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## Premier Smith Converts a Legal Pause on Renewable Energy Projects Into a De Facto Moratorium of Uncertain Duration

By: Nigel Bankes and Martin Olszynski

Matter Commented On: [Policy Guidance to the Alberta Utilities Commission](#), February 28, 2024

In August 2023, the Government of Alberta (GoA) stunned most commentators and the renewable energy sector in Alberta by announcing that it would be instructing the Alberta Utilities Commission (AUC) to withhold approval of all new renewable energy projects in the province for seven months. We commented on that announcement here: “[An Incredibly Ill-Advised and Unnecessary Decision](#)”.

The GoA also instructed the AUC to conduct an inquiry into the renewable energy sector. The AUC split that inquiry in to two modules: Module A (land-use, viewscape, and reclamation issues) and B (supply mix and electricity system reliability). While the AUC has not yet submitted its Module B Report, the AUC provided its Module A report to Nathan Neudorf, the Minister of Affordability and Utilities on January 31, 2024. The Minister has yet to make that report public. In our view, this is unfortunately consistent with the current government’s practice of withholding information from the public on important matters of resource and energy policy. Other examples include the [Energy Futures report led by David Yager](#), his [subsequent \(and ongoing?\) review of the Alberta Energy Regulator](#), and the GoA’s penchant for secrecy with respect to carbon capture and storage projects (see post [here](#)).

The seven-month pause expired on February 29, 2024. In advance of the expiry, Premier Smith and Minister Neudorf held a press conference on February 28 to signal the government’s plans for the renewables sector. The GoA also issued [a press release](#) along with a letter to the AUC.

While the official pause ended on February 29, we contend that continuing uncertainties and decisions yet to be made by the GoA and other government entities, including the AUC, constitute an effective and continuing *de facto* pause or moratorium. This is principally because investors, reasonably enough, will be reluctant to make investment decisions unless and until they know the new rules of the game. And the announcements on February 28 make it clear that it will be some time before the renewable sector will have the requisite certainty.

Here are just some examples taken from the [press release](#) and the [Minister’s letter](#) to the AUC of the extensive work that still needs to be undertaken:

- New AUC rules on municipal government standing and cost recovery;
- New AUC rules on reclamation and security requirements;
- New AUC rules on visual impact assessments;
- New AUC rules on agricultural soils;



- New GoA rules, including legislation and policy, to give effect to an Agriculture First Policy;
- New GoA rules, including legislation and policy, to give effect to reclamation security requirements;
- New GoA rules on pristine viewscales, including buffer zones of a *minimum* 35 km around protected areas and other *designated* viewscales;
- New GoA rules in relation to renewables on Crown lands;
- A *new AUC proceeding* to consider how landowners might be protected from future renewable projects; and
- A *warning* that the GoA will be coming out with a new transmission policy that will likely require renewable generation to assume a share of transmission (T) costs. For the most part T costs are currently assumed by load (customers) rather than generators. This is a *very* significant change in provincial policy.

So why would anybody invest in a new renewable energy project in Alberta until this is all sorted out? As but two examples, the approach to viewscales and the definition of “protected areas” will determine whether wind turbines have *any* viable future under the current government that is to say, a broad definition [could preclude development in over 75% of southern Alberta](#)).

Given all this uncertainty and the work to be undertaken by various governmental actors, this looks to us like a continued moratorium of uncertain duration on renewable energy projects in this province. In light of this plainly antagonistic stance towards renewable energy development, it is hardly surprising that the current GoA describes its commitment to net-zero by 2050 as a mere [“aspiration”](#).

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