



Peace River Energy Project Inc.

Peace River Energy Project and Interconnection

March 19, 2024

Alberta Utilities Commission

Decision 28616-D01-2024

Peace River Energy Project Inc.

Peace River Energy Project and Interconnection

Proceeding 28616

Applications 28616-A001 and 28616-A002

March 19, 2024

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Eau Claire Tower

1400, 600 Third Avenue S.W.

Calgary, Alberta T2P 0G5

Telephone: 310-4AUC (310-4282) in Alberta

1-833-511-4AUC (1-833-511-4282) outside Alberta

Email: info@auc.ab.ca

Website: www.auc.ab.ca

The Commission may, no later than 60 days of the date of this decision and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected decision on its website.

1 Decision summary

1. In this decision, the Alberta Utilities Commission (AUC or Commission) approves applications from Peace River Energy Project Inc. (PREP) for the 4.99-megawatt solar power plant, designated as the Peace River Energy Project, and the interconnection of the power plant.

2 Introduction

2. PREP applied for approval to construct and operate the 4.99-megawatt Peace River Energy Project (the project) and to connect it to the ATCO Electric Ltd. 25-kilovolt distribution system.

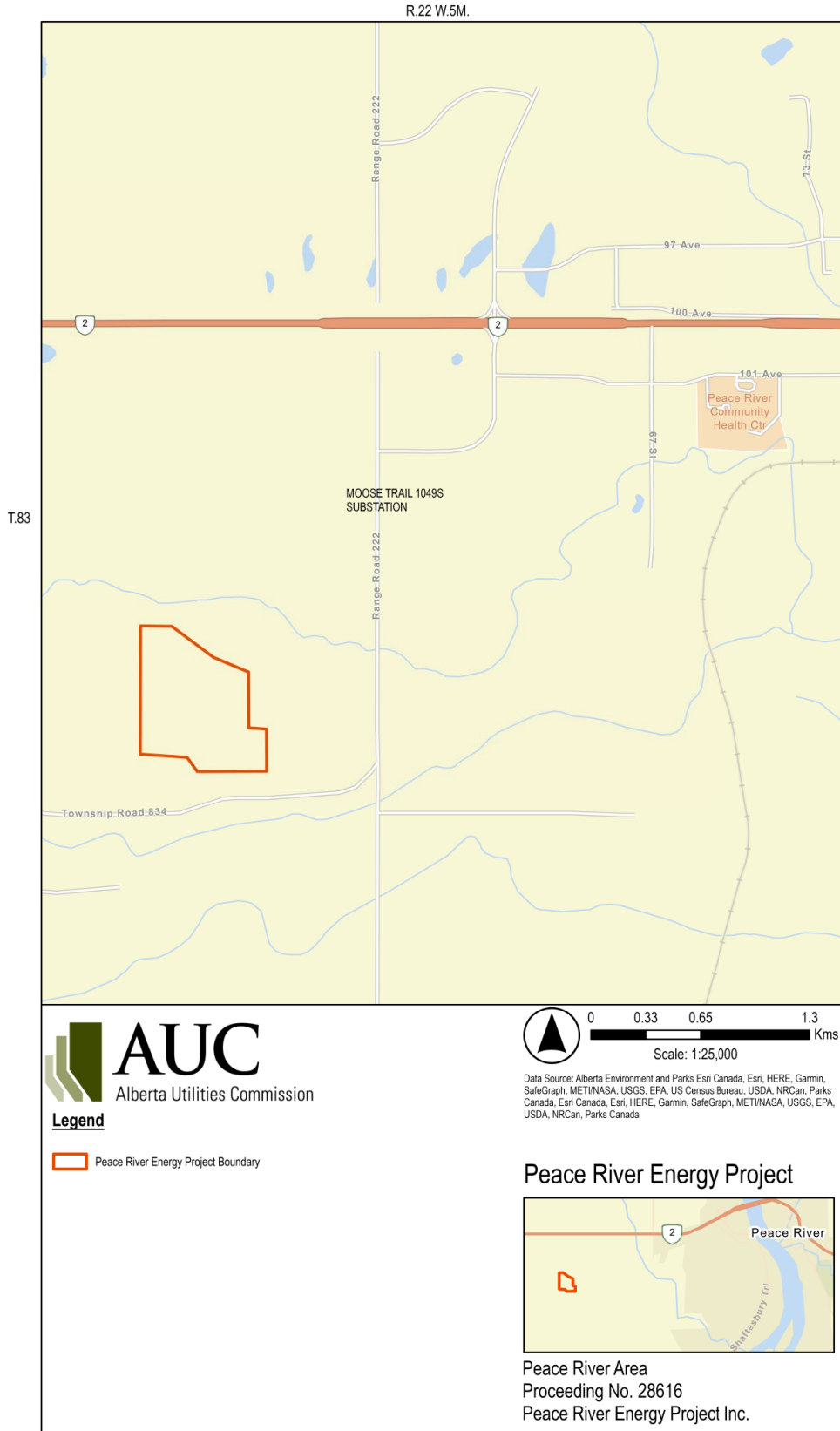
3. The project would consist of approximately 12,000 solar photovoltaic modules mounted on a single-axis tracking system, up to 15 inverters, a single step-up transformer, an underground collector system, security fencing and a gravel access road. The project would be connected to the ATCO Electric distribution system through the installation of a new distribution line running along the northwestern extent to the project area.¹

