



Maxim Power Corp.

HR Milner Power Plant Expansion Interim Decision

June 30, 2011



The Alberta Utilities Commission
Interim Decision 2011-290: Maxim Power Corp.
HR Milner Power Plant Expansion
Application No. 1604766
Proceeding ID No. 203

June 30, 2011

Published by

The Alberta Utilities Commission
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1 Introduction and background

1. Maxim Power Corp. (Maxim) operates the existing HR Milner Generating Station, a 150-megawatt (MW) coal-fired power generation facility in the Grande Cache, Alberta area. In accordance with Section 11 of the *Hydro and Electric Energy Act*, Maxim filed Application No. 1604766 with the Alberta Utilities Commission (AUC or the Commission) on February 3, 2009, requesting an approval to construct and operate a new coal-fired 500-MW power generating unit (the power plant) at the existing HR Milner Generating Station.
2. The power plant will be located approximately 20 kilometres north of the town of Grande Cache, Alberta in the Municipal District of Greenview, in the north half of Section 10 and the south half of Section 15, Township 58, Range 8, west of the Sixth Meridian.
3. The Commission issued a notice of application on March 4, 2011. The Commission received several submissions with respect to the application. The Commission considers every request for standing on its own merits. Pursuant to Section 9 of the *Alberta Utilities Commission Act*, the Commission will hold a hearing if it appears to the Commission that its decision on an application may directly and adversely affect the rights of a person. The test set out in this section is whether a person seeking intervener status has shown that the person has rights and that those rights may be directly and adversely affected by a decision of the Commission on an application.
4. On May 27, 2011, the Commission ruled that none of those parties who requested standing would be directly and adversely affected by the Commission's decision in this proceeding. The Commission received a letter from the Pembina Institute requesting that the Commission reconsider its position regarding the standing of two specific individuals who the Pembina Institute purported to represent as part of a group. The Commission subsequently received clear communication from those two individuals that they did not oppose the power plant. The Commission confirmed its ruling regarding standing in a further ruling issued on June 16, 2011. Accordingly, the Commission considered that a hearing was not required as the Commission's decision or order regarding this application would not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*.
5. The Commission received correspondence dated June 7, 2011, from Maxim requesting an expeditious approval of its application without a hearing. Maxim requested that the Commission issue a decision on or before June 30, 2011, given the absence of parties with standing, and in order to accommodate its business activities, which are dependent upon the outcome of this proceeding. Maxim submitted that the disposition of this application for an approval to construct and operate the power plant is urgently required to ensure that Alberta has sufficient generation,

to meet the expectations of private investors in the predictability of the regulatory process and finally to address the potential impact of pending federal carbon legislation on this plant.¹

2 Findings

6. The Commission determined that a hearing is not required with respect to this matter as there are no parties with standing requesting a public hearing. This determination was set out in the Commission's ruling of May 27, 2011, and confirmed in the Commission's ruling of June 16, 2011. The Commission has continued to process the application without holding a public hearing.

7. The Commission acknowledges the submission of Maxim that it requires a disposition of this application by no later than June 30, 2011.

8. The Commission has given consideration to whether the construction and operation of the power plant is in the public interest pursuant to Section 17 of the *Alberta Utilities Commission Act*. Based upon the evidence provided to it, the Commission considers that the construction and operation of the power plant is in the public interest and is prepared to provide interim approval of the power plant. If, upon further review of the evidence submitted by Maxim or any other evidence that is pertinent to this application, the Commission determines that additional conditions are warranted, the power plant approval will be contingent upon those conditions.

9. Given that this is an interim decision, Maxim will bear the risk of any conditions the Commission may apply to its final approval for the power plant.

3 Decision

10. It is hereby ordered that:

- (1) Interim approval is granted for Maxim to construct and operate a new coal-fired 500-MW power generating unit on the HR Milner site, as more fully described in the application.
- (2) The Commission will issue a final approval with reasons and any necessary conditions in due course.

¹ Exhibit 81, letter of June 7, 2011 from Maxim to the Alberta Utilities Commission.

Dated on June 30, 2011.

The Alberta Utilities Commission

(original signed by)

Carolyn Dahl Rees
Vice-Chair

(original signed by)

Mark Kolesar
Commission Member

(original signed by)

Bill Lyttle
Commission Member