



ALBERTA

AFFORDABILITY AND UTILITIES

*Office of the Minister
MLA, Lethbridge-East*

June 3, 2025

Bob Heggie
Chief Executive Officer
Alberta Utilities Commission
Eau Claire Tower
1400, 600 Third Avenue S.W.
Calgary AB T2P 0G5
Bob.Heggie@auc.ab.ca

Dear Bob Heggie:

On February 28, 2024, coinciding with the expiry of the *Generation Approvals Pause Regulation* and the completion of the Alberta Utilities Commission (AUC) Module A report from the inquiry into the ongoing economic, orderly, and efficient development of electricity generation in Alberta, the Government of Alberta announced policy changes regarding the development of renewable electricity generation projects in Alberta.

Over the last year, the Ministry of Affordability and Utilities has been coordinating work to implement these policy changes across several ministries and agencies (including the Alberta Energy Regulator) to support collaboration, alignment, and effective implementation. This letter serves to provide updates on the significant milestones achieved across several policy areas, as well as further details for how the AUC and the Government of Alberta can continue to work together to ensure a clear and responsible path forward for renewable electricity generation development in Alberta. The Government of Alberta expects its agencies, including the AUC, to consider cumulative effects and the outcomes associated with them. In addition, the Government of Alberta is committed to managing the cumulative effects of disturbance, including from electricity projects, and remains focused on achieving strategies of Alberta's Land-use Framework.

Agricultural Land and Viewscapes Impacts from Renewables

The *Electric Energy Land Use and Visual Assessment Regulation* came into effect on December 3, 2024, and provides restrictions on the AUC's ability to issue approvals for projects in certain circumstances to protect high-quality agricultural land and valued viewscapes. The regulation restricts development of wind and solar projects on Land Suitability Rating System Class 1 and 2 lands, and Class 3 lands in municipalities without Class 1 or 2 lands, unless coexistence between renewables and agriculture can be demonstrated.

Extensive technical work and consultation with key stakeholders and specialists in renewable energy and agriculture has been undertaken by the AUC through the inquiry and ongoing review of projects. As such, I request the AUC use this work and its public interest mandate to determine an appropriate approach to implement the requirements set out in the *Electric Energy Land Use and Visual Assessment Regulation* for coexistence and Alberta's "agriculture first" policy direction through the AUC's rule development process.

The approach should implement a consistent standard of expected productivity for proposed coexistence plans to enhance regulatory certainty and predictability and could consider metrics such as yield, revenue, soil health, protein production, ecosystem services, rural economic development, or others as determined appropriate by the AUC.

Given the rapid pace of innovation occurring worldwide in the areas of agrivoltaics and other coexistence approaches, I expect the AUC will continue to monitor trends in this area for any new technologies or approaches that may be suitable in Alberta. I also expect the AUC to review its approach to coexistence on a regular basis to ensure rules remain aligned with the latest developments to continue to enable innovation in the province.

To assess Alberta's progress in this area, I request the AUC provide a report to Affordability and Utilities by July 1, 2029, in advance of the scheduled expiry date of the *Electric Energy Land Use and Visual Assessment Regulation* on December 31, 2029. This report shall include information obtained through the agricultural productivity reporting requirement of the regulation to analyze impacts of coexistence on the renewable energy and agricultural industries. In addition, the AUC shall provide recommendations for policy adjustments as necessary to ensure the continued success of these sectors.

The *Electric Energy Land Use and Visual Assessment Regulation* also legislates restrictions to ensure valued viewscapes are preserved in the province, including through the establishment of buffer zones and visual impact assessment zones. New wind projects will no longer be permitted within those buffer zones, and other proposed electricity developments located within the buffer zones and visual impact assessment zones will be required to submit a visual impact assessment to the AUC. A map is publicly available as a guide to assist stakeholders with clarity of these new restrictions at open.alberta.ca/publications/pristine-viewscapes-visual-impact-assessment-zones.

Reclamation Security for Renewables

As of January 1, 2025, Environment and Protected Areas amended the *Activities Designation Regulation* and *Conservation and Reclamation Regulation* to implement mandatory reclamation security for hydro, solar, and wind energy projects on private lands in Alberta. These amended regulations, along with a new Code of Practice for Solar and Wind Renewable Energy Operations, will enable the collection of reclamation security for these project types.

Through this work, renewable energy developers will be responsible to ensure funds are available to reclaim even if they become insolvent by providing security directly to government or through negotiation with landowners. In the case of new negotiated agreements, the AUC will assess the adequacy of renewable developers' reclamation security plans. Further details on the process for reclamation security valuation and collection and will be shared with the AUC as soon as it is available, and public information sessions will be held on the new Code of Practice for Solar and Wind Renewable Energy Operations following its publication in spring 2025.

Development of Renewables on Crown Land

Forestry and Parks will commence a targeted engagement process with relevant stakeholders to develop recommendations to clarify the procedures for development of renewable energy projects on Crown land in the fall of 2025. Key steps in the regulatory process are being reviewed to ensure they remain effective and applicable. These steps may include updating the application process, guidance documents for applicants, rental rates, reclamation security, operating requirements, and considerations for overlapping disposition holders. This work is on schedule and will continue throughout the next several months with the intention to have any legislative or policy changes complete and in effect by the end of 2025. Any development of renewable energy projects on Crown lands will be determined on a case-by-case basis.

Through the publication of this new legislation and accompanying resources, Alberta's government is providing clarity for investors, landowners, and municipalities to ensure continued development of renewable energy in our province while protecting high-quality agricultural land, valued viewsapes, and reclamation responsibilities of the future.

I sincerely appreciate the efforts of the AUC and its staff for their assistance with these initiatives and continued diligent work ensuring delivery of Alberta's utility service takes place in a manner that is fair, responsible, and in the public interest.

Sincerely,

A handwritten signature in dark ink, appearing to read 'N. Neudorf', written in a cursive style.

Nathan Neudorf
Minister

cc: Honourable Rebecca Schulz
Minister of Environment and Protected Areas

Honourable RJ Sigurdson
Minister of Agriculture and Irrigation

Honourable Todd Loewen
Minister of Forestry and Parks

David James
Deputy Minister, Affordability and Utilities