4. As shown in Figure 1, the project would be in the Municipal District of Peace No. 135 (the MD of Peace), approximately 1.1 kilometres west of the town of Peace River. The project and its point of interconnection will be located on the southeast quarter of Section 27, Township 83, Range 22, west of the Fifth Meridian.²

¹ Exhibit 28616-X0001, Power Plant Checklist Application, PDF pages 1 and 3.

² Exhibit 28616-X0001, Power Plant Checklist Application, PDF pages 1 and 3.

Figure 1. Peace River Energy Project location



5. PREP's applications included:
- A checklist application form.³
 - A participant involvement program (PIP) summary, which described consultations, notifications and the open house PREP undertook with stakeholders.⁴
 - A letter from ATCO Electric confirming non-objection to the project interconnection.⁵
 - Responses to the Commission's interim information requirements outlined in AUC Bulletin 2023-05 about agricultural land, municipal land use, viewsapes, and reclamation security.⁶
 - A renewable energy referral report from Alberta Environment and Protected Areas - Fish and Wildlife Stewardship (AEPA-FWS), which ranked the project an overall low risk to wildlife and wildlife habitat.⁷
 - A copy of the renewable energy project submission that PREP submitted to AEPA.⁸
 - A noise impact assessment summary form, which predicted noise from the project will be compliant with Rule 012: *Noise Control*.⁹
 - A solar glare assessment and an addendum to the assessment, which predicted the project is not likely to have the potential to create hazardous glare conditions for the flight paths, routes, and residences that were assessed.¹⁰
 - An emergency response plan, which outlined the processes and responsibilities in case of an emergency occurring during the construction and/or operation of the project.¹¹
 - An electrical single-line diagram outlining the proposed interconnection of the project.¹²

6. PREP stated that it expects project construction to start in the second quarter of 2024 and finish in the second quarter of 2025, with an in-service date in the second quarter of 2025.

7. This application was subject to the approvals pause mandated by the *Generation Approvals Pause Regulation*. While the pause was in effect, the AUC conducted an inquiry (the Module A inquiry) into several land use impact issues in accordance with Order-in-Council 171/2023. The issues considered in the Module A inquiry included: reclamation security for power plants, the impact of the development of power plants on specific types or classes of agricultural or environmental land, provincial Crown land and Alberta's pristine viewsapes. The

³ Exhibit 28616-X0001, Power Plant Checklist Application.

⁴ Exhibit 28616-X0005, Appendix 4 -Participant Involvement Program Summary.

⁵ Exhibit 28616-X0004, Appendix 3 - ATCO Letter of Non-Objection.

