



ALBERTA  
MUNICIPAL AFFAIRS

*Office of the Minister  
MLA, Peace River*

MINISTERIAL ORDER NO. MSD:070/25

I, Dan Williams, Minister of Municipal Affairs, pursuant to Sections 587 and 640 of the *Municipal Government Act*, and Sections 6(1) and 7 of the *Special Areas Act*, make the following order:

Ministerial Order No. MSD:064/24 setting out the Special Areas 2, 3, and 4 Land Use Order is hereby amended by incorporating the attached Schedule A.

Dated at Edmonton, Alberta, this 12 day of November, 2025.

  
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Dan Williams  
Minister of Municipal Affairs

## **Schedule A**

1. That Section 1 – Administration – Section 1.10 Development Permit Not Required, Subsection 1.10.3, be amended to add to the list of uses not requiring a permit:

(z.) On-Site Battery Energy Storage – Small

2. That Section 3 – Specific Use Regulations – be amended to add subsection 3.27 Battery Energy Storage Systems (BESS):

### **3.27 BATTERY ENERGY STORAGE SYSTEMS (BESS)**

#### ***Off-Site Battery Energy Storage:***

*3.27.1 In addition to the Development Permit requirements stated in this Order, applications for an Off-Site Battery Energy Storage shall include a copy of the application and approval from the Alberta Utilities Commission (AUC).*

*3.27.2 Minimum setback requirements for an Off-site Battery Energy Storage shall adhere to the following:*

*(a) setbacks from any provincial highway shall be as per Alberta Transportation and Economic Corridors;*

*(b) setbacks from any municipal road allowance shall be 30.48m (100ft);*

*(c) where no road allowance is located between property lines where both parcels are included in the same Off-Site Battery Energy Storage project, no setback is required;*

*(d) where the adjacent parcel is not included in the Off-Site BESS project, the development shall be required to meet the applicable noise requirements set out in Alberta Utilities Commission (AUC) Rule 012: Noise Control; and*

*(e) an Off-Site BESS setback from existing habitable dwellings shall be a minimum of 800m (2625 ft.).*

- i. Minimum setback requirements in subsection 2 (e) may be reduced by the Development Authority upon consideration of a written agreement of the affected landowner, and under the following conditions:*

- 1. If a lesser distance is agreed to by the owner of the affected parcel or dwelling, the minimum setback shall not be less than the setback permitted under AUC regulations and approved by the AUC for the specific project.*
- 2. Any agreement between the owner of the affected parcel and the developer shall be submitted as an attachment to the Development Permit.*

3. *An agreement in a form satisfactory to the Development Authority may be required to be registered on the land title of the affected property as a condition of approval of any Development Permit.*

*3.27.3 An application for an Off-Site Battery Energy Storage must be accompanied by an Emergency Response Plan completed to the satisfaction of the Special Areas Board Regional Fire Chief.*

***On-Site Battery Energy Storage:***

*3.27.4 In addition to the Development Permit requirements stated in this Order, applications for an On-Site Battery Energy Storage System – Large, shall include a copy of the application and approval from the Alberta Utilities Commission (AUC).*

*3.27.5 An On-Site Battery Energy Storage – Large must comply with all other municipal, provincial, and federal regulations and legislation (e.g. the Hydro and Electric Energy Regulation).*

*3.27.6 An application for an On-Site Battery Energy Storage – Large must be accompanied by an Emergency Response Plan completed to the satisfaction of the Special Areas Board Regional Fire Chief.*

