



Penn West Petroleum Ltd.

Natural Gas Engine-Driven Generator

February 26, 2010



ALBERTA UTILITIES COMMISSION
Decision 2010-086: Penn West Petroleum Ltd.
Natural Gas Engine-Driven Generator
Application No. 1605914
Proceeding ID. 512

February 26, 2010

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Alberta Utilities Commission
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1 INTRODUCTION

1. Penn West Petroleum Ltd. (Owner) filed an application with the Alberta Utilities Commission (AUC or the Commission) for an order pursuant to section 13 of the *Hydro and Electric Energy Act* seeking an exemption from section 11 of the *Hydro and Electric Energy Act* to construct and operate a 135-kW natural gas engine-driven generator (Power Plant) in the Peace River area in Northern Sunrise County. This application was registered on February 18, 2010, as Application No. 1605914 (Application).

2. Due to the nature of the Application, 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*. Therefore, a notice of Application was not issued.

2 DISCUSSION

3. As set out in the Application, the Power Plant will be located in LSD 12, Section 25, Township 82, Range 18, West of the 5th Meridian approximately 29 kilometres (km) from the village of Nampa, Alberta. The Power Plant is intended to be used only to supply power to the Owner's oil production facility and will not be connected to the Alberta integrated electric system (AIES). Further, the Owner will be the sole user of the electric energy it produces.

4. The Owner conducted a participant involvement program resulting in no outstanding public or industry objections. The closest resident is located approximately 7.38 km from the Owner's facility.

5. The Owner also filed a Noise Impact Assessment which concluded that the proposed Power Plant fulfills the requirements of *AUC Rule 012- Noise Control* with the assumption that the doors and windows of the facility would be kept open year round.

3 FINDINGS

6. The Owner filed the Application pursuant to section 13 of the *Hydro and Electric Energy Act* which states:

Exemptions

13(1) Sections 9, 10 and 11 do not apply to a person generating or proposing to generate electric energy solely for the person's own use, unless the Commission otherwise directs.

(2) Notwithstanding subsection (1), a person generating or proposing to generate electric energy solely for the person's own use shall, if required by regulation to do so, immediately notify the Commission of the use or proposed use and provide any details of the generation and use that the Commission requires.

7. Section 11 of the *Hydro and Electric Energy Act* states:

No person shall construct or operate a power plant unless the Commission, by order, has approved the construction and operation of the power plant.

8. The Commission has reviewed the Application and is satisfied that the Owner has met the requirements of section 13 of the *Hydro and Electric Energy Act*. The Commission has reviewed the Application and has determined that the technical, siting, emissions, environmental and noise control aspects of the Power Plant have been met. The Power Plant will not be connected to the AIES and further, will be used to generate electric energy solely for the Owner's own use.

4. DECISION

9. Pursuant to section 13 of the *Hydro and Electric Energy Act*, the Commission approves the Application and grants the exemption set out in Appendix 1 – Power Plant – Exemption No. U2010-96 – February 26, 2010 to the Owner to construct and operate the Power Plant (the Appendix will be distributed separately).

Dated February 26, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

N. Allen Maydonik, Q.C.
Commissioner