



Oakville Hydro
Energy Services Inc.
P. O. Box 1900
861 Redwood Square
Oakville ON L6J 5E3
Tel: 905-825-9400 ext. 5248
Fax: 905-825-4683
email: hydro@oakvillehydro.com
www.oakvillehydro.com

April 26, 2013

Kirsten Walli
Board Secretary
Ontario Energy Board,
2300 Yonge St.
Suite 2700, P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Oakville Hydro Energy Services Inc.
Section 80 Notice under the Ontario Energy Board Act**

In accordance with Section 80 of the *Ontario Energy Board Act* (the “Act”), Oakville Hydro Energy Services Inc. (“OHESI”) hereby provides the Ontario Energy Board (the “Board”) with notice of its proposal to acquire the Kagawong Generating Station located on the Kagawong River in the Township of Billings from Kagawong Power Inc. OHESI is also providing notice that it has constructed two solar rooftop installations in the Town of Oakville.

OHESI respectfully submits that a review of the Section 80 Notice of Proposal for these projects is not required. The Kagawong Generating Station is an existing generation facility and the solar rooftop installations increased OHESI’s generation capacity by less than one MW.

In the event that the Board proceeds to review the Notice of Proposal for these projects pursuant to section 82(b) of the OEB Act, OHESI submits that, for the reasons stated above, the impact of the projects will not adversely affect the development and maintenance of a competitive market.

If you require any additional information please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Harvey', with a long horizontal flourish extending to the right.

Bill Harvey,
Director, Project Development
905-825-9400 ext. 2239

Ontario Energy Board

Preliminary Filing Requirements
For a Notice of Proposal under Sections 80 and 81
Of the *Ontario Energy Board Act, 1998*

INSTRUCTIONS:

This form applies to all applicants who are providing a Notice of Proposal to the Ontario Energy Board (the "Board") under sections 80 and 81 of the *Ontario Energy Board Act, 1998* (the "Act"), including parties who are also, as part of the same transaction or project, applying for other orders of the Board such as orders under sections 86 and 92 of the Act.

The Board has established this form under section 13 of the Act. Please note that the Board may require information that is additional or supplementary to the information filed in this form and that the filing of the form does not preclude the applicant from filing additional or supplementary information.

PART I: GENERAL MINIMUM FILING REQUIREMENTS

All applicants must complete and file the information requested in Part I.

1.1 Identification of the Parties – Kagawong Generating Station Project

1.1.1 Applicant

Name of Applicant Oakville Hydro Energy Services Inc.	File No: (Board Use Only)	
Address of Head Office 861 Redwood Square, PO Box 1900, Oakville, ON, L6J 5E3	Telephone Number	
	Facsimile Number	
	E-mail Address	
Name of Individual to Contact Scott A. Mudie, Vice President and General Manager Renewable Generation and Energy Services	Telephone Number 905 825 4453	
	Facsimile Number 905 825 4460	
	E-mail Address smudie@oakvillehydro.com	

1.1.2 Other Parties to the Transaction or Project

If more than one attach list

Name of Other Party See Appendix 1.1.2	Board Use Only	
Address of Head Office	Telephone Number	
	Facsimile Number	
	E-mail Address	
Name of Individual to Contact	Telephone Number	
	Facsimile Number	
	E-mail Address	

1.2 Relationship between Parties to the Transaction or Project

1.2.1	Attach a list of the officers, directors and shareholders of each of the parties to the proposed transaction or project.	
	<p><u>Oakville Hydro Energy Services Inc. (OHESI) - Applicant:</u> Rob Lister, President and CEO Scott Mudie, Vice President Energy Services</p> <p><u>Oakville Hydro Electricity Distribution Inc. (OHEDI) – Solar Rooftop Project</u> Rob Lister, President and CEO Mike Brown, Vice President Engineering & Operations and COO</p> <p><u>Town of Oakville, Solar Rooftop Project</u> Mayor Rob Burton</p> <p><u>Kagawong Power Incorporated, Kagawong Generating Station</u> Emile Masbou, President</p>	
1.2.2	Attach a corporate chart describing the relationship between each of the parties to the proposed transaction or project and each of their respective affiliates.	

