

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 Applicants

Name of Applicant (acquiring an interest): 9496-9284 Québec Inc.	File No: (Board Use Only)	
Address of Head Office 1250 René-Lévesque Boulevard West Suite 1400, Montréal, Québec H3B 5E9 Canada	Telephone Number (781) 653-4240	
	Facsimile Number N/A	
	E-mail Address legalnotices@investpsp.ca	
Name of Individual to Contact Justin Trudell	Telephone Number (781) 653-4247	
	Facsimile Number N/A	

	E-mail Address justin.trudell@firstlightpower with a copy to: legalnotices@investpsp.ca	
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Name of Applicant (acquiring an interest): FirstLight Holding Inc.	File No: (Board Use Only)	
Address of Head Office 560 King Street West, Unit 2 Oshawa, Ontario L1J 7J1 Canada	Telephone Number (781) 653-4240	
	Facsimile Number N/A	
	E-mail Address legalnotices@investpsp.ca	
Name of Individual to Contact Stephen Pike	Telephone Number (781) 653-4244	
	Facsimile Number N/A	
	E-mail Address steve.pike@firstlightpower.c om with a copy to: legalnotices@investpsp.ca	

Name of Applicant (acquiring an interest): Public Sector Pension Investment Board	File No: (Board Use Only)	
Address of Head Office 135 Laurier Avenue West, Ottawa, Ontario K1P 5J2 Canada	Telephone Number (514) 937-2772	
	Facsimile Number N/A	

Principal Place of Business: 1250 René-Lévesque Boulevard West Suite 1400 Montréal, Québec H3B 5E9 Canada	E-mail Address legalnotices@investpsp.ca	
Name of Individual to Contact Patrick Gut	Telephone Number (514) 938-5012	
	Facsimile Number N/A	
	pgut@investpsp.ca with a copy to: legalnotices@investpsp.ca	

1.1.2 Other Parties to the Transaction or Project

If more than one attach list

Name of Other Parties (selling an interest) Hydro7480 Inc.	Board Use Only	
Address of Head Office: PH402-8200 boul. Du Saint-Laurent, Brossard, Québec J4X 2X6 Canada	Telephone Number (514) 318-5343	
	Facsimile Number N/A	
	E-mail Address jcerceau@videotron.ca	
Name of Individual to Contact Jacky Cerceau	Telephone Number (514) 318-5343	
	Facsimile Number N/A	

	E-mail Address jcerceau@videotron.ca	
Name of Other Parties (selling an interest) 15246709 Canada Inc.	Board Use Only	
Address of Head Office: 440 Elm Avenue, Westmount, Quebec H3Y 3J1 Canada	Telephone Number 514-825-2994	
	Facsimile Number N/A	
	E-mail Address plawee@kesmat.com	
Name of Individual to Contact Philip Lawee	Telephone Number 514-825-2994	
	Facsimile Number N/A	
	E-mail Address plawee@kesmat.com	
Name of Parties (in whom share/units are being acquired): Hydromega Services Inc.	Board Use Only	
Address of Head Office: 1134 Ste-Catherine Road West, 12th Floor Montreal, Quebec H3B 1H4 Canada	Telephone Number (514) 392-9266	
	Facsimile Number (514) 392-1466	
	E-mail Address sboyer@hydromega.com	

Name of Individual to Contact Stéphane Boyer	Telephone Number (514) 886-8825	
	Facsimile Number (514) 392-1466	
	E-mail Address sboyer@hydromega.com	
Name of Parties (in whom share/units are being acquired): Hydromega Energy (Ont) Inc.	Board Use Only	
Address of Head Office: 1134 Ste-Catherine Road West, 12th Floor Montreal, Quebec H3B 1H4 Canada	Telephone Number (514) 392-9266	
	Facsimile Number (514) 392-1466	
	E-mail Address sboyer@hydromega.com	
Name of Individual to Contact Stéphane Boyer	Telephone Number (514) 886-8825	
	Facsimile Number (514) 392-1466	
	E-mail Address sboyer@hydromega.com	

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. <u>APPLICANTS:</u> <u>9496-9284 Québec Inc.</u> Directors: Alicia Barton	
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<p>Patrick Gut Martine Légaré</p> <p>Officers:</p> <p>Alicia Barton – President and Chief Executive Officer Justin Trudell – Chief Operating Officer Christopher J. Hurley – Senior Vice President, Finance</p> <p>Shareholders: FLH Trust 2 / Fiducie FLH 2 (directly holds 10.1% of shares). Note that FLH Trust 1/ Fiducie FLH 1 is the sole beneficiary of FLH Trust 2.</p> <p>FirstLight Holding Inc. (holder of 89.9% of shares in 9496-9284 Québec Inc. and sole beneficiary of FLH Trust 1)</p> <p><u>First Light Holding Inc.</u></p> <p>Directors:</p> <p>Alicia Barton Mary Beth Gentleman James Ginnett Philip Giudice Patrick Gut Martine Légaré James Matheson</p> <p>Officers:</p> <p>Alicia Barton – President and Chief Executive Officer Justin Trudell – Chief Operating Officer Chris Hurley – Vice President, Finance and Accounting Stephen Pike – Secretary</p> <p>Shareholder:</p> <p>Public Sector Pension Investment Board</p> <p><u>Public Sector Pension Investment Board:</u></p> <p>Directors:</p> <p>Maryse Bertrand Gregory Chrispin David C. Court Martin Glynn Margaret Marianne Harris Miranda C. Hubbs Susan Kudzman Katherine Lee Helen Mallovy-Hicks Maurice Tulloch</p> <p>Officers:</p> <p>Deborah K. Orida – President Mélanie Bernier – Senior Vice President and Chief Legal and People Officer Jean-François Bureau – Senior Vice President and Chief Financial and Risk Officer Oliver Duff – Senior Vice President and Global Head of Credit Investments Simon Marc – Senior Vice President and Global Head of Private Equity and Strategic Partnerships David Ouellet – Senior Vice President and Chief Technology, Data and Operations Officer</p>	
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<p>Patrick Samson – Senior Vice President and Global Head of Real Assets Investments (Real Estate, Natural Resources and Infrastructure) Eduard Van Gelderen – Senior Vice President and Chief Investment Officer</p> <p>Shareholder: Government of Canada (His Majesty in Right of Canada)</p> <p><u>TRANSFERORS:</u></p> <p><u>Hydro7480 Inc.</u></p> <p>Director: Jacky Cerceau</p> <p>Officer: Jacky Cerceau – President and Secretary</p> <p>Shareholder: Jacky Cerceau</p> <p><u>15246709 Canada Inc.</u></p> <p>Director: Dahlia Zubaida</p> <p>Officer: Dahlia Zubaida – President and Secretary</p> <p>Shareholder: Dahlia Zubaida</p> <p><u>OTHER PARTIES (in whom shares/units are being acquired)</u></p> <p><u>Hydromega Services Inc.:</u></p> <p>Directors: Jacky Cerceau Philip Lawee</p> <p>Officers: Jacky Cerceau – President Philip Lawee – Secretary and Treasurer</p> <p>Shareholders: Hydro7480 Inc. 15246709 Canada Inc.</p> <p><u>Hydromega Energy (Ont) Inc.:</u></p> <p>Directors: Jacky Cerceau Philip Lawee</p> <p>Officers: Jacky Cerceau – President Philip Lawee – Secretary and Treasurer</p> <p>Shareholder: Hydromega Services Inc.</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>Appendix 1 hereto is a corporate structure chart showing the Applicants' relationship with their current Electricity Sector Affiliates.</p> <p>Appendix 2 is a corporate structure chart showing HSI's relationship with its current Electricity Sector Affiliates.</p> <p>Appendix 3 is a corporate structure chart showing the Applicant's relationship to their Electricity Sector Affiliates after the completion of the proposed transaction.</p> <p>Appendix 4 is a corporate structure chart showing HSI's relationship to the Applicants and its Electricity Sector Affiliates after the completion of the proposed transaction.</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><u>Parties to the Transaction:</u></p> <p><u>The Applicants</u></p> <p>9496-9284 Québec Inc.</p> <p>9496-9284 Québec Inc. (the "Purchaser") is a newly formed company that is not currently carrying on any business.</p> <p>The proposed transaction will, once completed, result in the Purchaser acquiring all of the shares of Hydromega Services Inc. ("HSI"), which indirectly owns controlling interests in Okikendawt Hydro L.P. ("Okikendawt"), Nipiy-OWF HydroKap L.P. ("Nipiy-OWF"), Nipiy-WOF HydroKap L.P. ("Nipiy-WOF"), Amik-BBF HydroKap L.P. ("Amik-BBF") and Amik-CTR HydroKap L.P. ("Amik-CTR"), and the Purchaser will become an affiliate of those entities. The Purchaser will amalgamate with HSI immediately after the closing of the proposed transaction.</p> <p>HSI, Okikendawt, Nipiy-OWF, Nipiy-WOF, Amik-BBF, and Amik-CTR are licensed under the OEB Act as electricity generators.</p> <p>Currently, HSI directly owns Cochrane Power Corporation ("Cochrane"), an OEB-licensed generator that owns a co-generation facility that has been idle since 2015. However, Cochrane will be excluded from the proposed transaction and will not be acquired by the Applicants.</p> <p>FirstLight Holding Inc.</p> <p>FirstLight Holding Inc. ("FHI") is a holding company wholly and directly owned by the Public Sector Pension Investment Board. FHI indirectly owns H2O Power Limited Partnership ("H2O Power") and H2O Power Holding Limited Partnership ("H2O Holding"), which are both licensed under the OEB Act as electricity generators and electricity retailers.</p> <p>FHI is the beneficial owner of all voting shares in the Purchaser. FHI directly holds 89.9% of the voting shares in the Purchaser, while the remaining 10.1% of voting shares in the Purchaser are held by a trust named FLH Trust 2. The sole beneficiary of FLH Trust 2 is a trust named FLH Trust 1, whose sole beneficiary is FHI.</p>	
