



TransAlta Corporation

Keephills Unit 1 Repowering Project

October 7, 2026

Alberta Utilities Commission

Decision 30511-D01-2026

TransAlta Corporation

Keephills Unit 1 Repowering Project

Proceeding 30511

Application 30511-A001

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Contents

1	Decision summary.....	1
2	Introduction.....	2
2.1	Application.....	2
2.2	Interveners.....	4
3	Regulatory framework and the approval process for the project.....	5
3.1	What is the role of the Commission?.....	5
3.2	How does the Commission assess the public interest?	5
4	Findings.....	6
4.1	Will the project cause significant direct adverse environmental effects?.....	6
4.1.1	Has TransAlta identified and committed to all necessary regulatory approvals?	7
4.1.2	Does the project pose an unacceptable risk to water quality or quantity?	7
4.1.3	Are the project's impacts to air quality acceptable?	9
4.1.4	How does the province consider greenhouse gas emissions?	10
4.1.5	Does Rule 007 require greenhouse gas emissions information?	10
4.1.6	Are the project's proposed vegetation control measures appropriate?	11
4.1.7	Environmental summary	12
4.2	Will the project comply with Rule 012?	12
4.3	Is there a potential to impact LSAMCA's asserted Métis Aboriginal rights?	14
4.3.1	Is the duty to consult triggered?.....	14
4.3.2	How will the project impact LSAMCA?	15
4.3.2.1	What are the project's impacts to LSAMCA's asserted Métis Aboriginal rights?	15
4.3.2.2	What are the project's direct impacts to the environment and noise in relation to LSAMCA's concerns?.....	16
4.3.2.3	Will the project contribute to significant cumulative effects?.....	17
4.3.2.4	Did TransAlta adequately engage with LSAMCA and is the duty to consult discharged?.....	18
4.3.2.5	Summary.....	20
4.3.3	What conditions did LSAMCA request?	21
4.4	Was TransAlta's participant involvement program adequate?	21
4.5	Does the project have an adequate emergency response plan?.....	22
4.6	Will there be a suitable reclamation security program in place?	22
4.6.1	The Commission's assessment of reclamation security plans	22
4.6.2	Is TransAlta's reclamation security plan adequate?	23
4.7	What are the benefits associated with the project?	24
4.8	Other issues	25
5	Decision	25
	Appendix A – Summary of Commission conditions of approval in the decision	27
	Appendix B – Proceeding participants	29

List of figures

Figure 1.	Keephills Unit 1 Repowering Project area	3
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1 Decision summary

1. In this decision, the Alberta Utilities Commission approves an application from TransAlta Corporation to repower the retired Keephills Unit 1 power plant by constructing an 829-megawatt (MW) gas-fired combined cycle power plant (the project).

2. The Commission has weighed the concerns raised by the participating intervener, Lac Ste. Anne Métis Community Association (LSAMCA), against the benefits of the project, as well as the commitments and mitigation measures proposed by TransAlta. The Commission finds that approval of the project, as conditioned, is in the public interest, having regard to the social, economic, environmental and other effects of the project. The Commission's reasons for finding the project to be in the public interest include:

- The project's residual effects to the environment are acceptable. The project's location entirely within the existing Keephills Power Plant boundary, the repurposing of existing thermal power infrastructure, adherence to previous environmental permits, proposed mitigations, the existing regional and project-specific monitoring programs, and conditions of approval, will minimize the project's environmental impacts to an acceptable level.
- The project is expected to comply with Rule 012: *Noise Control* and project-related noise will be adequately mitigated and monitored. Should additional noise-emitting sources be added at the site in the future, TransAlta must notify the Commission and demonstrate compliance with any applicable cumulative noise requirements set out in Rule 012.
- The duty to consult LSAMCA was triggered and discharged. The project has the potential to impact LSAMCA's asserted Métis Aboriginal rights, but those potential impacts will be low. Impacts to LSAMCA will be mitigated through TransAlta's commitments and the conditions described throughout the decision.
- TransAlta's participant involvement program satisfies the requirements of Rule 007: *Facility Applications*.
- TransAlta has adequately addressed the emergency response requirements in Rule 007. Detailed emergency response procedures for the repowered power plant will be finalized at a later stage of project development.
- TransAlta has provided sufficient information regarding the nature and type of reclamation security. TransAlta will periodically provide confirmation that security has been provided to the Government of Alberta.
- The project will provide benefits to the local community and to the broader Alberta region.

2 Introduction

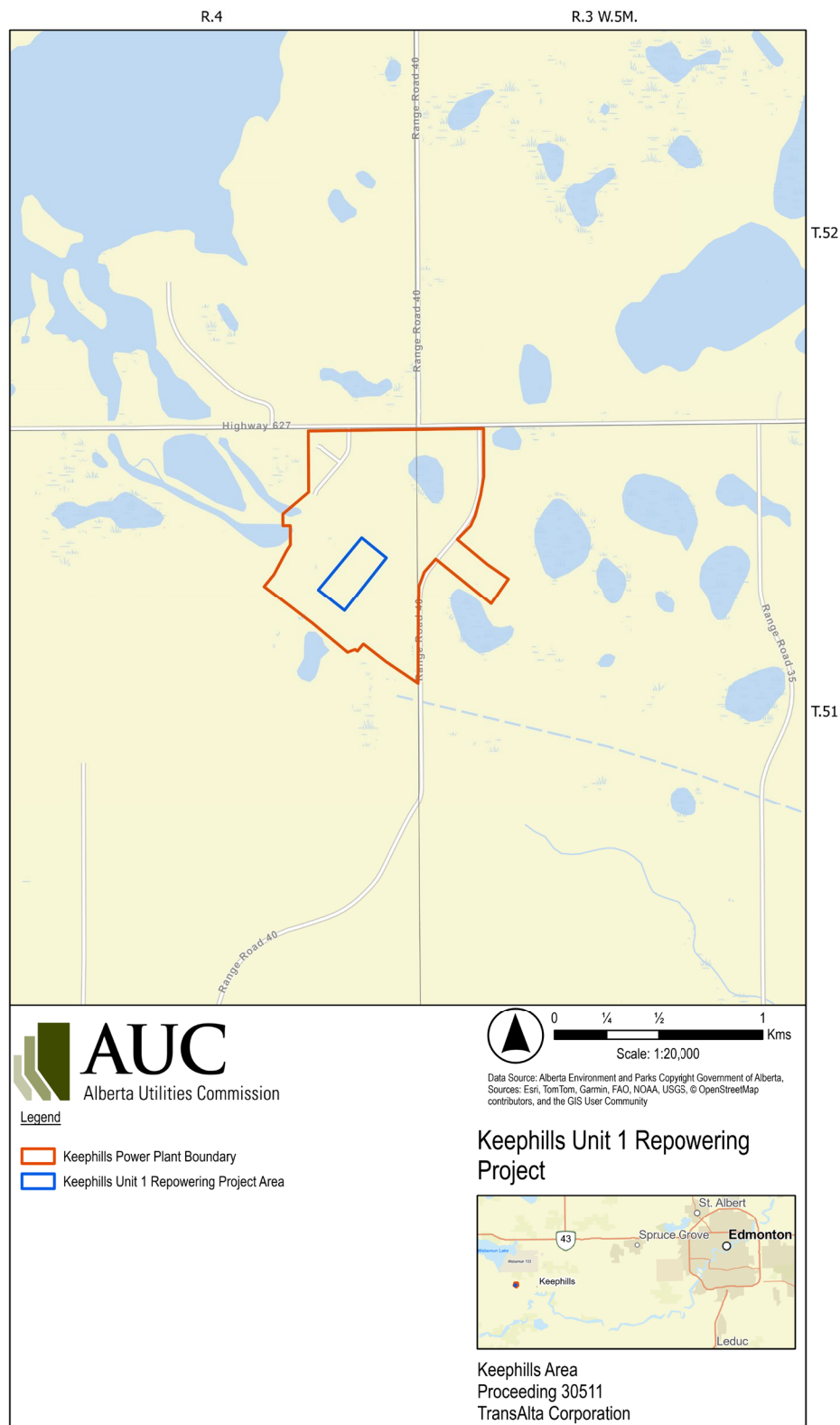
2.1 Application

3. TransAlta filed an application with the Commission for approval to repower the retired Keephills Unit 1 by installing two Siemens SGT6-5000F 260-MW combustion turbines and corresponding heat recovery steam generators (exact make and model to be finalized) to create a high-efficiency combined cycle unit. The generating capability of Keephills Unit 1 will be 829 MW gross and 809 MW net.¹

4. The project is located entirely within the existing Keephills Power Plant site, approximately 60 kilometres west of Edmonton and five kilometres south of Wabamun Lake, as shown on the map in Figure 1.

