



## **CNOOC Petroleum North America ULC**

**Long Lake Industrial System Designation Amendment**

**June 21, 2022**

**Alberta Utilities Commission**

Decision 27279-D01-2022

CNOOC Petroleum North America ULC

Long Lake Industrial System Designation Amendment

Proceeding 27279

Application 27279-A001

June 21, 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 CNOOC Petroleum North America ULC (CPNA) to amend the Long Lake industrial system designation (ISD).

## **2 Introduction and background**

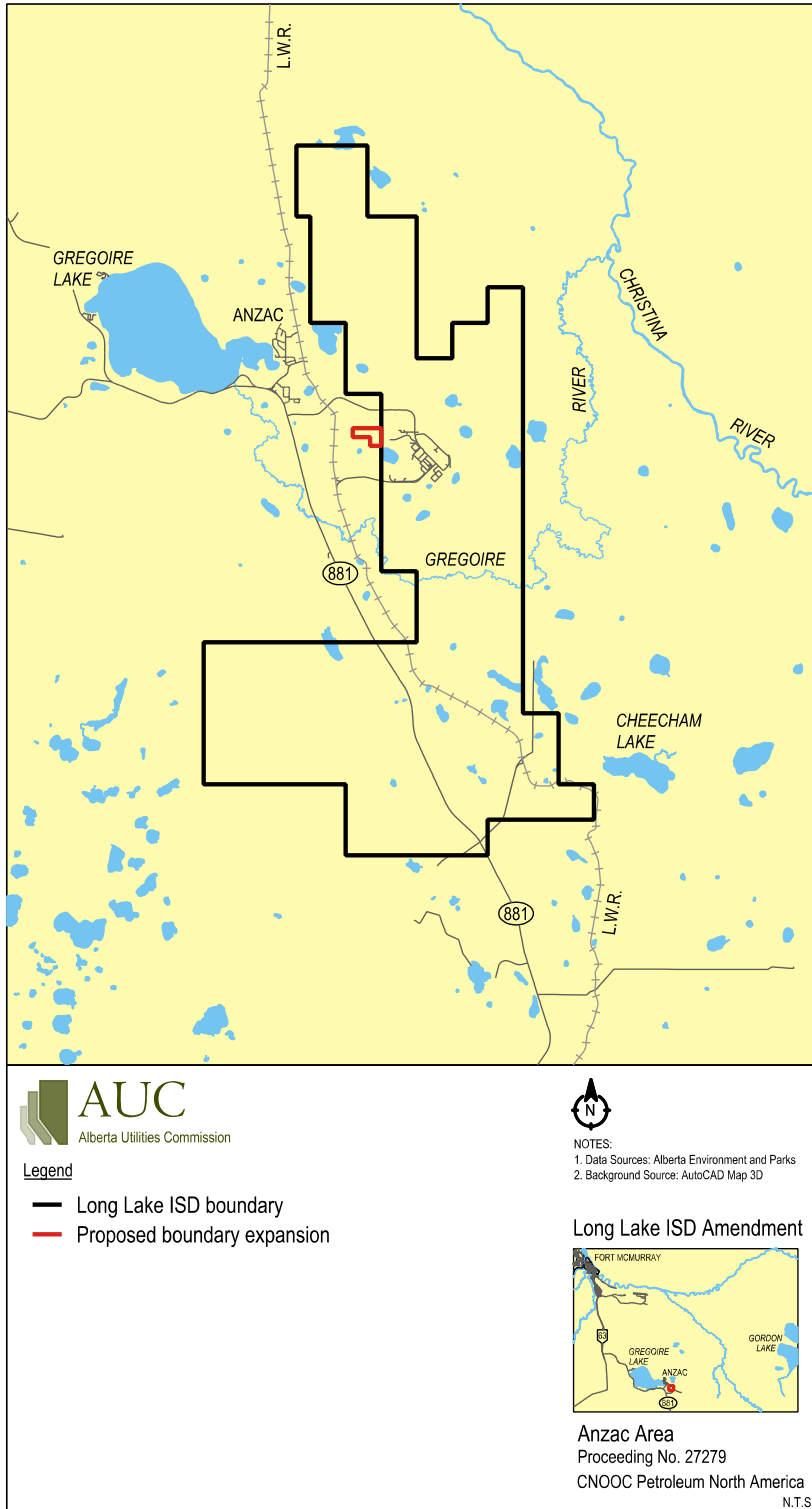
2. CPNA and CNOOC Canada Energy Ltd. hold Order 25113-D02-2020,<sup>1</sup> designating the Long Lake Project Industrial Complex as an industrial system pursuant to Section 4 of the *Hydro and Electric Energy Act*.

