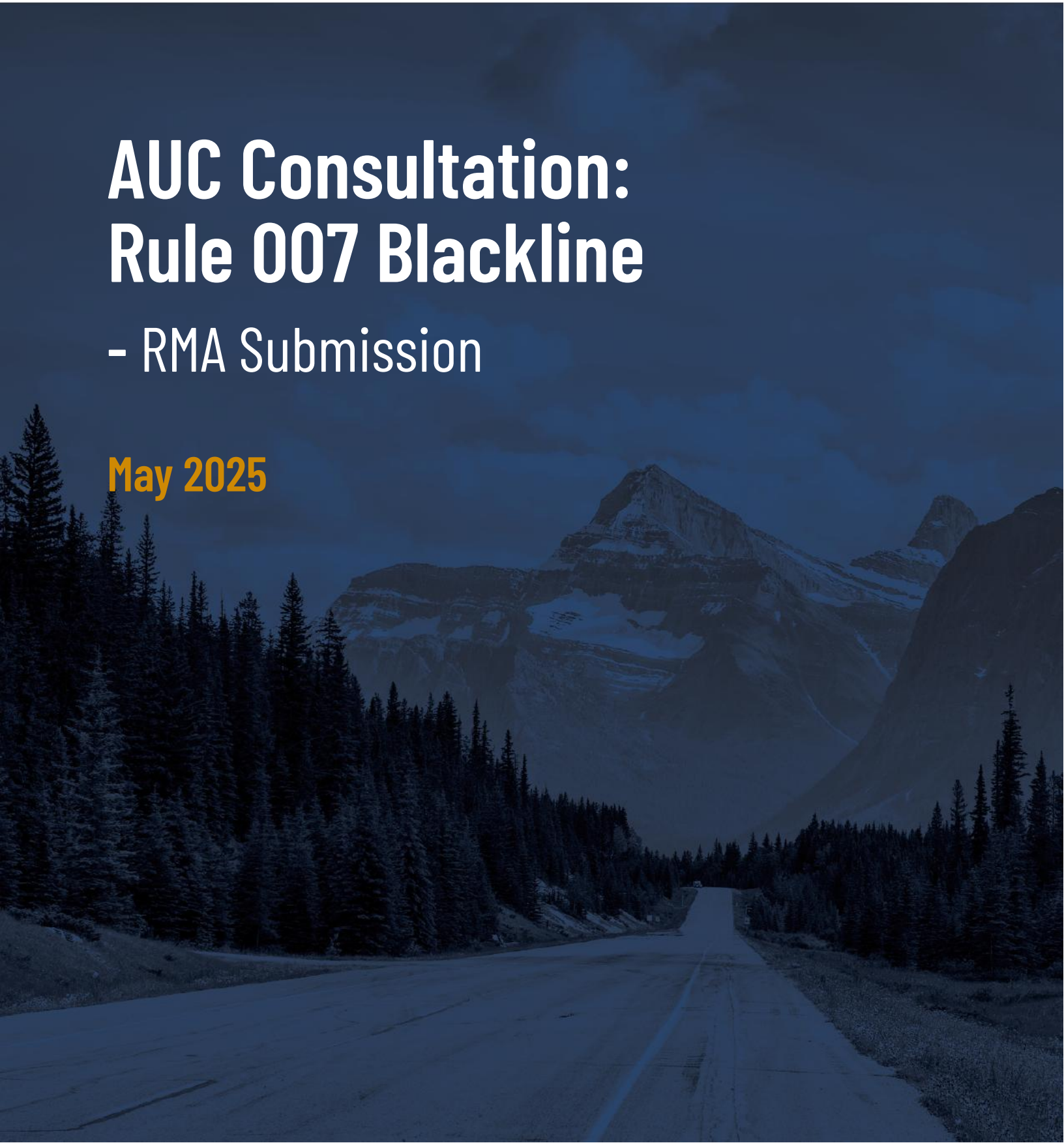
RMA
RURAL MUNICIPALITIES *of* ALBERTA

AUC Consultation: Rule 007 Blackline

- RMA Submission

May 2025



Introduction

Who is the RMA?

The Rural Municipalities of Alberta (RMA) advocates on behalf of Alberta's rural municipalities. RMA's members consist of 63 municipal districts and counties, five specialized municipalities, and the Special Areas Board. Although each municipality it unique, the RMA's 69 members have several common traits: large land masses, small populations, and a lack of a traditional "population center." RMA members provide municipal governance to approximately 85% of Alberta's land mass.

RMA Position and Member Resolutions

In recent years, the approval process for wind and solar projects has become an important advocacy issue for RMA and its members. Alberta leads the country in renewable energy development, which results in benefits and challenges for rural municipalities. While wind and solar developments provide property tax revenue and rural employment opportunities, they also cause local challenges related to land use planning, infrastructure strain, environmental risks, sterilization of agricultural land, reclamation, and others. While nearly any development will include benefits and challenges, the existing version of the AUC's Rule 007: Facility Applications approval process for renewable energy projects did not adequately consider municipal plans and perspectives, which resulted in projects being approved without the application of a municipal lens.