¹ Exhibit 30511-X0001, Keephills 1 Repowering Project Application, PDF page 9.

Figure 1. Keephills Unit 1 Repowering Project area



5. The Keephills site, which consists of three units (Keephills 1, 2 and 3) currently has a total maximum generating capability of 920 MW gross and 861 MW net. Keephills units 2 and 3, which are currently operational,² have been converted from coal to gas and have gross generating capabilities of 406 MW³ and 514 MW,⁴ respectively.

6. Keephills Unit 1 is not currently operational and, unlike units 2 and 3, was not converted from coal generation to natural gas generation. On November 16, 2021, the Commission issued Decision 26946-D01-2021,⁵ approving the discontinuance of operations of Keephills Unit 1, after TransAlta notified the Commission that it will cease operations of the unit, effective December 31, 2021.

7. After Unit 1 is repowered and constructed, the total generating capability at the Keephills site will be 1,749 MW gross and 1,670 MW net.

8. TransAlta noted that the repowering of Unit 1 will include the installation of two new combustion turbine generators and two new heat recovery steam generators, which will be integrated into the existing infrastructure at the Keephills plant to produce electricity and steam. The project will also include the installation of associated equipment and infrastructure, such as compressors and stacks, to integrate the new equipment with the existing facility; new electrical connections from the facility to AltaLink Management Ltd.'s existing Keephills 320P Substation; one new natural gas-fired auxiliary boiler; and a modification for a new natural gas pipeline connection (which will be the subject of a separate upcoming regulatory application).

9. Natural gas for the Keephills Unit 1 power plant will be supplied from the existing Pioneer and ATCO Gas pipeline supplies. TransAlta anticipated that the overall supply to the site will be adequate between the two existing pipelines.

10. TransAlta stated that the Keephills plant boundary will remain unchanged as the project remains fully within the existing plant boundary. The footprint of the Keephills plant will also remain unchanged as the new equipment will be located in brownfield areas adjacent to the existing Keephills plant within the existing fenceline.

11. TransAlta expects construction to begin in the fourth quarter of 2027, with the project entering service in the fourth quarter of 2030.

2.2 Interveners

12. The Commission issued a notice of application in accordance with Rule 001: *Rules of Practice*. Statements of intent to participate were received from LSAMCA and upon conclusion of the written hearing, by Enoch Cree Nation.

13. The Commission granted standing to LSAMCA. LSAMCA raised concerns regarding the project's impacts to their asserted Métis harvesting rights, environmental and cumulative effects, and inadequate engagement by TransAlta. LSAMCA's primary concern related to potential

² Keephills Unit 2 currently operates under Approval 26946-D02-2021. Unit 3 operates under Approval 29840-D02-2025.

³ The gross generating capability for Unit 2 is specified in Approval 26946-D02-2021.

⁴ The gross generating capability for Unit 3 is specified in Exhibit 28484-X0001, PDF page 2.

⁵ Decision 26946-D01-2021: TransAlta Corporation – Keephills Unit 1 Discontinuance of Operations, Proceeding 26946, Application 26946-A001, November 16, 2026.

impacts on Lake Wabamun, a key traditional land use area for their members, arising from project-related water withdrawals and air emissions.

14. The Commission established a written hearing process that included information requests, intervenor evidence, reply evidence and written argument.

15. Following the conclusion of the written hearing, the Commission received a statement of intent to participate from Enoch Cree Nation. The Commission denied Enoch Cree Nation's request to participate as it was submitted several months after the Commission's deadline to participate in the proceeding. Additionally, Enoch Cree Nation did not provide reasons for the delay or explain why participation was not sought earlier.

3 Regulatory framework and the approval process for the project

16. In this section of the decision, the Commission describes the legal framework in which its decisions are made. First, the Commission explains its mandate and powers when considering facility applications. Then the Commission describes how it assesses the public interest.

3.1 What is the role of the Commission?

17. The Commission is an independent regulator responsible for considering applications for power plants and substations in accordance with the legislative framework.⁶ The Commission must consider whether the proposed project is in the public interest, having regard to its social, economic, environmental and other effects.⁷

18. The applicant bears the onus of demonstrating that approval of its project is in the public interest. Interveners may attempt to show that the applicant has not met its onus by demonstrating the effects of the project on their interests and explaining what a better balancing of the public interest might be. The Commission's role is to test and assess the evidence before it and engage in a multifaceted analysis established by the regulatory regime, to determine if the project should be approved, and if so, whether any conditions should apply.

3.2 How does the Commission assess the public interest?

19. When the Commission receives an application to construct and operate a power plant, Section 17(1) of the *Alberta Utilities Commission Act* is engaged. This provision states that, in addition to any other matters it may or must consider, the Commission must consider whether the proposed project is in the public interest, having regard to its social, economic, environmental and other effects.

20. As a starting point, power plant applications filed with the Commission must comply with Rule 007 and Rule 012. These rules provide a comprehensive set of requirements for a facility application.

21. 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

⁶ *Hydro and Electric Energy Act*, sections 11, 14, 15 and 19.

⁷ *Alberta Utilities Commission Act*, Section 17.

infrastructure, including power plants, 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.⁸

22. 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, and on those more distant, such as the general population of Alberta.

23. 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.

24. Additionally, when the Commission approves a project, it does so having considered the entirety of the proceeding record including the representations and commitments made by an applicant. The Commission's determination that a project is in the public interest is informed by, and in many cases contingent on, the commitments made by an applicant. In some cases, where the Commission finds it necessary to supplement or clarify the terms of a commitment, the Commission may include a commitment or a version of it as a condition of approval. However, the Commission considers commitments to be binding on an applicant regardless of whether the commitment is made a condition of approval or not.⁹

4 Findings

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

26. The Commission has reviewed the application and has determined that the information requirements specified in Rule 007 have been met. Additionally, the Commission finds that TransAlta's participant involvement program satisfied the requirements of Rule 007.

27. In the following sections, the Commission discusses its findings on the specific issues relevant to this proceeding.

4.1 Will the project cause significant direct adverse environmental effects?

28. In the following section, the Commission discusses the environmental evidence focusing on specific environmental impacts due to the project, predicted residual effects to the environment, and how the Commission formed its decision on these residual effects.

29. The Commission finds that overall, the project's residual effects to the environment are acceptable. This finding is largely based on the historical presence of a power plant at this

⁸ *Hydro and Electric Energy Act*, sections 2 and 3; *Electric Utilities Act*, Section 5.

⁹ Decision 27240-D01-2023: ENGIE Development Canada GP Inc. – Buffalo Trail Wind Power Project, Proceeding 27240, Applications 27240-A001 to 27240-A003, February 8, 2023, paragraph 17.

location, the reuse of existing infrastructure, the associated environmental benefit of minimizing new construction and avoiding or reducing new environmental impacts, TransAlta's adherence to existing environmental permits, and historical and ongoing monitoring programs. All together, these factors make it unlikely that new significant environmental impacts will arise because of the project. As a result, this section limits discussion on certain environmental considerations which are not new or different in nature (e.g., wildlife impacts, vegetation removal), and instead focuses on significant concerns of LSAMCA, and operational impacts which could be materially different compared to the previous power plant.

4.1.1 Has TransAlta identified and committed to all necessary regulatory approvals?

30. TransAlta discussed the reuse of existing infrastructure from the previous power plant,¹⁰ and associated existing mitigations, monitoring and permits, which were in place and will be continued for operation of the current project. Mitigations and monitoring commitments are discussed in the environmental protection plan. TransAlta argued that existing mitigations, monitoring and permits showed previous operations avoided significant environmental effects and decreased environmental impacts. The Commission finds this determination reasonable.

31. TransAlta has identified federal, provincial and municipal requirements that apply to the project. The Commission considers a proponent's compliance with applicable environmental regulations to be an important factor in assessing whether a project is in the public interest. This is especially true of approvals under the *Environmental Protection and Enhancement Act* and the *Water Act* when considering thermal power plants.

