



**ATCO Electric Ltd.**

**Decommission and Salvage of the Chipewyan Lake Power Plant**

**April 6, 2022**

**Alberta Utilities Commission**

Decision 27247-D01-2022

ATCO Electric Ltd.

Decommission and Salvage of the Chipewyan Lake Power Plant

Proceeding 27247

Application 27247-A001

April 6, 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.

## 1 Decision summary

1. In this decision, the Alberta Utilities Commission approves an application from ATCO Electric Ltd. to decommission and salvage the Chipewyan Lake Power Plant. However, the Commission denies the request to have the isolated generating units struck from the schedule of generating units in the *Isolated Generating Units and Customer Choice Regulation*.

## 2 Application

2. ATCO Electric Ltd., under Approval U2014-47,<sup>1</sup> is the owner of the Chipewyan Lake Power Plant, located northwest of Chipewyan Lake in the southeast quarter of Section 7, Township 92, Range 22, west of the Fourth Meridian. The power plant served the isolated community of Chipewyan Lake, located 120 kilometres north of Wabasca, Alberta, pursuant to the *Isolated Generating Units and Customer Choice Regulation*.

3. The total capability of the power plant is 581 kilowatts and it contains the following generating units:

Generating unit	Generating capability (kilowatts)	Fuel type
CUL 446	214	Diesel
CUL 542	227	Diesel
CUL 309	140	Diesel

4. ATCO filed an application with the Commission under Section 21 of the *Hydro and Electric Energy Act*, for approval to decommission and salvage the power plant. ATCO also sought approval under Section 27 of the *Isolated Generating Units and Customer Choice Regulation* to have generating units CUL 446, CUL 542 and CUL 309 removed from Part B of the schedule of generating units in the *Isolated Generating Units and Customer Choice Regulation*.<sup>2</sup>

5. Due to the nature of the application, a notice of application 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*.

6. The application from ATCO requires the Commission to decide whether an approval to decommission and salvage the power plant is in the public interest.

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<sup>1</sup> Power Plant Approval U2014-47, Proceeding 3040, Application 1610262, February 7, 2014.

<sup>2</sup> The reference to Part B of the schedule is incorrect, see paragraph 18.

### 3 Findings

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

8. In 2020 and 2021, ATCO connected the Chipewyan Lake community to the Alberta Interconnected Electric System through the construction of a new distribution line. The in-service date for the line was February 20, 2021, and since then the power plant has not been operational. Accordingly, ATCO submitted that the power plant is no longer required and proposed to decommission and salvage the power plant.

9. ATCO submitted that in addition to the removal of the three generating units, two diesel storage tanks, two transformers and all other equipment and buildings associated with the power plant would be removed. Decommissioning would start in October 2022, with a targeted completion date of April 2023.

10. ATCO stated that any contaminated soils will be trucked from the power plant site and the site would be remediated and reclaimed to a state deemed acceptable to Alberta Environment and Parks. The proposed works will be undertaken according to *Alberta Tier 1 Soil and Groundwater Remediation Guidelines*. The decommissioning costs related to the remediation and reclamation of the site will be included as part of ATCO's upcoming general tariff application.

11. ATCO did not complete a noise impact assessment and stated that any temporary project noise would comply with Rule 012: *Noise Control*.

12. ATCO provided project information packages to the occupants and agencies with interests in lands within 150 metres of the power plant. ATCO also notified and consulted with Bigstone Cree First Nation. No objections or concerns were received.

13. The Commission has reviewed the application 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 ATCO's participant involvement program satisfied the requirements of Rule 007.

14. The Commission considers that the decommission and salvage of the power plant is warranted because the power plant is no longer needed now that the Chipewyan Lake community is connected to the Alberta Interconnected Electric System.

15. With respect to the environmental impacts of the decommission and salvage of the power plant, the Commission is satisfied that ATCO will complete remediation and reclamation of the power plant site to an acceptable degree and that the temporary project noise will comply with Rule 012.

16. ATCO stated it would inform the Commission of the decision to sell any units in advance of decommissioning the plant, in accordance with Section 26 of the *Isolated Generating Units and Customer Choice Regulation*. A separate application for the sale offering would be made as required under Section 17 of the regulation. The Commission accepts that the generating units

will be sold and salvaged in accordance with the *Isolated Generating Units and Customer Choice Regulation*.

17. In approving the application to decommission and salvage the power plant, the Commission makes no determination regarding the regulatory treatment of the costs of the assets to be removed, retired or abandoned pursuant to the application, the costs incurred in carrying out these activities, or the associated rate implications.

18. The Commission notes that the statement in the application that the generating units are listed in Part B of the schedule of generating units in the *Isolated Generating Units and Customer Choice Regulation* is incorrect. Generating units CUL 446 and CUL 542 are listed in Part A and CUL 309 is listed in Part C of the most recent schedule of generating units in the *Isolated Generating Units and Customer Choice Regulation*, in accordance with the written confirmation provided in Decision 27028-D01-2021.<sup>3</sup>

19. The Commission is of the view that the request to strike the units from any part of the schedule is premature, because ATCO has not yet decided about the sale of the units. If ATCO decides not to sell, then units CUL 446 and CUL 542 would be deemed to be struck from Part A of the schedule on the date that decision is made, in accordance with Section 26(4) of the *Isolated Generating Units and Customer Choice Regulation*. If ATCO decides to sell the units, then the units would be struck from the schedule in the future, in accordance with sections 20(1)(c) or 22(2) of the regulation. The Commission denies this request.

#### **4 Decision**

20. Pursuant to Section 21 of the *Hydro and Electric Energy Act*, the Commission approves the application and grants ATCO the approval set out in Appendix 1 – Decommission and Salvage Approval 27247-D02-2022, to decommission and salvage the Chipewyan Lake Power Plant. Appendix 1 will be distributed separately.

Dated on April 6, 2022.

#### **Alberta Utilities Commission**

*(original signed by)*

Douglas A. Larder, QC  
Vice-Chair

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<sup>3</sup> Decision 27028-D01-2021: ATCO Electric Ltd. - Update to the Isolated Generating Units and Customer Choice Regulation, Proceeding 27028, Application 27028-A001, December 16, 2021.