

## Bulletin 2021- 08

April 28, 2021

### **Measuring regulatory burden – industry impact assessment**

The Alberta Utilities Commission published its [AUC 2021-2024 Strategic Plan](#) on April 26, 2021. The plan outlines three areas in which the Commission will focus its energies and resources: efficiency and limiting regulatory burden, facilitating change in the sector, and people. The plan also requires the Commission to produce an annual report card describing the progress it has made in meeting the objectives associated with each strategic plan theme. A key part of the annual report card is assessing the impact on industry and stakeholders which includes reporting cost benefits of recent efforts to reduce red tape and regulatory burden. Today we invite stakeholders to let us know what benefits and cost savings they have experienced.

Increasing efficiency and reducing regulatory burden is critically important and has been a longstanding commitment of the Commission. Recently the organization has recommitted efforts to transform its application procedures to become more efficient and improve performance standards. This strategy was developed in part by the views and submissions made by stakeholders in round tables held in the fall of 2019 and by the Commission's ambition of being one of the fastest and most effective regulators in North America. The Commission's efficiency agenda has also been furthered by its implementation of all but one of the 30 recommendations contained in the [AUC Process and Procedures Review Committee Report](#).

Not only is reducing regulatory lag and burden a priority for industry and the Commission, it is also a fundamental policy goal of the provincial government. Reduction of red tape legislation directs the Commission to reduce the requirements found in its 33 rules by one-third by 2023. The Commission and other administrative agencies are also mandated to reduce regulatory lag. The Commission reports monthly to the government on the status of rule reductions, adjudicative efficiencies and the cost and time savings associated with both and have made significant progress in reaching our red tape reduction targets.

Reducing regulatory burden will result in both cost and time savings and other benefits for stakeholders and the Commission. Last year the Commission attempted to quantify the benefits that we experienced as a result of the various initiatives taken to reduce regulatory burden and lag. Although our initial assessment was focused on our own internal direct costs, as a next step we are soliciting cost savings realized by utilities as a result of our efficiency improvements through the AUC Industry Impact Assessment tool.

In our view, the companies we regulate are the best source of information of both how our rules and processes impose regulatory burden and the resulting benefits of reducing process and regulatory requirements. Our goal is to evaluate the cost benefits and effectiveness of our burden reduction initiatives and to track continuous improvement through future business cycles. The industry impact assessment will form part of the AUC Annual Report Card.

Attached to this bulletin as Appendix A is an outline describing how the assessment tool works for the Commission. While we recognize that many of the resulting benefits arising from burden reduction efforts are not easily expressed in dollars, calculating cost savings is possible where, for example, a clear requirement has been eliminated or reduced and the activities and time involved to comply with that requirement or process are reasonably identifiable. We invite you to use the approach in assessing your own cost savings that have resulted from efficiency gains described in the appendix.

Please submit your industry impact assessment to AUC Executive Assistant Holly Lee at [holly.lee@auc.ab.ca](mailto:holly.lee@auc.ab.ca) by May 19, 2021.

If you have questions about the appendix, please contact AUC General Counsel Douglas A. Larder, QC at [doug.larder@auc.ab.ca](mailto:doug.larder@auc.ab.ca) or 403-592-4520.

Alberta Utilities Commission

## Appendix A

The details of our approach to assessing the impacts of our initiatives – in particular how we monetized the internal benefits of improved processing times – involves estimating a daily internal employee standard cost to process simple, average and complex application types. The daily average cost is applied to the days saved when compared against historical processing times. Quantification can be complex. Our work below presents estimates and are expected to have a plausible margin of error associated with them.

Efficiency Category	No. of Proceedings	Total days saved	Improved approval time	AUC Internal Savings
<b>Assertive Case Management</b> – exercising greater control over scope, interlocutory matters and hearing processes; consolidating multiple applications into one proceeding; and increased use of technical meetings including rulings on relevance of questions, responsiveness and need for undertakings, and early identification of intervenors.	420	8569	38%	\$1,528,949
<b>Application Streamlining</b> – use of delegations, addressing agency duplication, trusted traveller concept, expediting compliance filings.	181	1427.5	37%	\$575,538
<b>Settlements</b> – increased use of negotiated settlements and introduction of mediated settlements.	1	315	63%	\$46,355
<b>Business System Improvements</b> - The AUC upgraded the eFiling regulatory system to allow for the management of confidential filings within eFiling.				\$154,000
<b>Other</b> – red tape reduction of rules and other regulatory requirements <ul style="list-style-type: none"> <li>• Rules 002 &amp; 003 – reduced reporting frequencies and elimination of customer survey requirement.</li> <li>• Rule 005 – eliminated reporting schedules and requirements.</li> <li>• Rules 021 &amp; 028 - Removed an obsolete error correction process requirement from both rules; removed infrequently used transaction requirements from both rules; and clarified the time frequency of requirements for meter data managers in Rule 021.</li> <li>• Elimination of TACDA applications.</li> <li>• Elimination of future Balancing Pool proceedings.</li> <li>• Elimination of construction progress reports for approved power plants.</li> </ul>				\$35,612