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	<p>Public Sector Pension Investment Board</p> <p>The ultimate parent company of the Purchaser is the Public Sector Pension Investment Board ("PSP"), a Crown corporation established pursuant to the <i>Public Sector Pension Investment Board Act</i> (Canada). PSP is the investment manager for the pension plans of the Public Service, the Canadian Armed Forces, the Royal Canadian Mounted Police and the Reserve Force. PSP, FHI, and the Purchaser together with their current Electricity Sector Affiliates will be referred to hereafter as the "PSP Entities".</p> <p>The Purchaser, FHI, and PSP are applicants for the purposes of this Notice since they are affiliates of OEB-licensed generators and will, if the proposed transaction is completed, acquire an interest in the distribution infrastructure owned by HSI and its subsidiaries.</p> <p><u>Vendors</u></p> <p>Hydro7480 Inc. is a corporation incorporated under the <i>Canada Business Corporations Act</i>. Its primary purpose is to hold shares of Hydromega Services Inc.</p> <p>15246709 Canada Inc. corporation incorporated under the <i>Canada Business Corporations Act</i>. Its primary purpose is to hold shares of Hydromega Services Inc.</p> <p><u>OTHER PARTIES (in whom the Applicants are acquiring an interest)</u></p> <p>Hydromega Services Inc.</p> <p>HSI is a corporation incorporated under the Québec <i>Companies Act</i> and continued under the Québec <i>Business Corporations Act</i>. HSI builds and operates independent electric facilities in Ontario and Québec. HSI indirectly holds all ownership interests in Okikendawt, Nipiy-OWF, Nipiy-WOF, Amik-BBF, and Amik-CTR, which each own an electricity generating station. HSI also directly owns Cochrane, which will not be included in the proposed transaction and therefore will not be acquired by the Applicants. HSI operates the electricity generating stations owned by these entities pursuant to HSI's Electricity Generating Licence EG-2010-0387. Through its ownership of these entities, HSI also indirectly owns distribution infrastructure used to convey electricity generated at those stations to the local distribution system.</p> <p>Okikendawt</p> <p>Okikendawt holds OEB Electricity Generation Licence EB-2011-0366 under which it owns the Okikendawt Generating Station, a 10-MW hydroelectric generating station.</p> <p>Nipiy-OWF</p> <p>Nipiy-OWF holds OEB Electricity Generation Licence EG-2010-0391 under which it owns Old Woman Falls Generating Station, a 5.5-MW hydroelectric generating station.</p> <p>Nipiy-WOF</p> <p>Nipiy-WOF holds OEB Electricity Generation Licence EG-2010-0390 under which it owns White Otter Falls Generating Station, a 5.5-WM hydroelectric generating station.</p> <p>Amik-BBF</p> <p>Amik-BBF holds OEB Electricity Generation Licence EG-2010-0388 under which it owns Big Beaver Falls Generating Station, a 5.5-WM hydroelectric generating station.</p> <p>Amik-CTR</p> <p>Amik-CTR holds OEB Electricity Generation Licence EG-2010-0389 under which it owns Camp Three Rapids Generating Station, a 5.5-MW hydroelectric station known.</p> <p><u>Electricity Sector Affiliates of the Applicants</u></p> <p>H2O Power Limited Partnership</p> <p>H2O Power holds OEB Electricity Generation Licence EG-2006-0124 and OEB Electricity Retailer Licence EB-2021-0221. It is an independent power producer that beneficially owns a 51% undivided interest in eight hydroelectric facilities, three control dams, and approximately 130 kilometers of transmission lines in Ontario which is used to convey the electricity generated by these facilities to the grid. H2O Power owns a 51% undivided co-ownership interest in the following entities that have legal title to the hydroelectric facilities, with Watergen Canada</p>	
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	<p>Holdings Inc. ("Watergen") holding a 49% undivided co-ownership interest in the following entities:</p> <ul style="list-style-type: none"> • H2O Power Calm Lake Inc. which has legal title to the Calm Lake generating station with an installed capacity of 9.5 MW. • H2O Power Fort Frances Inc. which has legal title to the Fort Frances generating station with an installed capacity of 13.1 MW • H2O Power Iroquois Falls Inc. which has legal title to the Iroquois Falls generating station with an installed capacity of 29.7 MW • H2O Power Island Falls Inc. which has legal title to the Island Falls generating station with an installed capacity of 44.3 MW • H2O Power Kenora Inc. which has legal title to the Kenora generating station with an installed capacity of 5.5 MW. • H2O Power Norman Inc. which has legal title to the Norman generating station with an installed capacity of 12.8 MW. • H2O Power Sturgeon Falls Inc. which has legal title to the Sturgeon Falls generating station with an installed capacity of 8.4 MW. • H2O Power Twin Falls Inc. which has legal title to the Twin Falls generating station with an installed capacity of 27.5 MW. <p>H2O Power Holding Limited Partnership</p> <p>H2O Holding holds 100% of the limited partnership units of H2O Power. It also operates each of the eight hydropower facilities that are co-owned by H2O Power and Watergen, and it holds OEB Electricity Generation Licence EG-2016-0369 and OEB Electricity Retailer Licence ER-2021-0287.</p>	
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> <p>The following parties do NOT serve a geographic territory:</p> <p>9496-9284 Québec Inc. FirstLight Holding Inc. PSP Hydro7480 Inc. 15246709 Canada Inc. Hydromega Services Inc. Hydromega Energy (Ont) Inc.</p> <p>Electricity Sector Affiliates:</p> <p><u>Okikendawt</u> Okikendawt owns the Okikendawt Generating Station, which is located on the French River at 555 Keso Bay Road, Dokis First Nation, Ontario, operated by HSI.</p> <p><u>Nipiy-OWF</u> Nipiy-OWF owns the Old Woman Falls Generating Station located at CL 16393, being Part of the Bed of the Kapuskasing River and Part of the Township of Shanly, District of Algoma, Ontario, operated by HSI.</p> <p><u>Nipiy-WOF</u> Nipiy-WOF owns the White Otter Falls Generating Station located at CL 16394, being Part of the Bed of the Kapuskasing River and Part of the Town of Cargill, District of Cochrane, Ontario, operated by HSI.</p>	

