

## Bulletin 2019-10

June 27, 2019

### **AUC Rule 007 - Initiation of a review and stakeholder consultation process**

The Alberta Utilities Commission regulates electric facilities to ensure they are sited, constructed, altered, operated and decommissioned in a safe and environmentally responsible manner. The Commission regularly assesses its regulations, rules and processes to identify innovative and efficient regulatory solutions for Alberta. It also develops regulatory requirements for emerging technologies and rising issues.

The Commission is initiating a review of AUC Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations and Hydro Developments*. The goal of the review is to update and streamline existing requirements to make the application process more efficient for applicants, interveners and the AUC.

As a part of this review, stakeholder comments are sought on the following issues:

#### Regulatory efficiency

##### **(1) Indigenous consultation**

The Commission is reviewing its processes and procedures to ensure that the application requirements for consultation with First Nations and Métis are clear. Applicants are required under Rule 007 to file a participant involvement program to ensure that all parties, including First Nations and Métis, whose rights may be directly and adversely affected by a proposed development, are informed of the application and have an opportunity to voice their concerns so that those concerns may be properly addressed and if possible, resolved.

While Rule 007 is inclusive of Indigenous groups, the Commission is considering revisions to the rule to explicitly reference First Nations and Métis, and to provide more clarity on the application requirements, including the identification of potential adverse impacts to Aboriginal and treaty rights. Updating Rule 007 will ensure that the requirements for consultation are clear and that Indigenous groups understand when and where they can raise their concerns about projects regulated by the AUC.

##### **(2) End-of-life management for power plants**

Alberta Environment and Parks recently released the *Conservation and Reclamation Directive for Renewable Energy Operations (C&R Directive)* found at:

<https://open.alberta.ca/publications/9781460141359>.

The *C&R Directive* describes conservation and reclamation planning and reclamation certificate requirements for renewable energy power plants, including power generated from wind and solar. The Commission intends to align Rule 007 with the *C&R Directive* requirements to remediate and reclaim the project site.

The Commission is also seeking stakeholder comments on potential information requirements addressing how an applicant intends to meet the decommissioning and reclamation liabilities for its project at end of life. Specifically, it is seeking stakeholder comments on whether such information should be required, and if so, the level of detail that must be included as part of an application.

**(3) Emergency response plan**

Rule 007 currently includes no specific information requirements pertaining to emergency response plans for power plants. The issue of emergency response plans has been raised in a number of recent proceedings. The Commission is seeking stakeholder feedback on the scope of emergency response information that must be included in applications for new power plants. The intent is to develop standard application information requirements that ensure fairness and consistency among all generation projects.

**(4) Time extension applications for power plants**

As of February 2019, there is approximately 7,000 megawatts of approved but not constructed generation in Alberta. The AUC has received 57 applications requesting a time extension to complete the construction of an approved power plant since 2016. Repeated time extensions may have implications for adjacent landowners and adjacent energy projects.

The Commission is considering whether to change its approach with respect to setting construction completion times and time extensions. Options the AUC is considering include:

- (a) A longer construction completion date on the initial power plant approval (three to five or more years) with no further time extensions available.
- (b) Limiting the number of time extension applications or the length of a time extension that an applicant could apply for on a project that has an existing approval.
- (c) Specific application requirements for time extensions that address the information that must be included, i.e., when updates to a noise impact assessment, participant involvement program, renewable energy report, etc. are required.

**(5) Notification and participant involvement program**

The current notification requirement for power plants equal to, or greater than, 10 megawatts is two kilometres. Notification for power plants less than 10 megawatts and in a rural area is 1.5 kilometres. Although this radius was initially developed for large thermal power plants, it has also been applied to wind and solar projects. The Commission is seeking stakeholder feedback on whether a single notification radius

should be applied to all power plants or whether notification radii should be adjusted depending on the type of generation proposed.

Currently there are no participant involvement program notification requirements for battery storage facilities. The Commission is seeking stakeholder feedback on notification radii for battery storage facilities.

### Emerging issues

#### **(6) Solar glint and glare assessment**

The Commission has received an increasing number of applications for solar energy power plants. Recent applications included third-party studies on solar glare and its potential impact upon dwellings and transportation routes surrounding the proposed solar energy project. In the absence of explicit rules on the topic, the Commission has assessed this evidence on a case-by-case basis. To streamline further applications and create transparency for applicants and other stakeholders, stakeholder feedback is sought on the scope of the solar glare information that should form part of applications for new solar projects. The Commission's goal is to standardize the assessment of solar glare for all projects and better understand possible mitigation options to ensure the proper and safe development of solar energy power plants in Alberta.

#### **(7) Shadow flicker**

Similar to solar energy power plants, the Commission has experienced an increasing number of applications for wind energy power plants. Most applications have included third-party studies on shadow flicker and its potential impact upon residential and non-residential buildings surrounding the proposed wind energy project. In the absence of explicit rules on the topic, the AUC has assessed this evidence on a case-by-case basis.

To streamline further applications and create transparency for applicants and other stakeholders, the Commission is seeking stakeholder feedback on the scope of shadow flicker information that should be included in applications for new wind projects. The Commission's goal is to standardize the assessment of shadow flicker for all projects and better understand possible mitigation options to ensure the proper and safe development of wind energy power plants in Alberta.

#### **(8) Review of buildable area concept for wind development**

Only two wind power plant projects have been processed and approved under the buildable area concept. Three other wind farm projects were originally filed as a Phase 1 buildable area application but were subsequently converted to a conventional wind power plant application by combining the Phase 1 application with the Phase 2 application. This appears to indicate that the buildable area concept has not worked as efficiently as intended. The AUC wishes to revisit the buildable area concept and seeks stakeholder feedback on its continued usefulness or whether further changes are required.

#### **(9) Battery storage**

Utility-scale battery storage projects are emerging in Alberta, both stand-alone and associated with renewable or conventional energy projects. Battery storage is unique in that depending on the application of the battery storage source, it can have characteristics

that are common with various types of assets, including generation, transmission, distribution and load.

In recent applications, battery storage proponents have proposed different interpretations of what their battery facility was designed for and the function it serves: a battery facility as a power plant, a component within a renewable energy project, or an amendment to an existing substation. Rule 007 has different information requirements with respect to the technical, environmental and social impacts of these different types of electric facilities.

The Commission is seeking to set out clear regulatory requirements in Rule 007 that are specific to battery storage projects. This may include some or all of the technical, environmental and social impacts related to other types of electric facilities and may also include requirements specific to a battery facility that are not currently contemplated in Rule 007, such as its physical characteristics, its operational attributes, and fire safety. Stakeholder feedback is sought on the scope and nature of Rule 007 information requirements for battery storage projects.

### **Rule 007 review process**

The Rule 007 review will proceed in two stages. The Commission will first review stakeholder feedback in response to this bulletin and draft potential rule changes on each of the specific issues identified above in subsequent bulletins, which will focus on one or more topics. At that time, the Commission will invite further stakeholder comments and suggestions on the proposed changes that are introduced in the bulletins.

In the second stage, the Commission will incorporate the feedback received for each of the specific issues and incorporate all of the changes into a complete blackline revision to Rule 007, which will be circulated to stakeholders for final review and comment. It is anticipated that the second stage of the review will be initiated in early 2020.

Stakeholders can use the [AUC Engage](#) consultation tool to provide general comments on any of the topics listed above. *Engage* can be accessed from the [AUC website](#) on the ribbon in the top-centre of the page. Open the “Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations and Hydro Developments*” page and click on “Register now” to participate in the consultation process. All general comments should be submitted by **August 13, 2019**.

If you have questions with respect to the Rule 007 review process or the topics outlined in this bulletin, please contact Wayne MacKenzie at 403-592-4420 or by email at [wayne.mackenzie@auc.ab.ca](mailto:wayne.mackenzie@auc.ab.ca), or Sophie Jiang at 403-592-4418 or by email at [sophie.jiang@auc.ab.ca](mailto:sophie.jiang@auc.ab.ca).

Robert D. Heggie  
Chief Executive