

May 13, 2020

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

Attention: Christine E. Long, Registrar and Board Secretary

Dear Ms. Long:

**Re: Notice of Proposal under Section 80 and 81 of the Ontario Energy Board Act, 1998
Board File No. EB-2020-0132**

Orillia Power Generation Corporation (OPGC) filed an Application on May 22, 2020 with respect to the Preliminary Filing Requirements for a Notice of Proposal under section 80 and 81 of the Ontario Energy Board Act, 1998.

OPGC requests that the document submitted to the Board be held in confidence by the Board under Rule 10.01 of OEB Rules of Practice and Procedure. The transaction is still under negotiations and the Application includes sensitive information that OPGC does not wish to be made public at this time. Attached to this letter, you will find a redacted version that can be placed on public record in due course as required by the Board.

If you require more information, please contact the undersigned.

Respectfully,



Grant Hipgrave
President & CEO
Orillia Power Generation Corporation

Telephone: [REDACTED]
Fax: [REDACTED]

April 22, 2020

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

Attention: Christine E. Long, Registrar and Board Secretary

Dear Ms. Long:

Re: Section 80 Notice

Please find enclosed Preliminary Filing Requirements for a Notice of Proposal under section 80 and 81 of the Ontario Energy Board Act, 1998 in respect to [REDACTED], Electricity Generation Licence EG-[REDACTED].

The Applicant, [REDACTED], is an affiliate of [REDACTED], Electricity Distribution Licence ED-[REDACTED]. As such, [REDACTED] is required to give notice of its intent to acquire an interest in generation under section 80 of the Ontario Energy Board Act, 1998.

[REDACTED] is proposing to acquire 100% of the outstanding shares of [REDACTED], Electricity Generation Licence EG-[REDACTED].

If you require additional or supplementary information to the information provided herein, please contact the undersigned.

Respectfully,

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

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 [REDACTED]	File No: (Board Use Only)	
Address of Head Office [REDACTED]	Telephone Number [REDACTED]	
	Facsimile Number [REDACTED]	
Name of Individual to Contact [REDACTED]	Telephone Number [REDACTED]	
	Facsimile Number [REDACTED]	
	Email Address [REDACTED]	

