



## **Brion Energy Corporation**

### **Mackay River Commercial Project Industrial System Designation Amendment**

**October 29, 2015**

**Alberta Utilities Commission**

Decision 20907-D01-2015

Brion Energy Corporation

MacKay River Commercial Project

Industrial System Designation Amendment

Proceeding 20907

Application 20907-A001

October 29, 2015

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## **1 Introduction and background**

1. On November 25, 2014, the Alberta Utilities Commission issued Decision [DA2014-262](#)<sup>1</sup> and Order [U2014-462](#),<sup>2</sup> designating the MacKay River Commercial Project (MRCP) as an industrial system pursuant to Section 4 of the *Hydro and Electric Energy Act* and providing an exemption from the operation of the *Electric Utilities Act* regarding the electric energy produced from and consumed by the proposed industrial system, pursuant to Section 117 of the *Electric Utilities Act*.
2. Brion Energy Corporation (Brion) filed an application with the AUC seeking an amendment to the industrial system designation (ISD) by adding a new 35-kilovolt overhead power line to serve an industrial operation not currently under Brion's ownership. This application was registered as Application 20907-A001 on October 14, 2015.
3. The ISD encompasses all facilities at the MRCP. These facilities are located in Townships 87 to 91, Ranges 11 to 14, west of the Fourth Meridian, and Townships 91 to 93, Ranges 14 to 16, west of the Fourth Meridian as further described in Application 1608471.
4. Brion proposed to construct and operate a new overhead power line, from its AMR02 substation to the adjacent Camp A. The new overhead power line would be located entirely within its already approved ISD boundary in the northeast quarter of Section 2, Township 90, Range 14, west of the Fourth Meridian. Four 300-kilowatt natural gas standby/backup generators would also be added to service Camp A.
5. Brion stated that Camp A exists entirely to support operations at the MRCP but is currently owned by Horizon North Camps and Catering. Camp A currently runs on remote generation power, approved in Decision [2014-083](#).<sup>3</sup> Brion also stated that it identified an opportunity for significant cost savings by supplying power from its AMR02 substation, and eliminating the costs associated with generator rental and fuel consumption. The temporary power plant, approved in Decision 2014-083, would no longer be required under Brion's proposal.
6. Brion stated that Section 4(4) of the *Hydro and Electric Energy Act* makes provisions for the AUC to approve an ISD where there is a lack of common ownership of all of the components of the industrial operation, provided all components are part of an integrated industrial process.

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<sup>1</sup> Decision DA2014-262: Brion Energy Corporation – Industrial System Designation, Power Plant and Substation Ownership Change, Proceeding 3511, Application 1610985, November 25, 2014.

<sup>2</sup> Industrial System Designation Order U2014-462, Proceeding 3511, Application 1610985, November 25, 2014.

<sup>3</sup> Decision 2014-083, Horizon North Logistics Inc., Temporary Power Plant at MacKay River Commercial Project Worker Campsite, Proceeding 2647, Application 1609656, April 3, 2014.

Brion submitted that Camp A is a highly integrated piece of infrastructure that exists entirely to support the operations at the MRCP, and is located on Crown Disposition No. DML 110157, leased by Brion, and located adjacent to the AMR02 substation.

7. Brion conducted a noise impact assessment and an environmental impact assessment as part of its commercial application for the MRCP, which were considered during the original ISD application. Brion stated that the proposed amendment to the ISD would have no effect on the previously considered noise impact assessment and environmental impact assessment.

8. Brion notified all Crown disposition holders within 800 metres of the proposed project, as well as aboriginal communities that had previous interest in the MRCP. Brion submitted that no concerns were expressed by any person or party during the consultation program.

9. Brion contacted ATCO Electric Ltd. (ATCO) to inform it of the proposal and requested an amendment to ATCO's original *Electric Utilities Act* Section 101(2) conditional approval. ATCO stated that Camp A is located less than 300 metres from the MacKay Central Plant and that it would be economical for Camp A to receive electric service from Brion's AMR02 substation. ATCO agreed to amend its *Electric Utilities Act* Section 101(2) conditional approval.

10. AltaLink Management Ltd. filed a statement of intent to participate on October 22, 2015; however; it stated it did not anticipate to be actively involved in the proceeding and only had interest with respect to principles of issues that may arise since it was also an Alberta transmission facility owner. To the extent that certain issues surface that in AltaLink's view are material in nature, then AltaLink may, at that time, choose to actively participate in this proceeding.

11. 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*.

## 2 Findings

12. The Commission has reviewed the application and has determined that the technical aspects of the amendments for the industrial system designation amendment have been met. The Commission finds that the applicant has demonstrated that providing electric service to Camp A from Brion's AMR02 substation is an efficient source of power for the camp, that the efficiency of the interconnected electric system is improved, and that there is no duplication of the interconnected electric system.

13. The Commission finds that the new power line will be located within the existing ISD boundary and would have no effect on the previously considered noise impact assessment and environmental impact assessment.

14. The Commission finds that Brion's participant involvement program has been conducted and there are no outstanding public or industry objections or concerns.

15. With respect to the supply of power to a third party, without a common owner, the Commission finds that Camp A is sufficiently integrated to Brion's industrial process because the camp exists solely to support the operations at the MRCP.

16. Based on the foregoing, the Commission considers the project to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

### **3 Decision**

17. Pursuant to Section 4 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 Brion the approval set out in Appendix 1 – MacKay River Commercial Project Industrial System Designation Order 20907-D02-2015 – October 29, 2015 (Appendix 1 will be distributed separately).

Dated on October 29, 2015.

#### **Alberta Utilities Commission**

*(original signed by)*

Tudor Beattie, QC  
Commission Member