Decision 29127-D01-2025



# KEC Homestead Solar GP Corp. Facility Applications

# AltaLink Management Ltd. Facility Application

Homestead Solar Connection Project

February 28, 2025

Alberta Utilities Commission Decision 29127-D01-2025 Homestead Solar Connection Project

KEC Homestead Solar GP Corp. Facility Applications Proceeding 29127 Applications 29127-A001 and 29127-A002

AltaLink Management Ltd. Facility Application Proceeding 29127 Application 29127-A003

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> 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

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Alberta Utilities Commission Calgary, Alberta

**KEC Homestead Solar GP Corp. Facility Applications** 

AltaLink Management Ltd. Facility Application Homestead Solar Connection Project Decision 29127-D01-2025 Proceeding 29127 Applications 29127-A001 to 29127-A003

### 1 Decision summary

1. In this decision, the Alberta Utilities Commission approves facility applications from KEC Homestead Solar GP Corp. (KEC) and AltaLink Management Ltd. for the proposed Homestead Solar Connection Project. For the reasons that follow, the Commission finds that approval of the applications, and specifically the single-circuit route proposed for the new transmission line, is in the public interest having regard to the social, economic and other effects of the proposed facilities, including their effect on the environment.

### 2 Introduction

2. KEC previously received Commission approval to construct the Homestead Solar Energy Project, which includes a 400-megawatt solar power plant<sup>1</sup> and the Homestead 1111S Substation,<sup>2</sup> located in the Claresholm area.

3. To connect the solar project to the Alberta Interconnected Electric System (AIES), KEC requested system access from the Alberta Electric System Operator (AESO). In response to that request, the AESO approved<sup>3</sup> a needs identification document (NID) by way of the abbreviated needs approval process (ANAP), which allows the AESO to approve routine NID applications on its own, without filing them with the Commission. The ANAP approved the construction of a transmission line to connect the Homestead 1111S Substation to existing Transmission Line 1037L using a T-tap configuration, and the addition or modification of other equipment needed to ensure proper integration of the solar project with the AIES.

4. KEC and AltaLink previously applied to connect the approved Homestead Solar Energy Project to the AIES in Proceeding 28444.<sup>4</sup> However, due to concerns regarding transmission proliferation in connecting KEC's Homestead Solar Energy Project and KEC's approved

<sup>&</sup>lt;sup>1</sup> Power Plant Approval 29218-D02-2024, Proceeding 29218, Application 29218-A001, August 28, 2024.

<sup>&</sup>lt;sup>2</sup> Substation Permit and Licence 29218-D03-2024, Proceeding 29218, Application 29218-A001, August 28, 2024.

<sup>&</sup>lt;sup>3</sup> Alberta Electric System Operator, Homestead Solar Project Connection ANAP Approval Letter,

https://www.aeso.ca/assets/Uploads/projects/2445/P2445-ANAP-Approval-Letter-RSD.pdf, September 1, 2023.
<sup>4</sup> Proceeding 28444, Homestead Solar Connection Project, September 1, 2023.

adjacent Granum Solar Energy Project<sup>5</sup> to the AIES, the Commission closed<sup>6</sup> Proceeding 28444 on February 12, 2024, without prejudice to KEC and AltaLink filing other connection applications in the future.

5. On June 28, 2024, and September 20, 2024, KEC and AltaLink, respectively, filed facility applications requesting approval from the Commission to connect KEC's Homestead Solar Energy Project to the AIES, by way of either a proposed route (Proposed Route) or variant route (Variant Route).

6. The Commission issued a notice of applications and received a statement of intent to participate (SIP) from the Variant Route Group. The Commission then issued a notice of hearing,<sup>7</sup> and received one additional SIP from Roemmele Farms Ltd. The Commission granted standing to Roemmele Farms Ltd. and the Variant Route Group; however, Roemmele Farms Ltd. and the Variant Route Group ultimately withdrew their SIPs indicating that KEC had addressed their concerns. The Commission then cancelled the remaining process steps.

7. On September 27, 2024, KEC filed a project update letter<sup>8</sup> requesting that the Commission remove the Variant Route from further consideration and focus the application review on consideration of the Proposed Route only.

8. Details of each application and the Commission's reasons for approving them are provided in the sections that follow.

# 3 Applications

# 3.1 KEC Homestead Solar GP Corp. facility applications

9. To meet the need identified by the AESO, KEC applied to construct and operate a 13.8-kilometre 240-kilovolt transmission line, designated as Transmission Line 1037AL (proposed transmission line), from the Homestead 1111S Substation to AltaLink's existing Transmission Line 1037L, under the Market Participant Choice option, pursuant to Section 24.31 of the *Transmission Regulation*. KEC identified the Proposed Route shown on the map in Figure 1. KEC also applied for an order to connect the proposed transmission line to Transmission Line 1037L, which is resolved through approval of AltaLink's application for an order to connect, as discussed below.

