



TransCanada Energy Ltd.

Construct and Operate Saddlebrook Power Station

February 3, 2010



ALBERTA UTILITIES COMMISSION

Decision 2010-059: TransCanada Energy Ltd.
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Application No. 1587377
Proceeding ID. 267

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**TRANSCANADA ENERGY LTD.
CONSTRUCT AND OPERATE
SADDLEBROOK POWER STATION**

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1 INTRODUCTION

1. On September 18, 2008, TransCanada Energy Ltd. (TransCanada) filed Application No. 1587377 (the Application) with the Alberta Utilities Commission (AUC or the Commission). The Application was filed, pursuant to section 11 of the *Hydro and Electric Energy Act*, seeking approval to construct and operate a natural gas fired, combined cycle power plant (Power Plant).

2. The Power Plant, designated as Saddlebrook Power Station, would be located in the northwest and southwest quarters of Section 31, Township 19, Range 28, West of the 4th Meridian within the Saddlebrook Industrial Park, approximately 10 kilometres (km) north of High River, Alberta. The Power Plant would consist of one gas-fired combustion turbine generator and one steam turbine generator for a nominal capacity of 338-MW.

3. The Commission requested additional information from TransCanada about the Power Plant in a series of Information Requests.¹ The requested information included the expected available transmission system capacity to connect the Power Plant to the Alberta Interconnected Electric System (AIES), the requirement of a remedial action scheme, and the Noise Impact Assessment (NIA) of the Power Plant.

4. Following TransCanada's submission of the additional information, the Application was deemed to be technically complete on February 6, 2009.

5. The Commission issued a Notice of Application on February 10, 2009 (the Notice). The Notice was mailed directly to a list of landowners and stakeholders provided by TransCanada. The Notice was also published in the High River Times on February 17, 2009, and in the Calgary Herald, Calgary Sun, and Okotoks Western Wheel on February 18, 2009.

6. In response to the Notice, TransAlta Corporation (TransAlta), Sprung Instant Structures Ltd. (Sprung), Canadian Pacific Railway (CPR), and landowners Jim and Merle Ramsfield (Ramsfields) filed letters of concern in accordance with the established filing schedule.

2 DISCUSSION

2.1 Noise and Environmental Impacts

7. TransCanada filed its NIA for the Power Plant on September 18, 2008. The NIA indicated that the predicted daytime cumulative noise levels for both downwind and summer

¹ Information Requests dated October 14, 2008, January 5, 2009, and February 2, 2009.

conditions at all receptors would meet the requirements set out in the Commission's noise control rule, *AUC Rule 012*.

8. The NIA, however, predicted that the cumulative noise level during downwind conditions at receptor R3 could exceed the night-time Permissible Sound Level of 40 dBA L_{eq} set out in *AUC Rule 012* by the amount of 1.3 dBA.

9. To assuage any possible concerns, TransCanada undertook to further reduce the noise from the Power Plant during the detailed engineering, procurement, and post-construction stages.

10. TransCanada also assured the Commission that due to the conservative nature of the assumptions used to predict the sound emissions, the predicted noise results were on the higher end of what possibly could occur. TransCanada submitted that, in reality, the operation of the Power Plant would most likely result in noise levels that comply with the requirements of *AUC Rule 012*.

11. TransCanada also conducted an Air Quality Assessment (AQA) to assess the potential changes in air quality resulting from the Power Plant. The AQA's conclusions were that the predicted concentrations for all of the assessed contaminants (sulphur dioxide, nitrogen dioxide, carbon monoxide, particulate matter less than 2.5 micrometres in diameter, and ammonia) are less than Alberta Environment's (AENV) Alberta Ambient Air Quality Objectives.

12. Additionally, TransCanada consulted with Alberta Culture and Community Spirit to prepare a Historical Resources Overview. On May 30, 2008, Alberta Culture and Community Spirit granted a *Historical Resources Act* clearance for the Power Plant.

2.2 Public Consultation Program

13. TransCanada stated that it had conducted personal consultations with all occupants, residents, and landholders within 2,000 metres of the Power Plant. TransCanada represented that when any parties raised a concern, it addressed the concern within a reasonable time.

14. In response to the Notice, the Commission received letters of concern from four parties. On April 15, 2009, TransCanada requested the Commission to suspend further processing of the Application to resolve the concerns of the intervening parties.

15. Initially, in its letter of concern, TransAlta stated that it may be directly and adversely affected by the Commission's decision on the Application, because of TransAlta's role as a power generator in southern Alberta. On June 7, 2009, following its review of the information responses provided by TransCanada to the Commission, TransAlta withdrew its objection.

16. Sprung filed an intervention to the Application on February 17, 2009. Its main concern was related to the Power Plant's predicted water usage. Sprung questioned the amount of water required for the operation of the Power Plant and the impact that its water usage may have on residences and businesses in the area.

17. In a letter dated November 10, 2009, Sprung informed the Commission that, it was withdrawing its concerns and now fully endorsed the Power Plant. The withdrawal followed discussions between Sprung and the Municipal District of Foothills regarding water usage and

allocation in the area. From the discussions, Sprung understood that there would be an equitable water distribution in the area for present and future developments.