Amik-BBF

Amik-BBF owns the Big Beaver Falls Generating Station located at CL 16392, being Part of the Bed of the Kapuskasing River and Part of the Town of Sulman, District of Cochrane, Ontario, operated by HSI.

Amik-CTR

Amik-CTR owns the Camp Three Rapids Generating Station located at CL 16391, being part of the bed of the Kapuskasing River and part of the Township of Sulman, District of Cochrane, Ontario, operated by HSI.

Cochrane Power Corporation

Cochrane owns the Cochrane Power Corporation Generating Station, a co-generation facility located at 506 4th Steet East, Cochrane, Ontario, operated by HSI. Cochrane will be excluded from the transaction and its shares will not be acquired by the Applicants.

H2O Power beneficially co-owns with Watergen the following Facilities which are operated by H2O Holding:

H2O Power Calm Lake Inc.

H2O Power Calm Lake Inc. holds legal title to a hydro facility located approximately 120 km east of the Town of Fort Frances, Ontario.

H2O Power Fort Frances Inc.

H2O Power Fort Frances Inc. holds legal title to a hydro facility located approximately 4 km from the outlet of Rainy Lake, Ontario.

H2O Power Twin Falls Inc.

H2O Power Twin Falls Inc. holds legal title to a hydro facility located approximately 40 km downstream from Lake Abitibi, Ontario.

H2O Power Iroquois Falls Inc.

H2O Power Iroquois Falls Inc. holds legal title to a hydro facility located on the Abitibi River in Ontario approximately 17 km downstream from the Twin Falls Facility.

H2O Power Island Falls Inc.

H2O Power Island Falls Inc. holds legal title to a hydro facility located approximately 30 km north of the confluence of the Abitibi and Frederickhouse Rivers in Ontario.

H2O Power Kenora Inc.

H2O Power Kenora Inc. holds legal title to a hydro facility located on the outlet of the Lake of the Woods in the town of Kenora, Ontario.

H2O Power Norman Inc.

H2O Power Norman Inc. holds legal title to a hydro facility located on the outlet of the Lake of the Woods in the Town of Kenora, Ontario (near the Kenora facility but on a separate channel of the river).

H2O Power Sturgeon Falls Inc.

H2O Power Sturgeon Falls Inc. holds legal title to a hydro facility located approximately 90 km east of the Town of Fort Frances, Ontario.

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>HSI and its affiliates (excluding Cochrane) sold 113,700 MWh of electricity in 2022 and had total sales of C\$16.7 million for 2022. Note that these figures are prorated to reflect HSI's ownership interest in each project.¹</p> <p>PSP and its affiliates sold 505,426 MWh of electricity in 2022 and had total sales of C\$46,302,237 in that year. Note that these figures have been adjusted to reflect the fact that the PSP Entities only own a 51% undivided interest in the relevant H2O generating assets.²</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>Hydromega Services Inc. HSI holds OEB Electricity Generation Licence EG-2010-0387.</p> <p>Okikendawt Okikendawt holds OEB Electricity Generation Licence EB-2011-0366.</p> <p>Nipiy-OWF Nipiy-OWF holds OEB Electricity Generation Licence EG-2010-0391.</p> <p>Nipiy-WOF Nipiy-WOF holds OEB Electricity Generation Licence EG-2010-0390.</p> <p>Amik-BBF Amik-BBF holds OEB Electricity Generation Licence EG-2010-0388.</p> <p>Amik-CTR Amik-CTR holds OEB Electricity Generation Licence EG-2010-0389.</p> <p>Cochrane Power Corporation Cochrane holds OEB Electricity Generation Licence EG-2003-0100. Cochrane, which will not be included in the proposed transaction, intends to submit an application in the coming months to renew its generation licence.</p> <p>H2O Power holds OEB Electricity Generation Licence EG-2006-0124 and OEB Electricity Retailer Licence EB-2021-0221.</p> <p>H2O Holding holds OEB Electricity Generation Licence EG-2016-0369 and OEB Electricity Retailer Licence ER-2021-0287</p>	
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¹ Total annual sales for the five Ontario generating assets operated by the HSI and its subsidiaries (namely, the Okikendawt, Big Beaver Falls, White Otter Falls, Old Woman Falls, Camp Three Rapids generating stations), excluding the Cochrane Generating Station, were 147,600 MWh and C\$22 million. However, since HSI and its subsidiaries only own a 60% interest in the Okikendawt Generating Station and an 80% interest in the White Otter Falls, Big Beaver Falls, and Camp Three Rapids generating stations, these numbers have been adjusted to reflect HSI's ownership interest in each facility.

² Without adjusting for ownership interest, the total amount of electricity produced and sold by generating facilities co-owned by the PSP Entities was 991,031 MWh in 2022, representing C\$90,788,701 in total sales in that year.

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.

Entity	MW
Okikendawt Hydro L.P.	10 MW
Nipiy-OWF HydroKap L.P.	5.5 MW
Nipiy-WOF HydroKap L.P.	5.5 MW
Amik-BBF HydroKap L.P.	5.5 MW
Amik-CTR HydroKap L.P.	5.5 MW
H2O Power Limited Partnership	150.88 MW
TOTAL	182.88 MW

Note that the H2O Power generating stations are owned by a joint venture between Watergen and H2O Power. H2O Power only holds a 51% undivided interest in the joint venture. Accordingly, the total generating capacity of 150.88 MW associated with the H2O-Watergen-owned generating stations should not be attributed solely to H2O Power.

Note also that the 10-MW Okikendawt Generating Station is only 60% owned by HSI Entities and that the 5.5-MW White Otter Falls, Big Beaver Falls, and Camp Three Rapids generating stations are each 80% owned by HSI Entities. Therefore, the Applicants will be acquiring less generation capacity than shown above, since they will only be acquiring HSI's ownership interest in these facilities.

Finally, please note that Cochrane Power Corporation has been excluded from the above list. While it is currently an Electricity Sector Affiliate of HSI Entities, it will not be included in the proposed transaction and hence will not be acquired by the Applicants.

