



**Versorium Energy Ltd.**

**Northern Valley 1 Distributed Energy Resource Power Plant**

**March 1, 2022**

**Alberta Utilities Commission**

Decision 27132-D01-2022

Versorium Energy Ltd.

Northern Valley 1 Distributed Energy Resource Power Plant

Proceeding 27132

Applications 27132-A001 and 27132-A002

March 1, 2022

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The Commission may, no later than 60 days of the date of this decision and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected decision on its website.

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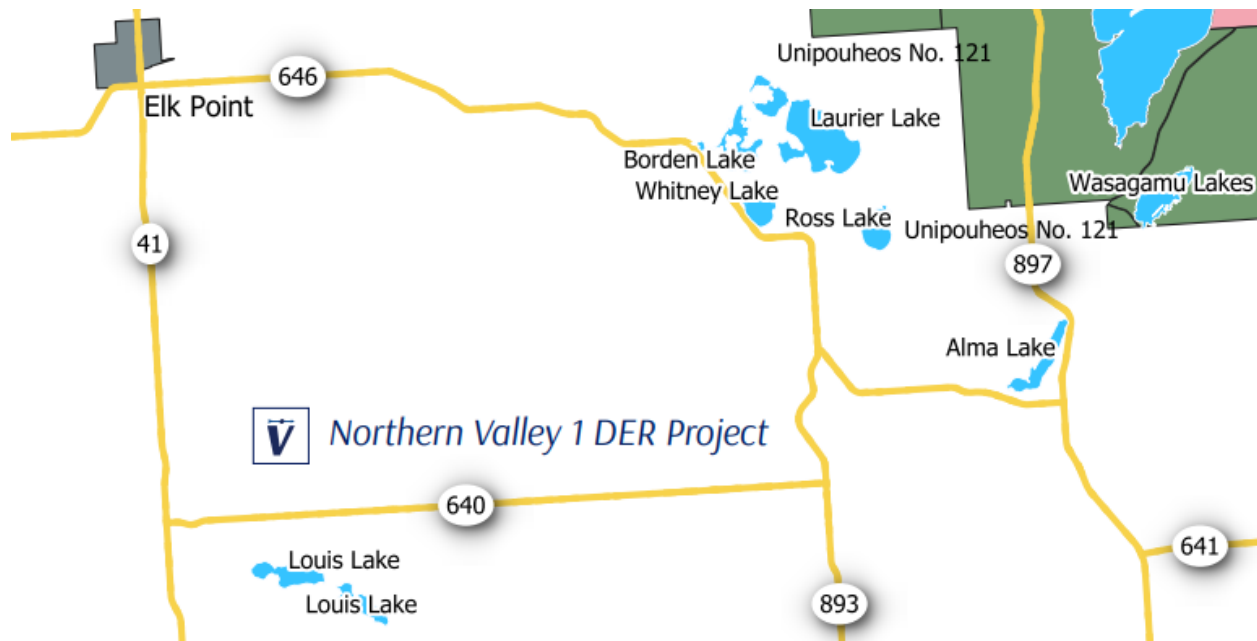
## 1 Decision summary

1. In this decision, the Alberta Utilities Commission approves applications from Versorium Energy Ltd. to construct, operate and connect a 5.044-megawatt natural gas-fired power plant, designated as the Northern Valley 1 Distributed Energy Resource Power Plant, located approximately 14 kilometres southeast of Elk Point, Alberta.

## 2 Applications

2. Versorium Energy Ltd. filed applications with the Commission for approval to construct and operate the power plant, and connect it to ATCO Electric Ltd.'s distribution system (the project). The project is located approximately 14 kilometres southeast of Elk Point in Legal Subdivision 13 of Section 21, Township 55, Range 6, west of the Fourth Meridian, as shown on the map in Figure 1. The project would be located on private land, including cultivated and adjacent modified grassland.

Figure 1. Project location<sup>1</sup>



<sup>1</sup> Image taken from Exhibit 27132-X0007, Appendix C3 – Regional Map.

3. The project would include two gas-fired reciprocating engines, with a nominal capability of 5.044 megawatts, a switchgear building, a generator step-up transformer, a low-pressure natural gas pipeline to connect to the County of Vermilion River's natural gas system, and a distribution line to connect to ATCO Electric Ltd.'s distribution system.

4. Versorium Energy's applications included:

- A participant involvement program, which confirmed that there were no outstanding objections from adjacent landowners or stakeholders.<sup>2</sup>
- A noise impact assessment, completed by ACI Acoustical Consultants Inc., which confirmed that the project would comply with Rule 012: *Noise Control*.<sup>3</sup>
- An air quality assessment report, completed by Matrix Solutions Inc., which concluded that potential changes to air quality from the project are expected to be minimal on a local and regional scale, and that the maximum predicted ground-level nitrogen dioxide (NO<sub>2</sub>), carbon monoxide (CO), and fine particulate matter concentrations (PM<sub>2.5</sub>) are less than their respective *Alberta Ambient Air Quality Objectives*.<sup>4</sup>
- An environmental evaluation report, completed by Matrix Solutions Inc., that considered the potential environmental effects, mitigation and monitoring associated with project construction and operation activities, which determined that the potential and residual effects would not be significant.<sup>5</sup>
- A letter of non-objection from ATCO Electric Ltd., confirming that it is prepared to allow the interconnection of the power plant to its distribution system.<sup>6</sup>

5. Versorium Energy is planning to carry out site construction in August through September 2022 and expects the project to be in-service by December 31, 2022. Versorium Energy requested a construction completion date of June 30, 2023, to account for any unforeseeable delays and to mitigate the likelihood that an extension is subsequently required.

