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

**(Bill No. 51)**

# Performance-based Regulation Review Act

Hon. Jill Burridge
Minister of Energy

GOVERNMENT BILL

Andrea MacRae
Acting King's Printer
Charlottetown, Prince Edward Island

**For House Use Only**

**Prince Edward Island**
**Legislative Assembly**

**AMENDMENTS**

**ASSEMBLY / SESSION / YEAR**
67th General Assembly / 3rd / 2026

BILL NUMBER: **51**



TITLE: **Performance-based Regulation Review Act**

| # | SECTION | AMENDMENT | DATE |
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COMMITTEE CLERK

CERTIFIED CORRECT:

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CHAIR, IN COMMITTEE



# PERFORMANCE-BASED REGULATION REVIEW ACT

**BILL NO. 51** **2026**

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

## INTERPRETATION

### 1. Definitions

In this Act,

(a) "**Commission**" means the Island Regulatory and Appeals Commission established under the *Island Regulatory and Appeals Commission Act* R.S.P.E.I. 1988, Cap. I-11;

(b) "**MECL**" means Maritime Electric Company Limited;

(c) "**Minister**" means the Minister of Energy;

(d) "**performance-based regulation**" means performance-based rate-making, charges, terms, conditions or regulatory mechanisms for a public utility that are designed to link utility revenues, earnings, incentives or penalties to service quality, reliability, affordability, efficiency, emissions reduction, customer outcomes or other performance measures prescribed by regulations;

(e) "**proceeding**" means a proceeding initiated under section 3.

## PURPOSE

### 2. Purpose of Act

The purpose of this Act is to establish a process for the Commission to evaluate whether and how performance-based regulation may be used in this province in a manner that is just, reasonable and consistent with the public interest.

## PROCEEDING

### 3. Commission to initiate proceeding

(1) Within 30 days after the coming into force of this Act, the Commission shall initiate a proceeding to investigate and recommend whether and how performance-based regulation should apply with respect to the operations of MECL.

**Extension by Minister**

(2) Notwithstanding subsection (1), the Minister may, on the written request of the Commission, extend the deadline.

**Conduct of proceeding**

(3) The Commission shall conduct the proceeding in an independent and transparent manner that includes the meaningful participation of the following key stakeholders, in accordance with this Act and the *Island Regulatory and Appeals Commission Act*:

(a) MECL;

(b) the City of Summerside, in its capacity as an interconnected municipal electrical utility and stakeholder in the provincial electricity system;

(c) the Prince Edward Island Energy Corporation;

(d) the Electricity Consumer Advocate, if appointed;

(e) the Government of Prince Edward Island;

(f) residential and small business electricity consumers;

(g) other interested persons or organizations identified by the Commission.

**Matters to be considered by Commission**

(4) In conducting the proceeding, and notwithstanding the current requirements of the *Electric Power Act* R.S.P.E.I. 1988, Cap. E-4, the Commission shall consider

(a) the protection of ratepayers and the maintenance of just and reasonable rates;

(b) performance measures that support the province's energy, energy-efficiency, emissions reduction targets and energy-policy commitments, renewable generation, procurement or integration under the *Renewable Energy Act* R.S.P.E.I. 1988, Cap. R-12.1, and climate objectives, including the objectives of the *Net-zero Carbon Act* R.S.P.E.I. 1988, Cap. N-3.01;

(c) the financial integrity of MECL and the opportunity for MECL to recover prudently incurred costs and earn a fair rate of return;

(d) performance metrics for efficiency, cost-effectiveness, safety, reliability, resilience, innovation, customer service quality and engagement, and the quality of electricity generation, transmission and distribution services;

(e) financial incentives and consequences for underperformance;

(f) the interaction of performance-based regulation with capital spending, cost recovery, risk allocation and existing regulatory frameworks;

(g) the circumstances of different classes of customers, including residential, commercial and industrial;

(h) performance metrics relating to efficient and transparent third-party procurement, having regard to lifecycle cost and value for customers and speed of interconnection requests;

(i) performance metrics relating to cost-effective procurement and use of aggregated grid services where they provide measurable benefits to customers or the electricity system; and

(j) any other matter that the Commission considers relevant or that the Minister directs.

**Interim report, recommendations**

(5) Subject to subsection (6), within three months after the coming into force of this Act, the Commission shall provide an interim report, and within six months shall provide its final report, on its findings and recommendations, including associated implementation approaches and timelines, if applicable, that are most likely to, in its judgment, best serve the public interest and the need to maintain the financial integrity of MECL and provide MECL with a reasonable opportunity to earn a fair return, and shall provide those recommendations to the Minister.

**Extension**

(6) The Minister may, on the written request of the Commission, extend the deadline.

### 4. Powers of Commission

(1) For the purpose of conducting the proceeding, the Commission may exercise any power of the Commission under the *Island Regulatory and Appeals Commission Act*.

**Costs of proceeding**

(2) The reasonable costs incurred by the Commission in conducting the proceeding under this Act, including the costs of retained experts, shall be paid by the Prince Edward Island Energy Corporation.

**Access to confidential information**

(3) Access to information that the Commission deems confidential shall be determined by the Commission.

### 5. Publication

(1) On receiving the interim report or the final report and recommendations of the Commission under subsection 3(5), the Minister shall make the reports and recommendations public within seven days after receipt, except for any information that the Commission has determined is confidential.

**Confidential information**

(2) If the Commission has approved a person who appeared before it for access to confidential information, the person shall be provided with a copy of the recommendations that includes any confidential information to which the person had access during the proceeding.

## REGULATIONS, COMMENCEMENT

### 6. Regulations

The Lieutenant Governor in Council may make regulations

(a) prescribing performance measures for the purpose of the definition of "performance-based regulation";

(b) respecting any matter necessary or advisable to carry out effectively the intent or purpose of this Act.

**7. Commencement**

This Act comes into force on a date that may be fixed by proclamation of the Lieutenant Governor in Council

**(Bill No. 51)**

# Performance-based Regulation Review Act

| ***STAGE:*** | ***DATE:*** |
|---|---|
| *1st Reading:* | November 3, 2026 |
| *2nd Reading:* | |
| *To Committee:* | |
| *Reported:* | |
| *3rd Reading and Pass:* | |
| *Assent:* | |

**SIGNATURES:**

Honourable Dr. Wassim Salamoun, Lieutenant Governor

Honourable Brad Trivers, Speaker

Joseph Jeffrey, Clerk

Hon. Jill Burridge
Minister of Energy

GOVERNMENT BILL

2026
3rd SESSION, 67th GENERAL ASSEMBLY