1.4.2

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.

The Annual Primary Demand is no longer calculated by the IESO, but the IESO has stated that in 2022, Ontario's total annual electricity consumption was 137.5 TWh. (Source: <http://www.ieso.ca/en/Corporate-IESO/Media/Year-End-Data>)

In 2022, the five generating stations owned by HSI Entities (excluding Cochrane, which will not be acquired by the Applicants and which was not in operation in 2022) produced a total of 113.7 GWh of electricity. This production represents less than 0.083% of the total Ontario energy demand. The HSI numbers are prorated to reflect HSI's ownership interest in the five generating stations.

In 2022, the eight generating facilities co-owned by the joint venture formed by H2O Power and Watergen produced a total of 911.031 GWh of electricity. This production represented less than 0.663% of the total Ontario energy demand. However, since H2O Power owns a 51% interest in the joint venture, only a proportional share of this production should be attributed to H2O Power for the purpose of calculating market share. Fifty-one percent of 911.031 GWh represents only 0.338% of total Ontario energy demand, which more accurately reflects the market share of H2O Power (and, therefore, the market share of the Applicants).

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>Please see the accompanying cover letter, which includes a detailed description of the proposed transaction.</p>	
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>The proposed transaction will increase the overall generation capacity of the PSP Entities by 32 MW, which is the combined generating capacity of the facilities owned by Okikendawt, Nipiy-OWF, Nipiy-WOF, Amik-BBF, and Amik-CTR. The overall generating capacity of the vendors, Hydro7480 Inc. and 15246709 Canada Inc. together with their Electricity Sector Affiliates will decrease by an equivalent amount.</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>The proposed transaction will increase the market share of the PSP Entities, but only to an insignificant extent relative to the overall size of the market (or any relevant segment thereof). Following the closing of the proposed transaction, the PSP Entities will control generating assets that are anticipated to produce 1,040,183 MWh in 2023. The IESO has stated that in 2022, Ontario's total annual electricity consumption was 137.5 TWh. Accordingly, the total estimated production following the completion of the transaction will be approximately 0.75% of Ontario's total electricity demand.</p> <p>The Electricity Sector Affiliates of the Purchaser, FirstLight Holding Inc., and PSP will have the following share of total electricity demand based on anticipated MWh production as a percentage of 2022 total annual electricity consumption:</p> <ul style="list-style-type: none"> – Okikendawt: 49,690 MWh, 0.036% – Nipiy-OWF: 22,487 MWh, 0.016% – Nipiy-WOF: 21,106 MWh, 0.015% – Amik-BBF: 21,641 MWh, 0.016% – Amik-CTR: 23,141 MWh, 0.017% – H2O Power/H2O Holding: 902,118 MWh, 0.65% 	
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 a negligible impact on competition within the Province of Ontario. The IESO utilized a competitive process for awarding Feed-in-Tariff ("FIT") contracts to Okikendawt, Nipiy-OWF, Nipiy-WOF, Amik-BBF, and Amik-CTR. Following the closing of the transaction, the Electricity Sector Affiliates of the Purchaser, FirstLight Holding Inc., and PSP will continue to be subject to the terms of the FIT contracts signed with the IESO with respect to pricing and contract capacity.</p> <p>Furthermore, the distribution lines to be acquired by the Purchaser are dedicated to connecting generating stations to local distribution systems. Accordingly, the Purchaser will not be rate-regulated and the financial risk of maintaining this infrastructure will lie with the Purchaser.</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. The transactions will not give rise to adverse impacts on the development or maintenance of a competitive market in Ontario, and open access to the transmission and distribution system is not a relevant concern. None of the PSP Entities are licensed transmitters or distributors and are not subject to the open access provisions of the <i>Electricity Act</i>, 1998. Following the completion of the proposed transaction, the distribution systems acquired from the Vendors will be owned by the Applicants and their Electricity Sector Affiliates and will continue to be used solely for the purpose of conveying generation output to the local distribution system.</p>	
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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>Yes, the parties to the proposed transaction confirm that to the best of their knowledge they are each 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.

Not Applicable

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.	
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.	
2.1.4	Provide details on whether the generation facility is expected to sign a “must run” contract 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.	

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.	
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.

3.1 Effect on Competition

3.1.1	<p>Provide a description of the transmission or distribution system being acquired or constructed.</p> <p>HSI is an independent power producer that indirectly owns a co-generation facility and five hydroelectric generating stations, as well as certain associated connection lines that connect and convey generation output to the local distribution system. These connection lines consist of:</p> <ul style="list-style-type: none"> Okikendawt Generating Station is connected to the Hydro One Networks Inc. (“HONI”) distribution system by a 44-kV distribution line that is approximately 36 kilometers long. Old Woman Falls Generating Station and White Otter Falls Generating Station are connected to the HONI Kapuskasing Transmission Station via an approximately 40 km-long 25-kV distribution line. Big Beaver Falls Generating Station and Camp Three Rapids Generating Station are connected to the Kapuskasing HONI Transmission Station via an approximately 16-km-long 25-kV distribution line. 	
3.1.2	<p>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.</p> <p>No, none of the generation facilities currently owned by the PSP Entities are or will be directly connected to the transmission or distribution systems being acquired.</p>	
3.1.3	<p>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.</p> <p>The relevant generation facilities do not serve a “load pocket”.</p>	
3.1.4	<p>Provide details on whether the generation facilities are expected to sign a “must run” contract with the IESO.</p> <p>The relevant generation facilities are not “must run” facilities.</p>	

