

May 23, 2025

Submitted Electronically:
engage@auc.ab.caAlberta Utilities Commission
1400, 600 Third Avenue SW
Calgary, Alberta T2P 0G5**RE: Changes Proposed to Rule 007: Facility Applications**

Capital Power provides this submission in response to the consultation published March 24, 2025¹ by the Alberta Utilities Commission (the “Commission” or “AUC”) on its proposed changes to *Rule 007: Facility Applications*.

While the proposed amendments are in part due to legislative changes such as the *Electric Energy Land Use and Visual Assessment Regulation* (“EELUVAR”) as well as the *Conservation and Reclamation Regulation* (“C&R”), Capital Power submits that amendments within the Commission’s discretion contribute to further barriers for investment and new market entry.

The Alberta electricity sector is navigating a period of heightened regulatory and market uncertainty. Ongoing consultations for the Restructured Energy Market (“REM”), ISO Tariff Redesign, and Optimal Transmission Planning (“OTP”) have introduced significant ambiguity for existing and potential market participants. While the Blackline includes amendments required to align with legislative changes beyond the Commission’s discretion, additional proposed changes – such as thresholds for Solar Glare, Shadow Flicker, and Construction Timelines – further exacerbate investor uncertainty. In this environment, clarity and regulatory relief are critically needed not only to support existing market participants but also to attract new investment and facilitate timely market entry into Alberta’s evolving electricity landscape.

The enclosed comments focus on amendments detailed in the Commission’s Rule 007 Draft Blackline² (the “Blackline”), encompassing the following primary concerns:

- (1) Introduction of a fixed five-year construction completion window adds to regulatory uncertainty and is not reflective of feasible project timelines, particularly for thermal, nuclear, and renewable generation facilities;
- (2) Adding provisions for standardized Solar Glare thresholds lacks sufficient technical substantiation and flexibility, potentially resulting in disproportionate mitigation requirements and reduced design adaptability; and,
- (3) The requirement to assess Shadow Flicker using “worst-case” operating assumptions as proposed does not reflect realistic site conditions and may overstate potential impacts, leading to unnecessary mitigation obligations.

Capital Power’s feedback is detailed in the submission that follows.

Comments RE: Rule 007 Draft Blackline**Timelines to Construct***Blackline Section(s) 2.1 and 10.7.1*

The amendments propose changes to the AUC’s current practice of allowing time extension applications, by providing only a five-year construction period for all types of power plant and energy storage facility approvals, beginning from the facility’s initial approval date. Bulletin 2025-02¹ further indicates that no further time extensions

¹ Alberta Utilities Commission, [Bulletin 2025-02: Changes Proposed to Rule 007: Facility Applications](#), March 24, 2025.

² Alberta Utilities Commission, [Rule 007 Draft Blackline](#), March 24, 2025.

will be granted, except in very limited circumstances such as situations where construction is substantially completed and there is a minor additional delay.

While Capital Power supports regulatory efficiency and timely project development, the provisions as proposed present substantial risk and vulnerability to projects. The rigidity of a five-year limit introduces significant regulatory uncertainty, particularly for thermal, nuclear and renewable projects that face complex permitting, supply chain, and geopolitical challenges. The proposed change does not account for the commercial incentives already in place to complete construction efficiently once initiated, nor does it consider factors such as supply chain disruptions, permitting delays and evolving market conditions that can significantly affect project schedules. The approach also appears inconsistent with other regulatory frameworks, such as those under the Canada Energy Regulator (CER), which allow for broader construction windows – spanning up to a decade from permit issuance to project completion. Moreover, the lack of clarity on what constitutes “exceptional circumstances” or “substantially completed” may deter investment and complicate project planning.

Capital Power recommends amending the Rule to require construction to commence within five years of approval, rather than being completed. This approach maintains regulatory oversight while recognizing the commercial and logistical realities of project development. It also aligns with the principle of proportionality and supports investor confidence by reducing the risk of regulatory resets late in the development cycle.

Solar Glare

Blackline Section(s) 4.4.2

The draft amendments introduce new requirements for solar power projects to conduct a Solar Glare Assessment. This includes comparing predicted glare levels against proposed thresholds, identifying potential mitigation measures, and mapping glare receptors. Projects that exceed the thresholds must implement mitigation strategies during design and construction.

Capital Power acknowledges the intent to manage visual impacts and supports assessing potential Solar Glare as part of responsible siting and design but is concerned that the proposed thresholds may not reflect operational realities or the variability of site-specific conditions. Without transparency on how these threshold limits were derived, there is a risk that they do not reflect actual nuisance levels or receptor sensitivities. This could lead to over-engineering, unnecessary constraints, and increased project costs – particularly for projects in early-stage development.

Capital Power submits that the Commission should provide additional guidance on the scientific basis for the thresholds and allow for site-specific flexibility in mitigation planning. A tiered or receptor-based approach – accounting for land use, receptor sensitivity, and project scale – would better balance Solar Glare management with practical feasibility. This would also support innovation in design and layout optimization.

Shadow Flicker

Blackline Section(s) 4.3.2

The Commission has proposed standardized limits for Shadow Flicker from wind power projects, requiring assessments under both worst-case and adjusted-case scenarios. Projects must compare predicted durations against thresholds of 30-minutes per day (worst-case) and 30 hours per year (adjusted-case), and outline mitigation measures if these are exceeded.

Capital Power is concerned that the worst-case scenario (i.e., assuming continuous turbine operation and full sun exposure) is not a realistic representation of true site conditions. Relying on this model may overstate impacts and lead to unnecessary mitigation that is not warranted based on actual exposure. Additionally, the proposed thresholds may not align with international best practices or stakeholder expectations.

To improve the utility and fairness of the assessment, Capital Power recommends removing the worst-case scenario requirement and focusing on the adjusted-case scenario, which incorporates statistical weather and operational data. This would provide a more accurate and actionable basis for evaluating and mitigating Shadow

Flicker impacts. If worst-case modeling is retained, it should be clearly identified as a conservative screening tool rather than the basis for mandatory mitigation.

Closing Remarks

Capital Power appreciates the Commission's efforts to engage stakeholders through this consultation process and welcomes the opportunity to provide feedback on the proposed amendments to Rule 007. We respectfully submit that, while alignment with legislative changes is necessary, the Commission retains discretion over several key areas where greater clarity, flexibility, and proportionality would help mitigate regulatory uncertainty. We encourage the AUC to consider the recommendations outlined in this submission to support a more predictable and investment-ready regulatory environment for Alberta's electricity sector.

Should the Commission wish to discuss further or have questions regarding this submission, please contact me at 780-392-5934 or kbruce@capitalpower.com with any inquiries.

Regards,



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