

Bulletin 2025-06

June 6, 2025

Reclamation security guidelines for wind and solar power plants

The Alberta Utilities Commission (AUC) is introducing new reclamation security guidelines for applicants for wind and solar power plants, where security is provided to hosting landowners.

These guidelines are being released to provide guidance on the AUC's expectations for landowner-negotiated reclamation security programs that are set out as an alternative to government-held security in the Government of Alberta's newly released [Code of Practice for Solar and Wind Renewable Energy Operations](#). The reclamation security guidelines below apply to wind and solar power plants that receive AUC approval after January 1, 2025.

Applicants for all new solar and wind power plant applications (filed on or after June 5, 2025) must continue to satisfy:

- All applicable information requirements in Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines*.
- The interim information requirements in Bulletin 2024-25, which have been updated for wind and solar power plants to reflect the issuance of the *Code of Practice* and are linked on the [AUC's Rule 007 page](#).

The Commission will continue to review all new and existing power plant applications on a case-by-case basis, to determine whether the application is in the public interest, and will take an applicant's proposed reclamation security program into consideration when making its public interest determination. Applicants for wind and solar power plants whose proposed reclamation security programs do not align with the Commission's guidelines should justify why their proposed program is nevertheless sufficient to ensure adequate funds are available for the purposes of reclaiming the project at its end of life.

These guidelines do **not** apply to thermal or other types of power plants, stand-alone energy storage facilities, or hydro developments – they are specifically intended to address the alternative option allowed should applicants choose to opt out of the new requirements for government-held reclamation security that apply to wind and solar facilities in the *Code of Practice*. Thermal and other types of power plants, stand-alone energy storage facilities, or hydro developments should continue to provide the interim information requirements in Bulletin 2024-25.

If an energy storage facility is attached to, or applied for in conjunction with, a new wind or solar power plant, the Commission expects the facility to be accounted for in the security program,

including the security estimate. The Commission will take into account the facility's attributes in assessing whether it must comply with these guidelines, not merely whether the energy storage facility forms part of the same eFiling proceeding.

The AUC will issue correspondence on the record of each active wind and solar power plant application addressing these new reclamation security guidelines.

The Commission is currently consulting on amendments to Rule 007. Once Rule 007 is finalized, these guidelines will be included within Rule 007 as an appendix to the information requirements contained in the rule.

Specific inquiries related to this bulletin can be directed to Rita Chan, Director, Power Plants at rita.chan@auc.ab.ca or Kim Macnab, Executive Director, Facilities at kim.macnab@auc.ab.ca. General stakeholder questions can be directed to info@auc.ab.ca.

Alberta Utilities Commission

Appendix

Reclamation security guidelines for wind and solar power plants

Background

The Commission expects **all** power plant applicants to demonstrate that they have taken reasonable steps to ensure that sufficient funds are available to reclaim their proposed project at end of life, including thermal, wind, solar, hydro and energy storage facilities. The Commission will continue to assess whether an application for any power plant is in the public interest, and whether the facility can be properly reclaimed is a relevant factor in that analysis.

In February 2024, the Minister of Affordability and Utilities indicated the Government of Alberta's intention to develop reclamation security requirements for wind and solar power plants, in which security could be: (i) provided directly to the government; or (ii) negotiated with landowners if sufficient evidence is provided to the AUC. Recent amendments to the *Conservation and Reclamation Regulation* and *Activities Designation Regulation* enable Alberta Environment and Protected Areas (AEPA) to implement mandatory reclamation security for wind and solar power plants.

On June 4, 2025, the Government of Alberta issued the *Code of Practice for Solar and Wind Renewable Energy Operations*, setting out the requirements for reclamation security provided directly to the government, among other requirements.

These guidelines are intended to assist applicants for wind and solar power plants in understanding what the Commission looks for when assessing the adequacy of a reclamation security program where the security has been negotiated with the hosting landowner (the registered owner of a parcel on which project infrastructure is located).

Guidelines

Applicants are required by Rule 007 to describe the reclamation security program for a proposed power plant. Applicants should confirm whether the applicant will: (i) provide reclamation security to the Government of Alberta, (ii) provide reclamation security to hosting landowners, or (iii) a combination of both.

If a portion or the entirety of the reclamation security will be provided directly to hosting landowners, an applicant should consider the following guidelines in developing its program.

Amount of security

The Commission considers that the best practice for substantiating a reclamation security cost estimate is to submit a security estimate report which includes, at a minimum, the third-party cost and description of the information used to support each cost as specified in Schedule 1 of the *Code of Practice for Solar and Wind Renewable Energy Operations*.

In general, the amount of security to be provided to the hosting landowner(s) before registration with AEPA should be no less than 40 per cent of the total of the estimated reclamation costs included within the security estimate that is prepared in accordance with Schedule 1 of the *Code of Practice for Solar and Wind Renewable Energy Operations*.

The amount of security to be provided to the hosting landowner(s) on the 15th year from the AEPA registration anniversary date should be no less than 70 per cent of the most recent estimate of reclamation costs within the security estimate in accordance with Schedule 1 of the *Code of Practice for Solar and Wind Renewable Energy Operations*.

In arriving at these amounts, the Commission has taken guidance from the standards established by the Government of Alberta for government-held security, as prescribed in the *Code of Practice for Solar and Wind Renewable Energy Operations*. The Commission has taken into account the additional complexities and risks associated with landowner-held security, including the complexity involved for a hosting landowner to complete reclamation work themselves if a proponent fails to meet its reclamation obligations.

While the Commission considers each application on a case-by-case basis, and retains discretion to depart from these guidelines, an applicant whose reclamation security program does not align with these guidelines should explain how its landowner-held reclamation security is sufficiently protective of the public interest, given: (i) the mandatory standards that apply to government-held security; and (ii) AEPA's expertise in the subject matter including undertaking the reclamation work if a proponent fails to meet its reclamation obligations.

Type of security

The Commission's preferred type of reclamation security instrument is an irrevocable standby letter of credit with automatic renewal, obtained through a qualified financial institution (as defined in the [Alberta Treasury Board and Finance Guidelines for Letters of Credit: Qualified Financial Institutions](#)). Where an applicant proposes to use a less protective security instrument, the applicant should explain why its chosen instrument is sufficient, and how it provides assurance that sufficient funds will be available including in the case of insolvency.

Longevity of security

An applicant should be prepared to demonstrate that its reclamation security instrument will remain in place until a reclamation certificate has been issued, including in the event that the project, or the land on which the project is located, is sold or transferred.

If an applicant has discussed with the municipality in which the project is located regarding the willingness of the municipality to be a co-beneficiary to the letter(s) of credit for the security, the applicant should describe these discussions and confirm if the municipality will be a co-beneficiary of the security for the project.