3. That Section 4 – Land Use Districts – Agricultural District (A) - Section 4.5 be amended to include:

**Subsection 4.5.3**

*(l.1) On-Site Battery Energy Storage - Small*

**Subsection 4.5.4**

*(hh.1) Off-Site Battery Energy Storage*

*(hh.2) On-Site Battery Energy Storage – Large*

4. That Section 4 – Land Use Districts – Hamlet District (H) - Section 4.6 be amended to include:

**Subsection 4.6.3**

*(g.1) On-Site Battery Energy Storage -Small*

**Subsection 4.6.4**

*(uu.1) On-Site Battery Energy Storage - Large*

5. That Section 4 – Land Use Districts – Rural Commercial District (RC) - Section 4.7 be amended to include:

Subsection 4.7.3

*(p.1) On-Site Battery Energy Storage - Small*

Subsection 4.7.4

*(w.1) On-Site Battery Energy Storage - Large*

6. That Section 4 – Land Use Districts – Rural Industrial District (RI) - Section 4.8 be amended to include:

Subsection 4.8.2

*(e.1) On-Site Battery Energy Storage – Small*

Subsection 4.8.3

*(ff.1) Off-Site Battery Energy Storage*

*(ff.2) On-Site Battery Energy Storage - Large*

7. That Section 4 – Land Use Districts – Grouped Country Residential District (GCR) - Section 4.9 be amended to include:

Subsection 4.9.3

*(e.1) On-Site Battery Energy Storage – Small*

Subsection 4.9.4

*(q.1) On-Site Battery Energy Storage – Large*

8. That Section 4 – Land Use Districts – Rural Mixed-Use District - Section 4.10 be amended to include:

Subsection 4.10.3

*(l.1) On-Site Battery Energy Storage – Small*

Subsection 4.10.4

*(q.1) On-Site Battery Energy Storage - Large*

3. That Section 5 – Definitions, add the following Uses and definitions in alphabetical order with a classification of Land Use Definitions (permitted or discretionary uses):

***Battery Energy Storage System (BESS):*** One or more devices, assembled together, capable of storing and discharging electricity primarily intended to supply electricity to a building or to the electrical grid. This includes, but is not limited to, the following: battery cells; thermal, battery, and energy management system components; and accessory equipment, buildings, and structures.

***Off-Site Battery Energy Storage System:*** A Battery Energy Storage System (BESS) for the primary purpose of off-site use through the electrical grid.

***On-Site Battery Energy Storage System- Small:*** A Battery Energy Storage System (BESS) with a nameplate capacity less than 1 megawatt (MW), that is intended primarily to service on-site electricity needs but may, at times, discharge into the electric grid.

***On-Site Battery Energy Storage System- Large:*** A Battery Energy Storage System (BESS) with a nameplate capacity of 1 megawatt (MW) or greater, that is intended primarily to service on-site electricity needs but may, at times, discharge into the electric grid.

## Special Areas Backgrounder

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### Historical Background

- The Special Areas Board is an agent of the Crown, reporting to Alberta Municipal Affairs.
- The mandate of the Special Areas was established in 1938 with the passing of the *Special Areas Act* at a time of severe hardship in east-central Alberta.
  - The area was in financial ruin because of the depression and drought years of the 1930s, and the land had been degraded by over-cultivation and soil erosion.
  - Thirty-seven municipalities in the region went bankrupt due to defaulted taxes.
  - At that time, more than 2 million acres were lost by homesteaders through tax recovery processes and turned over to the Special Areas to administer. In addition, 1.5 million acres of Crown land were put under the board's administration.
- An innovative, alternate form of government was required to set this part of the province back on the path to social and economic stability.
  - The Special Areas Board was created for this purpose and serves two overall functions:
    - to manage the current 2.5 million acres of public lands (Crown and tax recovery lands) in the area; and
    - to provide a broad range of local municipal services to the approximately 220 townships and 4,200 residents within the Special Areas boundaries.
  - No other local government provides this unique combination of public land management and municipal service delivery.
- The original mandate of the Special Areas was to establish viable farm units, address environmental damage, and re-establish viable local government services.
  - The Special Areas Board has been instrumental in fulfilling this mandate through stable governance and the sustainable management of land.