32. *Environmental Protection and Enhancement Act* approvals consider a range of environmental impacts, including air quality, surface and groundwater protection (including wastewater), soil management, contamination, and conservation and reclamation planning.¹¹ *Water Act* approvals consider both the use of water and impacts to wetlands. Together, the *Environmental Protection and Enhancement Act* and *Water Act* processes add another layer of independent regulatory review. Alberta Environment and Protected Areas (AEPA) can require further conditions or mitigations, or deny approvals, if environmental impacts are unacceptable. The Commission considers environmental impacts in its public interest test; the Commission complements, but does not replace, the review and approvals from other regulators.

4.1.2 Does the project pose an unacceptable risk to water quality or quantity?

33. This section discusses the project's water use, the use of existing water permits, and LSAMCA's concerns for water use and the protection of significant waterbodies.

34. LSAMCA expressed concerns with water use from the project, with specific concern for the protection of major waterbodies, including Wabamun Lake and the North Saskatchewan River, located five kilometres and seven kilometres from the project, respectively.¹² Additionally, LSAMCA expressed concerns for deposition of pollutants into Wabamun Lake from air

¹⁰ Exhibit 30511-X0001, Keephills 1 Repowering Project Application, PDF pages 6-13.

¹¹ Province of Alberta, Environmental Protection and Enhancement Act – Approvals and Registrations Procedure Regulation, 1993 – current as of June 17, 2013.

¹² Exhibit 30511-X0060, REDACTED Keephills Proceeding 30511 LSAMCA Written Evidence, PDF page 7.

emissions.¹³ Based on these concerns, LSAMCA requested a condition for TransAlta to provide resources for LSAMCA to monitor potential impacts.

35. TransAlta responded that the project generally does not interact with Wabamun Lake and that interactions with the North Saskatchewan River were subject to environmental permitting, mitigations, and monitoring processes that protected significant water impacts.

36. Additionally, TransAlta noted that it does not require changes to its existing *Water Act* licence limits, and therefore the project will not create significant changes compared to the previous power plant. The existing water licence has been in place since August 23, 1979, and TransAlta is not seeking any amendments or changes to that licence for the project. Water usage will remain within existing licence limits already in place for industrial cooling at Keephills.

37. TransAlta stated that historical water protection mitigations and water monitoring programs exist at the Keephills site, and that TransAlta will continue these during operation of the project. Specifically, TransAlta provided sources for reports issued by the Wabamun Lake Watershed Management Plan Steering Committee, a multi-stakeholder collaboration of provincial government, local municipalities, industry, stewardship groups and individuals who conducted publicly available monitoring data and management for Wabamun Lake. Based on reports issued by this group, TransAlta concluded that these results demonstrate that its existing water protection mitigations were effective. It submitted that because no significant water use changes are proposed from the previous power plant, no significant impacts to water are anticipated as a result of the project.

38. The Commission finds TransAlta's conclusions above to be reasonable. Further, the Commission acknowledges AEPA's role in the ultimate acceptance of water use and water protection mitigations needed for approval of *Environmental Protection and Enhancement Act* permitting, and the required adherence to existing water regulations (outlined above in paragraph 32).

39. However, given LSAMCA's concerns for the health of their members and the environment, specifically those associated with the North Saskatchewan River and Wabamun Lake, the Commission imposes the following condition of approval:

- a. TransAlta Corporation shall include Lac Ste. Anne Métis Community Association in its list of emergency contacts, in the event that a significant environmental release occurs which could impact the North Saskatchewan River or Wabamun Lake.

40. Given AEPA's regulatory oversight of water issues, the expectation that water usage will remain within existing licence limits already in place, and the mitigations committed to by TransAlta, the Commission finds that the project is unlikely to cause significant impacts to water, including to the North Saskatchewan River and Wabamun Lake. Considering that monitoring data for water is already publicly available, the Commission does not find it reasonable for TransAlta to provide additional monitoring data to LSAMCA.

¹³ Exhibit 30511-X0084.01, LSAMCA Information Request Responses to AUC, PDF page 8.

4.1.3 Are the project's impacts to air quality acceptable?

41. WSP Global Inc. was retained by TransAlta to complete an air quality assessment. Modelling determined that the project would meet the emissions standards of the *Alberta Ambient Air Quality Objectives* (AAAQOs) for nitrogen dioxide, carbon monoxide and particulate matter with a diameter of 2.5 microns or less concentrations.¹⁴

42. LSAMCA retained Dr. Amir Hakami and Dr. Burak Oztaner to independently evaluate the methods and results of WSP's assessment. Concerns from Dr. Hakami and Dr. Oztaner primarily centred around the methods used in WSP's assessments, the assumptions made by WSP, and the modelling results being near AAAQO thresholds.¹⁵ LSAMCA requested a condition that TransAlta provide them with all ongoing air quality monitoring results due to air quality concerns.¹⁶

43. While TransAlta interpreted Dr. Hakami and Dr. Oztaner's evidence as agreeing that there are no expected exceedances of the AAAQO or *Alberta Ambient Air Quality Guidelines* (AAAQG),¹⁷ the Commission disagrees with this assessment. Instead, the Commission interprets Dr. Hakami and Dr. Oztaner's evidence as acknowledging that WSP's assessment reaches the conclusion that the AAAQO is met, but Dr. Hakami and Dr. Oztaner conclude that due to methodological errors and assumptions in WSP's assessment, AAAQO thresholds could in fact be exceeded. Because WSP's predicted outcomes are so close to AAAQO thresholds, the methodology underlying WSP's assessment should be given extra scrutiny.

44. In response to Dr. Hakami and Dr. Oztaner's criticisms of the methods utilized, WSP stated that its modelling followed Alberta's standardized air quality methods as outlined in the AAAQG. However, WSP acknowledged that some assumptions had to be made as final equipment selection has not been determined.

45. The Commission accepts that WSP adhered to Alberta's guidance on air assessment methods as outlined in the AAAQG and that this is the most relevant guidance for completion of these assessments. Additionally, the Commission acknowledges AEPA's role in the ultimate acceptance of these emissions, for approval of *Environmental Protection and Enhancement Act* permitting (outlined above in paragraph 32). Given WSP's adherence to provincial guidelines in completing its assessment and AEPA's oversight of air emissions, the Commission finds WSP's methodology to be acceptable.

46. Regarding LSAMCA's request for monitoring results, the West Central Airshed Society (WCAS), a multi-stakeholder non-profit organization, conducts ongoing publicly available airshed monitoring for the region,¹⁸ and *Environmental Protection and Enhancement Act* approvals normally make monitoring results publicly available under their associated industrial approvals.¹⁹ Given the availability of relevant public data, the Commission finds it unnecessary for TransAlta to inform LSAMCA of further air emissions monitoring.

¹⁴ Exhibit 30511-X0003.01, Appendix B - Air Quality Assessment, PDF page 31.

¹⁵ Exhibit 30511-X0061, Appendix A [Report of Dr. Amir Hakami and Dr. Burak Oztaner].

¹⁶ Exhibit 30511-X0091, LSAMCA Reply Argument, dated July 9, 2026, PDF page 8.

¹⁷ Exhibit 30511-X0090, TransAlta Written Argument - Proceeding 30511 – 20260706, PDF page 9.

¹⁸ Exhibit 30511-X0003.01, Appendix B - Air Quality Assessment, PDF page 12.

¹⁹ Exhibit 30511-X0090, TransAlta Written Argument - Proceeding 30511 – 20260706, PDF page 15.

47. However, given the assumptions relied on by WSP and the projected emissions being near the thresholds outlined in the AAAQO, the Commission imposes the following condition on this approval:

- b. As part of its final project update, TransAlta Corporation shall provide an updated air emissions modelling report to the Commission.

48. Considering WSP's conclusions that air emissions will adhere to the standards of the AAAQO, AEPA's oversight of emissions, and the condition above, the Commission finds that the project is unlikely to cause significant impacts to air quality.

4.1.4 How does the province consider greenhouse gas emissions?

49. The project will be required to comply with all applicable federal and provincial decarbonization requirements as a matter of law, primarily Alberta's *Technology Innovation and Emissions Reduction Regulation* (TIER). TIER is an industrial carbon pricing and emissions system designed to reduce industrial greenhouse gas emissions over time by increasing benchmarks and carbon prices to drive continuous greenhouse gas decreases over time. The ultimate goal of TIER is to achieve net-zero greenhouse gas emissions by 2050. While TIER is a provincial guideline, it is also backstopped by federal regulations.