⁶ Exhibit 28616-X0006, Appendix 5 - AUC Bulletin 2023-05 Information Request Responses.

⁷ Exhibit 28616-X0003, Appendix 2 - AEPA Referral Report.

⁸ Exhibit 28616-X0022, Attachment A - PREP - AEPA Submission.

⁹ Exhibit 28616-X0013, NIA Summary Form.

¹⁰ Exhibit 28616-X0016, Glare Assessment; Exhibit 28616-X0027, Attachment B - Glare Assessment Addendum.

¹¹ Exhibit 28616-X0014, ERP.

¹² Exhibit 28616-X0007, Appendix 6 - Project Single Line Diagram.

Commission provided its report on the Module A inquiry to the Minister of Affordability and Utilities on January 31, 2024, and the Module A report was publicly released on March 13, 2024.

8. On February 28, 2024, before the pause expired, the Government of Alberta signalled its intent to develop policy and legislative tools related to some topics in the Module A report and the Commission issued a bulletin confirming that each power plant application affected by the pause would be considered on its individual merits, and the Commission would assess each application to determine whether further process was required. This determination would be based on the circumstances of each application and the sufficiency of the existing evidentiary record. On March 6, 2024, the Commission issued a letter advising that no further process would be required for this proceeding.¹³

9. The Commission's decision in this proceeding is based solely on the record of this proceeding.

3 Discussion and findings

10. For the reasons below, the Commission finds that approval of the project is in the public interest having regard to its social, economic, environmental and other effects.

3.1 Participant involvement program

11. The Commission accepts that PREP's PIP was conducted in accordance with Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines*. The Commission finds that PREP made reasonable effort to inform stakeholders of the project, address their concerns, and identify options for mitigation.

12. During the PIP, PREP consulted nearby residents, provided a project-specific information package to occupants, landowners, residents, and Indigenous groups within 800 metres of the project boundary, and conducted an open house.

13. During its PIP, PREP identified an objecting resident, who owns land adjacent to the project boundary. PREP submitted that it phoned this stakeholder several times and sent a formal letter that specifically addressed the concerns raised about property value impacts, visual impacts, noise, construction, project siting and solar resource/viability. PREP committed to install a vegetative screen meant to reduce any visual impacts of the project at the stakeholder's residence, which PREP believes is likely to limit property value impacts at this residence.¹⁴ The Commission expects PREP to uphold this commitment.

14. The Commission issued a notice of applications to relevant stakeholders in accordance with Rule 001: *Rules of Practice* and did not receive any submissions, indicating stakeholders have no outstanding concerns about the project or have no intent to participate in the proceeding.

¹³ Exhibit 28616-X0032, AUC letter - Close of record and decision timeline.

¹⁴ Exhibit 28616-X0005, Appendix 4 -Participant Involvement Program Summary, PDF page 29.

3.2 Environmental and agricultural impacts

15. Overall, the Commission is satisfied that the project's environmental and agricultural effects are either minor in nature or can be mitigated to an acceptable degree.

16. The project is located primarily on tame grassland, and AEPA ranked the project an overall low risk to wildlife and wildlife habitat.¹⁵ This was based on siting on previously disturbed land, limited wildlife use in the area, and PREP's commitments to mitigate and monitor wildlife impacts.¹⁶ On top of the low risk identified by AEPA, PREP committed to implement additional mitigation measures during construction and operation to further limit environmental impacts.¹⁷ The Commission expects PREP to uphold its commitments to implement additional mitigation measures to further reduce the environmental effects.

17. PREP did not submit an environmental evaluation or an environmental protection plan for the project to the Commission. PREP explained that a full environmental evaluation and an environmental protection plan would be a significant cost and labour requirement with limited benefit to the Commission's understanding beyond the information that is already on the record.¹⁸ Instead, PREP's qualified environmental professionals described environmental effects and associated mitigation measures, submitted a copy of the renewable energy project submission report submitted to AEPA, and appropriately addressed the Commission's remaining environmental concerns through responses to information requests.