1.1.2 Other Parties to the Transaction or Project

If more than one attach list

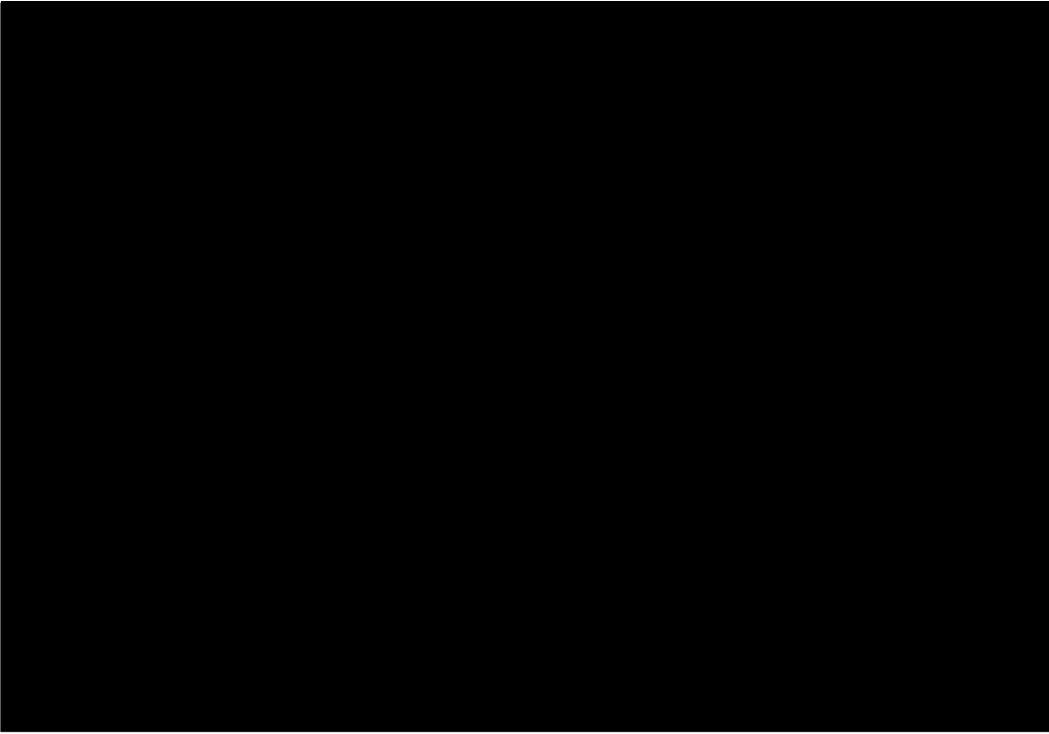
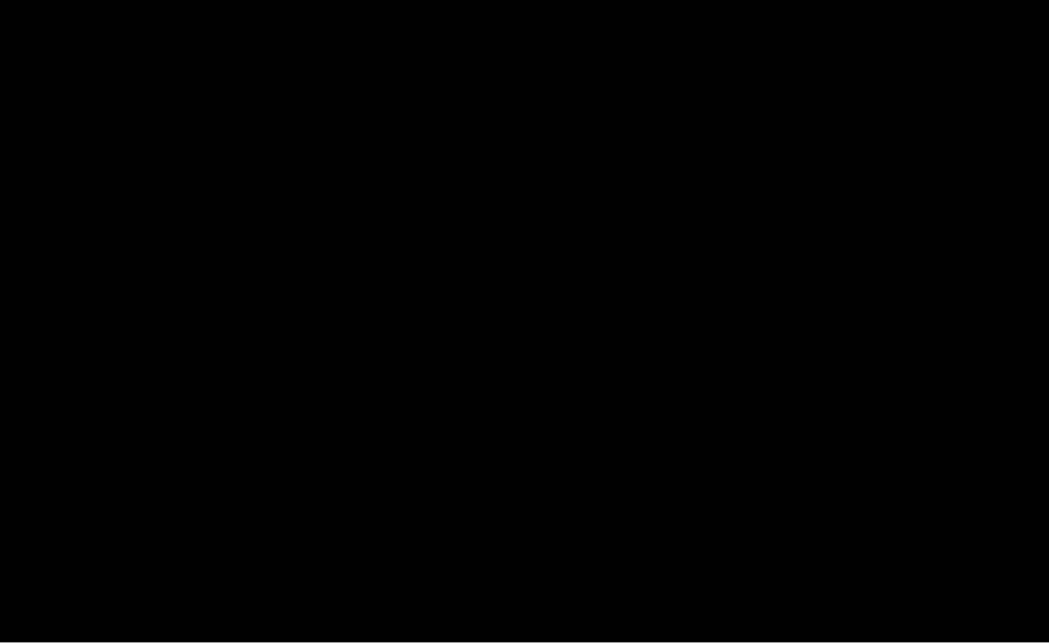
Name of Other Party [REDACTED]	Board Use Only	
Address of Head Office [REDACTED]	Telephone Number [REDACTED]	
	Facsimile Number	
	Email Address	
Name of Individual to Contact [REDACTED]	Telephone Number [REDACTED]	
	Facsimile Number	
	Email Address [REDACTED]	

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>Purchaser:</u></p> <p>[REDACTED]</p> <p><u>AFFILIATES OF THE Purchaser</u></p> <p>[REDACTED]</p> <p>[REDACTED]</p>	
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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> <p>Refer to Figures 1 and 2</p> <p>There is no relationship between the Purchaser () and the Vendor () with the exception that they each own portions of ()</p>	

1.3 Description of the Businesses of Each of the Parties

1.3.1	<p data-bbox="295 195 1339 310">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> 	
1.3.2	<p data-bbox="295 1117 1339 1201">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> 	