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

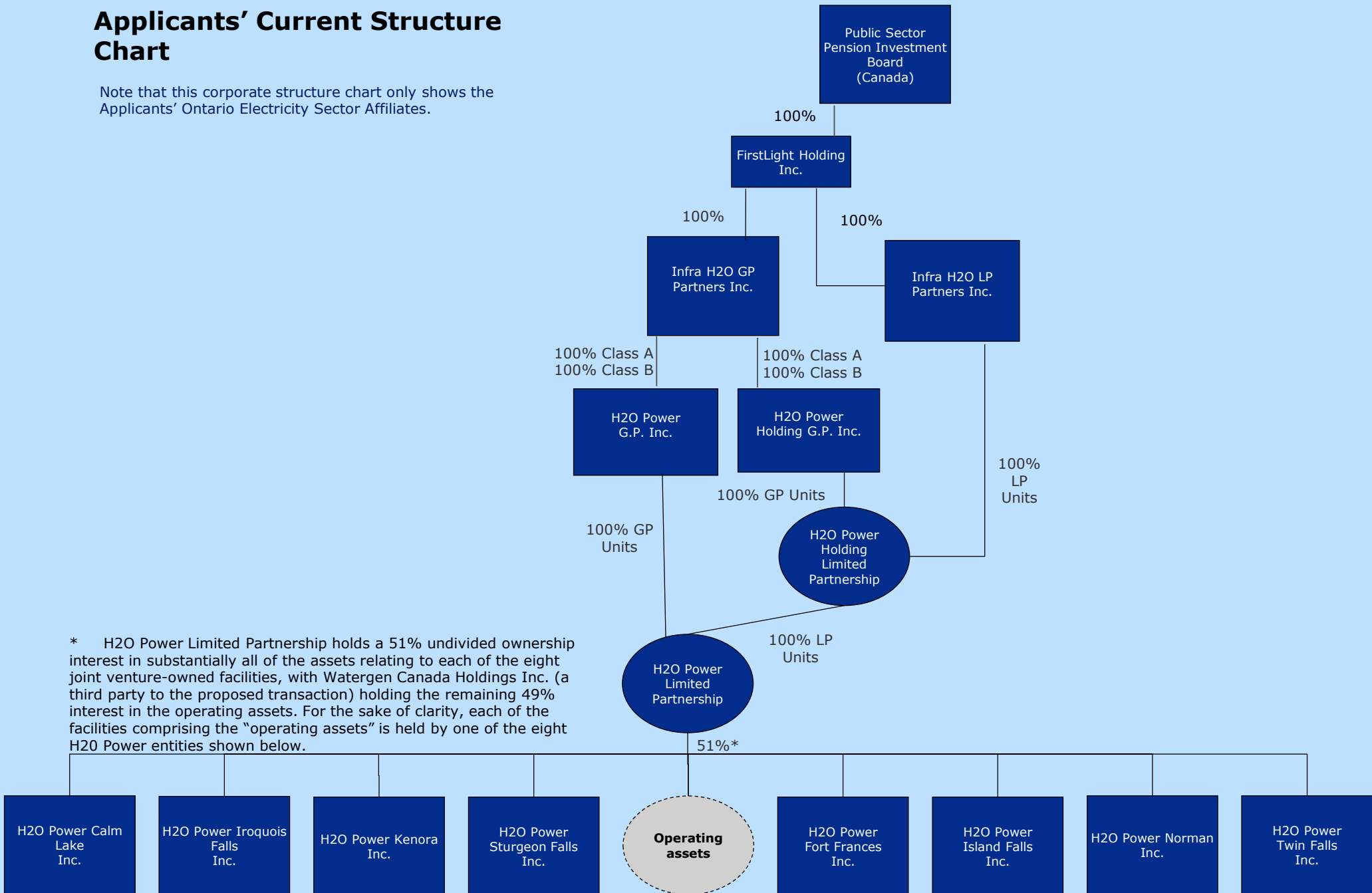
Telephone: 416-481-1967
Toll Free Number: 1-888-632-6273

Fax: 416-440-7656
Website: <http://www.oeb.gov.on.ca>
Board Secretary's e-mail address: boardsec@oeb.gov.on.ca

APPENDIX 1

Applicants' Current Structure Chart

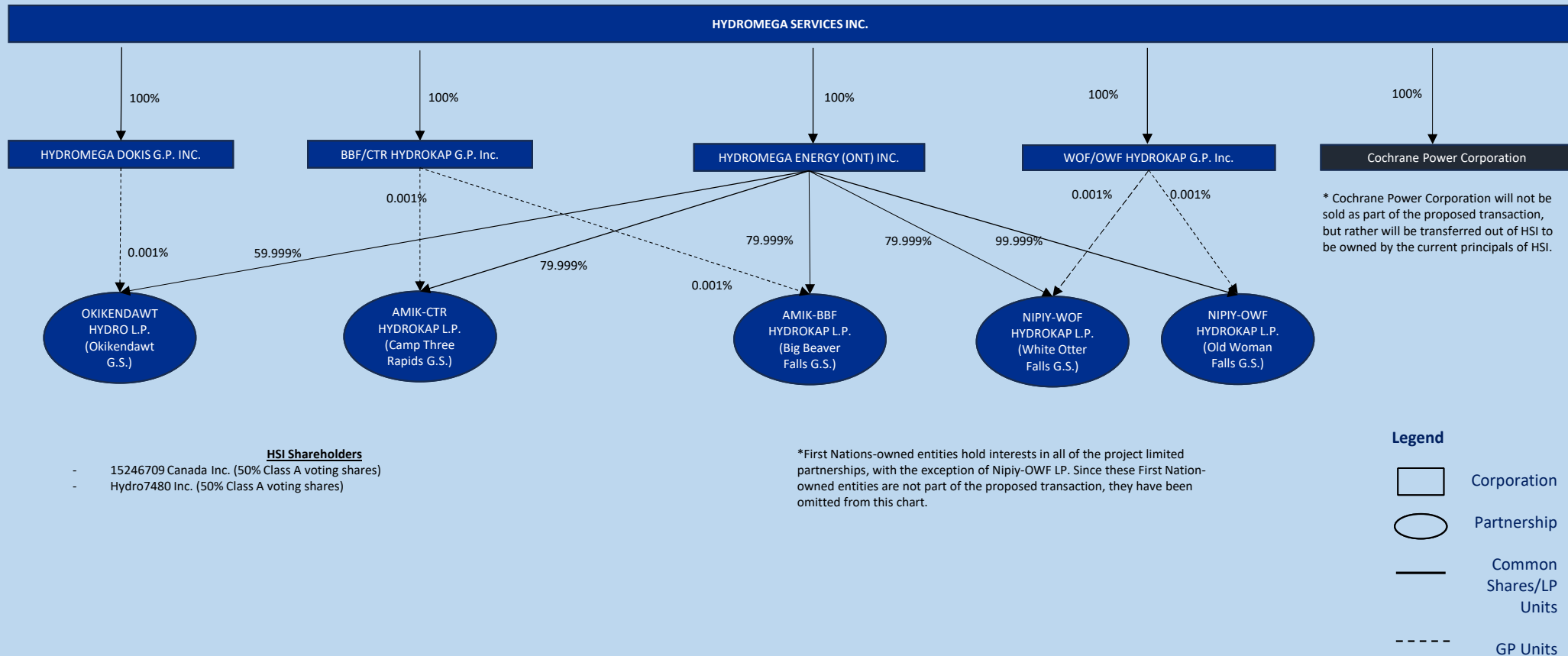
Note that this corporate structure chart only shows the Applicants' Ontario Electricity Sector Affiliates.



APPENDIX 2

Hydromega Services Inc. ("HSI") Pre-Transaction Structure Chart

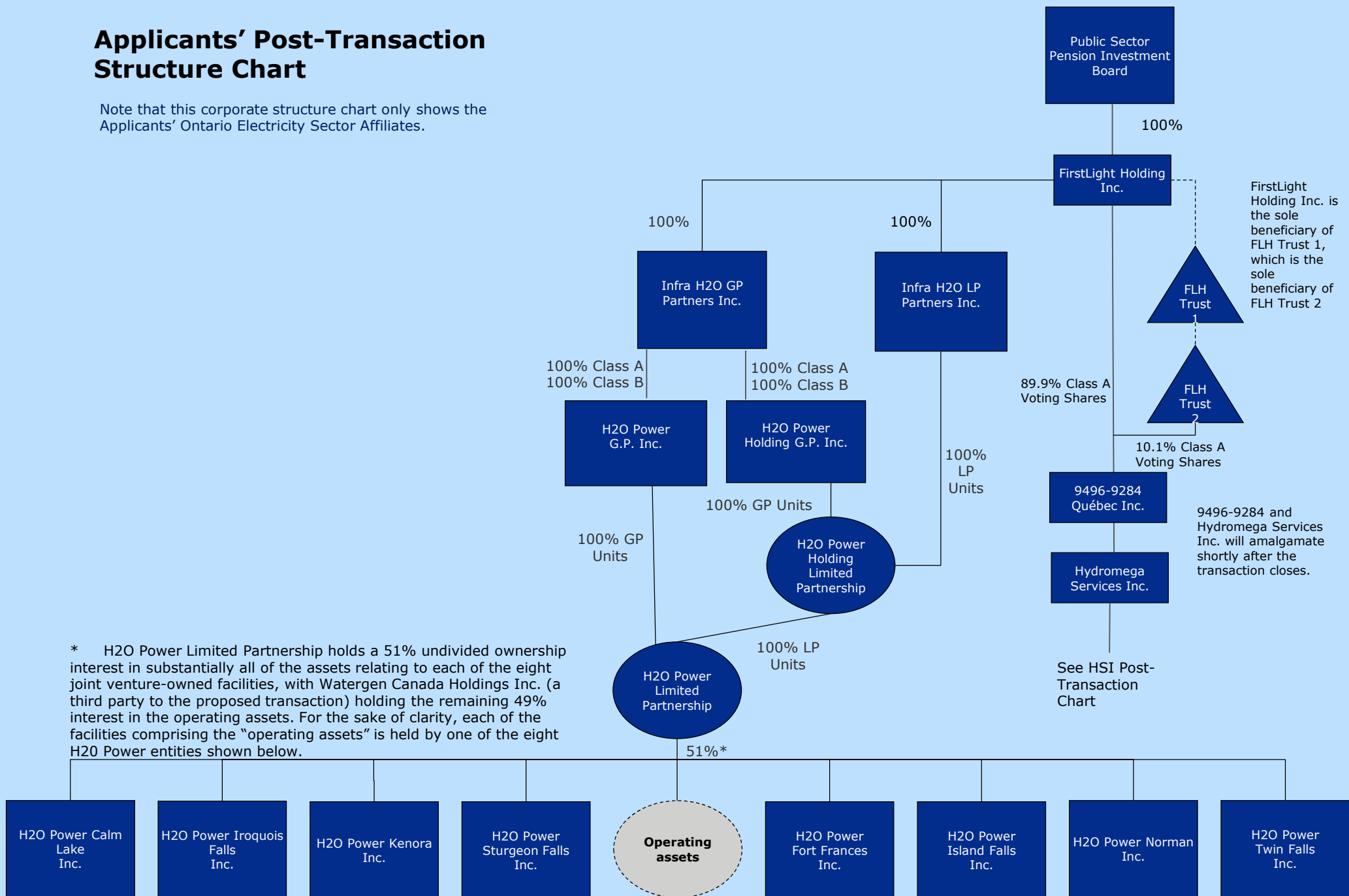
Note that this corporate structure chart only shows the Applicants' Ontario Electricity Sector Affiliates



APPENDIX 3

Applicants' Post-Transaction Structure Chart

Note that this corporate structure chart only shows the Applicants' Ontario Electricity Sector Affiliates.







