



NEXUS Energy Associates Ltd.

Rocky Power Plants

June 20, 2022

Alberta Utilities Commission

Decision 27198-D01-2022

NEXUS Energy Associates Ltd.

Rocky Power Plants

Proceeding 27198

Applications 27198-A001 to 27198-A003

June 20, 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 applications from NEXUS Energy Associates Ltd. to construct and operate the Rocky 2 and Rocky 4 power plants, and to connect the Rocky 2 Power Plant to the Alberta Interconnected Electric System (the project).

2 Discussion

2. NEXUS filed applications with the AUC to:

- a. Construct and operate the 2.95-megawatt (MW) Rocky 2 Power Plant.
- b. Connect the Rocky 2 Power Plant to the Alberta Interconnected Electric System.
- c. Exempt the six-MW Rocky 4 Power Plant from an AUC power plant approval.

3. NEXUS filed the applications pursuant to Section 11 of the *Hydro and Electric Energy Act*. The applications were registered on February 25, 2022, as applications 27198-A001 to 27198-A003.

4. NEXUS currently holds Power Plant Approval 26867-D02-2021¹ to construct and operate the four-MW natural gas-fired Rocky Power Plant, and Connection Order 26191-D03-2021² to connect the power plant to FortisAlberta Inc.'s 25-kilovolt (kV) electric distribution system.

5. The 2.95-MW natural gas-fired Rocky 2 Power Plant was previously granted a power plant exemption for own use in Decision 26875-D01-2021.³ NEXUS also applied to connect the Rocky 2 Power Plant to FortisAlberta's distribution system. The Rocky 2 Power Plant was previously known as the Rocky 4 Power Project.

6. NEXUS requested a power plant approval exemption for the six-MW natural gas-fired Rocky 4 Power Plant as it would not be connected to the Alberta Interconnected Electric System.

¹ Power Plant Approval 26867-D02-2021, Proceeding 26867, Application 26867-A001, October 5, 2021.

² Connection Order 26191-D03-2021, Proceeding 26191, Application 26191-A002, March 4, 2021.

³ Decision 26875-D01-2021: NEXUS Energy Associates Ltd. – Rocky 4 Power Project Exemption, Proceeding 26875, Application 26875-A001, October 18, 2021.

7. All three power plants are located at the same site at Legal Subdivision 13, Section 27, Township 42, Range 8, west of the Fifth Meridian, approximately 30 kilometres northwest of Rocky Mountain House.
8. NEXUS confirmed that the emissions and noise modelling submitted apply for all generators, existing and proposed, at the site.
9. NEXUS completed a participant involvement program for the entire site. NEXUS sent a project update to all stakeholders within 1.5 kilometres of the site, and subsequently increased the notification radius to two kilometres before sending a second project update. NEXUS stated that no questions or concerns were raised by landowners, occupants, residents or industrial interest holders.
10. RWDI AIR Inc. conducted an air quality assessment for the entire site. The assessment concluded that the site would be compliant with the *Alberta Ambient Air Quality Objectives and Guidelines*.
11. NEXUS stated that because the footprint of the project would remain unchanged, the previous environmental protection plan would still be applicable, and no updates are needed. NEXUS further stated that there are no changes to industrial waste water, runoff or requirements for water use from other sources that require further assessment.
12. NEXUS submitted the project to Alberta Environment and Parks for review under the industrial approval application process. Because of the unaltered footprint of the project, Alberta Environment and Parks did not undertake additional reviews for land use changes.
13. NEXUS retained FDI Acoustics to complete a noise impact assessment for the entire site in accordance with Rule 012: *Noise Control*. FDI indicated that there are no dwellings within 1.5 kilometres (km) of the project boundary. In accordance with Rule 012, four cardinal points located 1.5 km from the project boundary were selected to be receptors. The noise impact assessment also included the two closest dwellings beyond 1.5 km as receptors for informational purposes. These two residential receptors are located approximately 2.6 km from the project site.
14. FDI's noise modelling indicated that the nighttime cumulative sound levels exceeded the nighttime permissible sound level at the 1.5-km locations assessed by up to 3.5 A-weighted decibels (dBA), and more specifically, the noise contribution from the existing Rocky Power Plant is predicted to exceed the nighttime permissible sound level by up to 1.6 dBA.⁴ FDI recommended that NEXUS replace the existing engine exhaust silencers on two Caterpillar G3520C generators at the Rocky Power Plant with silencers possessing a higher level of attenuation. FDI provided acoustical specifications for the recommended silencers in Appendix B of the noise impact assessment, and predicted that with the recommended mitigation measures, the entire site, including the existing power plant and the proposed power plants, will be compliant with Rule 012. NEXUS confirmed that it planned to install two new exhaust silencers as recommended by FDI during the construction of the proposed Rocky 2 Power Plant, which is planned for August 2022 pending delivery of equipment. In addition, NEXUS committed to conduct near-field measurements to verify the effectiveness of the mitigation measures.

⁴ Exhibit 27198-X0024, Appendix B - Table 2.