	<p>OHESI is wholly owned by Oakville Hydro Corporation, a holding company, and was incorporated January 28, 2000 under the laws of the Province of Ontario. Oakville Hydro Corporation is wholly owned by the Town of Oakville. A corporate chart illustrating the relationship between OHESI, OHEDI, and its affiliates accompanies this Notice as Attachment 1.2.2.</p> <p>OHESI is not related to Kagawong Power Incorporated.</p>
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1.3 Description of the Businesses of Each of the Parties

1.3.1	<p>Attach a description of the business of each of the parties to the proposed transaction or project, including each of their affiliates licenced under the OEB Act to operate in Ontario for the generation, transmission, distribution, wholesaling or retailing of electricity or providing goods and services to companies licenced under the OEB Act in Ontario ("Electricity Sector Affiliates").</p>
	<p>OHESI is an affiliate of Oakville Hydro Electricity Distribution Inc. (OHEDI). OHESI provides energy services such as customer demand management, hot water heater rentals, home comfort services, and development, ownership and operation of renewable electricity generation facilities. OHESI is a licensed electricity generator under OEB Electricity Generation Licence EG-2004-0415.</p> <p>OHEDI is a licensed electricity distributor in the province of Ontario serving approximately 65,000 customers in the Town of Oakville.</p> <p>The Town of Oakville delivers programs and services to the residents of the Town of Oakville.</p> <p>Kagawong Power Incorporated is a licenced Electricity Generator who is currently licenced to generate electricity at its Kagawong Generating Station and Charlton Dam Generating Station.</p>
1.3.2	<p>Attach a description of the geographic territory served by each of the parties to the proposed transaction or project, including each of their Electricity Sector Affiliates, if applicable, and the geographic location of all existing generation facilities.</p>
	<p>OHESI currently owns and operates a landfill gas generation plant at the Halton Regional Waste Management Facility site located at 5400 Regional Road 25, Milton, Ontario. OHESI currently owns a 0.0110 MW rooftop PV solar array at its corporate office at 861 Redwood Square, Oakville, Ontario (MicroFIT contract) and recently commissioned a 0.060 MW rooftop PV solar project at Oakville Town Hall, 1225 Trafalgar Road, Oakville, Ontario (FIT contract).</p> <p>OHEDI serves the Town of Oakville.</p> <p>Kagawong Power operates two generating stations one is on the Kagawong River, Kagawong, Township of Billings and the other one is on the Englehart River, Highway 573, Charlton, Municipality of Charlton and Dack.</p>
1.3.3	<p>Attach a breakdown of the annual sales (in C\$, and in MWh) as of the most recent fiscal year end of the existing generation output among the IESO Administered Markets ("IAM"), bilateral contracts, and local distribution companies.</p>
	<p>Renewable Energy Standard Offer Program: OHESI's Land Fill Gas facility produced \$576,700 and 4,496 MWh in 2012.</p> <p>IESO Administered Markets: OHESI's solar panels produced \$40,700 and 51 MWh in 2012.</p>
1.3.4	<p>Attach a list identifying all relevant Board licences and approvals held by the parties to the proposed transaction or project and each of their Electricity Sector Affiliates, and any applications currently before the Board, or forthcoming. Please include all Board file numbers.</p>

	OHESI is a licensed electricity generator under OEB Electricity Generation Licence EG-2004-0415. OHEDI is a licensed electricity distributor under OEB Electricity Distribution Licence ED-2003-0135. Kagawong Power Inc. is a licensed electricity generator under OEB Electricity Generation Licence EG- EB-2003-0139.
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1.4 Current Competitive Characteristics of the Market

1.4.1	Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to the completion of the proposed transaction or project.
	OHESI operates a 2 MW capacity renewable (landfill gas) generation plant at the Halton Waste Management site, a 0.0110 MW rooftop PV solar array at its corporate office (MicroFIT contract) and recently commissioned a 0.060 MW rooftop PV solar project at Oakville Town Hall.
1.4.2	Describe the generation market share based on actual MWh production as a percent of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to completion of the proposed transaction or project.
	The total Annual Ontario Energy Demand for 2012 was 141.3 TWh (141,300,000 MWh), as provided in the IESO's March 2012 – August 2013 Outlook. ¹ OHESI's current generation market share based on actual MWh production is 4,547 MWh or 0.003% of the Annual Primary Demand within the province

