

Backgrounder: Alberta's Renewables inquiry and the related pause

Alberta's government is setting a clear and responsible path forward for renewable project development to ensure our electricity grid is reliable, affordable, and sustainable.

Based on the Alberta Utilities Commission (AUC)'s inquiry, Alberta is working on five policy and regulatory changes to clarify the rules for renewable energy development:

- Taking an agriculture first approach to protect prime agricultural land from development unless the proponent can demonstrate the ability for both crops and/or livestock to co-exist with the renewable generation project.
- Standardizing developer responsibility for reclamation costs via bond or security.
- Establishing 35 km buffer zones around protected areas and pristine viewscapes.
- Conducting meaningful engagement on the possibility of renewable development on Crown lands.
- Developing changes to Alberta's transmission regulation.

The intended outcome is to support continued responsible renewable energy development, while ensuring responsible land use, protecting the environment and Albertans' property rights, and providing long-term investor confidence.

AUC inquiry and its reports to government

The AUC inquiry into renewable electricity generation was separated into two modules, Module A, which examined land issues and Module B, which looked at the impact of renewables on the supply mix and system reliability.

- The Module A report has been submitted to the Minister of Affordability and Utilities and Module B is due to the Minister by the end of March 2024.
- Once the government has received and examined the Module B report, we will be able to provide greater clarity on the topics of generation supply mix and electricity system reliability.

The AUC conducted rigorous consultations between August and December of 2023, including three open houses, over 600 pages of written feedback, and oral submissions.

More information about the inquiry and reports is available [here](#) on the AUC's website.

AUC approvals and policy changes

The new policies will only be applied to renewable project approvals going forward – not retroactively to existing projects. That is why government directed the AUC to briefly pause project approvals, ensuring certainty and consistency.

During the pause, the AUC introduced new, interim requirements relating to agricultural land, viewscapes, reclamation security, and land use planning as part of the regulatory review process of new power plant applications. Applications are now required to satisfy existing requirements (as outlined in [AUC Rule 007](#)), as well as the new additional interim requirements until further notice.

Applicants will be able to amend applications they have previously made to abide by the new rules. The AUC is expected to provide greater clarity and direction on project revisions starting March 1, 2024.

Agriculture first approach

The government will bring forward the necessary policy and regulatory tools to direct the AUC to take an agriculture first approach when making decisions around the best use of agricultural lands proposed for renewables development.

- Alberta will no longer permit renewable generation developments on Class 1 and 2 lands, unless the proponent can demonstrate the ability for both crops and/or livestock to co-exist with the renewable generation project.
- Alberta's government will establish the tools necessary to ensure Alberta's native grasslands, irrigable and productive lands continue to be available for agricultural production.
- As defined in the AUC's Module A report, the classification of agricultural land is determined by the Land Suitability Rating System (LSRS) which can be viewed [here](#).

Reclamation security

Appropriate security amounts and standards will be determined by the Ministry of Environment and Protected Areas in consultation with the Ministry of Affordability and Utilities by the end of 2024.

- These new requirements will apply to all approvals issued by the AUC on or after March 1, 2024.

Pristine Viewscapes

Buffer zones of a minimum of 35 km will be established around protected areas and other pristine viewscapes as designated by the province.

- New wind projects will no longer be permitted within those buffer zones.
- Other proposed developments located within the buffer zone may be subject a visual impact assessment before approval.
- The AUC will be required to complete site visits for proposed renewable projects.
- As part of the changes to protect pristine viewscapes, the AUC will also conduct hearings to determine appropriate setbacks of renewable infrastructure from neighbouring residences.

Crown Lands

Given the considerable competing interests surrounding Alberta's valuable Crown land resources, meaningful public engagement is required before any changes to Crown land access can be implemented. These changes would not come into effect until late 2025.

Any development of renewable generation on Crown lands will be on a case-by-case basis.

Transmission regulation changes

Changes to Alberta's Transmission Regulation are expected in the coming months as the engagement process continues. Renewable projects should expect changes in how transmission costs are allocated.

Municipal participation in AUC hearings

In addition to the work by Alberta's government on policy and regulatory changes to clarify the rules for renewable energy development, the AUC has committed to:

- Automatically grant municipalities the right to participate in AUC hearings.
- Expanding eligibility for cost recovery to municipalities to reduce barriers for participation in circumstances where they intend to file expert evidence or arguments that will assist the AUC.
- Allow municipalities to review rules related to municipal submission requirements while clarifying consultation requirements.