



Synapse Real Estate Corp.

Synapse Data Center Power Plant Project

August 17, 2026

Alberta Utilities Commission

Decision 30732-D01-2026

Synapse Real Estate Corp.

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Proceeding 30732

Application 30732-A001

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1 Decision summary

1. Synapse Real Estate Corp. has applied for approval to construct and operate a 1,400-megawatt (MW) combined-cycle natural gas-fired power plant with a significant amount of proposed backup diesel generation (1,800 MW). While natural gas power plants are common in Alberta, this project is unprecedented in the combination of its size and proximity to surrounding homes.

2. In this decision, the Alberta Utilities Commission denies Synapse's power plant application. The Commission finds that the project is too close to the surrounding community, and Synapse failed to demonstrate any compelling justification for selecting that location. The site is simply not suitable for the proposed development. In making this finding, the Commission is not commenting on the suitability of a data centre in this location. The Commission does not approve or regulate data centres.

3. Below, the Commission summarizes the application, discusses its role and the decision-making process for projects before it, then explains its concerns with the siting of this project.

2 Application background

4. Synapse applied for approval to construct and operate the Synapse Data Center Power Plant, a 1,400-MW gas-fired generating facility to be located within the town of Olds (the town) and co-located with a large-scale data centre. The power plant is intended to provide electricity exclusively to the data centre and will not be connected to the Alberta Interconnected Electric System (the Alberta electricity grid). Synapse previously filed an application for this project, which the Commission closed due to deficiencies in the application material, including deficiencies in consultation. This proceeding is Synapse's second application for this project.

5. The proposed generating facility would have a total nameplate capacity of 1,400 MW, made up of:

- 20 natural gas-fired combustion turbine generating units, each with a nominal simple-cycle capability of approximately 50 MW.
- 10 heat recovery steam generators supplying steam to 10 steam turbine generators, each with a nominal capability of approximately 40 MW in combined-cycle operation.

6. The power plant is proposed as a modular set up, split into 10 units. Each unit would consist of two natural gas-fired combustion turbines and one heat recovery steam generator, with a total nameplate output per unit of approximately 140 MW.

7. The project would also include 600 emergency backup diesel generators (60 per unit), with a total capability of 1,800 MW, to support reliability requirements of the proposed data centre.

8. Collectively, the power plant, backup generation facilities and associated data centre infrastructure would occupy approximately 273 acres (110.5 hectares) of land in the northeast portion of the town. The proposed site is approximately 10 per cent of the size of the town.

9. The Commission received many statements of intent to participate (SIPs) prior to issuing notice. A notice of hearing was issued on April 29, 2026, with a deadline to submit SIPs by May 29, 2026.¹ The Commission continued to receive SIPs after this date. On July 9, 2026, the Commission set a final deadline of July 15, 2026, to accommodate interveners who may not have been notified due to an error in Synapse's notification boundary.² The Commission received SIPs from approximately 1,500 interested parties in response to its notice. The Commission granted standing to 919 interveners, including the Olds Residents for Responsible Development Group.³

3 The decision-making process for the project

10. In this section, the Commission describes the legal framework in which its decisions are made. First, the Commission explains its mandate and powers when considering facility applications, such as for a power plant. Then, the Commission describes how it assesses the public interest. Finally, the Commission addresses how it collected the evidence and submissions necessary to make its decision (collectively, the record).

3.1 What is the role of the Commission?

11. The Commission is an independent regulator responsible for considering applications for power plants in accordance with its legislative framework.⁴ The Commission must consider whether the proposed project is in the public interest, having regard to its social, economic, environmental and other effects.⁵ While the proposed power plant is designed to serve a co-located data centre and the two facilities are functionally connected, the Commission's jurisdiction extends only to the power plant. The Commission does not regulate or approve data centres themselves. Nevertheless, the impacts of a proposed data centre may be relevant where the Commission considers cumulative impacts as part of its public interest assessment of a power plant.

12. The applicant bears the onus of demonstrating that approval of its project is in the public interest. Intervenors 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.

