



Journey Energy Inc.

Gilby Thermal Power Plant

May 24, 2023

Alberta Utilities Commission

Decision 27860-D01-2023

Journey Energy Inc.

Gilby Thermal Power Plant

Proceeding 27860

Application 27860-A001

May 24, 2023

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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 Journey Energy Inc. to construct and operate a power plant designated as the Gilby Thermal Power Plant.

2 Application

2. Journey Energy Inc. operates the Gilby Sweet Gas Processing Plant, referred to as the Gilby Gas Plant, located approximately 10 kilometres southwest of the town of Rimbey.

3. Journey filed an application with the AUC for an approval to construct and operate a 15.5-megawatt (MW) power plant, and connect the power plant to FortisAlberta Inc.'s 25-kilovolt electric distribution system, at the lease site of the Gilby Gas Plant, pursuant to sections 11 and 18 of the *Hydro and Electric Energy Act*. This application was registered on December 23, 2022, as Application 27860-A001.

4. The Commission issued a notice of application in accordance with Section 7 of Rule 001: *Rules of Practice*. No submissions were received in response to the notice.

5. The power plant would consist of one Wartsila 20V34SG generator set with a rated capability of 8.6 MW and three Wartsila 220V18SG generator sets, each with a rated capability of 2.8 MW. At 100 per cent rated operating load, these generators would be capable of generating 17 MW of electrical power; however, with efficiency losses, the power plant would export a maximum of 15.5 MW to the Alberta Interconnected Electric System.

6. FortisAlberta Inc. has indicated that it is prepared to allow the interconnection of the power plant to its 25-kilovolt electric distribution system, pending final execution of an interconnection agreement.

7. Horizon Compliance Group Inc. was retained to complete an air quality assessment. The assessment confirmed that predicted emissions for the power plant comply with the applicable *Alberta Ambient Air Quality Objectives and Guidelines*.

8. North Shore Environmental Consultants Inc. was retained to prepare a pre-disturbance site assessment (PDSA), which indicated that impacts to surrounding soil, vegetation, wildlife and hydrogeological resources would be minimal due to co-locating the power plant with the existing Gilby Gas Plant. The project area would expand the current site by approximately 0.56 hectares; however, any environmental effects are not considered to be significant given that this would be located on cultivated land adjacent to an existing active gas plant site.

9. The PDSA provided only a high-level environmental protection plan; however, Journey confirmed that it will develop a detailed environmental protection plan prior to construction as required by Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines*.
10. FFA Consultants in Acoustics and Noise Control Ltd. was retained to perform a noise impact assessment for the power plant in accordance with Rule 012: *Noise Control*. Nine dwellings within the 1,500-metre study area were used as receptors.
11. FFA's noise modelling indicated that the daytime and nighttime cumulative sound levels exceeded the daytime and nighttime permissible sound levels at all of the receptors. FFA recommended that Journey install silencers on:
- The engine exhaust of each generator.
 - The cooler inlet and outlet of each generator.
 - All building ventilation openings.
12. FFA provided acoustical specifications for the recommended silencers in the noise impact assessment,¹ and predicted that with the recommended mitigation measures, the entire site will be compliant with Rule 012. Journey confirmed that it planned to install these silencers as recommended by FFA during the construction of the proposed power plant.
13. Alberta Culture granted a *Historical Resources Act* approval for the proposed power plant.
14. Journey completed a participant involvement program, which included notifying stakeholders within 2,000 metres and consulting with stakeholders within 800 metres of the project site. Journey stated that no concerns about the project were raised.
15. Journey maintains a corporate-level emergency response plan, which will be used throughout the power plant's construction and operation.
16. Construction is anticipated to begin in June 2023, with an in-service date in October 2023.

3 Findings

17. 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.
18. The Commission has reviewed the application and has determined that sufficient information has been provided in response to the requirements specified in Rule 007 such that the Commission is able to make a public interest determination on the project.

¹ Exhibit 27860-X0035, Revised Noise Impact Assessment, PDF page 43.

