



ARC Resources Ltd.

Cutbank Sour Multiwell Gas Battery Power Plant

February 15, 2023

Alberta Utilities Commission

Decision 27908-D01-2023

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Proceeding 27908

Application 27908-A001

February 15, 2023

Published by the:

Alberta Utilities Commission

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The Commission may, no later than 60 days from 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 ARC Resources Ltd. to construct and operate a power plant designated as the Cutbank Sour Multiwell Gas Battery Power Plant.

2 Introduction

2. ARC Resources Ltd. operates the 10-10-065-05W6 Gas Multiwell Battery, referred to as the Cutbank Sour Multiwell Gas Battery, located approximately 64 kilometres south of Grande Prairie. Pursuant to Decision 26905-D01-2021,¹ the site currently has 15 megawatts (MW) of natural gas fired generation capability for ARC's own use, exempt from Section 11 of the *Hydro and Electric Energy Act*.

3. ARC filed an application with the AUC to seek an approval to construct and operate a 22.6-MW natural gas thermal power plant, at the Cutbank Sour Multiwell Gas Battery, pursuant to Section 11 of the *Hydro and Electric Energy Act*. After the proposed addition, the currently approved capability will be reduced from 15 MW to 14.1 MW and the total on-site capability will be 36.7 MW. This application was registered on December 21, 2022, as Application 27908-A001.

3 Discussion

4. The power plant would consist of two new Solar Mars-100 turbine generators with a rated capability of 11.3 MW each, two existing Solar Centaur-50 turbine generators with a rated capability of 4.3 MW each and an existing Solar Taurus-60 turbine generator with a rated capability of 5.5 MW, for a total capability of 36.7 MW. The power plant would not be connected to the Alberta Interconnected Electric System.

5. Astute Environmental and Regulatory Ltd. was retained to prepare an environmental protection plan, which indicated that the proposed power plant would be located within the existing facility site and would not disturb surrounding soil, vegetation, wildlife, and hydrogeological resources.

¹ Decision 26905-D01-2021: ARC Resources Ltd – Cutbank Sour Multiwell Gas Battery Power Plant Exemption, Proceeding 26905, Application 26905-A001, October 26, 2021.

6. Calvin Consulting Group Ltd. prepared an air quality assessment which confirmed that predicted emissions for all new and existing generators comply with the applicable *Alberta Ambient Air Quality Objectives and Guidelines*.
7. FDI Acoustics was retained to perform a noise impact assessment for the power plant in accordance with Rule 012: *Noise Control*. Hypothetical receptor points were used as there are no dwellings located within the 1,500 metre study area.
8. FDI's noise modelling indicated that the nighttime cumulative sound levels exceeded the nighttime permissible sound level. FDI recommended that ARC operate the existing sales compressors Unit 401BU and Unit 402BU with the doors closed during the nighttime period, and limit all temperature controlled variable frequency driven fans to 75 per cent of their maximum design speed during the nighttime period. FDI predicted that with the recommended mitigation measures, the entire site would be compliant with Rule 012. ARC confirmed that it plans to follow these mitigation measures.
9. Alberta Culture granted a *Historical Resources Act* approval for the proposed power plant.
10. As there is no new disturbance associated with this power plant, facility decommissioning costs will be assessed under the Alberta Energy Regulator's deemed liability program. ARC committed to following the regulatory requirements in force at the time of decommissioning and reclamation.
11. ARC maintains corporate-level and field-specific emergency response plans, which will be used throughout the power plant's construction and operation.
12. ARC completed a participant involvement program, which notified stakeholders within 2,000 metres and consulted with stakeholders within 800 metres of the project site. ARC stated that no concerns about the project were raised.
13. Construction is planned to begin in May 2023, with an in-service date in April 2024.
14. 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 would not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*.

4 Findings

15. The Commission has reviewed the application and has determined that the technical, siting, emissions, environmental and noise aspects of the power plant have been met. ARC's participant involvement program has been conducted and there are no outstanding public or industry objections or concerns.
16. The Commission understands that the proposed power plant will be constructed within the fenceline of an existing industrial site. The emissions for the project are within the *Alberta Ambient Air Quality Objectives and Guidelines* and the Commission is satisfied that any incremental environmental effects, as a result of the project, will not be significant.

17. The predicted noise from the proposed power plant does not comply with the nighttime permissible sound level. The Commission requires ARC to mitigate the noise from the proposed power plant, as recommended in the project's noise impact assessment, by operating the existing sales compressors Unit 401BU and Unit 402BU with the doors closed during the nighttime period, and limiting all temperature controlled variable frequency driven fans to 75 per cent of their maximum design speed during the nighttime period. The Commission therefore imposes the following condition of approval for the Cutbank Sour Multiwell Gas Battery Power Plant:

- ARC must implement the noise mitigation measures recommended in the project's noise impact assessment before commencement of operations.

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

19. 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*.

5 Decision

20. Pursuant to Section 11 of the *Hydro and Electric Energy Act*, the Commission approves Application 27908-A001 and grants ARC Resources Ltd. the approval set out in Appendix 1 – Power Plant Approval 27908-D02-2023, to construct and operate the Cutbank Sour Multiwell Gas Battery Power Plant (Appendix 1 will be distributed separately).

Dated on February 15, 2023.

Alberta Utilities Commission

(original signed by)

Carolyn Dahl Rees
Chair