AUC
Alberta Utilities Commission

TransAlta Corporation, Alberta Electric System Operator, AltaLink Management Ltd.

Flipi Gas-Fired Generation Project

April 14, 2026

Alberta Utilities Commission
Decision 29810-D01-2026

TransAlta Corporation
Flipi Gas-Fired Generation Power Plant and Substation
Applications 29810-A001, 29810-A002 and 29810-A004

Alberta Electric System Operator
Flipi Gas-Fired Generation Project Connection Needs Identification Document
Application 29810-A003

AltaLink Management Ltd.
Flipi Gas Generation Connection
Applications 29810-A005 to 29810-A008

Proceeding 29810

April 14, 2026

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The Commission may, no later than 60 days from 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.

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1 Decision summary

1. In this decision, the Alberta Utilities Commission approves several applications required to construct, operate and connect the Flipi Gas-Fired Generation Project. This includes applications from TransAlta Corporation[1] to construct and operate a 460-megawatt (MW) combined cycle power plant and a 240-kilovolt (kV) substation (collectively, the power plant). It also includes a needs identification document (NID) application from the Alberta Electric System Operator (AESO) and transmission facility applications from TransAlta and AltaLink Management Ltd. Collectively, all these applications are referred to as the project. The project area is located in Clearwater County, approximately 18 kilometres southwest of the town of Rimbey.

2. For convenience, the applicants, application numbers and brief application descriptions are provided in the table below:

Application	Description	Applicant
A001	New 460-MW combined cycle Flipi Power Plant	TransAlta
A002	New Wapos 1077S Substation	
A003	Need to connect the Flipi power plant to the Alberta Interconnected Electric System	AESO
A004	Transmission Line 987L to connect Wapos 1077S Substation to Leedale 1076S Substation	TransAlta
A005	New Leedale 1076S Substation	AltaLink
A006	Modify existing Transmission Line 926L	
A007	Modify existing Transmission Line 926L and rename a portion to 980L	
A008	Connect Leedale 1076S Substation to Transmission Line 926L	

3. Overall, the Commission finds that approval of the power plant applications, as conditioned, is in the public interest, having regard to the social, economic, environmental and other effects of the power plant and the commitments made by TransAlta. The Commission's reasons include:

- Visual impacts will be largely mitigated by existing vegetation and further mitigated by TransAlta's commitments and the Commission's conditions related to visual screening. Nighttime visual impacts, or light pollution, will be reduced using best practices and TransAlta will explore additional mitigations to further reduce light pollution.

- TransAlta engaged with Clearwater County (the County) to address the County's concerns. TransAlta made commitments to the County, after which the County chose not to participate in the proceeding further. TransAlta will continue to work with the County throughout the development permit process. In addition, TransAlta has considered and

[1] Applications 29810-A001, 29810-A002 and 29810-A004 were initially filed by Kiwetinohk Energy Corp. before TransAlta acquired the project, effective September 29, 2025.

mitigated construction impacts through its commitments with the County and its proposed mitigation measures to manage dust and traffic.

- The anticipated impacts to agricultural lands are acceptable, considering TransAlta's commitments in its environmental protection and conservation and reclamation plan, including its clubroot management plan.

- The commitments made by TransAlta to address potential impacts to surface water and groundwater are acceptable. Authorizations are also required from Alberta Environment and Protected Areas (AEPA) for the power plant under the *Environmental Protection and Enhancement Act* and the *Water Act*. TransAlta will be required to comply with conditions imposed under any authorizations that may be granted by AEPA.

- Emissions from the power plant will adhere to the *Alberta Ambient Air Quality Objectives*, which are guidelines for assessing safe air emissions exposure rates for the protection of human health and the environment. TransAlta will also be required to adhere to any conditions relating to air emissions imposed by AEPA under an *Environmental Protection and Enhancement Act* approval.

- The power plant is predicted to comply with permissible sound levels as defined in Rule 012: *Noise Control*, with implementation of the mitigations committed to by TransAlta and further conditions imposed by the Commission.

- TransAlta has satisfied the emergency response planning requirements in Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines*.[2] TransAlta will work with the County to finalize a site-specific emergency response plan prior to construction.

- TransAlta, AltaLink and the AESO's participant involvement programs satisfy the requirements of Rule 007. TransAlta committed to ongoing communication with stakeholders to provide further information about the power plant and to address concerns.

- TransAlta has provided sufficient information regarding the nature, type and timing of reclamation security.

- The power plant will result in public benefits, including generating electricity, creating employment opportunities, and generating tax revenue.

4. The Commission finds the AESO's need assessment to be correct and considers the preferred transmission development to be in the public interest. In addition, the Commission finds TransAlta's and AltaLink's transmission facility applications to be in the public interest.

[2] On November 6, 2025, a new version of Rule 007 came into effect. Among other changes, the name of the rule was revised to Rule 007: *Facility Applications.* The new version of Rule 007 does not apply to the applications, as the applications were filed before the new rule came into effect.

2 Introduction

2.1 Summary of applications

5. The power plant applications were initially filed by Kiwetinohk Energy Corp. (KEC). On October 9, 2025, TransAlta Corporation advised that it acquired all underlying interests in the power plant including the lease and all associated plans or power plant information in the associated proceedings and filings from KEC, effective September 29, 2025.[3] TransAlta is bound by the representations made by KEC, and any commitments and mitigations committed to by KEC in its application and subsequent filings throughout the proceeding, along with being bound by TransAlta's own representations during the hearing.[4] Accordingly, for ease of reference in this decision, the Commission generally refers to TransAlta as the proponent, even where KEC was the original filing party.

6. TransAlta filed an application with the Commission for approval to construct and operate a 460-MW combined cycle power plant and a 240-kV collector substation known as the Wapos 1077S Substation. TransAlta later applied to connect the power plant to the Alberta Interconnected Electric System by way of a transmission line under the Market Participant Choice (MPC) option. This means that TransAlta would design and construct Transmission Line 987L, potentially operate it for a time, and later transfer it to the transmission facility owner (AltaLink).[5]

7. The power plant consists of one natural gas-fired combustion turbine, one steam turbine and one generator in a single-shaft configuration. The power plant may also include an approximately 3-MW standby diesel generator. Natural gas will be supplied from a new dedicated pipeline tied into an existing 16-inch natural gas pipeline located 1.4 kilometres southwest of the power plant site.

8. The Wapos 1077S Substation is located within the power plant boundary and will export the generated power to the Alberta Interconnected Electric System. The substation will consist of the following major equipment:[6]

- one main step-up power transformer, 240/22-kV, 300/400/520MVA
- one 240-kV live tank breaker
- two sets of three-phase 240-kV current transformers
- two sets of three-phase 240-kV capacitive coupled voltage transformers
- two 240-kV motor operated disconnect (MOD) switches
- control building for protection and control, SCADA and communication equipment

[3] Exhibit 29810-X0163, TAC Letter to the AUC re TransAlta Corporation Acquisition of Flipi Project 20251009.
[4] Exhibit 29810-X0312, TransAlta Corp. Updated Commitment List - January 13, 2026.
[5] *Transmission Regulation*, Section 24.31.
[6] Exhibit 29810-X0001, 2025-02-03 Flipi Thermal Power Plant Application_FINAL DF_signed, PDF pages 21 to 22.

9. Building a new transmission facility in Alberta generally requires two applications. The first, a NID application, is filed by the AESO explaining why a new transmission facility is required. The second, a transmission facility application, is filed by a transmission facility owner or market participant proposing equipment to meet the AESO's identified need having regard for factors that include location, detailed design and routing considerations, as well as consultation with potentially affected persons. In this case, both the transmission facility owner (AltaLink) and the market participant (TransAlta) filed applications for portions of the new transmission facilities.

10. The AESO filed a checklist NID application seeking approval for a proposed transmission development to connect the power plant to the Alberta Interconnected Electric System.[7] AltaLink filed transmission facility applications to construct, modify and operate upgrades of the 240-kV transmission system in the Drayton Valley area.[8] The AESO and AltaLink requested that the Commission consider the NID application and the transmission facility applications jointly.[9] The Commission combined these applications with the power plant application and considered them jointly in this proceeding.

