

## **Appendix K**

**Capital Power's Regulatory Submission Approach  
"AUC Letter" from the Alberta Utilities Commission**

August 27, 2013

Allan Danroth  
Vice President  
Health, Safety and Environment  
Capital Power Corporation  
1200 – 10423 101 St. NW  
Edmonton, Alberta  
T5H 0E9

Dear Mr. Danroth:

**Re: Capital Power Energy Centre (CPEC)**

Thank you for your letter of August 13, 2013 describing Capital Power's planned application approach for the 1,000-MW Genesee gas-fired power generation project.

In that letter, Capital Power expressed support for the AUC approach for wind generation projects that would facilitate greater flexibility for the applicant to delay final selection of the vendor for wind generation projects and Capital Power's intention to pursue a similar approach for the CPEC.

While key facility parameters such as size, configuration, site design and environmental and noise attributes would be established at the time of the application, the exact technology and vendor would not be specified. Capital Power stated that its intention is to prepare an application on the basis of generic emission and environmental studies with the final equipment selection meeting or exceeding the specifications of the generic equipment. The expected benefit of this approach is to capture rapidly evolving technological and operational advancements, while adhering to maximum environmental and noise impacts.

The Commission acknowledges the merit of this approach and is receptive towards such an application. The Commission reached this position based on an initial, internal assessment taking into account that technological advancements in other power plant fuel types suggests a strong case for enabling flexibility for all power plant generation applicants. The Commission's final position however is conditional on responses received from stakeholders on this approach and any concerns raised by parties during the review and potential adjudication of your proposed application.

In association with the AUC Rule 007: *Applications for Power Plant, Substations, Transmission Lines, and Industrial System Designations* changes announced in Bulletin 2013-19 for wind-power development, the Commission has announced its intention to commence consultation on a flexible approach to turbine equipment and vendor selection, as well as to address other topics. A copy of Bulletin 2013-19 is attached for your reference.

Should you require additional information on the consultation, please contact Brian Shand by email at [brian.shand@auc.ab.ca](mailto:brian.shand@auc.ab.ca) or by phone at 403-592-4434.

Yours truly,



Robert D. Heggie  
Chief Executive

Enclosure

Copy: Doug Larder, QC, General Counsel, Alberta Utilities Commission  
Wade Vienneau, Executive Director, Facilities Division, Alberta Utilities Commission  
Fino Tiberi, Executive Director, Regulatory Policy Division, Alberta Utilities Commission

# Bulletin 2013-19

August 26, 2013

## **AUC Rule 007 - Revision to wind-power application requirements**

The AUC is committed to delivering innovative and efficient regulatory solutions for Alberta.

With this bulletin the Alberta Utilities Commission (AUC or the Commission) is announcing wind-power specific application requirements intended to improve application processing and provide flexibility to applicants for these types of power generation developments, and to explore similar enhancements for power generation applications for other fuel types.

Over the past year, the AUC worked with stakeholders and hosted consultation meetings regarding the regulatory review process and procedures for wind-power generation applications.

The Commission considered stakeholders' input and recommendations on sections 3.5 and 3.6 of AUC Rule 007: *Applications for Power Plant, Substations, Transmission Lines, and Industrial System Designations* (AUC Rule 007). The recommendations supported enhancements to clarify and add flexibility to the application process for wind-power generation plants.

The material related to this review of [AUC Rule 007](#), including a [stakeholder comment matrix](#) with the Commission's responses to these comments, is posted on the AUC's website under the tab [Rule Development\Rule 007 - Applications for Power Plants, Substations, Transmission Lines, and ISDs](#).

On August 19, 2013, the Commission approved amendments to sections 3.5 and 3.6 of [AUC Rule 007](#) which are effective on September 1, 2013.

The AUC thanks stakeholders for their time and participation in the consultation process, and for their efforts in reviewing and providing comments on the proposed revisions to the rule.

A key focus for power generation developers in the wind regulatory review process was to maintain flexibility to acquire the best available equipment in response to rapid technological improvements. Developers indicated a desire to delay specifying the exact equipment and the selection of a vendor. The procedures in this revision to AUC Rule 007 help to facilitate those efficient processes for wind-power generation development.

Recently, developers of other types of power generation have expressed support for the type of application flexibility associated with the processes developed for wind-power generation. For example, Capital Power Corporation has requested a similar flexibility to advance gas-fired power generation applications on the basis of generic specifications, where the final equipment selected would meet or exceed the performance of the generic equipment.

The Commission has indicated to Capital Power that it is receptive to this application flexibility for other types of generation. The Commission reached this position based on an initial, internal assessment, taking into account that given technological advancements in other power generation fuel types, there is a strong case for enabling flexibility for all power plant generation applicants. The Commission recognizes however, and has advised Capital Power accordingly, that any final position would be conditional on comments received from stakeholders. With that in mind, the Commission will advance further consultation for AUC Rule 007 on this and other topics.

Any questions relating to AUC Rule 007, or the review process, may be directed to either Brian Shand, a director in the AUC's Facilities Division, by email at [brian.shand@auc.ab.ca](mailto:brian.shand@auc.ab.ca) or Raymond Lee, a senior advisor in the AUC's Regulatory Policy Division, by email at [raymond.lee@auc.ab.ca](mailto:raymond.lee@auc.ab.ca).

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Chief Executive