



**ATCO Electric Ltd.**

**Decommission and Salvage of Garden River Power Plant**

**September 8, 2017**

**Alberta Utilities Commission**

Decision 22893-D01-2017

ATCO Electric Ltd.

Decommission and Salvage of Garden River Power Plant

Proceeding 22893

Application 22893-A001

September 8, 2017

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## **1 Decision summary**

1. In this decision, the Alberta Utilities Commission must decide whether to approve an application from ATCO Electric Ltd. to discontinue operation and to decommission and salvage a power plant designated as the Garden River Power Plant. After consideration of the record of the proceeding, and for the reasons outlined in this decision, the Commission finds that the decommission and salvage of the power plant is in the public interest.

## **2 Introduction and background**

2. ATCO Electric Ltd. (ATCO Electric), pursuant to Approval U2013-382,<sup>1</sup> is the owner of the Garden River Power Plant (the power plant), located nine kilometres west of Garden River and approximately 500 metres west of the Wood Buffalo National Park boundary. The power plant contains one 1,000-kilowatt (kW) diesel generating unit, designated as CUL 407, and two 430-kW diesel generating units, designated as CUL 433 and CUL 438. The power plant serves an isolated community, Garden River, pursuant to the *Isolated Generating Units and Customer Choice Regulation*.

3. ATCO Electric filed an application with the AUC, pursuant to Section 21 of the *Hydro and Electric Energy Act*, for approval to discontinue operation and to decommission and salvage the power plant (the project). The application was registered on August 22, 2017, as Application 22893-A001.

4. ATCO Electric also sought approval under Section 27 of the *Isolated Generating Units and Customer Choice Regulation* to have generating unit CUL 438 removed from Subpart A of the Schedule of isolated generating units in the *Isolated Generating Units and Customer Choice Regulation*.

## **3 Discussion**

5. ATCO Electric indicated that escalating maintenance costs necessitated a need to connect Garden River to the Alberta Interconnected Electric System. In September 2016, generating units CUL 541 and CUL 500 were damaged in a fire. ATCO Electric notified the AUC through email on September 12, 2016, and indicated that generating unit CUL 541 was damaged beyond repair and removed from the power plant. Generating unit CUL 500 also sustained damage and was removed from the power plant site, assessed for restoration, and repaired. ATCO Electric stated

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<sup>1</sup> Power Plant Approval U2013-382, Proceeding 2767, Application 1609825, August 28, 2013.

that mobile units CUL 433 and CUL 407 were moved to the power plant site to ensure the preferred operational configuration was achieved.

6. ATCO Electric intended to connect the Garden River isolated community to the Alberta Interconnected Electric System through the construction of a new distribution line, meaning the power plant would no longer be required. ATCO Electric stated generating units CUL 407 and CUL 433 would be returned to ATCO Electric's mobile fleet of generating units and would remain in Subpart C of the Schedule of isolated generating units in the *Isolated Generating Units and Customer Choice Regulation*. ATCO Electric stated that after striking CUL 438 from Subpart A of the Schedule of isolated generating units, it would subsequently apply for the sale of CUL 438 and CUL 500 in accordance with Section 17 of the *Isolated Generating Units and Customer Choice Regulation*.

7. In addition to the removal of the generating units, a main generator building with a switchgear/control room, an engine hall building, a fuel uploading building, and other equipment and buildings associated with the power plant would be removed.

8. On March 31, 2017 and April 24, 2017, ATCO Electric held a meeting and open house, respectively, with Little Red River Cree Nation to discuss the project and the new distribution line. On July 18, 2017, ATCO Electric mailed written information about the project to stakeholders, occupants, agencies, and Indigenous communities within 100 metres of the power plant. From the responses received, no stakeholders indicated concerns regarding the project.

9. ATCO Electric indicated the power plant is situated on an isolated energy facility accessible by an all-weather Alberta Transportation designated highway and that the surrounding land use is forestry. There are no waterbodies, wetlands or riparian zones located near the power plant site.

10. ATCO Electric operated the power plant with *Environmental Protection and Enhancement Act* approval since 2003 and during this time, the power plant was monitored on a regular basis to ensure compliance with relevant legislation. The power plant was also the subject of environmental studies and during that time, no reportable spills or releases occurred on-site as a result of operational activities. ATCO Electric stated the project would occur on existing dispositions and would be undertaken according to Alberta Environment and Parks' *Environmental Protection Guidelines for Transmission Lines*. ATCO Electric indicated that the majority of power plant equipment would be removed under frozen ground conditions and that any contaminated soils would be trucked from the power plant site using the all-weather highway.

11. ATCO Electric will submit a decommissioning plan and a land reclamation plan to Alberta Environment and Parks for authorization to decommission the power plant within six months of the power plant being taken out of service. ATCO Electric also indicated that by dismantling the power plant, it would abide by Section 8.090 of the *Oil and Gas Conservation Rules*.

12. ATCO Electric did not submit a new historic resources application to Alberta Culture and Tourism as the power plant site previously received *Historical Resources Act* clearance. Additionally, ATCO Electric did not complete a noise impact assessment and stated that any temporary noise during the project would comply with Rule 012: *Noise Control*.

13. ATCO Electric indicated that decommissioning was scheduled to start in December 2017, with a target completion date of April 2018.

#### **4 Findings**

14. The Commission has reviewed the application and has determined that the technical, siting, emissions, environmental and noise aspects of the power plant decommission and salvage have been met. ATCO Electric's participant involvement program has been conducted and there are no outstanding public or industry objections or concerns.

15. The Commission finds the decommission and salvage of the Garden River Power Plant to be warranted as the community that it served is now connected to the Alberta Interconnected Electric System.

16. 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*.

17. Based on the foregoing, the Commission considers the application to be in the public interest.

18. The Commission accepts ATCO Electric's statement that generating units CUL 407 and CUL 433 would remain in Subpart C of the Schedule in the *Isolated Generating Units and Customer Choice Regulation* as mobile units after the decommission and salvage of the Garden River Power Plant. The Commission also accepts ATCO Electric's statement that it will apply at a later time for the sale of generating units CUL 438 and CUL 500 in accordance with Section 17 of the *Isolated Generating Units and Customer Choice Regulation*.

19. In approving the application, however, the Commission makes no determination regarding the regulatory treatment of the costs of the assets to be removed, retired or abandoned pursuant to the application, the costs incurred in carrying out these activities, or the associated rate implications.

#### **5 Decision**

20. Pursuant to Section 21 of the *Hydro and Electric Energy Act*, the Commission approves the application and grants ATCO Electric the approval set out in Appendix 1 – Decommission and Salvage Approval 22893-D02-2017 – September 8, 2017, to decommission and salvage the Garden River Power Plant (Appendix 1 will be distributed separately).

21. Pursuant to Section 27 of the *Isolated Generating Units and Customer Choice Regulation*, the Commission approves the removal of generating unit CUL 438 from Subpart A of the Schedule in the *Isolated Generating Units and Customer Choice Regulation*.

Dated on September 8, 2017.

**Alberta Utilities Commission**

*(original signed by)*

Neil Jamieson  
Commission Member