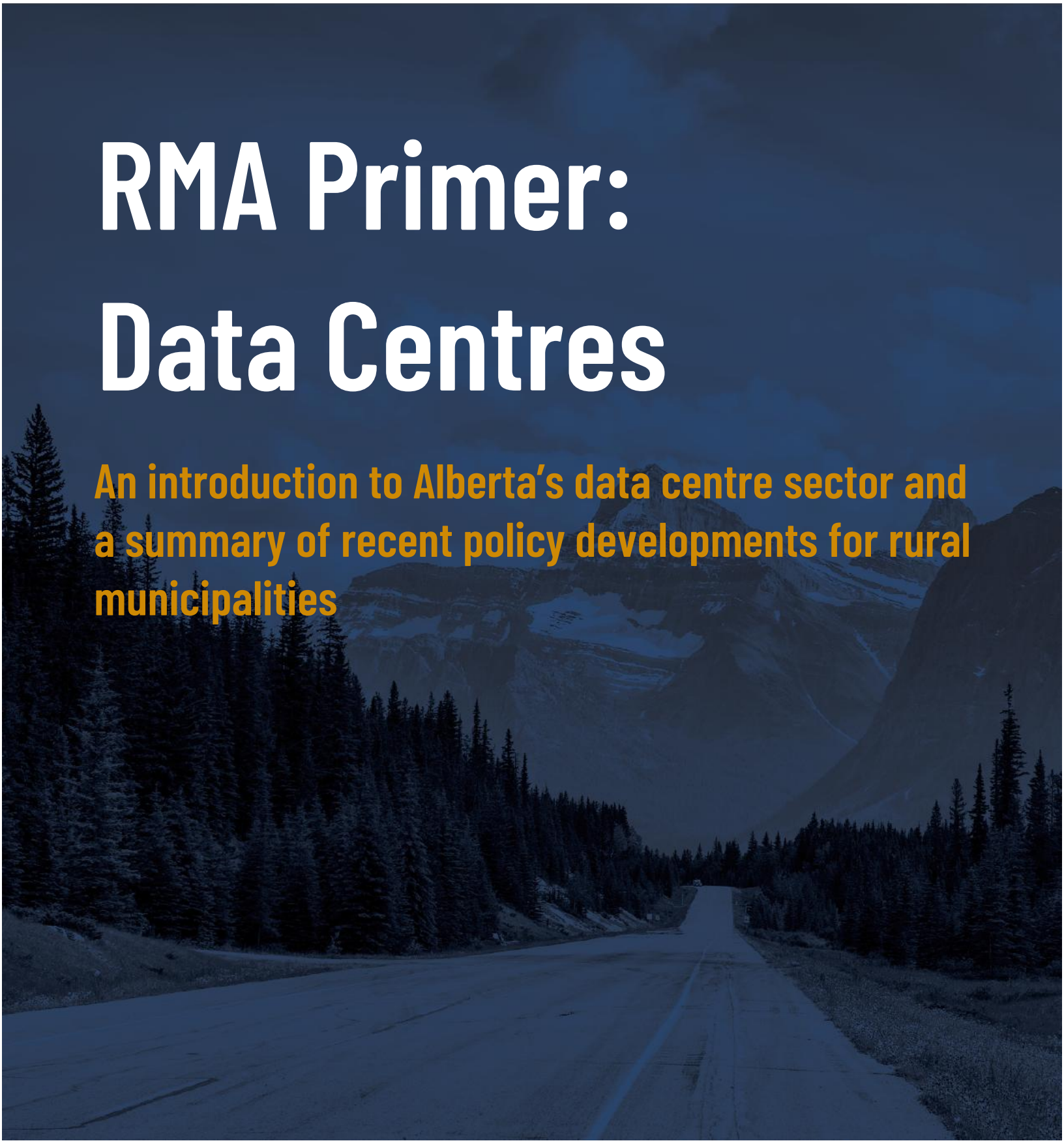
RMA
RURAL MUNICIPALITIES *of* ALBERTA

RMA Primer: Data Centres

An introduction to Alberta's data centre sector and a summary of recent policy developments for rural municipalities



Introduction

Data centres, while not new, are increasing in size and prevalence due to demand for the cloud computing and AI processes they serve. They represent a significant economic development opportunity for rural municipalities, while also introducing challenges related to land use planning, servicing and other local impacts.

This primer is intended to provide RMA members with background information, summaries of recent provincial announcements and legislative decisions, and RMA's analysis of significant impacts, opportunities, and considerations for member municipalities. It also provides some initial guidance as to how interested rural municipalities can work with proponents and the Government of Alberta in relation to moving forward specific projects.