50. The Commission accepts that TIER considers and encourages greenhouse gas reductions over time. Considering these regulations and the power plant's design, the Commission finds that the power plant's proposed contributions of greenhouse gases will be managed within this existing regulatory framework.

4.1.5 Does Rule 007 require greenhouse gas emissions information?

51. Dr. Hakami and Dr. Oztaner detailed concerns for climate change impacts created by the project, and a lack of submissions on this topic from TransAlta. Dr. Hakami and Dr. Oztaner calculated that the project could emit 2.7 million tonnes of carbon dioxide emissions based on relevant project comparables. This would constitute more than one per cent of Alberta's greenhouse gas emissions, which would have significant social costs to human health; agricultural productivity; and climate-related events such as floods, heat waves, droughts, and sea-level rise and these social impacts could amount to an annual social cost of \$800 million annually to humans.²⁰

52. In response to these concerns, TransAlta responded that Rule 007 does not require greenhouse gas emissions to be included in applications. TransAlta did clarify that future regulatory applications for the power plant, specifically the *Guide to Content for Industrial Approval Applications*, requires applicants to submit greenhouse gas emissions information for *Environmental Protection and Enhancement Act* approvals.²¹

²⁰ Exhibit 30511-X0061, Appendix A [Report of Dr. Amir Hakami and Dr. Burak Oztaner], PDF pages 14 and 15; and Exhibit 30511-X0084.01, LSAMCA Information Request Responses to AUC, PDF pages 1-4.

²¹ Exhibit X0087, TransAlta Repowering Reply Evidence_Rev0, PDF page 9.

53. While Rule 007 does not expressly state that greenhouse gas emissions must be provided, it does require proponents to:

- discuss any potential positive or negative cumulative social, economic or environmental impacts or effects that may occur considering the proposed project; and
- list the key environmental regulations and guidelines applicable to the project and provide rationale for any deviations from the guidelines.

54. Based on this, applicants and their qualified environmental consultants are expected to identify potential environmental impacts and discuss them in the context of the public interest. Given that climate change is a key environmental consideration globally, and a concern specifically raised by LSAMCA, the Commission would have benefited from a more fulsome response to these environmental concerns.

4.1.6 Are the project's proposed vegetation control measures appropriate?

55. To control weeds at the project site, TransAlta currently uses herbicides and pesticides. LSAMCA requested a condition that TransAlta be required to use manual vegetation removal methods to avoid the use of chemicals, due to concerns for the environment and their members' health. TransAlta opined that this condition was not reasonable as the project is located on a brownfield site and TransAlta has weed control obligations to remain compliant with the *Weed Control Act*. TransAlta confirmed that herbicides and pesticides are applied by certified applicators, and the amount, extent and location of applications are not anticipated to change as a result of the project.²²

56. The Commission finds that the vegetation control measures proposed by TransAlta are reasonable and that further conditions, such as using manual vegetation removal methods, are unnecessary and unreasonable given the project site conditions. In particular, the project will be located on a previously disturbed site within the existing Keephills plant. TransAlta has also proposed mitigations associated with surface water and groundwater protection and control which limits the spread of chemical control measures to watercourses and waterbodies. Further, access to the project site is restricted for LSAMCA members (discussed in paragraphs 84 and 85).

57. The Commission acknowledges that both the provincial and federal government have regulations and associated processes that consider what pesticides are appropriate and safe for use, mainly the *Pesticide (Ministerial) Regulation*,²³ the *Pest Control Products Act*,²⁴ and their associated schedules. Processes are in place for what chemicals are deemed safe under these regulations. Although the chemicals restricted by these regulations can change over time, TransAlta must adhere to any changes that occur because of updates to these regulations. While circumstances may arise where additional precaution is required beyond that set out in the legislation, the Commission does not find this to be the case here. Therefore, TransAlta is not required to adopt any specific weed control measures outside the existing regulations.

²² Exhibit 30511-X0053.01, TransAlta Corporation IR Responses to TransAlta-LSAMCA-2026APR20-001 through 013, PDF pages 28 and 29.

²³ Government of Alberta, *Pesticide (Ministerial) Regulation*, April 1, 2024.

²⁴ Government of Canada, *Pest Control Products Act*, 2002 current to 2026-09-03.

4.1.7 Environmental summary

58. Based on the above, the Commission finds that the project's repurposing of existing thermal power infrastructure, adherence to previous environmental permits, proposed mitigations and management plans listed in the environmental protection plan and required under *Environmental Protection and Enhancement Act* approvals, the existing regional and project-specific monitoring programs, and the above conditions, will minimize the project's environmental impacts to an acceptable level.

4.2 Will the project comply with Rule 012?

59. For the reasons set out below, the Commission finds that the project is expected to comply with Rule 012 and that project-related noise can be adequately mitigated and monitored.

60. TransAlta retained WSP Canada Inc. to conduct a noise impact assessment (NIA) in accordance with Rule 012.²⁵ The NIA concluded that the cumulative sound levels for the proposed project and nearby energy-related facilities at the most affected dwelling, Receptor R02, comply with the applicable permissible sound levels (PSLs) in Rule 012.

61. LSAMCA raised concerns about cumulative noise, noting that the project will contribute to ambient noise levels in the area, and that the cumulative impacts of noise in the area exceed or are very close to the regulatory noise limits. LSAMCA was concerned that additional noise could impact human health and wildlife, which could in turn impact the exercise of LSAMCA members' Métis harvesting rights.²⁶

62. The Commission acknowledges LSAMCA's concerns about these matters but notes that LSAMCA provided limited evidence on project noise. LSAMCA did not identify any specific noise receptors of concern, nor did it request an updated NIA. Further, as the Commission notes in Section 4.3.2.3 below, although the project will contribute to increased cumulative noise impacts in the region, there is no evidence that noise thresholds will be exceeded as the project is predicted to comply with Rule 012. The Commission is satisfied that, given the commitments made by TransAlta, and the conditions set out in this decision, it has thoroughly considered the potential noise impacts of the project, and that those impacts will be adequately mitigated.

63. The NIA identified one receptor within the 1.5-kilometre study area that was assessed for cumulative noise impacts from the proposed project and nearby energy-related facilities. The PSLs established for this receptor, the most affected receptor, were 40 A-weighted decibels (dBA) during the nighttime and 50 dBA during the daytime. The nighttime and daytime cumulative sound levels for the baseline case predicted at the most affected receptor were 39 dBA and 46 dBA, respectively, and the application case cumulative sound levels at this receptor were 40 dBA during the nighttime and 46 dBA during the daytime.

64. The Commission finds that the NIA meets the requirements of Rule 012 and accepts the conclusion in the NIA that the project is expected to comply with Rule 012. The Commission notes that the predicted cumulative sound level at the most affected receptor is equal to the nighttime permissible sound level (i.e., the compliance margin is predicted to be zero at this

²⁵ Exhibit 30511-X0004, Appendix C - Noise Impact Assessment.

²⁶ Exhibit 30511-X0060, REDACTED Keephills Proceeding 30511 - LSAMCA Written Evidence, PDF page 10.

receptor) and acknowledges that the baseline sound levels as a result of nearby energy-related facilities are the dominant noise contributors within the project study area.

65. In response to information requests, TransAlta committed to addressing noise complaints in the event of non-compliance including repairing or replacing any malfunctioning equipment, using low-noise fan options, and installing higher performance acoustic louvers if needed.

66. However, given the zero margin of compliance at the most affected receptor and the potential for the proposed project sound levels to increase the cumulative noise impacts within the project area, the Commission requires TransAlta to verify compliance and imposes the following condition:

- c. TransAlta Corporation shall conduct a comprehensive sound level (CSL) survey, including an evaluation of low frequency noise at Receptor R02. The CSL survey must be conducted in accordance with Rule 012: *Noise Control* and under representative conditions, including when both units are operating at or near full load (greater than 90 per cent capacity). Within one year of the project commencing operation, TransAlta shall complete the CSL survey and file a report with the Commission presenting measurements and summarizing results of the CSL survey to confirm compliance with Rule 012.

67. The Commission also notes that TransAlta has not finalized selection of equipment for the project. Consequently, the Commission imposes the following as a condition of approval:

- d. 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.

