



**Just Freehold Energy Corporation**

**Lacombe Facility – Gas-Fired Power Plant**

**October 17, 2016**

**Alberta Utilities Commission**

Decision 21528-D02-2016

Just Freehold Energy Corporation

Lacombe Facility – Gas-Fired Power Plant

Proceeding 21528

Applications 21528-A001 and 21528-A002

October 17, 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 Just Freehold Energy Corporation (JFE) to construct and operate a power plant designated as the Lacombe Facility at an existing gas-fired compression site. After consideration of the record of the proceeding, and for the reasons outlined in this decision, the Commission finds that approval of the project is in the public interest having regard to the social, economic and other effects of the proposed project, including its effect on the environment.

## **2 Introduction**

2. JFE filed applications with the AUC, pursuant to Section 11 of the *Hydro and Electric Energy Act*, for approval to construct and operate a 3.9-megawatt (MW)<sup>1</sup> natural gas-fired power plant located approximately six kilometres southeast of the city of Lacombe and to connect the power plant to FortisAlberta Inc.'s (Fortis) distribution system. The applications were registered on April 18, 2016, as applications 21528-A001 and 21528-A002.

3. On May 6, 2016, the Commission issued an acknowledgement letter to JFE indicating that the application was deficient and missing the information required under Section 3 of Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations and Hydro Developments*. The Commission stated that it would begin processing the application when sufficient application documentation was submitted.

4. On May 20, 2016, JFE submitted a document containing the information required under Section 3 of Rule 007.

5. The Commission issued four rounds of information requests to JFE on June 24, 2016, August 22, 2016, September 26, 2016 and October 12, 2016. JFE responded to the information requests on July 21, 2016, August 31, 2016, October 4, 2016 and October 13, 2016, respectively.

6. The Commission issued a notice of application on August 2, 2016. The notice was sent directly to landowners, occupants, agencies, and other interested parties identified by JFE as being located within 1,500 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 23, 2016.

7. No submissions were received by the submission deadline of August 23, 2016.

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<sup>1</sup> Capability clarified in Exhibit 21528-X0007, Responses to IR Round 1, PDF Page 1, July 21, 2016.

### 3 Discussion

8. JFE submitted that the proposed power plant would consist of three Caterpillar G3516B natural gas-fired generating units with a capability of 1.3 MW each, for a total generating capability of 3.9 MW. The power plant would be fuelled 100 per cent by natural gas from an adjacent field compressor and therefore no fuel storage would be required.

9. In response to an information request,<sup>2</sup> JFE clarified that the proposed power plant would have a total continuous capability of 3.9 MW and a 4.7-MW peak capability. JFE indicated that the power plant would be connected to Fortis' distribution system and that Fortis confirmed the capability could be accommodated.

10. JFE stated that the power plant would be contained within a new building as an expansion to an existing gas-fired compression site. The site fencing would be expanded to enclose the new building. The power plant would be located within Lacombe county in the northwest quarter of Section 13, Township 40, Range 26, west of the Fourth Meridian. The site is surrounded by farmed land.

11. JFE stated that it notified all landowners and residents within 1,500 metres of the proposed project. JFE submitted that Lacombe County assisted with distributing the notices. JFE consulted with a stakeholder who requested to speak with the company representative. The stakeholder visited JFE's operating plant near the village of Alix, after which he had no further concerns regarding the proposed project. JFE submitted that there were no objections or other concerns raised.

12. A noise impact assessment was conducted in accordance with Rule 012: *Noise Control* for the proposed project. The nearest residence is located approximately 790 metres from the facility site boundary. The permissible sound levels at this residence were established at 40 dBA  $L_{eq}$  nighttime and 50 dBA  $L_{eq}$  daytime. The predicted cumulative nighttime noise level would exceed the nighttime permissible sound level at the nearest residence without the noise control recommendations provided in the noise impact assessment. In response to an information request,<sup>3</sup> JFE committed to implement the recommended noise control measures that would ensure the proposed project would comply with the permissible sound levels as prescribed by Rule 012.

13. In response to an information request,<sup>4</sup> JFE confirmed that it was aware of other environmentally-related federal and provincial acts including the *Alberta Wildlife Act*, the *Canada Migratory Birds Convention Act*, the *Alberta Soil Conservation Act*, the *Alberta Weed Control Act* and the *Alberta Agricultural Pests Act*. JFE stated that it would be in compliance with all such acts because the generators would be contained within an enclosed building on an existing gravelled industrial site with active weed control and no soil excavation.

14. In response to an information request,<sup>5</sup> JFE confirmed that Alberta Environment and Parks (AEP) had no wildlife concerns with the project.

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<sup>2</sup> Exhibit 21528-X0007, Responses to IR Round 1, PDF page 1, July 21, 2016.

<sup>3</sup> Exhibit 21528-X0007, Responses to IR Round 1, PDF page 7, July 21, 2016.

<sup>4</sup> Exhibit 21528-X0010, Responses to IR Round 2, PDF page 1, August 31, 2016.

<sup>5</sup> Exhibit 21528-X0010, Responses to IR Round 2, PDF page 8, August 31, 2016.

15. JFE submitted that the proposed project would comply with the *Alberta Ambient Air Quality Objectives and Guidelines* for nitrogen oxides (NO<sub>x</sub>). In response to an information request,<sup>6</sup> JFE confirmed that the NO<sub>x</sub> limit would be 0.3 kg/MWh as indicated by AEP. JFE stated that catalytic reduction equipment would be added to the new generation equipment to comply with the NO<sub>x</sub> limit.

16. JFE submitted that there have been no issues with wildlife at the existing compression site and that the addition of a new generation building would have little or no incremental effects. JFE stated that there would be no adverse effects of the project on the environment.

17. JFE received *Historical Resources Act* approval from Alberta Culture and Tourism on October 4, 2016.

#### 4 Findings

18. The Commission finds that the application meets the information requirements stipulated in Rule 007.

19. The Commission has reviewed the application and has determined that the technical, siting, emissions, environmental and noise aspects of the power plant have been met. JFE's participant involvement program has been conducted and there are no outstanding public or industry objections or concerns.

20. The Commission is satisfied that no significant environmental impacts will result from the proposed power plant given that the power plant will be constructed at an existing gas-fired compression site and that JFE has committed to using catalytic reduction equipment to comply with the NO<sub>x</sub> limit.

21. The Commission finds that the noise impact assessment submitted by JFE fulfills the requirements of Rule 012 and the power plant will not exceed the permissible sound levels as JFE has committed to implementing noise control measures.

22. 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

23. Pursuant to Section 11 of the *Hydro and Electric Energy Act*, the Commission approves Application 21528-A001 and grants Just Freehold Energy Corporation the approval set out in Appendix 1 – Power Plant Approval 21528-D03-2016 – October 17, 2016, to construct and operate the power plant.

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<sup>6</sup> Exhibit 21528-X0013, Responses to IR Round 3, PDF page 3, October 4, 2016.

24. Pursuant to Section 18 of the *Hydro and Electric Energy Act*, the Commission approves Application 21528-A002 and grants Just Freehold Energy Corporation the order set out in Appendix 2 – Connection Order 21528-D04-2016 – October 17, 2016, to connect the power plant to Fortis’ distribution system.

Dated on October 17, 2016.

**Alberta Utilities Commission**

*(original signed by)*

Neil Jamieson  
Commission Member