However, because the most significant developments to date have largely occurred at the provincial level, a detailed analysis of municipal land use planning authority or development processes in relation to data centres is outside the scope of this document.

WHAT ARE DATA CENTRES?

Data centres are warehouses with thousands of servers, computers and other IT infrastructure that enable many internet and digital services and platforms, such as cloud services, data storage, social media, online business, cryptocurrency, and increasingly, the Artificial Intelligence (AI) sector. (IBM)

All data centres consume significant amounts of energy, and in some cases, significant amounts of treated water, and little is known about how the attraction of large-scale data centres will impacts Alberta's environment, economy, and municipalities in the coming years.

Background

Alberta's Data Centre Strategy

In recent years, the Government of Alberta (GOA) has begun to take action to position the province as a leading destination for data-centre investment through announcements, policy commitments, promotional missions, and direct engagement with global technology companies. While data centres have existed for a few decades now, large-scale and AI-enabled data-centre development have only recently emerged in Alberta. The GOA's efforts have attracted interest from hyperscale firms such as Google, Meta, and AWS, as well as a growing number of non-hyperscale proponents exploring opportunities in the province.

In December 2024, the GOA released its Artificial Intelligence Data Centre Strategy, signaling its intention to make Alberta the preferred North American location for AI-driven data centre development. The strategy emphasizes Alberta's competitive advantages, including its cold climate, abundant natural gas and energy resources, established water-management infrastructure, low corporate tax rates, and ongoing red-tape reduction initiatives. These factors are presented as key differentiators in a global environment where available grid power is increasingly scarce and jurisdictions struggle to meet the electricity demands of next-generation AI computing.

One significant component of the strategy is the creation of the AI Data Centre Concierge Team, a service administered by the Government of Alberta intended to provide guidance to investors and proponents in navigating the regulatory process concerning AI data centre development. However, the strategy does not include definitive timelines or assign specific commitments to departments and agencies within the GOA. The strategy also references expected collaboration between the provincial and municipal governments, and opportunities for municipal tax revenue, though minimal details are included.

The strategy commits to creating an "investment-ready environment" built around three core pillars:

- Power capacity, focused on enabling high-capacity, reliable, and affordable power solutions, including both off-grid and grid-connected models;
- Sustainable cooling, leveraging Alberta's climate and supporting innovation in next-generation cooling technologies; and
- Economic growth, ensuring that AI-driven development contributes to job creation, diversification, and shared prosperity.

To advance these pillars, the GOA outlines actions to streamline regulatory processes, modernize approval timelines, support dedicated power-generation solutions, integrate natural gas and renewable resources, and collaborate with municipalities and Indigenous communities to accelerate project development. The strategy also commits to establishing an AI data centre concierge program, enhancing partnerships with industry, and expanding Alberta's AI and machine-intelligence capacity through new computer infrastructure.

Recent Changes and Decisions

Several recent developments have significantly reshaped the data centre landscape in Alberta beyond the approach outlined in the GOA strategy. While the strategy framed Alberta as a competitive destination for hyperscale investment, subsequent regulatory and system-planning decisions have introduced constraints that materially affect how and whether data centre projects can proceed.

AESO Large Load Connection Limit

The Alberta Electric System Operator (AESO) is a not-for-profit organization responsible for safely managing the operation of Alberta's electricity grid. AESO also plans the transmission system, ensures customers across the province are connected to the transmission system and operate the competitive electricity market.

Following demand pressures and policy developments in Alberta's data centre sector, the AESO has recently implemented various changes to maintain the integrity of the provincial electrical grid:

- One of the earliest and most consequential changes was the AESO's June 2025 announcement of an interim approach to large-load connections.
- In response to an unprecedented surge in demand, with 29 proposed data centre projects representing more than 16,000 MW of load as of June 2025, AESO determined that connecting all proponents would compromise the reliability of the province's grid.
- To protect system stability and ensure that new loads do not exceed available dispatchable generation, AESO established a 1,200 MW cap on new large-load connections between 2025 and 2028. This limit is far below the total demand seeking access and represents a conservative, reliability-first approach that allocates Alberta's now-scarce grid capacity among qualified data centre proponents. AESO also established a Large Load Integration Program, a multi-phase engagement approach designed to coordinate data centre proposals under the new interim limit.
- While undertaken based on a priority of protecting the province's power grid, the AESO decision slowed or disrupted progress on some data centre projects that had been planned based on an assumption of available grid capacity, due in part to government's promotion of Alberta as an "investment ready" jurisdiction.
- From the 29 proposed data centre projects in the queue before the 1200 MW large-load connection limit, only two projects were successfully allocated at 970 MW and 230 MW each. All remaining large load requests are expected to be considered in Phase 2 of the Large Load Integration Program with pre-engagement currently underway.
- By October 2025, AESO's data centre-related queue had grown to over 21,000 MW. For context, the City of Edmonton's entire load is approximately 1,400 MW, meaning that AESO's queue represents the equivalent demand of over fifteen cities the size of Edmonton.

July 2025: Data Centre Levy Engagement

- In Summer 2025, the GOA engaged on and announced the Data Centre Computing Equipment Levy, which the province stated was designed to generate additional provincial revenue. At the time of the announcement, the levy rate was set at 2% and applied only to computing equipment in facilities of 75 MW or greater, with more details to come in the Fall session of the legislature.

Bill 8 and Bill 12 – Legislative Amendments

In Fall 2025, the Alberta Legislature passed Bill 8 and Bill 12, each of which contained provisions that formalized and expanded the regulatory framework for data-centre development. While both bills included broader fiscal and administrative amendments, they also established the legislative authority for the Data Centre Computing Equipment Levy and enabled the creation of accompanying regulations.

- Bill 8, the *Utilities Statutes Amendment Act, 2025*, introduced enabling provisions for regulatory changes affecting data centre classification, assessment, and reporting requirements, while also establishing a broader framework to support the province's emerging data centre sector. Bill 8 also created mechanisms that encouraged proponents to bring their own generation to support grid connections. Based on government messaging, it was intended to align with the GOA's shift in tone towards a cost-causation framework for transmission and modernized utilities legislation to strengthen the power grid and encourage investment. Although the GOA has stated that Bill 8 will contribute to requiring data centre proponents to pay for necessary transmission upgrades, including a reference in Affordability and Utilities' letter to AESO in late 2024, it is unclear how this requirement is enabled by the legislation and how data centres are expected to cover transmission infrastructure costs.
- Bill 12, the *Financial Statutes Amendment Act (No. 2), 2025*, introduced targeted amendments to the Alberta *Corporate Tax Act* to establish the Data Centre Computing Equipment Levy. These amendments created a levy of up to 2% on the value of computing equipment in data centres consuming 75 MW of power or more, with lower rates for proponents that brought their own power generation and a 0% rate for data centre and power plant projects that were fully "behind the fence" or not connected to the provincial grid. The levy was also made deductible from Alberta corporate income taxes in the form of a credit. The amendments in Bill 12 formalized the levy in legislation, clarified its application to grid-connected and self-generation projects, and provided the statutory authority needed to administer and enforce the levy as part of Alberta's broader data-centre policy framework. An amendment to Bill 12 was later introduced to fully exempt data centres with on-site generation from the levy.

Together, AESO's load-connection cap, the shift toward self-generation, and the entrenchment of the computing equipment levy in legislation and assessment policy have fundamentally altered the environment for data-centre development in Alberta since the province's strategy was initially introduced in late 2024. While the GOA continues to promote the sector, the combined effect of these decisions is a more constrained and somewhat more complex pathway for proponents and municipalities alike.

Bill 17 – Additional Legislative Amendments

In March 2026, the Government of Alberta introduced Bill 17, the *Fiscal Measures Statutes Amendment Act,* which amends several pieces of legislation including the *Alberta Corporate Tax Act* to clarify that a data centre's levy rate will be calculated based on its actual consumption of public electricity rather than its grid connection. As a result, if a data centre does not draw power from the grid, it will be levied at 0%.

This is an important clarification for data centres with co-located power generation, which may still need to be grid connected for redundancy in case emergency or back-up power is required, and may also produce surplus power which can be "shed" back into the provincial power grid. Before Bill 17's amendments, it was unclear whether these types of data centres would be subject to the levy despite not consuming grid power, which created a potential disincentive for on-site generation that conflicted with the Province's objective of managing limited grid capacity while attracting data centre investments.

By confirming that grid-connected developments are not levied when they are not drawing power from the provincial grid, Bill 17 reduced this uncertainty.

While further development of the data centre policy framework may contribute to investor uncertainty and regulatory complexity for municipalities, this updated legislation is more consistent with previous government messaging as part of the Alberta Data Centre strategy and seeks to balance data centre demand with the province's power grid constraints.

Electricity Availability

Alberta's Electricity Requirements

Data centres vary significantly in size, design, and operational intensity, and electricity requirements. Electricity demand for data centres, power production from power plants, and transmission capabilities over linear infrastructure are measured in watts (W), with kilowatts (kW) representing 1,000 watts, megawatts (MW) representing one million watts, and gigawatts (GW) representing one thousand MW. Electricity use is also described using kilowatt-hours (kWh), which measure the total amount of electricity consumed over time. In simple terms, W, kW, MW, and GW reflect the instantaneous demand placed on the grid, while kWh reflects how much electricity is used when that demand is sustained over hours or days.

