



MILTON HYDRO HOLDINGS INC.

200 Chisholm Drive, Milton, Ontario, L9T 3G9
Telephone (905) 876-4611 • Fax (905) 876-2044

September 20, 2016

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto, ON
M4P 1E4

Re: Milton Hydro Holdings Inc. – Section 80 and 81 Notice of Proposal

Milton Hydro Holdings Inc. (“Milton Hydro Holdings”) is a corporation incorporated pursuant to the Ontario *Business Corporations Act* with its head office in the Town of Milton. Milton Hydro Holdings is the parent company of Milton Hydro Distribution Inc. (Licence No. ED-2003-0014), Milton Energy & Generation Solutions Inc. and Milton Hydro Services Inc. The Town of Milton has 100% ownership interest in Milton Hydro Holdings Inc.

Milton Hydro Holdings is filing a Notice of Proposal (the “Notice”) to the Ontario Energy Board (the “OEB”) pursuant to the requirements of section 80 and 81 of the *Ontario Energy Board Act, 1998* (the “Act”). The Notice relates to the four generation facilities set out in Appendix A (the “Facilities”). The Notice is attached as Appendix B.

The Facilities are all solar photovoltaic rooftop generation facilities under the Feed-In Tariff rules version 4.0.2 (“FIT”) program. The Facilities have successfully passed all stages of the FIT evaluation process. Milton Hydro Holdings has completed the Independent Electricity System Operator’s (“IESO’s”) Feed-In Tariff Contracts for each of the Facilities in accordance with the FIT Rules, version 4.0.2 (the “FIT Rules”).

Milton Hydro Holdings will commence construction of the generation facilities upon acceptance of the Feed-In Tariff Contracts by the IESO and the OEB approval of the proposal under sections 80 and 81 of the Act.

Milton Hydro Holdings respectfully submits that a review of the Facilities under section 80 of the Act is not necessary. If the OEB determines that a review may be necessary, Milton Hydro Holdings’ submission relies on the requirements of Section 82 (2) (a) of the Act, which states:

(2) The Board shall make an order approving a proposal described in section 80 if it determines that,

(a) the impact of the proposal would not adversely affect the development and maintenance of a competitive market;

and that the conditions, as set out in subsection (a), are satisfied as the Facilities would not adversely affect the development and maintenance of a competitive market.

Yours truly,

Original signed

Frank Lasowski
President & CEO
Milton Hydro Holdings Inc.

Schedule A

Facilities

Project Name & Address	Type	Program	Capacity	Connection Date	Status
Tonelli - 217 Laurier Avenue, Milton, Ontario	Solar PV Rooftop	FIT 4	167 kW	TBD	Not Connected
Chisholm - 200 Chisholm Drive, Milton, Ontario	Solar PV Rooftop	FIT 4	333 kW	TBD	Not Connected
A&E - 1010 Main Street East, Milton, Ontario	Solar PV Rooftop	FIT 4	150 kW	TBD	Not Connected
Derry - 605 Santa Maria Blvd, Milton, Ontario	Solar PV Rooftop	FIT 4	500 kW	TBD	Not Connected

Schedule B
Notice of Proposal Under Section 80 and 81
Of the *Ontario Energy Board Act, 1998*

Ontario Energy Board
Preliminary Filing Requirements

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

1.1.1 Applicant

Name of Applicant Milton Hydro Holdings Inc.	File No: (Board Use Only)	
Address of Head Office 200 Chisholm Drive Milton, Ontario L9T 3G9	Telephone Number 905-876-4611	
	Facsimile Number 905-876-2044	
	E-mail Address	
Name of Individual to Contact Frank Lasowski President & CEO Milton Hydro Holdings Inc.	Telephone Number 289-429-5220	
	Facsimile Number 905-876-2044	
	E-mail Address lasowskif@miltonhydro.com	

1.1.2 Other Parties to the Transaction or Project

- Not applicable.

If more than one attach list

Name of Other Party	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	<p>Attach a list of the officers, directors and shareholders of each of the parties to the proposed transaction or project.</p> <p><u>Milton Hydro Holdings Inc.</u></p> <p>Frank Lasowski, President & CEO Mary-Jo Corkum, Secretary/Treasurer</p> <p>Board of Directors</p> <p>Robert Pyatt, Chair Brian Penman, Vice-Chair Don Allarie Colin Best Rick Malboeuf</p> <p>Shareholder</p> <p>The Town of Milton</p>	
1.2.2	<p>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> <ul style="list-style-type: none"> • See Attachment 1.2.2 	