68. Additionally, the NIA does not account for noise from future noise-emitting sources at the Keephills site which can impact cumulative noise levels within the project area. Therefore, should additional noise-emitting sources be added at the site in the future, TransAlta must notify the Commission and demonstrate compliance with any applicable cumulative noise requirements set out in Rule 012. Accordingly, the Commission imposes the following conditions of approval:

- e. If additional noise-emitting sources are added to the site, TransAlta Corporation shall notify the Commission of the anticipated commencement date of that noise-emitting source once known.
- f. Before the start of construction of additional noise-emitting sources at the site, TransAlta Corporation shall file an updated noise impact assessment demonstrating compliance with Rule 012: *Noise Control* under the concurrent operating scenario.
- g. Within one year of commencing concurrent operation of the power plant and any additional noise-emitting source at the site, TransAlta Corporation shall conduct a post-construction comprehensive sound level (CSL) survey. The CSL survey must be conducted under representative conditions and in accordance with Rule 012: *Noise Control*. Within one year of the power plant and any additional noise-emitting source at the site commencing operation, TransAlta shall file a report with the Commission

presenting measurements and summarizing results of the CSL survey to confirm compliance with Rule 012.

69. The Commission expects TransAlta to uphold its commitments and to adhere to the construction noise mitigation measures set out in Rule 012. In particular, TransAlta's commitments included limiting construction hours where possible, avoiding pile driving at night, maintaining equipment mufflers, designing vehicle routes to use acoustic shielding from buildings and reduce use of backup alarms, notifying residents about significant noise events and scheduling them to reduce disruption, and consulting nearby residents about extended construction hours before construction begins.²⁷

4.3 Is there a potential to impact LSAMCA's asserted Métis Aboriginal rights?

70. LSAMCA expressed concerns about the impacts of the project to its asserted Métis harvesting rights and traditional land use; environmental impacts, including air, water, noise and vegetation management; cumulative effects; and inadequate engagement from TransAlta.

71. In this section, the Commission finds that the project has the potential to impact LSAMCA's asserted Métis Aboriginal rights and that those potential impacts will be low. The Commission further finds that the duty to consult LSAMCA was triggered and discharged. The Commission's assessment of the project impacts on LSAMCA, discussed below, supports this conclusion.

4.3.1 Is the duty to consult triggered?

72. The Commission has the authority to consider and address potential adverse impacts to Aboriginal and Treaty rights as set out in Section 35 of the *Constitution Act*, 1982, when deciding whether approval of a project is in the public interest. This includes determining whether the duty to consult potentially affected Indigenous communities is triggered and satisfied.

73. The duty to consult is triggered when the Crown has real or constructive knowledge of the potential existence of an Aboriginal right or title and contemplates conduct that might adversely affect it. The Commission is not the Crown or an agent of the Crown. However, the Commission is the final decision-maker for applications to construct and operate thermal power plants in Alberta. This type of decision may trigger the duty to consult.

74. The scope of the duty to consult is based on a preliminary assessment of the strength of the claim or right asserted and the extent of the alleged infringement. Where the claim or right asserted is weak or the perceived infringement is less serious or relatively minor, the content of the duty will be at the lower end of the spectrum. For example, the duty may be limited to giving notice, disclosing information and discussing issues raised. If a strong *prima facie* case for the claim is established and the potential infringement is of higher significance, the duty is more extensive and may include the opportunity to make submissions, formal participation in the decision-making process, and the provision of written reasons demonstrating that concerns were considered. At this end of the spectrum, it is possible that the consultative process may reveal a duty to accommodate Aboriginal concerns. However, the duty to consult does not confer a veto power on Aboriginal groups.

²⁷ Exhibit 30511-X0026, TransAlta Responses to AUC information request round 1 - TransAlta-AUC-2026JAN27-001 to 010, PDF pages 6 and 7.

75. Based on the information before it, the Commission finds that the duty to consult LSAMCA is triggered and that the content of the Crown's duty of consultation in relation to the project lies at the middle to lower end of the spectrum. The Commission finds that the duty to consult was fulfilled through TransAlta's engagement with LSAMCA and through the Commission's regulatory process, which included providing notice to LSAMCA, as well as an opportunity for LSAMCA to present their concerns through a written hearing process that included information requests, submission of evidence and argument.

76. The Commission finds that any potential infringement from the project on LSAMCA's asserted Métis Aboriginal rights is low. In coming to this conclusion, the Commission considered the project's impacts to LSAMCA, which it discusses below.

4.3.2 How will the project impact LSAMCA?

77. The project is located in west-central Alberta, approximately five kilometres from Wabamun Lake and approximately seven kilometres from the North Saskatchewan River.²⁸

78. LSAMCA has several hundred members who are the contemporary descendants of the historic Lac Ste. Anne Métis community. In September 2022, the Government of Alberta formally recognized that LSAMCA and their members have credibly asserted Métis harvesting rights for the purposes of consultation.²⁹

79. LSAMCA explained that their members exercise their asserted Métis harvesting rights (hunting, fishing, trapping and gathering for subsistence, medicinal, spiritual, economic, commercial, recreational and cultural purposes) in their traditional territory, which includes the project area. These rights depend on access to healthy lands, water and ecosystems.³⁰

80. LSAMCA expressed concerns that the project may adversely affect their asserted Métis Aboriginal rights, impact the environment, contribute to cumulative effects in the region, and that consultation undertaken for the project was inadequate.

81. In the following sections, the Commission discusses its findings for each of these concerns.

4.3.2.1 What are the project's impacts to LSAMCA's asserted Métis Aboriginal rights?

82. LSAMCA stated that the project will significantly impact their members' constitutionally protected Métis Aboriginal rights. The Lac Ste. Anne Métis have occupied the shores of Wabamun Lake for generations and exercise Métis harvesting rights in this location. LSAMCA stated that, although the project area near Wabamun Lake and the North Saskatchewan River has already been impacted by industrial development, it remains a culturally significant and actively used area and remains critical to LSAMCA to transmit their culture and exercise their Métis harvesting rights.

83. When the Commission asked LSAMCA for clarification on how the project will result in new or additional impacts to LSAMCA, LSAMCA responded that the project will continue the

²⁸ Exhibit 30511-X0060, REDACTED Keephills Proceeding 30511 LSAMCA Written Evidence, PDF page 7.

²⁹ Exhibit 30511-X0060, REDACTED Keephills Proceeding 30511 LSAMCA Written Evidence, PDF page 6.

³⁰ Exhibit 30511-X0060, REDACTED Keephills Proceeding 30511 LSAMCA Written Evidence, PDF page 6.

impacts of previous development at the Keephills site, which may impact waterbodies, and contribute to cumulative impacts on Wabamun Lake and the surrounding environment.³¹

84. LSAMCA stated that if the site were to be reclaimed to its predevelopment state, it could reasonably be anticipated that LSAMCA community members would be able to return to the site to exercise their Métis harvesting rights,³² and project construction would reduce the possibility of local reclamation and restoration of native plant species in the footprint which are used by LSAMCA members for food and medicinal purposes.³³ However, LSAMCA noted that they were not aware of any commitments from TransAlta to reclaim the Keephills site with native plant species that can be used by LSAMCA members for food and medicinal purposes.³⁴ The Commission finds that this hypothetical scenario is speculative and of limited assistance in assessing the incremental impacts of the project. As a result, the Commission has not relied on this scenario in reaching its conclusions.

85. TransAlta stated that the project lands and the two-kilometre radius surrounding the project are privately held by TransAlta, which minimizes the likelihood of disturbance from construction and operation. Additionally, TransAlta noted that the project is located entirely within the existing plant boundary, and there will be no incremental disturbance, vegetation or habitat loss within the study area.³⁵

86. The Commission acknowledges LSAMCA's evidence that LSAMCA members exercise Métis harvesting rights in the project area. However, the Commission finds it unlikely that the project will directly impact those activities as the project is sited on and almost completely surrounded by private land, to which LSAMCA confirmed that they have no access.³⁶

87. The Commission finds that any impacts to LSAMCA's asserted exercise of Métis harvesting rights are unlikely to arise from direct disturbance of lands or resources in the project area and will be limited to indirect offsite impacts.

4.3.2.2 What are the project's direct impacts to the environment and noise in relation to LSAMCA's concerns?

88. LSAMCA expressed concerns about the project's impacts to the environment, including impacts to air quality, water quality and vegetation management, and noise. The Commission discusses these concerns in sections 4.1 and 4.2.

89. As discussed in Section 4.1 above, the Commission finds that new significant environmental impacts are unlikely to arise as a result of the project, and that any impacts that do arise will be adequately mitigated.