To contextualize scale, we will use the common household lightbulb, which generally uses around 60W. According to Peace Power, the average residential household in the City of Edmonton consumes approximately 1,200 kWh per month, or 14,400 kWh per year – equivalent to an average continuous load of roughly 1,600 watts, or 1.6 kW. This is the same as running approximately 26 lightbulbs continuously for an entire year.

According to AESO, the entire City of Edmonton has an annual load of approximately 1,400 MW – equivalent to over 23 million lightbulbs running continuously. Alberta's province-wide load as calculated by AESO at the time of writing is around 11,000 MW.

Grid capacity and the Government of Alberta's Data Centre Strategy

The impact of new data centre projects on the capacity of Alberta's grid cannot be understated, as data centres consume huge volumes of electricity. As of June 2025, AESO had recorded over 16,000 MW of data centre-related demand for electricity in their connection queue, which represented an amount of electricity over 10 times that required for Edmonton. In October 2025, the queue had grown to over 21,000 MW, which is over 15 times Edmonton's demand, or around 350 million lightbulbs.

Alberta currently has insufficient electrical generation and transmission capacity to address the number of new data centre developments planned or in progress, let alone leverage potential long-term investments in grid-connected developments.

TIMELINE OF KEY RECENT EVENTS

→ *Sept 17, 2024*

Promotional missions for data centre investment:

Minister of Technology & Innovation and a delegation of GOA representatives travel to California to promote the province as a data centre investment destination.

→ *Dec 4, 2024*

GOA announces AI Data Centre Strategy:

The GOA formalizes its data centre investment attraction and development goals through the provincial AI Data Centre Strategy.

→ *June 4, 2025*

AESO announces interim limit:

To help manage the significant and recent increase in power demands largely attributed to AI Data Centre development, AESO implements a limit of 1200 MW for new grid-connected data centre facilities between 2025 and 2028.

→ *Aug 27, 2025*

Data Centre levy and engagement survey launched:

The GOA announces the implementation of a 2% levy on computing equipment within grid-connected data centres and also launches an engagement to gather input from stakeholders on potential levy approaches. The change is intended to incentivize proponents to self-supply and "bring your own power".

→ *Nov 25, 2025*

Bill 8 and Bill 12 tabled:

Bill 8 redefines “data centres” within existing utilities frameworks and modifies some aspects of regulatory oversight for the AUC and AESO. Bill 12 provides more specific regulations and guidelines surrounding the data centre levy.

→ *Mar 10, 2026*

Bill 17: Amendments to the Alberta Corporate Tax Act

In March 2026, the Government of Alberta tabled further legislative amendments regarding the data centre levy. In Bill 17, amendments clarify that a data centre’s levy rate will be calculated based on actual power consumption and not just grid connection; now, drawing no power from the grid will make a project eligible for a 0% levy rate

Even small data centres represent electricity loads equivalent to thousands of homes, and hyperscale facilities can exceed the electricity demand of entire communities. According to the State of Virginia’s Joint Legislative Audit and Review Committee (JLARC)’s investigation into data centres and comparable industry benchmarks, a small data centre typically consumes 50-100 million kWh per year (equivalent to an average continuous load of roughly 6-12 MW), a medium facility consumes 200-400 million kWh per year (23-46 MW), and a large or hyperscale data centre can exceed 1-1.5 billion kWh per year (115-170 MW).

Using the City of Edmonton household consumption data above as an example, this is equivalent to roughly 3,500-7,000 homes, 14,000-28,000 homes, and 70,000-100,000 homes worth of electricity per year, respectively. Because the demand driven by considerable growth in the AI and data centre sector exceeds Alberta’s grid capacity, AESO introduced the large load connection limit in June 2025 to help protect the stability of the power grid and manage high demand. While AESO’s limitations may contribute to investor uncertainty and appear to contradict the Government of Alberta’s data centre strategy, which frames the province as “investment ready” with required infrastructure, it was also a necessary change to avoid severe disruptions to power availability and impacts to the existing grid infrastructure.

Other Considerations

While Bill 17 now ensures that levy rates are tied to actual public power consumption rather than grid connection status, the broader shift towards a bring-your-own-power model still creates significant upfront costs that only the largest, most well-capitalized proponents may be able to absorb.

With limited grid capacity available under Phase 1 and future phases of AESO’s Large Load Integration Program, many projects will only have the power to proceed if they develop their own on-site generation; however, building power plants is a capital-intensive requirement that smaller or less-established proponents may be unable to finance.

It remains unclear whether this shift toward self-generation reflects a deliberate long-term policy direction or a reactive response to Alberta’s constrained grid capacity, and whether it aligns with the province’s broader economic-development goals; as a result, the current approach may unintentionally narrow the range of proponents able to enter the market, which in turn raises questions about long-term

competitiveness and whether smaller-scale entrants will be effectively excluded.

