



**Peace River Power GP Ltd.**

**98-Megawatt Natural Gas-Fired Power Plant**

**August 31, 2016**

**Alberta Utilities Commission**

Decision 21793-D01-2016

Peace River Power GP Ltd.

98-Megawatt Natural Gas-Fired Power Plant

Proceeding 21793

Application 21793-A001

August 31, 2016

Published by the:

Alberta Utilities Commission

Fifth Avenue Place, Fourth Floor, 425 First Street S.W.

Calgary, Alberta

T2P 3L8

Telephone: 403-592-8845

Fax: 403-592-4406

Website: [www.auc.ab.ca](http://www.auc.ab.ca)

## **1 Decision summary**

1. In this decision, the Alberta Utilities Commission must decide whether to approve an application from Peace River Power GP Ltd. (Peace River Power) to construct and operate a 98-megawatt natural gas-fired power plant designated as the Peace River Power Project (the proposed project). After consideration of the record of the proceeding, and for the reasons outlined in this decision, the Commission finds that approval of the proposed project is in the public interest, having regard to the social and economic effects of the project and its effects on the environment.

## **2 Introduction**

2. Peace River Power filed an application with the AUC for approval to construct and operate a 98-megawatt natural gas-fired power plant, in Northern Sunrise county, pursuant to Section 11 of the *Hydro and Electric Energy Act*. The application was registered on July 7, 2016, as Application 21793-A001.

3. The Commission issued two rounds of information requests to Peace River Power on July 27, 2016 and August 18, 2016. Peace River Power responded to the information requests on August 10, 2016 and August 24, 2016, respectively.

4. The Commission issued a notice of application on July 27, 2016. The notice was sent to potentially directly and adversely affected persons or interested parties identified by Peace River Power as being located within 3,000 metres of the project area. The notice was also published on the AUC website and notification was automatically emailed to eFiling System users that had chosen to be notified of notices of application issued by the Commission. The deadline for filing submissions with the AUC was August 17, 2016.

5. No submissions were received by the submission deadline of August 17, 2016.

## **3 Discussion**

6. Peace River Power submitted that the proposed project would consist of two 49-megawatt simple cycle General Electric LM6000-PH gas turbine generators and two 13.8/144-kilovolt step-up transformers, with a total generating capability of 98 megawatts. The project would be located in the southeast quarter of Section 18, Township 84, Range 17, west of the Fifth Meridian, approximately 40 kilometres northeast of the town of Peace River.

7. Peace River Power stated that the proposed power plant would utilize conventional sales and associated gas from the existing production wells in the vicinity of the project site and convert it into electric power. The power will be exported to the Alberta Interconnected Electric System. Peace River Power added that the proposed power plant would reduce the amount of gas being flared in the region and also reduce the noise and odour associated with the flaring of the associated gas.

8. The project area is approximately 4.3 hectares and is located adjacent to an existing facility operated by Baytex Energy Corporation. The project is located within the Boreal Forest Natural Region within the Lower Peace Region. There is currently no regional land use plan in the area.

9. Peace River Power submitted an environmental evaluation for the proposed project,<sup>1</sup> completed by Stantec Consulting Ltd., to assess environmental effects on terrain and soils, vegetation and wetlands, wildlife species and habitat, air quality and acoustic environment. The environmental evaluation indicated that the potential adverse effects associated with the proposed power plant can be mitigated with standard mitigation measures and industry best practices, as described in the environmental evaluation. The residual adverse effects of the project are predicted to be not significant. Further, Peace River Power stated that a wildlife biologist at Alberta Environment and Parks (AEP) was consulted with respect to potential effects to the wildlife as a result of the project. The biologist indicated that he did not have any concerns regarding project effects to wildlife as long as Peace River Power was aware of the requirements and restrictions of *Migratory Bird Act*.

10. Peace River Power submitted that air dispersion modelling was completed for the proposed power plant which indicated the emissions would meet the Alberta Ambient Air Quality Objectives for nitrogen oxides (NO<sub>x</sub>).

11. In response to the Commission's information requests, AEP indicated that based on the ambient air quality report, the maximum predicted ground-level concentrations would be significantly lower than the Alberta Ambient Air Quality Objectives guidelines. The proposed General Electric LM6000-PH turbines will be equipped with dry low emission equipment and the estimated NO<sub>x</sub> emission rate of 0.4 kg/MW-hr per generator meets AEP's Best Available Technology Economically Achievable criteria for NO<sub>x</sub> emissions management.

12. Peace River Power conducted a noise impact assessment for the proposed project, including two natural gas-fired generators and two step-up transformers. The noise impact assessment indicated that the predicted noise levels would be in compliance with Rule 012: *Noise Control*.

13. Peace River Power conducted a participant involvement program that included a notification and consultation component. Peace River Power notified all of the potentially directly and adversely affected persons, or interested parties within 3,000 metres of the proposed power plant, by providing a project-specific information package. Peace River Power submitted that no landowners or residents are located within 3,000 metres of the proposed power plant and the project site is on Crown land. Two open houses were held on May 9, 2016 and May 10, 2016 in Three Creeks, Alberta and the town of Peace River, Alberta, respectively, to provide the

---

<sup>1</sup> Exhibit 21793-X0006.

project-specific information and to facilitate identification of any questions, comments or concerns.

14. Peace River Power submitted that it visited nine residences that are located approximately 20 kilometres from the project site along Highway 688. Peace River Power indicated that these residences would be the closest occupied residences located to the project site. To meet the aboriginal consultation requirements outlined in the government of Alberta's Policy and Guidelines on Consultation with First Nations on Land and Natural Resource Management, Peace River Power conducted consultation with Sucker Creek First Nation and Woodland Cree First Nation. Peace River Power has reached an agreement with Sucker Creek First Nation and a conditional agreement with Woodland Cree First Nation.

15. Peace River Power indicated that no concerns or objections were raised by participants in regard to the proposed power plant.

16. Peace River Power received *Historical Resources Act* clearance from Alberta Culture and Tourism on June 27, 2016.

17. Peace River Power indicated that the construction of the proposed power plant would commence in January 2017, with a proposed completion date of November 2017.

#### **4 Findings**

18. The Commission finds that the application meets the information requirements stipulated in Rule 007: *Applications for Power Plants, Substations, Transmission Lines and Industrial System Designations and Hydro Developments*.

19. The Commission is satisfied that no significant environmental impacts are expected from the proposed power plant. The Commission understands that the emissions from the project are expected to be compliant with the Alberta Ambient Air Quality Objectives.

20. The Commission also finds that the noise impact assessment submitted by Peace River Power fulfills the requirements of Rule 012 and that noise emitted by both existing facilities and the proposed project will not exceed the permissible sound levels.

21. The Commission finds that Peace River Power's participant involvement program has been satisfactory and there are no outstanding public or industry objections or concerns. The Commission notes that no submissions were received in response to the Commission's notice of application. Consequently, a hearing was not required because the Commission considers that its decision will not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*.

22. The Commission has reviewed the application and has determined that the technical, siting, emissions, environmental and noise effects of the power plant have not raised public interest concerns.

23. Based on the foregoing, the Commission considers the project to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

## 5 Decision

24. Pursuant to Section 11 of the *Hydro and Electric Energy Act*, the Commission approves the application and grants Peace River Power the approval set out in Appendix 1 – Power Plant Approval 21793-D02-2016 – August 31, 2016 (Appendix 1 will be distributed separately).

Dated on August 31, 2016.

### **Alberta Utilities Commission**

*(original signed by)*

Bill Lyttle  
Commission Member