



ENERGY REGULATORY REPORT

This monthly report summarizes matters under the jurisdiction of the Alberta Energy Regulator (“AER”), the Alberta Utilities Commission (“AUC”) and the Canada Energy Regulator (“CER”) and proceedings resulting from these energy regulatory tribunals. For further information, please contact a member of the [RLC Team](#).

Regulatory Law Chambers (“RLC”) is a Calgary based boutique law firm, specializing in energy and utility regulated matters. RLC works at understanding clients’ business objectives and develops legal and business strategies with clients, consistent with the legislative scheme and public interest requirements. RLC follows a team approach, including when working with our clients and industry experts. [Visit our website to learn more about RLC.](#)

IN THIS ISSUE:

Alberta Energy Regulator3

New Edition Directive 068, AER Bulletin 2022-30.....3

New Guidance on Applications Under the Water Conservation Policy for Upstream Oil and Gas Operations, AER Bulletin 2022-31.....3

New Edition of Directive 065, AER Bulletin 2022-32.....3

New Functionality Moving to OneStop, AER Bulletin 2022-33.....3

Industrial Heartland Designated Industrial Zone Directive, AER Bulletin 2022-344

Pure Environmental Waste Management Ltd. Applications 1614037, 1784753, 1809825, 1928016, 1928017, 1928430, 30602032, 30608918, and 30608934 Hangingstone Project, 2022 ABAER 0044

Alberta Utilities Commission.....7

Alberta Electric System Operator 2023 Balancing Pool Consumer Allocation Rider F Application, AUC Decision 27694-D01-2022.....7

Alberta Electric System Operator Approval of Proposed Amended Sections 202.6, 306.5 and 306.7 of the ISO Rules, AUC Decision 27604-D01-2022.....7

Alberta Electrical System Operator, RES Forty Mile Wind GP Corp. and AltaLink Management Ltd. Forty Mile Wind Power Plant Connection Applications, AUC Decision 27492-D01-2022.....8

ATCO Gas and Pipelines Ltd. Franchise Agreement with Red Deer County for the Hamlet of Springbrook, AUC Decision 27722-D01-2022.....9

Big Sky Solar GP Inc. Big Sky Solar Project, AUC Decision 27594-D01-20229

Cascade Power GP Ltd. Application for an Order Permitting the Sharing of Records Not Available to the Public Regarding the Cascade Power Plant, AUC Decision 27629-D01-2022.....10

The City of Calgary Application for Review of Ruling on Confidentiality in Proceeding 26615, AUC Decision 27403-D01-202210

DND Consultants eStructure Data Centers, Upgrading Existing Data Center Facility and Addition of One Generator, Thermal Power Plant Application, AUC Decision 27603-D01-2022..... 11

DND Consultants eStructure Data Centers, CAL-2 Data Center Facility, Four (4) Backup Diesel Generators, Thermal Power Plant Application, AUC Decision 27614-D01-2022..... 12

EPCOR Distribution & Transmission Inc. Genesee 330P Substation Expansion Project, AUC Decision 27499-D01-2022 12

Canada Energy Regulator..... 14

Hydro One Networks Inc. Application for Approval to Perform Work on International Power Line B3N Circuit Rerouting, CER Filing A8H8F0..... 14

Trans Mountain Pipeline ULC Trans Mountain Expansion Project Browne Creek Wetland Timing Commitment and Construction Methodology Variance Request, CER Letter Decision No. 176..... 14

ALBERTA ENERGY REGULATOR**New Edition Directive 068, AER Bulletin 2022-30***Security Deposits*

On October 3, 2022, the AER released a new edition of *Directive 068: Security Deposits* (“*Directive 068*”). The new edition includes administrative updates that reflect the shift from the Energy Resources Compensation Board to the AER. Other administrative clarifications and changes include correcting outdated references and numbering unique requirements. *Directive 068* now contains process requirements, including a form, to enable licencees to designate a security deposit to specific liability programs or application numbers. Moreover, the updated edition clarifies the process licencees must use to request a security deposit refund. Finally, *Directive 068* was amended to enable security deposits to be collected and refunded for geothermal projects. *Directive 068* is available on the AER’s website.

New Guidance on Applications Under the Water Conservation Policy for Upstream Oil and Gas Operations, AER Bulletin 2022-31*Oil and Gas Facilities – Water Conservation*

On October 11, 2022, the AER released *Manual 025: Applications Under the Water Conservation Policy for Upstream Oil and Gas Operations*. The purpose of this manual is to assist operators in applying for new water licences, licence renewals, and licence amendments under the *Water Act* and the *Water Conservation Policy for Upstream Oil and Gas Operations*. It replaces the *Alberta Environment and Parks 2006 Water Conservation and Allocation Guideline for Oilfield Injection*. This manual supplements existing guidance around standard *Water Act* licence applications and recycling expectations found in other AER documents. The manual does not apply to temporary diversion licences.

The AER also released a mapping tool to help the industry compare desired diversion locations against the water-short, potentially water-short, and locally constrained areas. The AER will regularly update the online mapping tool.

New Edition of Directive 065, AER Bulletin 2022-32*Oil and Gas - Resources Applications*

On October 19, 2022, the AER released a new edition of *Directive 065: Resources Applications for Oil and Gas Reservoirs* (“*Directive 065*”). Sections of *Directive 065* have been amended to reflect current regulatory and operational requirements. *Directive 065* has been updated to incorporate application requirements for carbon dioxide (“CO₂”) enhanced oil recovery storage and CO₂ sequestration schemes, also known as carbon capture utilization and storage and carbon capture and storage schemes, respectively.

The AER also made consequential amendments to the following directives:

- *Directive 013: Suspension Requirements for Wells;*
- *Directive 020: Well Abandonment (“Directive 020”); and*
- *Directive 087: Well Integrity Management (“Directive 087”).*

The AER included references to the *Geothermal Resource Development Rules* in *Directive 020* and *Directive 087*. Over the next few months, the AER intends to make changes to other directives and manuals to reflect the changes to *Directive 065*.

New Functionality Moving to OneStop, AER Bulletin 2022-33*Oil and Gas - Well Licences*

The AER announced new functionality and enhancements to the OneStop platform to be released on November 3, 2022.

Well Licensing

The well licensing module in OneStop has been enhanced to accept geothermal well licence applications. This includes geothermal well types and Regulatory Conversion, which is a well licence amendment type.

Regulatory Conversion converts existing *Oil and Gas Conservation Act* (“OGCA”) wells to *Geothermal Resource Development Act* (“GRDA”) wells or converts GRDA wells to OGCA wells. This enhancement replaces s. 8.2, “Geothermal Wells Procedural” in *Manual 012: Energy Development Applications; Procedures and Schedules* (“Manual 012”). Geothermal applicants should continue to rely on section 8 of *Manual 012*, excluding s. 8.2.

Manual 012 and *Directive 056: Energy Development Applications and Schedules* are also being updated to reflect enhancements to the geothermal regulatory process.

OneStop Public Lands Conditions Update

The Government of Alberta’s *Master Schedule of Standards and Conditions* has changed. The AER referred interested parties to the *OneStop Public Lands Standards and Conditions Change Key* on the OneStop landing page to view the latest changes.

Reclamation Certificate Variance

The AER added a new submission type, Reclamation Certificate Variance, to OneStop. This addition allows submitters to use professional justifications in variance request submissions as identified in s. 8.2, “Professional Justification” of *Specified Enactment Direction 002: Application Submission Requirements and Guidance for Reclamation Certificates for Well Sites and Associated Facilities*.

Industrial Heartland Designated Industrial Zone Directive, AER Bulletin 2022-34

Oil and Gas - Industrial Zone Designation

Alberta Environment and Parks released the *Industrial Heartland Designated Industrial Zone Directive* (the “*Heartland Directive*”) effective October 1, 2022. The *Heartland Directive* was developed to improve regulatory consistency and achieve targeted environmental outcomes within the Industrial Heartland Designated Industrial Zone (“Industrial Zone”). The Industrial Zone is northeast of Edmonton and includes all or portions of the cities of Edmonton and Fort Saskatchewan and the counties of Lamont, Strathcona, and Sturgeon. The *Heartland Directive* focuses on aligning conditions under the *Environmental Protection and Enhancement Act* (“EPEA”) for all facilities within the Industrial Zone and clarifies requirements for proponents interested in operating within the Industrial Zone.

In addition to currently applicable legislation, effective October 1, 2022, the AER will apply the *Heartland Directive* to all new EPEA approvals and renewals. As of October 1, 2022, existing AER approval holders operating within the Industrial Zone may request a voluntary EPEA renewal to apply the *Heartland Directive*.

