

Appendix 1

ONTARIO ENERGY BOARD

**Preliminary Filing Requirements for Notice of Proposal Under Sections 80 and 81
of the *Ontario Energy Board Act, 1998***

Part I: General Minimum Filing Requirements

1.1 Identification of the Parties

1.1.1 Applicant

Envida Community Energy Inc. (the "Applicant")
395 Southgate Drive
Guelph, Ontario N1G 4Y1
t. 519-822-3010
f. 519-822-8119
www.envida.ca

Ron Collins
Vice President of Business Development and Partnerships
519-837-4734
519-822-8119
rcollins@envida.ca

1.1.2 Other Parties to the Transaction

Guelph Hydro Inc. (the "Parent Company")
395 Southgate Drive
Guelph, Ontario N1G 4Y1
t. 519-822-3010
f. 519-822-8119
www.guelphhydroinc.com

Barry Chuddy
Chief Executive Officer
519-837-4727
519-836-1055
bchuddy@guelphhydro.com

and

Guelph Hydro Electric Systems Inc. (the "Distributor")
395 Southgate Drive

Guelph, Ontario N1G 4Y1
t. 519-822-3010
f. 519-836-1055
www.guelphhydro.com

Kazi Marouf
Chief Operating Officer
519-837-4702
519-836-1055
kmarouf@guelphhydro.com

1.2 Relationship between Parties to the Transaction or Project

1.2.1 List of Officers and Directors of Each Party

Envida Community Energy Inc.

- Jasmine Urisk – Board Chair
- Brian Cowan – Board Vice Chair
- Jane Armstrong – Board Member
- Jan Carr – Board Member
- Judy Fountain – Board Member
- William Koornstra – Board Member
- Rick Thompson – Board Member
- Barry Chuddy, Chief Executive Officer
- Pankaj Sardana, Chief Financial Officer
- Seymour Trachimovsky, Corporate Secretary
- Ron Collins, Vice President Business Development and Partnerships

Guelph Hydro Inc.

- Jasmine Urisk – Board Chair
- Brian Cowan – Board Vice Chair
- Jane Armstrong – Board Member
- Jan Carr – Board Member
- Judy Fountain – Board Member
- William Koornstra – Board Member
- Rick Thompson – Board Member
- Barry Chuddy, Chief Executive Officer
- Pankaj Sardana, Chief Financial Officer
- Seymour Trachimovsky, Corporate Secretary
- Ron Collins, Vice President Business Development and Partnerships
- Nicole Mailloux, Vice President Human Resources

Guelph Hydro Electric Systems Inc.

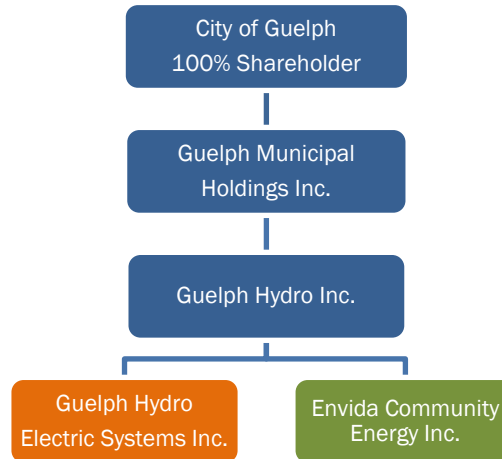
- Jasmine Urisk – Board Chair
- Brian Cowan – Board Vice Chair
- Jane Armstrong – Board Member
- Rob Fennell – Board Member
- Judy Fountain – Board Member
- Bob Huggard – Board Member
- Margaret Kelch – Board Member
- Barbara Leslie – Board Member
- Rick Thompson – Board Member
- Barry Chuddy, Chief Executive Officer
- Kazi Marouf, Chief Operating Officer
- Pankaj Sardana, Chief Financial Officer
- Seymour Trachimovsky, Corporate Secretary
- Nicole Mailloux, Vice President Human Resources

Guelph Hydro Inc. and its subsidiaries, Guelph Hydro Electric Systems Inc. and Envida Community Energy Inc., are wholly owned by a parent holding company, Guelph Municipal Holdings Inc.

