



## ATCO Electric

### Micro-Generation Determination

January 23, 2009



**ALBERTA UTILITIES COMMISSION**

Decision 2009-015: ATCO Electric  
Micro-Generation Determination  
Application No. 1600060  
Proceeding ID. 148

January 23, 2009

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## 1 INTRODUCTION & BACKGROUND

1. On December 1, 2008, Golden Sheep Power Inc. (GSP) submitted a micro-generation project application to ATCO Electric (ATCO). GSP proposed to construct two 20 kW wind generation units at Site ID 0010457047173 (the Micro-Generation Project) and requested ATCO to consider these units as micro-generation units pursuant to the *Micro-Generation Regulation*.<sup>1</sup>
2. On December 4, 2008, ATCO reviewed GSP's Micro-Generation Project application and rejected the application stating that the proposed project does not qualify as a micro-generation generating unit under the *Micro-Generation Regulation*. GSP disagreed with ATCO's decision.
3. On December 10, 2008, ATCO filed a Notice of Dispute (the Notice of Dispute) with the Alberta Utilities Commission (Commission or AUC) stating that GSP's Micro-Generation Project does not meet the definition of "micro-generation generating unit" under subsection 1(1)(h) of the *Micro-Generation Regulation*.
4. In accordance with subsection 2(3) of the *Micro-Generation Regulation*, the Commission is required to determine whether the Micro-Generation Project is or will be a micro-generation generating unit.
5. On December 19, 2008, the Commission issued a Notice of Application requesting Statements of Intent to Participate (SIPs) from interested parties by January 7, 2009 and any other additional information from parties in support of their position by January 16, 2009. The Application was assigned Proceeding ID 148.
6. The Commission received SIPs from the following parties:
  - Golden Sheep Power Inc. (GSP); and
  - Direct Energy Marketing Limited (Direct Energy)
7. Direct Energy indicated that it did not intend to make submissions in Proceeding ID 148, but intended to observe the outcome of it.
8. For the purposes of this Decision, the Commission considers the record for Proceeding ID 148 closed on January 16, 2009.

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<sup>1</sup> Micro-Generation Regulation, AR27/2008.

9. In reaching the determinations contained within this Decision, the Commission has considered all relevant materials comprising the record of this proceeding, including the evidence provided by each party. Accordingly, references in this Decision to specific parts of the record are intended to assist the reader in understanding the Commission's reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record with respect to that matter.

## 2 DISCUSSION OF ISSUES

10. The Notice of Dispute filed by ATCO requires the Commission to determine whether GSP's micro-generation application meets the "micro-generation generating unit" definition as stated in the *Micro-Generation Regulation*.

11. In its submission, GSP stated that "the customer does fit under the *Micro-Generation Regulation*, in that he does fall below the 1MW cap, he will be supplying energy for his own use, and as we have issued a Distributor Generation application as such should be paid fair market value for all energy transmitted to the grid."<sup>2</sup>

12. In its submission, ATCO stated that GSP's total proposed generation capacity is 40 kW, which significantly exceeds the customer's on-site electrical needs and is beyond the *Micro-Generation Regulation* intent of only offsetting the on-site load.

## 3 COMMISSION FINDINGS

13. To qualify as a "micro-generation generating unit", a customer must satisfy all conditions as set out in the "micro-generation generating unit" definition. Subsection 1(1)(h) of the *Micro-Generation Regulation* defines a "micro-generation generating unit" to be one that:

- (i) exclusively uses sources of renewable or alternative energy,
- (ii) is intended to meet all or a portion of the customer's electricity needs
- (iii) is, at the time of construction or installation of the generating unit, sized to the customer's load or anticipated load or a portion of it, as evidenced by a total nominal capacity of the generating unit that does not exceed the rating of the customer's service,
- (iv) has a total nominal capacity not exceeding 1 MW, and
- (v) is located on the customer's site, on a site owned by, or leased to the customer that is adjacent to the customer's site.

14. After reviewing the information filed by ATCO and GSP in their respective submissions, the Commission notes the following:

- a) A review of the site's historical usage information that was provided by ATCO indicates that the customer's load averages at 5 kW. The construction

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<sup>2</sup> Quoted from GSP's submission on January 16, 2009.

of two 20 kW wind generation generating units will greatly exceed the condition of meeting all of the customer's electricity needs. Thus, the Micro-Generation Project does not comply with subsection 1(1)(h) (ii);

- b) The existing transformer service rating of the customer is 15 kV.A. According to ATCO, the construction of two 20 kW wind generators requires a service upgrade to over 15 kV.A. This would violate the condition stated in subsection 1(1)(h)(iii) that the total nominal capacity of the generating unit does not exceed the rating of the customer's service; and
  - c) In its submission, GSP neither indicated nor demonstrated that its customer's on-site electricity usage will increase to the total proposed generation capacity of 40 kW.
15. Based on the information provided by ATCO and GSP, the Commission finds that the Micro-Generation Project does not meet the "micro-generation generating unit" definition as stated in the *Micro-Generation Regulation*.
16. Should GSP wish to reapply for micro-generation consideration of the Micro-Generation Project with ATCO, GSP should demonstrate that the proposed micro-generation generating capacity does not exceed all of the customer's electricity needs.

Dated in Calgary, Alberta on January 23, 2009.

**ALBERTA UTILITIES COMMISSION**

*(original signed by)*

Anne Michaud  
Acting Commissioner