



Imperial Oil Resources Ventures Limited

**Time Extension to Complete Construction of the
Kearl Power Plant**

May 17, 2016

Alberta Utilities Commission

Decision 21562-D01-2016

Imperial Oil Resources Ventures Limited

Time Extension to Complete Construction of the Kearl Power Plant

Proceeding 21562

Application 21562-A001

May 17, 2016

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1 Decision summary

1. In this decision, the Alberta Utilities Commission approves an application by Imperial Oil Resources Ventures Limited (Imperial), for a time extension to complete construction of Phase 2 and Phase 3 of the 219-megawatt (MW) Kearl Power Plant (the power plant) in the Kearl Oil Sands Project area.

2 Introduction and background

2. Imperial has approval to construct and operate the power plant pursuant to Approval U2014-431.¹ Approval U2014-431 stipulated a completion date of December 31, 2016 and December 31, 2020 for Phase 2 and Phase 3 of the power plant, respectively.

3. Imperial filed Application 21562-A001 with the Alberta Utilities Commission on April 28, 2016, requesting approval to extend the Phase 2 completion date to December 31, 2018, and the Phase 3 completion date to December 31, 2022.

4. Imperial also requested approval to modify condition four in Approval U2014-431, related to the approval expiry date, so that it would coincide with the new Phase 3 completion date of December 31, 2022.

3 Discussion

5. Imperial stated that, as part of the optimization of its mine development plans, the steam and power needs of the Kearl Oil Sands Project have been re-evaluated and additional heating would not be required in the near future. Imperial confirmed that it would continue to supply power to the Kearl Oil Sands Project through a combination of the existing 84-MW cogeneration facility (Phase 1 that was commissioned in early 2015) and power purchases from the Alberta Interconnected Electric System.

6. Imperial submitted that extending the Phase 2 and Phase 3 completion dates would enable Imperial to wait for the government of Alberta to release the policy details and the implementation process for a new regulatory framework on climate change. It would also provide time for Imperial to conduct an assessment of potential impacts and to determine a viable configuration of cogeneration for the existing and upcoming mining and steam assisted gravity drainage projects.

¹ Power Plant Approval U2014-431, Proceeding 3468, Application 1610914, October 31, 2014.

7. Imperial stated that the requested time extension would not affect the approved design or change the assessed environmental impact. It also stated that the noise impacts, air emissions and land use would be consistent with those in the original application and current approvals. Imperial committed to assess the participant involvement program and to conduct a study in order to evaluate the environmental impact if its internal assessment of the climate change regulation indicates that a modification to the configuration of the approved power plant is required.

4 Findings

8. Imperial has provided information on the need, nature and duration of the requested time extension. Based upon the information provided, Imperial has demonstrated that the requested time extension is of a minor nature, but necessary in order for it to complete construction of the power plant.

9. Due to the minor nature of the application, a notice of application was not issued and therefore a hearing was not required. The Commission considered that its decision would not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*.

10. The Commission notes that an amendment to the Industrial System Designation Order U2012-295² would be required in order to reflect the requested time extension of the power plant facilities forming part of Imperial's Kearl industrial system designation.

11. Given the considerations discussed above, the Commission finds the application to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

² Industrial System Designation Order U2012-295, Proceeding 1753, Application 1608223, July 23, 2012.

5 Decision

12. Pursuant to sections 11 and 19 of the *Hydro and Electric Energy Act*, the Commission approves the application and grants Imperial the approval set out in Appendix 1 – Power Plant Approval 21562-D02-2016 – May 17, 2016.

13. Pursuant to Section 4 of the *Hydro and Electric Energy Act* and sections 2(1) (d) and 117 of the *Electric Utilities Act*, the Commission grants Imperial the approval set out in Appendix 2 – Industrial System Designation Order 21562-D03-2016 – May 17, 2016.

14. The appendices will be distributed separately.

Dated on May 17, 2016.

Alberta Utilities Commission

(original signed by)

Anne Michaud
Commission Member