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Bill S-3, An Act to Amend the Electricity and Gas Inspection Act

Electricity Canada's Submission to the Senate Standing Committee on
Banking, Commerce and the Economy (BANC)

January 2026

Introduction

Electricity Canada appreciates the opportunity to provide comments to the Senate on Bill S-3, which proposes to modernize the Electricity and Gas Inspection Act (EGIA).

Electricity Canada is the national voice of Canada's electricity sector. Our members generate, transmit, distribute, and market electricity to residential, commercial, industrial, and institutional customers in every province and territory. Members include vertically integrated utilities, transmission and distribution companies, independent power producers, system operators, and emerging service providers supporting electrification, EV charging, and grid modernization.

Electricity Canada supports the overall objective of Bill S-3 to modernize Canada's measurement framework. With the urgent need to modernize Canada's electricity grids, we need a regulatory environment that enables investment. This means ensuring that the government properly modernizes Canada's measurement framework. However, as currently drafted, the Bill raises several concerns that could unintentionally increase regulatory uncertainty, expand federal oversight beyond measurement accuracy, and slow the deployment of innovative electricity technologies.

This submission outlines two targeted legislative refinements that would strengthen Bill S-3 while preserving consumer protection, jurisdictional clarity, and innovation.

Summary of Recommendations

Electricity Canada recommends that the Senate consider amendments to:

1. Refine the definition of "meter" to prevent regulatory overreach into software, IT systems, and components not integral to measurement accuracy.
2. Modernize the Legal Units of Measurement (LUM) framework to allow flexibility for future technologies through legislative review and regulation.

Issue 1: Scope of EGIA and Definition of “Meter”

Issue

Bill S-3 expands the definition of “meter” to include software and any part of an apparatus, without clearly distinguishing between components that are integral to measurement accuracy and those that are not.

As a result, Measurement Canada could unintentionally regulate systems that:

- do not perform measurement functions, and
- cannot affect legally relevant metrology results.

This includes head-end systems, meter data management systems, billing platforms, cloud infrastructure, and other IT systems that receive or process data after measurement has already occurred.

Why This Matters

- Extending EGIA oversight beyond the metrology point would increase costs without improving consumer protection.
- Utilities and vendors could face new compliance obligations for systems unrelated to measurement accuracy.
- Regulatory overreach risks slowing grid modernization, EV charging deployment, and digital innovation.

Proposed Legislative Clarification

Electricity Canada recommends refining the definition of “meter” to focus on the measurement function itself:

Current amendment language in Bill S-3

Section 2(1) – Definitions

meter means an electricity or gas meter and includes any apparatus used for the purpose of making measurements of, or obtaining the basis of a charge for, electricity or gas supplied to a purchaser, or any part of such an apparatus.

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Electricity Canada's proposed amendment

Section 2(1) – Definitions

meter means an electricity or gas meter and includes any apparatus used for the purpose of making measurements of, or obtaining the charge for, electricity or gas supplied to a purchaser, but does not include any portion of the meter or apparatus that is not integral to the measurement system and/or that could not affect legally relevant metrology results.

This clarification would preserve Measurement Canada's authority over measurement accuracy while preventing unintended expansion into unrelated systems. This amendment will prevent unnecessarily increasing compliance costs to electricity operators and ratepayers without improvements in customer protection.

Issue 2: Legal Units of Measurement (LUMs)

Issue

Section 3 of the EGIA prescribes a limited set of legal units of measurement for electricity sales. While section 28.1 allows the Minister to prescribe additional LUMs by regulation, those regulations expire after three years.

This approach creates uncertainty and does not provide a durable pathway for modern measurement practices as technologies evolve.

Electricity Canada is not advocating for the immediate introduction of new legal units of measurement. Rather, we are seeking a durable, transparent framework that can accommodate future developments when they arise, on timelines aligned with utility infrastructure and regulatory processes.

Why This Matters

New business models and technologies may require alternative or calculated measurement approaches over time.

Electricity investments, metering infrastructure, and billing systems operate on multi-decade timelines. Temporary authorization periods are incompatible with real-world utility operations, including meter lifecycles that span decades, multi-year AMI deployments, billing system changes, and tariff approval processes. Short-term regulatory authority increases the risk of stranded assets and inefficient cost recovery.

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Frequent or temporary changes to measurement frameworks also increase billing complexity, dispute risk, and customer confusion, undermining confidence in the system without delivering corresponding consumer benefits.

Given these impacts, Parliament should retain oversight of substantive changes to legal units of measurement.

Proposed Legislative Approach

Electricity Canada recommends a structured review mechanism that allows LUMs to evolve while preserving Parliamentary oversight:

Current language in the *Electricity and Gas Inspection Act (EGIA)*

Section 28.1 – Ministerial Regulations

- 1) *Despite anything in the Weights and Measures Act, the Minister may make regulations prescribing units of measurement for electricity and gas sales in addition to the units specified in section 3.*
- 2) *A regulation made under subsection (1) ceases to have effect on the earliest of:*
 - a) *the day on which a regulation made under paragraph 28(1)(b) that has the same effect comes into force;*
 - b) *the third anniversary of the day on which the regulation comes into force; or*
 - c) *the day on which it is repealed.*

Electricity Canada's proposed amendment to the *Electricity and Gas Inspection Act*

Section 28.1 – Ministerial Regulations

- 3) *Despite anything in the Weights and Measures Act, the Minister may make regulations prescribing units of measurement for electricity and gas sales in addition to the units specified in section 3.*
- 4) *A regulation made under subsection (1) ceases to have effect on the earliest of:*
 - d) *the day on which a regulation made under paragraph 28(1)(b) that has the same effect comes into force;*
 - e) *the third anniversary of the day on which the regulation comes into force; or*
 - f) *the day on which it is repealed.*

- 5) Within three years after this provision comes into force, the Minister shall, after consultation with appropriate parties, prepare a report on whether section 3 should be amended to include additional units of measurement and table the report before Parliament.

This approach balances flexibility, accountability, and long-term certainty. The electricity environment is continuously changing, and our sector needs predictable venues to amend the legislation to ensure it fits technological, societal, and economic changes.

Conclusion

Bill S-3 represents a meaningful step toward modernizing Canada's measurement framework. With a small number of targeted legislative refinements, the Bill can better support innovation, reduce uncertainty, and ensure that Measurement Canada's role remains focused on measurement accuracy.

These recommendations reflect the operational experience of electricity utilities across Canada and are intended to ensure that modernization of the EGIA supports investment certainty, consumer protection, and long-term system reliability.

Electricity Canada appreciates the Senate's consideration of these recommendations and looks forward to continued collaboration with Parliament, Innovation, Science and Economic Development Canada, and Measurement Canada.

Questions or follow-up:

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