### **How does the SAB operate and how is it different from other municipalities?**

- Under Section 1(1)(p) of the *Municipal Government Act*, a municipal authority includes the Minister of Municipal Affairs when a special area is authorized or required to act. This means that the Minister is the head of the municipal authority known as the Special Areas.
- The *Special Areas Act* provides the Minister broad powers to deal with matters related to the special areas. A delegation order gives many of those powers to the Special Areas Board.
- The board operates similar to rural municipalities, including overseeing the provision of local roads, water services, emergency and protective services, park maintenance, economic development, and other municipal services.
- As a form of local government, the Special Areas Board seeks ongoing input from local residents and businesses.
- The board has the legislated mandate to manage all public lands in the Special Areas.
  - This authority has allowed the board to develop and apply land-management policies that are particularly suited to this ecologically sensitive area of the province and to apply these policies in a consistent and seamless manner to all public lands in the region; this has been a key factor enabling the restoration of agricultural viability to the region.
- The *Special Areas Act* sets out the Minister's powers to administer public lands and services in the region (Section 7) and the Minister's ability to delegate powers and duties to the Special Areas Board (Section 30).
- The four members of the Special Areas Board are appointed by Cabinet, and one of the members is designated by Cabinet as chair of the board (Section 29).
  - The chair serves as chief executive officer of the board and chief administrative officer for the municipal operations.

- The other three board members are nominated by a 13-member, locally elected Special Areas Advisory Council (Section 14).
- The advisory council gives advice to the board, and council members represent the Special Areas on boards and committees similar to other municipal councillors.
- The board's operations are funded through revenues received from local taxation, the leasing of public lands, and other revenues collected for the administration of the region (Section 7).
- The chair and other senior managers are Government of Alberta employees for provincial oversight purposes, with the chair reporting to the Assistant Deputy Minister of Municipal Services Division.
- The ministry's relationship with the board balances the need for provincial policy oversight with the need for operational efficiencies at the local level. For example:
  - The board presents any significant policy recommendations for review and approval of the ministry's senior management, and significant policy changes are reflected in the annual budget submitted for ministerial approval.
  - An expenditure policy has been developed to enable the board to sign off on expenditures up to specified levels; any expenditures above those levels require Deputy Minister approval.
  - While many activities are delegated to the board, some matters that would require a bylaw to be passed if it was any other municipality, require a Ministerial Order to authorize and enact the board's orders and resolutions.

#### **Why has the region remained as the Special Areas instead of becoming an incorporated municipality?**

- The legislated mandate of the Special Areas Board extends beyond the legislated mandate of an incorporated rural municipality.
  - The board has a unique mixed mandate to not only deliver standard municipal services to its residents but also manage an extensive network of Crown-owned land.
  - The Special Areas Board serves as a single administrative body tasked with the authority to jointly manage large tracts of Crown land (1.5 million acres) interspersed with local tax-recovery lands (1 million acres). These lands are intermingled, and a single grazing lease may consist of both provincial and local lands. Public lands constitute approximately 50 per cent of the total Special Areas land base.
- The Special Areas Board has succeeded in ensuring the interests of local residents and the interests of provincial ministries are well-represented in its policy and decision-making activities.
  - The board achieves this through ongoing consultation with its locally elected advisory council, residents, and local stakeholders and through joint initiatives with several provincial ministries in matters related to water systems, management of key wildlife habitat, protection of historical resources, and provincial highway projects, etc.
- In carrying out its mandate and due in large part to the unique structure of the Special Areas organization, the board has been more successful than any other region of the province in partnering in a variety of ways with neighbouring municipalities and regional organizations.
  - The Special Areas Board partners with its urban neighbours to share services such as water provision, waste management, senior's housing, and doctor recruitment initiatives.
  - The Special Areas Board shares significant revenues with its local urban neighbours to help support their operations. The approach of the Special Areas has been key to maintaining the viability of urban centres such as Hanna, Oyen, and Consort.