Pure Environmental Waste Management Ltd. Applications 1614037, 1784753, 1809825, 1928016, 1928017, 1928430, 30602032, 30608918, and 30608934 Hangingstone Project, 2022 ABAER 004

Facilities - Oil and Gas

Application

Pure Environmental Waste Management Ltd. (“Pure”) operates the Hangingstone oilfield waste management project located about 25 kilometres (“km”) south of Fort McMurray in the Regional Municipality of Wood Buffalo (the “Hangingstone Project”). The Hangingstone Project involves solution mining or washing salt caverns and using the caverns to store waste.

Pure filed applications related to two proposed disposal wells :

1. Applications 30602032, for a licence to drill the 09-19-085-09W4M (“09-19”) disposal well; 1928017, for approval of a disposal scheme using the 09-19 disposal well; 1928430, amending the existing Hangingstone oilfield waste management facility approval, 30608918, for a freshwater pipeline from a saline water well; and 30608934, for amendments to existing dispositions to accommodate the 09-19 disposal well; and
2. Applications 1784753, for a licence to drill the 07-16-085-09W4M (“07-16”) disposal well; 1928016, for approval of a disposal scheme using the 07-16 disposal well; 1614037, for a mineral surface lease to operate the 07-16 disposal well; and 1809825, for an underground pipeline to the 07-16 disposal well

Decision

The AER approved Applications 30602032, for a licence to drill the 09-19 disposal well; 1928017, for approval of a disposal scheme using the 09-19 disposal well; and 1928430, amending the existing Hangingstone oilfield waste management facility approval, subject to the conditions in the approval documents. It also approved Applications 30608918, for a freshwater pipeline from a saline water well; and 30608934, for amendments to existing dispositions to accommodate the 09-19 disposal well.

The AER denied Applications 1784753, for a licence to drill the 07-16 disposal well; 1928016, for approval of a disposal scheme using the 07-16 disposal well; 1614037, for a mineral surface lease to operate the 07-16 disposal well; and 1809825, for an underground pipeline to the 07-16 disposal well.

Applicable Legislation

[Oil and Gas Conservation Act](#), RSA 2000, c O-6.

[Pipeline Act](#), RSA 2000, c P-15.

[Public Lands Act](#), RSA 2000, c P-40.

[Responsible Energy Development Act](#), SA 2012, c R-17.3.

Directive 065: [Resources Application for Oil and Gas Reservoirs](#)

[Alberta Energy Regulator Rules of Practice](#), ss. 18 and 42.

Pertinent Issues

Disposal Capacity of the Keg River Formation and Potential Interference Between Disposal Operations

In *AER Decision 2020-004*, the AER determined that the Hangingstone Project is in the public interest. The AER, however, also determined that Pure would require sufficient disposal capacity to operate the Hangingstone facility and that if there is no prospect of Pure obtaining that capacity, the facility would not be in the public interest. In *AER Decision 2020-005*, the AER determined that Pure’s existing disposal wells did not provide sufficient injection capacity to develop and operate the Hangingstone Project. Notwithstanding this finding, the AER denied Pure’s applications for approval of two proposed disposal wells because of the proposed disposal wells’ potential to interfere with Suncor Energy Inc. (“Suncor”)’s planned or approved disposal activities.

Pure believed there was a large disposal capacity in the Keg River Formation that would support both Pure’s Hangingstone disposal operations and Suncor’s disposal needs at Suncor’s Meadow Creek projects. Suncor maintained that there was not enough capacity within the limited disposal area to accommodate the disposal needs of both the Meadow Creek and the Hangingstone projects and that the 07-16 disposal well and associated applications should therefore be denied. Suncor and Pure further disagreed about the potential of the waste injection at Pure’s 07-16 disposal well to interfere with Suncor’s disposal operations. However, in their joint submissions, the parties identified discrete operating areas for their respective disposal operations to minimize the potential for

interference between them. The parties also requested that the AER deny the applications related to the 07-16 disposal well without prejudice to Pure's ability to make future applications for injection wells and related disposal operations anywhere outside the Suncor disposal operating area.

The AER determined that the agreement reached by Suncor and Pure to observe discrete disposal operating areas provides a mutually acceptable resolution for the current applications and may assist future decision-makers in evaluating future applications.

The AER denied the applications associated with the proposed 07-16 disposal well to separate Pure's disposal operations from Suncor's current and conditionally approved disposal wells. This would mitigate potential impacts on Suncor's disposal wells resulting from the volume or quality of wastewater disposed of by Pure in its disposal operating area. The AER, however, also found that while the parties intended that denial of the 07-16 disposal well would establish a precedent for denying any future applications that Pure might make within the Suncor disposal operating area, this panel of the AER's authority over Pure's approvals will cease with this decision. This panel could not bind future decision-makers or constrain their decisions on any future applications.

Public Interest

The AER determined that the disposition of the applications is in the public interest. The AER found that the Hangingstone Project would have low to moderate positive economic effects on the region, including reduced operating costs to local producers, increased employment, and increased government revenue through taxes. The AER determined that the proposed activities would not result in any significant adverse social or environmental effects, including on landowners.

ALBERTA UTILITIES COMMISSION

Alberta Electric System Operator 2023 Balancing Pool Consumer Allocation Rider F Application, AUC Decision 27694-D01-2022*Electricity - Rates*Application

The Balancing Pool is a corporation established by s. 75 of the *Electric Utilities Act* (“EUA”). Under s. 82 of the *EUA* the Balancing Pool must prepare a budget for each fiscal year setting out its estimated revenues and expenses. Based on the forecast revenues and expenses in its budget, the Balancing Pool must determine an annualized amount that will be refunded to (or collected from) electricity market participants over the year. Following receipt of the Balancing Pool’s annualized amount, the Alberta Electric System Operator (“AESO”) is required to include this amount in its tariff. The AESO received a letter from the Balancing Pool requesting a consumer charge of \$2.20 per megawatt hour (“MWh”) in the 2023 calendar year.

The AESO applied for approval of the Balancing Pool consumer allocation Rider F of \$2.20 per MWh for 2023.

Decision

The AUC approved the application as filed.

Applicable Legislation

[Electric Utilities Act](#), SA 2003, c E-5.1 - ss. 75, 82.

Alberta Electric System Operator Approval of Proposed Amended Sections 202.6, 306.5 and 306.7 of the ISO Rules, AUC Decision 27604-D01-2022*Electricity - Rules*Application

The Alberta Electric System Operator (“AESO”) applied to the AUC for approval of amendments to the following Independent System Operator (“ISO”) rules:

1. s. 202.6, Adequacy of Supply;
2. s. 306.5, Generation Outage Reporting and Coordination, and
3. s. 306.7, Mothball Outage Reporting.

Decision

The AUC approved the changes proposed by the AESO, effective January 1, 2023.

S. 202.6 of the ISO rules provides rules related to supply adequacy forecasts and assessments and sets out actions the AESO may take in the event of supply shortfall on the Alberta Interconnected Electric System. The AUC also approved minor changes to the terminology contained within ss. 306.5 and 306.7, resulting from the changes to the assessment method in section 202.6. The changes to s. 306.5 and 306.7 were administrative and uncontroversial.

Applicable Legislation

[Electric Utilities Act](#), SA 2003, c E-5.1 - ss. 7, 20.2, 20.9, 20.21.

AUC Rule 017: [Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission](#)

Pertinent Issues

In order to account for wind and solar generation, the AESO determined that the long-term adequacy assessment methodology in subsection 4 of s. 202.6 of the ISO rules required amendments. The AESO decided it would be most efficient and flexible to transfer the detailed calculations and methodologies from s. 202.6 to an associated information document because revising calculations or methodologies contained in ISO rules create a regulatory burden. In proposing this transfer of the detailed calculations and methodologies from s. 202.6 to an associated information document, the AESO considered the Government of Alberta's red tape reduction initiative.

The AUC accepted the submissions from the AESO that the suggested transfer of detailed calculations and methods from s. 202.6 to a more easily updated information document supports regulatory efficiency and the Government of Alberta's red tape reduction initiative without compromising transparency or accountability, even though information documents are not authoritative documents. The AUC, therefore, approved the amendments.

Alberta Electrical System Operator, RES Forty Mile Wind GP Corp. and AltaLink Management Ltd. Forty Mile Wind Power Plant Connection Applications, AUC Decision 27492-D01-2022 *Wind Power - Facilities*

Applications

In Decision 26910-D01-2021, the AUC approved the construction and operation of the Forty Mile Wind Power Project and the Forty Mile 516S Substation.

