



Alberta Premier Danielle Smith. Photo: Alberta Newsroom/Flickr

## Alberta renewables pause jeopardises \$24bn in investment in Canada's hottest market

Energy-rich Western province releases first new guidance as it strives to assess impact of rapid development on grid, agriculture and viewsapes

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By [Tim Ferry](#)

The utilities regulator in the western Canadian province of Alberta released the first of its interim rules on renewable energy project development following a pause in project approvals that could jeopardise billions in investment over concerns about the rapid pace of capacity expansion.

The new rules issued by the Alberta Utilities Commission (AUC) Wednesday expand information requirements related to “agricultural land, viewsapes, reclamation security, and land use planning as part of the regulatory review process.”



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Last month the provincial government abruptly paused project approvals until 29 February over concerns expressed by AUC, “municipalities, landowners, and industry players about making sure we have the right policies to support” booming renewable energy development, said Josh Aldrich, press secretary for Nathan Neudorf, minister of Affordability and Utilities for the province.

Market deregulation in the province has sparked skyrocketing development and the resource rich province now accounts for over 75% of Canada’s wind and solar capacity additions.

“Alberta has far exceeded renewable growth forecasts from the Alberta Electric Systems Operator (AESO), creating of 1,000 MW of renewable capacity 19 years ahead of schedule,” Aldrich told *Recharge*.

“We need to ensure further development aligns with the needs of the province to create reliable and affordable energy when needed,” he added.

AESO is the grid operator for the province.



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Alberta’s Premier Danielle Smith of the United Conservative Party said the moratorium was needed to assess “reliability, affordability and siting, and reclamation” of renewable energy development.

The pause has put 118 projects worth \$24.3bn (C\$33bn) of investment at risk, according to a report released by renewable energy think tank Pembina Institute, including 12.7GW solar, 5.3GW onshore wind, and 1.5GW storage.

Renewables advocates say the government needs to clarify reasons for the pause in development.

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“The Alberta government hasn't really been clear of even what their issues are,” Jordan Dye, acting head of Business Renewables Centre-Canada, told *Recharge*, adding that the province “already has really strong regulations around renewable energy development.”

Business Renewables Centre-Canada is affiliated with Pembina Institute.



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Aldrich said the pause is needed to give time for an inquiry into “issues on renewable development, land reclamation at end of project life, the use of agricultural lands, environmental stewardship and the reliability of renewables for the long-haul.”

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Alberta added 1.39GW of solar and wind capacity in 2022, according to the Canadian Renewable Energy Association (CanREA), the lion's share of the nation's 1.8GW build out, bringing its total to around 2.6GW of wind and 1.1GW of solar capacity.

Renewables provided some 17% of Alberta's power needs in 2022, according to government data, up from just 10% in 2018. Coal-fired power has declined from 38% of the mix in 2016 to 7% last year, with the remainder generated by natural gas.

Decommissioning and reclamation of expired energy facilities is a priority for the province with a long history of dealing with abandoned oil and gas wells.



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Will Noel, analyst with Pembina's electricity team told *Recharge*: “There isn't a single example of an abandoned wind or solar facility” in Alberta, and that “many developers have provided landowners various forms of guarantees that projects will be reclaimed to the landowners' satisfaction.”

Noel added that many renewable facilities will be repowered with newer, more efficient technology when they reach the end of their contracts, minimising the risk of abandonment.

The renewables sector is also willing to discuss improving transparency around abandonment risk, but “the Alberta government has never talked to them,” he said.

Ensuring system reliability amid widespread deployment of intermittent renewable energy is likewise a concern for the province.

Dye said that grid operator AESO, like many forecasters globally, “underestimated the amount of renewable development that there was going to be right now.”



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We “saw rapid growth in the deployment of renewables in Alberta, and it took a couple of years for AESO to adjust to that and understand that this is not it wasn't a one-year thing” but a long-term market signal, he said.

AESO's most recent forecasts for transmission needs are “bang on with what we're projecting”, Dye said, likewise minimising the need for a months' long pause.

While the pause continues, it remains unclear whether remaining Canadian provinces will pick up the pace of renewable development.

Most of Canada's power markets are tightly regulated and renewables development is done at the government's request.

Dye said that exporting Alberta's deregulated system could “turbocharge renewable energy development by enabling corporate procurement of renewable energy”.

Direct corporate procurement of green energy “is a proven means of accelerating deployment,” he said.



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Although Alberta has seen recent growth, it still lags eastern provinces in renewables deployment, with Ontario leading in onshore wind at 5.5GW, followed by Quebec with 4GW.

Canada already has a low carbon power grid thanks to its vast hydropower resources which generate 60% of the nation's electricity.

The nation is also increasingly looking at onshore and offshore wind to [generate green hydrogen](#) for export to energy-starved Europe. [\(Copyright\)](#)

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