Water Availability and Cooling Requirements

Data centre developments can offer substantial economic benefits for rural municipalities, but they can also apply pressure on rural water sources and infrastructure. According to a recent media article, 76% of Alberta's planned data centre sites are in basins with high or extremely high water stress.

However, the picture is more nuanced than national or international headlines suggest. Water impacts are highly site-specific and depend on design choices, climate, and local water availability.

Data centre water use varies primarily because of the different types of technology available to cool the computing equipment. Evaporative cooling is the oldest and most water-intensive technology, with large or hyperscale facilities in warmer climates consuming millions of litres per day. More modern closed-loop systems typically circulate a glycol-based coolant, but still draw some water; one closed-loop development proposed in Alberta was still expected to draw around 1.5 million litres of water per day between the data centre and the co-located gas plant. Finally, air or “dry” cooling avoids water use entirely and generally operates effectively at temperatures below 30°C.

Alberta’s AI Data Centre Strategy explicitly promotes leveraging the province’s cold climate for sustainable, low-water or air-based cooling, and the Minister of Technology and Innovation has stated that new, made-in-Alberta ‘zero-water’ cooling technologies are emerging. Several recent Alberta-based proposals (e.g., CAL-2, CAL-3, and AHI in Red Deer County) have committed to air-based or closed-loop systems, which suggests that other proposed developments in Alberta are likely to use a similar approach. However, during heat waves, these types of facilities may still rely on water or other closed-loop systems to maintain stable temperatures, meaning even dry-cooled designs may have seasonal water needs. In all cases, the water consumed by data centres must be clean and potable water generally sourced from municipal water systems.

This seasonal variation is important, as annual averages can obscure the fact that no matter what cooling technology is utilized, data centres would have the highest water needs during the hottest months, when water availability is lowest and agricultural and municipal users are facing the greatest stress.

Regional variation is also significant; so far, many of the proposed developments have been clustered near larger population centres, which provides access to existing high-voltage transmission infrastructure, land already zoned for industrial use, and faster response times for AI chatbots. However, southern basins such as the Bow, Oldman, and South Saskatchewan have been closed to new surface water allocations since 2006, making large water-dependent projects difficult without licence transfers. In contrast, the Red Deer and northern basins have significantly more unallocated water and cooler temperatures that favour dry-cooling technologies.

The emerging “bring-your-own-power” model also applies pressure on water resources. Many developments include on-site natural gas generation, and gas plants may require water for cooling, steam processes, or emissions control. In some cases, the power plant’s water needs may even exceed those of the data centre itself, creating cumulative impacts that rural municipalities must understand.

The goal of this section is not to discourage development, but to ensure proposals align with local water availability, infrastructure capacity, and long-term sustainability. Accurate, site-specific information from proponents – especially peak water consumption metrics – enables municipalities to make fully informed decisions and support economic growth while protecting essential community resources.

Municipal Assessment

What is assessment and how does it work?

Property assessment in Alberta is the process of assigning a dollar value to property for taxation purposes. Assessments are prepared annually, based on a legislated valuation date and physical condition date, and determine each property owner's share of municipal and education property taxes. Because property taxes are the primary source of revenue for municipalities, which utilize this tax revenue to fund local infrastructure and services, the property assessment system directly shapes municipalities' long-term fiscal capacity.

Most residential and commercial properties are assessed using the market value standard, which reflects the probable price a property would sell for in an open market. Assessors rely on mass appraisal, a statistical method that values groups of similar properties using common data and valuation models.

However, some property types are too unique, too large, or too infrequently traded to be valued using a market value approach. These include machinery and equipment (M&E), linear property (such as pipelines, power lines, and telecommunications systems), and major industrial plants; these regulated property types fall under the category of Designated Industrial Property (DIP) and are assessed using regulated procedures set out in the *Matters Relating to Assessment and Taxation Regulation* (MRAT), as well as other regulations and ministerial guidelines. MRAT prescribes formulas, depreciation rates, and classification rules to ensure consistency across the province, recognizing that these assets do not have reliable market comparables. This two-track system ensures that specialized industrial assets such as pipelines, power generation facilities, and now large data centres are assessed using a cost-based methodology that reflects the difficulty of establishing a specific market value for such properties.

How will data centres be assessed?

RMA reached out to Alberta Municipal Affairs, Alberta's Data Centre Concierge Team, and engaged with the Alberta Assessors Association (AAA) to better understand how data centres will be assessed following the legislative amendments in Bill 8 and Bill 12.

