assets represent solely payments of principal and interest and updated disclosures for equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Balancing Pool is currently assessing the impact of these amendments on its financial statements.

4. Significant Accounting Judgments, Estimates and Assumptions

The timely preparation of the financial statements requires that management make estimates and assumptions and use judgment regarding the reported value of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported for the year. Such estimates reflect management's best estimate of future events as of the date of the financial statements. These financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the significant accounting policies summarized below. Accordingly, actual results will differ from estimated amounts as future confirming events occur.

Critical Judgment in Applying Accounting Policies

Management has made a critical judgment in applying its accounting policies, such as concluding that the consumer collection is accounted for as revenue from a contract with a customer (Note 1, 11).

This critical judgement has been made in the process of applying accounting policies and has a significant effect on the amount recognized in the financial statements.

Key Sources of Estimation Uncertainty

Since the determination of certain assets, liabilities, revenues and expenses is dependent upon and determined by future events, the preparation of these financial statements requires the use of estimates and assumptions. These estimates and assumptions have been made using careful judgment. Actual results are likely to differ from the results derived using these estimates.

The following are items that have been derived using key assumptions concerning future outcomes and subject to several other key sources of estimation uncertainty. Consequently, there is a risk of a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- Inventory (Note 7)
- Contingent legal matters (Note 12)

In the opinion of management, these financial statements have been properly prepared in accordance with IFRS Accounting Standards, within reasonable limits of materiality and the framework of the material accounting policies summarized in Note 3 to the financial statements.

5. Trade and Other Receivables

	2024	2023
Trade and other receivables	7,160	22,640

At December 31, 2024, no accounts receivable amounts are past due (2023 – No accounts receivable amounts were past due).

6. Accounting for Financial Instruments

(a) Risk Management Overview

The Balancing Pool's activities expose the Corporation to interest rate risk and liquidity risk.

i) ***Interest Rate Risk:*** The Balancing Pool is exposed to interest rate risk on the related party loan. The value of the related party loan will change due to fluctuations in market interest rates. A one percent increase/decrease in interest rates will increase/decrease annual interest charges by $4.2 million.

ii) ***Liquidity Risk:*** Liquidity risk is the risk that the Balancing Pool will not be able to meet its financial obligations as they fall due. To manage this risk, management forecasts cash flows for a period of 12 months and beyond and will adjust the consumer collection according to the *Balancing Pool Regulation* and borrow from the Government of Alberta. The changes to the EUA, enacted in December of 2016, provide the Balancing Pool with the capacity to borrow from the Government of Alberta (Note 15).

The following table below analyzes the Balancing Pool's financial liabilities into relevant maturity groupings based on the remaining period from the period end date to the contract maturity date.

December 31, 2024

	1 year	2 – 5 years	Total
Trade payables	84	-	84
Other accrued liabilities	17,446	352	17,798
Related party loan – principal	413,351	-	413,351
Related party loan – interest*	3,649	-	3,649
Total	434,530	352	434,882

**includes expected interest up to contractual maturity date of the loan.*

December 31, 2023

	1 year	2 – 5 years	Total
Trade payables	6,172	-	6,172
Other accrued liabilities	3,673	352	4,025
Related party loan – principal	480,058	-	480,058
Related party loan – interest*	6,942	-	6,942
Total	496,845	352	497,197

**includes expected interest up to contractual maturity date of the loan.*

(b) Fair Value Hierarchy

Financial instruments carried at fair value are categorized as follows:

December 31, 2024

(in thousands of dollars)	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	Total
Assets	Level 1	Level 2	Level 3	
Cash and cash equivalents	65,654		-	65,654

December 31, 2023

(in thousands of dollars)	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	Total
Assets	Level 1	Level 2	Level 3	
Cash and cash equivalents	52,079	-	-	52,079

i) Level 1

Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities.

ii) Level 2

Assets and liabilities in Level 2 include valuations using inputs other than Level 1 quoted prices for which all significant inputs are observable, either directly or indirectly.

iii) Level 3

Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. Changes in valuation methods may result in transfers into or out of an assigned level. There were no transfers between Level 3 and Level 2.

7. Inventory

Emission credits	**2024**	2023
At January 1	43,690	-
Additions	-	43,690
Change in value	(11,360)	-
At December 31	32,330	43,690

In May 2023, the Balancing Pool reached a negotiated settlement related to a Hydro PPA change in law dispute. In the negotiated settlement, the Balancing Pool received 873,792 emission credits generated from the Hydro PPA units. The emission credits are held for trading and classified as inventory. At December 31, 2024, the emission credits were written down by $11.4 million (2023 – No write down to net realizable value) to net realizable value which was determined based on the recent selling price of emission credits less costs to sell.