18. The Commission emphasizes that applicants have a legal obligation to protect the environment, and identifying environmental features and mitigations should occur prior to construction. Given the project size (i.e., 4.99 megawatts) and the low risk ranking by AEPA, the Commission does not require PREP to submit a full environmental evaluation or an environmental protection plan for this specific project. The Commission findings are focused on the information on the record, including PREP's assessment of project disturbances and commitments to mitigation and PREP's renewable energy project submission to AEPA. Overall, the environmental submissions detailed in Paragraph 5 of this decision sufficiently convinced the Commission that the project is unlikely to have adverse environmental effects.

19. The Commission notes that when assessing ground disturbances, PREP did not use the entire area within the project fenceline (14.8 hectares); instead, it used PREP's view of areas determined to be permanent impacts (4.08 hectares) and temporary impacts (0.25 hectares).¹⁹ The Commission does not accept PREP's area calculations. The Commission views impacted areas as the fenceline and everything in it (14.8 hectares). The Commission finds that calculating impacts based on applicants' subjective views of their severity results in subjective and inconsistent standards across projects. This method of calculation also fails to properly account for potential impacts which could occur during construction (e.g., temporary and permanent infrastructure) and operation (e.g., alteration of wildlife travel, changes to vegetation, operational maintenance) throughout the lifespan of the project. Therefore, the Commission is of the view that 14.8 hectares of land will be impacted by the project, and instead, the magnitude and direction of these impacts will be altered by PREP's mitigations and efforts. While the

¹⁵ Exhibit 28616-X0022, Attachment A - PREP - AEPA Submission, PDF page 5, and Exhibit 28616-X0003, Appendix 2 – AEPA Referral Report.

¹⁶ Exhibit 28616-X0003, Appendix 2 - AEPA Referral Report.

¹⁷ Exhibit 28616-X0012, PREP AUC Acknowledgement Response Letter, PDF page 4.

¹⁸ Exhibit 28616-X0012, PREP AUC Acknowledgement Response Letter, PDF pages 4, 7 and 8.

¹⁹ Exhibit 28616-X0021 PREP - IR Round 1 Response, PDF page 8.

Commission does not agree with the area calculations submitted, the Commission does acknowledge PREP's commitments to reduce impacts to the degree reasonable, and the Commission accepts the general descriptions of temporary and permanent impacts proposed.

20. Rule 033: *Post-approval Monitoring Requirements for Wind and Solar Power Plants* requires approval holders to submit to AEPA and the Commission annual post-construction monitoring survey reports. Rule 033 also requires approval holders to submit to the Commission all related correspondence from AEPA. Therefore, the Commission imposes the following condition of approval:

- a. Peace River Energy Project Inc. shall submit an annual post-construction monitoring survey report to Alberta Environment and Protected Areas no later than January 31 of the year following the mortality monitoring period and submit the post-construction monitoring survey report and Alberta Environment and Protected Areas' post-construction monitoring response letter to the Commission no later than March 31 of the year following the mortality monitoring period. These reports and response letters shall be subsequently filed on or before the same date every subsequent year for which Alberta Environment and Protected Areas requires surveys pursuant to subsection 3(3) of Rule 033: *Post-approval Monitoring Requirements for Wind and Solar Power Plants*.

21. Finally, PREP submitted that the Land Suitability Rating System (LSRS) classification for the land with the project footprint is 3M(10),²⁰ meaning that the lands do not align with Class 1 or Class 2 land restrictions outlined in the letter that the Ministry of Affordability and Utilities issued to the AUC on February 28, 2024.²¹ PREP has included mitigations for soils, vegetation and crop disease, that the Commission feels are suitable given the risks identified and PREP has identified that the landowner plans to continue using the project lands for livestock grazing after the construction completion.²² Overall, the Commission finds that the proposed lands, mitigations and potential dual use commitments adequately address the Commission's agricultural considerations.