While recent policy decisions made by the Government of Alberta and the changes contemplated by the AUC within the Rule 007 Blackline represent an increased effort to better balance various public interest factors, such as including municipal plans and input when reviewing renewable energy project applications, the changes proposed in the Rule 007 Blackline are insufficient to ensure that rural municipalities will have a role in the approval process that aligns with the extent to which they are impacted by projects, and that other relevant considerations related to land use, reclamation, and emergency response are adequately considered in the decision-making process.

RMA would also like to emphasize concerns with the approach of proceeding with revisions to Rule 007, with the exception of enhanced reclamation requirements. While we understand that this is due to a lack of policy direction from government on this issue, it introduces a high likelihood of confusion among stakeholders as to how revised components of Rule 007 align with the interim information requirements related to reclamation. It also introduces a risk of companies attempting to "rush" applications to avoid compliance with what are likely to be stricter reclamation requirements. RMA urges the Government of Alberta and AUC to engage on and implement policy direction and implementation approaches for enhanced reclamation requirements as soon as possible.

Concern with the AUC approval process is reflected in several of RMA's active member resolutions, including the following:

- Resolution 2-23F: Amendments to the Municipal Government Act – Section 619
- Resolution 5-23F: Municipal Involvement in Quasi-Judicial Agencies
- Resolution 9-22F: Renewable Energy Project Reclamation Requirements
- Resolution 21-22F: Loss of Agricultural Land to Renewable Energy Projects
- Resolution 6-22S: Responsiveness of Service Delivery by Quasi-independent Agencies in Alberta

RMA Feedback on Blackline of Rule 007: Facility Applications

This submission is divided into four themes based on RMA's priorities related to Rule 007. Each theme includes and overview of why it is relevant for rural municipalities, applicable sections of the Rule 007 blackline, an overview of various related insufficiencies within the Rule 007 Blackline and recommendations for improvement.

Theme 1: Municipalities' Role in the Project Approval Process and Project Alignment with Municipal Planning Documents

Previously, the Alberta Utilities Commission's (AUC) Rule 007 insufficiently recognized the impacts that renewable energy projects could have on municipalities, as well as the value of their local perspective on the benefits and risks of proposed projects, treating them more as peripheral stakeholders than as public authorities. When energy projects are approved by the AUC without considering local municipal plans, municipalities lose trust in the regulator's approval process and face inconsistent project outcomes that undermine responsible energy development and long-term community planning.

Alberta's rural municipalities are well-positioned to assess the long-term viability and local compatibility of energy projects, yet often bear the burdens of infrastructure strain and land use conflicts without having had a formal role in shaping the project plan or the AUC's decision. For many developments, Rule 007 relegates municipalities as optional participants with no assurance that their plans, knowledge, or concerns will meaningfully influence proponents' applications or the AUC's decision on a project.

Although the revisions in the Rule 007 Blackline introduce incremental improvements to municipal consultation, such as new requirements for municipal engagement forms and modestly expanded consultation under the participant involvement program, municipal involvement in the approval process remains discretionary, vague, and is often at the discretion of project proponents.

Applicable Sections of Rule 007

- WP19-WP20 and WP40-WP41
- SP17-SP18 and SP40-SP41
- TP17-TP18 and TP336-TP37
- OP17-OP18 and OP37-OP38
- HE15-HE16 and HE32-HE33
- TS26 and TS40
- ES30-ES31 and ES45-ES46
- Appendix A1, specifically sections 5, 6.1, 6.3, and Table A1-1

Inconsistent and Insufficient Municipal Involvement in the AUC Approval Process

Section 2.1 of Rule 007 requires proponents to follow the participant involvement program guidelines outlined in Appendix A1 (PIP), and at section 6 of Appendix A1, Rule 007 requires municipalities to be included in proponents' PIP consultations.

Section 5 of PIP includes a diagram explaining the differences between personal consultation and personal notification, but personal consultation is loosely defined, stating that it "goes beyond personal notification and refers to meaningfully engaging with individuals … about the project … and includes listening and responding to objections." However, nowhere else are the personal consultation requirements detailed.

Table A1-1 of PIP outlines no requirement for proponents to conduct personal consultation with rural municipalities on power plant projects between 1 and 10 MW, and fails to include reference to rural projects between 1 and 10 MW. For projects that fall below the 10 MW threshold, municipalities may receive little to no proactive engagement from either the proponent or the regulator because proponents are only required to "consider" personal consultation with municipalities.

Section 6.1 of PIP states that the proponent is "expected to conduct one-on-one consultation", but it is unclear what is meant by "is expected" or whether this expectation applies to all projects, or only those requiring "personal consultation" as outlined in Table A1-1. Further, the term "one-on-one" is not defined in the Rule nor in alignment with language used elsewhere in the Rule to describe consultation. Section 6.3 of PIP, specific to consultation with municipalities, simply requires the proponent to provide the municipality with the municipal engagement form.

