

Bulletin 2022-04

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Regulatory streamlining of all new power plants equal to or greater than one megawatt and less than 10 megawatts and exemption to file an application for own-use power plants eliminated

The Alberta Utilities Commission (AUC) regulates electric facilities to ensure they are sited, constructed, altered, operated and decommissioned in a safe and environmentally responsible manner. The AUC regularly assesses its rules and processes to promote efficiency and accommodate the evolution of the electric industry.

As set out in [Bulletin 2014-11: Power plant exemptions - Elimination of application requirements for power plants with a capability of less than 10 megawatts that are generating electric energy solely for the use of the owner](#) and [Rule 007: Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#), owners of power plants with a capability of one megawatt or greater and less than 10 megawatts that are generating electric energy solely for the owner's own use can proceed without filing an application with the AUC, if all of the following criteria are satisfied:

- No person is directly and adversely affected.
- The power plant complies with [Rule 012: Noise Control](#).
- There is no effect on the environment.
- If the unit is connected to the distribution or transmission system, the owner must contact the wire owner to determine if adequate protection has been installed to isolate the unit from the wire owner's system or enter into an operating agreement with the wire owner.

Bulletin 2014-11 (and the associated changes to Rule 007 at that time) were issued to streamline the regulatory requirements for temporary, emergency and largely remote small power plants, where potential stakeholder and environmental impacts were unlikely to be an issue because of the siting of the proposed power plant. No exemption was available for power plants one megawatt or greater and less than 10 megawatts that were proposed to be connected to the Alberta Interconnected Electric System; an application for approval and a connection order were required.

Recently, the AUC has received a high number of inquiries about the exemption to file an application for own-use power plants that are one megawatt or greater and less than 10 megawatts. The AUC is also receiving an increasing number of applications for power plants that are one megawatt or greater and less than 10 megawatts to be connected to the Alberta Interconnected Electric System. In light of the increasing number and changing circumstances of these proposed power plants, the AUC is introducing a checklist application for

all power plants in this capability range to provide uniform regulatory requirements regardless of the intended use of the power plant. The checklist application will also provide the AUC with information about the type and quantity of generation one megawatt or greater and less than 10 megawatts that is being developed in the province.

In accordance with the discretion provided in Section 13 of the *Hydro and Electric Energy Act*, the previous exemption for own-use power plants will no longer be available, as of April 25, 2022. Rather, on a go-forward basis, owners proposing an own-use power plant one megawatt or greater and less than 10 megawatts must file a checklist application, provided the above criteria are met. In addition, owners proposing new, grid-connected power plants one megawatt or greater and less than 10 megawatts who were previously required to submit a full application under Rule 007 can, on a go-forward basis, provided the above criteria are met, submit a checklist application instead.

The new checklist application process for grid-connected power plants that are one megawatt or greater and less than 10 megawatts will significantly reduce the current regulatory timelines for these power plants. Previously, applicants for grid-connected power plants with these generation capabilities were required to file an application and include all supporting documents, such as environmental evaluations, participant involvement program summaries and noise impact assessments. Applicants can now apply using a standard checklist form of application. The information required in the new checklist application for all power plants in this capability range includes:

- The location and capability of the power plant.
- The type of power plant (e.g., thermal, wind, solar).
- Information about the project, including some technical considerations.
- Confirmation that the power plant:
 - Does not directly and adversely affect any person.
 - Complies with Rule 012: *Noise Control*.
 - Has no adverse effect on the environment.

The checklist application requires that owners affirm that the above-listed factors have been considered and properly satisfied prior to the commencement of construction and operation of the power plant. Applicants are not required to file supporting documents; however, applicants are expected to retain all records sufficient to demonstrate compliance with applicable legislation and AUC rules. The AUC will continue to ensure compliance with its requirements through an audit review process.

The AUC will review each checklist application received to assess whether it meets the eligibility criteria to be filed as a checklist application. Incomplete or ineligible checklist applications will be processed in accordance with the performance standards set out in [Bulletin 2019-15: New performance standards for processing facility applications](#). The AUC will review and issue an approval for a complete checklist application within five business days.

With the elimination of the own-use exemption, applicants applying for power plants 10 megawatts or greater must submit a full application that meets the requirements set out in Rule 007, corresponding to the power plant type (e.g., thermal, wind, solar).

The following table summarizes the type of application that should be filed by power plant type or capability (megawatt or MW):

New power plant	Exempt under Rule 007	Checklist application	Full Rule 007 application
Micro-generation	X		
Isolated generation	X		
Under 1 MW	X		
Greater than 1 MW, less than 10 MW, meets checklist requirements		X	
Greater than 1 MW, less than 10 MW, does not meet checklist requirements			X
Above 10 MW			X

As of April 25, 2022:

- Bulletin 2014-11 is no longer in effect.
- The amendments approved by the Alberta Utilities Commission for Rule 007 come into effect. These changes apply to new power plants only.
- Applicants can start to use the new checklist application form for new power plants equal to or greater than one megawatt and less than 10 megawatts.

Next steps for applicants

The AUC has provided additional information on the [Rule 007 Related information](#) page of the AUC website, which includes a link to the new [power plant checklist application form](#).

Completed checklist application forms are to be uploaded to the AUC eFiling System with the document type “Application” prior to registering the proceeding.

The AUC will assess whether to develop specified penalties for any non-compliance identified through its audit review process.

Please contact Wayne MacKenzie at 403-592-4420 or by email at wayne.mackenzie@auc.ab.ca if you have questions or wish to provide feedback.

Alberta Utilities Commission