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3rd SESSION, 67th GENERAL ASSEMBLY  
Province of Prince Edward Island  
4 CHARLES III, 2026

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**(Bill No. 108)**

**An Act to Amend the Electric Power Act**

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Peter Bevan-Baker  
MLA

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PRIVATE MEMBER'S BILL

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Charlottetown, Prince Edward Island





## AN ACT TO AMEND THE ELECTRIC POWER ACT

**BILL NO. 108**

**2026**

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BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

- 1. The preamble to the *Electric Power Act* R.S.P.E.I. 1988, Cap. E-4, is amended by the addition of the following after the fourth paragraph:**

AND WHEREAS the regulation of public utilities should support the province's climate change and emissions reduction objectives, facilitate the cost-effective integration of renewable energy and distributed energy resources, and ensure that infrastructure investments represent the least-cost solution when all feasible alternatives are considered;

AND WHEREAS the regulatory framework should align the financial incentives of public utilities with the achievement of reliable, affordable and sustainable electric energy service;

THEREFORE, BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

- 2. The Act is amended by the addition of the following after section 13:**

**13.1 Interruption targets**

- (1) The Commission shall establish annual performance targets for system average interruption duration and system average interruption frequency for every public utility based on historical averages adjusted for annual improvement expectations.

**Annual report to public**

- (2) Every public utility shall make available to the public, in the manner and at the time required by the Commission, an annual report regarding the utility's service interruptions in relation to comparable electric energy utility distributors in Canada having regard to system size, geographic and climate conditions, and customer base, using the following metrics:
- (a) system average interruption duration index (SAIDI);
  - (b) system average interruption frequency index (SAIFI);
  - (c) customer average interruption duration index (CAIDI);

- (d) momentary average interruption frequency index (MAIFI).

**3. The Act is amended by the addition of the following after section 16.1:**

**16.2 Integrated resource plan**

- (1) Every public utility shall, at least once every three years at the time required by the Commission, prepare and submit to the Commission for approval, an integrated resource plan to provide electric energy to customers in a cost-effective, safe and reliable manner after due consideration of all feasible resources.

**Required contents of plan**

- (2) An integrated resource plan shall include
  - (a) an evaluation of all feasible supply-side and demand-side resources on a consistent and comparable basis, including renewable energy, energy efficiency, demand response, energy storage, distributed generation, and traditional generation and transmission assets;
  - (b) a least-cost analysis of resources to meet energy demand, considering reliability, safety, environmental costs, carbon pricing and avoided infrastructure costs;
  - (c) an assessment of feasible non-wires alternatives to defer or avoid infrastructure costs;
  - (d) consideration of various factors that may affect evaluations, analysis or assessments under the plan, such as high and low-demand growth, varying renewable energy penetration levels, carbon price trajectories, and technology cost trends; and
  - (e) any other information required by the Commission.

**Hearing**

- (3) The Commission may hold a public hearing in accordance with section 27 regarding an integrated resource plan submitted under this section.

**Approval of plan**

- (4) The Commission may approve an integrated resource plan if the Commission is satisfied that the plan meets the requirements of subsection (2) and enables the public utility to provide electric energy to customers in a cost-effective, safe and reliable manner.

**Order for submission of better plan**

- (5) Where the Commission does not approve an integrated resource plan, the Commission may issue an order in writing directing the public utility to
  - (a) vary the integrated resource plan it has submitted, or to prepare another plan, to meet the requirements or address the matters the Commission considers appropriate; and
  - (b) submit the varied or new plan for the approval of the Commission within the time specified by the Commission.

**Notice of approval of plan**

- (6) Where the Commission approves an integrated resource plan, the Commission shall send a written notice of the approval to the public utility indicating the date of the approval and the date the term of the plan ends.

**Duty to comply with plan**

- (7) A public utility shall provide electric energy to customers in accordance with its integrated resource plan approved by the Commission.

**Report to Commission**

- (8) A public utility shall provide any information requested by the Commission respecting the implementation of an integrated resource plan, in the manner and at the time required by the Commission.

**4. (1) Section 17 of the Act is amended by the addition of the following after subsection (2):**

**Non-wires alternatives assessment**

- (2.1) Where the budget proposes an improvement or addition to the property of the public utility with an estimated cost that exceeds \$10,000,000, the public utility shall conduct and submit with the budget, a non-wires alternatives assessment comparing the proposed property improvement or addition with feasible non-wires alternatives, such as energy efficiency programs, demand response, distributed generation, energy storage and other distributed energy resources.

**Required contents**

- (2.2) A non-wires alternatives assessment shall include
- (a) an hourly load characterization of the identified need;
  - (b) a screening of potential non-wires alternatives by type of need;
  - (c) an economic comparison of the proposed property improvement or addition and feasible non-wires alternatives over the expected useful life of the property; and
  - (d) a consideration of the value of avoiding the risk of stranded assets by deferring the proposed property improvement or addition.

