

Solar Energy Incentives in Alberta: It's Just the Beginning

On February 5, 2016, the Government of Alberta announced an investment of more than \$5 million into two solar energy programs aimed at growing Alberta's renewable energy sector – the Alberta Municipal Solar Program for Alberta municipalities, and the On-Farm Solar Management Program for eligible farmers. These programs are essentially a province-wide extension of similar small scale programs run in communities such as [Banff](#) and [Edmonton](#).

The Alberta Municipal Solar Program ("AMSP") will provide incentives for the installation of solar photovoltaics on municipal buildings through a rebate (\$ per watt) of up to 20 percent of capital costs or \$300,000 per project. The On-Farm Solar Management Program ("OFSMP") will provide eligible farmers with a grant of up to 25 percent of the costs of installation of small scale solar photovoltaic systems, up to a maximum of \$50,000 per application. In total, the two programs are expected to provide funding for 160 projects across Alberta. Applications for the OFSMP opened on February 8, 2016, while applications for the AMSP will open on March 1, 2016. Further information on the Alberta Municipal Solar Program can be found [here](#). Information on the On-Farm Solar Management Program can be found [here](#).

Alberta's Climate Leadership Plan

This solar incentives announcement comes less than three months after Premier Rachel Notley's announcement of Alberta's new Climate Leadership Plan on November 20, 2015. The Climate Leadership Plan includes, among other things, the phase-out of coal-fired electricity generation in the province, a phased-in increase in renewable energy

production to 30 percent of supply by 2030, an economy wide carbon tax, and a cap on total carbon emissions from the oil sands.

Alberta's Commitment to Clean Energy Growth

While the above solar incentive programs may only be a modest investment in growing the renewable energy capacity in Alberta, Environment Minister Shannon Phillips stressed, "this is just the beginning".¹ Programs such as the AMSP and OFSMP are just the first steps in pushing for greater renewable energy in Alberta. If these programs are successful, there is potential for investments in similar programs for much larger industrial projects as Alberta pushes to achieve the objectives of the Climate Leadership Plan.

Alberta's Renewable Energy Investment Potential

Traditionally, the prosperity of Alberta was fuelled by an abundance of attainable hydro-carbons. This hydro-carbon based prosperity however masks an enormous potential for renewable energy that Alberta can utilize to meet the renewable energy goals of the Climate Leadership Plan. A 2014 report by The Pembina Institute noted Alberta's renewable energy potential for the following energy sources:

- Wind – 150,000 MW;
- Hydro – 11,000 MW; and
- Geothermal – 120,000 MW.²

In addition, Alberta has some of the best solar resource in the country³ and the Pembina Institute further noted that Alberta's solar

¹ <http://calgaryherald.com/business/energy/alberta-to-offer-solar-panel-rebates-to-farms-municipalities-this-is-just-the-beginning>;
<http://edmontonjournal.com/news/politics/here-comes-the-sun-alberta-government-announces-renewable-energy-funding>.

² <http://www.pembina.org/reports/power-to-change-pembina-cec-2014.pdf>, at p 1.

³ <http://pv.nrcan.gc.ca/index.php>.

energy potential would be sufficient to meet its entire demand for electricity.⁴ This enormous renewable energy potential in Alberta, when combined with Alberta's steadily increasing energy demand and the expected supply gap created by the phase-out of coal-fired electricity generation, creates a great opportunity for renewable energy investments in Alberta.⁵

With announcements like the solar energy incentives putting support behind the goals of the Climate Leadership Plan, and the potential wider application of similar programs that are necessary to achieve Alberta's energy goals, Alberta has the potential to re-define its role as Canada's leader in the energy industry through renewable energy investment.

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a cautionary note

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⁴ <http://www.pembina.org/reports/power-to-change-pembina-cec-2014.pdf>, at p 1.

⁵ <http://www.pembina.org/reports/power-to-change-pembina-cec-2014.pdf>, at p 7.