8. Finance Expense

	2024	2023
Interest expense – related party loan (Note 15)	21,299	18,670
Accretion expense – reclamation and abandonment (Note 10)	983	1,150
	22,282	19,820

9. Trade Payable and Other Accrued Liabilities

	2024	2023
Trade payables	85	5,463
Accrued liabilities – Mandated costs	4,169	3,580
Accrued liabilities – PILOT	13,232	708
Accrued liabilities – Other	396	446
	17,882	10,197

10. Reclamation and Abandonment Provision

	Isolated Generation	**Sundance A**	**Total**
At January 1, 2023	113	25,333	25,446
Increase (decrease) in liability	(47)	(5,373)	(5,420)
Liabilities paid in year	(71)	-	(71)
Accretion expense	5	1,145	1,150
At December 31, 2023	-	21,105	21,105
At January 1, 2024	-	21,105	21,105
Increase (decrease) in liability	-	(13,432)	(13,432)
Accretion expense	-	983	983
At December 31, 2024	-	8,656	8,656

Decommissioning Costs of PPA Units

Pursuant to Section 5 of the *Power Purchase Arrangements Regulation*, a PPA Owner may apply to the AUC to receive from the Balancing Pool the amount by which decommissioning costs related to a former PPA unit exceed the amount the PPA Owner collected from consumers before January 1, 2001 and subsequently through the PPA, provided that the unit has ceased generating electricity and the application is made within one year of the termination or expiration of the PPA.

Section 5 of the *Power Purchase Arrangements Regulations* does not apply after December 31, 2018.

In December 2018, TransAlta submitted an application to the AUC as well as numerous amendments to decommission Sundance unit A. The Balancing Pool disputed several aspects of TransAlta's application. During the course of 2024, the AUC held a hearing in which the Balancing Pool acted as an intervenor to TransAlta's application to decommission Sundance unit A. On December 9, 2024, the AUC released decision 23778-D02-2024 which determined the Balancing Pool owes TransAlta $8.6 million to decommission Sundance unit A. On December 31, 2024, the Balancing Pool recorded a $13.4 million decrease (2023 – $5.4 million decrease) to the provision as a result of the AUC's decision. No discounting was applied after December 31, 2024 as the payment to TransAlta was issued in February 2025 (2023 – 4.66% discount rate). See also Note 12.

11. Capital Management

The Balancing Pool's objective when managing capital is to operate as per the requirements of the EUA, which requires the Balancing Pool to operate with no profit or loss and no share capital and to forecast its revenues, expenses, and cash flows. Any excess or shortfall of funds in the accounts is to be allocated to, or provided by, electricity consumers over time.

A reconciliation of the opening and closing Balancing Pool deferral account is provided below.

Balancing Pool Deferral Account	**2024**	2023
Deferral account, beginning of year	(396,858)	(571,587)
Change to the Balancing Pool deferral account	60,154	174,729
Deferral account, end of year	(336,704)	(396,858)

The Board approved a 2024 consumer collection of $1.30/MWh (2023 consumer collection - $2.20/MWh) for a total collection from electricity consumers of $78.9 million in accordance with the *Balancing Pool Regulation* (2023 consumer collection - $129.4 million). In October 2024, the Board approved a 2025 consumer collection of $1.30/MWh for an estimated total collection from electricity consumers of $78.2 million in accordance with the *Balancing Pool Regulation*.

12. Contingencies and Commitments

Reclamation and Abandonment

TransAlta submitted an application as well as numerous amendments to the AUC to decommission Sundance A and was seeking $53.8 million in funding from the Balancing Pool. The Balancing Pool disagreed with several aspects of the application. An AUC hearing was held during 2024. The AUC released its decision on December 9, 2024 determining the Balancing Pool owes TransAlta $8.6 million to decommission Sundance unit A. In accordance with IFRS Accounting Standards, a provision of $8.6 million (2023 - $21.1 million) has been recorded. The

Balancing Pool remitted a payment of $8.6 million to TransAlta in February 2025 in settlement of the reclamation and abandonment provision.

Legal Claim – Line Loss Proceeding

On January 27, 2021, the Balancing Pool received a statement of claim from a power producer related to the line loss rule proceeding and is seeking $53.2 million in damages from the Balancing Pool. The Balancing Pool's statement of defense has been filed. The Balancing Pool considers the claim to be without merit. At December 31, 2024, no contingent liability has been recorded (2023 - $nil).

