



February 25, 2019

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



55 Taunton Road, East  
Ajax, ON L1T 3V3  
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[www.veridian.on.ca](http://www.veridian.on.ca)

EB-2019-0106

Dear Ms. Walli,

**Re: Notice of Proposal under Section 80 of the Ontario Energy Board Act, 1998**

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Veridian Corporation, an affiliate of Veridian Connections Inc. (a licensed electricity distributor in the Province of Ontario), is submitting this Notice of Proposal application (attached) as required under section 80 of the *Ontario Energy Board Act, 1998* (the "Act") for your consideration.

Veridian Corporation intends to construct, own, operate and maintain an electricity generation project consisting of a 400 kW combined-heat-and-power system and will be connected behind the utility electricity meter, displacing electricity otherwise provided by the Veridian Connections Inc. electricity distribution system. Veridian Corporation has entered into a Project Incentive Contract with Veridian Connections Inc. pursuant to the Process and Systems Program under the Save On Energy Initiative. The project does not result in a material increase of Veridian Corporation's share of the total generation supply volume in the Province of Ontario.

Veridian Corporation respectfully submits that a review of the Notice of Approval for this project is not necessary as the project will not adversely affect the development and maintenance of a competitive electricity market in the Province of Ontario.

Please let me know if you have any questions with respect to the attached application or if you require further information.

Yours truly,

Michael C. Angemeer, P.Eng  
President and CEO



**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**

**1.1.1 Applicant**

Name of Applicant <b>VERIDIAN CORPORATION</b>	File No: (Board Use Only) <b>EB-2019-0106</b>
Address of Head Office <b>55 TAUNTON ROAD EAST AJAX, ONTARIO L1T 3V3</b>	Telephone Number <b>905 427 9870</b>
	Facsimile Number <b>905 619 0210</b>
	E-mail Address <b>generalinquiry@veridian.on.ca</b>
Name of Individual to Contact <b>Michael Angemeer President and CEO Veridian Corporation</b>	Telephone Number <b>905 427 9870 EXT. 2200</b>
	Facsimile Number <b>905 619 0210</b>
	E-mail Address <b>mangemeer@veridian.on.ca</b>

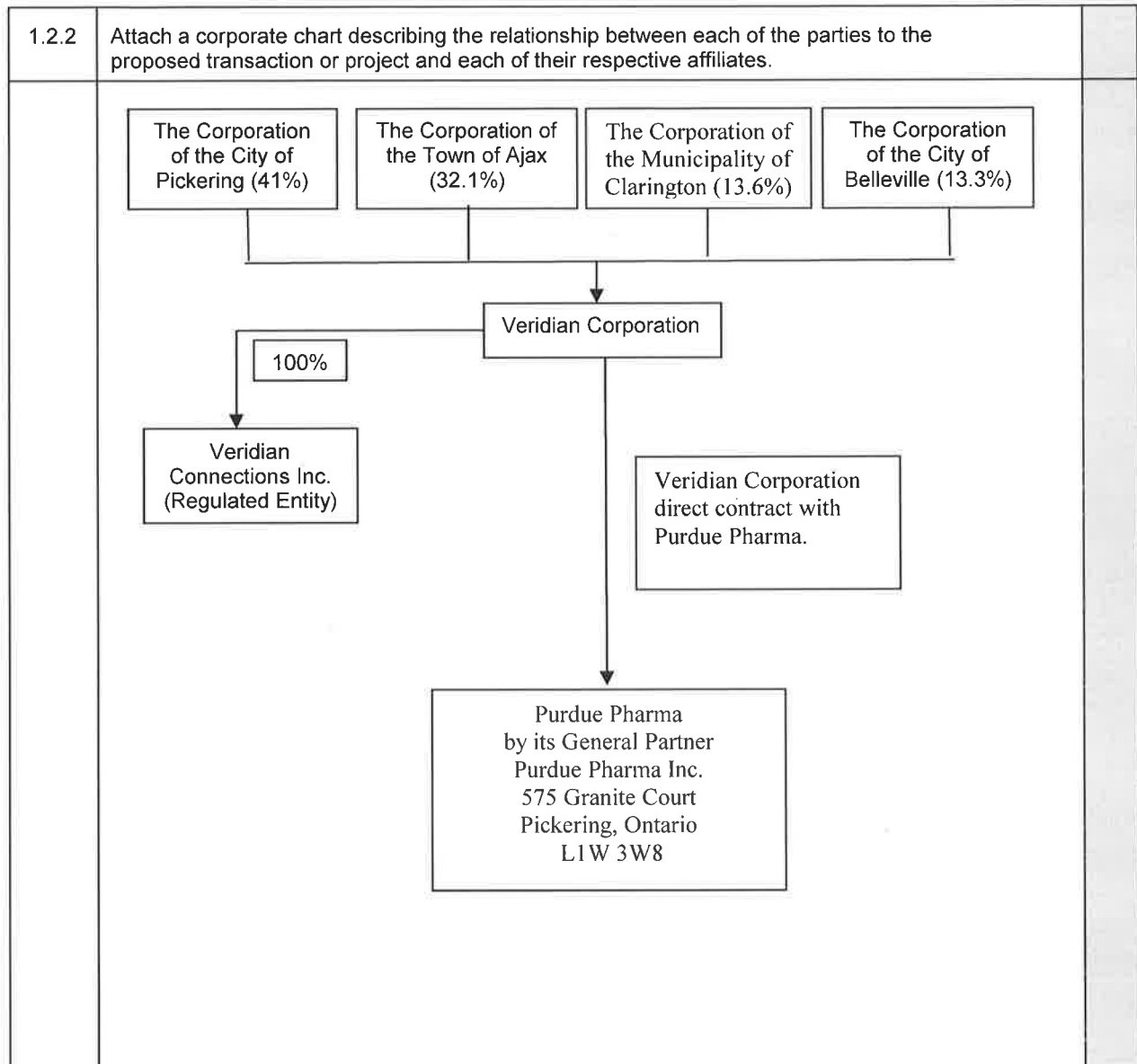
### 1.1.2 Other Parties to the Transaction or Project