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

1.5.1	Attach a detailed description of the proposed transaction or project, including geographic locations of proposed new transmission or distribution systems, or new generation facilities.
	OHESI will acquire the Kagawong Generating Facility from Kagawong Power Inc. The Kagawong Generating Facility is an existing facility in Northern Ontario. The purchase will be funded through Infrastructure Ontario. No new transmission or distribution, or new generation facilities are being proposed.
1.5.2	Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.
	Once OHESI acquires the Kagawong Generating Station, OHESI's generation capacity will be approximately 2.821 MW. There is no increase in the generation capacity within the Province of Ontario as the Kagawong Generation Station is an existing facility.

¹ http://www.ieso.ca/imoweb/media/md_newsitem.asp?newsID=6323

1.5.3	Describe the generation market share based on anticipated MWh production as a percentage of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, after the completion of the proposed transaction or project.
	As noted above, the total Annual Ontario Energy Demand for 2012 was 141.3 TWh (141,300,000 MWh). Once OHESI has acquired the Kagawong Generating Station OHESI's generation market share will be approximately 10,000 MWh (approximately 0.007% of the total Annual Ontario Energy Demand for 2012).
1.5.4	Attach a short description of the impact, if any, of the proposed transaction or project on competition. If there will be no impact on competition, please state the reasons. Cite specifically the impacts of the proposal on customer choice regarding generation, energy wholesalers, and energy retailers.
	This activity will have no impact on competition. Customer choice with respect to generation, energy wholesalers and/or energy retailers will not be affected. OHESI will be a participant in OPA standard offer programs, similar to the many other participants in those programs.
1.5.5	Provide confirmation that the proposed transaction or project will have no impact on open access to the transmission or distribution system of the parties or their affiliates. If open access will be affected explain how and why.
	The Kagawong Generating Station is located outside of OHEDI's service area and therefore the proposed transaction will have no impact on open access to the OHEDI distribution system. OHESI will be treated in the same manner as the other participants in the FIT programs, and would not anticipate receiving any preferential treatment simply by virtue of its status as an affiliate of a distributor.

1.6 Other Information

1.6.1	Attach confirmation that the parties to the proposed transaction or project are in compliance with all licence and code requirements, and will continue to be in compliance after completion of the proposed transaction or project.
	OHESI, to the best of its knowledge, is in compliance with all licence and code requirements and will remain in compliance during and following completion of the proposed renewable energy generation project contemplated in this Notice. OHESI currently holds an electricity generator licence as a consequence of its landfill gas facility. OHESI will request that the Ontario Energy Board amend its generator licence to permit it to generate electricity at the Kagawong Generating Station.

PART II: SECTION 80 OF THE ACT-TRANSMITTERS AND DISTRIBUTORS ACQUIRING AN INTEREST IN GENERATORS OR CONSTRUCTING A GENERATION FACILITY

All applicants filing a Notice of Proposal under section 80 of the Act must complete and file the information requested in Part II.

2.1 Effect on Competition

2.1.2	Describe whether the proposed generation output will be primarily offered into the IAM, sold via bilateral contracts, or for own use.
	The proposed generation output is subject to a contract with the OPA for sale of renewable electricity under the FIT program or other OPA procurement programs.

