

**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 Sandpiper Kagawong Inc.	File No: (Board Use Only) CB-2014-0326	
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, Chief Operating Officer Oakville Hydro Energy Services Inc.	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 Oakville Hydro Energy Services Inc.	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, Chief Operating Officer Oakville Hydro Energy Services Inc.	Telephone Number 905 825 4453	
	Facsimile Number 905 825 4460	
	E-mail Address smudie@oakvillehydro.com	

### 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><b><u>Sandpiper Kagawong Inc. – Applicant</u></b></p> <p>Rob Lister, President and CEO Scott Mudie, Chief Operating Officer</p> <p><b><u>Oakville Hydro Energy Services Inc.</u></b></p> <p>Rob Lister, President and CEO Scott Mudie, Chief Operating Officer</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>Sandpiper Kagawong Inc. is wholly owned by Oakville Hydro Energy Services Inc.(OHESI), and was incorporated February 7, 2013 under the laws of the Province of Ontario. OHESI is wholly owned by Oakville Hydro Corporation. Oakville Hydro Corporation is wholly owned by the Town of Oakville. A corporate chart illustrating the relationship between Sandpiper Kagawong Inc., OHESI and its affiliates accompanies this Notice as Attachment 1.2.2.</p>	

### 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>Sandpiper Kagawong Inc. is an affiliate of OHESI. Sandpiper Kagawong Inc. has applied to the Ontario Energy Board for an Electricity Generation Licence to permit it to generate electricity at the Kagawong Generating Station in Kagawong, Ontario.</p> <p>Oakville Hydro Energy Services Inc. 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 66,000 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>
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 the following generation facilities:</p> <ul style="list-style-type: none"> <li>• A landfill gas generation plant at the Halton Regional Waste Management Facility site located at 5400 Regional Road 25, Milton, Ontario.</li> <li>• A 0.0110 MW rooftop PV solar array at its corporate office at 861 Redwood Square, Oakville, Ontario (MicroFIT contract)</li> <li>• A 0.060 MW rooftop PV solar project at Oakville Town Hall, 1225 Trafalgar Road, Oakville, Ontario (FIT contract).</li> <li>• A 0.750 MW, single-unit, run-of-river hydroelectric project in Kagawong Ontario.</li> </ul> <p>Sunny Shores LP currently owns a 10 MW solar project located in the Township of Sophiasburgh, Prince Edwards County, Ontario.</p> <p>OHEDI serves the Town of Oakville.</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 \$633,129 and 5,220 MWh in 2013.</p> <p>IESO Administered Markets: OHESI's solar panels produced \$69,270 and 98 MWh in 2013. The Kagawong facility produced \$248,995 and 3,3400 MWh in 2013.</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>
	<ul style="list-style-type: none"> <li>• OHESI is a licensed electricity generator under OEB Electricity Generation Licence EG-2004-0415.</li> <li>• OHEDI is a licensed electricity distributor under OEB Electricity Distribution Licence ED-2003-0135.</li> <li>• Sunny Shores LP is a licensed electricity generator under OEB Electricity Generation Licence EG-2013-0422.</li> </ul> <p>Sandpiper Kagawong Inc. has filed an application for an Electricity Generation Licence to permit it to generate electricity at the Kagawong Generation Facility in Kagawong, Ontario.</p>

#### 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.	
	<p>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), a 0.060 MW rooftop PV solar project at Oakville Town Hall a 0.750 MW and a single-unit, run-of-river hydroelectric project in Kagawong Ontario.</p> <p>Sunny Shores LP operates a 10 MW solar installation in the Township of Sophiasburgh,</p>	
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 2013 was 140.7 TWh (140,700,000 MWh). OHESI's current generation market share based on actual MWh production in 2013 is 8,658 MWh or 0.006% 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.	
	<p>Sandpiper Kagawong will acquire the Kagawong Generating Facility from its affiliate, OHESI. The Kagawong Generating Facility is an existing facility in Northern Ontario.</p> <p>No new transmission or distribution, or new generation facilities are being proposed.</p>	
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.	
	There is no increase in the generation capacity within the Province of Ontario as the Kagawong Generation Station is an existing facility.	
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.	
	There will be no change in the generation share of Sandpiper Kagawong Inc. and its affiliates as the proposed transaction simply transfers the Kagawong Generating Station from OHESI to its affiliate, Sandpiper Kagawong Inc.	
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 as the Kagawong Generating facility is and existing facility.
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.

#### 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.
	<p>Sandpiper Kagawong Inc., to the best of its knowledge, will be in compliance with all licence and code requirements once its application for a Electricity Generation Licence has been approved by the Board.</p> <p>OHESI currently holds an Electricity Generation Licence. OHESI will request that the Ontario Energy Board amend its Electricity Generation Licence to remove the Kagawong Generating Station from the list of licenced generation facilities provided in Schedule 1 of its Electricity Generation Licence (EG-2004-0415).</p>

### **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", nor 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**

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

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