18. CPR filed an intervention on February 23, 2009 citing safety concerns due to the close proximity of the Power Plant to existing CPR rights-of-way (ROW). CPR requested additional engineering data from TransCanada to evaluate the effect of the Power Plant on its ROW. On November 18, 2009, CPR withdrew its objection to the Application on the basis of the following commitments made to it by TransCanada:

- TransCanada shall provide CPR with final parameters and data design of the Power Plant, when available;
- TransCanada shall give CPR the opportunity to determine if mitigation measures would be required when the Power Plant was operational;
- TransCanada agreed that all associated costs, including any required mitigation measures, would be the responsibility of TransCanada.

19. The Ramsfields filed an intervention on March 3, 2009. The Ramsfields are registered owners of NE 30-19-28-W4M, SE 31-19-28-W4M, and a portion of SW 31-19-28-W4M. The Ramsfields' corporation, Chinook Sod Farms Ltd., operates on these lands. The Ramsfields reside on the northeast quarter of section 30 putting their residence approximately 0.88 km away from the Power Plant site.

20. On November 12, 2009, the Ramsfields withdrew their objection to the Application on the basis of commitments made to them by TransCanada regarding the noise associated with the Power Plant. These commitments include:

- TransCanada will ensure that the noise created by the project at receptor R3, as identified in the NIA, will meet the noise criteria provide in the Commission's *Rule 012*, prior to the commissioning of the Power Plant;
- TransCanada will conduct post construction monitoring of the project during the commissioning phase and prior to the commissioning of the Power Plant. This monitoring will determine the noise levels at Receptor R3 and will allow for the development of mitigation measures;
- TransCanada will construct and landscape a berm along the south side of the project.

21. On December 10, 2009, TransCanada requested the Commission to resume consideration of its Application. In doing so, TransCanada stated that it will honour all the commitments it made to CPR and the Ramsfields.

2.3 Other Approvals

22. TransCanada submitted a concurrent application to AENV pursuant to the *Alberta Environmental Protection and Enhancement Act* for an industrial approval for the Power Plant, which application is under consideration.

23. Project approval from Transport Canada and a letter of non-objection from NAV CANADA were received on September 9, 2008 and January 21, 2009 respectively.

24. TransCanada consulted with the Municipal District of Foothills regarding the Power Plant, and received a letter of support on September 23, 2008 for the project.

3 FINDINGS

25. In analyzing the Power Plant, the Commission looks to section 17(1) of the *Alberta Utilities Commission Act* and the Commission's rule governing applications for power plants, *AUC Rule 007*. In doing so, the Commission has reviewed the Application in terms of TransCanada's participant involvement program as well as the Environmental and Noise Impact Assessments.

26. The Commission finds that TransCanada's public consultation complied with the Commission's Participant Involvement Program and the notification requirements outlined in *AUC Rule 007*. The Commission also finds that consultation steps taken by TransCanada were adequate given the nature and scope of the project.

27. The Commission notes that all objections to the Power Plant have been withdrawn. There are no outstanding concerns regarding the Power Plant.

28. CPR and the Ramsfields withdrew their objections based on TransCanada's commitments. The Commission regards such commitments as private agreements between TransCanada and these interveners. The Commission has no authority to enforce such agreements.

29. However, the Commission has the authority to grant a review of this decision if circumstances change in the future. A future breach by TransCanada's of one or more of its commitments may be grounds for a review based upon a change in circumstances.

30. In general, the Commission is satisfied that all sources of noise from the Power Plant were considered in the NIA. The Commission, however, notes that the maximum sound level at one of the receptors in the study area is predicted to be 41.3 dBA L_{eq} ,² which would be above the night-time Permissible Sound Level (PSL) of 40 dBA L_{eq} prescribed by *AUC Rule 012*.

31. Since the predicted noise level could exceed the PSL, the Commission directs TransCanada to conduct a post construction Comprehensive Noise Study under representative conditions as stipulated in section 4.1 of *AUC Rule 012* to verify and ensure that the facility complies with the noise standards.

32. Verification, however, would only be required for noise receptor R3, as it is the only receptor where the night-time sound level was predicted to exceed the requirements of *AUC Rule 012*.

33. Having considered the impact of the power plant in light of section 17(1) of the *Alberta Utilities Commission Act* and *AUC Rule 007*, the Commission finds that approval of the Application is in the public interest and that the Power Plant complies with all regulatory requirements.

34. The connection of the Power Plant to the AIES would be the subject of future applications, pursuant to sections 14, 15, and 18 of the *Hydro and Electric Energy Act*, for the necessary transmission facilities.

² Exhibit 3, Application dated September 18, 2008, Appendix 4 – Noise Impact Assessment; Noise Impact Assessment of the Saddlebrook Power Station, September 2008.

4 DECISION

35. Pursuant to section 11 of the *Hydro and Electric Energy Act*, the Commission approves the Application and grants the approval set out in Appendix 1 – Power Plant – Approval No. U2010-74 – February 3, 2010 to TransCanada to construct and operate the Saddlebrook Power Station (the Appendix will be distributed separately).

Dated in Calgary, Alberta on February 3, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

N. Allen Maydonik, Q.C.
Panel Chair

(original signed by)

Moin A. Yahya
Commissioner

(original signed by)

Thomas McGee
Commissioner