

Announcement

October 26, 2026

Clarification on approval requirements for power plants and energy storage facilities

The Alberta Utilities Commission (AUC) is issuing this announcement to remind industry participants that AUC approval is required before constructing or operating any power plant or energy storage facility with a total capability of one megawatt (MW) or greater.

Approval is required regardless of the intended use of the facility, including facilities intended solely for on-site consumption, temporary generation, emergency and/or backup generation, or generation that will not ordinarily export electricity to the grid.

The AUC has observed uncertainty regarding the applicability of its approval requirements to smaller generation projects or those intended to be used purely for occasional, temporary, or backup purposes. This announcement clarifies the applicable legislative and regulatory framework and highlights the streamlined approval process available for qualifying projects between one and 10 MW.

Approval is required regardless of intended use

The requirement to obtain AUC approval is based on the characteristics of the facility and the legislative framework, not on the intended use of the electricity produced.

While the *Hydro and Electric Energy Act* enables potential exemptions for own-use facilities, the Commission retains discretion to require approval and has exercised that discretion. All power plants and energy storage facilities with a capability greater than one MW require AUC approval, regardless of the frequency of their use, their actual level of output, and/or if all electricity produced is used only by the owner.

The AUC has previously clarified that approval is required for power plants greater than one MW whether the power plant will be solely for the applicant's own use, or for export to the Alberta Interconnected Electric System.

Project proponents should not assume that a facility is exempt simply because it is intended for emergency or temporary operation. Whether an exemption applies must be assessed based on the specific legislative and regulatory provisions governing the project. Applicants are encouraged to identify the intended use of the facility in their application materials, as the extent and nature of the facility's impacts may vary with use (e.g., offsite impacts from temporary generation limited by their nature).

Streamlined approval process for power plants and energy storage facilities between one and 10 MW

To reduce regulatory burden while maintaining appropriate oversight, the AUC established a streamlined [checklist application process](#) for qualifying power plants with a total capability equal to or greater than one MW and less than 10 MW.

Under Rule 007: *Facility Applications*, proponents of new power plants in this size range may submit a checklist application rather than a full facility application, provided that the project meets the eligibility criteria.

The checklist application requires the proponent to provide information regarding:

- The location and capability of the power plant.
- The type of generation technology.
- Key project information and technical details.
- Confirmation that the project does not directly and adversely affect any person.
- Confirmation that the project complies with Rule 012: *Noise Control*.
- Confirmation that the project will not have an adverse effect on the environment.

The AUC reviews each checklist application to determine whether it satisfies the eligibility requirements and may issue approvals on an expedited basis.

Proponents of power plants that do not qualify for the checklist application process must file a full Rule 007 application. Proponents should consult the current version of [Rule 007](#) and associated application forms to determine the requirements applicable to their project.

Capacity is measured cumulatively

The one MW and 10 MW thresholds are based on the total capability of all generating units at a site, not the size of any individual generator. Under Rule 007, “total capability” is defined as the cumulative capability of all generating units located at the site. Therefore:

- If a site contains several generators, their capacities must be added together.
- Once the combined capacity at the site reaches or exceeds a threshold (such as one MW or 10 MW), the corresponding AUC approval requirements apply.
- If a proponent initially installs less than one MW (or less than 10 MW) and later expands the facility, AUC approval is required before constructing additional generating units that would increase the site’s total capability to one MW or more.

A proponent cannot avoid the requirement to obtain AUC approval by dividing a project into multiple smaller generators located at the same site. Proponents are encouraged to contact the AUC should they have questions about which application process applies to their specific circumstances.

Treatment of temporary or backup generation in Rule 012

Temporary or backup generation is not exempt from Rule 012. The rule provides that the permissible sound level does not apply during an emergency, defined as an unplanned event requiring immediate action to prevent loss of life or property. However, an operation does not qualify as an emergency merely because it is unplanned or unscheduled.

Operation of temporary or backup generation that does not qualify as an emergency under Rule 012, including testing, maintenance, commissioning, and other non-emergency activities, should be considered when assessing compliance with Rule 012. For intermittent operation, assessments are based on the noise generated during operation, rather than averaging that noise over the entire daytime or nighttime period.

Proponents are encouraged to contact the AUC if they have questions about how Rule 012 applies to their facility.

Compliance expectations

Proponents are responsible for determining whether their projects require approval before commencing any construction activities. Constructing or operating a power plant or energy storage facility without the required approval may result in investigation and enforcement action including financial penalties. Projects must also comply with all other applicable legislation, regulations, terms and conditions of other applicable approvals and municipal requirements.

Proponents are encouraged to review the current versions of [Rule 007](#) and [Rule 012](#) and to contact the AUC if they are uncertain whether a proposed facility requires approval.

Any questions related to this announcement may be directed to info@auc.ab.ca or 310-4AUC(310-4282).

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Alberta Utilities Commission