

Frequently asked questions:

Small Scale Generation Regulation

Where can I find a copy of the regulation?

The [Small Scale Generation Regulation](#) is available for download on the Queen's Printer's website at www.qp.alberta.ca.

Do small scale and community generation projects need to be connected to the distribution grid?

Yes. Eligible generating units must be connected to the distribution system within Alberta's interconnected electric system or to the distribution system within an isolated community.

The owner of an eligible generating unit may apply to the distribution facility owner of the service area where the generating unit will be located in order to be qualified as a small scale generating unit and become a small scale power producer.

What are the size requirements for small scale and community generation?

To allow for flexibility, there is no defined minimum or maximum size limit placed on small scale and community generation projects under the regulation. However, the regulation requires eligible generating units to be connected directly to the distribution system and with a total nameplate capacity that will not exceed the electric distribution system's hosting capacity at the interconnection point, which can typically reach up to a maximum of 25 megawatts.

Are there any limitations on where small scale and community generation can be located?

Small scale and community generation projects must be located in Alberta. The regulation does not prescribe any specific locational restrictions within Alberta. Projects connected to the distribution system must comply with all applicable acts and regulations.

Does the new regulation apply to existing projects?

Existing projects with eligible generating units may apply to the local distribution facility owner to qualify as small scale generation. The application must be in the form established by the Alberta Utilities Commission.

Can projects built to offset load be oversized to sell electricity to the grid?

There are different ways for Albertans to be involved in the generation of electricity.

Projects that use electricity produced on site are considered micro-generation projects. The [Micro-generation Regulation](#) provides the rules specifically for electricity production from renewable or alternative energy sized solely for self-consumption.

The Small Scale Generation Regulation provides rules for projects that produce electricity from renewable or alternative energy sources, are connected and sized to fit the distribution system limits at the interconnection point, and supply electric energy to the interconnected electric system or within an isolated community. Small scale and community generators will receive revenue from the sale of the electric energy to the grid.

Are Distribution Facility Owners responsible for the costs of any project studies required for a small scale or community generation project?

No. The owner of an eligible small scale generating unit is responsible for the costs related to the development, construction, and operation of their projects.

Is there a time limit for Distribution Facility Owners to connect proposed small scale projects?

The regulation requires that Distribution Facility Owners need to determine if the small scale generation project is eligible within 30 days of receiving an application. Distribution Facility Owners are also required to connect a qualified project within a reasonable time frame.

Has the Alberta Utilities Commission application process been streamlined?

Under the *Alberta Utilities Commission Act*, the Alberta Utilities Commission is responsible for establishing the application and approval processes for the small scale and community generation. Interested parties may contact the Alberta Utilities Commission for further information.

How do I qualify for community generation?

The owner of a small scale generating unit may apply to the Alberta Utilities Commission with its Community Benefits Agreement or Community Benefits Statement, and any other required information required by the Commission, in order to qualify as a community generating unit.

How does the regulation define a community group?

The regulation lists which organizations are considered to be community groups.

Can an eligible community group partner with a developer for its project?

Yes. An eligible community group can partner with a developer or take full ownership/responsibility for its community generation project.

Is there a minimum level of ownership that a community group must hold in a project?

The regulation does not prescribe any particular ownership structure. It is the responsibility of eligible community groups to negotiate an ownership structure that best meets their needs.

Can a community generation project provide benefits to more than one community group?

The regulation gives community groups the flexibility to determine how to best allocate the social, economic, or environmental benefits from their community generation projects. These will be outlined and agreed to in a Community Benefits Agreement or Community Benefits Statement.

Is it mandatory for small scale and community generators to use the Balancing Pool as their default market participant?

No. The regulation establishes the Balancing Pool as the default market participant. However, small scale and community generators may opt to act as market participants themselves or appoint a third party to act as the market participant on their behalf.

How will the contract for difference mechanism (announced under the upcoming Community Generation Program) work with the role of the Balancing Pool?

The regulation establishes the Balancing Pool to act as the market participant on behalf of small scale and community generators with respect to exchange, dispatch, and financial settlements with the Independent System Operator.

Pending completion of the community generation program design, the Alberta Climate Change Office will determine how the contract for difference payment mechanism will be combined with the role of the Balancing Pool as the default market participant for community generators.

Where can I find out more information on the Government of Alberta programs to support community generation?

In response to the growing demand for renewable energy in Alberta, the Government of Alberta is investing \$200 million over 20 years in Climate Leadership Plan funds to launch a new Community Generation Program. More information on this program is available on Energy Efficiency Alberta's website at www.encyalberta.ca.