



**Cascade Power GP Ltd.**

**Cascade Power Plant Project**

**October 8, 2019**

**Alberta Utilities Commission**

Decision 24081-D01-2019

Cascade Power GP Ltd.

Cascade Power Plant Project

Proceeding 24081

Application 24081-A001

October 8, 2019

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The Commission may, within 30 days of the date of this decision and without notice, correct typographical, spelling and calculation errors and other similar types of errors and post the corrected decision on its website.

## **1 Decision summary**

1. In this decision, the Alberta Utilities Commission considers whether to approve an application from Cascade Power GP Ltd. to construct and operate a power plant designated as the Cascade Power Plant Project. After consideration of the record of the proceeding, and for the reasons outlined in this decision, the Commission finds that approval of the project is in the public interest having regard to the social, economic, and other effects of the project, including its effect on the environment.

## **2 Introduction**

2. Cascade Power GP Ltd. applied to the AUC for approval to construct and operate a 900-megawatt (MW) combined-cycle natural gas power plant, designated as the Cascade Power Plant Project (the project), in the Edson area, pursuant to Section 11 of the *Hydro and Electric Energy Act*.

3. The Commission provided notice of the application in accordance with Rule 001: *Rules of Practice*, and received statements of intent to participate from four parties. John Osborne submitted that the project would affect his land and development plans, but subsequently withdrew his objection, stating that Cascade had mitigated all of his concerns.<sup>1</sup> The Alexis Nakota Sioux Nation, Whitefish (Goodfish) Lake First Nation #128 and the Ermineskin Cree Nation each submitted that the project would have direct and adverse effects on their ability to exercise Aboriginal and treaty rights, and that project consultation was inadequate. The Commission granted standing to the Alexis Nakota Sioux Nation, and denied standing to Whitefish (Goodfish) Lake First Nation #128 and the Ermineskin Cree Nation.<sup>2</sup> The Alexis Nakota Sioux Nation subsequently withdrew from the proceeding and stated that its concerns had been satisfactorily addressed.<sup>3</sup>

## **3 Discussion**

4. Cascade stated that the 900-MW project would be developed in two, 450-MW phases. Each phase would require the installation of one Siemens SGT6-8000H gas turbine generator and one NEM steam turbine generator. To fuel the project, natural gas would be supplied to the facility from a new high-pressure supply line tied to the existing natural gas distribution network. The project would also include fuel gas treatment components, two 240-kilovolt/22-kilovolt, 336/448/560-megavolt ampere transformers, associated power distribution modules and a

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<sup>1</sup> Exhibit 24081-X0040, Osborne support letter.

<sup>2</sup> Exhibit 24081-X0069, AUC Ruling on standing - Cascade Power Plant Project.

