



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND ORDER

EB-2018-0339/EB-2018-0340

NORTH BAY HYDRO SERVICES INC.

**Applications for Electricity Generation Licence and Electricity
Retailer Licence**

BY DELEGATION, BEFORE: Brian Hewson
Vice President, Consumer Protection &
Industry Performance

March 7, 2019

DECISION AND ORDER

Background

North Bay Hydro Services Inc. filed two applications with the Ontario Energy Board (OEB) on December 17, 2018, under section 60 of the *Ontario Energy Board Act, 1998* (OEB Act). One of the applications was for an electricity generation licence, and was assigned OEB proceeding No. EB-2018-0339. The other application, for an electricity retailer licence, was assigned OEB proceeding No. EB-2018-0340.

Process

The OEB combined the two proceedings into one, pursuant to section 21(5) of the OEB Act. This Decision and Order on the combined proceeding is being issued by the Delegated Authority without a hearing pursuant to section 6(4) of the OEB Act.

The Applications

North Bay Hydro Services Inc. is a corporation formed under the laws of Ontario in 2002. North Bay Hydro Services Inc. is an affiliate of North Bay Hydro Distribution Limited, the licensed electricity distributor that serves the municipality of the City of North Bay, through common ownership by North Bay Hydro Holdings Limited, which in turn is wholly owned by the City of North Bay.

North Bay Hydro Services Inc. has applied for an electricity generation licence to own and operate the following: a 0.63 MW natural gas fired combined heat and power generation facility, 10 kW of solar generation and 250 kW of the battery storage (collectively the generation facilities). These generation facilities are part of the Community Energy Park, which the applicant describes as a “microgrid”, which will be operated by North Bay Hydro Services Inc. The electricity injected into the microgrid will serve five consumers located within the Community Energy Park, which is owned by the City of North Bay and located on three abutting parcels of City-owned land, within the City of North Bay.

In order to sell electricity to the Community Energy Park, North Bay Hydro Services Inc. also applied for an electricity retailer licence.

Findings

The tests for granting both generation and electricity retailer licences are the same. The OEB considers the technical and financial capability of the applicant to carry out the activity that would be authorized with the grant of a licence. The applicant's intended compliance with applicable enforceable provisions, as set out in the OEB Act, is also an important consideration in any decision on licensing.

After considering the information on the record of the combined proceeding, and assessing technical capability, conduct and financial viability of the applicant, the OEB finds that it is in the public interest to grant the applications and issue the electricity generation licence and the electricity retailer licence to North Bay Hydro Services Inc.

In reviewing the applications, the OEB has come to understand that the microgrid will include distribution lines necessary to deliver the electricity from the generation facilities to the consumers across three different properties. As such, the OEB has considered whether the owner and/or operator of the Community Energy Park might also require an electricity distribution licence. For the following reasons, the OEB finds that they do not.

The three properties upon which the Community Energy Park is located are immediately adjacent to each other. Each of these properties also share the same owner, which is the City of North Bay. For *Planning Act* purposes, abutting lands under the same ownership automatically "merge" into one parcel. The OEB finds that, for the purposes of the distribution licence review, the three abutting City-owned properties are deemed to be a single parcel of land. Therefore, as the operator of the microgrid, and pursuant to section 4.0.1 (a) of Ontario Regulation 161/99 (Definitions and Exemptions) made under the OEB Act, North Bay Hydro Services Inc. is exempt from having to apply for an electricity distribution licence under section 57 (a) of the OEB Act. The evidence establishes that North Bay Hydro Services Inc. is a distributor that will distribute electricity for a price no greater than that required to recover all reasonable costs with respect to a distribution system – the Community Energy Park – operated by the distributor that is entirely located on land on which there are industrial, commercial and office buildings.

As the owner of the Community Energy Park, and pursuant to section 4.0.1 (b) of Ontario Regulation 161/99, the City of North Bay is also exempt from having to apply for an electricity distribution licence. This is because the Community Energy Park, owned

by the City of North Bay, will be entirely located on land that is owned by the City of North Bay.

IT IS ORDERED THAT:

1. The application for the electricity generation licence is granted, on such conditions as are contained in the attached licence.
2. The application for the electricity retailer licence is granted, on such conditions as are contained in the attached licence.

DATED at Toronto March 7, 2019

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance