



File: Ad-GA-ActsLeg-Fed-NEBA-Amend 0101  
11 July 2012

To: All Interested Parties

Dear Sir or Madam:

**2012 Update of the Electricity Memorandum of Guidance to Interested Parties  
Concerning Full Implementation of the September 1988 Canadian Electricity Policy  
(MOG)<sup>1</sup>**

The *Jobs, Growth and Long-term Prosperity Act* received Royal Assent on 29 June 2012. It contains amendments<sup>2</sup> to the *National Energy Board Act* (the NEB Act) which affect the Board's review of electricity export applications. Specifically, the amendments to sections 119.06(2) and 119.08(2) of the NEB Act mean that the criteria to consider electricity export applications will be fair market access, the effect of the export on provinces other than that from which the electricity is to be exported, and considerations<sup>3</sup> specified in the *National Energy Board Electricity Regulations* (Electricity Regulations)<sup>4</sup>.

The NEB Act was amended to remove the requirement that the Board have regard to all considerations that appear to it to be relevant<sup>5</sup> as well as the requirement to have regard to the impact of the export on the environment<sup>6</sup> when considering electricity export applications. In addition, subsection 24(1) of the NEB Act was amended such that a public hearing is no longer required for the issuance of an electricity export licence.

Section 119.03 of the NEB Act was not amended and an application for an electricity export permit must still be accompanied by the information that is required to be furnished under the Electricity Regulations. However, the Board advises applicants for electricity export permits that it no longer requires the information in subsection 9(n) and 9(o) of the Electricity Regulations and Appendix III of the MOG to be submitted.

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<sup>1</sup> [https://www.neb-one.gc.ca/ll-eng/livelink.exe/fetch/2000/90463/260967/260818/A0H2L7\\_-\\_Update\\_of\\_Electricity\\_Memorandum\\_of\\_Guidance.pdf?nodeid=260709&vernum=0](https://www.neb-one.gc.ca/ll-eng/livelink.exe/fetch/2000/90463/260967/260818/A0H2L7_-_Update_of_Electricity_Memorandum_of_Guidance.pdf?nodeid=260709&vernum=0)

<sup>2</sup> Sections 81 and 94-96 (Division 2 of Part 3).

<sup>3</sup> There are currently no considerations specified in the Electricity Regulations, either for permits or licences.

<sup>4</sup> <http://laws-lois.justice.gc.ca/eng/regulations/SOR-97-130/FullText.html>

<sup>5</sup> Subsections 119.06(2) and 119.08(2).

<sup>6</sup> Subsection 119.06(2)(b).


In addition, the Board will no longer place conditions<sup>7</sup> on any electricity permits concerning requirements related to the protection and restoration of the environment.

Finally, applicants are still required to publish a Notice of Application/Directions on Procedure (NOA/DOP). Appendix I (a) of the MOG contains an example to be published for electricity exports (other than border accommodations). This example is no longer valid. The Board has attached a new Appendix I (a) containing a NOA/DOP template incorporating the changes mentioned above.

Should there be any questions with respect to this update to the MOG, please contact Ingrid Ektvedt, Market Analyst at 403-299-3518 or Karen Morton, Energy Trade Team Leader at (403-403-299-2755 or toll-free 1-800-899-1265.

Yours truly,



 Sheri Young  
Secretary of the Board

Attachment: 11 July 2012 Revised Appendix I (a) to MOG

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<sup>7</sup>Pursuant to section 10(k) of the Electricity Regulations.

Example of Notice to be Published for Electricity Exports

**Notice of Application and Directions on Procedure  
Alpha Electric Application to Export Electricity to the  
Omega Power Authority of the United States**

By an application dated (insert date), Alpha Electric (the Applicant) has applied to the National Energy Board under Division II of Part VI of the *National Energy Board Act* for authorization to export 500 megawatts of firm power and 2 000 gigawatt-hours per year of firm energy for a period of 5 years commencing on (insert date). This export would be in accordance with the terms of the firm power and energy contract between Alpha Electric and the Omega Power Authority executed on (insert date).

The Board wishes to obtain the views of interested parties on this application before issuing a permit or recommending to the Governor in Council that the application be designated for a licensing procedure. The Directions on Procedure that follow explain in detail the procedure that will be used.

1. The Applicant shall deposit and keep on file, for public inspection during normal business hours, copies of the application at its offices located at (the Applicant's address/and include other communication numbers) and provide a copy of the application to any person who requests a copy. A copy of the application is also available for viewing during normal business hours in the Board's library, Room 1002, 444 Seventh Avenue SW, Calgary, Alberta, T2P 0X8 or online at [www.neb-one.gc.ca](http://www.neb-one.gc.ca).
2. Submissions that any party wishes to present shall be filed with the Secretary of the Board, 444 Seventh Avenue SW, Calgary, Alberta, T2P 0X8, facsimile: 403-292-5503, and served on the Applicant by (insert a date 30 days after the date of publication of this notice.)
3. Pursuant to Section 119.06(2) of the Act, the Board shall have regard to and is interested in the views of submitters on:
  - (a) the effect of the exportation of the electricity on provinces other than that from which the electricity is to be exported; and

(b) whether the Applicant has:

- (i) informed those who have declared an interest in buying electricity for consumption in Canada of the quantities and classes of service available for sale, and
- (ii) given an opportunity to purchase electricity on terms and conditions as favourable as the terms and conditions specified in the application to those who, within a reasonable time of being so informed, demonstrate an intention to buy electricity for consumption in Canada.

- 4. Any answer to submissions that the Applicant wishes to present in response to items 2 and 3 of this Notice of Application and Directions on Procedure shall be filed with the Secretary of the Board and served on the party that filed the submission by (insert a date 15 days after the date in number 2 above).
- 5. For further information on the procedures governing the Board's examination, contact the Secretary of the Board at 403-292-4800, facsimile: 403-292-5503.

Sheri Young  
Secretary of the Board