*If more than one attach list*

Name of Other Party <b>PURDUE PHARMA, by its General Partner PURDUE PHARMA INC.</b>	Board Use Only	
Address of Head Office  <b>575 Granite Court  Pickering, Ontario  L1W 3W8</b>	Telephone Number  <b>(905) 420 6400</b>	
	Facsimile Number  <b>N/A</b>	
	E-mail Address  <b>customerservice@purdue.ca</b>	
Name of Individual to Contact  <b>Donna MacLean  Director, Workplace Environment</b>	Telephone Number  <b>(905) 420 4996</b>	
	Facsimile Number  <b>N/A</b>	
	E-mail Address  <b>DonnaMacLean@purdue.ca</b>	

**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>Veridian Corporation is the sole shareholder of Veridian Connections Inc.</b></p> <p><b>The shareholders of Veridian Corporation are: (a) The Corporation of the City of Pickering (41%); (b) The Corporation of the Town of Ajax (32.1%); (c) The Corporation of the Municipality of Clarington (13.6%); and (d) The Corporation of the City of Belleville (13.3%).</b></p> <p><b>The directors of Veridian Corporation are Adrian Foster, Kevin Ashe, Murray Angus, Ron Chatterton, Shaun Collier, Joanne Dies, Karen Fisher, James Macpherson, Mitch Panciuk, David Pickles, and David Ryan.</b></p> <p><b>The officers of Veridian Corporation are: (a) Michael Angemeer, President; (b) George Armstrong, Vice President; (c) Kevin Ashe, Vice Chair; (d) Adrian Foster, Chair; and (e) Laurie McLorg, Treasurer.</b></p> <p><b>The directors of Veridian Connections Inc. are: (a) Kevin Ashe; (b) Joanne Dies; (c) Adrian Foster; (d) Mitch Panciuk; (d) Douglas Parker; (e) Steve DeBoer; (f) David Ryan; (f) Shaun Collier; (g) Ted Baker; (h) David McGregor; and (i) David Pickles.</b></p> <p><b>The officers of Veridian Connections Inc. are: (a) Michael Angemeer, President; (b) George Armstrong, Vice President; (c) Kevin Ashe, Vice Chair; (d) Adrian Foster, Chair; and (e) Laurie McLorg, Treasurer.</b></p> <p><b>The directors of Purdue Pharma Inc. are: (a) David Pidduck; and (b) Stuart D. Baker.</b></p> <p><b>The project is to be located at Purdue Pharma's head office located at 575 Granite Court, Pickering, Ontario L1W 3W8.</b></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><b>Veridian Corporation is the sole shareholder of Veridian Connections Inc.</b></p> <p><b>Veridian Corporation is owned by 4 municipal shareholders in the proportions set forth in Section 1.2.2. In addition to the ownership of Veridian Connections Inc., Veridian Corporation is engaged in the development and ownership of generation facilities.</b></p> <p><b>Veridian Connections Inc. is licenced by the OEB pursuant to an electricity distribution licence (ED-2002-0503) and provides electricity distribution services in the City of Pickering, the Town of Ajax, the Municipality of Clarington, the Township of Uxbridge, the Town of Port Hope, the Township of Brock, the Township of Scugog, the City of Belleville, and the Town of Gravenhurst.</b></p> <p><b>Each of Veridian Corporation and Veridian Connections Inc. have headquarters located at 55 Taunton Road East, Ajax, Ontario.</b></p> <p><b>The nine communities in which Veridian Connections Inc. provides distribution services are located within southern Ontario. Veridian Connections Inc. owns and operates renewable electricity generation facilities.</b></p> <p><b>Purdue Pharma is a pharmaceutical organization that produces prescription and non-prescription medications.</b></p> <p><b>The Project consists of a 400 kW behind-the-meter cogeneration facility to be located at the Purdue Pharma head office, located at 575 Granite Court, Pickering, Ontario L1W 3W8.</b></p> <p><b>Veridian Corporation has entered into a Project Incentive Contract with Veridian Connections Inc. pursuant to the Process and System Upgrade Program. Veridian Corporation has entered into an Energy Services Agreement with Purdue Pharma to supply electricity and thermal energy to Purdue Pharma's facility. The electricity will be sold behind the electric utility meter.</b></p> <p><b>Veridian Corporation will own and operate the cogeneration facility.</b></p>	

1.3.2	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><b>Veridian Connections Inc. provides electricity distribution services in the City of Pickering, the Town of Ajax, the Municipality of Clarington, the Township of Uxbridge, the Town of Port Hope, the Township of Brock, the Township of Scugog, the City of Belleville, and the Town of Gravenhurst.</b></p> <p><b>Veridian Connections Inc. owns and operates two renewable solar generation projects located at 55 Taunton Road East, Ajax and 4941 Old Brock Road, Pickering.</b></p> <p><b>Veridian Connections Inc. is an applicant with respect to a proposed solar generation project to be located at 739 D'Arcy Street, Cobourg, Ontario (Building 13) for which the Ontario Energy Board has assigned File No. EB-2019-0096.</b></p> <p><b>Veridian Corporation is an applicant with respect to a proposed cogeneration project to be located at 265 Cannifton Road, Belleville, Ontario K8N 4V8. A Section 80 application has been filed for the project and an Ontario Energy Board File No. is not available at this time.</b></p>	
1.3.3	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.	
	<b>Veridian Connections Inc. owns two renewable solar generation facilities located at 55 Taunton Rd. E., Ajax and 4941 Old Brock Rd., Pickering. The 55 Taunton Rd. E, Ajax facility generated 148.3 MWh of electricity and had sales of \$105,650 in 2017. The 4941 Old Brock Rd, Pickering facility generated 123.6 MWh of electricity and had sales of \$66,750 in 2017.</b>	
1.3.4	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.	
	<b>Veridian Connections Inc. is the holder of a distribution licence (ED-2002-0503).</b>	

#### 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><b>The total generation capacity and energy produced by the parties to the project, including their electricity sector affiliates, prior to the completion of the proposed project is 0.522 MW and 1,955.7 MWh.</b></p> <table><tr><th>Licencee</th><th>Location</th><th>Type</th><th>Capacity (MW)</th><th>Energy (MWh)</th></tr><tr><td>Veridian Connections Inc.</td><td>55 Taunton Road East Ajax</td><td>Solar</td><td>0.120</td><td>148.3 (2017 Actual)</td></tr><tr><td>Veridian Connections Inc.</td><td>49491 Old Brock Road Pickering</td><td>Solar</td><td>0.101</td><td>123.6 (2017 Actual)</td></tr><tr><td>Veridian Connections Inc.</td><td>739 D'Arcy St. Cobourg</td><td>Solar</td><td>0.106</td><td>112.8 (Estimated)</td></tr><tr><td>Veridian Corporation</td><td>265 Cannifton Rd., Belleville, Ontario</td><td>Cogeneration</td><td>.195</td><td>1,571 (Estimated)</td></tr><tr><td colspan="3">Total Capacity (MW) and Energy (MWh)</td><td>.522</td><td>1,955.7</td></tr></table>	Licencee	Location	Type	Capacity (MW)	Energy (MWh)	Veridian Connections Inc.	55 Taunton Road East Ajax	Solar	0.120	148.3 (2017 Actual)	Veridian Connections Inc.	49491 Old Brock Road Pickering	Solar	0.101	123.6 (2017 Actual)	Veridian Connections Inc.	739 D'Arcy St. Cobourg	Solar	0.106	112.8 (Estimated)	Veridian Corporation	265 Cannifton Rd., Belleville, Ontario	Cogeneration	.195	1,571 (Estimated)	Total Capacity (MW) and Energy (MWh)			.522	1,955.7
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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> <p><b>The total Annual Ontario Energy Demand for 2017 was 132.1 TWh (132,100,000 MWh), as reported by the IESO (<a href="http://www.ieso.ca/corporate-ieso/media/year-end-data">http://www.ieso.ca/corporate-ieso/media/year-end-data</a>). The generation capacity of the facilities owned by Veridian Connections Inc. in 2017 was 271.9 MWh or 0.000206% of the 2017 Annual Primary Demand within the Province of Ontario. Veridian Corporation does not currently own any generation assets.</b></p>																														



