



RMA
RURAL MUNICIPALITIES
of ALBERTA

AUC Rule 007

Engagement Guide for RMA Members

July 2024



Introduction

Following the pause on renewable energy project approvals, which ended February 29, 2024, the Government of Alberta and the Alberta Utilities Commission (AUC) announced their next steps in determining renewable energy policy and approval processes. As part of the process of implementing policy changes, the AUC is currently consulting on several aspects of [Rule 007](#). Part of the policy direction provided by the Government of Alberta to the AUC is to amend their hearing process to provide automatic standing to municipalities hosting the approved projects, as well as to allow municipal costs for hearing participation to be reimbursed. While the AUC engagement does address these direct policy directions, the review scope is much broader and considers other possible changes to municipal involvement, as well as non-municipal scope changes.

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 AUC's approval process for renewable energy projects previously did not adequately consider municipal plans and perspectives, which resulted in projects being approved without the application of a municipal lens.

Concern with the AUC approval process is reflected in several RMA resolutions, including the following:

- ♦ [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
- ♦ [Resolution 7-20F](#): Amendments to Municipal Government Act Section 619
- ♦ [Resolution 11-19F](#): Requirement for Municipal Authority Input on Energy Resource Development Projects
- ♦ [Resolution 20-18F](#): Decommissioning Costs for Wind Energy Developments
- ♦ [Resolution 6-18S](#): Wind Energy Regulations Required at Provincial Level
- ♦ [Resolution 11-18S](#): Recycling of Solar Panels

RMA Quasi-Judicial Agencies Member Committee

To better understand how the AUC and other quasi-judicial agencies approve projects and how such approvals impact rural municipalities, the RMA formed the Quasi-Judicial Agencies Member Committee (QJAC) in spring 2023. In addition to the AUC, the QJAC studied approval processes of the Alberta Energy Regulator in relation to oil and gas development and the Natural Resources Advisory Board in relation to confined feeding operations.

Although the QJAC's research is broader than the renewable energy focus of the AUC inquiry, many of the themes and recommendations in the [QJAC report](#) are relevant to the matters being addressed by the AUC. RMA members are encouraged to review the QJAC report when it is released.

Engagement process

The [consultation](#) includes both written submissions and oral hearings.

Written submissions are due September 3, 2024, by sending comments via email to engage@auc.ab.ca. Please note that all written submissions will be publicly available on the AUC website. Oral consultations occurred in June and July.

How to use this guide

This guide is intended to support RMA members in participating in the written consultation while allowing for local municipalities to embed their own experiences and priorities in their input. The AUC consultation covers several specific topics, which are explored below. RMA's suggested input is based only on policy aspects of the review. There are some highly technical review topic areas that are not covered in this guide. Members are encouraged to provide input into these areas if they have an existing position.

Ongoing RMA Support

Should the AUC change the scope of the written consultation, RMA may update this guide or provide members with other resources.

If you have any specific questions about this guide, the engagement process, or how RMA can support members, please contact RMA Policy Advisor Warren Noga at warren@rmalberta.com.

Topic 1: Draft municipal engagement form

Overview

The AUC is seeking input on a [draft municipal engagement form](#). The municipal engagement form is proposed in response to feedback from RMA and municipalities that project proponents should be required to confirm alignment with municipal plans (potentially through a municipal concurrence letter or municipal land-use planning checklist) as part of the project approval process. The AUC is seeking feedback on the content of the form, if the form should be mandatory, and who should be responsible for completing the form (the proponent or the municipality).

Key Messages

- ◆ More clarity is needed on the MDP, IDP, and LUB sections. The engagement form should be modified to make it clear if and how the proposed project aligns with these various plans. This could be achieved by asking clearly if proposed project is aligned with each planning policy followed by details of how it aligns.
- ◆ Clarity is needed on how the AUC will consider municipal planning documents. For example, RMA members may wish to ask how the AUC will proceed if the municipal engagement form shows that the proposed project does not align with an MDP, IDP, or LUB.
 - ◇ The form should be amended to ask if there is an area structure plan (ASP) or area concept plan (ACP) in the area where the project is proposed. If so, the form should ask if the proposed project is in alignment with these plans as well.
- ◆ For the question “was consultation conducted with the municipality?”, there is room for more specificity. Consultation could mean anything from sending a letter to a series of meetings with council and planning administrators. Members may wish to request this question be clarified to ask for a full description of consultation activities undertaken by the proponent.
 - ◇ While this may be outside the scope of review of the municipal engagement form, RMA suggests members ask for clarification on Rule 007’s engagement expectations. There may be a need to formally upgrade how municipal engagement is considered by the AUC. Developing a form requesting the level of engagement may be of limited value if the AUC does not place a high value on this engagement.
- ◆ While it may be covered in the compliance checklists for the various planning policies, RMA suggests that the engagement form include a section where the proponent specifically addresses whether they are in compliance with municipal setbacks.
- ◆ The form should be completed by the proponent, as they should be able to demonstrate how a project aligns with local land use bylaws as part of the approval process. However, the form must include sufficient time for the municipality to review and sign off if they agree the project aligns with their planning policies.
- ◆ In the case of disagreement between the municipality and the proponent on whether a project is in alignment, the AUC should consider the municipal perspective to have priority, as they are the owner of the planning policies.

