



Versorium Energy Ltd.

Gillespie 1 Distributed Energy Resource Power Plant

January 14, 2022

Alberta Utilities Commission

Decision 27057-D01-2022

Versorium Energy Ltd.

Gillespie 1 Distributed Energy Resource Power Plant

Proceeding 27057

Applications 27057-A001 and 27057-A002

January 14, 2022

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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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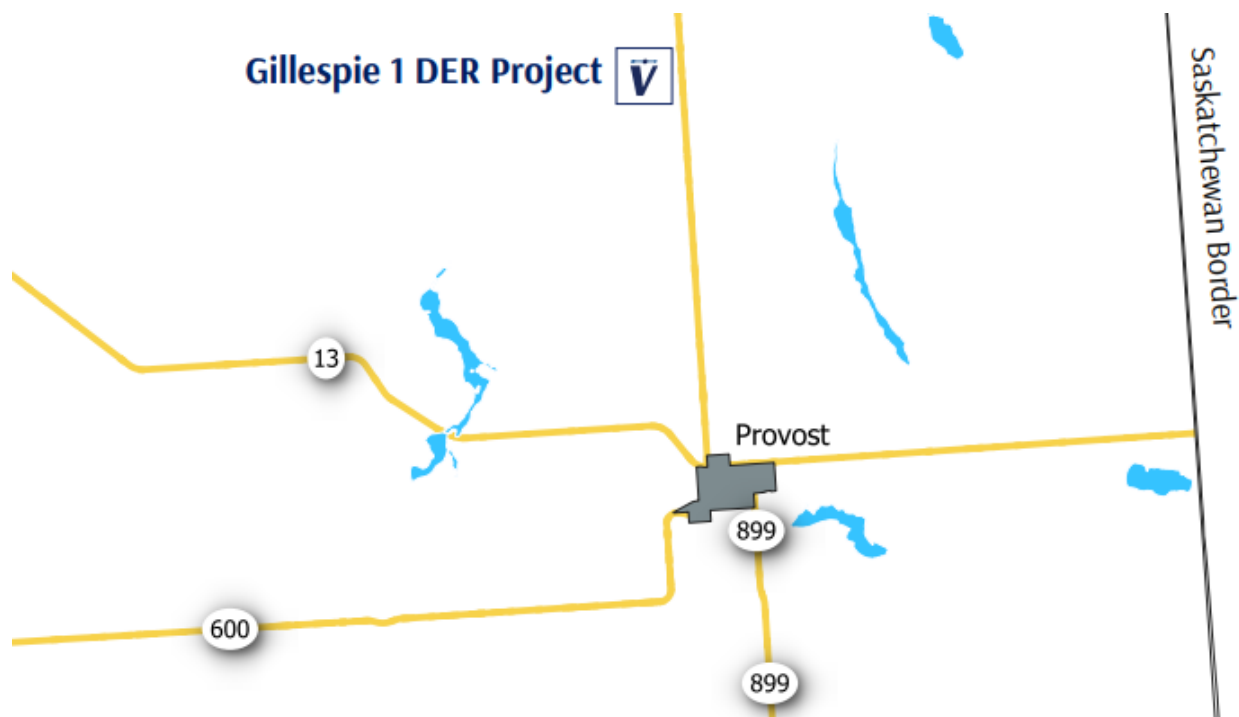
1 Decision summary

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 Gillespie 1 Distributed Energy Resource Power Plant, located approximately 14.5 kilometres northwest of Provost, 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 approximately 14.5 kilometres northwest of Provost in Legal Subdivision 14 of Section 36, Township 40, Range 3, 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



¹ Image taken from Exhibit 27057-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 Natural Gas Co-op 52 Ltd. natural gas system, and a distribution line to connect to the FortisAlberta Inc. electric 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.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 Inc., confirming that it is prepared to allow the interconnection of the power plant to its distribution system.⁶

5. Versorium Energy is planning to carry out site construction in August through October 2022 and expects the project to be in-service by October 31, 2022. 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 27057-X0017, Appendix L – PIP Summary.

³ Exhibit 27057-X0014, Appendix I – Noise Impact Assessment.

⁴ Exhibit 27057-X0011, Appendix F – Air Emission Modelling Report.

⁵ Exhibit 27057-X0012, Appendix G – Environmental Evaluation.

⁶ Exhibit 27057-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. Versorium Energy confirmed that no objections to the project were received. 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 17, 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 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 nitrogen oxides (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.

13. The Commission finds that the proposed project has met all the requirements for a connection order. FortisAlberta Inc. 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 27057-A001 and grants Versorium Energy Ltd. the approval set out in Appendix 1 – Power Plant Approval 27057-D02-2022, to construct and operate the Gillespie 1 Distributed Energy Resource Power Plant.

16. Pursuant to Section 18 of the *Hydro and Electric Energy Act*, the Commission approves Application 27057-A002 and grants Versorium Energy Ltd. the approval set out in Appendix 2 – Connection Order 27057-D03-2022, to connect the Gillespie 1 Distributed Energy Resource Power Plant to the FortisAlberta Inc. electric distribution system.

17. The appendices will be distributed separately.

Dated on January 14, 2022.

Alberta Utilities Commission

(original signed by)

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