6. Due to the nature of the applications, a notice of applications was not issued and a hearing was not required as the Commission considered that its decision or order would not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*.

### 3 Findings

7. For the reasons outlined below, the Commission finds that approval of the project is in the public interest having regard to the social, economic, and other effects of the project, including its effect on the environment.

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<sup>2</sup> Exhibit 27132-X0017, Appendix L – PIP Summary.

<sup>3</sup> Exhibit 27132-X0014, Appendix I – Noise Impact Assessment.

<sup>4</sup> Exhibit 27132-X0011, Appendix F – Air Emission Modelling Report.

<sup>5</sup> Exhibit 27132-X0012, Appendix G – Environmental Evaluation.

<sup>6</sup> Exhibit 27132-X0010, Appendix E – Distribution Facility Owner Letter.

8. The Commission has reviewed the applications and has determined that the information requirements specified in Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines* have been met. Versorium Energy engaged with landowners, residents, occupants, businesses, and individuals who may have a registered interest in land within 1,500 metres of the project boundary. In addition, Versorium Energy included Frog Lake First Nation in the participant involvement program. Versorium Energy confirmed that no objections to the project were received from stakeholders or Indigenous communities. The Commission finds that Versorium Energy's participant involvement program satisfies the requirements of Rule 007.

9. With respect to noise impacts, ACI concluded that the project is below the permissible sound levels for all surrounding residential and theoretical receptors. In addition, the C-weighted decibel sound levels are predicted to be less than 20 decibels greater than the A-weighted decibel sound levels, resulting in a low possibility of any low frequency tonal noise. The Commission finds that the noise impact assessment meets the requirements of Rule 012 and accepts the conclusion that cumulative sound levels will comply with the permissible sound levels established by Rule 012.

10. Versorium Energy submitted an *Environmental Protection and Enhancement Act* application to Alberta Environment and Parks on December 16, 2021, but has not received feedback on the application to date.

11. While the project will operate intermittently, on a peaking basis, the air dispersion modelling assumed continuous operation. In its assessment, Matrix Solutions predicts that the maximum ground-level NO<sub>2</sub>, CO and PM<sub>2.5</sub> concentrations will be less than their respective *Alberta Ambient Air Quality Objectives* for the project. Matrix Solutions also stated that the project's nitrogen oxides (NO<sub>x</sub>) emission rates from the power generators are predicted to be compliant with the federal *Multi-Sector Air Pollutant Regulations* emission standards for applicable substances. Given the results from the air dispersion modelling assessment, the Commission is satisfied that the predicted emissions are compliant with the *Alberta Ambient Air Quality Objectives*.

12. In response to a Commission information request, Versorium Energy stated that it does not expect any construction activities to occur during the Horned grebe breeding season from April 15 to July 15, and that it plans to implement a 200-metre setback. Versorium Energy stated that there is a possibility it delivers, installs and commissions equipment during the period from April 15, 2023 to July 15, 2023 and it can carry out these activities without encroaching on the 200-metre setback provided by Environment and Climate Change Canada. Versorium Energy stated that it will not carry out these activities during the period from April 15 to July 15 if Alberta Environment and Parks determines that the 200-metre setback is insufficient. The Commission accepts Versorium Energy's submission that the project will not result in significant adverse effects to the environment. The project has a small footprint and is situated on private land, including cultivated and adjacent modified grassland. No watercourses or surface water drainages are within the project footprint.

13. The Commission finds that the proposed project has met all the requirements for a connection order. ATCO Electric Ltd. confirmed that it is willing to allow the interconnection of the power plant, and there are no outstanding concerns around the interconnection.

14. The Commission considers the applications to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

#### **4 Decision**

15. Pursuant to Section 11 of the *Hydro and Electric Energy Act*, the Commission approves Application 27132-A001 and grants Versorium Energy Ltd. the approval set out in Appendix 1 – Power Plant Approval 27132-D02-2022, to construct and operate the Northern Valley 1 Distributed Energy Resource Power Plant.

16. Pursuant to Section 18 of the *Hydro and Electric Energy Act*, the Commission approves Application 27132-A002 and grants Versorium Energy Ltd. the approval set out in Appendix 2 – Connection Order 27132-D03-2022, to connect the Northern Valley 1 Distributed Energy Resource Power Plant to ATCO Electric Ltd.’s distribution system.

17. The appendices will be distributed separately.

Dated on March 1, 2022.

#### **Alberta Utilities Commission**

*(original signed by)*

Wayne MacKenzie  
Executive Director, Facilities Division  
On behalf of the Alberta Utilities Commission