Topic 2: Methodology for visual impact assessment

Overview

The AUC is seeking input on the methodology for determining visual impact assessments. As a reminder, the AUC previously consulted on the topic of pristine viewscales, in which they heard a variety of perspectives that emphasized how individuals value viewscales differently. Moving forward, the AUC is contracting an expert to develop a methodology for determining visual impact assessments, however, they are accepting other feedback.

Key Messages

- ♦ While the technical methodology may be outside the ability of municipalities to comment on, RMA suggests that members highlight the need for the visual impact assessment to consider local conditions and not be used to sterilize large areas of municipalities.
- ♦ The methodology should consider the economic impact of blocking development in a significant portion of a municipality, as well as of reducing or eliminating a viewscale opportunity. Municipalities should have an opportunity to provide input on this aspect of the viewscale determination.
- ♦ Visual impacts should be assessed in the context of other public interest criteria such as impact on agricultural land, economic impacts, etc.

Topic 3: Setbacks for renewable energy facilities

Overview

The AUC is considering whether they should implement their own setback rules, which would establish the minimum distance between a proposed renewable energy project and other types of existing developments. Additionally, if respondents think the AUC should implement their own setback rules, they are requesting respondents complete a [table](#) with specific setback distances and rationale for different types of renewable projects from other types of development (i.e. houses, schools, roads, etc.).

Key Messages

- ♦ As municipalities can determine their own setbacks in their planning documents, the AUC implementing setbacks has the potential to create confusion for proponents when siting a project, which may in turn increase the risk of their plan not being in compliance with local planning policy.
- ♦ If the AUC does implement provincewide setbacks, they must function as defaults that only apply when the municipality does not have local setback requirements.
- ♦ In cases when municipalities have local setback requirements, these should take precedence over AUC default setbacks.
- ♦ RMA recommends that members provide AUC with information on their own setbacks, and explain how these were established. The goal of doing so is to demonstrate why municipal setbacks are important and that a provincial standard may cause confusion, as it cannot be aligned with every municipality.

Additional renewable energy considerations

The AUC has indicated that they are open to feedback on other renewable energy considerations that could be referenced within the Rule 007 process. Therefore, RMA members may wish to raise previously identified concerns.

Agriculture and Environment – Key Messages

- ♦ The province has indicated they intend to adopt an “agriculture first” approach, which would place a restriction on class 1 and 2 soil based on the Land Suitability Rating System (LSRS). This could restrict development on nearly all agricultural land in some municipalities, and impact no land in others, leaving land that may be class 3, but highly valued locally, open to development. A one-size fits all approach will not work when preserving agricultural lands in Alberta.
- ♦ A blanket restriction on soil classes also removes accountability from the AUC and proponent to understand and weigh the value of the specific land being developed. Factors such as historical production, relative production on a local and regional level, etc. provide a more relevant lens to evaluate the impact of development on a particular piece of land.
- ♦ While it is not clear how agrivoltaics are defined or if agrivoltaics are within the jurisdiction of the AUC, RMA suggests proceeding cautiously to ensure that agrivoltaics projects truly meet the intent of using land for two purposes without creating unintended consequences. For example, if a site requires highly specific equipment to farm, it may not be farmed to the same extent as intended, reducing the expected benefits of agrivoltaics. Approvals of co-use of land should require that the land maintain a specific portion of its historical production levels.

Reclamation Security – Key Messages

- ♦ The RMA is pleased to see that securities will be required for developments. Reclamation securities are necessary to protect the public interest and ensure that industry is held accountable.
- ♦ While based on RMA’s understanding, the details of how reclamation security amounts are measured and the process for determining them are beyond the scope of the AUC, Rule 007 should clarify at what point in the project approval process proponents are required to provide verification that their reclamation security obligations have been met.
- ♦ Proponents should be required to verify adherence to reclamation securities as early in the approval process as possible to avoid creating unnecessary work for the AUC, municipalities, and other stakeholders.