The language in the PIP appendix is vague, lacks specificity, and provides the proponent with significant flexibility to avoid certain "suggested" or "encouraged" requirements with no apparent consequence. However, the AUC is still reliant on the proponent's reporting to assess the sufficiency of municipal consultation. Municipal consultation requirements cannot be limited to a yes or no checkbox answering the question of whether consultation was conducted with the municipality on a single form.

- ***RMA Recommendation 1***

Rule 007 and the PIP, specifically sections 6.1 and 6.3, should be amended to provide more prescriptive requirements that clarify how proponents should consult with municipalities.

- ***RMA Recommendation 2***

Rule 007 and the PIP, specifically section 5 and Table A1-1, should be amended to require proponents to personally consult with municipalities for all AUC-related projects and the municipality should have the opportunity to proceed or decline consultation after reviewing project information.

- ***RMA Recommendation 3***

Rather than attempting to shoehorn municipal consultation into the PIP, which is structured in a flexible way to account for different landowners and stakeholders, the AUC should develop a separate municipal involvement program (MIP) that reflects municipalities' status as a level of government. This MIP would be more prescriptive and would include references to municipal planning documents and specific requirements for consultation, in addition to specific municipal language such as "council" and "administration" and a more structured approach.

Municipal Engagement Form

The AUC's new version of the form, while a step in the right direction, still places the burden on municipalities to articulate a project's non-alignment with planning documents. The new version of the municipal engagement form simply asks the municipality to explain whether the proposed project is aligned or in compliance with each of the municipal planning documents, and if not, to explain why. Municipalities have 30 days to complete the form, which aligns with previous RMA advocacy, and the proponent must document their attempts to communicate with the municipality.

Rule 007 requires the proponent to provide the form to the municipality and inform the municipality that they will provide answers to the engagement form questions to the AUC, but there is no requirement that the proponent's answers to the form questions be returned to the municipality to review or verify. This approach indicates that municipalities' knowledge of their own plans is subordinate to the proponent's interpretation, and that the proponent is in no way accountable to the municipality for ensuring alignment with or even understanding the plans. It is unclear as to why Rule 007 does not require the proponent to share their

completed responses to the form with the municipality for response when both parties are answering the same questions. RMA would assume that this would be an important consideration for the AUC when reviewing the municipal and proponent response.

Unfortunately, this approach downloads appropriate project planning and municipal consultation from the AUC onto the proponent, who then further downloads the burden of determining project alignment with statutory plans onto the municipality. Neither the engagement form nor Rule 007 not place an onus on the proponent to actually demonstrate compliance (or attempted compliance) – only to explain why it is not in compliance.

- ***RMA Recommendation 4***

The municipal engagement form should require proponents to detail how their project aligns with each applicable municipal plan (MDP, IDP, LUB, ASP/ACP), and the proponent's responses to the form questions should be provided to the municipality before they complete the form. A section should be added to the form for municipalities to formally agree or disagree with the proponent's interpretation and provide evidence of misalignment.

Municipal Feedback on Non-Compliant Proposals

Rule 007 requires proponents to disclose whether their proposed project aligns with applicable municipal planning documents. Where non-compliance is identified, proponents must explain and justify these deviations. However, municipalities do not receive the proponent's responses directly - only the AUC does. There is no formal process in Rule 007 for municipalities to respond to the proponent's justification before or after the application goes to the AUC, nor any indication of how the AUC weighs the municipal perspective on non-compliance. This approach limits transparency and administrative efficiency by limiting the opportunity for misalignment to be discussed and potentially addressed prior to a hearing.

While municipalities may eventually participate in a hearing, Rule 007 does not guarantee this opportunity or prescribe how conflicting interpretations of planning documents are to be resolved. By limiting municipalities' ability to view and respond to proponents' justification for non-compliance, Rule 007 weakens local land use authority and reduces transparency in how planning conflicts are adjudicated.

- ***RMA Recommendation 5***

The AUC should develop a special municipal confirmation of non-objection for all projects covered by Rule 007, including municipal confirmation that the project aligns with existing land use plans and documents and that the project's alignment is based on discussion and common understanding from both the municipality and project proponent. Precedent for this is contained in Table A1-2 of the PIP guidelines, where stakeholders (including municipalities) are to provide a confirmation of non-objection for new gas utility pipelines and compressor stations.

Rule 007 Fails to Mitigate Adverse Impacts on Municipalities

While Rule 007 and the municipal engagement form requires proponents to disclose whether their project complies with applicable municipal plans and setbacks, it does not compel alignment or explain how the AUC will weigh municipal planning documents in its decision-making. The result is a process that collects data but does not consistently act on it.

Rule 007 continues to use terms like "meaningfully engage" and "listening and responding to any objections" as opposed to placing actual accountability on proponents to meet specific engagement requirements and processes or mitigate adverse impacts on local authorities. Expecting proponents to summarize engagement could lead to adverse impacts on stakeholders, such as municipalities' issues or perspectives on a project being misinterpreted or misrepresented.

