



Versorium Energy Ltd.

Netook 1 Distributed Energy Resource Power Plant

December 20, 2021

Alberta Utilities Commission

Decision 27044-D01-2021

Versorium Energy Ltd.

Netook 1 Distributed Energy Resource Power Plant

Proceeding 27044

Applications 27044-A001 and 27044-A002

December 20, 2021

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Eau Claire Tower

1400, 600 Third Avenue S.W.

Calgary, Alberta T2P 0G5

Telephone: 310-4AUC (310-4282 in Alberta)

1-833-511-4AUC (1-833-511-4282 outside Alberta)

Email: info@auc.ab.ca

Website: www.auc.ab.ca

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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 Netook 1 Distributed Energy Resource Power Plant, located approximately seven kilometres northeast of Olds, 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 the FortisAlberta Inc. electric distribution system (the project). The project is located seven kilometres northeast of Olds in Legal Subdivision 14 of Section 10, Township 33, Range 1, west of the Fifth Meridian, as shown on the map in Figure 1. The project would be located on private, cultivated land.

Figure 1. Project location¹



¹ Image taken from Exhibit 27044-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 Foothills Natural Gas Co-op Ltd. natural gas system, and a distribution line to connect to the FortisAlberta electric distribution system.

4. Versorium Energy's applications included:

- A participant involvement program, which confirmed that there were no outstanding objections from adjacent landowners, stakeholders or Indigenous communities.²
- A noise impact assessment, 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 a local and regional scale, and that the maximum predicted ground-level nitrogen dioxide (NO₂), carbon monoxide (CO), and fine particulate matter concentrations (PM_{2.5}) 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 FortisAlberta, confirming that it is prepared to allow the interconnection of the power plant to its distribution system.⁶

5. Versorium Energy is planning to start construction in May or June 2022 and expects the project to be in-service by February 2023. 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 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.

² Exhibit 27044-X0017, Appendix L – PIP Summary.

³ Exhibit 27044-X0014, Appendix I – Noise Impact Assessment.

⁴ Exhibit 27044-X0011, Appendix F – Air Emission Modelling Report.

⁵ Exhibit 27044-X0012, Appendix G – Environmental Evaluation.

⁶ Exhibit 27044-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. Additionally, the Commission finds that Versorium Energy's participant involvement program satisfied 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. In addition, Versorium Energy included Blood Tribe, Piikani Nation, Siksika Nation, Stoney Nakoda First Nation, and Tsuut'ina First Nation in the participant involvement program. Versorium Energy received feedback from six stakeholders and it provided responses and additional information. Versorium Energy confirmed there were no outstanding concerns from any stakeholders or Indigenous communities.

9. With respect to noise impacts, ACI concluded that the project is below the permissible sound levels for all surrounding residential and theoretical receptors. ACI stated that the noise from the project is not anticipated to contain any low frequency tonal components, as such, low frequency tonal noise issues are not anticipated. 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 AEP on December 10, 2021, and 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 NO₂, CO and PM_{2.5} concentrations will be less than their respective *Alberta Ambient Air Quality Objectives* for the project. Matrix Solutions also stated that the project's NO_x 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. 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, cultivated land. No watercourses, water bodies, surface water drainages, wetlands or native vegetation species are within the project footprint. Versorium Energy received a letter from Alberta Environment and Parks (AEP) that confirmed an environmental impact assessment would not be required for the project.

13. The Commission finds that the proposed project has met all the requirements for a connection order. FortisAlberta confirmed that it is willing to allow the interconnection of the power plant, and the Commission has 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 27044-A001 and grants Versorium Energy Ltd. the approval set out in Appendix 1 – Power Plant Approval 27044-D02-2021, to construct and operate the Netook 1 Distributed Energy Resource Power Plant.

16. Pursuant to Section 18 of the *Hydro and Electric Energy Act*, the Commission approves Application 27044-A002 and grants Versorium Energy Ltd. the approval set out in Appendix 2 – Connection Order 27044-D03-2021, to connect the Netook 1 Distributed Energy Resource Power Plant to the FortisAlberta Inc. electric distribution system.

17. The appendices will be distributed separately.

Dated on December 20, 2021.

Alberta Utilities Commission

(original signed by)

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