11. TransAlta submitted a system access request to the AESO for transmission system access to connect the Flipi Power Plant to the Alberta Interconnected Electric System. TransAlta proposed a solution to meet the need by designing and constructing a portion of the transmission facilities. The AESO conditionally approved TransAlta's proposal.[10]

12. The proposed transmission development consists of the following components:

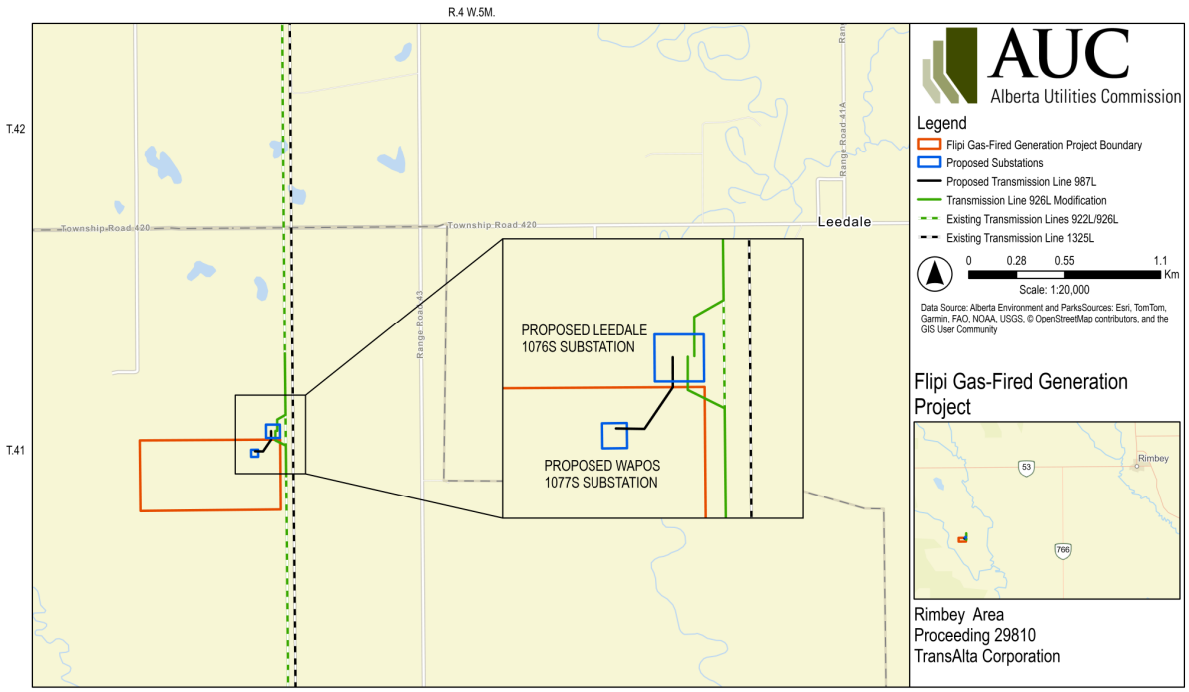
- TransAlta requested approval to construct and temporarily jointly operate with AltaLink:
    i. A new 240-kV transmission line, designated 987L, approximately 130 metres in length, to connect the Flipi Power Plant by way of the Wapos 1077S Substation to the Leedale 1076S Substation.
- AltaLink requested approval to:
    i. Construct and operate a new substation, designated Leedale 1076S.
    ii. Modify the existing 240-kV Transmission Line 926L to an in-and-out configuration to connect the Leedale 1076S Substation and rename portions of the line.
    iii. Install approximately 305 metres of underground fibre optic cable between the existing high voltage direct current Transmission Line 1325L and the Leedale 1076S Substation.
    iv. Install two temporary 240-kV bypass transmission lines to maintain service during construction.
    v. Install or modify protection controls, SCADA and telecommunications equipment to accommodate the new facilities.

7 *Electric Utilities Act*, Section 34.
8 *Hydro and Electric Energy Act*, sections 14, 15, 18 and 19.
9 *Hydro and Electric Energy Act*, Section 15.4.
10 *Electric Utilities Act*, Section 36(1).

13. TransAlta anticipated starting construction of the power plant by the end of 2027 with the commercial operation date being 2030 at the earliest.[11] AltaLink anticipated starting construction of the transmission facilities in October of 2027 with commissioning and service beginning on June 1, 2028. AltaLink noted that these dates may need to be adjusted depending on the power plant construction schedule.

14. The project is located in Clearwater County, approximately 18 kilometres southwest of the town of Rimbey, as shown on the map in Figure 1.

Figure 1. Proposed Flipi Gas-Fired Generation Project facilities



2.2 Interveners

15. The Commission issued a notice of applications for the power plant. After combining the NID and transmission facility applications, the Commission issued a second notice of applications and a notice of hearing for the project as a whole.

16. The Commission received statements of intent to participate from Clearwater County, Ermineskin Cree Nation (Ermineskin), Clearwater County Taxpayers' Association, and fourteen individuals. The Commission granted standing to Ermineskin, and 11 individuals for the power plant and transmission facility applications. Seven of the individuals granted standing formed the Rimbey Protection Group (RPG). Clearwater County was denied standing but was granted full participation rights. Standing was denied on issues related to the AESO's need identification document application.[12]

[11] Transcript, Volume 2, page 196, lines 8 to 11.
[12] Exhibit 29810-X0059, AUC letter - Ruling on standing; Exhibit 29810-X00151, AUC letter - Additional ruling on standing; Exhibit 29810-X0164, AUC Ruling - Ruling on standing.

17. The interveners' concerns included the power plant location and siting, decreased property values, visual impacts, increased noise, use of and impacts to agricultural land, decommissioning and reclamation, emergency response, residential and social impacts, impacts to surface and groundwater, traffic and other construction impacts, health impacts including due to air quality, and effects on the environment.

18. The Commission's standing ruling specified that Ermineskin had full participation rights in relation to the power plant and transmission facility applications, including access to participant funding, so that any potential impacts to Aboriginal or treaty rights from the power plant and transmission facilities could be understood and addressed. The Commission also offered alternative ways for Elders, Knowledge Holders, or community members to provide oral evidence to the Commission.[13]

19. Ermineskin, after submitting written evidence and responses to information requests, withdrew their statement of intent to participate in this proceeding.[14] The Commission understands this to mean that the concerns articulated in their statement of intent to participate have been addressed to their satisfaction, and that they are no longer requesting or relying on the Commission to address those concerns.[15] The Commission respects Ermineskin's ability to determine for themselves that their concerns have been adequately addressed by the applicants.

20. After Clearwater County filed its statement of intent to participate, Clearwater County and TransAlta filed a list of agreed to commitments relating to traffic impacts, road use, emergency response, visual screening and fencing, and communicating municipal requirements to personnel working on the power plant.[16] Based on this list of commitments, Clearwater County indicated that it would not participate further in the proceeding. The Commission describes these commitments in Section 4 of the decision.

21. The Commission held a virtual oral hearing from January 12, 2026, to January 14, 2026.

3 The approval process for the facility applications

22. In this section of the decision, the Commission explains its mandate and powers when considering facility applications and describes how it assesses the public interest. The Commission's statements in Section 4 of this decision apply to facility applications, meaning they are relevant to both the power plant application and transmission facility applications.

23. The Commission describes its mandate and powers, and discusses and makes findings, regarding the NID and transmission facility applications in Section 5 of this decision.

[13] Exhibit 29810-X0164, AUC Ruling - Ruling on standing.
[14] Exhibit 29810-X0287, 2026-01-09 - B. Feltmate (JFK) to J. Graham (AUC) re Ermineskin Withdrawal from Proceeding 29810.
[15] Exhibit 29810-X0289, AUC letter - Response to Ermineskin Cree Nation letter withdrawing statement of intent to participate.
[16] Exhibit 29810-X0221, Letter to AUC re TransAlta Agreed to Commitments with Clearwater County.

3.1 What is the Commission's role in assessing facility applications and how does it assess the public interest?

24. The Commission is an independent regulator responsible for considering applications for power plants, substations and transmission lines in accordance with the legislative framework. The Commission has a broad public interest mandate conferred on it by Section 17(1) of the *Alberta Utilities Commission Act*. The Commission must consider whether the proposed power plant and transmission facilities are in the public interest, having regard to their social, economic, environmental and other effects.

25. As a starting point, power plant, substation and transmission line applications filed with the Commission must comply with Rule 007 and Rule 012. These rules set out many information and technical requirements that a facility application must satisfy.

26. The Commission also balances a variety of public interest considerations, taking into account the purposes of the *Hydro and Electric Energy Act* and the *Electric Utilities Act*. These statutes provide for the economic, orderly and efficient development of facilities and infrastructure, including power plants and transmission facilities, that are in the public interest. They also set out a framework for a competitive generation market, where decisions about whether and where to generate electricity are left to the private sector.[17]

27. Conducting a public interest assessment requires the Commission to assess and balance the competing elements of the public interest in the context of each specific application before it. Part of this exercise is an analysis of the nature of the impacts associated with a particular project, and the degree to which the applicant has addressed these impacts. Balanced against this is an assessment of the project's potential public benefits. The assessment includes the positive and adverse impacts of the project on those nearby, such as landowners, or on local objectives advanced by municipalities.

28. The Commission has previously affirmed that the public interest will be largely met if an application complies with existing regulatory standards, and the project's public benefits outweigh its negative impacts.

3.2 How does the Commission consider municipal planning instruments?

29. Municipalities play a unique role in land use planning and have a strong interest in upholding local objectives. The Commission considers their land use authority and planning instruments when determining if a project is in the public interest[18] and values the insights municipalities provide on the potential effects of projects, including the regional context of their planning instruments.[19] While the Commission considers municipal land use planning policies in making its public interest determination, these land use planning policies are also assessed

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17 *Hydro and Electric Energy Act*, sections 2 and 3; *Electric Utilities Act*, Section 5.

18 Decision 27842-D01-2024: Aira Wind Power Inc. – Aira Solar Project and Moose Trail 1049S Substation, Proceeding 27842, applications 27842-A001 and 27842-A002, March 21, 2024, paragraph 28; Decision 27486-D01-2023: Foothills Solar GP Inc. – Foothills Solar Project, Proceeding 27486, applications 27486-A001 and 27486-A002, April 20, 2023, paragraph 23.

19 Decision 28086-D01-2024: Three Hills Solar Power Corp. – Three Hills Solar Project, Proceeding 28086, Application 28086-A001, June 12, 2024; Decision 29712-D01-2025: Stettler Solar Inc. – Stettler Solar and Storage Project and Interconnection, Proceeding 29712, applications 29712-A001 to 29712-A003, October 27, 2025, paragraph 27.

against existing provincial laws, project impacts (social, economic and environmental effects), and compliance with Rule 007 and Rule 012.

30. Although the Commission endeavors to achieve consistency with municipal planning instruments, pursuant to sections 619 and 620 of the *Municipal Government Act*, the Commission's decision on applications takes precedence over municipal planning instruments.[20] This approach aims to increase regulatory certainty and ensures that issues heard and determined at the provincial level are not reheard at the municipal level.

31. As noted above, Clearwater County and TransAlta filed a list of agreed to commitments relating to traffic impacts, road use, emergency response, screening and fencing, and communicating municipal requirements to personnel working on the power plant. These commitments are addressed in the relevant sections throughout this decision.

3.3 How does the Commission consider cumulative effects from the power plant?

32. The Commission understands that the surrounding area contains existing oil, gas and electrical facilities. Because the project is expected to result in impacts, the Commission acknowledges that some of these impacts will contribute to cumulative effects in the area.

33. As discussed in Section 4.4, the Commission considers the project's contribution to cumulative agricultural impacts to be acceptable, given TransAlta's commitments in its environmental protection and conservation and reclamation plan.

34. In Section 4.5, the Commission considers the power plant's cumulative effects in relation to its environmental impacts. The Commission also notes that existing regulatory requirements, including water licensing under the *Water Act*, the *Environmental Protection and Enhancement Act* and the *Alberta Ambient Air Quality Objectives* already account for and mitigate cumulative effects associated with projects.

35. The Commission also considered the potential for contributory visual, property value, and noise impacts from the power plant due to the technologies used and proximity of the power plant with existing industrial facilities in the area. Accordingly, the cumulative impacts related to the power plant are discussed in the relevant sections below.

4 Is the power plant in the public interest?

36. For the reasons outlined below, the Commission finds that approval of the power plant is in the public interest having regard to the social, economic and other effects of the power plant, including its effect on the environment.

4.1 Should TransAlta have investigated alternate sites?

37. The RPG, along with other interveners, submitted that TransAlta did not demonstrate that the proposed site is optimal or a reasonable location. The RPG suggested that siting the power plant at a location with sufficient tree coverage or where it blends more with other industrial

[20] *Borgel v Paintearth (Subdivision and Development Appeal Board)*, 2020 ABCA 192, paragraph 22. This was affirmed by the Court of Appeal of Alberta in *Canmore (Town of) v Three Sisters Mountain Village Properties Ltd*, 2023 ABCA 278, paragraphs 74 to 75.

facilities could have been explored prior to filing applications with the AUC. The RPG suggested that an alternate site adjacent to an existing gas facility owned by Tourmaline Oil Corp, located south of the proposed site at Legal Subdivision 3, Section 28, Township 41, Range 4 west of the Fifth Meridian, would result in reduced impacts to residents and be more appropriate for the power plant.[21]

38. TransAlta submitted that part of the Commission's public interest determination is to consider if a site is reasonable or acceptable. In this case, TransAlta advised that it selected the location for the power plant considering: proximity to an existing 240-kV interconnection, availability of grid capacity for a power plant of this size, proximity to sufficient natural gas supply, a relatively flat area with minimal topographical constraints, low environmental impacts including on wetlands and wildlife, good site accessibility and road access, a greater than 800-metre separation from the nearest occupied residence, and a willing host landowner.[22]

39. TransAlta deemed the RPG-suggested site unsuitable as there was little potential for reduced overall impacts.[23] TransAlta clarified that, prior to consultation with the RPG, it had already screened the RPG-suggested site as part of its early site selection process, and that it ultimately determined the site would not be feasible because of environmental concerns, among other issues.[24] Although TransAlta did not complete a full assessment of the RPG's suggested alternate site, TransAlta concluded that the applied for site is preferred because the alternate site would:

- Not provide a meaningful difference in the power plant's impacts to residences. There are currently no residences within 200 metres of either site, and there are the same number of residences within 2,000 metres of both sites.

- Result in additional environmental impacts as there are multiple wetlands and associated native habitat within the footprint that would be directly impacted.

- Pose increased operational challenges due to existing oil and gas infrastructure within its footprint. TransAlta would need to move or otherwise address several pipelines, as well as manage the overlap with the existing flare stack at the site.

- Potentially require additional transmission facilities, potential completion of new air emissions studies (and associated mitigation costs), and additional noise and visual impact barriers.

40. The Commission finds that the applied for site has lower overall impacts. The Commission is particularly persuaded by the first three reasons provided by TransAlta above.

41. The power plant application is not deficient because TransAlta did not complete a full assessment of the feasibility of locating the power plant on the suggested alternate site,[25] or

21 Exhibit 29810-X0201, RPG Group Submissions_Final, PDF page 8.
22 Transcript, Volume 3, pages 327 and 328.
23 Exhibit 29810-X0260, Appendix A - Maskwa Environmental Consulting Desktop Analysis.
24 Transcript, Volume 1, page 44, lines 11-17 and page 46, lines 14-20.
25 Transcript, Volume 3, page 336.

conduct consultation with landowners on alternative sites for the power plant.[26] Power plant applicants are not required to submit alternate site options, although the Commission considers siting as part of its public interest assessment. The Commission assesses factors related to siting in the sections that follow.

4.2 How does the Commission consider the power plant's impacts on viewscape and property values?

42. The interveners expressed concerns with the visual impacts of the power plant, including that the power plant would be visible from their residences and properties, and that it would contribute to nighttime light pollution from the power plant. They emphasized that the power plant would affect the rural characteristics of the area, which includes the views.[27] The interveners were also concerned about the impact of the power plant on their property values.

43. To respond to the concerns about the visual impacts of the power plant, TransAlta retained Green Cat Renewables Canada Corporation to produce visualizations of the power plant from the RPG members' residences.[28] Green Cat noted that most of the RPG members' residences are heavily treed in, which would act to screen much, if not all, of the power plant. Green Cat submitted that Wade and Sheila Mannix are the only landowners with fairly open visibility of the power plant from their property.[29]

44. The RPG's members also provided photographs showing the proposed location of the power plant from their residences or properties to show the visual impacts.[30]

45. The Commission reviewed the visualizations provided by Green Cat and the photographs that the RPG members provided in their evidence. The Commission finds that, other than at the Mannix residence, the power plant will be largely screened by existing vegetation. For the Mannix residence, the Commission expects TransAlta to consult with the Mannixes to explore potential visual screening options to address their site-specific concerns in a practical manner. If other RPG members or interveners identify significant visual impacts created by TransAlta following construction, the Commission expects TransAlta to address those impacts in a manner consistent with its response to the Mannix concern.

46. In addition, TransAlta suggested that a number of site-specific screening options could be considered if existing screening is not sufficient in blocking views of the power plant, including

[26] Transcript, Volume 3, page 350.
[27] Transcript, Volume 3, page 357.
[28] Exhibit 29810-X0183, Attachment O - Flipi - VP01-02 - Bergquist Residence issued November 29, 2024; Exhibit 29810-X0184, Attachment P - Flipi - V03-04 - W. Mannix Residence issued November 29, 2024; Exhibit 29810-X0185, Attachment Q - Flipi - VP05 - Argent Residence issued October 21, 2025; Exhibit 29810-X0186, Attachment R - Flipi - VP06 - Bergquist Resident issued October 21, 2025; Exhibit 29810-X0187, Attachment S - Flipi - VP09 - D. Mannix Residence issued October 21, 2025; Exhibit 29810-X0188, Attachment T - Flipi - VP07 - Garnick Residence issued October 21, 2025; Exhibit 29810-X0189, Attachment U - Flipi - VP08 - Guenard Residence issued October 21, 2025.
[29] Exhibit 29810-X0265, Appendix F - GreenCat Renewables Visual Impact Reply Evidence dated December 17, 2025, PDF page 8.
[30] Exhibit 29810-X0202, Appendix A - Submissions of Brad and Lorene Bergquist, PDF pages 17-22; Exhibit 29810-X0206, Appendix B - Submissions of Wade and Sheila Mannix, PDF pages 7-8; Exhibit 29810-X0212, Appendix F - Submissions of Peter and Heather Guenard, PDF pages 3-5.

construction of a berm or planting of trees, as well as other tailored screening measures.[31] Prior to TransAlta acquiring the power plant, KEC suggested it would investigate the use of excess material as a berm or barrier between the site and residences.[32] Given that the power plant design has not yet been finalized, the Commission imposes the following conditions of approval for the power plant:

a. Once TransAlta Corporation has finalized its equipment selection for the power plant, it must file a final project update with the Commission to confirm that the power plant has stayed within the final project update allowances for thermal 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.

b. TransAlta Corporation shall assess the feasibility of constructing a berm to further reduce visual impacts on nearby residences. TransAlta shall summarize its findings to the Commission as part of its final project update.

47. TransAlta committed to continued engagement with stakeholders to identify and address visual concerns throughout project development. The Commission emphasizes the importance of this continued engagement with interveners.

48. TransAlta also committed to addressing screening and fencing of the power plant site to Clearwater County's satisfaction at the development permit stage of the project. Any screening requirements imposed by Clearwater County may further mitigate visual impact concerns expressed by the RPG's members.

49. In addition to its evidence on visual impacts to residences and properties, the RPG submitted evidence of existing light pollution from nearby industrial facilities, stating that the power plant will contribute to the cumulative light pollution in the area. To address the RPG members' concerns about additional light pollution from the power plant, TransAlta committed to using accepted best practices to minimize light pollution from the power plant. This includes the use of low glare, downward-directed LED lighting focused on key operational areas and minimization and targeting of required lighting to avoid unnecessary light spill onto surrounding areas.[33]

50. The Commission notes that TransAlta did not explicitly confirm its intention to implement these best practices during construction as well as operation. Construction of the power plant is anticipated to occur over several years. The Commission emphasizes that these best practices should be maintained, to the extent practicable, throughout both the construction and operation phases of the project.

51. TransAlta suggested that, if deemed necessary, it may prepare a lighting impact assessment during the detailed engineering phase, which would inform the final lighting design, as well as consider mitigations such as adjustable lighting control (e.g., sensors), colour

[31] Transcript, Volume 1, page 135, lines 19-21; Exhibit 29810-X0265, Appendix F - GreenCat Renewables Visual Impact Reply Evidence dated December 17, 2025, PDF page 9.

[32] Exhibit 29810-X0205, Appendix A_Attachment 3 to the Submissions of Brad and Lorene Bergquist_Letter from KEC dated Apr 4,2025, PDF page 9.

[33] Exhibit 29810-X0271, Written Reply Evidence of TransAlta Corp., PDF page 11.

temperature limits, community input on placement, post-construction review, and emission reduction for aerosol mitigation.[34]

52. To reduce visual impacts, and as part of overall lighting mitigation, TransAlta also committed to considering an aircraft detection lighting system for the heat recovery steam generator stack. TransAlta stated that if an aircraft detection lighting system seemed viable, it would engage with Transport Canada regarding the feasibility of the design.[35]

53. The Commission finds that TransAlta's commitments to use best practices and to assess potential lighting impacts associated with the power plant will minimize light pollution from the power plant. However, in the Commission's view, a lighting impact assessment is required for TransAlta to meet these commitments.

54. The Commission imposes the following condition of approval for the power plant:

c. As part of its final project update, TransAlta Corporation shall prepare a lighting impact assessment and submit it to the Commission.

55. The Commission further expects TransAlta to continue engaging with affected parties and implement reasonable and practicable mitigation measures to address potential lighting impacts.

56. Given TransAlta's commitments and the conditions described above, the Commission is satisfied that the power plant's visual impacts to nearby landowners and light pollution will be sufficiently mitigated.

57. Regarding property values, TransAlta retained Serecon Inc. to provide an analysis of potential land value impacts from the power plant. Serecon's report noted that potential financial impacts to nearby country residential properties range from zero to eight per cent, and that distance and visual screening tend to reduce or eliminate impacts from similar industrial facilities on an individual property level.[36] Serecon also emphasized that impacts, when they exist, are typically only associated with the residential component of a property, not the land.

58. The Commission finds Serecon's view that property value decreases correlate with visual impacts to be reasonable. With respect to property value impacts, the Commission accepts that change to viewscapes is one factor that may influence an individual's perception of the area as a place to reside. The Commission finds that there can be a negative public perception of the power plant's effects on viewscapes, and this may translate into a negative effect on property value for some properties. As discussed earlier in this section, the Commission found that TransAlta's visual screening commitments and the Commission's related conditions[37] will minimize visual impacts. The Commission also expects these commitments and conditions to address the majority of the anticipated property value impacts. Despite this finding on visual impacts, the potential financial impacts to the value of residential properties as a result of the

[34] Exhibit 29810-X0271, Written Reply Evidence of TransAlta Corp., PDF pages 11 and 12.
[35] Exhibit 29810-X0312, TransAlta Corp. Updated Commitment List - January 13, 2026, PDF page 14; Transcript, Volume 1, page 153, lines 2-12.
[36] Exhibit 29810-X0182, Attachment N - Serecon Report - Flipi Thermal Project dated March 2025, PDF page 36.
[37] These conditions include the potential construction of a berm, ongoing engagement with the RPG's members regarding individual screening considerations, and the submission of a comprehensive visual screening assessment.

power plant must be balanced against the power plant's benefits as part of the Commission's overall public interest assessment.

4.3 Are the power plant's construction impacts acceptable?

59. The interveners expressed concerns about the construction impacts including traffic, dust, waste, noise, and agricultural disease spread, as well as the duration of construction and anticipated volume of construction traffic. The Commission discusses the noise associated with construction and operation in Section 4.6 of this decision, and the potential for agricultural disease spread in Section 4.4 of the decision.

60. Power plant construction is anticipated to take 24 to 30 months, but could be up to four years.[38] This is a material amount of time for landowners to be exposed to construction impacts. TransAlta committed to implementing construction and maintenance practices at and around the power plant site to mitigate these construction impacts, including:[39]

- Grading and maintaining unpaved access roads and haul routes. Where upgrades are not feasible, TransAlta will work with the relevant counties to implement alternative dust control measures.
- When necessary (e.g., during dry conditions or high-traffic construction phases), regularly watering roads consistent with Clearwater County's dust suppression approach.
- Minimizing exposed soil by staging construction, stabilizing soil stockpiles and revegetating or covering cleared areas after construction.
- Evaluating speed limits for construction vehicles (e.g., 30 to 50 kilometres per hour in work zones) to reduce dust.
- Considering chemical dust suppression, if necessary, in coordination with Clearwater County and other nearby counties.
- Designating haul routes for construction vehicles to minimize dust and traffic impacts on residential areas and enforcing this.

61. TransAlta also removed the consideration of Range Road 44 for site access, subject to final approval by Clearwater County,[40] to reduce impacts for local residents. TransAlta advised that it will continue to engage with stakeholders regarding construction impacts and road use, in conjunction with the discussions at the county level.[41] The Commission finds that these commitments will help mitigate construction impacts.

62. Additionally, TransAlta committed to completing a traffic impact assessment, along with entering into and abiding by road use permits and a development agreement to Clearwater

[38] Exhibit 29810-X0193, TransAlta Corp. IR Responses Round 1 to RPG (KEC-RPG-2025OCT22-001 to KEC-RPG-2025OCT22-025), PDF page 5.
[39] Exhibit 29810-X0271, Written Reply Evidence of TransAlta Corp., PDF pages 15 to 16; Exhibit 29810-X0312, TransAlta Corp. Updated Commitment List - January 13, 2026, PDF pages 6 to 8.
[40] Transcript, Volume 2, page 194, lines 6-15; Exhibit 29810-X0194, Appendix A - Access Route Map.
[41] Transcript, Volume 2, page 195, lines 17-16; Exhibit 29810-X0312, TransAlta Corp. Updated Commitment List - January 13, 2026, PDF pages 2 and 4 to 6.

County's satisfaction. These would both be addressed as part of the development permit application with Clearwater County. The Commission observes that Clearwater County already has the legal authority to require TransAlta to provide it with a traffic impact assessment, and for TransAlta to enter into a road use agreement and a development agreement with the County under the *Municipal Government Act* and the County's bylaws.

63. The Commission acknowledges the interveners' concerns regarding the absence of firm commitments on speed limits to reduce dust and ensure safety, to pave affected roads, and on finalized access and haul route design. However, the Commission finds that TransAlta has implemented reasonable mitigation measures and has addressed these potential impacts to the extent possible at this stage of project planning. In addition, matters such as traffic impacts and road use will be addressed between TransAlta and the County.

64. The Commission expects TransAlta to honour its commitments to include stakeholders in future road use evaluations and throughout the development, construction and operation of the power plant. This will provide ongoing opportunities for stakeholders to share their concerns, provide input and participate in the future planning for the project. Given the location of the power plant, which necessitates road use agreements with three municipalities (Clearwater, Lacombe and Ponoka counties), the Commission recognizes that detailed road use planning can only be finalized after consultation with these counties, which TransAlta must do prior to commencing construction.

65. In considering TransAlta's commitments with Clearwater County, the best practices and mitigation measures described by TransAlta, and the adjustments TransAlta has made to reduce construction impacts to date (such as the removal of Range Road 44 as an access point), the Commission is satisfied that impacts associated with construction of the power plant are acceptable.

4.4 Are the power plant's impacts to agricultural lands acceptable?

66. Constructing and operating the power plant will remove approximately 13 hectares of agricultural lands from production. The RPG was concerned with agricultural land impacts, and in particular soil impacts.

67. TransAlta identified mitigations for soil handling which will occur during construction (e.g., soil stripping and separation by horizon, stockpiling, erosion and sediment control), which the Commission finds appropriate.