Large and hyperscale data centres, specifically those 75 MW or greater, will be designated as "major plants" under the Alberta Machinery and Equipment Assessment Minister's Guidelines and will be assessed as DIP by the provincial assessor to ensure province-wide consistency for all developments. The DIP assessment will apply only to land, site preparation, buildings, and assessable improvements such as fire suppression systems, HVAC, and certain cooling infrastructure. If a data centre includes onsite power generation, those components are also likely to be assessable if they meet the definitions of linear property or machinery and equipment under the *Municipal Government Act* (MGA) and MRAT. If they do meet those definitions, then they will be assessed, and subsequently taxed at the municipal level.

It is key to note that the computing equipment contained within data centres that are 75 MW or greater will **not** be assessable and will not contribute to the municipal tax base. Through amendments to the MRAT Regulation, standalone computing equipment (including servers, processors, networking hardware, storage devices, racks, cabinets, and associated cooling components) are now explicitly excluded from the definition of machinery and equipment and are not assessable. This is because MRAT's definition of "processing" refers to the physical transformation of tangible goods, not the manipulation of digital data or the processing of digital data by computer processors. As a result, most of the capital investment in AI-enabled data centres such as the servers, GPUs, networking gear, computer-specific cooling infrastructure, and related digital infrastructure will not form part of the property assessment.

As a result, the assessment of a data centre will not fully reflect the project's total cost to build. The exclusion of computing equipment, which could be more than 50% of the data centre's cost to construct, means that municipalities should expect limited new assessment revenue from computing-heavy data centres, with the

most significant assessable components arising only where proponents build onsite generation or substantial mechanical systems.

While the computing equipment will be assigned a value by the Government of Alberta, it will not inform assessment and property taxation, but rather the application of the new Data Centre Computing Equipment Levy.

Data Centre Computing Equipment Levy

Purpose and Policy Rationale

The Data Centre Computing Equipment Levy is contained in Part 9.1 of the *Alberta Corporate Tax Act* (ACTA) and is a major component of the Government of Alberta's broader AI Data Centre Strategy. The levy is intended to generate provincial revenue from the most valuable assets (the servers, GPUs, networking hardware, and other computing equipment), which are explicitly not assessable for municipal property tax purposes in Alberta due to recent amendments to the MRAT. The Government of Alberta has framed the levy as a way to balance competitiveness with fairness and as a mechanism for the province to capture value from the most expensive component of data-centre developments. The levy applies only to grid-connected data centres of 75 MW or greater, aligning with the same threshold used to classify these facilities as DIP.

Relationship Between Municipal Assessment and the Computing Equipment Levy

Although the Data Centre Computing Equipment Levy uses concepts that resemble municipal or DIP assessment, such as equipment valuation and annual depreciation, the levy exists exclusively to generate provincial revenue. It does not overlap with property taxation, and municipalities cannot collect it.

Because computing equipment is explicitly excluded from assessment under MRAT, none of its value enters either the municipal or provincial property tax bases. The levy does not change this: it provides revenue only to the province, and it does not generate any additional assessment or taxation capacity for host municipalities. This distinction is reinforced in both the legislative amendments and Assessment Bulletin 25-02, which confirm that computing equipment remains non-assessable and that the levy is intended to compensate the province, not municipalities, for this exclusion.

Rate and Scope of the Levy

Beginning December 31, 2026, qualifying data centres (75+ MW) will pay a provincial levy on the value of their computing equipment, including the high-density hardware used for AI training, inference, cloud computing, and digital services. Because this equipment represents the majority of capital investment in large-scale data-centre developments (often billions of dollars) and is not subject to municipal property tax, the levy ensures the province captures value from assets that would otherwise fall entirely outside the assessment and taxation system. Computing equipment will be subject to an accelerated five-year depreciation schedule, reflecting the rapid obsolescence of hardware commonly used in data centres.

Following the introduction of a revised levy formula in Bill 17, a data centre's levy rate is now based on its actual consumption of public electricity from the grid, and is no longer impacted by its grid-connection status as under Bill 12. Under the new levy rate formula, facilities that are grid-connected for redundancy or emergency backup but that do not draw any power from the grid will be levied at 0%, even if they remain physically interconnected. Similarly, a facility that draws minimal power from the grid will face a minimal levy rate, and facilities that rely solely on public grid power will pay a full 2%

This change resolved the uncertainty created by Bill 12 for developments with co-located power generation that maintain a grid tie for reliability or that may shed surplus load back to the grid, and it further aligned the levy with the province's stated objective of encouraging on-site generation to manage limited grid capacity while still attracting large-scale data-centre investment.