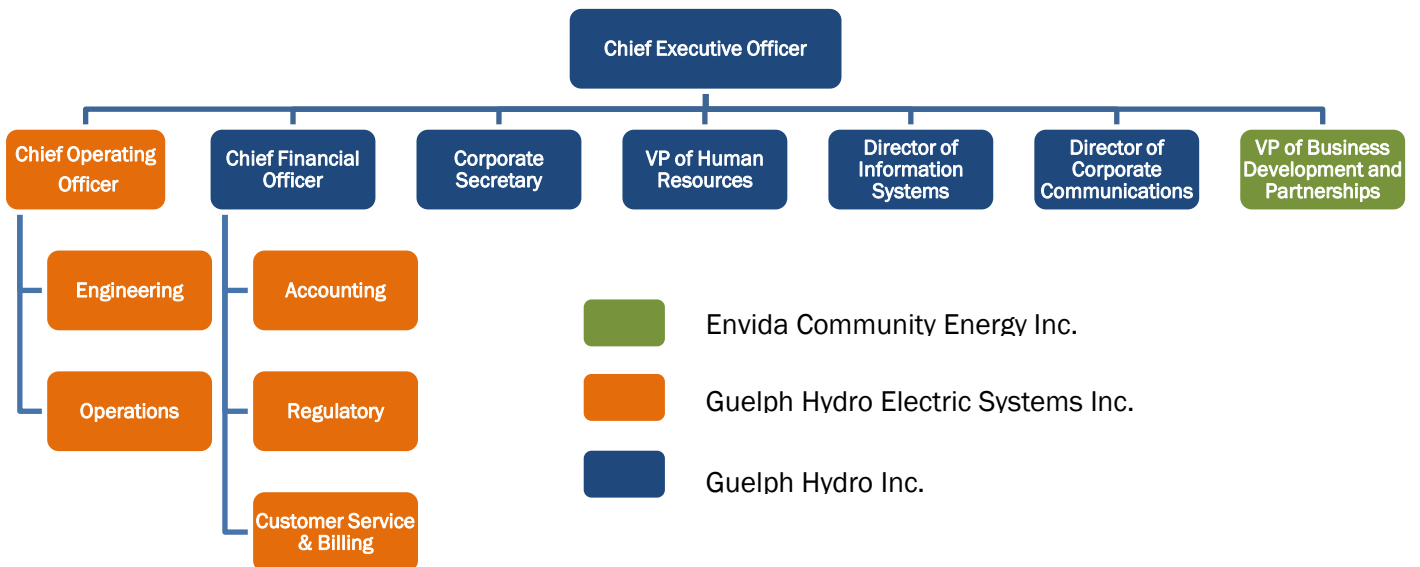
The sole shareholder of Guelph Municipal Holdings Inc. is the City of Guelph.

1.2.2 Corporate Organization Chart

Corporate Entities Relationship Chart



Corporate Organization Structure



1.3 Description of Businesses of Each of the Parties

- 1.3.1 Guelph Hydro Inc. is the owner of Guelph Hydro Electric Systems Inc. and Envida Community Energy Inc. Guelph Hydro Inc. does not participate directly in the distribution, generation, transmission, or retail of electricity.

Guelph Municipal Holdings Inc. is a parent holding company of Guelph Hydro Inc., and also does not participate directly in the distribution, generation, transmission, or retail of electricity.

Envida Community Energy Inc. is the key developer of energy projects under the Guelph Community Energy Initiative. Focus areas include the development and implementation of solar power, district energy, combined heat and power (cogeneration), bioenergy and electric vehicle related projects. Envida Community Energy Inc. developed and operates a landfill gas-fired electricity generation facility located at the Eastview Landfill site in Guelph, which is solely owned by the City of Guelph.

Guelph Hydro Electric Systems Inc. (GHESI) is a local distribution company licensed by the Ontario Energy Board to delivery electricity to customers within the boundary of the City of Guelph and the Village of Rockwood. GHESI delivers electricity, maintains the distribution system in the service area, and provides 24-hour emergency service. In addition, GHESI provides electricity through the Standard Supply Service for customers who do not wish to contract with a licensed electricity retailer.

GHESI owns, maintains and operates approximately 427 km of overhead primary distribution feeders and 636 km of underground primary distribution circuits in the City of Guelph and in the Village of Rockwood.

Wholesale supply is provided by three (3) Hydro One Networks Inc. ("HONI") owned Transformer Stations (Hanlon, Cedar, and Campbell) and one (1) GHESI owned Transformer Station (Arlen MTS) in the City of Guelph. Cedar TS, Hanlon TS and the Arlen MTS step down 115 kV Transmission supply to 13.8 kV while Campbell TS steps down 230 kV Transmission supply to 13.8 kV for primary distribution feeders. In the Village of Rockwood, supply is provided by two (2) GHESI owned Municipal Substations (Rockwood MS1, Rockwood MS2) and one (1) HONI owned Distribution Station (Rockwood DS). All three stations are supplied from 44kV feeders originating from Fergus TS and primary distribution is operated at 8.3 kV. GHESI's customers are served by 64 distribution feeders. GHESI is a partial embedded distributor in relation to HONI for Rockwood distribution.