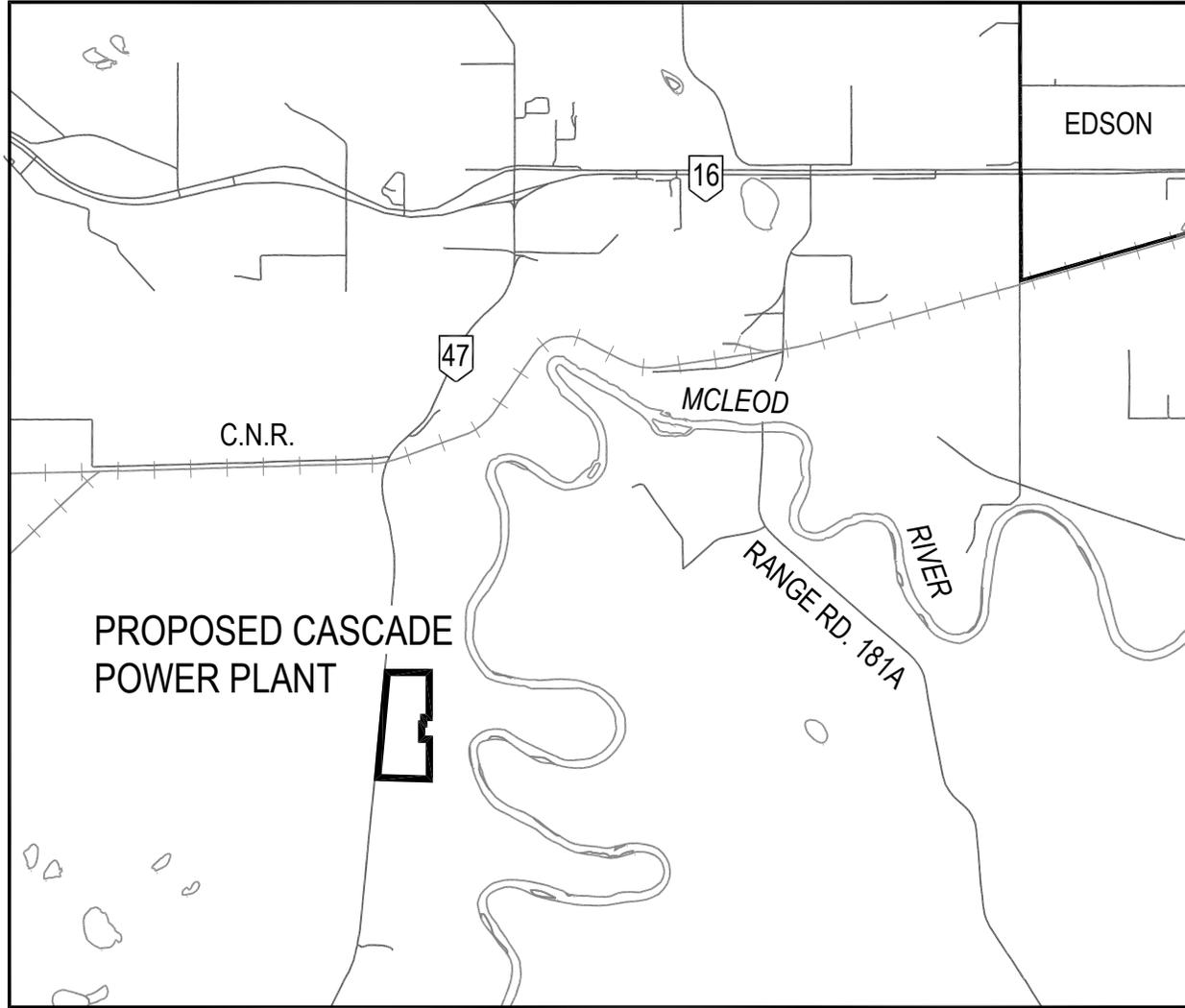
<sup>3</sup> Exhibit 24081-X0071, Withdrawing Participation re Cascade Project - September 13, 2019.

demineralized water treatment facility with associated storage tanks. Cascade stated that make-up water, required for the steam cycle, would be sourced locally from the town of Edson by tanker trucks.

5. The project would be located on Crown land in the west half of Section 28, Township 52, Range 18, west of the Fifth Meridian, approximately 12 kilometres southwest of Edson in Yellowhead County. Cascade stated that the project would be situated on its commercial/industrial miscellaneous lease spanning approximately 44 hectares, and that the total project footprint would be approximately 18.6 hectares.

6. Cascade submitted that the project would be an acceptable land use in accordance with Yellowhead County's Land Use Bylaw and Municipal Development Plan. It also stated that the project location is favourable because of its close proximity to AltaLink Management Ltd.'s 39S Substation and transmission lines 973L and 974L. The proposed location of the project would minimize the length of transmission interconnection to the Alberta Interconnected Electric System (AIES). Cascade added that an exact connection point to the AIES had not yet been determined. Applications for the interconnection of the proposed project to the AIES would be the subject of separate applications, to be filed by AltaLink at a later date.

7. A map showing the location of the proposed project is included in Figure 1 below.



**Figure 1 – Location of proposed Cascade Power Plant Project**

8. Cascade retained Stantec Consulting Ltd. to conduct a noise impact assessment in accordance with Rule 012. In its report, Stantec predicted that all project receptors would comply with daytime and nighttime permissible sound levels,<sup>4</sup> and that low frequency noise is unlikely.<sup>5</sup> Cascade also committed to implementing noise control measures for the project that would ensure compliance with both the daytime and nighttime permissible sound levels.<sup>6</sup>

9. Cascade also retained Stantec to provide an environmental evaluation report for the project. Stantec concluded that the potential adverse effects associated with the project can be mitigated with project-specific mitigation measures and industry best practices, and predicted that the residual adverse effects of the project would not be significant. Cascade discussed the

<sup>4</sup> Exhibit 24081-X0001, rpt\_cascade\_auc\_007\_20181123\_fin, PDF page 79.

