



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

DECISION AND ORDER

EB-2021-0263

OTTAWA RIVER POWER CORPORATION

**Application for Electricity Distribution Licence
Amendment**

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

January 6, 2022

DECISION AND ORDER

Ottawa River Power Corporation (Ottawa River Power) filed an application with the Ontario Energy Board (OEB) on October 6, 2021, under section 74 of the *Ontario Energy Board Act, 1998* for an amendment to its electricity distribution licence, ED-2003-0033. Ottawa River Power is requesting a five-year exemption from compliance with certain provisions of the Retail Settlement Code (RSC) and Standard Supply Service Code (SSS) in order to permit it to continue purchasing power under a proposed new power purchase agreement (the new PPA) directly from a generating facility located in Quebec. Effectively, the application seeks to extend prior relief granted by the OEB to Ottawa River Power from the requirements of section 3.2 of the RSC and section 2.2.2 of the SSSC under an existing power purchase agreement (the existing PPA) that is set to expire on March 31, 2022.

This Decision and Order is being issued by the Delegated Authority, without holding a hearing, pursuant to section 6(4) of the OEB Act.

Ottawa River Power is a fully embedded distributor in Hydro One Networks Inc.'s (Hydro One) distribution system. It distributes electricity in the communities of the City of Pembroke, the Township of Whitewater (Beachburg only), the Town of Mississippi Mills (Almonte Ward only) and the Township of Killaloe, Hagarty & Richards (Killaloe only).

The Waltham Generating Station is located about 24 kilometers outside of Ottawa River Power's service area, in the Province of Quebec. The facility is currently owned by Waltham Power and Company, Limited Partnership (Waltham LP). For over two decades, pursuant to the existing PPA entered into by Ottawa River Power, Waltham LP and Brookfield Energy Marketing Inc. on July 25, 2009, Ottawa River Power has purchased approximately 30 percent of its power requirements from the Waltham Generating Station.

To facilitate its purchase of power from the Waltham Generating Station, Ottawa River Power has been exempted from having to comply with section 3.2 of the RSC and section 2.2.2 of the SSS since 2009, in accordance with the following OEB orders: EB-2008-0289, which granted the initial exemption from July 22, 2009 to November 15, 2015; and EB-2015-0034, EB-2020-0237, EB-2021-0113 and EB-2021-0263, each of which served to extend the period of exemption for added terms.

On September 28, 2021, Ottawa River Power, Waltham LP and Brookfield Renewable Trading and Marketing LP¹ (Brookfield) entered into a new PPA, whereby the parties have agreed to continue with the power supply arrangement for a further five-year period, on terms that are materially similar to the existing PPA. The proposed new PPA provides that its term will begin the first day of the month that follows the month in which OEB approval of the exemption is granted in this proceeding. The proposed new PPA further provides that the parties may elect to extend the term of the PPA on the same terms and conditions for four additional periods of five years each, conditional upon the parties obtaining all required regulatory approvals and exemptions.

With its application, Ottawa River Power filed a customer benefit analysis covering the period from January 1, 2015 to December 31, 2020. The analysis demonstrates the savings on transmission charges, wholesale market charges and low voltage charges which were achieved through purchasing power from Brookfield (as opposed to having purchased it from Hydro One). The evidence indicates that total savings of \$1,229,793.68 (\$376,641.73 in transmission charges, \$703,039.13 in wholesale market charges, and \$150,112.82 in low voltage charges) were passed directly to Ottawa River Power's customers during the last term of the existing PPA. Ottawa River Power states that the proposed new PPA with Brookfield maintains the same rates and percentages of savings and that, therefore, its customers will continue to benefit in the next five years from the proposed new power supply arrangement with Brookfield.

FINDINGS

The OEB finds that Ottawa River Power has demonstrated tangible benefits for its customers as a direct result of the existing PPA over the past five-year period of the energy supply contract. Ottawa River Power's customers have benefited from avoided wholesale, transmission, and low voltage charges. Considering that the proposed new PPA has no material changes from the existing agreement, the OEB expects that Ottawa River Power's customers will continue to benefit through the sharing of avoided transmission and wholesale market costs with Brookfield.

The OEB therefore grants the application. Ottawa River Power's licence shall be amended such that it will be exempt from compliance with the requirements of section 3.2 of the RSC and section 2.2.2 of the SSSC, effective the date of this Decision and Order until January 31, 2027, or such other date as the PPA is discontinued or amended, whichever is earlier. At the time of filing the next application to possibly continue the arrangement with Brookfield to supply power, Ottawa River Power shall file

¹Brookfield was the successor to Brookfield Energy Marketing Inc. under the existing PPA.

evidence demonstrating the level of benefits to its customers during the period of this exemption.

IT IS ORDERED THAT:

1. Ottawa River Power Corporation's Electricity Distribution Licence ED-2003-0033, specifically Schedule 3 "List of Code Exemptions", is amended to include an exemption from section 3.2 of the Retail Settlement Code. This exemption expires on January 31, 2027, or the date the Power Purchase Agreement between Ottawa River Power Corporation, Waltham Power and Company, Limited Partnership and Brookfield Renewable Trading and Marketing LP is discontinued or amended, whichever is earlier.
2. Ottawa River Power Corporation's Electricity Distribution Licence ED-2003-0033, specifically Schedule 3 "List of Code Exemptions", is amended to include an exemption from section 2.2.2 of the Standard Supply Service Code. This exemption expires on January 31, 2027, or the date the Power Purchase Agreement between Ottawa River Power Corporation, Waltham Power and Company, Limited Partnership and Brookfield Renewable Trading and Marketing LP is discontinued or amended, whichever is earlier.

DATED at Toronto, January 6, 2022

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance