



Backgrounder: AUC pause and inquiry

The rapid growth and development of renewable electricity in Alberta has created issues relating to land use, electricity system reliability and concerns from rural municipalities and landowners. A pause in new project approvals provides an opportunity for an inquiry by the Alberta Utilities Commission (AUC) to examine these critical issues.

Scope of the pause and inquiry

Under Section 75(1)(a) of the *Alberta Utilities Commission Act*, the Alberta government has directed the AUC to pause approvals of new renewable electricity projects (power plants as defined in the *Renewable Electricity Act*) over one megawatt for a period beginning Aug. 3, 2023, and ending Feb. 29, 2024. Without a pause in approvals, the AUC would continue to receive and be obligated to review a high number of renewable project applications, putting further strain on the issues identified.

Microgeneration, projects under one megawatt and isolated generation projects are exempted from the pause as they are not expected to affect the work of assessing impacts on agricultural and other significant land. An isolated generating unit is a power plant that serves an isolated community, i.e., a community not served by the transmission system.

In conducting the inquiry, the AUC will hear from interested parties to make findings, provide observations or options for government to consider based on its analysis of the input received during the inquiry, and submit these to the Minister of Affordability and Utilities no later than March 29, 2024.

The inquiry will inform government policy decisions around the ongoing economic, orderly and efficient development of electricity generation in Alberta and look at issues, including:

- Development of power plants on specific types or classes of agricultural or environmental land.
- The impact of power plant development on Alberta's pristine views.
- Mandatory reclamation security requirements for power plants.
- Development of power plants on lands held by the Crown.
- The impact of the increasing growth of renewables on Alberta's generation supply mix and electricity system reliability.

Why the AUC is conducting the inquiry

The AUC is an independent, quasi-judicial agency that is responsible for the approval of Alberta's electricity generation projects and has expertise in conducting reviews into policy and project development. Currently, project developers are required to submit an application to the AUC, which then reviews the social, economic and environmental impacts of each proposed facility to determine if it is in the public interest.

Having the AUC conduct the inquiry allows for an independent body to review and identify criteria for a reasonable, robust regulatory framework that is efficient and predictable while being protective of the long-term public interest of all Albertans.

Issues raised by Albertans

Farmers and members of the public have raised concerns about the need to ensure projects are adequately decommissioned at the end of their lifespan, including rehabilitation and soil reclamation.

Rural municipalities have been advocating since 2018 for government action around renewable electricity development on the issues of reclamation and agricultural land.

The Alberta Electric System Operator (AESO) 2023 Reliability Requirements roadmap has also noted reliability concerns due to rapid transformation from coal and the increase of renewables and a transitioning generation supply mix.

In addition, renewable developers have expressed interest in more opportunities on Crown land, where this development is currently prohibited. In Alberta, all utility-scale renewable generation projects are currently permitted only on private land, which means projects such as wind and solar farms are commercially developed and can only advance with the permission of the private landowner.

Renewable electricity development in Alberta

There are 3,400 megawatts of wind and solar projects currently under construction, worth an estimated value of more than \$2.7 billion (as of May 2023, per data provided by the AESO and Alberta Major Projects).