

Alberta government directs utilities commission to suspend approvals of renewable energy projects

August 04, 2023

Background events

The significant recent growth in Alberta's renewable energy sector has driven a historically high volume of applications to the Alberta Utilities Commission (the AUC) and has caused apprehension among some stakeholders regarding responsible land use and the rapid pace of renewables development. In response to concerns raised by the AUC, landowners, and municipalities,¹ on August 3, 2023, the Alberta Government ordered the AUC to pause approvals of renewable energy projects larger than 1 MW until February 29, 2024² and to conduct an inquiry into "the ongoing economic, orderly and efficient development and operation, in the public interest, of electricity generation in Alberta".³

The approval pause

The pause applies to applications for power plants larger than 1 MW (other than isolated generating units) that produce electricity from renewable sources including solar, wind, hydro power, biomass, and geothermal energy. It does not apply to microgeneration projects such as rooftop solar, or to amendments or time extensions for existing project approvals.⁴

The AUC has requested submissions from interested parties on how it should implement the pause in respect of new and existing applications.⁵ It has asked for comments by August 18, 2023, on the following three options, although it has stated it may consider others:

- a **complete abeyance**, where the AUC will not be accepting new applications during the pause period and all existing applications will proceed no further until after the pause;
- a **partial abeyance**, where the AUC will not accept new applications during the pause period. For all applications with an incomplete record, applicants will be allowed to update them to the point where written evidence is complete; or

- an **approval hold only** , where the AUC continues to process new applications fully but withholding approval until after the pause period.⁶

The AUC inquiry

While the pause is in effect, the AUC is to conduct its inquiry. The terms of reference provided to the AUC require it to inquire into and report on the following matters, with input from interested parties:⁷

- Considerations on development of power plants on specific types or classes of agricultural or environmental land.
- Considerations of the impact of power plant development on Alberta’s pristine viewscapes.
- Considerations of implementing mandatory reclamation security requirements for power plants.
- Considerations for development of power plants on lands held by the Crown in Right of Alberta.
- Considerations of the impact the increasing growth of renewables has to both generation supply mix and electricity system reliability.

In its press release, the Government stated the inquiry will include “reviewing the use of agricultural land and public land for wind and solar projects, land reclamation and the role of municipal governments in land selection for project development and review”, in order to inform government policy decisions.⁸ The AUC must submit its report to the Minister of Affordability and Utilities by March 29, 2024.

Key actions

Current applicants for renewable energy projects, proponents who may wish to apply during the next six months, or other interested parties are recommended to provide their submissions to the AUC on the implementation of the pause before the August 18, 2023 deadline.

All interested parties should also be aware of the potential for the AUC inquiry to result in changes to Government policy or regulatory processes, and may wish to consider participating in the inquiry to the extent the AUC’s process allows.

Conclusion

The Government has temporarily hit the brakes on renewable energy development in Alberta while it considers the adequacy of its policies and procedures. The six-month pause is likely to be inconvenient for many stakeholders, but provides an opportunity for interested parties to consider and provide their perspective on the future of renewables development in Alberta.

For more information on the pause and the AUC inquiry and how they may impact you, please reach out to any of our key contacts listed below.

¹ Alberta Government, “[Creating certainty for renewable projects](#)” online: Alberta.ca.

² Order in Council 172/2023.

³ Order in Council 171/2023.

⁴ Order in Council 172/2023.

⁵ Alberta Utilities Commission, "[Announcement August 3](#)" (August 3, 2023). Online: Alberta Utilities Commission.

⁶ *Ibid.*

⁷ Order in Council 171/2023.

⁸ Alberta Government, "[Creating certainty for renewable projects](#)" online: Alberta.ca.

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