Building a new transmission facility in Alberta requires two kinds of applications. The first is the needs application filed by the Alberta Electric System Operator ("AESO"). The second is a facility application filed by a transmission facility owner proposing equipment to meet the AESO's identified need regarding factors such as location, detailed design and routing considerations, and consultation with potentially affected persons. The AESO filed a needs application to connect the Forty Mile Wind Power Project to the Alberta Interconnected Electric System ("AIES"). RES Forty Mile Wind GP Corp. ("RES Forty Mile Wind") and AltaLink Management Ltd. ("AML") filed facility applications for permission to construct and operate the facilities to meet the need identified by the AESO.

Decision

The AUC found that approval of the needs identification document application from the AESO and the facility applications submitted by RES Forty Mile Wind and AML are in the public interest. Accordingly, the AUC approved the needs identification document application and the applications to construct and operate the necessary facilities to connect the project to the AIES.

Applicable Legislation

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - ss. 9 and 17.

[Hydro and Electric Energy Act](#), RSA 2000, c H-16 - ss. 14, 15, 18, 19 and 21.

AUC Rule 007: [Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#)

[Transmission Regulation, Alta Reg 86/2007](#) s. 24.31.

[Electric Utilities Act](#), SA 2003, c E-5.1 - s. 34.

ATCO Gas and Pipelines Ltd. Franchise Agreement with Red Deer County for the Hamlet of Springbrook, AUC Decision 27722-D01-2022
Gas - Municipal Franchise Fee

Application

ATCO Gas and Pipelines Ltd. (“AGP”) applied for approval to establish a natural gas franchise agreement (the “Agreement”) with Red Deer County for the Hamlet of Springbrook. Under the Agreement, AGP will have the exclusive right to provide natural gas distribution service within the municipal service area. AGP will also have exclusive rights to construct, operate and maintain the natural gas distribution system and use portions of roads, rights-of-way, and other lands owned, controlled, or managed by Red Deer County that have been designated for such use. AGP sought approval of a franchise fee rate rider schedule, which reflects the franchise fee of 19.50 percent as set out in the Agreement.

Decision

The AUC approved the Agreement as filed.

The proposed franchise fee of 19.50 percent is below the 35 percent fee cap previously approved by the AUC, and the AUC therefore found that the proposed franchise fee was reasonable. The AUC approved AGP’s Rate Rider A amount of 19.50 percent for customers in the Hamlet of Springbrook.

Applicable Legislation

[Municipal Government Act](#), RSA 2000, c M-26, s. 45.

[Gas Utilities Act](#), RSA 2000, c-G5 ss. 35, 36 and 49.

Rule 029: [Applications for Municipal Franchise Agreements and Associated Franchise Fee Rate Riders](#)

Big Sky Solar GP Inc. Big Sky Solar Project, AUC Decision 27594-D01-2022
Facilities - Solar Power

Application

Big Sky Solar GP Inc. (“Big Sky”) applied for permission to construct and operate the 140-megawatt Big Sky Solar Power Plant (the “Power Plant”) and the associated Bullseye 1004S Substation (collectively, the “Project”). The Project will be constructed on 800 acres of private, cultivated land in the Municipal District of Acadia No. 34, approximately 2.5 kilometres northwest of the hamlet of Acadia Valley.

Decision

The AUC determined that approval of the Project is in the public interest and therefore approved the applications from Big Sky, subject to conditions related to the environmental protection plan, post-construction monitoring, final equipment selection and project layout, and solar glare.

Applicable Legislation

AUC Rule 001: [Rules of Practice](#), s. 7.

AUC Rule 007: [Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#)

AEP [Conservation and Reclamation Directive for Renewable Energy Operations](#)

AUC Rule 033: [Post-approval Monitoring Requirements for Wind and Solar Power Plants](#)

Cascade Power GP Ltd. Application for an Order Permitting the Sharing of Records Not Available to the Public Regarding the Cascade Power Plant, AUC Decision 27629-D01-2022
FEOC Regulation – Sharing of Records

Application

Cascade Power GP Ltd (“Cascade Power”) filed an application under the *Fair, Efficient and Open Competition Regulation* (“*FEOCR*”), seeking permission to share records not available to the public, which are related to the Cascade Power Plant, with 900-megawatt generating capacity between Cascade Power, Cascade Power Project Limited Partnership, Kinetikor Resource Corp., Kinetikor Asset Management LP., URICA Energy Real Time Ltd. and URICA Asset Optimization Ltd.

Decision

The AUC was satisfied that Cascade Power had demonstrated that (i) the sharing of records was reasonably necessary for Cascade Power to carry out its business; and (ii) the subject records would not be used for any purpose that did not support the fair, efficient and openly competitive operation of the Alberta electricity market. The AUC was also satisfied that the total offer control of the parties would not exceed the offer control limit of 30 percent under s. 5(5) of the *FEOCR*.

Applicable Legislation

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - s. 39(2)(a)(vi).

[Electric Utilities Act](#), SA 2003, c E-5.1 - s. 6.

[Fair, Efficient and Open Competition Regulation](#), Alta Reg 159/2009 - ss. 2, 3, and 5(5).

The City of Calgary Application for Review of Ruling on Confidentiality in Proceeding 26615, AUC Decision 27403-D01-2022
Review and Variance

Application

The City of Calgary (“Calgary”) filed an application requesting review and variance (“R&V”) of specific findings made by the AUC in an interlocutory decision on confidentiality in Proceeding 26615 (the “Decision”).

The AUC found that specified information filed by ATCO Electric Ltd. (“AE”) was confidential and that Calgary had breached confidentiality by filing some of that confidential information publicly.

Calgary submitted that the AUC erred by:

1. assuming that the costs derived by AE for services provided by different providers (Wipro and IBM/Kyndryl) could be directly compared against each other on a factual basis when AE expressly stated that such items could not be compared;
2. finding certain information to be confidential even though AE had consistently and repeatedly disclosed information of a substantially similar nature and content publicly, including in Proceeding 26615;
3. finding the evidence of a Calgary witness in a prior proceeding to be confidential and related to confidential information when factually such evidence was not confidential and related to a different matter; and
4. finding certain information to be confidential as fact without regard to or application of the specific definition of Confidential Information in the Wipro Master Services Agreement filed on the record.

Decision

The AUC granted the application for R&V, in part.

Applicable Legislation

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - ss. 10, 63.

AUC Decision 26615-D01-2022; [ATCO Electric Ltd. FortisAlberta Inc. 2023 Cost-of-Service Review](#)

AUC Rule 016: [Review and Variance of Commission Decisions](#)

Pertinent Issues

Normally, AUC interlocutory decisions are not subject to R&V applications. Because of the referral to the Enforcement Division of the AUC, the AUC has agreed, in these specific circumstances, to review the Decision.

Calgary submitted that the AUC erred by finding certain information to be confidential even though AE had consistently and repeatedly disclosed information of a substantially similar nature and content publicly. The AUC determined that the panel of the Decision did not err when determining that two sections needed to be treated as confidential. The AUC, however, noted that the disclosure of termination and transition costs was not confidential as the 2020 termination costs were publicly filed by AE., together with the \$75 million aggregate estimate of the overall costs of exiting the Wipro contract. Calgary's disclosure of these aggregated numbers was therefore not a breach of confidentiality. The AUC varied the Decision in line with this finding.

DND Consultants eStruxture Data Centers, Upgrading Existing Data Center Facility and Addition of One Generator, Thermal Power Plant Application, AUC Decision 27603-D01-2022
Power Plant – Diesel Generators

Application

eStruxture Data Centers ("eStruxture") applied for approval to expand the CAL-1 power plant (the "Power Plant") by adding one 3-megawatt ("MW") standby diesel generator. eStruxture is the owner and operator of the CAL-1 power plant and has an exemption from s 11 of the *Hydro and Electric Energy Act* ("HEEA") to operate the power plant.

Decision

The exemption from the requirements under s. 11 of the *HEEA* for own-use power plants is no longer available as of April 25, 2022, as detailed in *AUC Bulletin 2022-04*. The AUC, therefore, issued a power plant approval for the Power Plant and granted eStruxture the approval to expand the Power Plant.

Applicable Legislation

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - ss. 9 and 17.

[Environmental Protection and Enhancement Act](#)

[Hydro and Electric Energy Act](#), RSA 2000, c H-16 - ss. 11, 13, 19 and 23.