15. Alberta Culture, Multiculturalism and Status of Women⁵ granted a *Historical Resources Act* approval for the entire site.
16. NEXUS calculated the salvage value of the equipment at the site to be sufficient to cover the estimated decommissioning and reclamation liability associated with the site. NEXUS also committed to following the regulatory requirements in force at the time of decommissioning.
17. NEXUS submitted a site-specific emergency response plan prepared by H₂Safety Services Inc. for the entire site.
18. NEXUS provided a non-objection letter from FortisAlberta Inc. which was prepared to allow the interconnection of the 2.95-MW Rocky 2 Power Plant to its 25-kV distribution system. NEXUS also noted that the Alberta Electric System Operator had not expressed any concerns regarding the connection of the Rocky 2 Power Plant.
19. NEXUS originally planned to start construction of the Rocky 2 Power Plant in May 2022 with the in-service date also in May 2022. NEXUS later updated the construction start date to August 2022.
20. 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

21. The Commission has reviewed the applications and has determined that the technical, siting, emissions, environmental and noise aspects of the project have been met. NEXUS' participant involvement program has been conducted and there are no outstanding public or industry objections or concerns.
22. The Commission understands that the proposed power plants will be constructed within the fenceline of an existing industrial site. Because emissions for the project are within the *Alberta Ambient Air Quality Objectives and Guidelines*, and NEXUS is seeking an industrial approval from Alberta Environment and Parks, the Commission is satisfied that the incremental environmental impacts of the project will likely be minor when considering the existing industrial area.
23. The Commission is aware that noise from the existing Rocky Power Plant does not comply with the nighttime permissible sound level at the 1.5-km receptors. However, given there are no residences located within 1.5 km of the project boundary, the closest residences are located approximately 2.6 km from the project, and there have been no noise-related complaints to date, the Commission considers that noise from the project is unlikely to negatively impact nearby residences. That being said, the Commission requires NEXUS to mitigate the existing Rocky Power Plant as recommended in the project's noise impact assessment, by installing two new exhaust silencers on the existing generators, at the earliest feasible time and no later than

⁵ Now named Alberta Culture and Status of Women.

commencement of operation of the Rocky 2 and Rocky 4 power plants. The Commission therefore imposes the following conditions of approval for the Rocky power plants:

- NEXUS must implement the noise mitigation measures recommended in the project's noise impact assessment or alternative mitigation measures that meet or exceed the acoustic specifications described in the noise impact assessment, to bring the existing Rocky Power Plant into compliance with Rule 012: *Noise Control* before commissioning operations of the Rocky 2 and Rocky 4 power plants. NEXUS must conduct near-field measurements to verify the effectiveness of the mitigation measures. NEXUS must demonstrate compliance of its power plant site with Rule 012 through noise modelling based on the near-field measurements.
- Within three months after the Rocky 2 and Rocky 4 power plants commence operations, NEXUS must file a report to the Commission detailing the mitigation measures that it has implemented, describing the near-field measurements it has conducted and demonstrating compliance of the entire NEXUS site with Rule 012 through noise modelling based on the near-field measurements.

24. NEXUS is incorporated under the *Business Corporations Act* and has demonstrated that it is eligible to hold the power plant approval and connection order in its name in accordance with Section 23 of the *Hydro and Electric Energy Act*.

25. The Commission finds that NEXUS has met all the requirements to connect the Rocky 2 Power Plant to FortisAlberta's 25-kV distribution system.

26. Based on the foregoing, the Commission considers the project to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

4 Decision

27. In accordance with the discretion provided in Section 13 of the *Hydro and Electric Energy Act*, the previous exemption for own-use power plants is no longer available, as of April 25, 2022, as detailed in Bulletin 2022-04.⁶ Accordingly, a power plant approval will be issued for the Rocky 4 Power Plant.

28. Because the Rocky Power Plant, Rocky 2 Power Plant and Rocky 4 Power Plant will be located at the same site, the Commission has jointly considered the three power plants and will issue one approval for the entire site.

29. Pursuant to Section 11 of the *Hydro and Electric Energy Act*, the Commission approves applications 27198-A001 and 27198-A003 and grants NEXUS Energy Associates Ltd. the approval set out in Appendix 1 – Power Plant Approval 27198-D02-2022 to construct and operate the Rocky power plants.

⁶ Bulletin 2022-04: Regulatory streamlining of all new power plants equal to or greater than one megawatt and less than 10 megawatts and exemption to file an application for own-use power plants eliminated, March 24, 2022.

30. Pursuant to Section 18 of the *Hydro and Electric Energy Act*, the Commission approves Application 27198-A002 and grants NEXUS Energy Associates Ltd. the approval set out in Appendix 2 – Connection Order 27198-D03-2022 to connect the Rocky Power Plant and Rocky 2 Power Plant to FortisAlberta Inc.'s 25-kV electric distribution system.

31. The appendices will be distributed separately.

Dated on June 20, 2022.

Alberta Utilities Commission

(original signed by)

Douglas A. Larder, QC
Vice-Chair