



Versorium Energy Ltd.

Kenilworth 1 Distributed Energy Resource

August 30, 2021

Alberta Utilities Commission

Decision 26763-D01-2021

Versorium Energy Ltd.

Kenilworth 1 Distributed Energy Resource

Proceeding 26763

Applications 26763-A001 and 26763-A002

August 30, 2021

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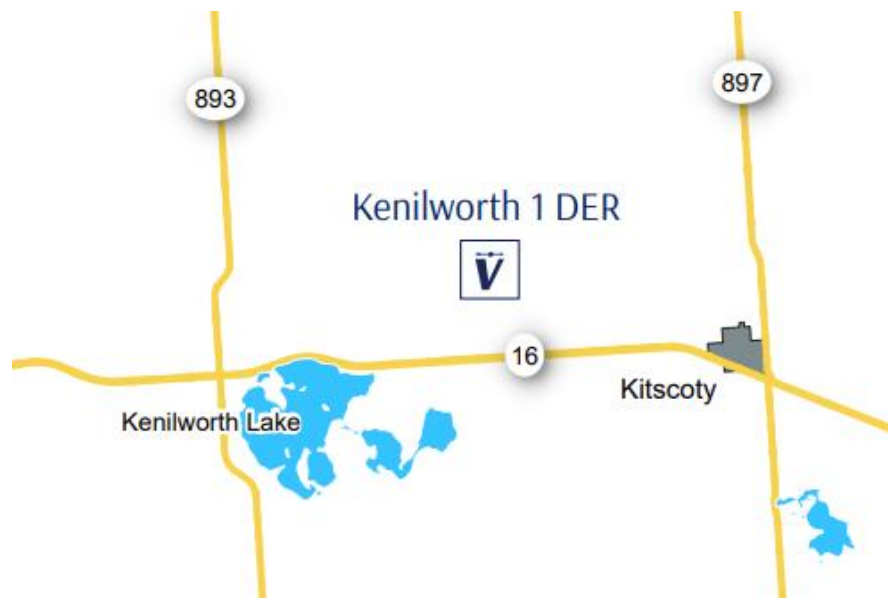
1 Decision summary

1. In this decision, the Alberta Utilities Commission approves applications from Versorium Energy Ltd. to construct, operate and connect a 5.0-megawatt natural gas-fired power plant, designated as the Kenilworth 1 Distributed Energy Resource, located near Kitscoty, Alberta.

2 Application

2. Versorium Energy Ltd. filed applications with the Commission for approval to construct and operate the power plant, and connect it to the ATCO Electric Ltd. electric distribution system (the project). The project is located eight kilometres west of Kitscoty in legal subdivision 1 of Section 1, Township 51, Range 4, west of the Fourth Meridian, as shown on the map in Figure 1. The project would be located on private, cultivated land.

Figure 1. Project location¹



3. The project would include two gas-fired reciprocating engines, with a maximum capability of 5.0 megawatts (MW), a switchgear building, a generator step-up transformer, a

¹ Image taken from Exhibit 26763-X0007, Appendix C3 - Regional Map.

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's distribution system.

4. Versorium Energy's application included:

- A participant involvement program, which confirmed that there were no outstanding objections from adjacent landowners or stakeholders.²
- A noise impact assessment (NIA), completed by ACI Acoustical Consultants Inc., which confirmed that the project would comply with Rule 012: *Noise Control*.³
- 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 the local and regional scales, and that the maximum predicted ground-level NO₂, CO, and PM_{2.5} concentrations are less than their respective Alberta Ambient Air Quality Objectives.⁴
- 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.⁵
- A letter of non-objection from ATCO Electric, confirming that it is prepared to allow the interconnection of the power plant to its distribution system.⁶

5. Versorium Energy expects the project to be in-service by June 15, 2022, with site preparation work beginning in the fall of 2021. Versorium Energy requested a construction completion date of December 31, 2023 to account for any unforeseeable delay and to mitigate the likelihood that an extension request is subsequently required.

6. Due to the nature of the applications, a notice of applications was not issued and, therefore, 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*.

² Exhibit 26763-X0017, Appendix L - Participant Involvement Program Summary.

³ Exhibit 26763-X0014, Appendix I - Noise Impact Assessment.

⁴ Exhibit 26763-X0011, Appendix F - Air Emission Modelling Report.

⁵ Exhibit 26763-X0012, Appendix G - Environmental Evaluation.

⁶ Exhibit 26763-X0010, Appendix E - Distribution Facility Owner Letter.

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.

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 and Hydro Developments* have been met. Additionally, the Commission finds that the participant involvement program complies with the requirements of Rule 007. 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 as well as with the broader community, and the Frog Lake First Nation. Although the Aboriginal Consultation Office determined that no consultation was required, Versorium Energy included the Frog Lake First Nation in its participant involvement program. It confirmed that no objections to the project were received.

9. With respect to noise impacts, ACI concluded the project is well below the permissible sound levels for all surrounding residential and theoretical receptors. In addition, the C-weighted decibel (dBC) sound levels are predicted to be less than 20 dB greater than the A-weighted decibel (dBA) sound levels, resulting in a low possibility of any low frequency tonal noise. The Commission finds that the NIA 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. While the project will operate intermittently, on a peaking basis, the air dispersion modelling assumed continuously operation. In its assessment, Matrix Solutions found that the project would increase ground-level concentrations of NO₂, CO, and PM_{2.5}, however the values are below Alberta Ambient Air Quality Objectives. Versorium Energy also submitted that the project is 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 modelling results are conservative, compared to the expected actual emissions levels, and the predicted emissions are compliant with the Alberta Ambient Air Quality Objectives.

11. The Commission accepts Versorium Energy's submission that the project will not result in any significant adverse effects to the environment. The project has a small footprint and is situated on private and cultivated land. No watercourses, water bodies, surface water drainages, wetlands or native vegetation species or communities are within the project footprint. Versorium Energy confirmed receipt of a letter from Alberta Environment and Parks (AEP) that an environmental impact assessment would not be required for the project. Versorium Energy submitted an *Environmental Protection and Enhancement Act* application to AEP on July 31, 2021.

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

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

4 Decision

14. Pursuant to Section 11 of the *Hydro and Electric Energy Act*, the Commission approves the Application 26763-A001 and grants Versorium Energy Ltd. the approval set out in Appendix 1 – Power Plant Approval 26763-D02-2021 – August 30, 2021, to construct and operate the Kenilworth 1 Distributed Energy Resource.

15. Pursuant to Section 18 of the *Hydro and Electric Energy Act*, the Commission approves Application 26763-A002 and grants Versorium Energy Ltd. the approval set out in Appendix 2 – Connection Order 26763-D03-2021 – August 30, 2021, to connect the Kenilworth 1 Distributed Energy Resource to the ATCO Electric Ltd. electric distribution system.

16. The appendices will be distributed separately.

Dated on August 30, 2021.

Alberta Utilities Commission

(original signed by)

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