



Hamlet of Kugluktuk  
 P.O Box 271  
 Kugluktuk, Nu  
 X0B-0E0

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MOTION OF COUNCIL

Moved By: Peter Taktogon

Seconded By: Grant Newman

Whereas: The Mayor and Council had been given information in reference to the planning of the QEC Power Corp Plant, to study and construct a new Power Plant.

**Therefore be it resolved**

That the Hamlet council through motion approves the QEC Power Corp to go ahead with their study to construct a new Power Plant, and have selected option 2, Lot 462 777482 CLSR NU

Date November 22, 2016 Motion # 481-16

Carried X For Motion # 5

Unanimous X Against # 0

Abstention # 0

Name(s) if requested: \_\_\_\_\_

\_\_\_\_\_

Donald LeBlanc Senior Administrative Officer



1.3 - QEC would like to discuss with the Community options available if any to avoid all above cost and inconvenience so that any unnecessary financial impact on the community rate payers is avoided.

## **2. New Power plant Build and location Options**

2.1 - Qulliq Energy Corporation (QEC) wishes to start the design and construction process for the new power plant located at an optimum location, as the location selected can have a significant impact on cost and time savings for the project, and can avoid the need to replace the existing noncompliant underground piping system.

As per the attached sketch on Page 9, four different locations for the proposed new power plant are feasible. These are analyzed in detail as follows.

### **2.2 - Option 1- Rebuild the current plant on the same lot**

The first option is to rebuild the power plant on the existing plant property. This option may be feasible because the lot size is greater than the extent of the fence. For this option, the existing single wall pipeline which runs from the Petroleum Products Division (PPD) tank farm 1.5 Km away must be replaced with double wall piping, or be re-routed through another area which is yet to be determined (see the map "Pipe Routing Options" in the appendix). One hindrance to this option is that the community's potable water supply is very close to the current site, and regulations may prevent construction of a power plant in such close proximity.

Benefits -

- No change in land use

Disadvantages -

- The current pipeline continues to run through town with the associated disadvantages, such as inconvenience to the community in case of any repair and maintenance work
- The need to keep the land over the buried piping free may interfere with development within the community
- Possible water board/INAC non-conformity issues
- Cost/time impact due to need to replace the non-compliant piping

Benefits mentioned above have negligible advantage to the community compared to serious disadvantages.

### **2.3 - Option 2- Build a new plant next to the PPD tank farm on industrial zoned lots**

The second option is to build a new power plant on surveyed industrial land next to the PPD

tank farm. See the overview, proposed lots and proposed Power Plant Views in Stretches #3 – #7 on Pages 10 – 14.

**Benefits -**

- Power plant constitutes less environmental risk and will take less time to build
- Closer to PPD and other industrial areas, which will minimize cost for the fuel supply system
- Minimum cost for power distribution to industrial consumers
- Pipeline through town is eliminated
- Cost and time to replace existing fuel pipe system can be avoided, with significant advantages to the community

**Disadvantages -**

- Existing Environmental liability of 3300m<sup>2</sup> of contaminated soil would require remediation
- Would require decommissioning of current plant and tank farm

**2.3 - Option 3 - Rebuild plant outside of town on expanded industrial zoned lots**

**Benefits -**

- Same as Option 2, except fuel supply system will cost more due to the added distance from PPD tank farm

**Disadvantages -**

- Same as Option 2

**2.4 - Option 4 - Create an industrial zoned lot in an appropriate space yet defined by the Hamlet**

**Benefits -**

- Same as Option 2, except fuel supply system will cost more due to the added distance from PPD tank farm

**Disadvantages -**

- Same as Option 2

**3. Project Objectives**

The new diesel power is expected to utilize more efficient engines with much less fuel