90. Although the Commission understands that LSAMCA expressed significant concerns over the potential impacts of the project to Wabamun Lake and the North Saskatchewan River, the Commission found that the project is unlikely to result in significant impacts to water resources,

³¹ Exhibit 30511-X0084.01, LSAMCA Information Request Responses to AUC, PDF page 8.

³² Exhibit 30511-X0060, REDACTED Keephills Proceeding 30511 LSAMCA Written Evidence, PDF pages 8 and 9.

³³ Exhibit 30511-X0060, REDACTED Keephills Proceeding 30511 LSAMCA Written Evidence, PDF page 17.

³⁴ Exhibit 30511-X0084.01, LSAMCA Information Request Responses to AUC, PDF page 10.

³⁵ Exhibit 30511-X0090, TransAlta Written Argument - Proceeding 30511 – 20260706, PDF page 12.

³⁶ Exhibit 30511-X0084.01, LSAMCA Information Request Responses to AUC, PDF pages 9 and 10.

including Wabamun Lake and the North Saskatchewan River. The Commission has also required TransAlta to include LSAMCA in its emergency contact list in the event of a significant environmental release that could affect these waterbodies.

91. The Commission also found that the project is unlikely to cause significant impacts to air quality. In reaching this conclusion, the Commission noted that the project's air emissions are expected to comply with the AAAQO, that the project remains subject to regulatory oversight under its *Environmental Protection and Enhancement Act* approvals, and that TransAlta is required to file an updated air emissions modelling report after the project design has been finalized.

92. Regarding LSAMCA's concerns about vegetation control measures, the Commission concluded that manual vegetation removal methods are not required. Given the existing disturbed state of the project site, existing mitigation measures for surface water and groundwater protection and control, and LSAMCA's limited access to the project area, the Commission is satisfied that TransAlta's proposed vegetation control measures are appropriate.

93. As discussed in Section 4.2 above, the Commission acknowledges LSAMCA's concerns regarding project noise but finds that the project is anticipated to comply with Rule 012 and that any noise impacts will be adequately mitigated through TransAlta's commitments and the conditions imposed by the Commission.

94. The Commission finds that any impacts to LSAMCA will be limited to indirect offsite impacts, downstream or downwind of the project, and cumulative effects resulting from the project. These impacts would arise through pathways such as increased emissions, water use and noise from the power plant, which the Commission discusses next.

4.3.2.3 Will the project contribute to significant cumulative effects?

95. LSAMCA submitted that the project will contribute to cumulative effects in the area, causing habitat loss and fragmentation, reduced biodiversity and ecosystem health and declining access to harvesting areas for LSAMCA. LSAMCA noted that the cumulative effects of development, including agriculture, coal mining, electrical power generation, and other industrial, municipal and recreational development in their traditional territory has already led to an increasingly fragmented and unsuitable land base for community members' traditional land uses.

96. LSAMCA submitted a cumulative effects assessment from Integral Ecology Group indicating that private land ownership and industrial footprints have resulted in an approximately 80 per cent reduction in their members' opportunities to harvest moose and mule deer and a 77 per cent reduction in access to the land. LSAMCA further noted that, compared to the pre-colonial period, only 23 per cent of lands remain accessible for hunting, 28 per cent for trapping, and 24 per cent for gathering.³⁷ The assessment also noted that current impediments to access land in the project area have resulted in a low opportunity for harvest for LSAMCA members.

97. LSAMCA asserted that, although the project is located within an existing industrial plant boundary, any additional development has the potential to significantly impact LSAMCA

³⁷ Exhibit 30511-X0028, Statement of intent to participate, PDF pages 32 and 43.

members' Métis Aboriginal rights, given the relatively small remaining area that is accessible for the exercise of those rights.

98. In response, TransAlta noted that LSAMCA focused on whether cumulative effects from existing development are acceptable, whereas any evaluation of cumulative effects from the proposed project should be on an incremental basis. Additionally, TransAlta submitted that existing data shows that all measurable impacts are within acceptable legislative standards, and the cumulative impacts are either negligible (in the case of air quality and noise) or non-existent (in the case of land use, ground disturbance, vegetation removal and water licence limits) and will not result in any exceedance of legislative standards.

99. The Commission found the cumulative effects assessment helpful in understanding LSAMCA's land use challenges and current accessibility problems. While the Commission understands there is extensive industrial development in the area, it notes that there is no evidence that the project will result in the exceedance of any environmental or noise thresholds.

100. The Commission acknowledges that the project will contribute to cumulative effects in the area through increased air emissions and noise. However, the Commission is of the view that the cumulative effects impacts resulting from the project will be low and largely mitigated through the commitments and conditions described throughout this decision.

101. Regarding environmental cumulative effects, the Commission acknowledges that the reuse of an existing facility is beneficial to cumulative effects in that it reduces the need for new infrastructure or impacts that a new facility would create. Regarding water use, the Commission has discussed TransAlta's use of an existing water licence in Section 4.1.2 and ultimately finds that no new impacts to water are likely to occur. Regarding air emissions, the Commission considers that the AAAQG requires applicants to sum the additional impacts a project creates with existing emissions already present, to create a total cumulative air quality determination. This is then compared to the standards in the AAAQO to determine whether an area has a concerning level of pressure. Given that the standards and regulations for air emissions already consider cumulative effects, the Commission finds that no further assessment of this issue is warranted.

102. Regarding cumulative noise effects, the Commission notes that the project's anticipated noise levels will comply with Rule 012. In Section 4.2, the Commission also imposed conditions to further ensure that any project-related noise or construction of future noise-emitting sources at the Keephills site will be adequately mitigated and monitored.

4.3.2.4 Did TransAlta adequately engage with LSAMCA and is the duty to consult discharged?

103. LSAMCA maintained that there has been a lack of meaningful engagement from TransAlta. TransAlta first contacted LSAMCA to discuss the project in October of 2025.³⁸ TransAlta provided a project notification letter to LSAMCA in November of 2025, prior to TransAlta submitting its application to the AUC. At that time, LSAMCA requested project application materials from TransAlta. However, TransAlta could not provide the materials as they were not yet available. LSAMCA did not receive access to these materials until after the

³⁸ Exhibit 30511-X0049, TransAlta Responses to AUC information request round 2 - TransAlta-AUC-2026MAR27-001 to 002, PDF page 5.

application was filed with the Commission. TransAlta filed its application in December of 2025 and notified LSAMCA of the filing in February of 2026.³⁹ LSAMCA asserted that, without these application materials, it did not have sufficient information to evaluate the potential impacts of the project on their rights.⁴⁰

104. TransAlta argued that its participant involvement program was sufficient. TransAlta emphasized that it distributed project materials appropriately and invited LSAMCA to attend two in-person open houses. TransAlta further noted that LSAMCA waited until after the current application was filed with the Commission to raise their concerns about the project, when they could have made those concerns known earlier.⁴¹

105. The Commission acknowledges that not all of the delays above were within TransAlta's control. LSAMCA had a reciprocal onus to respond with any concerns in a timely and reasonable manner and to work with TransAlta on resolving concerns as they arose during consultation. The Commission notes that TransAlta provided project information to LSAMCA in November of 2025. At that time, LSAMCA would have had sufficient information to identify preliminary concerns which could have been articulated to TransAlta, such as the project's potential impacts to Wabamun Lake and LSAMCA members' traditional land use.

106. Nevertheless, the Commission finds that TransAlta could have engaged more effectively with LSAMCA. While TransAlta fulfilled the minimum consultation requirements set out in Rule 007, the Commission emphasizes that, in certain circumstances, meaningful consultation requires proponents to go beyond these minimum requirements.

107. In the Commission's view, TransAlta could have done more than provide LSAMCA with an open house invitation and basic project information. Although TransAlta may not have had the full application materials available at the time, it could have taken a more proactive approach and shared additional technical information when LSAMCA requested project materials. TransAlta has operated in this region for many years and should have been aware that Wabamun Lake is an important traditional land use area for LSAMCA. As a result, the Commission finds that TransAlta could reasonably have anticipated concerns relating to Wabamun Lake and provided additional information regarding those potential effects. For example:

- TransAlta could have asked whether LSAMCA wished to arrange a meeting following the November 2025 project notification.
- TransAlta could have provided the application materials to LSAMCA when the application was filed on December 17, 2025.
- TransAlta could have provided additional project information beyond a brief project summary, particularly if a meeting had been arranged in January of 2026.