3. CPNA filed an application with the Commission seeking to expand the area of its Long Lake ISD, which would include adding new electrical equipment to the industrial system. This application was registered as Application 27279-A001 on March 29, 2022. A map of the proposed expansion is shown in Figure 1.

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<sup>1</sup> Industrial System Designation Order 25113-D02-2020, Proceeding 25113, Application 25113-A005, January 30, 2020.

Figure 1. Proposed ISD boundary map



### 3 Findings

4. The Commission is satisfied that CPNA's participant involvement program meets the requirements of Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines*. The Commission received one statement of intent to participate in response to its notice of application. On June 6, 2022, the Commission issued a ruling<sup>2</sup> denying standing to the Willow Lake Métis Nation.

5. CPNA requested to expand the ISD area to include legal subdivisions 9, 14, 15, and 16 of Section 35, Township 85, Range 7, west of the Fourth Meridian. It also requested to add new electrical equipment to the ISD, including a 1.2-kilometre 25-kilovolt distribution line.

6. The Commission does not approve the construction and operation of distribution facilities, such as those proposed by CPNA. The Commission's role in this application is to assess whether the expansion of the ISD area and the inclusion of the proposed distribution facilities in the ISD will continue to meet the principles and criteria set out in Section 4 of the *Hydro and Electric Energy Act*. The Commission has previously stated that for ISD amendment applications, it considers that the principles and criteria would have been assessed when the designation was initially applied for, and as such, it is not necessary to make findings on the applicability of principles and criteria to aspects of the industrial system that were already considered and that are not materially altered by the proposed amendment.

7. The proposed electric facilities would serve a new well pad, which the Commission considers forms part of the integrated industrial processes of the industrial system. CPNA stated that approximately \$2 million will be spent on the electrical infrastructure, which it submitted is a marginal amount. It indicated that there are no reasonably accessible distribution facilities in the vicinity of the new well pads.<sup>3</sup> Based on this, the Commission is satisfied that the cost for CPNA to provide its own distribution facilities is less than the tariffs applicable for distribution or transmission in the service area where the industrial operation is located.

8. The Commission finds that the proposed ISD expansion, including the addition of electric distribution equipment to the industrial system, represents a minor and necessary amendment to the ISD. As such, the Commission finds that the principles and criteria of Section 4 of the *Hydro and Electric Energy Act* continue to be met.

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<sup>2</sup> Exhibit 27279-X0030, AUC ruling on standing of Willow Lake Métis Nation.

<sup>3</sup> CPNA stated that there is an existing distribution line in the area but that it understands ATCO is planning to remove the line in the future.

#### 4 Decision

9. Pursuant to Section 4 of the *Hydro and Electric Energy Act* and sections 2(1)(d) and 117 of the *Electric Utilities Act*, the Commission approves the application and grants to CNOOC Petroleum North America ULC and CNOOC Canada Energy Ltd. the approval set out in Appendix 1 – Industrial System Designation Order 27279-D02-2022 (Appendix 1 will be distributed separately).

Dated on June 21, 2022.

#### Alberta Utilities Commission

*(original signed by)*

Vincent Kostas  
Acting Commission Member