68. Regarding other soil impacts, the main topic of dispute between TransAlta and the RPG related to agricultural disease prevention and control. Both TransAlta and the RPG filed expert evidence regarding clubroot prevention and management protocols, and there was much discussion on this at the hearing. The focus was on the triggers for initiating clubroot management protocols. TransAlta proposed to implement the clubroot management protocol set out in the power plant's environmental protection and conservation and reclamation plan. This plan details equipment cleaning that will occur if clubroot is detected on site.[42]

69. The RPG retained Circle T Consulting, Inc., which recommended that equipment cleaning should occur regardless of whether clubroot is detected at the power plant site to reduce

[42] Exhibit 29810-X0013, Appendix K - 24-9987 EPP and C&R Plan - Flipi Power Plant, PDF pages 16 and 17.

the risk of equipment bringing clubroot to the power plant area from other contaminated lands. The RPG also submitted that equipment should be cleaned prior to leaving the power plant site to prevent the spread of clubroot to offsite locations.[43] After clarification of the RPG's concerns,[44] TransAlta updated its commitment list to include the following:

- TransAlta will require equipment to be clean and free of excess mud and soil prior to arriving onsite.
- TransAlta will clean equipment prior to leaving the power plant site if clubroot is detected on the power plant site.
- If equipment is coming from an area of high clubroot incidences, a higher level of diligence will be taken to ensure proper cleaning has been conducted and shall be inspected prior to coming onsite.[45]

70. The Commission is satisfied that these commitments, in addition to the clubroot management protocol and a clubroot mitigation plan, are reasonable for minimizing the risk for the spread of clubroot.

71. Accordingly, the Commission implements the following condition of approval:

d. As part of its final project update, TransAlta Corporation shall update and file its environmental protection plan and conservation and reclamation plan, which shall include its revised clubroot mitigation plan. The revised clubroot mitigation plan shall discuss how TransAlta will ensure that equipment is clean and free of excess mud and soil prior to arriving on the power plant site regardless of clubroot presence, how TransAlta will clean equipment prior to leaving the site if clubroot is detected at the site, and how TransAlta will ensure it has properly cleaned and inspected equipment arriving on site from areas with high clubroot incidences.

4.5 Are the power plant's impacts to the environment acceptable?

4.5.1 What is the role of the Commission as compared to other provincial authorities in relation to environmental assessment?

72. Several provincial acts apply to the power plant. Because of this, approvals and authorizations are also required from other provincial bodies. These approval and authorization processes may occur after Commission approval. AEPA's consideration of *Water Act* licencing and approvals, and *Environmental Protection and Enhancement Act* approvals, discussed further below, are examples of this. Although AEPA, through these subsequent processes, will also consider environmental impacts of the project, the Commission also needs to assure itself broadly that construction of the project is in the public interest having regard to its potential environmental effects.

73. The Commission's review of a project typically occurs prior to completion of detailed design. The Commission may approve a power plant as being in the public interest in advance of

[43] Exhibit 29810-X0216, Appendix J - Circle T Consulting Report, PDF pages 10 to 11.
[44] Transcript, Volume 2, pages 239 to 248; Exhibit X0262, Appendix C - Jaffray Environmental Land & Environmental Services Ltd. Reply Evidence dated December 12, 2025, PDF page 4.
[45] Exhibit 29810-X0312, TransAlta Corp. Updated Commitment List - January 13, 2026, PDF page 12.

other provincial bodies, such as AEPA, conducting their assessment of the power plant. Even if the Commission approves a power plant application, these provincial bodies may still deny related approvals or authorizations.

74. In this section, the Commission focuses on the two significant environmental issues identified throughout the proceeding: the potential impacts to surface water and ground water, and air quality. Impacts related to agricultural disease are discussed in Section 4.4.

4.5.2 Does the power plant pose a risk to surface water or groundwater?

75. TransAlta retained Bear Tracks Environmental Services to conduct wetland assessments of the power plant area. No evidence of waterbodies (i.e., wetlands or ephemeral waterbodies) was identified during these assessments, although seasonal marshes were identified outside the project site.[46] The Commission accepts this evidence based on its review of TransAlta's environmental evaluation and the land being cultivated.

76. TransAlta indicated that 6,000 cubic metres of water will be required for initial power plant startup.[47] During operation, the power plant will need to replenish approximately 36 cubic metres to 140 cubic metres of water per day.[48]

77. The interveners raised concerns about the power plant's potential impacts on surface water and groundwater sources as they rely on surface and groundwater sources for their domestic water and livestock needs. Specifically, the RPG was concerned about the potential depletion or contamination of their surface and groundwater sources from the power plant's operational water needs, and changes to surface water run-off. In response to concerns from the RPG's members, TransAlta also committed to conduct water well testing on Brad Berquist's, and any members of the RPG's, water wells upon request.[49]

78. For the protection of water, TransAlta included mitigations in its environmental protection and conservation and reclamation plan, such as mitigations for erosion and sediment controls, spill prevention, and spill response.[50]

79. To further protect surface water during power plant operation and for the protection of lands outside the power plant area, TransAlta committed to the development of a stormwater management plan. For protection of groundwater, TransAlta committed to conduct a baseline groundwater survey and utilize this survey in the development a groundwater monitoring program. This program will include shallow groundwater monitoring for early detection of contaminants.

80. TransAlta provided its draft *Environmental Protection and Enhancement Act* approval (No. 506872- 00-00) for the construction and operation of the gas plant, which includes

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46 Exhibit 29810-X0007, Appendix F - 24-9987 Environmental Evaluation AUC - Flipi Power Plant, PDF page 64.

47 Exhibit 29810-X0193, TransAlta Corp. IR Responses Round 1 to RPG (KEC-RPG-2025OCT22-001 to KEC-RPG-2025OCT22-025), PDF page 32.

48 Exhibit 29810-X0311, TransAlta Undertaking Response Undertaking #2 - January 13, 2026.

49 Exhibit 29810-X0312, TransAlta Corp. Updated Commitment List - January 13, 2026; and Exhibit 29810-X0312 TransAlta Corp. Updated Commitment List - January 13, 2026.

50 Exhibit 29810-X0013, Appendix K - 24-9987 EPP and C&R Plan - Flipi Power Plant, PDF pages 10 to 11 and 14 to 16.

conditions to manage stormwater and groundwater.[51] This draft *Environmental Protection and Enhancement Act* approval requires TransAlta to adhere to specific conditions for the protection of water quality and quantity, including requirements for specific pre-construction understanding of water present in ground and on surface, specifics on infrastructure design and construction, maintenance requirements, operational limitations, adherence to relevant regulations, emergency response procedures, monitoring, and environmental reporting.[52] The specifics of the stormwater management plan and groundwater monitoring program will be assessed by AEPA during its review process. TransAlta will be required to comply with the conditions included in an *Environmental Protection and Enhancement Act* approval issued by AEPA.

81. *Water Act* permitting will also be required as part of the power plant's construction, operation, and decommissioning. As part of the *Water Act* permitting processes, AEPA considers the matters and factors specified in any applicable approved provincial water management plan. AEPA may also consider any existing, potential or cumulative effects on the aquatic environment; hydraulic, hydrological and hydrogeological effects; effects on other users including agricultural and household users; and effects on public safety.[53]

82. TransAlta has not yet finalized the specifics of water sourcing for the power plant. As noted above, the RPG had concerns about potential water sources that were being considered by TransAlta and the lack of detail provided. The RPG argued that TransAlta should be required to source its water from outside the community.[54]

83. Water supply is a legitimate concern. The Commission notes that water licencing and approvals are governed by the *Water Act* and AEPA is responsible for administering this act for the power plant. AEPA conducts its own assessment to determine whether to grant or deny any permits required under the *Water Act* and the Commission's approval does not relieve TransAlta from its obligations to comply with other laws.

84. TransAlta committed to open and transparent communication with nearby water users and stakeholders regarding water sourcing assessment and finalization. The Commission expects TransAlta to uphold this commitment.

85. To address the outstanding water sourcing information the Commission imposes the following condition of approval:

e. As part of its final project update, TransAlta Corporation shall submit the details of water sourcing information to the Commission. This submission shall include relevant *Water Act* licences and approvals, and details on the source, volumes, discharge, and means of water transportation for the power plant.

86. Considering that water licencing will be assessed by AEPA and the commitments made by TransAlta, the Commission finds that the power plant is unlikely to pose a significant adverse impact to water.

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[51] See, for example, sections 3.3, 3.5 and 4 of Exhibit 29810-X0169, Attachment A - Draft EPEA Approval No. 506872-00-00.

[52] Exhibit 29810-X0169, Attachment A - Draft EPEA Approval No. 506872-00-00.

[53] *Water Act*, sections 38(2) and 51(4).

[54] Exhibit 29810-X0201, RPG Group Submissions_Final, PDF pages 18 to 20.

4.5.3 Does the power plant pose a significant impact to air quality?

87. The interveners expressed concern about the potential health implications of air emissions, and the potential for offensive odours to be emitted by the power plant.

88. TransAlta retained Horizon Compliance Group Inc. (Horizon) to conduct an air quality assessment of the power plant. Horizon identified that the power plant would emit substances of concern including nitrous oxides, carbon monoxide, particulate matter, and potentially ammonia. Concentrations of these substances were modelled for multiple potential power plant scenarios, and all scenarios indicated these substances would adhere to Alberta's guidelines for assessing safe air emissions exposure rates for the protection of human health and the environment (i.e., the *Alberta Ambient Air Quality Objectives*[55]).[56]

89. The *Alberta Ambient Air Quality Objectives*, and their associated guidelines, are designed to include parameters for the assessment of cumulative pollutant emissions in a region. Given the predicted compliance with the guidelines, the Commission is satisfied that the power plant does not pose significant adverse cumulative impacts to air quality.