³⁹ Exhibit 30511-X0049, TransAlta Responses to AUC information request round 2 - TransAlta-AUC-2026MAR27-001 to 002, PDF page 6.

⁴⁰ Exhibit 30511-X0060, REDACTED Keephills Proceeding 30511 - LSAMCA Written Evidence, PDF pages 11 and 12.

⁴¹ Exhibit 30511-X0090, TransAlta Written Argument - Proceeding 30511 - 20260706, PDF page 7.

108. TransAlta did not explain why it did not pursue any of the above measures. The Commission expects applicants to make collaborative and proactive efforts to engage potentially affected Indigenous groups both before and during the regulatory process.

109. The Commission also notes that much of the correspondence between TransAlta and LSAMCA, as well as TransAlta's two public open houses, occurred during the holiday season, a period that can be difficult for Indigenous communities to accommodate. The Commission further emphasizes that public open houses are not a substitute for Indigenous consultation as LSAMCA is entitled to a distinct consultation process.⁴²

110. While the Commission is satisfied that its process provided parties with a meaningful opportunity to participate in its process, it acknowledges that earlier engagement during the project planning stage would have created additional opportunities for relationship building between TransAlta and LSAMCA, including collaborative discussions regarding potential measures to address concerns.

111. The Commission is nevertheless satisfied that, through its hearing process, the duty to consult has been fulfilled. While the consultation carried out during TransAlta's participant involvement program could have been more robust, the Commission is satisfied that LSAMCA ultimately received sufficient information to understand the application, including the nature of the project and its potential effects. This information was relayed by TransAlta, and by the Commission through both direct and public notification of the application. Despite the Commission's determination that the scope of consultation owed to LSAMCA lies at the middle to low end of the spectrum, LSAMCA was afforded a meaningful opportunity to participate in the Commission's process, consistent with consultation at the higher end of the spectrum. For instance, LSAMCA was granted standing in this proceeding and was provided the opportunity to pose information requests to TransAlta, submit written evidence including expert reports, respond to information requests from TransAlta and submit written argument. Further, while LSAMCA noted that TransAlta did not offer them any capacity funding to technically review or evaluate the potential adverse impacts of the project, LSAMCA is eligible for recovery of their costs of participating in this proceeding, including costs for hiring a lawyer and expert consultant.

4.3.2.5 Summary

112. In assessing the overall impacts of the project on LSAMCA, the Commission concludes that the potential for adverse impacts is low. In particular, the chance of direct impacts to LSAMCA is minimal, and any potential impacts are anticipated to be offsite or cumulative. The Commission further notes that the project is expected to meet all applicable environmental and noise thresholds. Although TransAlta's consultation process could have been more robust, the Commission is satisfied that any deficiencies were ultimately remedied through LSAMCA's participation provided in this proceeding and that the duty to consult was ultimately discharged.

113. The Commission finds the potential impacts to LSAMCA acceptable when weighed against the benefits of the project. The Commission notes that any impacts will be further mitigated through TransAlta's commitments and the conditions described throughout this decision.

⁴² *Mikisew Cree First Nation v. Canada (Minister of Canadian Heritage)*, 2005 SCC 69.

4.3.3 What conditions did LSAMCA request?

114. LSAMCA requested that the project be denied given its potential impacts to LSAMCA's asserted Métis Aboriginal rights. If the project were to be approved, LSAMCA requested that the Commission impose a number of conditions, which the Commission discusses in Section 4.1 above and in this section.

115. LSAMCA requested that TransAlta provide details of its construction schedule to LSAMCA and to notify LSAMCA prior to construction and vegetation clearing. The Commission understands that the project is not anticipated to require vegetation clearing but finds that LSAMCA's request to receive a construction schedule ahead of construction is reasonable. The Commission therefore imposes the following condition of approval:

- h. At least 90 days before the start of construction, TransAlta Corporation shall notify Lac Ste. Anne Métis Community Association and provide its construction schedule.

116. LSAMCA requested that TransAlta provide resources to support having an LSAMCA environmental monitor on site for all construction activities in relation to the project, and that TransAlta provide resources for LSAMCA community monitoring of the potential impacts of the project on Wabamun Lake and the surrounding watershed, including potential impacts to water quality and quantity, fish and fish habitat, and vegetation. LSAMCA explained that an LSAMCA environmental monitor will ensure that potential offsite impacts during construction are monitored. LSAMCA also emphasized the importance of monitoring the potential impacts to Wabamun Lake from an Indigenous perspective.

117. The Commission does not consider it necessary to require an LSAMCA environmental monitor be present for construction activities. The Commission understands that there are existing monitoring and provincial oversight that exists in the project area. The Commission encourages TransAlta and LSAMCA to work together and to participate in regional airshed and watershed groups or initiatives to foster communication, information sharing and cross-disciplinary collaboration, and to avoid duplication.

118. Finally, LSAMCA requested that TransAlta commit to ongoing, meaningful engagement with LSAMCA in the spirit of reconciliation, including economic reconciliation. The Commission encourages TransAlta to maintain an ongoing good-neighbour relationship with LSAMCA, including communication of future employment and procurement opportunities when available.

4.4 Was TransAlta's participant involvement program adequate?

119. The Commission finds that TransAlta's participant involvement program satisfies the requirements of Rule 007.

120. TransAlta notified stakeholders within 2,000 metres of the power plant boundary, as well as stakeholders who had participated in prior events with TransAlta in the area. TransAlta also engaged with provincial agencies, public interest groups, infrastructure owners in the area, municipalities and Indigenous communities.

121. TransAlta noted that, although there are no landowners located within 800 metres of the project, it made reasonable attempts to consult with all other stakeholders located on or adjacent to the project, as well as those who requested consultation. Consultation was completed through in-person meetings, by email, and at open houses.

122. The Commission discusses TransAlta’s consultation with LSAMCA in Section 4.3.2.4 above.

123. The Commission finds that TransAlta’s participant involvement program satisfies the requirements in Rule 007. The Commission understands that consultation may not resolve every concern to the satisfaction of all participants. The purpose of the participant involvement program is to provide affected persons with information about the project, an opportunity to understand potential impacts, and a reasonable opportunity to identify concerns and discuss mitigation. The Commission is satisfied that these purposes were achieved through TransAlta’s participant involvement program and the Commission’s notice process. This finding is further supported by TransAlta’s commitment to ongoing engagement with interested parties throughout the development of the project.

4.5 Does the project have an adequate emergency response plan?

124. TransAlta noted that it last updated its emergency response plan for the combined Keephills and Sundance power plants and Sunhills mining site in January of 2023. Upon completion of the detailed engineering design phase of the project, TransAlta will review and update its existing site-specific monitoring programs, operation procedures, management systems, emergency preparation and contingency plans to reflect the project.

125. The Commission finds it reasonable that detailed emergency response procedures for the repowered power plant will be finalized at a later stage of project development.

126. TransAlta confirmed that it will contact local responders and authorities at least 90 days in advance of construction, and that it will incorporate feedback on recommended mitigation measures, practices, or protective measures from local responders and authorities into its finalized emergency response plan.⁴³ Given this commitment, the Commission is satisfied that TransAlta has adequately addressed the emergency response requirements in Rule 007.

4.6 Will there be a suitable reclamation security program in place?

4.6.1 The Commission’s assessment of reclamation security plans

127. 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.

128. 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*.

⁴³ Exhibit 30511-X0026, TransAlta Responses to AUC information request round 1 - TransAlta-AUC-2026JAN27-001 to 010, PDF page 16.

129. 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.⁴⁴ 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.

130. 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.⁴⁵

4.6.2 Is TransAlta's reclamation security plan adequate?

131. TransAlta noted that the project is included in the existing reclamation plan for Keephills, and that reclamation of the general project area will be part of the overall decommissioning and reclamation of the existing Keephills facilities. The project site will be reclaimed to the standard required by the existing Keephills reclamation plan, and will include site grading, revegetation and the removal of all project-related infrastructure.

132. For the proposed repowering infrastructure being considered in this proceeding, WSP Canada Inc. prepared a third-party Class 5 cost estimate of approximately \$4,045,000 with a low estimate of \$2,831,000 and a high estimate of \$6,068,000.⁴⁶ The estimate includes the salvage value of project components, which TransAlta estimated at approximately \$1,434,000.