3.3 Reclamation security

22. With respect to end-of-life management, PREP detailed a reclamation security program for the project.²³ In particular, PREP confirmed that:

- PREP will comply with decommissioning standards in the *Conservation and Reclamation Regulation and Conservation and Reclamation Directive for Renewable Energy Operations*.²⁴

²⁰ The code 3M(10) denotes the agricultural suitability of the lands where the number (3 - moderate) denotes the class or limitations of the lands, the letter (M - moisture) denotes the reasoning for these limitations and the bracketed number (10 - 100%) denotes the fraction of lands that fall under this code.

²¹ [Letter](#) re Policy Guidance to the Alberta Utilities Commission (28 February 2024) from Nathan Neudorf, Minister Affordability and Utilities.

²² Exhibit 28616-X0006, Appendix 5 - AUC Bulletin 2023-05 Information Request Responses, PDF page 3 and pages 10 to 14.

²³ Exhibit 28616-X0006, Appendix 5 - AUC Bulletin 2023-05 Information Request Responses, PDF pages 18 and 19.

²⁴ Government of Alberta. 2018. Conservation and Reclamation Directive for Renewable Energy Operations. Edmonton. Alberta.

- The land hosting the project will be restored to a pre-construction state.
- The cost of decommissioning will be covered by the salvage value of the project components and a reclamation reserve account in the form of a letter of credit.
- The reclamation security (\$90,000 in 2023 dollars) will be in place in the last 10 years of project operations.
- The land lease owner shall be named as a beneficiary in the event that the project owner cannot fulfill the reclamation commitments.

23. The Commission notes that PREP has committed to establish a reclamation reserve account with the land lease owner as beneficiary and PREP proposed to set aside the reclamation security in a reclamation account in the last 10 years of the project life. The Commission expects PREP to continue its consultation with the land lease owner about the reclamation security program for the project.

24. On February 28, 2024, the Ministry of Affordability and Utilities provided a letter to the Commission²⁵ addressing reclamation security, among others:

Government of Alberta will develop and implement the necessary policy and legislative tools to ensure developers are responsible for reclamation costs via bond or security, with appropriate security amounts and timing to be determined by Environment and Protected Areas in consultation with Affordability and Utilities. The reclamation costs will be provided directly to the Government of Alberta or could be negotiated with landowners as long as sufficient evidence is provided to the AUC. The new requirements will apply [to] all approvals issued on or after March 1, 2024.

25. Based on the information on the record of this specific proceeding, the Commission accepts that the applicant's approach to reclamation is sufficient for the purposes of satisfying the Commission that approval of the project is in the public interest. The Commission continues to expect applicants to fully reclaim projects and bear the costs of doing so. In addition, this project will be subject to any new reclamation cost requirements, as referenced above, given its approval date.

3.4 Glare

26. PREP retained Green Cat Renewables Canada Corporation to conduct a glare assessment for the project, which predicted that the project is not likely to have the potential to create hazardous glare conditions for the flight paths, routes and residences that were assessed. The glare assessment stated that if glare is determined to be an issue during the project's operation, PREP will mitigate by: (i) limiting the resting angle to two degrees during the backtracking periods, which is expected to eliminate glare completely and (ii) implementing vegetation screening and visual barriers.

27. PREP predicted when the project solar panels use a resting angle greater than or equal to two degrees during backtracking, the project will not have glare to any receptors; further, PREP committed to implement this two-degree resting angle limit in response to complaints or

²⁵ [Letter](#) re Policy Guidance to the Alberta Utilities Commission (28 February 2024) from Nathan Neudorf, Minister Affordability and Utilities.

concerns about project glare from stakeholders. The Commission requires that any glare issues associated with the project that may arise be addressed by PREP in a timely manner. Finally, the predictions and associated conclusions in the solar glare assessment report were premised upon the use of an anti-reflective coating on the project solar panels.²⁶ As a result, the Commission imposes the following conditions of approval:

- b. Peace River Energy Project Inc. shall configure the project solar panels to use a resting angle greater than or equal to two degrees during backtracking periods.
- c. Peace River Energy Project Inc. (PREP) shall file a report with the Commission detailing any complaints or concerns it receives or is made aware of regarding solar glare from the project during its first year of operation, as well as PREP's response to the complaints or concerns. PREP shall file this report no later than 13 months after the project becomes operational.
- d. Peace River Energy Project Inc. shall use an anti-reflective coating on the project solar panels.