2.1.3	Provide a description of the generation including fuel source, technology used, maximum capacity output, typical number of hours of operation in a year, and peaking versus base-load character.	
	<p>The Kagawong Generating Station is a 0.750 MW, single-unit, run-of-river hydroelectric project. The project operates under an OPA-sponsored, 20-year Hydro Contract Initiative (HCI) power purchase agreement. The project is expected to generate, on average, approximately 2,731 MWh of electricity per year over the 20-year life of the FIT contract. The project in Eastern Ontario is a ground mounted PV solar project with a design nameplate capacity of 10 MW. The project is expected to generate, on average, approximately 11,400 MWh of electricity per year over the 20-year life of the FIT contract.</p> <p>The Kagawong Generating Station is connected to the local distribution network at 12.5 kV and operates under a HONI connection agreement. The estimated value production is based on actual data as reported by the Ontario Power Authority for a similar hydro power facility in Ontario</p>	
2.1.4	Provide details on whether the generation facility is expected to sign a "must run" contract with the IESO.	
	The proposed project will not be a 'must run' facility with the IESO.	
2.1.5	Provide details of whether the generation facility is expected to serve a "load pocket", or is likely to be "constrained on" due to transmission constraints.	
	The proposed project is not expected to serve a "load pocket", or is likely to be "constrained on" due to transmission constraints.	

2.2 System Reliability

Section 2.2 must be completed by applicants who are claiming that the proposed transaction or project is required for system reliability under section 82(2)(b) of the Act.

This section is not applicable as the proposed project is not required for system reliability under Section 82(2)(b) of the Act.

2.2.1	Provide reasons why the proposal is required to maintain the reliability of the transmission or distribution system. Provide supporting studies.	
2.2.2	Discuss the effect of the proposal on the adequacy (ability of supply to meet demand) of supply in the relevant control area or distribution region, citing effects on capacity plus reserve levels in comparison to load forecasts.	
2.2.3	Discuss the effect of the proposal on the security (ability of supply to respond to system contingencies) of supply.	
2.2.4	Provide a copy of the IESO Preliminary System Impact Assessment Report, if completed, and the IESO Final System Impact Assessment Report, if completed. If the IESO is not conducting a System Impact Assessment Report, please explain.	

PART III SECTION 81 OF THE ACT-GENERATORS ACQUIRING AN INTEREST IN OR CONSTRUCTING A TRANSMISSION OR DISTRIBUTION SYSTEM

All applicants filing a Notice of Proposal under section 81 of the Act must complete and file the information requested in Part III.

This section is not applicable to this application.

3.1 Effect on Competition

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3.1.1	Provide a description of the transmission or distribution system being acquired or constructed.	
3.1.2	Provide details on whether the generation facilities owned by the acquiring company are or will be directly connected to the transmission or distribution system being acquired or constructed.	
3.1.3	Provide details of whether the generation facility is expected to serve a "load pocket", or is likely to be "constrained on" due to transmission constraints.	
3.1.4	Provide details on whether the generation facilities are expected to sign a "must run" contract with the IESO.	

How to Contact the Ontario Energy Board

The Ontario Energy Board is located at:
P.O. Box 2319
2300 Yonge Street, Suite 2701
Toronto, Ontario, M4P1E4

Telephone:	416-481-1967
Toll Free Number:	1-888-632-6273
Fax:	416-440-7656
Board Secretary's e-mail address	boardsec@ontarioenergyboard.ca

Appendix 1.1.2 Other Parties to the Transactions or Projects

1. Solar Rooftop Project at Oakville Hydro Electricity Distribution Inc.'s corporate office.

Name of Other Party:
Oakville Hydro Electricity Distribution Inc.

Address of Head Office:
861 Redwood Square
Oakville, Ontario, L6L 6R6

Telephone number:
905-825-9400

Name of Individual to contact:
Rob Lister, President and CEO
Email Address: rlisteroakvillehydro.com

2. Solar Rooftop Project at The Town of Oakville's corporate office.

Name of Other Party:
Town of Oakville

Address of Head Office:
125 Trafalgar Road
Oakville, Ontario, L6H 0H3

Telephone number:
905-845-6601

Name of Individual to contact:
Shelly Switzer, Director Facilities & Construction Management
Email Address: sswitzer@oakville.ca

3. Kagawong Generating Station Project.

Name of Other Party:
Kagawong Power Incorporated

Address of Head Office:
Kagawong Power Incorporated
Box 20338, 390 Rideau Street
Ottawa, ON, K1N 1A3

Telephone number:
613-447-1205

Name of Individual to contact:
S Emile Masbou, President
Email Address: emile.masbou@sympatico.ca

**Appendix 1.2.2
Corporate Relationships Chart**