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>██████████ generated directly (not including Affiliates) 82,643 MWh with sales of ██████████ for fiscal year ending December 31, 2019.</p> <p>██████████ generated directly (not including Affiliates) 1,852 MWh with sales of ██████████ for fiscal year ending December 31, 2019.</p> <p>██████████ generated 1,109 MWh with sales of ██████████ for fiscal year ending December 31, 2019.</p> <p>In total, all companies controlled by ██████████ generated 85,604 MWh with sales of ██████████ for fiscal year ending December 31, 2019.</p> <p>██████████ does not own any generation assets and did not generate any sales for fiscal year ending December 31, 2012.</p> <p>██████████ does not own any generation assets and did not generate any sales for fiscal year ending December 31, 2012.</p> <p>██████████ generated 20,600 MWh with sales of ██████████ for fiscal year ending September 30, 2019. For the calendar year 2019, ██████████ generated 21,628 MWh with sales of ██████████</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> <p>██████████ holds Electricity Generation License ██████████.</p> <p>██████████ holds Electricity Distribution License ██████████</p> <p>██████████ holds Electricity Generation License ██████████</p>	

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> <p>██████████ owns directly (not including Affiliates) three hydroelectric generating stations with an aggregate generating contract capacity of 15.277 MW.</p> <p>██████████ owns directly (not including Affiliates) three rooftop solar sites with an aggregate contract capacity of 1.5 MW.</p> <p>██████████ owns four rooftop solar sites with an aggregate contract capacity of 0.970 MW.</p> <p>In total, all companies controlled by ██████████ have a generating contract capacity equal to 17.747 MW prior to completion of the proposed transaction.</p>	
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	<p>██████████ does not own or operate any electricity generation assets</p> <p>██████████ does not own or operate any electricity generation assets.</p> <p>██████████ owns three hydroelectric generating stations with an aggregate generating contract capacity of 4.6 MW prior to completion of the proposed transaction.</p>	
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>In 2019, annual electricity consumption in the Province of Ontario was 135.1 TWh.</p> <p>██████████ generated directly (not including Affiliates) 82,643 MWh in 2019, equal to 0.0621% of the Annual Primary Demand.</p> <p>██████████ generated directly (not including Affiliates) 1,852 MWh in 2019, equal to 0.0014% of the Annual Primary Demand</p> <p>██████████ generated 1,109 MWh in 2019, equal to 0.0008% of the Annual Primary Demand</p> <p><u>In total, all companies controlled by</u> ██████████ hold market share estimated to equal 0.0634% of the Annual Primary Demand within the Province of Ontario, based on actual annual MWh production prior to completion of the proposed transaction.</p> <p>██████████ does not own or operate any electricity generation assets</p> <p>██████████ does not own or operate any electricity generation assets.</p> <p>██████████ generated 21,628 MWh in 2019, equal to 0.016% of the Annual Primary Demand prior to completion of the proposed transaction.</p>	