<sup>&</sup>lt;sup>5</sup> The Granum Solar Energy Project is located approximately 800 metres east of the Homestead Solar Energy Project and was approved by the Commission on May 29, 2024, in Decision 27906-D01-2024: Kiwetinohk Energy Corp.: Granum Solar Energy Project, Proceeding 27906, Applications 27906-A001 and 27906-A002.

<sup>&</sup>lt;sup>6</sup> Proceeding 28444, Homestead Solar Connection Project, AUC closure letter - Homestead Solar Connection Project, February 12, 2024.

<sup>&</sup>lt;sup>7</sup> Exhibit 29127-X0026, AUC Notice of Hearing.

<sup>&</sup>lt;sup>8</sup> Exhibit 29127-X0069, Letter to AUC re KEC Project Update and Process Request - Sept 27, 2024.

AltaLink Management Ltd.



#### Figure 1. Proposed route for Transmission Line 1037AL

10. The Commission finds that the facility applications filed by KEC under sections 14, 15 and 18 of the Hvdro and Electric Energy Act comply with the information requirements prescribed in Rule 007: Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines and are consistent with the need identified in the AESO's ANAP approval as well as the requirements of the AESO functional specification.

11. KEC retained Maskwa Environmental Consulting Ltd., who prepared a siting report for the proposed transmission line. The Proposed Route was developed through an iterative process and stakeholders were notified and consulted at multiple stages of the route development process. The Proposed Route is located on privately owned land crossing primarily cultivated lands through the Municipal District of Willow Creek No. 26 and is sited along property boundaries and along quarter section lines to minimize agricultural and residential impacts.

12. The Proposed Route was assessed to be the lower impact option when considering factors such as proximity to residences, reduced agricultural impacts, siting along quarter section lines with agricultural field delineations, and paralleling road allowances and pipelines. Further, a segment of the Proposed Route is sited within the Homestead Solar Energy Project property boundary.

13. KEC indicated that the proposed transmission line right-of-way is primarily 32 metres wide, except for a 40-metre-wide right-of-way required for the southwest portion<sup>9</sup> to allow

A 40-metre-wide right-of-way is required between structures 13 and 21; see Exhibit 29127-X0008, Attachment F Single Line Diagram & Cross-Section Drawings; see Exhibit 29127-X0009, Attachment G Proposed Interconnection Routes Strip Maps.

structures to be spaced farther apart to avoid conflicting with the landowner's planned irrigation pivot paths.

14. Maskwa also prepared an environmental evaluation of and an environmental protection plan for the project. It concluded that with adherence to project-specific mitigation measures, applicable standards and procedures, and compliance with applicable regulatory approvals and conditions, any effects of the project on the environment would not be significant. KEC committed to following Alberta Environment and Protected Areas' recommendations<sup>10</sup> which the Commission accepts are likely to be effective to address potential risks regarding wetlands, native grasslands and wildlife.

15. The Commission finds that the project's potential adverse effects on the environment, as identified in the environmental evaluation, can be avoided, minimized or reclaimed through project design, mitigation measures and best management practices during construction and operation. While the potential risks to wetlands and raptor nests are of particular importance in this proceeding, the Commission is satisfied that the mitigations for these sensitive features proposed in the environmental protection plan are adequate.

16. KEC proposed an in service-date of April 1, 2026, and stated that it would jointly operate the new transmission line with AltaLink for approximately six months following construction completion. After that, KEC would transfer the ownership and operation of the new transmission line to AltaLink.

17. KEC notified landowners, occupants, government agencies, industry, utility/caveat holders, municipalities, representatives and Indigenous groups within 800 metres of the right-of-way of the Proposed Route. KEC conducted individual consultation with stakeholders directly affected and directly adjacent to the Proposed Route, in addition to other interested parties including municipalities and industry stakeholders. KEC stated that it will continue to engage with stakeholders throughout the duration of the project.

18. KEC identified in its participant involvement program that one Indigenous group requested a copy of the archeological report and to conduct a ceremony prior to ground disturbance. KEC committed to continue working with the Indigenous group to discuss next steps. The Commission expects KEC to follow through with this commitment and encourages KEC to work with the Indigenous group to facilitate the requested pre-ground disturbance ceremony if the Indigenous group so wishes.

19. The Commission finds that the participant involvement program for the proposed project meets the requirements of Rule 007 and is satisfied there are no outstanding concerns.

