Policy and Planning Division Oxbridge Place 10th Floor 9820 – 106 Street Edmonton, Alberta T6H 2K5 Canada www.alberta.ca

June, 23, 2017

Re: <u>Provisional Compliance Report For Calendar Year 2016</u>
Emissions Trading Regulation, Section 55 (Alberta Regulation 33 /2006)

The Registry Operator received two compliance reports under Section 55(2) of the Emissions Trading Regulation in 2017.

Milner Power with *Environmental Protection and Enhancement Act* (EPEA) approval 9814 and ATCO Power with EPEA approval 1512 used credits for compliance during the 2016 calendar year. Table 1 summarizes Milner Power's and ATCO's annual reports.

Table 1: Section 55 Reporting - Summary Compiled by Registry Operator for 2016

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Approval	9814		1512			
Facility	HR Milner		Battle River			
EPEA Approval Holder	Milner Power Corp		ATCO			
Unit	1		3		4	
Generation (MWh)	312,115		18,679		325,380	
Substance	NOx	SO2	NOx	SO2	NOx	SO2
Emission Limit (kg/MWh)	0.47	0.65	0.47	0.65	0.47	0.65
Emissions (kilograms)	561,760	867,850	55,634	90,456	962,772	1,455,681
Actual Intensity (kg/MWh)	1.800	2.781	2.978	4.843	2.959	4.474
Credits Needed	415	665	46	78	809	1,244
Credits Retired (undiscounted)	461	738	52	87	899	1,383
Mass Value of Retired (tonnes)	415	665	46	78	809	1,244

This provisional assessment indicates that holders of EPEA approvals 9814 and 1512 likely retired sufficient credits to satisfy the requirements of their approvals in regard to annual NOx and SO2 emissions.

Kem Singh

Director and Registry Operator for the Emissions Trading Regulation Alberta Environment and Parks

Attachment 1: Excerpts From Regulation

How emission credits are used for compliance purposes

- 45 An emission credit may be used by a unit operator for compliance purposes in respect of a generating unit if the unit operator
- (a) has authority under its approval to use emission credits for compliance purposes, and
- (b) provides to the registry operator by April 30 of the year following the year in which the emission credits are used
- (i) confirmation of their use, and
- (ii) the serial number of each emission credit used.

Annual Reports

- 55(1) On or before March 31 of each year, in respect of the preceding year, a unit operator who has an emissions trading account must submit to the registry operator a report showing
- (a) the annualized air emissions data for NO_X and, if applicable, for SO_2 for each of the unit operator's generating units, and
- (b) the annual MWh output for each of the unit operator's generating units.
- (2) On or before May 31 of each year, a unit operator who has used emission credits for compliance purposes in respect of the generating unit for the previous year must submit to the registry operator a report
- (a) containing a notification from the registry operator that the emission credits have been retired, and
- (b) that includes the following calculation for NO_X and, if applicable, for SO₂ indicating the number of NO_X and SO₂ emission credits retired for compliance purposes for the previous year:

where

A is the actual emissions in kilograms;

B is the annual MWh output for the generating unit for the year;

C is the current emissions standards.