AUC Rule 007: [Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#)

AUC Rule 012: [Noise Control](#)

AUC Bulletin 2022-04: [Regulatory streamlining of all new power plants equal to or greater than one megawatt and less than 10 megawatts and exemption to file an application for own-use power plants eliminated](#)

Pertinent Issues

eStruxture is the owner and operator of the Power Plant and had an exemption from s. 11 of the *HEEA* to operate the Power Plant. The Power Plant is located in the City of Calgary and consists of three 3-MW standby diesel generators. With the requested addition, the Power Plant will have a combined generating capability of 12 MW. eStruxture stated that the increased generation is required due to an expansion of the data center that the Power Plant serves. The Power Plant will continue to supply only the eStruxture data center only as backup power if service from the utility is lost and will not be connected to the Alberta Interconnected Electric System. eStruxture expected the expanded Power Plant to be in service in October 2022.

The AUC found that the Power Plant will not significantly affect the environment and wildlife because the Power Plant is located within the data center. The Power Plant will only run during utility power loss or monthly testing. The AUC noted that the Power Plant uses diesel to power the generators. Still, an *Environmental Protection and Enhancement Act* approval is not required because the generators are only used for backup power.

DND Consultants eStruxture Data Centers, CAL-2 Data Center Facility, Four (4) Backup Diesel Generators, Thermal Power Plant Application, AUC Decision 27614-D01-2022
Power Plant – Diesel Generators

Application

eStruxture Data Centers (“eStruxture”) filed an application with the AUC for approval to construct and operate a 12-megawatt diesel power plant, designated as the CAL-2 power plant (“the Power Plant”). eStruxture requested approval to construct the Power Plant at 149 High Plains Place in Rocky View County.

Decision

The AUC granted eStruxture approval to construct and operate the Power Plant.

Applicable Legislation

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - ss. 9, 13 and 17.

[Environmental Protection and Enhancement Act](#), RSA 2000, c E-12.

[Hydro and Electric Energy Act](#), RSA 2000, c H-16 - ss. 11 and 23.

AUC Rule 007: [Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#)

AUC Rule 012: [Noise Control](#)

EPCOR Distribution & Transmission Inc. Genesee 330P Substation Expansion Project, AUC Decision 27499-D01-2022
Power Plant – Expansion and Reconfiguration

Application

To meet the need identified by the Alberta Electric System Operator (“AESO”), EPCOR Distribution and Transmission Inc. (“EPCOR”) filed facility applications with the AUC requesting approval to expand and reconfigure the existing Genesee 330P Substation (the “Substation”) to allow for the connection of the Genesee Units 6 and 7 to the Alberta Interconnected Electric System (“AIES”).

Decision

The AUC approved the application from EPCOR to alter and operate the Genesee 330P Substation, Transmission Line 430L and Transmission Line 8L10.

Applicable Legislation

[Alberta Utilities Commission Act](#), SA 2007, c A-37.2 - s. 17.

[Hydro and Electric Energy Act](#), RSA 2000, c H-16 - ss. 14, 15, 19 and 21.

[AEP Wetland Mitigation Directive](#)

AUC Rule 001: [Rules of Practice](#)

AUC Rule 007: [Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines](#)

AUC Rule 012: [Noise Control](#)

AUC Decision 26204-D01-2021: [Capital Power Generation Services Inc. - Genesee Generating Station Units 1 and 2 Repowering Project](#)

Pertinent Issues

EPCOR is the operator of Genesee 330P Substation. The Substation currently connects Genesee Generating Station Units (“Genesee Units”) 1 and 2 to the AIES. In a previous decision, the AUC approved the application from Capital Power Generation Services Inc. (“Capital Power”) to repower Genesee Units 1 and 2 by constructing and operating new natural gas-fired combustion turbine generators, Genesee Units 6 and 7. To connect the new Genesee Units 6 and 7 to the AIES, Capital Power filed system access service requests to the AESO. In response to the system access service requests, the AESO filed a needs identification document (“NID”) application with the AUC, requesting approval to modify the existing Genesee 330P Substation. The AUC granted NID approval. To meet the need identified by AESO, in this application EPCOR proposed to relocate parts of the 138-kilovolt (“kV”) infrastructure from the existing Substation to a substation expansion area to the west of the existing substation yard. The existing substation and expansion area would be connected through two 500-kV buses and four 138-kV transmission lines.