133. TransAlta stated that it will provide the security in the form of a surety bond with the Government of Alberta as the obligee.⁴⁷ The Government of Alberta will have access to the security in the event of default by the project owner and operator, with no constraints on such access. TransAlta will make sufficient funds available to meet its reclamation security plan, and the final amount of security will be calculated based on project design. The initial posting will be made in the year the project commences, with subsequent revisions considered annually and the estimate updated or re-assessed every five years.

134. The Commission is satisfied that the proposed form of security, a surety bond, with the Government of Alberta as the beneficiary of the security, is sufficiently protective.

135. With respect to the proposed amount and posting schedule, TransAlta indicated that the security would be posted initially and revised periodically but did not identify when the full amount would be posted. TransAlta expects the project to operate for at least 19 years,⁴⁸ The

⁴⁴ *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.

⁴⁵ 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.

⁴⁶ Exhibit 30511-X0007, Appendix F - Reclamation Security, PDF page 4.

⁴⁷ Exhibit 30511-X0001, Keephills 1 Repowering Project Application, PDF pages 31-32.

⁴⁸ Exhibit 30511-X0001, Keephills 1 Repowering Project Application, PDF page 9.

Commission therefore directs TransAlta to post the full amount of reclamation security by the 19th year of the project's operation and imposes the following conditions:

- i. Once the project commences operation and every five years thereafter for the duration of the project's operational life, TransAlta Corporation shall file a confirmation with the Commission that reclamation security in the form of a surety bond has been provided to the Government of Alberta in accordance with an updated third-party cost estimate. The surety bond must remain in place until a reclamation certificate has been issued.
- j. On the 19th anniversary of the date of commercial operation, TransAlta Corporation shall file confirmation with the Commission that the full amount of reclamation security has been posted, in accordance with an updated third-party cost estimate.
- k. TransAlta Corporation shall notify the Commission of any proposed material change to the reclamation security arrangement, including a change to the security instrument, beneficiary, project ownership or ownership of the project lands, and explain how uninterrupted security will be maintained.

136. Given the Commission's findings and the conditions imposed above, the Commission finds that TransAlta's approach to reclamation is sufficient for the purposes of satisfying the Commission that approval of the project is in the public interest.

4.7 What are the benefits associated with the project?

137. The Commission finds that the project will provide public benefits through continued contribution to the reliability and adequacy of Alberta's electricity supply, temporary and long-term employment opportunities for the region, municipal and provincial tax revenue, and the efficient use of an established industrial site.

138. The Commission finds that the project will support the reliability of the Alberta electricity system. TransAlta stated that the project supports grid reliability as it is designed to meet Alberta's current Most Severe Single Contingency of 466 MW. TransAlta also indicated that the project will provide increased efficiency and flexibility compared with traditional technologies due to its combined cycle design. The project's ability to ramp up quickly and flexibly will allow TransAlta to better respond to market needs.

139. The project is expected to contribute to economic growth in the region, including the creation of up to 1,000 construction jobs. As discussed in Section 4.3.3, the Commission has encouraged TransAlta to communicate future employment and procurement opportunities with LSAMCA when available. Once operational, TransAlta expects that the project will offer continued long-term employment opportunities for the region. The project is also expected to generate additional municipal and provincial tax revenue.

140. The Commission finds that the project will make efficient use of existing infrastructure at the Keephills site. By using existing infrastructure at an established industrial site, the project minimizes the need for additional land disturbance and reduces the environmental effects associated with new infrastructure development.

141. The Commission concludes that these benefits weigh in favour of approval and help offset the project's identified impacts, which, as considered throughout this decision, can be appropriately mitigated.

4.8 Other issues

142. Because TransAlta will confirm the exact make and model of the gas turbines at a later date, the Commission imposes the following condition of approval:

1. 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 project has stayed within the final project update allowances for thermal power plants specified in Rule 007: *Facility Applications*. The final project update must be filed at least 90 days prior to the start of construction.

143. Due to uncertain and long lead times for critical equipment, TransAlta requested that the Commission issue the project's approvals with a construction completion date of seven years from the initial approval date.

144. Section 5.1 of Rule 007 states that applicants will have up to seven years to finish construction of a power plant, absent unusual or extraordinary circumstances.

145. The Commission has prescribed a construction completion date of seven years from the issuance date of this decision.

146. Time extension requests of short duration beyond the seven-year period will only be available in limited and exceptional circumstances. This may include situations where substantial progress has been made toward the completion of construction but a limited delay is required due to circumstances outside the proponent's control (e.g., a flaw is discovered in equipment requiring it to be re-ordered, or a new environmental feature is discovered requiring the avoidance of construction during a restricted activity period). The Commission emphasizes the limited nature of these exceptions and cautions applicants not to expect timelines to construct longer than seven years in the normal course.

5 Decision

147. The Commission considers the application to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

148. Pursuant to Section 11 of the *Hydro and Electric Energy Act*, the Commission approves Application 30511-A001 and grants TransAlta Corporation the approval set out in Appendix 1 – Power Plant Approval 30511-D02-2026 to construct and operate the Keephills Unit 1 Repowering Project.

149. The appendix will be distributed separately.

Dated on October 7, 2026.

Alberta Utilities Commission

Dennis Frehlich
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 30511-D01-2026 that require subsequent filings with the Commission and will be included as conditions of Approval 30511-D02-2026:

- b. As part of its final project update, TransAlta Corporation shall provide an updated air emissions modelling report to the Commission.
- c. TransAlta Corporation shall conduct a comprehensive sound level (CSL) survey, including an evaluation of low frequency noise at Receptor R02. The CSL survey must be conducted in accordance with Rule 012: *Noise Control* and under representative conditions, including when both units are operating at or near full load (greater than 90 per cent capacity). Within one year of the project commencing operation, TransAlta shall complete the CSL survey and file a report with the Commission presenting measurements and summarizing results of the CSL survey to confirm compliance with Rule 012.
- d. 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. Within one year of commencing concurrent operation of the power plant and any additional noise-emitting source at the site, TransAlta Corporation shall conduct a post-construction comprehensive sound level (CSL) survey. The CSL survey must be conducted under representative conditions and in accordance with Rule 012: *Noise Control*. Within one year of the power plant and any additional noise-emitting source at the site commencing operation, TransAlta shall file a report with the Commission presenting measurements and summarizing results of the CSL survey to confirm compliance with Rule 012.
- i. Once the project commences operation and every five years thereafter for the duration of the project's operational life, TransAlta Corporation shall file a confirmation with the Commission that reclamation security in the form of a surety bond has been provided to the Government of Alberta in accordance with an updated third-party cost estimate. The surety bond must remain in place until a reclamation certificate has been issued.
- j. On the 19th anniversary of the date of commercial operation, TransAlta Corporation shall file confirmation with the Commission that the full amount of reclamation security has been posted, in accordance with an updated third-party cost estimate.

1. 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 project has stayed within the final project update allowances for thermal power plants specified in Rule 007: *Facility Applications*. The final project update must be filed at least 90 days prior to the start of construction.

The following are conditions of Decision 30511-D01-2026 that do not require subsequent filings with the Commission:

- a. TransAlta Corporation shall include Lac Ste. Anne Métis Community Association in its list of emergency contacts, in the event that a significant environmental release occurs which could impact the North Saskatchewan River or Wabamun Lake.
- e. If additional noise-emitting sources are added to the site, TransAlta Corporation shall notify the Commission of the anticipated commencement date of that noise-emitting source once known.
- f. Before the start of construction of additional noise-emitting sources at the site, TransAlta Corporation shall file an updated noise impact assessment demonstrating compliance with Rule 012: *Noise Control* under the concurrent operating scenario.
- h. At least 90 days before the start of construction, TransAlta Corporation shall notify Lac Ste. Anne Métis Community Association and provide its construction schedule.
- k. TransAlta Corporation shall notify the Commission of any proposed material change to the reclamation security arrangement, including a change to the security instrument, beneficiary, project ownership or ownership of the project lands, and explain how uninterrupted security will be maintained.

Appendix B – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
TransAlta Corporation Vincent Light
Lac Ste. Anne Métis Community Association Jessica Buhler Erica Klassen Tracy Friedel
Alberta Utilities Commission Commission panel Dennis Frehlich, Acting Commission Member Commission staff Rob Watson (Commission counsel) Glenn Harasym Amanda Spyce Joel Turpin-Quaye Kloria Wen Joan Yu