<sup>5</sup> Exhibit 24081-X0001, rpt\_cascade\_auc\_007\_20181123\_fin, PDF page 78.

<sup>6</sup> Exhibit 24081-X0009, AUC\_Information\_Request\_Round\_1\_Cascade responses\_20190214, page 30.

project with a senior Alberta Environment and Parks (AEP) wildlife biologist who indicated that AEP has no wildlife concerns with the project.<sup>7</sup>

10. Cascade stated that it would develop a weed management plan at the outset of construction,<sup>8</sup> as well as a project-specific environmental protection plan and spill response and reporting plan prior to commencing construction and operation.<sup>9</sup> Cascade provided a list of the project-specific environmental mitigation measures it would undertake to avoid or minimize potential adverse environmental effects.<sup>10</sup>

11. Stantec also completed an air quality assessment report for the project. Cascade submitted that project emissions would meet federal and provincial emission standards for new electrical generation facilities and the *Alberta Ambient Air Quality Objectives*. Cascade committed to the installation of a continuous emissions monitoring system to measure and report emission data and control the generator. It also committed to the development of an air emission control equipment maintenance monitoring program in consultation with AEP.<sup>11</sup>

12. Cascade indicated that it required approvals from AEP under each of the *Public Lands Act*, *Environmental Protection and Enhancement Act* and *Water Act*. It submitted a pre-consultation assessment request to the Aboriginal Consultation Office (ACO) with respect to its application for a disposition under the *Public Lands Act*.<sup>12</sup> The ACO determined that Level 2 consultation was required with the Alexis Nakota Sioux Nation, the Kehewin Cree Nation, the O'Chiese First Nation, and the Paul First Nation. Following receipt of Cascade's record of consultation, the ACO deemed Cascade's consultation for the *Public Lands Act* disposition to be adequate and AEP issued a commercial/industrial miscellaneous lease for the project area to Cascade.<sup>13</sup>

13. Cascade also submitted a pre-consultation assessment request to the ACO regarding the approvals required under the *Environmental Protection and Enhancement Act* and *Water Act*. The ACO deemed that no consultation was required for these approvals.<sup>14</sup> Cascade filed an application to AEP for an industrial approval under the *Environmental Protection and Enhancement Act* concurrently with its application to the Commission.

14. The Canadian Environmental Assessment Agency determined that a federal environmental assessment would not be required for the project.<sup>15</sup> Additionally, AEP determined that an environmental impact assessment would not be required for the project.<sup>16</sup> Cascade noted that the project does require approvals from Alberta Transportation or Transport Canada.

15. Cascade initiated a participant involvement program in July 2018, in accordance with Rule 007. As a part of this program, Cascade distributed project-specific information packages to all stakeholders within 3,000 metres of the project and to nearby residents outside of the

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<sup>7</sup> Exhibit 24081-X0017, Appendix F Wildlife biologist email AUC SIR 220190214.

<sup>8</sup> Exhibit 24081-X0009, AUC\_Information\_Request\_Round\_1\_Cascade responses\_20190214, pages 12 and 15.

<sup>9</sup> Exhibit 24081-X0009, AUC\_Information\_Request\_Round\_1\_Cascade responses\_20190214, page 13.

<sup>10</sup> Exhibit 24081-X0009, AUC\_Information\_Request\_Round\_1\_Cascade responses\_20190214, page 15.

<sup>11</sup> Exhibit 24081-X0009, AUC\_Information\_Request\_Round\_1\_Cascade responses\_20190214, page 13.

<sup>12</sup> Exhibit 24081-X0026, Appendix A1\_Consultation submission to ACO 2018-09-14 15-58-01.

<sup>13</sup> Exhibit 24081-X0027, Appendix A2\_Adeq Assessment Decision 2018-10-04 08-27-48.

<sup>14</sup> Exhibit 24081-X0044, Appendix 1 Adeq\_Assessment\_Decision\_2019-02-21\_15-55-24; Exhibit 24081-X0045, Appendix 2 Adeq\_Assessment\_Decision\_2019-02-21\_11-30-55.

<sup>15</sup> Exhibit 24081-X0051, AUC letter - Cascade Power Plant Project.

<sup>16</sup> Exhibit 24081-X0001, rpt\_cascade\_auc\_007\_20181123\_fin, PDF page 109.