**(2) Subsection 17(3) of the Act is repealed and the following substituted:**

**Approval of Commission**

- (3) Subject to subsection (3.1), after reviewing the annual capital budget and any non-wires alternatives assessments submitted by a public utility, the Commission may approve the budget, in whole or in part, subject to any terms and conditions the Commission considers appropriate.

**Refusal to approve**

- (3.1) Where a non-wires alternatives assessment is required under subsection (2.1), the Commission shall not approve the proposed property improvement or addition unless the Commission is satisfied that it is the most cost-effective solution for ratepayers.

**5. (1) Subsection 24(1) of the Act is amended by the deletion of the words “Every public utility” and the substitution of the words “Subject to subsection (1.1) and section 24.1, every public utility”.**

**(2) Section 24 of the Act is amended by the addition of the following after subsection (1):**

**Shareholder incentives for non-wires alternatives**

- (1.1) The Commission may authorize shareholder incentives for the successful implementation of cost-effective non-wires alternatives to property improvements or additions.

**Expenses for non-wires alternatives**

- (1.2) Expenses associated with a cost-effective non-wires alternative to a property improvement or addition shall be treated in the same manner as expenses for approved property improvements or additions under subsection (1).

**6. The Act is amended by the addition of the following after section 24:**

**24.1 Service performance incentive scheme**

- (1) The Commission shall establish and publish a service performance incentive scheme that
- (a) provides incentives for a public utility to improve and maintain the reliability of its supply of electric energy;
  - (b) sets out the parameters against which the public utility's service reliability will be assessed, including the system average interruption targets established pursuant to subsection 13.1(1);
  - (c) sets out any requirements respecting the values attributed to the parameters referred to in clause (b);
  - (d) results in a potential adjustment of the annual return a public utility may earn under section 24, not exceeding an increase of 200 basis points or a decrease of 300 basis points;
  - (e) considers the regulatory obligations or requirements of a public utility;
  - (f) considers any other incentives provided under this Act or the regulations to minimize a public utility's capital or operating expenditures; and
  - (g) considers the age and rating of the assets comprising a public utility's transmission system.

**Weighting of system average interruption targets**

- (2) For the purpose of clause (1)(c), the Commission shall ensure that system average interruption duration has a higher value than system average interruption frequency.

**Values of customer reliability**

- (3) For the purpose of clause (1)(c), the Commission shall determine and publish values of customer reliability expressed in dollars per megawatt-hour of unserved energy, using a methodology that includes direct customer engagement and reflects residential, commercial and industrial customer values.

**Implementation of values of customer reliability**

- (4) The first values of customer reliability shall be determined and published within 18 months of the date this section comes into force, after which they shall be reviewed at least once every five years and updated as the Commission considers necessary.

**Exclusion of severe weather or other exceptional events**

- (5) In determining a public utility's service reliability, the Commission may exclude certain severe weather or other exceptional events from consideration.

**Implementation of scheme**

- (6) The Commission shall establish and publish the first service performance incentive scheme under subsection (1) within 18 months of the date this section comes into force and there shall be a service performance incentive scheme in effect at all times after that date.

- 7. Section 39 of the Act is repealed.**

## EXPLANATORY NOTES

**SECTION 1** amends the *Electric Power Act* by adding paragraphs to the preamble and a missing enacting clause.

**SECTION 2** amends the Act by adding a new section 13.1 requiring the Commission to establish annual system interruption targets for public utilities and requiring every public utility to release an annual report on the utility's service interruption performance in relation to comparable electric energy utility distributors in Canada.

**SECTION 3** amends the Act by adding a new section 16.2 requiring every public utility to, at least once every three years, prepare and submit to the Commission for approval, an integrated resource plan.

**SECTION 4** amends section 17 of the Act to require that a public utility conduct and submit a non-wires alternatives assessment with its capital budget when a property improvement or addition with an estimated cost exceeding \$10,000,000 is proposed.

**SECTION 5** amends section 24 of the Act to make the annual return a public utility may earn subject to shareholder incentives the Commission may authorize for the successful implementation of cost-effective non-wires alternatives to property improvements or additions, and performance-based adjustments under a new section 24.1. It also provides for the deduction of expenses related to the implementation of non-wires alternatives in determining a public utility's annual return.

**SECTION 6** amends the Act by adding a new section 24.1 requiring the Commission to establish and publish a service performance incentive scheme that incentivizes public utilities to improve and maintain the reliability of its supply of electric energy through performance-based adjustments of the annual return.

**SECTION 7** repeals section 39 of the Act, which establishes a penalty not exceeding \$5,000 for avoidable service interruptions exceeding 15 minutes in length.



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(Bill No. 108)

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<i>STAGE:</i>	<i>DATE:</i>
<i>1st Reading:</i>	April 22, 2026
<i>2nd Reading:</i>	
<i>To Committee:</i>	
<i>Reported:</i>	
<i>3rd Reading and Pass:</i>	
<i>Assent:</i>	

**SIGNATURES:**

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Honourable Dr. Wassim Salamoun, Lieutenant Governor

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Honourable Brad Trivers, Speaker

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Joseph Jeffrey, Clerk

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Peter Bevan-Baker

MLA

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