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> <p>The Applicant proposes to acquire 100% of the outstanding shares of ██████████. ██████████ assets include three hydroelectric generating stations located in Ontario. All assets are existing operating and contracted facilities, and no new generation is being created by this transaction.</p> <p>██████████ holds contracts with the IESO for generation of electricity at its three stations as follows:</p> <ul style="list-style-type: none"> • ██████████ • ██████████ 	
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	<ul style="list-style-type: none"> • [REDACTED] 	
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> <p>Refer to Figure 3</p> <p>[REDACTED] will continue to own directly (not including Affiliates) three hydroelectric generating stations with an aggregate contract capacity of 15.277MW. It will also continue to own [REDACTED]. After the transaction, it will also own 100% of [REDACTED].</p> <p>[REDACTED] will continue to own directly (not including Affiliates) three solar PV generating stations with an aggregate contract capacity 1.5 MW (no change).</p> <p>[REDACTED] will continue to own four solar PV generating stations with an aggregate contract capacity of 0.970 MW (no change).</p> <p>[REDACTED] will now be owned 100% by [REDACTED] and will continue to own three hydroelectric generating stations with an aggregate contract capacity of 4.6 MW.</p> <p><u>In total, all companies controlled by [REDACTED] will have a generating capacity equal to 22.347 MW after the completion of the proposed transaction.</u></p> <p>[REDACTED] will continue to not own or operate any electricity generation assets.</p> <p>[REDACTED] will continue to not own or operate any electricity generation assets.</p>	
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> <p>In 2019, annual electricity consumption in the Province of Ontario was 135.1 TWh. For the purposes of these calculations, 2019 production values are used which represent a reasonable estimate of future annual generation.</p> <p>[REDACTED] will generate directly (not including Affiliates) an estimated 82,643, MWh annually, equal to 0.0621% of the Annual Primary Demand.</p> <p>[REDACTED] will generate directly (not including Affiliates) an estimated 1,852 MWh annually equal to 0.0014% of the Annual Primary Demand.</p> <p>[REDACTED] will generate an estimated 1,109 MWh annually, equal to 0.0008% of the Annual Primary Demand.</p> <p>[REDACTED] will generate an estimated 21,628 MWh annually, equal to 0.016% of the Annual Primary Demand.</p>	

	<p>██████████ will continue to not own or operate any electricity generation assets</p> <p>██████████ will continue to not own or operate any electricity generation assets.</p> <p><u>In total, all companies controlled by</u> ██████████ will generate an estimated total of 107,323 MWh annually and will hold market share estimated to equal 0.0794% of the Annual Primary Demand within the Province of Ontario, based on anticipated annual MWh production after completion of the proposed transaction.</p>	
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> <p>The proposed transaction will have no impact on competition. All operating generating stations and roof top solar sites hold long term contracts with the IESO for generation of electricity and no change to any of the terms of these contracts is anticipated. The proposed project's electrical energy will comprise a small fraction of the overall provincial supply and will not impact upon energy wholesalers or retailers to offer competitive products.</p>	
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> <p>The proposed transaction will have no impact on open access to the distribution system of ██████████ ██████████ ██████████ The proposed transaction will have no impact on open access to the transmission or distribution system of its host distributor, ██████████ ██████████ continues to provide open access to their transmission and distribution systems, accept applications for connection of generation projects to their systems and allocate capacity in accordance with applicable regulations.</p>	

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> <p>The Applicant hereby confirms that ██████████ and ██████████ are in compliance with all licence and code requirements and will continue to be in compliance after completion of the proposed transaction.</p>	
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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. After completion of the Transaction all generation will continue to be injected into the distribution systems of [REDACTED] and sold to the IESO pursuant to FIT, HCL, and HESOP Contracts.	
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. The assets to be acquired are all hydroelectric generation facilities. They each operate at approximately a 50% capacity factor and should be operational around 95% of the time or approximately 8,320 hours per year. All the generating facilities to be acquired are run-of-river facilities and do not have peaking capabilities,	
2.1.4	Provide details on whether the generation facility is expected to sign a “must run” contract with the IESO. Not applicable.	
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. Not applicable.	

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.

2.2.1	Provide reasons why the proposal is required to maintain the reliability of the transmission or distribution system. Provide supporting studies. Not applicable	
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. Not applicable	
2.2.3	Discuss the effect of the proposal on the security (ability of supply to respond to system contingencies) of supply. Not applicable	
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. Not applicable	

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.