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> <ul style="list-style-type: none"> • Milton Hydro Holdings Inc. ("MHHI") is incorporated under the <i>Business Corporations Act</i> (Ontario) and is a wholly-owned corporation of The Town of Milton. MHHI is the holding company of Milton Hydro Distribution Inc., Milton Energy and Generation Solutions Inc. and Milton Hydro Services Inc. The principal activity of MHHI is to provide oversight and corporate governance for its subsidiaries and implement renewable energy in the community. • Milton Hydro Distribution Inc. ("MHDI") is a rate regulated, hydro distribution company incorporated under the <i>Business Corporations Act</i> (Ontario). The principal activity of MHDI is the delivery of electricity to residential and commercial customers within the Town of Milton. MHDI is wholly owned by MHHI. • Milton Energy and Generation Solutions Inc. ("MEGS") is incorporated under the <i>Business Corporations Act</i> (Ontario). The principal activity of MEGS is to provide energy and generation solutions to different businesses. 	
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> <ul style="list-style-type: none"> • MHHI operates within the boundaries of the Town of Milton. • MHDI owns and operates the electricity distribution system within its licensed service area being 371 square kilometres extending to the municipal boundaries of the Town of Milton. • MEGS operates within the boundaries of the Town of Milton. • MHSI is inactive • There are no existing generation facilities 	
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> <ul style="list-style-type: none"> • MHHI or its affiliates do not have any FIT facilities currently connected. 	

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"> • MHDl is a licensed electricity distributor under OEB Electricity Distribution Licence ED-2003-0014. • EB-2016-0242 – LRAM Application • EB-2016-0255 – Motion to Review and Vary 	
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1.4 Current Competitive Characteristics of the Market

1.4.1	<p>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> <ul style="list-style-type: none"> • MHHI and its affiliates do not have any existing generation capacity prior to those projects listed in this Application. 	
1.4.2	<p>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.</p> <ul style="list-style-type: none"> • MHHI and its affiliates do not have any existing generation capacity prior to those projects listed in this Application and therefore do not have any generation market share. 	

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

1.5.1	<p>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> <ul style="list-style-type: none"> • The proposed project includes four Solar PV Rooftop generation facilities as set out in the above Schedule A – Facilities. 	
1.5.2	<p>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.</p> <ul style="list-style-type: none"> • Upon completion of the proposed projects, the generation capacity of MHHI will be 1.150 MWs. MHHI affiliates will not have generation capacity. 	

1.5.3	<p>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.</p> <ul style="list-style-type: none"> The total Annual Ontario Energy Demand for 2015 was 137 TWh, as reported by the IESO (Nuclear 92.3 TWh; Hydro 36.3 TWh; Gas/Oil 15.4TWh; Wind 9.0 TWh; Biofuel 0.45TWh; Solar 0.25 TWh). MHHI share of the generation market, upon completion of these projects will be 2,347 MWh or 0.0017% of the 2015 Annual Primary Demand within the Province of Ontario. (Based on the average hours of sunlight for Hamilton, Guelph and Toronto being 2,042 hours). 	
1.5.4	<p>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.</p> <ul style="list-style-type: none"> This activity will have no impact on competition. Customer choice with respect to generation, energy wholesalers and/or energy retailers will not be affected. MHHI will be a participant in IESO FIT4 contract program. 	
1.5.5	<p>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.</p> <ul style="list-style-type: none"> MHHI will be treated in the same manner as the other participants in the FIT programs, and will not receive any preferential treatment simply by virtue of its status as an affiliate of a distributor. 	

1.6 Other Information

1.6.1	<p>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> <ul style="list-style-type: none"> MHHI confirms that it 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. MHHI will not be submitting an application for an Electricity Generator Licence to the Board as it pertains to Section 57(c) of the <i>Ontario Energy Board Act, 1998</i> (the "OEB Act") where the OEB Act requires a person to obtain a licence from the Board prior to generating electricity for sale through the IESO-administered markets or directly to another person. This general requirement is subject to certain exemptions set out in Ontario Regulation 161/99 (Definitions and Exemptions) ("O. Reg. 161/99"). In particular, section 4.0.3.3 (1) of O. Reg. 161/99 provides that the licensing requirement in section 57(c) of the OEB Act does not apply to a generator that owns or operates a generation facility that has a name plate capacity of 500 kW or less (i.e., a "small generation facility"). As none of the projects have a name plate capacity of more than 500kW, MHHI will not be making an application for an Electricity Generator Licence. 	
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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. <ul style="list-style-type: none"> The proposed generation output of each project is subject to a contract with the IESO for sale of renewable electricity under the FIT4 program. 	
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. <ul style="list-style-type: none"> The four projects proposed are rooftop solar projects with a combined maximum capacity of 1.150 MW. The four projects will operate under an IESO 20-year Feed-In-Tariff ('FIT') power purchase agreement. The four projects are expected to generate, on average, approximately 2,347 MWhs of electricity per year over the 20-year life of the FIT contract. 	
2.1.4	Provide details on whether the generation facility is expected to sign a "must run" contract with the IESO. <ul style="list-style-type: none"> The four projects proposed 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. <ul style="list-style-type: none"> The four projects proposed are not expected to serve a "load pocket", or are 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 four projects proposed are 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.	
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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

Ontario Energy Board
P.O. Box 2319
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27th Floor
Toronto, ON
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Toll Free Number:	1-888-632-6273
Fax:	416-440-7656
Website:	www.ontarioenergyboard.ca
Board Secretary's e-mail address:	boardsec@ontarioenergyboard.ca

Attachment 1.2.2
Corporate Organization Chart