90. To address concerns related to non-hazardous odour events, TransAlta committed to immediately use monitoring systems and direct inspections to identify potential sources of these odours, and to conduct maintenance or mitigations to remove these odours, document these events, and engage with the community including the establishment of a dedicated concern hotline for nearby receptors (i.e., residents and businesses).[57]

91. TransAlta's draft *Environmental Protection and Enhancement Act* approval requires AEPA's review of risks and mitigations for air emissions, then applies conditions for the operation of the power plant. Conditions of this draft *Environmental Protection and Enhancement Act* approval require TransAlta to adhere to specific conduct aimed at appropriately limiting these impacts, including requirements for specific equipment design and construction, maintenance requirements, operational limitations, adherence to relevant regulations, emissions sampling requirements, and environmental reporting requirements.[58]

92. TransAlta will be required to comply with the conditions included in an *Environmental Protection and Enhancement Act* approval issued by AEPA. Considering the *Environmental Protection and Enhancement Act* approval and the commitments made by TransAlta, the Commission finds that the power plant is unlikely to pose a significant adverse impact to air quality.

4.6 Are the power plant and substation noise impacts expected to comply with Rule 012?

93. TransAlta retained RWDI to complete a NIA in accordance with Rule 012: *Noise Control*.[59] The NIA was conducted for the project and concluded that the predicted cumulative

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55 Exhibit 29810-X0012, Appendix J - Air Quality Assessment - KEC Flipi Power Plant Rev1.

56 Alberta Environment and Parks (AEP). 2019. *Alberta Ambient Air Quality Objectives and Guidelines Summary*. January 2019.

57 Exhibit 29810-X0312, TransAlta Corp. Updated Commitment List - January 13, 2026, PDF pages 9 to 11.

58 Exhibit 29810-X0169, Attachment A - Draft EPEA Approval No. 506872-00-00.

59 Exhibit 29810-X0006, Appendix E - NIA Flipi Thermal Power Plant. Exhibit 29810-X0063, NIA Flipi Thermal Power Plant – Updated May 2025.

sound levels at the receptors will comply with Rule 012. However, compliance is contingent on implementation of mitigation measures that reduce the power plant's sound emissions.

94. The interveners raised concerns about noise impacts from power plant construction and operation and the RPG retained FDI Acoustics to review the NIA and provide evidence regarding noise impacts.[60] FDI stated that the predicted cumulative sound levels at receptors R1 and R2 reflect a zero-compliance margin and that compliance is dependent on the successful implementation of mitigation for several major noise-generating components. FDI further cautioned that some mitigation requirements may be challenging to achieve without detailed acoustic design. FDI recommended that TransAlta engage a specialized noise control contractor during detailed design and construction and conduct a post-construction comprehensive sound level survey to confirm Rule 012 compliance.

95. The Commission finds that the NIA meets the requirements of Rule 012 and accepts the conclusion in the NIA that the power plant, with appropriate mitigation, is expected to comply with Rule 012. However, the predicted cumulative sound levels at receptors R1 and R2 equal the nighttime permissible sound level, resulting in a zero-compliance margin. The NIA also identified a large set of major power plant components that require substantial acoustic mitigation to achieve compliance. Without these mitigation measures, the power plant would exceed the applicable permissible sound levels.

96. As a result, the Commission agrees with FDI's recommendation that TransAlta identify appropriate mitigation measures during the final project design stage. The Commission further acknowledges TransAlta's commitments to prepare a pre-construction update to the NIA and to conduct a post-construction survey to demonstrate and confirm compliance with Rule 012.

97. Although compliance will ultimately be verified through the post-construction CSL survey, the predicted zero-compliance margin underscores the importance of appropriate acoustic mitigation at the application stage. Given this predicted zero-margin outcome and the additional uncertainty introduced by reliance on substantial mitigation measures, the Commission expects the assumptions and methods used in the updated NIA to be sufficiently conservative and that mitigation measures be designed and implemented to provide a practical margin of compliance, rather than relying on a zero-margin outcome, once the facility is constructed and operating.

98. Based on the above analysis, the Commission imposes the following conditions of approval:

f. As part of its final project update, TransAlta Corporation shall submit a noise impact assessment update that details the mitigation measures required for the final project design to achieve compliance with Rule 012: *Noise Control*, and demonstrates, through modelling, the feasibility and effectiveness of those mitigation measures.

g. Before the project commences operations, TransAlta Corporation shall implement the noise mitigation measures identified in the final noise impact assessment update, or alternative measures that provide equal of greater acoustic performance, to ensure the power plant complies with Rule 012: *Noise Control*. On or before the date the project

[60] Exhibit 29810-X0214, Appendix H - FDI Acoustics Report.

commences operations, TransAlta must file a report with the Commission detailing the mitigation measures it has implemented.

h. TransAlta Corporation must conduct a post-construction comprehensive sound level (CSL) survey, including an evaluation of low frequency noise at receptors R1 and R2. The post-construction CSL survey must be conducted under representative conditions and in accordance with Rule 012: *Noise Control*. Within one year of the project commencing operations, TransAlta shall file a report with the Commission presenting measurements and summarizing results of the CSL survey to confirm compliance with Rule 012.

99. The Commission expects TransAlta to uphold its commitments and to adhere to the mitigation measures set out in Rule 012. In particular, TransAlta's commitments included primarily limiting construction to daytime hours (7 a.m. to 10 p.m.), ensuring contractors maintain their equipment and that internal combustion engines are fitted with mufflers, communicating with nearby residents, including advising residents on construction schedules and potential noise-causing activities, and responding promptly to noise complaints.[61]

4.7 Is the power plant's emergency response plan adequate?

100. KEC provided a copy of its corporate emergency response plan and stated that a site-specific emergency response plan will be developed prior to construction commencement. After the power plant was acquired by TransAlta, the RPG was concerned that TransAlta had not provided a site-specific emergency response plan as the previously submitted corporate plan is specific to KEC.

101. Rule 007 requires applicants to confirm that they have or will have an emergency response plan for a proposed project, and to explain the reasoning if it has chosen a corporate plan over a site-specific plan.

102. TransAlta committed to preparing a comprehensive, site-specific emergency response plan following completion of detailed design, in consultation with local first responders. TransAlta has not yet finalized its site-specific emergency response plan as TransAlta committed to submitting a final emergency response plan to Clearwater County's satisfaction and approval at the development permit stage. The final plan will address emergency vehicles access to and within the site, controlled burning requirements, and road use that may impact emergency response.

103. The Commission is satisfied that TransAlta has met the requirements of Rule 007 as it relates to emergency response planning. Specifically, TransAlta filed a corporate emergency response plan and committed to work closely with Clearwater County and to finalize its site-specific emergency response plan prior to construction.

4.8 Did the applicants meet the AUC's consultation requirements?

104. As part of its participation involvement program, KEC notified stakeholders within 2,000 metres of the power plant and consulted with stakeholders within 800 metres of the power plant. KEC mailed or emailed project newsletters to affected parties and conducted one-on-one consultation when requested.

[61] Exhibit 29810-X0312, TransAlta Corp. Updated Commitment List - January 13, 2026, PDF page 5.

105. KEC engaged with 11 Indigenous groups prior to filing its applications with the AUC and the AUC provided notice to the same groups: Ermineskin Cree Nation, Sunchild First Nation, Louis Bull Tribe, Samson Cree Nation, O'Chiese First Nation, Paul First Nation, Montana First Nation, Enoch Cree Nation, Alexander Cree Nation, Foothills Ojibway First Nation, and Otipemisiwak Metis Government (District #/Battle River Consultation Territory Office). KEC provided information about the power plant and held meetings with Indigenous groups on request.[62] When TransAlta acquired the power plant, it continued to engage with Indigenous groups through follow-up emails with information about the power plant and meeting requests.[63] Of these Indigenous groups, only Ermineskin filed a statement of intent to participate in the AUC proceeding. As discussed in Section 2.2 above, Ermineskin later withdrew from the proceeding.

106. The interveners expressed concerns with the adequacy of KEC and TransAlta's participant involvement program for the power plant. The RPG took issue with the fact that KEC did not organize an open house with members of the community despite requests and were concerned that KEC had only completed the minimal required work.

107. After TransAlta acquired the power plant, TransAlta mailed or emailed updates to notified parties and held an open house for the power plant, recognizing that the power plant transfer was an important development. The RPG remained concerned about what it considered to be a piecemeal approach by the applicants, as AltaLink and the AESO are also applicants to the project, and the companies did not hold a joint open house.

108. The Commission recognizes a number of factors would go into deciding whether to hold an open house, and open houses have been observed to have varying degrees of effectiveness. Ultimately, the key is for proponents to provide an opportunity for meaningful engagement with interested stakeholders (regardless of whether stakeholders are inside or outside the consultation and notification radius) and one-on-one communication generally provides a better opportunity for this engagement.

109. The Commission acknowledges that consultation may not resolve every concern to the satisfaction of all participants. However, the Commission nevertheless finds that TransAlta has met the consultation requirements in Rule 007. Further, TransAlta has committed to maintaining open communication with all stakeholders during the development, construction and operation of the power plant. Accordingly, the Commission finds that the applicants have adequately fulfilled their consultation obligations under Appendix A1 of Rule 007.