Data Centre Computing Equipment Levy Formulas

1) The formula used to calculate the **total amount of levy ($)** payable to the province from a data centre is located in s. 92.3(7) of ACTA, and is as follows:

$$\mathbf{(E + F) \times R}$$

In this formula:

- **E** = the total cost of the computing equipment in the data centre or co-location facility that is available for use at the end of the calendar year, that is less than 4 years old at the end of the calendar year, multiplied by 45%;
- **F** = the total cost of the computing equipment in the data centre or co-location facility that is available for use at the end of the calendar year that is greater than 3 years old in age at the end of the calendar year, multiplied by 15%; and
- **R** = the **levy rate**, expressed as a percentage rounded up to the nearest one-tenth of a percent, with halfway values rounded up. that is determined by the formula:

2) The formula that determines **R**, or the **levy rate**, is:

$$\mathbf{(((G - N)/T) \times 0.02) + ((N/T) \times 0.01)}$$

In that formula:

- **G** = the total electricity received by the data centre or co-location facility from the power grid, directly or indirectly, in the calendar year;
- **T** = the total of all electricity received by the data centre or co-location facility in the calendar year from any source, including electricity generated by the operator of the data centre or the co-location facility; and
- **N** = the lesser of G and the total of all electricity delivered to the power grid in the calendar year for the data centre or co-location facility under a new power capacity agreement or a self-generation arrangement.

Interaction with Corporate Income Tax

The Data Centre Computing Equipment Levy is fully deductible against provincial corporate income tax, meaning that once a data centre becomes profitable and begins paying corporate income tax, the levy does not create an additional long-term tax burden. In practice, this structure allows the province to collect revenue from data centres during their early years of operation when capital investment is highest and corporate income tax payments may be minimal, while maintaining a competitive, low-tax position.

The levy amounts paid will be treated as a credit against the corporation's income tax burden and can be carried forward for a period of seven years.

Future Regulatory Development

The levy framework was shaped through a six-week consultation with industry stakeholders, and the province has signaled that additional regulations may follow as the sector evolves. These may include reporting requirements, depreciation rules, compliance mechanisms, and further alignment with MRAT definitions to ensure clarity on what constitutes "computing equipment" for levy purposes.

What is RMA doing?

RMA has been actively engaged throughout the rapid evolution of Alberta's data-centre policy landscape to ensure that the rural municipalities who will host most of these facilities are not left behind. As the Government of Alberta advances new frameworks for power connections, taxation, and assessment, RMA's focus has been on ensuring that rural municipal interests and perspectives are understood, communicated, and protected.

Engaging with Members

RMA has engaged with several affected member municipalities to understand their questions, concerns, and priorities related to data centre development. This includes gathering feedback on assessment impacts, infrastructure pressures, servicing expectations, and the fiscal implications of computing equipment being non-assessable. As part of the Fall 2025 Convention, RMA also hosted a workshop session about the data centre industry in Alberta, with speakers representing rural municipal and legal perspectives. RMA has also monitored member participation in provincial information sessions and Q&A forums, recognizing the high level of municipal interest in data centre projects and the need for clear, consistent guidance as projects begin to materialize in rural regions.

Participating in GOA Engagements

RMA has participated in GOA engagement sessions as they arise, including related to amendments to MRAT and the implementation of Bill 8 and Bill 12, as well as remaining in direct contact with the ministries of Municipal Affairs, Technology and Innovation, Treasury Board and Finance, and Affordability and Utilities to better understand and clarify legislative amendments and other policy changes.

Through these engagements and discussions, RMA has emphasized the need for clarity on assessment practices, the role of the provincial assessor, and the implications of the 75 MW DIP designation. RMA continues to advocate for transparent processes, predictable regulatory timelines, and municipal involvement in discussions that directly affect local infrastructure, land-use planning, and long-term fiscal sustainability.

Advocating for Revenue Access for Rural Municipalities

A central priority for RMA is ensuring that the rural municipalities that host the land, infrastructure, and servicing demands associated with data centres receive a fair share of the economic benefits. Because computing equipment is not assessable and the Data Centre Computing Equipment Levy flows to the province rather than municipalities, RMA has advocated for levy revenues and other provincial fiscal tools to be made accessible to rural municipalities. This includes exploring revenue-sharing models, grant mechanisms, or other funding streams that recognize the local costs and responsibilities borne by host communities. RMA's position is that rural municipalities must not be placed in a situation where they absorb the infrastructure and servicing burdens of data-centre development without receiving commensurate, stable revenue in return.

What can your municipality do?

Data centres present both opportunities and risks for rural municipalities. For municipalities actively engaging with data centre proponents or seeking more information about potential data centre development opportunities, the sections below provide a starting point.