¹ Exhibit 30732-X0148, Notice of information session and hearing - Synapse Data Center Power Plant Project.

² Exhibit 30732-X1577, AUC letter - Statement of intent to participate submission deadline update.

³ Exhibit 30732-X1289, AUC letter - Ruling on standing; and Exhibit 30732-X1864, AUC letter - Second ruling on standing.

⁴ *Hydro and Electric Energy Act*, sections 11 and 19.

⁵ *Alberta Utilities Commission Act*, Section 17.

3.2 How does the Commission assess the public interest?

13. When the Commission receives an application to construct and operate a power plant, Section 17(1) of the *Alberta Utilities Commission Act* is engaged. Section 17(1) 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. The Commission must also consider the purposes of the *Hydro and Electric Energy Act* and the *Electric Utilities Act*.

14. As a starting point for determining the public interest, a power plant application filed with the Commission must comply with Rule 007: *Facility Applications* and Rule 012: *Noise Control*. These rules set out a comprehensive set of requirements for a power plant application, but compliance with those informational requirements does not automatically mean that a project will be approved.

15. 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.

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

3.3 How was the record of this proceeding developed?

17. Synapse originally applied for the project in Proceeding 30625. Many interested parties filed SIPs in Proceeding 30625 and raised concerns about the size and location of the proposed project, including the proximity to homes.⁶ These SIPs were received in the weeks following the application and before the Commission issued public notice of the application. Since those SIPs were filed in a different proceeding, the Commission is not considering those comments in making its decision in this proceeding. However, Synapse knew or ought to have known at this point that the siting of the project raised significant concerns and that it would have to establish that the siting was in the public interest.

18. Ultimately the application in Proceeding 30625 had significant deficiencies, including errors, insufficient or incomplete information, and internal inconsistencies. As a result of the

⁶ See, for example: Proceeding 30625, Exhibit 30625-X0016, Statement of intent to participate of Eric Carlson; Exhibit 30625-X0024, Statement of intent to participate of Jolene Miller; Exhibit 30625-X0027, Statement of intent to participate of Rebecca MacIntosh; Exhibit 30625-X0033, Statement of intent to participate of Sandy Thomson; Exhibit 30625-X0037, Statement of intent to participate of Peter Mousek; Exhibit 30625-X0038, Statement of intent to participate of Ryan Vammen; Exhibit 30625-X0048, Statement of intent to participate of Jeff Tschoumy; Exhibit 30625-X0053, Statement of intent to participate of Michael Reynolds; Exhibit 30625-X0059, Statement of intent to participate of Jay Walden; and Exhibit 30625-X0060, Statement of intent to participate of Alexandra Calson.

deficiencies, the Commission closed the application without deciding whether the proposed project was in the public interest.⁷

19. Synapse filed a second application for the power plant in this proceeding on April 3, 2026.

20. As noted above, the Commission received a large number of SIPs. Many of the interveners raised concerns regarding the proposed project's siting in relation to the town.⁸ These concerns were also noted in Synapse's participant involvement program.⁹

21. The Commission issued its first round of written questions (information requests) to Synapse on May 14, 2026.¹⁰ It included questions regarding the construction of a power plant within a light industrial district, and the impacts of the power plant on the town due to the project's siting.

22. In its June 16, 2026, standing ruling, the Commission noted that it was granting standing to all persons residing in the town, as it found that, given the nature and location of the project, and the size of the town, the Commission's decision on the application would have the potential to result in a direct and adverse effect on those residents. On June 16, 2026, the Commission informed parties that it was suspending the process schedule while it prepared a second round of information requests.¹¹

23. On July 9, 2026, the Commission issued its second round of information requests.¹² The Commission continued to inquire about the siting choices made by Synapse.

24. The Commission controls its own process, including what steps are required, and how those steps occur. The *Alberta Utilities Commission Act* leaves the Commission with the ability to choose its own procedures. The Commission also has significant expertise in assessing natural gas power plant applications and determining what information and process is required to assess whether a proposed project is in the public interest, and expertise in making that assessment. Upon reviewing the application documents and responses to the two rounds of information requests from the Commission to the applicant, along with the SIPs, the Commission has determined that there is sufficient information on the record to make a decision.

25. This proceeding is unique due to the large number of residents within close proximity to the proposed project, and subsequent engagement by those residents. Synapse has had several opportunities to make submissions on the proximity issue, and other issues, in its application and in response to both rounds of information requests. For the reasons discussed below,

⁷ Proceeding 30625 was registered on February 12, 2026, and was closed on March 6, 2026.

⁸ See, for example: Exhibit 30732-X0087, Statement of intent to participate of Dennis Beaudry; Exhibit 30732-X0106, Statement of intent to participate of Carol Edwards; Exhibit 30732-X0134, Statement of intent to participate of Merrilee Walton; Exhibit 30732-X0309, Statement of intent to participate of Claire Rosehill; Exhibit 30732-X0399, Statement of intent to participate of Madison Keller; Exhibit 30732-X0525, Statement of intent to participate of Jody Tomm; Exhibit 30732-X0710, Statement of intent to participate of Jessica Bristow; Exhibit 30732-X1294, Statement of intent to participate of William Gergely; Exhibit 30732-X1434, Statement of intent to participate of Andrea Mix; and Exhibit 30732-X1746, Statement of intent to participate of Katharine Doyle.

⁹ Exhibit 30732-X0020, TP36 -Participant Involvement Program, PDF pages 16-17.

¹⁰ Exhibit 30732-X0335, AUC information request Synapse-AUC-2026MAY14-001 to 026.

¹¹ Exhibit 30732-X1288, AUC letter - Process schedule update.

¹² Exhibit 30732-X1574, AUC information request round 2 - Synapse-AUC-2026JUL09-001 to 011.

the Commission finds that it is not in the public interest to construct and operate the project at the proposed location.

26. Where there is sufficient information to reach a decision based on the existing information, it is not in the public interest to require interveners and applicants to expend significant time, effort and expense to engage in a full hearing process. There is currently sufficient information on the record for the Commission to make this decision. The Commission has therefore determined that further process is not necessary.

4 Is the proposed location in the public interest?

27. The proposed project is in the town of Olds on privately owned lands currently used for agricultural purposes in the town's northeast industrial area. The power plant is proposed to be co-located with a data centre. The power plant would be a self-supply generation facility and is not interconnected with the Alberta electricity grid. A new gas pipeline is required to supply natural gas to the power plant.