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
M4P 1E4

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

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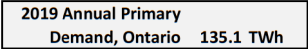


Figure 2 - Organization Chart - [REDACTED]

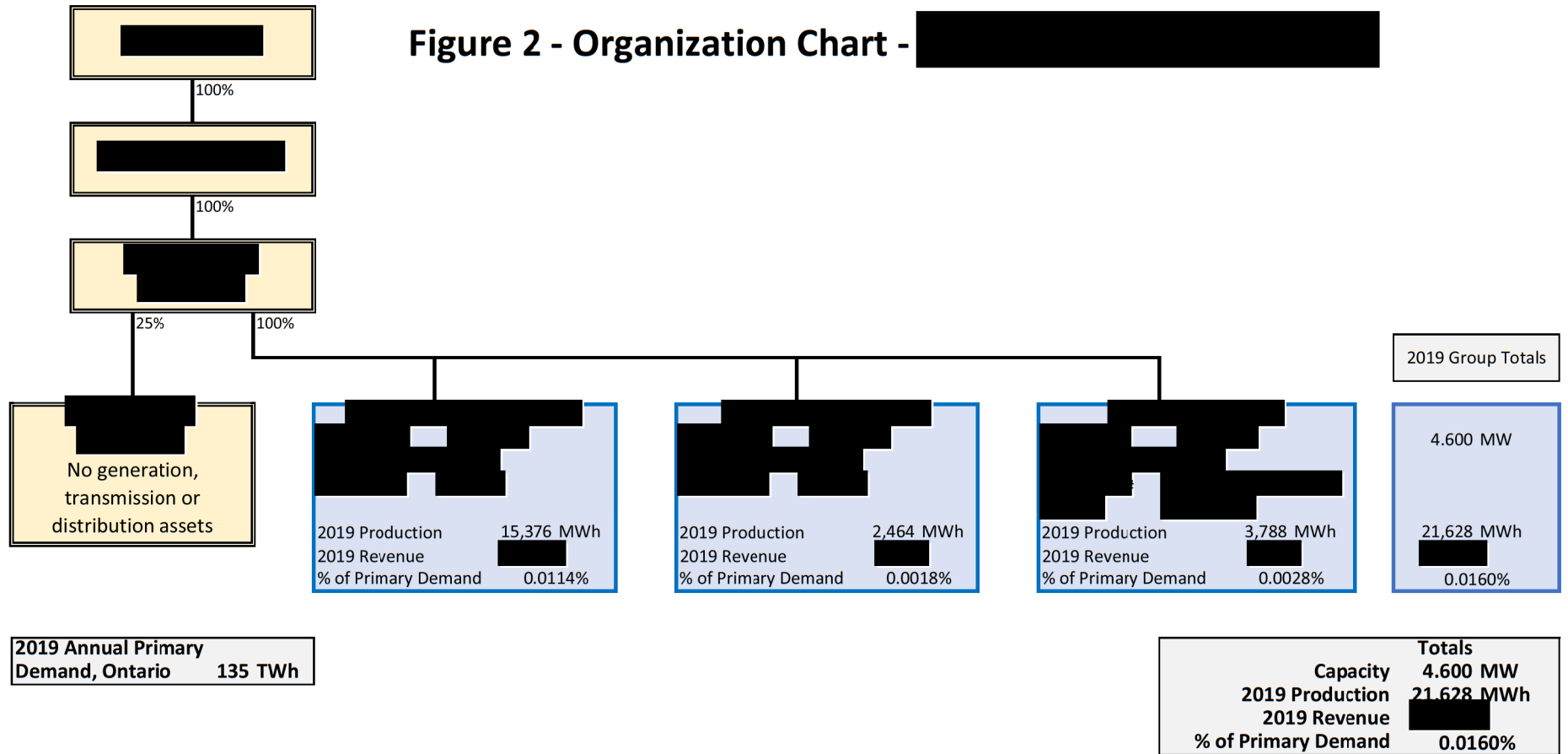
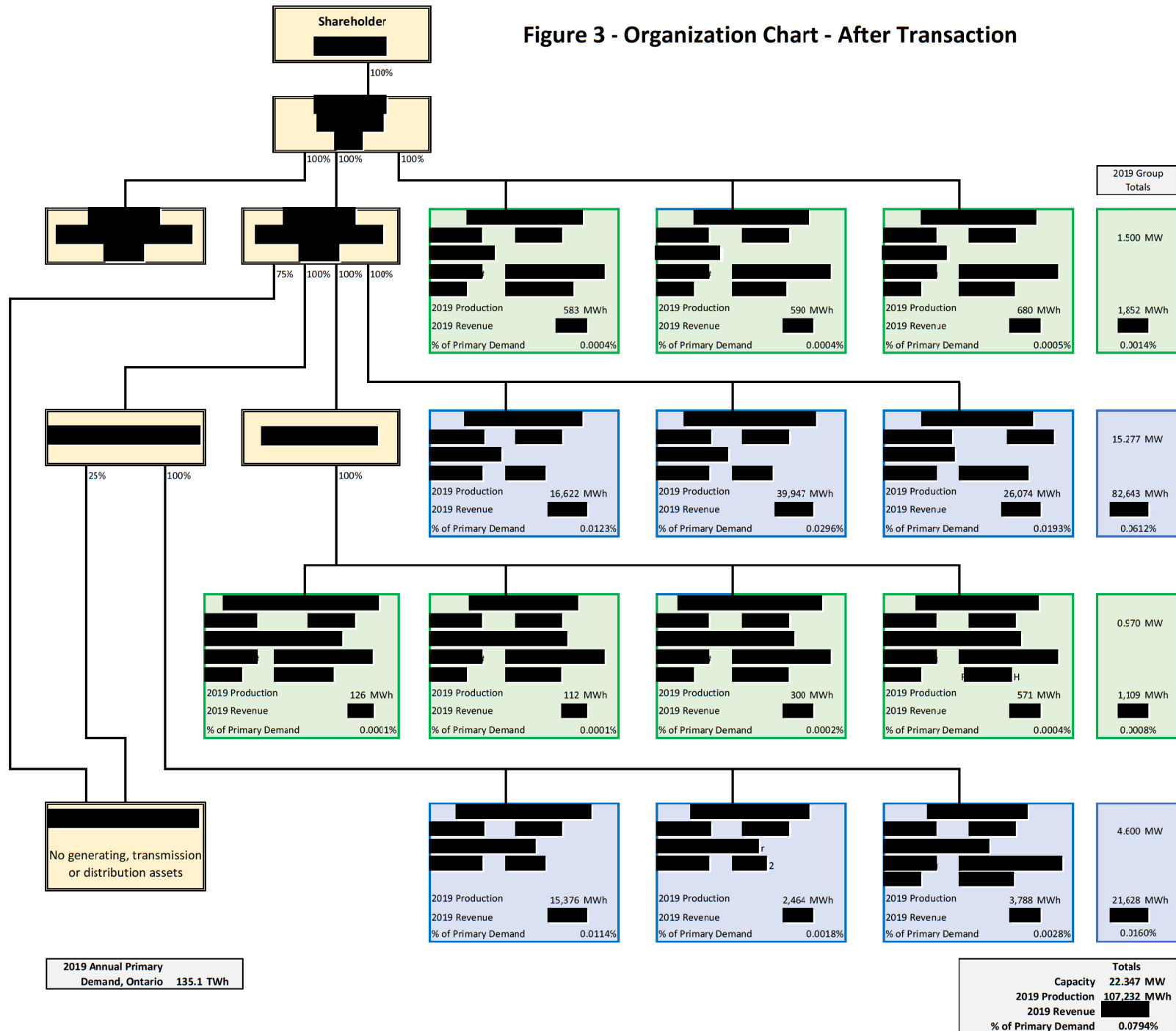


Figure 3 - Organization Chart - After Transaction



[REDACTED]

April 21, 2020

Ontario Energy Board

Dear Sir or Madam:

We confirm that [REDACTED] is in full compliance with all licence and code requirements and will continue to be in compliance after completion of the proposed transaction.

If you have any questions or concerns, please contact the undersigned.

[REDACTED]

Director