Even in cases of clear non-compliance with municipal planning documents, there is no automatic hearing requirement, nor are proponents required to revise proposals to address local planning objectives – only report on them to the regulator. This lack of consequence undermines municipal authority and discourages proactive engagement from proponents who may calculate that misalignment carries little risk to project approval. It is also likely to lead to inconsistencies in how the AUC weighs and responds to non-compliant applications, which is likely to lessen municipal confidence in the fairness of the approval process.

- ***RMA Recommendation 6***

Rule 007 should be amended so that the AUC and proponent are required to co-host a public meeting or townhall to provide residents, rural municipal leadership, and other local stakeholders with consistent and accurate information on the project's scope, size, benefits, risks, and so on. This should take place early in the project application process and should precede the current individual notification/consultation process to ensure that all those interested receive the same baseline level of information at the outset of a proposed project.

Municipal Planning Tools Are Ignored at Key Points of the Approval Process

Despite municipalities' legislative authority to develop and implement statutory plans, Rule 007 does not formally integrate these documents into the project evaluation process. There is no requirement for proponents to demonstrate how their project aligns with the objectives and constraints of MDPs, IDPs, or LUBs; rather, Rule 007 requires proponents to confirm that the project area complies with applicable municipal planning documents such as MDPs, IDPs, ASPs, and bylaws (including setbacks), identify where project areas do not comply, and provide justification for non-compliance.

This omission is particularly problematic in areas with sophisticated planning frameworks, such as more urbanized rural municipalities or those with established industrial zones. By failing to acknowledge alignment with planning documents as essential, the AUC risks making decisions that conflict with broader land use strategies, undermining public trust in both municipal and provincial institutions.

The precedent set by the Natural Resources Conservation Board (NRCB) for confined feeding operations suggests that misalignment with municipal plans is a trigger for a public hearing. Adopting a similar mechanism within Rule 007 would signal that municipal planning carries legal and procedural weight—not just advisory value.

- ***RMA Recommendation 7***

Rule 007 should be amended to require proponents to align their projects with municipal planning documents as closely as possible, explain how a project does align with municipal planning documents, and provide robust justification for non-compliance. For instances where projects are not aligned, Rule 007 should require an automatic AUC hearing to allow the Commission to hear directly from the proponent and municipality on how the project will impact land use in a non-conforming zone.

- ***RMA Recommendation 8***

For non-compliant project approvals, Rule 007 should be amended to require the AUC to justify why they would approve a project not in alignment and explain how they will work with the proponent and municipality to mitigate land use impacts. There is a precedent for this approach in the NRCB approval process for confined feeding operations.

Theme 2: Agricultural Land Impacts

Alberta's agricultural land is not only a source of food production but also a cornerstone of rural identity, economic development, and environmental stewardship. As renewable energy expands across the province,

tensions have emerged between agricultural preservation and industrial development. Balancing these tensions requires a nuanced, location-specific framework for assessing land value and long-term impacts.

Both the Government of Alberta and the AUC have acknowledged these tensions through an "agriculture first" approach, the implementation of the *Electric Energy Land Use and Visual Assessment Regulation* (EELUVAR), and the changes to Rule 007.

Rule 007 must be flexible, evidence-based, and aligned with local knowledge. Rigid restrictions, vague criteria, and inconsistent application undermine both agricultural preservation and project certainty for developers.

Applicable sections of Rule 007

- WP24-WP27
- SP22-SP25

Continued Inconsistencies and Overgeneralizations in Agricultural Land Restrictions

The most recent version of Rule 007 introduces agricultural impact assessments (AIAs) for certain classes of land, but gaps remain in scope, clarity, and effectiveness. The most recent Rule 007 amendments avoid a blanket ban on development on Land Suitability Rating System (LSRS) Class 1 and 2 soils, instead requiring agricultural impact assessments (AIAs) for projects with footprints on these soils. AIAs are also required for projects on Class 3 lands located within municipalities listed in Schedule 1 of EELUVAR, referred to as Class 3 Municipalities.

AIAs evaluate more than just the LSRS soil classification and now include both a soils component and a component describing the current and proposed agricultural activities on the land in question, which is in alignment with RMA's advocacy for broader metrics. However, requirements for AIAs remain inconsistent. For example, the thermal power plant (TP) and other project (OP) sections within Rule 007 do not contain AIA requirements, despite their potential to displace farmland and cause long-term degradation to agricultural land.

Moreover, Rule 007 does not explain how the AUC will rely on LSRS ratings, which do not account for the wide range of factors that influence the agricultural value of land at a local level. Alberta's agricultural geography is far from uniform, and under the LSRS, what constitutes high-value agricultural land in one region may not be such in another. Land with Class 3 or 4 soil may still be highly productive due to irrigation, management practices, or local infrastructure. Conversely, land with Class 2 soil may have limited agricultural value due to topography or parcel fragmentation. The current framework fails to account for these realities and does not recognize the importance of site-specific knowledge.

- ***RMA Recommendation 9***

For consistency's sake, Rule 007 should be amended to mandate agricultural impact assessments for all power plant developments proposed on Class 1, 2, or Schedule 1 Class 3 lands under the EELUVAR. Requiring an AIA for a 4-turbine wind farm but not a coal-fired power plant - on the same parcel - does not make sense.

Agricultural Impact Assessments Lack Enforcement and Transparency

While AIAs are now required for certain projects, there is no clear framework for how they are evaluated or how their findings influence approval decisions. Proponents submit the AIA, but Rule 007 does not require proponents to share AIAs with rural municipalities, who are well-positioned to understand the localized importance of specific lands due to local knowledge of irrigation, historical yields, proximity to agri-food infrastructure, and local significance. Rule 007 also does not require the AUC to respond, justify its interpretation, or explain how it weighed agricultural impacts in its decision. Without a mandate to explain how AIAs are used in decision-making, Rule 007 fails to ensure that agricultural considerations are meaningfully considered alongside the public interest.

- ***RMA Recommendation 10***

When deciding whether to approve a project, the AUC should be required to explain whether the AIA was deemed sufficient, how agricultural impacts were weighed in the approval, and what mitigation was required or recommended. Explaining how the AUC evaluates proponents' AIAs ensures accountability is maintained for all project types.

- ***RMA Recommendation 11***

Proponents or the AUC should be required to share AIAs with municipalities for feedback, as they are well-positioned to comment on the agricultural impacts of a development within their jurisdiction.

Agrivoltaics Lack Standards or Oversight

Agrivoltaics' are a great idea, but their effectiveness is unproven at scale, and Rule 007 currently lacks a framework to evaluate its success or monitor unintended consequences. There is also no process for comparing proposals against any kind of baseline or standard, making it difficult to determine whether a project meaningfully avoids or mitigates agricultural impacts.

Rule 007 requires proponents to "comment" on constraints to co-located agricultural activities and describe how performance will be evaluated and describe any "alterations, upgrades, or specialized equipment." This language is imprecise and unenforceable, and there are no benchmarks for productivity retention, no equivalency standards to compare "upgrades" or "alterations" against, and no clarity on what constitutes failure. Moreover, it is unclear how changes in the type of agricultural production (e.g., from cropping to livestock) will be evaluated, or how losses in productivity will be measured over time.

- ***RMA Recommendation 12***

Rule 007 should be amended to provide additional guidance outlining equivalency standards and minimum productivity thresholds to avoid significant reductions in agricultural productivity over status quo.

- ***RMA Recommendation 13***

The AUC should produce an accompanying document that defines minimum productivity thresholds based on pre-development yields or regional averages, establishes acceptable productivity loss thresholds, and specifies how performance will be measured over time.

- ***RMA Recommendation 14***

To allow for consistent evaluation of proposed mitigation measures or infrastructure changes, the AUC should establish a reference "typical greenfield" project template, against which proponents can compare their project's alterations, upgrades, or specialized equipment.

- ***RMA Recommendation 15***

Rule 007 should require proponents to submit a monitoring and mitigation plan for co-located agricultural activities, including triggers for project revision or termination.

Theme 3: Reclamation Security Requirements

Reclamation security ensures that land is restored to its original or an equivalent state at the end of a project's life and is a cornerstone of responsible resource management and risk mitigation. Without adequate reclamation security, landowners and taxpayers are exposed to the financial and environmental costs of site remediation if proponents become insolvent or fail to meet their obligations. Long-term sustainability depends on the integrity and enforceability of a project's end-of-life obligations. As Alberta continues to experience rapid

growth in energy developments, establishing robust reclamation security requirements is essential to protect landowners, municipalities, and the public interest.

Historically, reclamation security has been inadequately addressed in Rule 007, as the Rule lacked consistency, enforceability, and transparency. With the adoption of the EELUVAR and the yet-to-be-released *Code of Practice for Solar and Wind Renewable Energy Operations* (the Code) there is an opportunity for Rule 007 to close this gap. Although Rule 007 has introduced interim reclamation requirements in place of permanent requirements solidified in the Code these fall short of RMA's advocacy for a structured, prescriptive, and government-managed system that ensures full-cost recovery for reclamation and places the financial burden squarely on the proponent rather than taxpayers.

The effective regulation of reclamation is a foundational pillar of the operation of energy infrastructure in the public interest; until the Code is released, the Rule 007 Blackline is an incomplete document, and the AUC's consultation on the same is premature. The current approach to reclamation security within the Rule 007 Blackline reflects a patchwork of interim provisions, vague obligations, and proponent-controlled discretion incompatible with the scale and risk profile of rural Alberta's energy future, and it is unclear to RMA why the AUC is pushing ahead with consultations on changes to the Rule while the provisions applicable to such an important aspect of the development process are yet to be determined.

Applicable Sections of Rule 007

- WP29-WP30
- SP28-SP29
- TP27
- OP27-OP28
- HE22-HE23
- ES36

Requirements for Reclamation Security in Project Application Documents

While Rule 007 now includes sections requiring proponents to discuss reclamation, these provisions are based on interim policy. It appears that the Government of Alberta has not yet finalized the Code referenced by s. 3.1(1)(c) of the *Conservation and Reclamation Regulation* (the Regulation), despite the Regulation being in force since January.

In this interim period, the reclamation requirements in the Rule 007 Blackline create regulatory uncertainty and a potential two-tiered system in which some power projects are subject to more robust requirements and others remain governed by the current version's vague or discretionary standards. Until a final reclamation policy is implemented through the Code, the AUC's efforts to secure long-term environmental accountability will remain piecemeal and insufficient.

In any case, as currently drafted, the Rule 007 Blackline requires proponents to submit reclamation security plans with their applications, but Rule 007 only states that these plans "should" – not "must" – include certain information. This approach is reliant on the proponent's good faith to provide security that is adequate to cover their liabilities in a timely manner and does not outline consequences for missing or incorrect information. RMA hopes that the Code will incorporate more rigid language and structure.

- ***RMA Recommendation 16***

If the Code is intended to impact proponents' reclamation requirements under Rule 007, then it should have been publicly available on the coming into force of the *Conservation and Reclamation Amendment Regulation* on January 1, 2025, and it must be made available as soon as possible to provide clarity and certainty to municipalities and developers alike.

- ***RMA Recommendation 17***

Based solely on title, the unreleased Code appears to apply exclusively to solar and wind renewable projects, and it is unclear if the Code's reclamation requirements will apply to other types of power plant projects. Due to the omission of the Code, which appears to be a critical element of the approval process and this consultation, the AUC should pause approvals of facilities applications to ensure that the Code (or Rule 007) provides reclamation requirements that are applicable to all types of projects, not just renewables, and that are adequate to ensure that the public is not burdened with reclamation liabilities in the future.

Alternatively, the Code requirements and corresponding revised AUC approval process must be applied retroactively to all projects approved under the revised version of Rule 007 prior to the introduction of the revised reclamation requirements. If the Government of Alberta cannot guarantee that the stricter requirements will apply retroactively, then an approval pause is justified.

- ***RMA Recommendation 18***

Rule 007 should be amended to add more clarity and detail regarding the provision of reclamation security and its analysis and verification by the AUC. While the new version of the Rule requires the proponent to describe their reclamation plan, the AUC needs to provide further guidance as to how the AUC will evaluate and verify a proponent's methodology, how the AUC can modify cost estimates based on its own analysis or expert review, and how stakeholders will be consulted regarding reclamation security.

Timing and Type of Reclamation Security

Rule 007 now requires proponents to submit reclamation security plans, in alignment with RMA's previous advocacy about reclamation. However, the Rule 007 interim requirements leave all responsibilities regarding reclamation methodologies with the proponent, with unclear mechanisms as to how the AUC will evaluate or verify whether the methodology used to determine securities or costs was appropriate.

The AUC and provincial government appear to play little to no role in determining the details of reclamation security; rather, the onus is on the applicant to determine the year of initial posting of security, when each amount will be added, the frequency with which the security estimate will be updated or re-assessed, and the form the security will take, among other details. The Rule provides no guidance or specific details for proponents to meet regarding reclamation security timelines or types.

- ***RMA Recommendation 19***

Due to the Government of Alberta's expertise and fiscal capacity, the GOA or the AUC should play a role in managing at least a portion of the reclamation process, instead of leaving the entirety of the process up to proponents to determine and manage. More specifically, government should be responsible for holding reclamation securities. Individual property owners and municipalities should not be responsible for playing this role.

- ***RMA Recommendation 20***

If not clarified in the Code, Rule 007 should be amended to provide at least basic guidance as to the timing of the provision of initial and subsequent reclamation security payments to provide greater certainty to proponents and stakeholders alike. Similarly, Rule 007 should provide for some form of base security deposits, such as those within the AER's Specified Enactment Direction (SED) on the Rock-Hosted Mineral Liability Process (RMLP), to ensure some amount of up-front security is posted by the proponent. The AUC should determine an equitable amount of base security.

- ***RMA Recommendation 21***

If not specified in the Code, Rule 007 should be amended to specify what format(s) that security must be provided in. The AER's recently released SED on the RMLP sets this precedent. In the SED, the AER requires either cash, a letter of credit, or a demand forfeiture surety bond. The AUC could specify that security must be in one of several formats that ensure accountability at end of life that ensures the security is easily transferable, that adequate assets are available to the province to reclaim the land, and that does not disincentivize investment.