20. To address the Commission's transmission facility proliferation concerns, KEC proposed an expandable structure design for approximately 12.5 kilometres of the interconnection that would allow the proposed transmission line to be built in a single-circuit configuration (Transmission Line 1037AL connection for the Homestead Solar Energy Project) while allowing the structures to be expanded to a double-circuit configuration (addition of Transmission Line 1038AL connection for the Granum Solar Energy Project). However, KEC acknowledged that

<sup>&</sup>lt;sup>10</sup> Exhibit 29127-X0010, Attachment H Environmental Evaluation, PDF pages 17 and 18.

the AESO direction had not yet been issued to KEC and a NID had not yet been approved to interconnect the Granum Solar Energy Project to the AIES.

21. KEC stated that its single-circuit transmission line configuration provided flexibility to advance the Homestead Solar Energy Project interconnection separately from the Granum Solar Energy Project interconnection while providing appropriate consideration for both interconnections and the potential scenarios that could require the two projects to be constructed in a staged manner (double-circuit configuration).

22. The Commission commends KEC for the novel expandable structure design to reduce transmission proliferation issues to connect the Homestead Solar Energy Project and Granum Solar Energy Project to the AIES. Since the AESO has not yet filed a NID application or issued an ANAP approval for the Granum Solar Energy Project's interconnection to the AIES, the Commission cannot approve a double-circuit configuration. However, the Commission finds that the proposed expandable configuration allows the Homestead Solar Energy Project to move forward absent certainty around the Granum Solar Energy Project's connection, while mitigating land use and environmental effects that would occur from the construction of two separate transmission lines.

23. Given that the Proposed Route was assessed to have the lowest impacts, and the absence of any stakeholder concerns, the Commission considers the project to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

24. The Commission's practice when connecting a transmission element of the AIES to a market participant's facility is to issue any required connection order only to the incumbent transmission facility owner, in this case, AltaLink. KEC's application for an order to connect Transmission Line 1037AL to Transmission Line 1037L is therefore dismissed.

# 3.2 AltaLink Management Ltd. facility application

25. AltaLink applied for approval to alter existing Transmission Line 1037L to accommodate the T-tap connection to KEC's proposed transmission line, including alterations to the optical ground wire (OPGW) to connect to the existing telecommunications network. AltaLink also applied for a connection order to connect its Transmission Line 1037L to KEC's proposed Transmission Line 1037AL.

26. AltaLink advised that no additional right-of-way is required for the alterations to Transmission Line 1037L. It stated that additional temporary workspace areas would be required directly adjacent to the existing Transmission Line 1037L right-of-way for the proposed Transmission Line 1037AL T-tap connection.

27. AltaLink stated that the total cost estimate for the proposed project is \$5.39 million, of which \$3.79 million is allocated to the market participant and \$1.6 million is allocated as a system cost. AltaLink proposed that the project's in service-date would be March 1, 2026.

28. AltaLink notified stakeholders, Indigenous groups and municipalities within 200 metres of the existing transmission line and conducted individual consultation with all stakeholders within 100 metres of the T-tap transmission structure. AltaLink stated that there were no objections to the project, and it will continue to engage with stakeholders throughout the duration of the project. The Commission finds that the participant involvement program for the proposed project meets the requirements of Rule 007 and is satisfied there are no outstanding concerns.

29. The Commission considers that given the scope of the project and AltaLink's commitment to follow its operational standards and mitigations outlined in the environmental evaluation and environmental protection plan, the environmental effects from the project will be limited.

30. The Commission finds that the facility application filed by AltaLink complies with the information requirements set out in Rule 007 and is consistent with the need identified by the AESO.

31. For these reasons, the Commission finds AltaLink's facility application to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

### 4 Decision

32. The Commission approves Application 29127-A001, under sections 14, 15, 18 and 19 of the *Hydro and Electric Energy Act*, and grants KEC Homestead Solar GP Corp. the approval set out in Appendix 1 – Transmission Line Permit and Licence 29127-D02-2025, to construct and operate Transmission Line 1037AL.

33. The Commission dismisses Application 29127-A002.

34. The Commission approves Application 29127-A003, under sections 14, 15, 18 and 19 of the *Hydro and Electric Energy Act*, and grants AltaLink Management Ltd. the following approvals:

- Connection Order 29127-D03-2025, to connect Transmission Line 1037L to KEC Homestead Solar GP Corp.'s Transmission Line 1037AL (Appendix 2).
- Transmission Line Permit and Licence 29127-D04-2025, to alter and operate Transmission Line 1037L (Appendix 3).

35. The appendixes will be distributed separately.

Dated on February 28, 2025.

### Alberta Utilities Commission

(original signed by)

Vera Slawinski Panel Chair

(original signed by)

Matthew Oliver, CD Commission Member