Canada – Alberta MoU and Bill 8: What they mean for AI data centres

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In a recent article, BLG lawyers discussed the recent Memorandum of Understanding (MoU) between the Government of Canada and the Province of Alberta in the context of pipeline development, carbon management, and leveraging Alberta's resources in pursuit of energy competitiveness. The MoU also signals some encouraging trends for proponents of data centres and AI infrastructure, which have been reinforced by provincial legislation and policy developments including the recently-introduced Bill 8.

Electricity capacity and "Sovereign Compute"

A critical component of the MoU is the commitment to expand electricity capacity to support Alberta's ambitions of building large-scale AI computing infrastructure alongside Ottawa's Canadian Sovereign AI Compute Strategy. This cooperation between the two levels of government points to a shared vision: made-in-Canada data centres powered by Canadian energy.

One immediate impact is Ottawa's agreement to suspend the *Clean Energy Regulations* (CER) in Alberta, which could accelerate data centre projects that would otherwise face restrictions on accessing the power needed for AI workloads.

The MoU explicitly commits to expanding AI computing power to support sovereign compute – an initiative launched federally in 2024. This elevates high-performance AI infrastructure from a purely commercial investment to strategic national infrastructure. By prioritizing domestic control over critical AI workloads, the MoU creates a clear policy mandate for the development of large-scale, high-assurance data centres serving Canadian interests.

For Alberta, this commitment strengthens the business case for new AI-focused data centre facilities. Provincial initiatives – such as Bill 8 and the forthcoming Restructured Energy Market (REM) – dovetail with Ottawa's strategy, under which hundreds of millions of dollars have already been invested to support Canadian supercomputing projects. The emphasis on sovereign compute will likely concentrate future data centre development in jurisdictions offering reliable power, regulatory certainty, and operational stability, positioning Alberta as a leading candidate for such investment, and a unique opportunity for Alberta-based data centres to further national priorities.

Bill 8: “Bring your own power”

Recent policy announcements from the Alberta Government and the Alberta Electric System Operator have recognized the limited ability of Alberta’s existing generation and transmission infrastructure to accommodate the massive amount of data centre load that has been proposed to date. This has shifted focus from grid-connected data centre projects to projects that supply their own power requirements, which the Alberta Government has long vied to attract and prioritize.

Alberta’s “bring your own power” narrative is now proposed to be embedded in legislation, through the introduction of Bill 8 (the *Utilities Statutes Amendment Act*, 2025). If passed, Bill 8 would:

- Prioritize data centre projects that self-supply generation, reducing strain on the Alberta grid.
- Require data centre proponents to fund transmission upgrades for their grid connection, rather than placing this burden on ratepayers.
- Provide a clearer, faster, and more flexible path for AI data centre development in Alberta.

Bill 8 is expected to complement the REM, which is slated for roll-out in 2027. The REM aims to modernize transmission policy, integrate generation and load efficiently, and ensure that large loads can be accommodated without compromising grid stability or affordability.

Conclusion

The combined effect of the Alberta–Ottawa MoU and Bill 8 have the potential to position Alberta as a frontier for AI infrastructure, with Ottawa’s support. For data centre developers, these developments offer a unique opportunity to align their projects with national priorities while leveraging Alberta’s competitive advantages.

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