Reclamation Cost Estimates and Calculating Security Amounts

Under the Rule 007 interim requirements, proponents' reclamation security estimates are based on a cost estimate prepared by a third party of their choosing; then, Rule 007 places the onus entirely on the proponent to develop and justify their methodology for calculating reclamation security. There is no requirement that the AUC verify the methodology or assess whether the estimate appropriately reflects the site-specific realities of reclamation. This differs sharply from the AER's RMLP, which includes a defined base security deposit as well as annual contributions and reviews.

Further, the AUC does not prescribe any baseline methodology for these estimates or baseline qualifications for the third-party evaluators. Rule 007's reclamation requirements do not require proponents to follow any kind of standardized framework. Without regulatory oversight or verification, the risk of underfunded reclamation liabilities increases significantly, especially in cases where market conditions or company solvency deteriorate.

- ***RMA Recommendation 22***

Rule 007 should be amended to take a more structured approach and provide at least "baseline" details for calculating the amount of required reclamation security for each type of project and at least some form of qualification for third party cost estimators to ensure similar approaches are taken for similar kinds of projects.

Theme 4: Visual Impact Assessment and Viewscapes

As Alberta pursues a transition toward renewables, one contentious issue has been the visual impact of energy infrastructure - especially wind turbines and large-scale solar facilities - on rural and natural viewscapes. The visual impact assessments (VIAs) required by Rule 007 and the EELUVAR are one of the AUC's key regulatory tools in evaluating and mitigating these concerns. RMA supports the use of VIAs as a flexible, site-specific decision-making tool, rather than a blunt instrument for land-use exclusion.

Rule 007, as currently drafted, fails to strike this balance. VIAs have the potential to serve as a balanced and flexible tool for protecting Alberta's most valued landscapes while accommodating necessary energy infrastructure; however, development bans based solely on visual criteria risk undermining rural economic development, municipal autonomy, and the province's clean energy goals.

Under the Rule 007 Blackline, VIAs risk becoming instruments of exclusion rather than reasoned planning. Blanket bans and vague assessment criteria hinder rural development, provide little transparency to proponents or stakeholders, and to an extent, undermine municipal autonomy.

Applicable sections of Rule 007

- WP28
- SP26-SP27
- TP26
- OP26
- HE21

Blanket Bans due to Viewscape Impacts

Rule 007 adopts an inconsistent approach to viewscape impacts. On the one hand, it prohibits any wind power developments within the buffer zones outlined in Schedule 2 of EELUVAR, yet on the other, it permits developments within VIA zones in Schedule 3 pending submission and evaluation of a VIA. This hybrid model gives undue weight to provincial-level exclusions while undermining the regulatory purpose of VIAs as a tool for site-specific analysis; if VIAs adequately capture the viewscape impacts of a project and support informed AUC decision-making, why are blanket bans even necessary?

The outright ban on wind developments within Schedule 2 lands disregards project-specific mitigation measures, municipal policy frameworks that may support energy development, and RMA's previous advocacy on the topic. No mechanism is provided for exemptions or case-by-case reviews, even where a municipality or affected landowners support the project. This stands in contrast to the province's historical emphasis on local land use autonomy.

Blanket bans reduce municipal planning authority and may limit opportunities for rural economic development without meaningfully advancing landscape protection in areas that could otherwise accommodate thoughtful development.

- ***RMA Recommendation 23***

Rule 007 should be amended to require both project proponents and the AUC to consider impacts on viewscapes within a public interest evaluation of a project, and weigh those impacts based on local context rather than a provincewide definition or threshold.

- ***RMA Recommendation 24***

Rule 007 should be amended to utilize VIAs as a regulatory tool that allow for site specific considerations to be considered, rather than impose blanket bans on development within certain areas of the province.

Lack of Clarity on VIA Weighting in AUC Decisions

Although Rule 007 allows VIAs to be submitted for projects within Schedule 3 zones, it does not explain how these assessments will be evaluated or how much weight they will carry in the approval process. For instance, if a project satisfies all technical, environmental, and agricultural criteria but is found to have a high visual impact, will the AUC deny the project? Or will the VIA be considered alongside other public interest factors?

The absence of a clear framework leaves proponents, municipalities, and landowners uncertain about how visual impacts are balanced against other benefits on Schedule 3 VIA zones, such as local economic development, GHG reductions, and grid reliability. Without transparency in how VIAs are considered, stakeholders cannot meaningfully participate in or plan for the approval process. This creates confusion and undermines trust in the regulatory system.

- ***RMA Recommendation 25***

RMA recommends that Rule 007 be amended to provide a clear framework on how VIAs will be balanced against other criteria and considered by the AUC during the approval process.

Socio-Economic Considerations Are Absent from VIA Methodology

The VIA provisions in Rule 007 are narrowly focused on visual intrusion and fail to consider the socio-economic costs of blocking development opportunities against the loss of a pristine viewscape. Additionally, municipalities are not included as formal participants in the VIA process within Rule 007, despite being responsible for local planning and the authority most affected by land use changes. This exclusion reduces the ability of municipalities to articulate local priorities, contextualize viewscape concerns, and highlight alignment with approved municipal plans.