110. The Commission has determined that the consultation that occurred with Indigenous groups in relation to potential impacts to Aboriginal and treaty rights was sufficient to discharge the duty to consult. In making this determination, the Commission places significant weight on the withdrawal of Ermineskin from the proceeding and the fact that there are no other Indigenous interveners.

111. The Commission acknowledges TransAlta's commitment to ongoing engagement with Ermineskin and that this is responsive to the concerns raised by a First Nation. The Commission

[62] Exhibit 29810-X0005, Appendix D - 2025-02-03 Flipi Thermal - PIP Report_FINAL.

[63] Exhibit 29810-X0224, TransAlta Corp. Response to AUC November 3, 2025 IR 1(c) Attachment A - Supplemental Stakeholder and Rights-Holder Engagement for the Flipi Project (October 20 - November 17, 2025), Post KEC Acquisition.

expects that TransAlta will follow through on the commitments made during the participant involvement program and the proceeding process.

4.9 Has TransAlta assured the Commission that the power plant will be adequately reclaimed at its end of life?

4.9.1 The Commission's assessment of reclamation security plans

112. The Commission expects applicants to fully reclaim projects and to bear the costs of doing so. This requires assuring the Commission in some manner that sufficient funds will be available at the project's end of life to cover the cost of decommissioning and reclamation.

113. Depending on the type of project, various other agencies may be required to assess and issue approvals with respect to different aspects of the project. Oversight of reclamation security requirements can rest concurrently with multiple regulators. In this proceeding, approval is also required from AEPA under the *Environmental Protection and Enhancement Act*.

114. AEPA may impose reclamation security requirements in accordance with its legislation through the AEPA approval process and has express legislative authority to impose security requirements over the thermal power plant component of this project.[64] However, the Commission also needs to assure itself broadly that construction of the project is in the public interest having regard to its potential economic, social and environmental effects.

115. Under Rule 007, the Commission directs applicants to provide evidence of how they will ensure sufficient funds are available at the project's end of life to cover the cost of decommissioning and reclamation of the project. In considering whether sufficient information has been provided by the applicant, and more broadly, when assessing whether a reclamation plan is in the public interest, the Commission has typically considered the nature, type and timing of the security proposed, as well as the proposed approach to re-assessing the security periodically.[65]

4.9.2 Is TransAlta's reclamation security plan adequate?

116. TransAlta retained Black & Veatch to complete a Decommissioning and Reclamation Assessment Report, which outlines the strategy and criteria for decommissioning and site reclamation activities for the power plant. Black & Veatch estimated direct demolition costs of $17.1 million and indirect costs of $5.1 million. With an estimated scrap credit of $400,000, the total demolition cost, after applying the scrap credit, would be $21.9 million.[66] TransAlta noted that, after finalization of the power plant design and detailed engineering, a comprehensive decommissioning plan would be completed by an independent third-party environmental consultant.

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[64] *Environmental Protection and Enhancement Act*, RSA 2000, c E-12 [EPEA] at s. 84(1) and s.135(1) (reclamation security, if required by regulations), s.137 (Duty to reclaim specified land); *Conservation and Reclamation Regulation*, Alta Reg 115/1993, s 1(t) [CRR] (a "plant" is included as specified land), 17(2) (authority to designate an activity); however, there is no mandatory requirement for a thermal power plant operator to post reclamation security within the regulations.

[65] Decision 28964-D01-2024: Kiwetinohk Energy Corp. – Black Bear Combined-Cycle Power Plant and Substation, Proceeding 28964, Applications 28964-A001 and 28964-A002, July 12, 2024, paragraph 28; Decision 30317-D01-2026, TERIC Power Ltd., Pioneer Power Centre Project, March 18, 2026, Section 3.1.1.

[66] Exhibit 29810-X0014, Appendix L - 412155 40.1000 KEC Flipi Decommissioning Plan_Rev 0, PDF page 15.

117. TransAlta expects that the salvage value of the power plant will likely not exceed the reclamation costs at the end of expected project life (30 years). TransAlta advised that it re-assess the reclamation security amount once every five years following project commissioning. TransAlta stated that it will set aside the full amount of reclamation and decommissioning costs per its Decommissioning and Reclamation Assessment Report, adjusted for inflation, at the tenth year of project life to ensure sufficient funds to complete the project's reclamation plan.

118. TransAlta has not yet finalized the beneficiary for the security, but stated that it is open to the security beneficiary being Clearwater County, a government entity such as AEPA, or the private landowner, depending on the form of security that is ultimately chosen.[67] TransAlta explained that it had discussed the possibility of AEPA holding the security, due to the significant size of the power plant, and that it expected the ultimate decision to be a regulatory decision by AEPA.

119. Regarding the form of security, TransAlta committed to issuing the beneficiary, once this has been determined, a secured letter of credit which a CDIC-insured bank will backstop with collateral, or an equivalent form of security deemed acceptable to AEPA or, should that change, to the applicable regulatory body responsible for thermal power plant reclamation security requirements.

120. The Commission is satisfied that TransAlta has provided sufficient information regarding the nature, type and timing of security. This includes: provision of estimated reclamation security calculations with a minimal amount of salvage (i.e., less than two percent); setting aside the full amount of reclamation security at the tenth year of project life; re-assessing the security amount every five years; and using a secured letter of credit. The Commission considers that TransAlta has proposed a reasonable reclamation security program to ensure funds will be available at the power plant's end of life.

121. Although TransAlta committed to re-assessing the reclamation security amount once every five years following project commissioning, it is unclear whether TransAlta will post the updated amount if it is re-assessed at a higher rate. TransAlta also has not yet finalized the beneficiary for the security. Accordingly, the Commission imposes the following condition:

i. As part of its final project update, TransAlta Corporation shall submit the finalized reclamation security plan with the Commission for review and approval. The final plan must include a report prepared by a third party estimating the costs of reclaiming the power plant, identify the beneficiary, form of security, time frame of the posting of the security, time frame to increase the amount of security, longevity of the security and how the secured party would be able to realize on the reclamation security should the power plant owner and operator be in default.

122. Given the Commission's finding and the condition imposed above, the Commission concludes that TransAlta's approach to reclamation is sufficient for the purposes of satisfying the Commission that approval of the power plant is in the public interest.

[67] Transcript, Volume 1, page 156, lines 3-13.

4.10 Conclusion on the power plant

123. In accordance with Section 17 of the *Alberta Utilities Commission Act*, the Commission finds that approval of the power plant is in the public interest having regard to its social and economic effects and its effects on the environment.

124. Given that the power plant will result in some negative impacts, the Commission must balance these impacts against the power plant's public benefits to determine whether the power plant is in the public interest. TransAlta submitted that the power plant's public benefits include the following:

- providing a reliable and cost-effective source of new electricity
- creating local employment (approximately 800 employees during construction[68] and 20 to 30 permanent positions during operation[69])
- generating tax revenue for Clearwater County
- contributing to upgrades of local infrastructure, such as area roads
- delivering the highest efficiency and lowest emission gas fired thermal plant in Alberta

125. Going forward, TransAlta has committed to the continued identification and consideration of appropriate mechanisms for community involvement, support, contributions and benefits.

126. The Commission has considered the positive and negative impacts of the power plant and finds that the overall benefits of the power plant outweigh the risks. TransAlta has satisfied the requirements in Rule 007 and Rule 012. Given the commitments made by TransAlta, mitigations made to date, and conditions of approval imposed by the Commission, the Commission is satisfied that approval of the power plant is in the public interest.

5 Are the NID and transmission facility applications in the public interest?

127. Having found that approval of the power plant is in the public interest, the Commission now assesses the NID and transmission facility applications.

128. The AESO is responsible for preparing and filing a NID application with the Commission for approval. The *Electric Utilities Act*, the *Transmission Regulation*, and Rule 007 set out application requirements for NIDs and how these applications are considered by the Commission. The *Transmission Regulation* also provides that the Commission must consider the AESO's assessment of the need to be correct unless an interested person satisfies the Commission that the AESO's assessment of the need is technically deficient or that approval of the NID would not be in the public interest.[70]

[68] Exhibit 29810-X0195, TransAlta Corp. IR Responses Round 1 to Clearwater County (KIWETINOHK-COUNTY-2025OCT22-001 to KIWETINOHK-COUNTY-2025OCT22-004), PDF page 4.
[69] Transcript, Volume 3, page 394, lines 13-14.
[70] *Transmission Regulation*, Section 38(e).

129. The transmission facility operator assigned by the AESO to address the identified need, prepares and files facility applications for the Commission's consideration. For MPC projects, the project applicant also files a transmission facility application. These applications, by AltaLink and TransAlta, are also discussed in the introduction of this decision. The Commission's public interest test for the transmission facility application is described in Section 3.1 of this decision.

130. Under Rule 007, for routine abbreviated NIDs driven by system access service requests from generators, the AESO may file a checklist application confirming that the regulatory requirements for the proposed work have been completed.[71] The AESO filed a checklist application in the current proceeding. The Commission finds that the needs identification document application filed by the AESO contains all the information required by the *Electric Utilities Act*, the *Transmission Regulation* and Rule 007.