* H2O Power Limited Partnership holds a 51% undivided ownership interest in substantially all of the assets relating to each of the eight joint venture-owned facilities, with Watergen Canada Holdings Inc. (a third party to the proposed transaction) holding the remaining 49% interest in the operating assets. For the sake of clarity, each of the facilities comprising the "operating assets" is held by one of the eight H2O Power entities shown below.

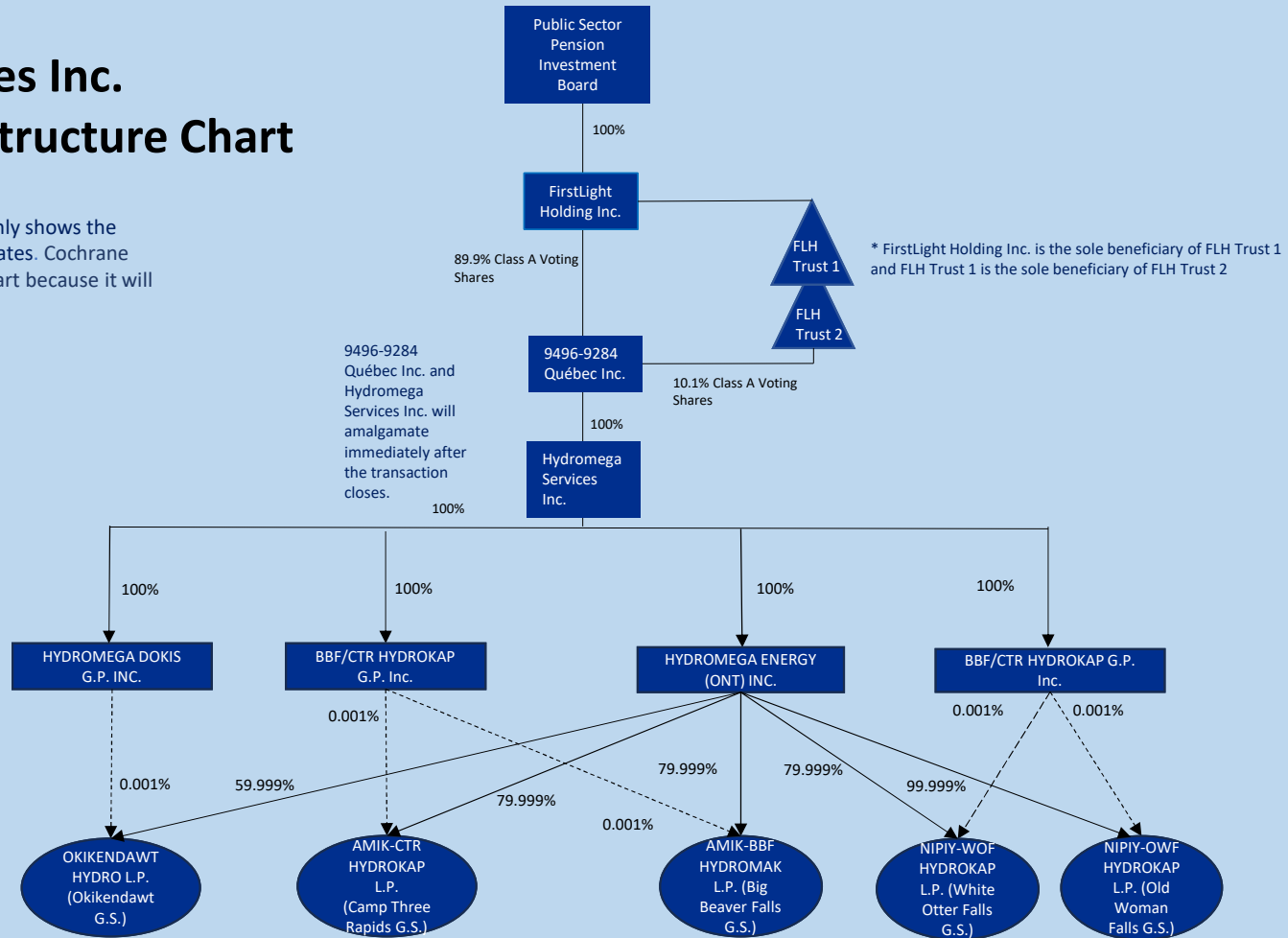
APPENDIX 4

Hydromega Services Inc. Post-Transaction Structure Chart

Note that this corporate structure chart only shows the Applicants' Ontario Electricity Sector Affiliates. Cochrane Power Corporation is not shown in this chart because it will not be acquired by the Applicants.

Legend

-  Corporation
-  Partnership
-  Common Shares/LP Units
-  GP Units



First Nations-owned entities hold interests in all of the project limited partnerships, with the exception of Nipiy-OWF LP. Since these First-Nation-owned entities are not part of the proposed transaction, they have been omitted from this chart.