**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><b>The project is to be located at 575 Granite Court, Pickering, Ontario L1W 3W8.</b></p> <p><b>The project consists of a cogeneration facility having an electricity generation capacity of 400 kW. Veridian Corporation has entered into an Energy Services Agreement with Purdue Pharma. The electricity to be produced by the proposed cogeneration facility will be consumed behind-the-meter, and the thermal energy produced will be used for the building, making the project a very efficient generation facility.</b></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.	
	<b>The total generation capacity of existing generation facilities, including the proposed facility, by each of Veridian Connections Inc. and Veridian Corporation is 0.522 MW. The Applicant does not consider that there will be any impact on generation capacity within the Province of Ontario as a result of the project.</b>	
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.	
	<p><b>As noted above, the total Annual Ontario Energy Demand for 2017 was 132.1 TWh (132,100,000 MWh), as reported by the IESO (<a href="http://www.ieso.ca/corporate-ieso/media/year-end-data">http://www.ieso.ca/corporate-ieso/media/year-end-data</a>). The market share of the project including existing generation facilities, will be approximately 5,029.7 MWh (approximately 0.00381% of the total Annual Ontario Energy Demand for 2017).</b></p> <p><b>Note: The 5,029.7 MWh is calculated based on 2017 actual production for the generators currently in service and estimated for those generators not currently in service.</b></p>	
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.	
	<b>The project does not have any impact on competition. Customer choice with respect to generation, energy wholesalers and/or energy retailers will not be affected by the project. The electrical energy produced by the project will be wholly consumed by the Purdue Pharma facility at which the cogeneration facility will be located.</b>	
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.	
	<b>The project does not have any impact on open access to the transmission or distribution system of the parties or their affiliates. Purdue Pharma's facility will utilize all of the electrical energy generated by the project and no electricity will be exported to the grid.</b>	

**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.

**To the best of its knowledge, Veridian Corporation is in compliance with all licence and code requirements and will continue to be in compliance after completion of the proposed project.**

**To the best of its knowledge, Veridian Connections Inc. is in compliance with all licence and code requirements and will continue to be in compliance after completion of the proposed project.**

**To the best of its knowledge, Purdue Pharma, is in compliance with all licence and code requirements and will continue to be in compliance after completion of the proposed project.**

**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.	
	<b>The generation output is for the sole use of Purdue Pharma at the project site.</b>	
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.	
	<b>The project consists of a natural gas fueled cogeneration facility, having a maximum capacity output of 400 kw and is expected to have approximately 7,685 hours of full-output operation in a year. The estimated annual generation for the project is 3,074 MWh. The project has a base-load character.</b>	
2.1.4	Provide details on whether the generation facility is expected to sign a “must run” contract with the IESO.	
	<b>The project will not be a ‘must run’ facility with the IESO.</b>	
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.	
	<b>The project is not expected to serve a ‘load pocket’ and is not likely to be ‘constrained on’ due to transmission constraints.</b>	

**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.

**Not Applicable**

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.

**Not Applicable.**

**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.	

Veridian Corporation Perdue Pharma CHP Project  
575 Granite Court  
Pickering, Ontario  
L1W 3W8

### **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  
M4P 1E4

Telephone:	416-481-1967
Toll Free Number:	1-888-632-6273
Fax:	416-440-7656
Website:	<a href="http://www.oeb.gov.on.ca">http://www.oeb.gov.on.ca</a>
Board Secretary's e-mail address:	<a href="mailto:boardsec@oeb.gov.on.ca">boardsec@oeb.gov.on.ca</a>

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