19. The Commission finds that the Journey's participant involvement program satisfies the requirements of Rule 007. There were no outstanding public or industry objections or concerns raised during the participant involvement program no submissions were received in response to the AUC's notice of application.

20. The emissions for the project are within the *Alberta Ambient Air Quality Objectives and Guidelines*. The Commission understands that the proposed power plant will expand the fenceline of an existing industrial site by 0.56 hectares and it is satisfied that any incremental environmental effects from the project will not be significant.

21. In response to an information request from the Commission regarding weed and pest management, Journey committed to incorporating mitigation measures in its environmental protection plan. As an environmental protection plan was not submitted with the application, the Commission imposes the following condition of approval:

- Journey Energy Inc. must file a stand-alone, project-specific environmental protection plan no later than one month before construction is scheduled to begin.

22. The Commission understands from historical Google Earth imagery that the natural drainage and topography in the project area creates an ongoing risk of erosion and sedimentation issues for the project. It is the Commission's expectation that sediment control measures will be implemented proactively as part of the design of the project, not as reactionary mitigation after sedimentation issues become apparent. Accordingly, the Commission imposes the following condition of approval:

- Journey Energy Inc. must incorporate erosion and sediment control measures in its environmental protection plan and proactively implement these measures during construction and operation of the power plant.

23. The predicted noise from the proposed power plant does not comply with the daytime or nighttime permissible sound level for all receptors with the 1,500-metre study area. To ensure compliance with Rule 012, the Commission requires Journey to mitigate the noise from the proposed power plant, as recommended in the noise impact assessment, by installing silencers on the engine exhaust and the cooler inlet and outlet of each generator. Journey must also install silencers on all building ventilation openings. The silencers must be installed at the earliest feasible time and no later than commencement of operation of the power plant. The Commission imposes the following conditions of approval for the Gilby Thermal Power Plant:

- During construction of the power plant, Journey Energy Inc. shall 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 ensure the Gilby Thermal Power Plant complies with Rule 012: *Noise Control*. Journey Energy Inc. shall submit a report confirming the implementation of the mitigation measures within 30 days after the construction completion date.

- Journey Energy Inc. shall conduct a post-construction comprehensive sound level survey, including an evaluation of low frequency noise at Residence 1. The post-construction comprehensive sound level survey must be conducted under representative conditions and in accordance with Rule 012: *Noise Control*. Within one year after the Gilby Thermal Power Plant commences operations, Journey Energy Inc. shall file a report with the Commission presenting measurements and summarizing results of the post-construction comprehensive sound level survey.

24. As this power plant will be located at an existing oil and gas site, Journey submitted that facility decommissioning costs will be assessed under the Alberta Energy Regulator's liability management program. In response to an information request from the Commission, Journey confirmed that the decommissioning liability for the power plant will be incorporated into Journey's corporate abandonment and reclamation management plan. In addition, Journey pointed to its healthy liability rating with Alberta Energy Regulator. The Commission questions whether the Alberta Energy Regulator's liability management program (and any security posted by Journey to the Alberta Energy Regulator) is intended to apply to facilities regulated by the Alberta Utilities Commission. However, the Commission is satisfied with Journey's response that by incorporating the liability for the power plant in its abandonment and reclamation plans it is accounting for funds required for decommissioning and reclamation.

25. 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

26. Pursuant to Section 11 of the *Hydro and Electric Energy Act*, the Commission approves Application 27860-A001 and grants Journey Energy Inc. the approval set out in Appendix 1 – Power Plant Approval 27860-D02-2023 to construct and operate the Gilby Thermal Power Plant (Appendix 1 will be distributed separately).

27. Pursuant to Section 18 of the *Hydro and Electric Energy Act*, the Commission approves Application 27860-A001 and grants Journey Energy Inc. the approval set out in Appendix 2 – Connection Order 27860-D03-2023 to connect the Gilby Thermal Power Plant to the FortisAlberta Inc. distribution system (Appendix 2 will be distributed separately).

Dated on May 24, 2023.

Alberta Utilities Commission

(original signed by)

Renée Marx
Commission Member