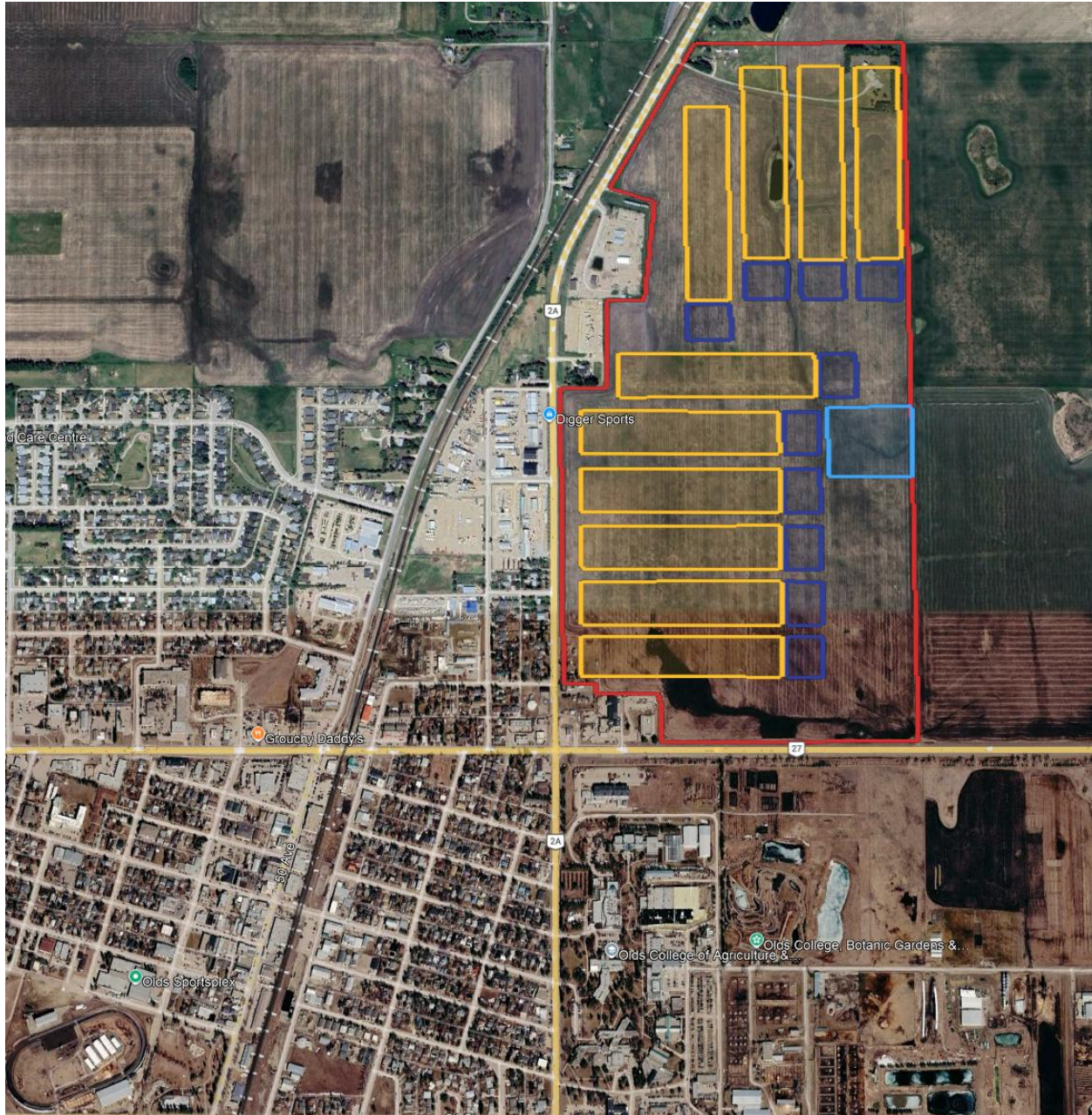
28. The project would be situated directly adjacent to an existing community rather than in a distinct industrial area. While the land is zoned for light industrial, it is directly across from established residential neighbourhoods and is also near commercial uses, including shops, restaurants and hotels. The project site boundary is approximately 30 metres from the edge of the first row of properties across a residential road. Synapse stated that there are over 700 residences within 800 metres of the proposed project.¹³

29. A site plan is shown in Figure 1 below. The footprint of the power plant and data centre is depicted in red. The power plant units are depicted in dark blue and the data centre units are shown in yellow.¹⁴

¹³ Exhibit 30732-X0020, TP36 -Participant Involvement Program, PDF page 4.

¹⁴ Exhibit 30732-X0017, TP 5 - Synapse Data Center + Plant Layout - v1.1.

Figure 1. Proposed project location within the town of Olds



30. Synapse stated that the proposed project is located within a light industrial district, and that data centres fall into the discretionary use category within that area. Synapse relied on the Town of Olds' bylaws respecting accessory uses and took the position that no bylaw amendment was required because the power plant would be incidental and subordinate to the principal data centre use.¹⁵

31. That the proposed project may be permissible under a municipal bylaw is relevant, but not determinative of whether it is in the public interest to site the project at that location. While the Commission considers municipal land use planning policies and in many cases gives

¹⁵ Exhibit 30732-X1223.01, Synapse Response to AUC IR No. 1, PDF page 6.

significant weight to municipal planning choices, its public interest mandate over the construction and operation of power plants is provincial in scope and it must conduct a balancing of the public interest at the provincial level.¹⁶ This means that when the Commission considers municipal land use planning policies, it considers those policies as one part of the public interest assessment, which includes existing provincial laws, project impacts (social, economic and environmental effects), and compliance with Rule 007 and Rule 012.