For example, a municipality with limited tax base, job opportunities, or electricity infrastructure may view a proposed renewable energy project as a significant opportunity. If denied due to perceived visual impacts without considering the local consequences, such decisions may have implications on municipal sustainability.

There is also no requirement for VIA methodologies to consider how energy development aligns with local planning documents or economic development strategies. This further disconnects the regulatory process from on-the-ground realities in rural communities. The absence of socio-economic evaluation criteria results in an overly aesthetic lens for viewscape protection, disconnected from the broader public interest and community resilience.

- ***RMA Recommendation 26***

RMA recommends that Rule 007 and its VIA requirements are amended to ensure that municipalities are consulted regarding how a project aligns with municipal planning documents, local priorities, and contributes to economic development, despite any impacts to viewscapes. This increases municipal autonomy and ensures that the local perspective is considered.

- ***RMA Recommendation 27***

The VIA requirements in Rule 007 are amended to include a comparison of the benefits of a development against the socio-economic implications of blocking developments in significant portions of a municipality.

Other Considerations and Feedback

Beyond municipal consultation, alignment with municipal land use planning, impacts on agricultural land, and viewscape protection, Rule 007 must also include robust environmental safeguards and actionable emergency response requirements.

The treatment of environmental evaluations and emergency planning in the Rule 007 Blackline reflects a broader trend of placing procedural obligations on proponents without providing a corresponding regulatory framework for validation, enforcement, or municipal input. The AUC has an opportunity to improve regulatory certainty and municipalities' confidence in the process by addressing key gaps in the verification and administration of environmental mitigation measures and mechanisms related to emergency preparedness.

Applicable sections of Rule 007:

- Environmental Evaluations:
  WP21, SP19, TP23, OP23, HE18, TS27, ES33, and GU26
- Emergency Response Plans:
  WP12-WP14, SP12-SP13, TP14-TP16, OP14-OP16, HE12-HE14, ES17-ES23 and ES27-28, and GU 25

Environmental Information Requirements and Regulatory Oversight

Rule 007 requires proponents to submit an environmental evaluation when projects do not require federal or provincial environmental impact assessments. While this requirement is not new, Rule 007 is silent on how the AUC will validate the sufficiency of these environmental evaluations or monitor the implementation of the mitigation measures they propose.

It remains unclear whether municipalities or other stakeholders are given the opportunity to review these environmental protection plans (EPPs) or offer input on their adequacy. It also is not clear what mechanisms exist to monitor compliance once projects are approved and operational. Without such mechanisms, proponents' environmental evaluations risk becoming procedural formalities rather than effective tools for environmental stewardship.

The absence of defined review, validation, and monitoring processes for environmental evaluations creates a regulatory blind spot that may expose municipalities and ecosystems to avoidable risks, particularly in sensitive or agriculturally productive areas.

- ***RMA Recommendation 28***

Rule 007 should be amended to provide more information and detail on how they intend to review environmental evaluations and how they intend to validate and monitor (regulate) environmental plans following implementation by the proponent.

Emergency Response Plans and Local Risk Management

Rule 007 requires proponents to provide emergency response plans as part of the application but offers limited guidance on their contents or how they should be reviewed by impacted municipalities or emergency responders. However, as drafted, the sections of the Rule 007 Blackline dedicated to emergency response plans are fairly open-ended and do not provide sufficient detail regarding risks to municipalities or infrastructure, costs of responding to emergencies, and impacts on local authorities or emergency responders' capacity.

As drafted, many of the emergency response plan requirements contained in Rule 007 appear to place the onus of identifying risks associated with a project on the local municipality and emergency responders, rather than upon proponents to assess their own project's risks to local infrastructure, services, environment, and emergency personnel.

Moreover, the rule is unclear on who bears responsibility for post-incident recovery and cleanup, particularly in cases involving damage to municipal assets or agricultural land.

In comparison to the solar, wind, thermal, and other emergency response plan sections of Rule 007, Energy Storage sections ES17 through ES23 contain much more robust emergency planning requirements, including commentary on emergency responder capacity, municipal engagement, the incorporation of input from local residents and emergency services, and how the emergency response plans will be continually updated and improved. While these additional requirements are likely due to the heightened threat of large-scale energy storage, they are not part of the "Additional requirements for battery energy storage facilities."

Without clearer requirements, emergency response plans may not adequately address site-specific risks or provide actionable protocols for municipalities and local responders. This lack of clarity may delay response times and increase costs for local governments.

- ***RMA Recommendation 29***

The AUC should provide additional specificity in Rule 007 regarding local responders and authorities' feedback on proponents' emergency response plans and require the proponent to identify major risks facing the municipality.

- ***RMA Recommendation 30***

Rule 007 should be amended to ensure that the requirements in the Energy Storage (ES) section, in particular sections ES19 through ES22, are applicable more broadly to other types of developments regulated by Rule 007 - particularly those with above-ground infrastructure, hazardous potential, or that could have impacts on the capacity of local emergency responders.