Work with the AI Data Centre Concierge Team and Invest Alberta

The Government of Alberta's AI Data Centre Concierge Team is designed to provide guidance to stakeholders navigating Alberta's data centre regulatory environment. As a government entity, it cannot help municipalities or proponents "shop around" for other partners or decide on which proposed developments should proceed. Instead, proponents, municipalities and other relevant stakeholders should engage with Invest Alberta to attract partners and seek advice on how a proposed data centre development move forward.

Invest Alberta is a Crown corporation with a mandate to attract and support private industry investment in Alberta. Through the support provided by the Government of Alberta, Invest Alberta provides funding and support for proponents as well as stakeholders seeking to attract proponents. Rural municipalities can reach out to Invest Alberta to begin collaborating on attracting data centre investment to their regions.

Once a project has all the required partners on board (municipality, power proponent, and data centre proponent), the Government of Alberta advises interested stakeholders to contact the AI Data Centre Concierge team through the AI data centre portal. The concierge team is designed to assist proponents, municipalities and other stakeholders with navigating the regulatory process surrounding data centre development. Given that multiple forms of approval will be required by various regulatory agencies, such as the Alberta Utilities Commission and the AESO, it is important for members to thoroughly understand the regulatory requirements which can be fulfilled by utilizing the services offered by the AI Data Centre Concierge Team.

Following the submission of an initial inquiry, rural municipalities can submit a municipal questionnaire to the concierge team, which enables municipalities to provide an overview of local barriers and opportunities and convey more about the local perspective on potential data centre projects. Municipal questionnaires are designed for local governments that are beginning or active in the data centre project development process. Other questionnaires for rural municipalities to submit include:

- Initial Inquiry: must be completed before submitting subsequent questionnaires and provides the concierge team with important context and information to better assist stakeholders
- Project Questionnaire: for stakeholders in the early stages of data centre development, a project questionnaire can help provide the AI Data Centre Concierge Team with a more comprehensive understanding of a given project's intended scope
- Connect Directory: whereby an interested organization can register as a stakeholder, which helps increase networking opportunities for rural municipalities

Rural municipalities contacting the AI Data Centre Concierge team should be prepared to provide information such as details about potential data centre sites, municipal bylaws and development plans, potential proponents and whether onsite generation is being considered for a given development, as well as any other opportunities, challenges and needs specific to your municipality.

Through correspondences and meetings with the AI Data Centre Concierge Team, RMA has also learned that proponents and municipalities will have greater likelihood of success with a proposed development if both the power generation and data centre facility components are secured. Doing so will help minimize approval and consultation delays and better equip the concierge team to advise proponents and municipalities.

The AI Data Centre concierge team and portal are primarily intended to support municipalities that are interested or involved in various stages of data centre development. The data centre portal is not well suited to receive input about data centre policy concerns or opposition to a proposed development. Rural municipalities with concerns about data centre development are encouraged to use the existing feedback tools to communicate with the GOA such as appeals or by contacting local MLAs.

Collaborative and Proactive Advocacy

The recent rapid growth of the AI Data Centre industry in Alberta and globally is expected to change the rural Alberta landscape, introducing both opportunities and challenges to rural communities.

Although rural municipalities are currently limited in direct revenue opportunities from data centre developments due to the recent assessment policy decisions, RMA encourages rural municipalities to contact their MLAs to communicate this challenge, and the importance of ensuring data centres provide both local and provincewide economic benefits, to the Government of Alberta. Consistent and clear messaging from a coalition of rural municipalities will help advocate for the inclusion of meaningful revenue opportunities for rural Alberta, especially considering rural municipalities often host data centre developments that bring value to the rest of the province and beyond.

Depending on the size, location, and type of data centre development, projects may also be significant users of resources such as water, land and power. We encourage rural municipalities to take account of resources within the municipality, even before proponents approach the municipality with a data centre project. A proactive awareness of available agricultural land, regional drought conditions and local power needs, among other considerations, will help support informed and timely decision-making and help municipalities better represent their communities.

Rural municipalities may have concerns about a proposed development in their community or concerns about data centre policy more widely. Although a detailed analysis of land use and development relating to data centres is outside the scope of this report, RMA encourages rural municipalities to utilize existing feedback and complaint tools to communicate concerns to the GOA. For example, concerns about power usage may include municipal engagement forms administered by the AUC while concerns about water usage, licenses or any other decisions under the jurisdiction of Alberta Environment and Protected Areas may involve an appeal made through the Environmental Appeals Board. Concerned municipalities should additionally communicate these potential risks to their MLAs to help ensure transparency and responsible decision-making regarding data centre development in Alberta.

Additionally, we encourage rural municipalities to contact us to share challenges, opportunities and overall experiences with data centre development in your communities. Remaining engaged and informed will help RMA better advocate for rural Alberta through meetings, research and other engagements, particularly in communicating potential land use and resource risks and securing a revenue base for rural municipalities.