BlackPearl Resources Inc.

Temporary Natural Gas Generators

December 21, 2010
ALBERTA UTILITIES COMMISSION
Decision 2010-607: BlackPearl Resources Inc.
Temporary Natural Gas Generators
Application No. 1606537
Proceeding ID. 820

December 21, 2010

Published by
Alberta Utilities Commission
Fifth Avenue Place, 4th Floor, 425 - 1 Street SW
Calgary, Alberta
T2P 3L8

Telephone: (403) 592-8845
Fax: (403) 592-4406

Web site: www.auc.ab.ca
1 INTRODUCTION

1. Tartan Engineering, on behalf of BlackPearl Resources Inc. (BlackPearl), filed Application No. 1606537 with the Alberta Utilities Commission (Commission) on September 3, 2010 (Application) for an exemption from Section 11 of the Hydro and Electric Energy Act. The Application was filed under Section 13 of the Hydro and Electric Energy Act, for three temporary 1250-kW natural gas generators at the Mooney South Oil Battery located 25 km southwest of Slave Lake, Alberta.

2 DISCUSSION

2. BlackPearl is installing an alkaline surface polymer water injection facility (Facility) and is seeking approval to install three 1250-kW natural gas generators to power the Facility until it can be connected to the Alberta Interconnected Electric System (AIES). BlackPearl stated that the generators will be in use for less than twelve months and will be removed in the fourth quarter of 2011.

3. BlackPearl submitted that the electricity generated will be used exclusively for supplying power to the Facility at the Mooney South Oil Battery. It also indicated that the Facility will only require the operation of two of the three generators with the third generator to be used as a standby unit.

4. BlackPearl obtained confirmation from Alberta Environment (AENV) that an application or approval is not required from AENV for the installation of a temporary power plant.

5. BlackPearl conducted a participant involvement program where all landowners, occupants, and residents within 500 metres of the Facility were personally contacted and all other parties within 1500 metres of the Facility were notified of the Facility and proposed generator units. BlackPearl did not receive any concerns or objections to the proposed Facility.

6. BlackPearl submitted a noise impact assessment (NIA) and indicated that at a point of reception 1500 metres away from the Facility site, the sound level of the Facility would comply with both the nighttime and daytime permissible sound levels (PSLs) provided in AUC Rule 012: Noise Control. BlackPearl also indicated that the Facility would not be in compliance with AUC Rule 012 at a trapper’s cabin (cabin) located 800 metres north of the Facility. BlackPearl informed the Commission that the cabin has not been inhabited for many years and as such, non-compliance would not be an issue for the operation of the temporary generators.

7. The Commission issued two rounds of information requests in regard to the NIA and the sound level at the trapper’s cabin. In response to the Commission’s questions, BlackPearl
responded that upon further investigation, it had discovered that the cabin was in use during the winter months. BlackPearl indicated that it personally consulted with the trapper and obtained his consent regarding the exceeded sound level at the cabin for the duration that the generators would be in use. BlackPearl remarked that it would work to lower the noise levels if the trapper raised any concerns after the Facility became operational.

3 FINDINGS

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

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

9. Section 13 of the Hydro and Electric Energy Act states:

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 regulations 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.

10. Due to the nature of the Application, a Notice of Application was not issued and, therefore, a hearing was not required as 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.

11. The Commission has reviewed the request for exemption from section 11 of the Hydro and Electric Energy Act and agrees that the proposed generators will generate electric energy solely for use by BlackPearl at the Facility. In addition, the proposed generators are temporary and will operate only until the Facility is connected to the AIES.

12. The Commission observes that BlackPearl conducted a participant involvement program. BlackPearl personally contacted parties within 500 metres of the Facility and provided notification to parties within 1500 metres of the Facility. The Commission finds the participant involvement program was sufficient, given the location and temporary nature of the natural gas generators.

13. The Commission notes that BlackPearl submitted a NIA and specified that the noise generated by the Facility would not be in compliance with the PSL provided in AUC Rule 012 at a nearby trapper’s cabin. The Commission observes that BlackPearl personally consulted with and obtained consent from the trapper in regard to the exceeded sound level at the cabin. Also, as indicated by BlackPearl, the generators would be in operation from May 2011 to November 2011, which would be outside of the normal winter trapping season. Further, BlackPearl has indicated that it will work to mitigate the noise levels if any concerns are raised by the trapper during the operation of the generators. Based on these factors, the Commission finds that BlackPearl has taken reasonable measures to address the non-compliance at the trapper’s cabin. The Commission is satisfied that the remainder of the NIA fulfills the requirements of AUC Rule 012.
14. Having considered all of the evidence before it, the Commission finds that the three natural gas generators qualify for an exemption under section 13 of the *Hydro and Electric Energy Act* and that the Application is the in the public interest pursuant to section 17 of the *Alberta Utilities Commission Act*.

4 DECISION

15. Pursuant to section 13 of the *Hydro and Electric Energy Act*, the Commission approves the Application and grants the exemption as set out in Appendix 1 – Power Plant – Exemption No. U2010-446 – December 21, 2010 (Appendix 1 will be distributed separately).

Dated on December 21, 2010.

ALBERTA UTILITIES COMMISSION

*(original signed by)*

Tudor Beattie, QC
Commissioner