



Brooks Solar II GP Inc.

Brooks Solar II Project Community Generation Designation

November 18, 2021

Alberta Utilities Commission

Decision 26661-D04-2021

Brooks Solar II GP Inc.

Brooks Solar II Project Community Generation Designation

Proceeding 26661

Application 26661-A001

November 18, 2021

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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.

1 Decision summary

1. In this decision, the Alberta Utilities Commission approves an application from Brooks Solar II GP Inc. (Brooks Solar) and qualifies the Brooks Solar II Power Plant as two community generating units.

2 Introduction

2. Brooks Solar, pursuant to Approval 26661-D02-2021,¹ has approval to construct and operate a power plant designated as the Brooks Solar II Power Plant, located in the County of Newell. Brooks Solar filed an application with the AUC for approval to amend the power plant and qualify the power plant as two community generating units pursuant to the *Small Scale Generation Regulation*. The application was registered on July 9, 2021, as Application 26661-A001.

3. The Commission approved the amendment portion of the application in Decision 26661-D01-2021² but suspended its review of the community generation portion of the application as Brooks Solar had not fulfilled the necessary requirements at that time. On September 22, 2021, Brooks Solar provided the information required for its community generation application and the Commission resumed its review of the application.

3 Discussion

4. Brooks Solar provided a community benefits agreement executed with the County of Newell, whereby Brooks Solar II Corporation commits to creating a community benefit fund that would be used to support community projects, events or initiatives within the County of Newell.³

5. The agreement states that Brooks Solar will make an annual contribution of \$20,000 towards the community benefit fund for a period of 10 years and, together with the project's community benefit fund contribution policy (policy),⁴ describes how the fund would be used to provide economic, environmental and social benefits to the County of Newell. Pursuant to the agreement and the policy, 50 per cent of the annual funding would be allocated towards environmental education initiatives, a community fee assistance program and emergency relief assistance in the community. The remaining funding would be distributed through an open

¹ Power Plant Approval 26661-D02-2021, Proceeding 26661, Application 26661-A001, August 25, 2021.

² Decision 26661-D01-2021: Brooks Solar II GP Inc. - Brooks Solar II Project Amendments and Ownership Transfer, Proceeding 26661, Application 26661-A001, August 25, 2021.

³ Exhibit 26661-X0023, Brooks Solar II Community Benefit Agreement.

⁴ Exhibit 26661-X0025, 2021.10.27-IR Response, PDF pages 5 and 6.

application process in which approved recipient organizations or initiatives could apply for funding for projects, events or initiatives.

6. FortisAlberta Inc. confirmed that it had qualified the power plant as two small-scale generating units under the *Small Scale Generation Regulation*.^{5,6} FortisAlberta stated that it would be responsible for the metering costs of the project should the Commission approve the community generating unit application.

7. Brooks Solar estimated that the costs required for the two meters for the project would total approximately \$60,000, and confirmed that the estimate included \$10,000 in installation fees per meter.⁷

4 Findings

8. Section 3 of the *Small Scale Generation Regulation* allows a small-scale power producer who owns a small-scale generating unit that is the subject of a community benefits agreement or a community benefits statement to apply to the Commission to have it qualified as a community generating unit. That section requires that the application be in a form established by the Commission and include the community benefits agreement or community benefits statement that applies to the small-scale generating unit and any other information required by the Commission.

9. If the Commission determines that the small-scale generating unit qualifies as a community generating unit, the Commission must determine the amount that the distribution owner should be compensated in relation to costs to purchase the meter that is installed for the community generating unit, as described in either subsections 5(2)(a) or 5(3)(a)(i) of the *Small Scale Generation Regulation*.

10. The Commission finds that Brooks Solar's application to qualify the project as two community generating units satisfies the requirements of the *Small Scale Generation Regulation*.

11. Brooks Solar filed its application in the form established by the Commission. Brooks Solar provided a community benefits agreement setting out material financial benefits, in the form of annual funding, to be provided to the County of Newell. In response to Commission information requests, Brooks Solar confirmed that the funding will be allocated towards economic, environmental and social initiatives, and provided the policy describing the process through which the County will distribute the funding to established community organizations.⁸ The Commission has reviewed the agreement, and is satisfied that it is intended to be a legally binding contract, as is required in situations where the small-scale generating unit is not wholly-owned by an eligible community group. The Commission is satisfied that the County of Newell qualifies as a community group in accordance with subsection 1(e) of the *Small Scale Generation Regulation*. Brooks Solar also provided an estimate of the costs for the project meters in its application and by way of responses to

⁵ Exhibit 26661-X0009, Appendix 8a - SSG Qualification P2086.

