

Bulletin 2024-08

May 2, 2024

AUC consultation on Rule 007 and enhanced interim information requirements

The AUC is conducting a review of [Rule 007: Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#) and is initiating a series of consultations on specific topics.

This review is driven by a number of factors: Affordability and Utilities Minister Nathan Neudorf's [letter to the AUC](#) containing various policy announcements, the commitments the AUC shared through its [report for Module A](#) of its inquiry into the ongoing economic, orderly and efficient development of electricity generation in Alberta, and areas identified for improvement due to technology and market changes since the last Rule 007 review.

As this review considers many topics, the AUC is running multiple streams of consultation which are described further below.

Enhanced interim information requirements

In September 2023, the AUC issued [interim information requirements](#) for new power plant applications, including wind, solar, thermal, hydroelectric and other power plants. The interim requirements are related to agricultural land, viewscales, reclamation security and municipal land use. Through Module A of the inquiry, the AUC heard from stakeholders on these topics, among others. The AUC has considered its interim Rule 007 information requirements in light these comments and the guidance from the government of Alberta in Minister Neudorf's letter. The initial requirements have proven useful, and the AUC will continue to require that information, with the following additional information to be provided on reclamation security:

- A report prepared by a third party estimating the costs of reclaiming the proposed project. The report must include the estimated salvage value of project components.
- An explanation of why the chosen form of security was selected, having regard to its attributes and priority in bankruptcy, including how the secured party would be able to realize on the reclamation security should the project owner and operator be in default.

All new power plant and energy storage facility applications filed on or after May 2, 2024, must satisfy existing Rule 007 requirements and these enhanced interim information requirements. Energy storage facility applications must also satisfy both Rule 007 and interim information requirements. For checklist applications, at this time the AUC will consider on a case-by-case basis whether these interim information requirements must be satisfied, given the size and

attributes of the proposed project. The AUC will consider its checklist requirements as part of its internal review process. The complete updated list of interim information requirements is appended below.

Oral consultation

Oral consultation will be held according to the details set out in the table below.

Date, time and format	Topics
<p>Wednesday, May 29, 2024, 1 to 4 p.m.</p> <p>In-person at the AUC’s Calgary office with virtual option available</p>	<p>Power plant applications</p> <ul style="list-style-type: none"> • Approval renewal requirements (including time limits). • Approval transfers. • Agricultural land. • Land classification. <p>Renewable power plant applications</p> <ul style="list-style-type: none"> • Appropriate setbacks from residences and other important infrastructure.
<p>Monday, June 3, 2024, 1 to 4 p.m.</p> <p>In-person at the AUC’s Calgary office with virtual option available</p>	<p>Energy storage facilities</p> <p>Power plant applications</p> <ul style="list-style-type: none"> • Reclamation security.
<p>Tuesday, June 4, 2024, 1 to 4 p.m.</p> <p>Virtual</p>	<p>Municipal-focused issues</p> <ul style="list-style-type: none"> • Land-use, including agricultural use and setback requirements. • By-laws on reclamation plans or security requirements. • Other concerns from municipalities.

Further details including questions for discussion will be sent to registered participants in advance of each session.

To register for one or more of the oral consultation sessions please email laura.johnson@auc.ab.ca by May 15, 2024.

Written consultation

The AUC has established a written process to gather input and feedback on the following topics:

- Methodology for visual impact assessments.
- Draft municipal engagement form.
- Appropriate value for field of view in glare assessment for solar power plant applications.

The written consultation will be hosted on [AUC Engage](#), found through the AUC website. **The deadline for submissions is September 3, 2024.**

Next steps

The AUC intends to hire an external expert to propose a methodology for visual impact assessment with the work to be completed in summer 2024. The AUC will consider its expert's proposed methodology, along with any alternate methodologies or comments submitted by external parties through the written process (due September 3, 2024).

The AUC's review is not limited to the topics identified in this bulletin. The AUC will accept feedback on and consider other aspects of Rule 007 as part of this review, including comments on any ambiguities, requested clarifications, or opportunities for increased efficiency. Each oral consultation session will allow time for this broader feedback, and it can also be submitted in writing via the Engage page.

After the above topics have been considered, the AUC will prepare a blackline version of Rule 007 and will post it on its AUC Engage page for written feedback.

Any questions related to this bulletin may be directed to Laura Johnson at laura.johnson@auc.ab.ca.

Alberta Utilities Commission

Appendix

Interim information requirements

Applicants for new power plant applications (applications that are filed on or after May 2, 2024), including wind, solar, thermal, hydroelectric and other power plants and new energy storage facility applications, will be required to satisfy the existing information requirements in Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines*, as well as the additional interim information requirements below.

Agricultural land

1. Using the current version of the Agricultural Regions of Alberta Soil Inventory Database (AGRASID), please describe the agricultural capability of soils intersecting the project footprint as provided in the spring-seeded small grains (“SSSGRAIN”) attribute of the Land Suitability Rating System (“LandSuitabilityRatings”) table. SSSGRAIN provides the Land Suitability Rating System (LSRS) classification for spring-seeded small grains for the related AGRASID soil polygons. Provide a table showing the amount of area for each LSRS class impacted by the project in hectares (e.g. 2.01 hectares of Class 2A).
2. From the Agricultural Regions of Alberta Soil Inventory Database (AGRASID), please describe all soil series within the project area and report all potential material impacts to:
 - Soil quality (i.e. compaction, rutting, salinity, sodicity, fertility, contamination, clubroot).
 - Soil quantity (i.e. wind erosion, water erosion).
 - Hydrology (i.e. topography, soil drainage, depth to groundwater).

Describe how these material impacts to soil quality, quantity and hydrology will be adequately mitigated during construction, operation and reclamation.

3. Describe all earthworks (e.g., stripping and grading) planned for the project, including the following information:
 - Methodology to anchor structures (e.g. screw piles, concrete footings, etc.).
 - The extent of stripping and grading, with an estimate of the area of agricultural land impacted.
 - Description of how these activities have been reduced in both extent and intensity (as practical) to protect the quality, quantity and hydrology of impacted soils.
 - Description of how and where stripped soils will be stockpiled and what steps will be taken to preserve the quality and quantity of stockpiled soils prior to replacement on site.
 - Description of how soils will be replaced on site to preserve the quality, quantity and hydrology of the disturbed soils.

4. Describe the potential for co-locating agricultural activities (e.g. grazing, haying, crops, apiculture) into the project design. If co-locating agricultural activities is not feasible, please explain why.
5. List the qualifications of the agrologist(s) who prepared or reviewed the responses regarding agricultural land.

Municipal land use

1. Confirm whether the proposed power plant complies with the applicable municipal planning documents including municipal development plans, area structure plans, land use by-laws and other municipal by-laws.
2. Identify any instances where the proposed power plant does not comply with applicable municipal planning documents and provide a justification for any non-compliance.
3. Describe how the applicant engaged with potentially affected municipalities to modify the proposed power plant or to mitigate any of its potential adverse impacts to the municipality, prior to filing the application.

Viewscapes

List and describe valued viewscapes (including national parks, provincial parks, culturally significant areas, and areas used for recreation and tourism) on which the project will be imposed. Describe mitigation measures available to minimize impacts from the project on these viewscapes.

Reclamation security

Describe the reclamation security program for the proposed power plant, including details on:

- The standard to which the project site will be reclaimed to upon decommissioning.
- How the amount of the reclamation security will be calculated.
- The frequency with which the reclamation security amount will be updated or re-assessed.
- When the reclamation security will be in place to be drawn upon, if needed.
- What form the reclamation security will take (e.g., letter of credit, surety bond, other).
- The security beneficiaries to whom the reclamation security will be committed.
- How the beneficiary can access the security and any constraints on such access.
- A report prepared by a third party estimating the costs of reclaiming the proposed project. The report must include the estimated salvage value of project components.
- An explanation of why the chosen form of security was selected, having regard to its attributes and priority in bankruptcy, including how the secured party would be able to realize on the reclamation security should the project owner and operator be in default.