



Penn West Petroleum Ltd.

Gas-Fuelled Electric Generator to Power
Compressor Facility

March 16, 2010



ALBERTA UTILITIES COMMISSION

Decision 2010-119: Penn West Petroleum Ltd.

Gas-Fuelled Electric Generator to Power Compressor Facility

Application No. 1605734

Proceeding ID. 434

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**PENN WEST PETROLEUM LTD.
GAS-FUELLED ELECTRIC GENERATOR TO
POWER COMPRESSOR FACILITY**

**Decision 2010-119
Application No. 1605734
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1 INTRODUCTION

1. Penn West Petroleum Ltd. (Penn West) filed Application No. 1605734 on December 18, 2009 (the Application), with the Alberta Utilities Commission (AUC or Commission) requesting approval to operate a 160-kW gas-fuelled electric generator (the Power Plant) to provide power to a Penn West compressor facility. Penn West proposes to install and operate the proposed Power Plant in LSD 4 of Section 8, Township 18, Range 18, West of the 4th Meridian in the vicinity of Brooks, Alberta.
2. The Commission issued a Notice of Application on February 5, 2010, to all occupants, residents and landowners within 2,000 metres of the Power Plant. No letters of objection or concern were received by the Commission.
3. As set out in the Application, Penn West submitted that the Power Plant would be used solely by Penn West's facility and would not be connected to the Alberta Integrated Electric System (AIES).
4. Penn West conducted a participant involvement program by consulting in person with all occupants, residents and landowners within 800 metres of the Power Plant. Penn West also sent notification to all occupants, residents and landowners within 2,000 metres of the Power Plant. No objections were received.
5. Penn West submitted a Noise Impact Assessment (NIA) which demonstrated that at a distance of 1,500 metres from the Power Plant, the predicted noise level would be below the Permissible Sound Level (PSL) of 40 dBA Leq nighttime, as per *AUC Rule 012 - Noise Control*.

2 FINDINGS

6. 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

7. Section 13 of the *Hydro and Electric Energy Act* 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.

8. The Commission has reviewed the Application and finds that Penn West meets the requirements of section 13 of the *Hydro and Electric Energy Act*.

9. The Commission notes that the NIA provided in the Application indicates that the anticipated noise level will be within the PSL limits as specified in *AUC Rule 012*.

10. The Commission finds that the Power Plant will not be connected to the AIES, will be located within an insulated metal building and will be used to generate electric energy solely for Penn West's own use.

11. The Commission notes that Penn West consulted with all landowners, occupants and residences within 2,000 metres of the Power Plant as outlined in *AUC Rule 007*. In addition, a Notice of Application was issued by the Commission to all stakeholders within 2,000 metres of the proposed project area and no objection to the Application was received.

12. Based on the foregoing, the Commission considers the exemption to be in the public interest.

3 DECISION

13. 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. U2010-110 – March 16, 2010 to Penn West to operate the Power Plant (Appendix 1 will be distributed separately).

Dated on March 16, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

N. Allen Maydonik, Q.C.
Commissioner