32. Synapse stated that multiple alternative locations were considered, including sites in Rocky View County, Mountain View County and Ponoka County, some of which were farther from established population centres. Synapse submitted that the proposed site in the town was selected because it provided the strongest overall balance of land use compatibility, infrastructure availability, access to a skilled workforce and reduced impacts on agricultural land. Synapse also emphasized that the lands form part of the Town of Olds' Northeast Area Structure Plan and are not prime agricultural land.¹⁷

33. The Commission is not persuaded that Synapse has demonstrated why this specific location is in the public interest. The proposed project is large, consisting of a total of 3,200 megawatts of installed generation, comprised of a 1,400-MW thermal power plant and 600 emergency diesel generators. Given the size and nature of the project, the Commission finds that compelling reasons are required to site the project in extremely close proximity to a significant residential population. As noted, there are more than 700 residences within 800 metres of the project lands.¹⁸

34. The Commission is particularly concerned that the project would be located in the immediate vicinity of an established community and directly across from homes, shops, restaurants and hotels. The Commission received extensive submissions from residents expressing concerns regarding the compatibility of a large thermal power generation facility within town limits. Many participants emphasized that their concerns extended beyond potential technical impacts such as noise and air emissions – they questioned whether a facility of this scale and industrial character was appropriately located within an established community. The Commission notes that these concerns were raised consistently throughout Synapse's consultation process.

35. The Commission is mindful of the unusually high level of public participation in this proceeding. The number of participants may be relevant in assessing consultation effectiveness, although the Commission acknowledges that the number of SIPs is not determinative of whether a project is in the public interest. Regardless, the large number of residents who came forward demonstrates that the proposed location generated significant concern within the community and that many residents considered themselves potentially affected by the project, and that these concerns remain outstanding after Synapse's consultation efforts.

36. For this application, Synapse's consultation activities included mailouts, door-to-door engagement, open houses, information sessions, meetings with municipal representatives, and consultation with landowners, occupants and other stakeholders. Synapse indicated that more

¹⁶ The province-wide nature of the AUC's authority is discussed in AUC inquiry into the ongoing economic, orderly and efficient development of electricity generation in Alberta, Module A Report, January 31, 2024, paragraph 58.

¹⁷ Exhibit 30732-X1867, Synapse Response to AUC IR No. 2, PDF page 7.

¹⁸ Exhibit 30732-X0020, TP36 -Participant Involvement Program, PDF page 4.

than 700 residences were identified within the consultation radius (800 metres) and that more than 1,000 residences were within the notification radius (2,000 metres).¹⁹ Synapse attempted to correct the previous deficiencies in its consultation program; however, the evidence raises questions about whether all potentially affected residents were identified and included in the consultation program.²⁰

37. Regardless, the Commission is not denying the application because of deficiencies in consultation. However, when viewed together with the evidence on project siting, the consultation record provides additional support for the Commission's conclusion that the selected location is not appropriate. The consultation record also highlights the extent to which the selected site remains controversial within the community.

38. The Commission accepts that some of the impacts identified by interveners may be capable of mitigation.²¹ However, mitigation measures do not establish that the selected location is appropriate in the first instance.

39. Unlike facilities that must be located at a particular resource, transmission interconnection point, or existing industrial complex, Synapse has not demonstrated in its evidence that this power plant must be located directly adjacent to residential areas in the town. As discussed above, the project is designed as a self-supply facility that is not connected to the Alberta electricity grid and would require new natural gas infrastructure to serve the site. These circumstances diminish the significance of any location-specific justification for placing the facility right next to existing urban development in the town.

40. While Synapse identified reasons why it preferred the proposed site, it did not demonstrate why alternative locations with greater separation from residences and businesses were not reasonably available or feasible. Nor did it demonstrate that the benefits associated with the selected site could not be realized at another location that would reduce the potential for land use conflicts with nearby residents and businesses. In the Commission's view, the fundamental issue is not whether the proposed site can accommodate the project from a zoning or engineering perspective. Rather, the issue is whether the applicant has demonstrated that locating a thermal power plant of this size and nature in the town is in the public interest.

41. The Commission finds that the proposed project would place a large thermal power generation facility, along with backup diesel generation, directly adjacent to an established urban area without establishing that the benefits of that siting outweigh the adverse impacts. Accordingly, the lack of a persuasive justification for the selected location weighs significantly against approval of the application and supports the Commission's conclusion that the proposed siting is not in the public interest.

¹⁹ Exhibit 30732-X0020, TP36 -Participant Involvement Program, PDF page 4.

²⁰ In response to the Commission's information requests (Exhibit 30732-X1223.01, Synapse Response to AUC IR No. 1, PDF pages 40-42), Synapse stated that it inadvertently measured the initial notification radius from the centre of the project area rather than from the boundary, resulting in many of the landowners located approximately 1,600 to 2,000 metres from the project boundary not being notified by mail. While Synapse stated that other notification methods such as social media and traditional news outlets reached these areas, it committed to additional mail notifications of these areas.

²¹ For example, noise can potentially be reduced through design modifications such as noise barriers. Similarly, environmental effects and air emissions may be mitigated through regulatory requirements, approval conditions and additional design measures.

5 Overall public interest determination

42. The Commission has considered all of the evidence filed in this proceeding, including the project's potential economic benefits, the Town of Olds' support in principle,²² the applicant's consultation efforts, the concerns raised by participants, and the technical evidence regarding noise, air quality, emergency management and other project impacts. After weighing these considerations, the Commission finds that the proposed project is not in the public interest.

43. The Commission acknowledges that the project has the potential to bring economic investment, employment opportunities and municipal tax revenue to the Town of Olds. However, the Commission's primary concern is the suitability of the proposed location. The project would place a 1,400-MW thermal power plant and 600 emergency diesel generators, directly adjacent to an established community.

44. The evidence demonstrates that the facility would be located directly across from homes, shops, restaurants and hotels and in close proximity to other community uses. While the project may be technically capable of operating at this location, the Commission is not satisfied that the applicant has demonstrated that this location is an appropriate one. Synapse's evidence regarding intervenor concerns and municipal zoning do not persuade the Commission that this project at the proposed location is in the public interest.

45. The Commission accepts that Synapse considered alternative locations and provided reasons why it preferred the proposed site. Nevertheless, the Commission finds that Synapse did not establish a compelling site-specific justification for this particular location, such that the impacts of this siting choice could be outweighed by project benefits.

46. Intervenors repeatedly expressed concerns that a project of this scale is not compatible with its surroundings and is located too close to existing residential and commercial development. The Commission finds that these concerns reflect a broader issue regarding the appropriateness of the location itself rather than concerns regarding individual (and potentially mitigable) project effects.

47. The proposed facility is designed as a self-supply power plant serving a co-located data centre and is not connected to the Alberta electricity grid. New natural gas infrastructure would also be required to supply the facility. In the Commission's view, these circumstances diminish the importance of choosing this particular location and support the expectation that alternative sites, particularly those providing greater separation from existing urban development, should have been more thoroughly assessed and justified on the record.

48. The Commission acknowledges that specific technical impacts identified in the proceeding, including noise and air quality impacts, may be capable of mitigation through facility design, operational restrictions, regulatory requirements and approval conditions. However, the Commission finds that mitigation does not resolve the fundamental siting concern that underlies this proceeding.

²² Exhibit 30732-X1049, Town of Olds SIP.

49. After considering the entire record, the Commission finds that the applicant has not demonstrated that the proposed location is in the public interest. The Commission is not persuaded that the selected site represents an appropriate location for a project of this scale and character, nor is it satisfied that the applicant has established why the project could not reasonably be located in a manner that would provide greater separation from existing urban development where it is more compatible with the existing community.

Dated on August 17, 2026.

Alberta Utilities Commission

Cairns Price
Panel Chair

Renée Marx
Commission Member