EPCOR received *Water Act* approval from Alberta Environment and Parks (“AEP”) in June 2022 for the proposed substation expansion project. As per AEP’s *Wetland Mitigation Directive*, EPCOR has paid wetland replacement fees. The AUC evaluated and accepted the mitigation measures proposed by EPCOR. Given the proposed mitigation measures, the AUC accepted that the proposed project’s environmental effects can be minimized and that there will be no significant adverse environmental effects.

CANADA ENERGY REGULATOR

Hydro One Networks Inc. Application for Approval to Perform Work on International Power Line B3N Circuit Rerouting, CER Filing A8H8F0*Electricity - Facilities*Application

Hydro One Networks Inc. (“Hydro One”) applied for approval to perform circuit rerouting work at the Sarnia-Scott Transmission Station (“TS”) for the international power line (“IPL”) B3N, located in Sarnia, Ontario. Hydro One requested permission to reroute the 234 kV IPL (“IPL B3N”) and two 230 kV non-IPL 230 kV circuits to facilitate the replacement of one autotransformer (known as Unit T5) and the replacement of associated surge arrestors, capacitive voltage transformers, and disconnect switches. Hydro One also requested an exemption from the requirement set out in a subsection of the *Canadian Energy Regulator Act* (“*CER Act*”) to provide a Pipeline Profile and Book of Reference (“PPBoR”).

Decision

The CER determined that approval of the application is in the public interest, having considered effects on the rights of indigenous peoples and environmental and socio-economic matters. The CER:

1. approved the applied-for project work as a deviation of the existing IPL B3N to perform circuit rerouting work at Sarnia-Scott Transmission Station (“TS”) according to subsections 211(3) and 294(1) of the *CER Act*;
2. granted Hydro One an exemption from the requirement under subsection 211(3) of the *CER Act* to submit a PPBoR for the IPL B3N, showing the deviation for approval by the CER; and
3. authorized Hydro One to proceed with the rerouting work according to the Certificate of Public Convenience and Necessity EC-12 (CPCN EC-12), as amended for the IPL B3N.

Applicable Legislation

[Canadian Energy Regulator Act](#), (S.C. 2019, c. 28, s. 10), ss. 56(1), 58, 211(3) and 294(1).

Trans Mountain Pipeline ULC Trans Mountain Expansion Project Browne Creek Wetland Timing Commitment and Construction Methodology Variance Request, CER Letter Decision No. 176*Facilities - Construction Method*Application

Trans Mountain Pipeline ULC (“Trans Mountain”) requested a partial variance to its timing commitment concerning Browne Creek and the Browne Creek wetlands, between kilometre post (“KP”) 1100.240 and KP 1100.365 (the “Browne Creek Site”). Trans Mountain further requested permission to vary the associated construction methodology from an isolated open trench construction method to a trenchless horizontal direction drill (“HDD”) crossing method (collectively, the “Variance Request”).

Decision

The CER approved the application to change the construction method for Browne Creek and Browne Creek wetlands from an isolated open trench to a trenchless HDD construction methodology.

Trans Mountain had committed to several measures to mitigate its interference with and the environmental impact on Brown Creek and the Browne Creek Wetlands. To accommodate the variance of the construction method and the timing variance, the CER modified Trans Mountain’s commitment set out in its Letter Decision No. 142, dated June 10, 2022, by adding a new paragraph c) to the existing paragraphs a) and b), as follows:

- (a) proposed construction timing for Browne Creek and the Wetland will be inside the Least Risk Window (August 1 to September 15) and will avoid critical spawning/incubation periods for salmonids, including Salish Sucker (which has a spawning period of March 1 to July 1), and the breeding period for amphibians (February to late July);
- (b) despite paragraph a), Trans Mountain may conduct the Site-Preparation Activities commencing immediately upon issuance of this letter (10 June 2022); and
- (c) despite paragraph a), Trans Mountain may conduct its Trenchless Activities outside of the Least Risk Window and may commence immediately upon issuance of this letter (28 October 2022).

Applicable Legislation/Legal Authorities

CER Letter Decision No. 142: [*Trans Mountain Expansion Project Request for Partial Relief from Browne Creek and Browne Creek Wetland Timing Commitment*](#)

CER Letter Decision for MH-026-2020: [*Trans Mountain Expansion Project Certificate of Public Convenience and Necessity \(Certificate\) OC-065 Detailed Route Hearing MH-026-2020 – City of Chilliwack Decision of the Commission of the Canada Energy Regulator*](#)