



Suncor Energy Inc.

Industrial System Designation Amendment

May 14, 2010



ALBERTA UTILITIES COMMISSION

Decision 2010-213: Suncor Energy Inc.
Industrial System Designation Amendment
Application No. 1605800
Proceeding ID. 461

May 14, 2010

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1 INTRODUCTION

1. Suncor Energy Inc. (Suncor) was granted an Industrial System Designation (ISD) for its operation at the Fort McMurray industrial complex pursuant to Order No. U2009-352, issued on October 15, 2009.

2. Suncor filed Application No. 1605800 (Application) with the Alberta Utilities Commission (AUC or Commission) seeking an amendment to its Industrial System Designation at the Fort McMurray industrial system. The Application was registered on January 18, 2010. Suncor's existing industrial system (Industrial System) is comprised of the following major facilities as set out in Order No. U2009-352:

- Four steam turbine generators STG1 (17 MW), STG2 (32 MW), STG3 (60 MW) and STG4 (70 MW);
- Four heat recovery steam generators;
- Five gas turbine generators GTG5 (115 MW), GTG6 (115 MW), GTG7 (85 MW), GTG8 (85 MW), and GTG9 (85 MW);
- Four 240-kilovolt (kV) substations 29EDD-1, 29EDD-34, 29EDD-56, and 29EDD-65;
- Ten 240-kV transmission lines 29PL9-1, 29PL9-2, 29PL9-3, 29PL9-4, 29PL9-5, 29PL9-6, 29PL9-12, 29PL9-13, 29PL9-14, and 29PL9-15;
- Two 144-kV substations 29EDD-18 and 29EDD-71;
- Five 144-kV transmission lines 29PL7-1, 29PL7-2, 29PL7-3, 29PL7-4, and 29PL7-5;
- Twenty-six 72-kV substations 30EDD-1(836s), 30EDD-3(737s), 30EDD-200, 30EDD-218, 29EDD-2, 29EDD-7, 29EDD-8, 29EDD-9, 29EDD-10, 29EDD-19, 29EDD-20, 29EDD-22, 29EDD-31, 29EDD-32, 29EDD-33, 29EDD-45, 29EDD-46, 29EDD-55, 29EDD-62, 29EDD-64, 29EDD-66, 29EDD-67, 29EDD-72, 29EDD-83, 29EDD-84, and 29EDD-93; and
- Sixteen 72-kV transmission lines 29PL6-1, 29PL6-2, 29PL6-3, 29PL6-4, 29PL6-5, 29PL6-6, 29PL6-14, 29PL6-16, 29PL6-22, 29PL6-23, 29PL6-24, 29PL6-25, 29PL6-26, 29PL6-27, 29PL6-28, and 29PL6-29.

2 BACKGROUND

3. As listed in the Application, Suncor is seeking to add the following major transmission facilities to the Industrial System (Additional Facilities):

- Four 144-kV substations 29EDD-86, 29EDD-87, 29EDD-107, and 29EDD-108;
- Three 144-kV transmission lines 29PL7-7, 29PL7-8, and 29PL7-10;
- Ten 72-kV substations 29EDD-5, 29EDD-70, 29EDD-79, 29EDD-80, 29EDD-82, 29EDD-111, 29EDD-126, 29EDD-142, 29EDD-149, and 29EDD-150; and
- Eleven 72-kV transmission lines 6L32, 29PL6-7, 29PL6-30, 29PL6-34, 29PL6-36, 29PL6-38, 29PL6-39, 29PL6-41, 29PL6-42, 29PL6-43, and 29PL6-44.

4. Suncor stated that the Industrial System has been developed and sized to meet the requirements of Suncor bitumen and synthetic crude production. Suncor generates all of the electricity and steam demanded by its industrial process from cogeneration plants, using a high percentage of by-products and otherwise unused fuels.

5. Suncor stated that the Additional Facilities are required to meet projected electrical load growth within Suncor's existing industrial complex and were not intended to avoid Alberta Interconnected Electric System (AIES) costs or to provide an uneconomic bypass to the AIES.

6. Suncor further stated that the proposed amendments will further capture opportunities for gains in energy and environmental performance including minimizing land disruption, creating self-sufficiency in water use between other facilities within the industrial complex.

7. Suncor declared that the proposed transmission or distribution facilities do not parallel or duplicate existing or proposed transmission facility owner's (TFOs) transmission or distribution facilities. In addition, there are no Alberta transmission system facilities in the areas where Suncor's proposed facilities are to be located. The Suncor system is sized only to meet Suncor's industrial requirements. There is no consideration in the design for supplying transmission capacity to other parties.

8. In its Application, Suncor also submitted that Firebag Oilsands development Stages 3 and 4 require a significant amount of capital investment in high-voltage transmission facilities and cogeneration assets to support the bitumen production.

9. Suncor informed the Commission that it has carried out public consultation with all stakeholders identified in the Application with respect to the proposed amendment and will continue to consult as project details become available.

10. The Commission issued Notice of Application to all interested persons on April 12, 2010. No objections to the Application were received by the deadline date of May 3, 2010.

3 DISCUSSION

11. The Commission has reviewed the Application and finds that Suncor has demonstrated that the on-site generation is the most economic and efficient source of power for the industrial system, that the efficiency of the interconnected electric system is improved, that there is no duplication of the interconnected electric system, and that a significant investment is being undertaken. The Commission accepts Suncor's submission that the Additional Facilities are required to meet projected electrical load growth within the industrial complex. The Commission also notes that the Additional Facilities will present additional opportunities for gains in energy and environmental performance.

12. The Commission considered the participant involvement program and finds that there are no outstanding public or industry objections or concerns. The Commission also considered that no concerns or objections were received in response to the Notice of Application. The Commission further finds that the Additional Facilities will be integrated into the existing Industrial System and will not directly and adversely affect any person in the vicinity of the proposed Additional Facilities.

13. Based on the foregoing, the Commission finds the amendment to the ISD to be in the public interest.

4 DECISION

14. Pursuant to sections 4 and 19 of the *Hydro and Electric Energy Act* and sections 2(1)(d) and 117 of the *Electric Utilities Act*, the Commission approves the Application and grants to the Applicant the Approval set out in Appendix 1 – Industrial System Designation Order No. U2010-205 – May 14, 2010 (Appendix 1 will be distributed separately).

Dated on May 14, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

Thomas McGee
Commissioner