- 1.3.2 Guelph Hydro Inc. and its affiliates serve the City of Guelph and the Village of Rockwood. Guelph Hydro Electric Systems has approximately 52,000 customers within a 93 square kilometer service area with a population of approximately 127,400. The boundaries of the service area include:

- The city limits of Guelph to the West and North, Puslinch township to the South and East.
- The village limits of Rockwood, as it borders Eramosa township.

- 1.3.3 Revenue for Guelph Hydro Inc. for the 2011 year was \$153,182,000, over 99% of which originates from GHESI's sale of electricity. Other revenue originates from the sale of energy generated by Envida at a landfill gas facility and the solar project mounted on its head office rooftop.

The cost of electricity sold and other expenses (operations, maintenance, administrative) resulted in annual net earnings of \$1,889,000 for Guelph Hydro Inc. in 2011. Further detail can be found in Guelph Hydro Inc.'s financial statements, posted online.

- 1.3.4 List of Relevant Board Licenses and Approvals
- ED-2002-0565 - Electricity Distribution Licence – Guelph Hydro Electric Systems Inc.
 - EG-2004-0438 - Electricity Generation Licence – Envida Community Energy Inc.

There are no licence applications currently before the Board.

1.4 Current Competitive Characteristics of the Market

- 1.4.1 The generation capacity, within the Province of Ontario of the Applicant and its Electricity Sector Affiliates prior to the completion of the Southgate Solar project is 2.775 MW.
- 1.4.2 The generation market share based on actual production, within the Province of Ontario of the Applicant and its Electricity Sector Affiliates prior to the completion of the Southgate Solar project is 0.0099 percent (0.0099%) of the Annual Primary Demand.

1.5 Description of the Proposed Transaction of Project and Impact on Competition – General

- 1.5.1 The Southgate Solar project is located at 395 Southgate Drive in Guelph, roof-mounted atop an office facility owned by Guelph Hydro Electric Systems Inc. It has a nameplate capacity of 100 kW and an anticipated yearly output of 142 MWh for the subsequent 19 years. Commercial operation was achieved in June 2011.
- 1.5.2 The generation capacity within the Province of Ontario of the Applicant and its Electricity Sector Affiliates after the completion of the Southgate Solar project will be approximately 2.875 MW.
- 1.5.3 The generation market share based on anticipated production within the Province of Ontario of the Applicant and its Electricity Sector Affiliates after the completion of the Southgate solar project is approximately 0.0099% of the Annual Primary Demand.

- 1.5.4 The Applicant contends that the Southgate Solar project will not have an impact on the competition for the following reasons:
- a. The small generation capacity and minimal market share,
 - b. The project is consistent with the Government of Ontario's commitment to increase the amount of renewable generation in the Province, and;
 - c. The minimal output of the facility will not impact customer choice regarding generation.
- 1.5.5 The Southgate Solar project will have no impact on open access to the affiliate's distribution system.

1.6 Other Information

- 1.6.1 The parties to this solar project are in compliance with all license and code requirements and will continue to be in compliance upon completion of this project.

Part II: Section 80 of The Act – Transmitters and Distributors Acquiring an Interest in Generators or Constructing a Generation Facility

2.1 Effect on Competition

- 2.1.2 The generation output will be sold via a bilateral contract to the Ontario Power Authority.
- 2.1.3 The generation is a solar photovoltaic installation which is mounted on the rooftop of the Guelph Hydro building. The maximum output of the generation is 100 kW. The photovoltaic panels are composed of poly-crystalline cells. The installation is expected to produce energy in approximately 5,100 hours each year. The output of the installation varies with the intensity of the solar radiation, so it does not follow any defined peaking versus base-load character.
- 2.1.4 The Southgate Solar project is not expected to sign a "must-run" contract with the IESO.
- 2.1.5 The Southgate Solar project is not expected to serve a "load pocket". Given the nature of the project it is unlikely that it will be "constrained on" due to transmission constraints.

2.2 System Reliability

The Applicant is not claiming that the Southgate Solar project is required for system reliability under Section 82(2)(b) of the *Ontario Energy Board Act, 1998*.