3.5 Other factors considered

28. The site-specific emergency response plan submitted by PREP identified preliminary emergency response measures and outlined site monitoring and communication protocols. Emergency responders were consulted, and no concern or objection was raised.²⁷

29. With respect to noise impacts, the Commission finds that the noise impact assessment summary form submitted by PREP meets the requirements of Rule 012 and accepts the conclusion that noise from the project will comply with the permissible sound levels established by that rule.²⁸ PREP committed to implement mitigation measures described in Rule 012 to manage construction noise.²⁹

30. With respect to viewscales, PREP submitted that there are no viewscales in the project area that can be defined as pristine; instead, PREP assessed several viewscales that are in the vicinity of the project and may be considered as valued by the wider public. PREP indicated that the assessed viewscales include Crown reservations, recreation/tourism areas and provincial parks, but most of these viewscales have a view of the town of Peace River and existing infrastructure. PREP also indicated that the viewscales within the town of Peace River are expected to have obstructed views of the project by existing infrastructure. PREP explained that the project area is surrounded by thick trees and shrubbery, which are expected to screen views of the project from the majority of the identified viewscales. The Commission accepts that given the small size of the project and the nature of the surrounding landscape, the project is expected to have a very limited overall impact on the identified viewscales available to the public.

31. PREP stated that the project complies with all applicable municipal planning documents and has received a development permit from the MD of Peace.

²⁶ Exhibit 28616-X0008, Appendix G - Solar Glare Assessment, PDF page 7.

²⁷ Exhibit 28616-X0012, PREP AUC Acknowledgement Response Letter, PDF page 7.

²⁸ Exhibit 28616-X0014, Appendix L - Noise Impact Assessment.

²⁹ Exhibit 28616-X0012, PREP AUC Acknowledgement Response Letter, PDF page 5.

32. PREP provided a letter from ATCO Electric indicating that it is prepared to allow the interconnection of the project to its distribution system. As PREP has met the information requirements for a connection order, the Commission approves the interconnection.
33. The Commission notes that PREP has not finalized the project design. The Commission imposes the following condition of approval:
- e. Once Peace River Energy Project Inc. has finalized its equipment selection for the project, it must file a final project update to the Commission to confirm that the project has stayed within the final project update allowances for solar power plants specified in Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines*. The final project update must be filed at least 90 days prior to the start of construction.

4 Decision

34. The Commission finds that Peace River Energy Project Inc. has satisfied the requirements of Rule 007 and Rule 012. For the reasons outlined in the decision, and subject to the commitments made by Peace River Energy Project Inc. and the conditions as set out above, the Commission finds, in accordance with Section 17 of the *Alberta Utilities Commission Act*, approval of the applications to be in the public interest having regard to the social, economic and other effects of the projects, including the effects on the environment.

35. Pursuant to sections 11 and 19 of the *Hydro and Electric Energy Act*, the Commission approves Application 28616-A001 and grants Peace River Energy Project Inc. the approval set out in Appendix 1 – Power Plant Approval 28616-D02-2024 to construct and operate the Peace River Energy Project (Appendix 1 will be distributed separately).

36. Pursuant to Section 18 of the *Hydro and Electric Energy Act*, the Commission approves Application 28616-A002 and grants Peace River Energy Project Inc. the approval set out in Appendix 2 – Connection Order 28616-D03-2024 to connect the Peace River Energy Project to the ATCO Electric Ltd. distribution system (Appendix 2 will be distributed separately).

Dated on March 19, 2024.

Alberta Utilities Commission

(original signed by)

Douglas A. Larder, KC
Vice-Chair