3,000-metre notification radius. Cascade determined that there were no occupants, residents or landowners within an 800-metre radius of the project.

16. Cascade submitted that the project's expected commercial life is 30 years, and indicated that construction is expected to begin in 2020 with commissioning and operation beginning in April 2022. The first phase of the project would be in service by the third quarter of 2022 and the second phase by the fourth quarter of 2022.

#### 4 Findings

17. The Commission considered this application pursuant to Section 11 of the *Hydro and Electric Energy Act* and Section 17 of the *Alberta Utilities Commission Act*. Section 17 requires the Commission to assess whether the project is in the public interest, having regard to its social, economic and environmental effects.

18. The Commission has previously found that the public interest will be largely met if an application complies with existing regulatory standards, and the project's public benefits outweigh its negative impacts.<sup>17</sup> The Commission must take into account the purposes of the *Hydro and Electric Energy Act* and the *Electric Utilities Act*,<sup>18</sup> and cannot consider the need for the project. It must also determine whether an applicant has met the requirements of Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations and Hydro Developments* and Rule 012: *Noise Control*. An applicant must obtain all approvals required by other applicable provincial or federal legislation.

19. The Commission has considered the application having regard to the applicable legislative and regulatory framework described above and, for the reasons that follow, finds that the project is in the public interest having regard to its social, economic and environmental effects.

20. The Commission is satisfied that the technical, siting, emissions, environmental and noise aspects of the project meet Rule 007 and Rule 012 requirements, and accepts Cascade's assessment that the environmental and emissions impacts of the project will not be significant. Following its review of the Air Quality Assessment Report, it is also satisfied, based on the analysis conducted by Stantec, that the project will meet the *Alberta Ambient Air Quality Objectives*. The Commission further considers Cascade's commitments to mitigating environmental and air quality impacts, which include the implementation of a project-specific emissions monitoring program and an environmental protection plan, to be reasonable. Consequently, it imposes the following conditions of approval:

- a. 30 days prior to the start of construction, Cascade shall file a finalized project-specific Environmental Protection Plan with the Commission and with Alberta Environment and Parks.

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<sup>17</sup> EUB Decision 2001-111: EPCOR Generation Inc. and EPCOR Power Development Corporation 490-MW Coal-Fired Power Plant, Application No. 2001173, December 21, 2001, page 4.

<sup>18</sup> Hydro and Electric Energy Act, RSA 2000 c H-16, ss 2 and 3; Electric Utilities Act, RSA 2003 Ch. E-5.1, ss 5.

- b. Prior to the start of construction, Cascade shall file a letter with the Commission confirming that an Air Emission Control Equipment Maintenance Monitoring Program has been developed in consultation with Alberta Environment and Parks.
21. The Commission finds that the project meets the noise requirements as set out in Rule 012 and acknowledges Cascade's commitment to implement any noise mitigation measures required for the project.
22. The Commission finds Cascade's participant involvement program to be sufficient. Parties were provided information on the project and given opportunities to ask questions and provide input. The Commission notes in that respect that the parties who submitted concerns or demonstrated the potential for direct and adverse effects withdrew their objections to the project following discussions with Cascade.

## **5 Decision**

23. Pursuant to Section 11 of the *Hydro and Electric Energy Act*, the Commission approves the application and grants Cascade Power GP Ltd. the approval set out in Appendix 1 – Approval 24081-D02-2019 – October 8, 2019 (Appendix 1 will be distributed separately).

Dated on October 8, 2019.

### **Alberta Utilities Commission**

*(original signed by)*

Anne Michaud  
Vice-Chair

## **Appendix A – Summary of Commission directions and conditions requiring further submissions**

This section is intended to provide a summary of those directions and conditions that require follow-up with the Commission, for the convenience of readers. It is not intended to summarize all of the conditions imposed on the applicant. In the event of any difference between the directions and conditions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail. These directions and conditions will be tracked as conditions of Power Plant Approval 24081-D02-2019 using the AUC's eFiling System.

- 30 days prior to the start of construction, Cascade shall file a finalized project-specific Environmental Protection Plan with the Commission and with Alberta Environment and Parks.
- Prior to the start of construction, Cascade shall file a letter with the Commission confirming that an Air Emission Control Equipment Maintenance Monitoring Program has been developed in consultation with Alberta Environment and Parks.