13. Cost of Sales

	2024	2023
Power Purchase Arrangements recovery	-	(44)
Small scale generator costs	159	261
Amortization, depreciation, and banking fees	4	7
	163	224

14. Commercial Costs

	2024	2023
Commercial costs	2,046	2,293

In 2024, the Balancing Pool incurred $2.0 million (2023 - $2.3 million) in commercial costs. Commercial costs include legal and consulting expenditures related to PPA commercial disputes, the Sundance A decommissioning application, other legal matters and costs associated with managing the Corporation's emission credits.

15. Related Party Transactions

Key Management Compensation

Key management includes members of the Board of the Balancing Pool and the Chief Executive Officer. The compensation paid or payable to key management for services is shown below.

Key Management Compensation	**2024**	2023
Salaries, other short-term employee benefits	268	397

Government-Related Entity

The Balancing Pool considers itself to be a government-related entity as defined by IAS 24 – *Related Party Disclosures* and applies the exemption from the disclosure requirements of Paragraph 18 of IAS 24 – *Related Party Disclosures.* The members of the Board are appointed by the Minister of Affordability and Utilities. The financial information of the Balancing Pool is consolidated with the Ministry of Affordability and Utilities.

The Balancing Pool signed a loan agreement with the Government of Alberta. The loan agreement will remain until December 31, 2030 when all outstanding loan amounts are due to be paid back to the provincial government. As the Balancing Pool has short-term related party notes outstanding which mature prior to December 31, 2030, the Balancing Pool expects to repay maturing notes through its consumer collection and subsequent to December 31, 2024, has refinanced maturing notes outstanding with the Government of Alberta (Note 16), subject to the terms of the loan agreement. Details of the Balancing Pool's related party loans outstanding at December 31, 2024 and 2023 are as follows:

	Interest Rate	**2024**
Short-term discount note due on January 21, 2025	3.66%	159,667
Short-term discount note due on February 25, 2025	3.47%	255,643
		415,310

	Interest Rate	2023
Short-term discount note due on January 26, 2024	5.09%	199,275
Short-term discount note due on February 27, 2024	5.07%	284,690
		483,965

	2024	2023
At January 1	483,965	610,738
Proceeds from issue of loans	1,793,046	1,055,807
Accrued interest	21,299	18,670
Repayments	(1,883,000)	(1,201,250)
At December 31	415,310	483,965

At December 31, 2024, the Balancing Pool had $415.3 million (2023 – $484.0 million) in short-term discount notes issued to the Government of Alberta, including accrued interest of $1.9 million (2023 – $3.9 million). During 2024, net payments of $90.0 million (2023 - $145.4 million payment) were remitted on the outstanding loan. Fair value of the loan is the same as the amortized cost of borrowing.

Directed by the Minister of Affordability and Utilities, the Balancing Pool is mandated to make payments to the Office of the UCA to cover 80% of their annual operating costs. In 2024, the Balancing Pool expensed $6.2 million (2023 – $5.2 million) for the UCA.

The Balancing Pool also considers the AESO a government-related entity. The EUA requires the Balancing Pool to forecast its revenues and expenses with any excess or shortfall of funds in the accounts to be allocated to, or provided by, electricity consumers over time. Pursuant to the EUA, the AESO facilitates the collection or distribution of any excess or shortfall through an annualized amount included in the AESO's transmission tariff. In 2024, the Balancing Pool collected

$78.9 million (2023 – $129.4 million) from electricity consumers through the AESO's transmission tariff.

16. Subsequent Events

Related Party Transactions

The short-term discount notes that matured on January 21 and February 25, 2025, were re-financed with short-term discount notes with the terms noted below.

	Interest Rate	Amount re-financed
Short-term discount note due on April 22, 2025	3.47%	110,000
Short-term discount note due on May 27, 2025	2.83%	257,000

CORPORATE INFORMATION

Balancing Pool Contacts

EXECUTIVE
Sandra Scott, President and CEO

FINANCIAL
Michelle Manuliak, Controller

ADMINSTRATION
Ivy Webb, Executive Assistant|Office Manager

Auditors
PricewaterhouseCoopers LLP
Calgary, Alberta

Counsel
DLA Piper (Canada) LLP
Calgary, Alberta

Financial/Banking
TD Bank
Calgary, Alberta

balancingpool

1800, 330 - 5 Avenue SW, Calgary, Alberta T2P 0L4

Tel: (403) 539-5350

www.balancingpool.ca