131. AltaLink conducted a participant involvement program for itself and on behalf of the AESO. AltaLink notified stakeholders within 800 metres of the transmission facilities and 100 metres of the underground fibre optic cable, and consulted with stakeholders within 100 metres of the transmission facilities and on the land where the fire optic line is proposed.

132. The Commission notes that there is no requirement for NID and transmission facility applicants (in this case, the AESO, AltaLink and TransAlta) to hold a joint open house with the power plant facility applicant. While the Commission understands the RPG's concerns, the Commission noted in Section 4.8 that holding an open house is not requirement and it is satisfied with TransAlta's PIP. This included responding appropriately to stakeholder concerns following its acquisition of the power plant, conducting additional notification and consultation, and holding an open house.

133. The Commission finds that the joint participant involvement program undertaken by the AESO, TransAlta and AltaLink, and considering the Commission's findings in relation to the power plant in Section 4.8 of this decision, meets the requirements of Rule 007.

134. There were no interveners with standing in relation to the AESO's NID application. Accordingly, no interested party demonstrated that the AESO's assessment of the need to connect the Flipi Power Plant to the Alberta Interconnected Electric System is technically deficient or that approval of the needs identification document application is not in the public interest. Therefore, the Commission considers the AESO's assessment of the need to be correct and considers the preferred transmission development to be in the public interest.

135. The Commission finds that the facility applications to connect the power plant to the Alberta Interconnected Electric System filed by TransAlta and AltaLink comply with the information requirements prescribed in Rule 007. The facility applications are consistent with the need identified in the NID application.

136. The proposed transmission facilities consist of the construction of the Leedale 1076S Substation, approximately 130 metres of new 240-kV transmission line (987L), approximately 305 metres of underground fibre optic cable, and minor modifications to existing transmission lines to accommodate the connection. Although there were some concerns expressed around the transmission facilities specifically, such as the adequacy of AltaLink's and TransAlta's

[71] Rule 007, Section 7.1.

participant involvement program, the Commission understands that intervener concerns were primarily related to the power plant siting and associated impacts, not the transmission facilities.

137. Given the considerations discussed above and in Section 4 of this decision, the Commission finds the proposed transmission facility projects to be in the public interest.[72]

6 Decision

138. Pursuant to Section 11 of the *Hydro and Electric Energy Act*, the Commission approves Application 29810-A001 and grants TransAlta Corporation the approval set out in Appendix 1 – Power Plant Approval 29810-D02-2026 to construct and operate the Flipi Gas-Fired Generation Project.

139. Pursuant to sections 14, 15 and 19 of the *Hydro and Electric Energy Act*, the Commission approves Application 29810-A002 and grants TransAlta Corporation the approval set out in Appendix 2 – Permit and Licence 29810-D03-2026 to construct and operate the Wapos 1077S Substation.

140. Pursuant to Section 34 of the *Electric Utilities Act*, the Commission approves the need outlined in Needs Identification Document Application 29810-A003 and grants the Alberta Electric System Operator the approval set out in Appendix 3 – Needs Identification Document Approval 29810-D04-2026.

141. Pursuant to sections 14, 15 and 19 of the *Hydro and Electric Energy Act*, the Commission approves Application 29810-A004 and grants TransAlta Corporation the approval set out in Appendix 4 – Permit and Licence 29810-D05-2026 to construct and operate Transmission Line 987L.

142. Pursuant to sections 14, 15 and 19 of the *Hydro and Electric Energy Act*, the Commission approves Application 29810-A005 and grants AltaLink Management Ltd. the approval set out in Appendix 5 – Permit and Licence 29810-D06-2026 to construct and operate the Leedale 1076S Substation.

143. Pursuant to sections 14, 15 and 19 of the *Hydro and Electric Energy Act*, the Commission approves Application 29810-A006 and grants AltaLink Management Ltd. the approval set out in Appendix 6 – Permit and Licence 29810-D07-2026 to alter and operate Transmission Line 926L.

144. Pursuant to sections 14, 15 and 19 of the *Hydro and Electric Energy Act*, the Commission approves Application 29810-A007 and grants AltaLink Management Ltd. the approval set out in Appendix 7 – Permit and Licence 29810-D08-2026 to alter and operate Transmission Line 980L.

145. Pursuant to Section 18 of the *Hydro and Electric Energy Act*, the Commission approves Application 29810-A008 and grants TransAlta Corporation the approval set out in Appendix 8 – Connection Order 29810-D09-2026 to connect Transmission Line 987L to the Leedale 1076S Substation.

[72] Section 17 of the *Alberta Utilities Commission Act.*

146. The appendixes will be distributed separately.

Dated on April 14, 2026.

Alberta Utilities Commission

(original signed by)

Renée Marx
Panel Chair

(original signed by)

Vincent Kostesky
Acting Commission Member

(original signed by)

Lora Mattie
Acting Commission Member

Appendix A – Summary of Commission conditions of approval in the decision

This section is intended to provide a summary of all conditions of approval specified in the decision for the convenience of readers. Conditions that require subsequent filings with the Commission will be tracked as directions in the AUC's eFiling System. In the event of any difference between the conditions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

The following are conditions of Decision 29810-D01-2026 that requires subsequent filings with the Commission and will be included as conditions of Power Plant Approval 29810-D02-2026:

a. Once TransAlta Corporation has finalized its equipment selection for the power plant, it must file a final project update with the Commission to confirm that the power plant has stayed within the final project update allowances for thermal 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.

b. TransAlta Corporation shall assess the feasibility of constructing a berm to further reduce visual impacts on nearby residences. TransAlta shall summarize its findings to the Commission as part of its final project update.

c. As part of its final project update, TransAlta Corporation shall prepare a lighting impact assessment and submit it to the Commission.

d. As part of its final project update, TransAlta Corporation shall update and file its environmental protection plan and conservation and reclamation plan, which shall include its revised clubroot mitigation plan. The revised clubroot mitigation plan shall discuss how TransAlta will ensure that equipment is clean and free of excess mud and soil prior to arriving on the power plant site regardless of clubroot presence, how TransAlta will clean equipment prior to leaving the site if clubroot is detected at the site, and how TransAlta will ensure it has properly cleaned and inspected equipment arriving on site from areas with high clubroot incidences.

e. As part of its final project update, TransAlta Corporation shall submit the details of water sourcing information to the Commission. This submission shall include relevant *Water Act* licences and approvals, and details on the source, volumes, discharge, and means of water transportation for the power plant.

f. As part of its final project update, TransAlta Corporation shall submit a noise impact assessment update that details the mitigation measures required for the final project design to achieve compliance with Rule 012: *Noise Control*, and demonstrates, through modelling, the feasibility and effectiveness of those mitigation measures.

g. Before the project commences operations, TransAlta Corporation shall implement the noise mitigation measures identified in the final noise impact assessment update, or alternative measures that provide equal of greater acoustic performance, to ensure the power plant complies with Rule 012: *Noise Control*. On or before the date the project

commences operations, TransAlta must file a report with the Commission detailing the mitigation measures it has implemented.

h. TransAlta Corporation must conduct a post-construction comprehensive sound level (CSL) survey, including an evaluation of low frequency noise at receptors R1 and R2. The post-construction CSL survey must be conducted under representative conditions and in accordance with Rule 012: *Noise Control*. Within one year of the project commencing operations, TransAlta shall file a report with the Commission presenting measurements and summarizing results of the CSL survey to confirm compliance with Rule 012.

i. As part of its final project update, TransAlta Corporation shall submit the finalized reclamation security plan with the Commission for review and approval. The final plan must include a report prepared by a third party estimating the costs of reclaiming the power plant and the estimated minimal salvage value of power plant components, identify the beneficiary, form of security, time frame of the posting of the security, time frame to increase the amount of security, longevity of the security and how the secured party would be able to realize on the reclamation security should the power plant owner and operator be in default.

Appendix B – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
TransAlta Corporation Gavin Fitch, KC Marika Cherkawsky
Alberta Electric System Operator
AltaLink Management Ltd. Brenden Hunter Dale Johnston
Rimbey Protection Group Ifeoma Okoye Chinedu Kema
Krystina Kowalik and Dan Novotny
Andrea Kehler-Kristoff
Alberta Utilities Commission **Commission panel** Renée Marx, Panel Chair Vincent Kostesky, Acting Commission Member Lora Mattie, Acting Commission Member **Commission staff** Caitlin Graham (Commission counsel) Jaimie Graham (Commission counsel) Kloria Wen Glenn Harasym Derek Rennie Joel Turpin-Quaye Joan Yu Amanda Spyce

Appendix C – Oral hearing – registered appearances

Name of organization (abbreviation) Name of counsel or representative	Witnesses
TransAlta Corporation Gavin Fitch, McLennan Ross LLP, counsel Marika Cherkawsky, McLennan Ross LLP, counsel	Dobromir Filip Chris Teare Nicholas Doane Ryan Desrosiers Glen Doll Jacqueline Gallagher Cody Halleran Stephanie Jaffray
Rimbey Protection Group Ifeoma Okoye, Ackroyd LLP, counsel Chinedu Kema, Ackroyd LLP, counsel	Terry Osko Brad Bergquist Peter Guenard Dallas Mannix Wade Mannix
	Krystina Kowalik Dan Novotny Andrea Kehler-Kristoff