⁶ Exhibit 26661-X0010, Appendix 8b - SSG Qualification P2092.

⁷ Exhibit 26661-X0017, 2021.08.09-IR1 Response, PDF page 5.

⁸ Exhibit 26661-X0025, 2021.10.27-IR Response, PDF pages 5 and 6.

information requests from the Commission. Finally, the Commission observes that FortisAlberta has qualified the project as two small-scale generating units.

12. The Brooks Solar II Power Plant currently operates under one AUC approval, but was qualified as two small-scale generating units by FortisAlberta. The *Small Scale Generation Regulation* states that, if a small-scale generating unit is a community generating unit that is not within an isolated community, the distribution owner must purchase the meter that is installed for the community generating unit, to a maximum of one meter per facility. Facility is defined to mean “one or more small scale generating units of a small scale power producer connected at a single interconnection point.”

13. In the current application, Brooks Solar submitted that the Brooks Solar II Power Plant has two distinct interconnection points, and therefore consists of two separate facilities within the meaning of the *Small Scale Generation Regulation*, each of which has been qualified as a small-scale generating unit, has a distinct Alberta Electric System Operator asset ID, and requires its own meter.

14. The Commission recognizes that a power plant may consist of multiple generating units and that, in some circumstances, depending on the interconnection configuration, each of these generating units may constitute its own facility as that term is defined in the *Small Scale Generation Regulation*. While the Commission considers that the *Small Scale Generation Regulation* permits such facilities to be qualified as separate community generating units, the Commission is also cognizant of the potential for large projects to be severed into multiple facilities, thereby increasing reimbursable meter costs, without any corresponding increase in benefits to the community. Accordingly, where a small-scale power producer requests that multiple facilities be qualified as community generating units, the Commission will exercise careful scrutiny of the nature and extent of the benefits to be conferred on the associated community group, to ensure that the qualification is in the public interest.

15. The Commission is satisfied that in this specific case, the Brooks Solar II Power Plant constitutes two separate facilities as defined in subsection 1(h) of the *Small Scale Generation Regulation*. Further, the Commission finds that, although both facilities are subject to a single community benefits agreement, the benefits contemplated therein include a commitment to provide significant funding on an ongoing basis to facilitate environmental education within local schools, as well as to support existing social and economic welfare initiatives.

16. Having regard to the foregoing, the Commission qualifies the project as two community generating units under the *Small Scale Generation Regulation*.

17. Section 5 of the *Small Scale Generation Regulation* specifies the costs for which a small-scale power producer is responsible. Specifically, in the case of a community generating unit that is not within an isolated community, as is the case with the project, subsection 5(2)(a) requires that the distribution owner purchase the meter that is installed for the community generating unit, to a maximum of one meter per facility.

18. The Commission notes that the estimated amount of \$30,000 per meter provided by Brooks Solar as the cost incurred for the project meter includes \$10,000 per meter for installation fees, which are not eligible for compensation under subsection 5(2)(a) of the *Small Scale*

Generation Regulation. After subtracting the costs to install the metering systems, the Commission determines that the cost to purchase the two meters will be \$40,000.

19. The Commission is satisfied that as the distribution owner, FortisAlberta, is entitled to recover the costs incurred to purchase the meters for the project (estimated to be \$40,000), pursuant to subsection 5(2)(a) of the *Small Scale Generation Regulation*. Accordingly, the Commission imposes the following condition to the qualification of the project as two community generating units under the *Small Scale Generation Regulation*:

- a. Once the distribution owner has purchased the meters for the community generating units, within one month of the project's in-service date, Brooks Solar II GP Inc. must provide the Commission with written confirmation of the actual cost to purchase the meters.

5 Decision

20. Pursuant to Section 3 of the *Small Scale Generation Regulation*, the Commission qualifies the Brooks Solar II Project as two community generating units.

Dated on November 18, 2021.

Alberta Utilities Commission

(original signed by)

Vera Slawinski
Commission Member