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DECISION AND ORDER

EB-2024-0167

RED JAR NIAGARA POWER COMPANY

Application for an Electricity Transmission Licence

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

August 29, 2024

INTRODUCTION AND SUMMARY

Red Jar Niagara Power Company (Red Jar) has applied to the Ontario Energy Board (OEB) for an electricity transmission licence. Red Jar intends to construct, own, and operate transmission facilities in the vicinity of Port Colborne, Ontario.

This Decision and Order is being issued by the Delegated Authority without a hearing, pursuant to section 6(4) of the *Ontario Energy Board Act, 1998* (OEB Act).

Red Jar's application for an electricity transmission licence is approved. The scope of the OEB's review in this proceeding is limited to the question of whether Red Jar meets the relevant criteria for being licensed as an electricity transmitter. The OEB's approval of this application should not be construed as providing a view on other regulatory requirements that Red Jar may need to comply with in the future.

APPLICATION

Red Jar filed a complete application on July 10, 2024, under section 60 of the OEB Act. The application is for an electricity transmission licence only. Red Jar does not currently own or operate transmission assets in Ontario. Red Jar is planning to construct, own and operate a new transmission line and new transformer station in the Regional Municipality of Niagara, Ontario and to have the transmission facilities operational by 2026 (the Project).

Red Jar explained that, based on the best information that it has at this time, the Project will consist of a new 230kV transmission line approximately 18km in length between a point of connection with two existing Hydro One circuits, near Thorold, Ontario, and a new transformer station located in Port Colborne, Ontario. The applicant explains that the purpose of the new transformer station and the new transmission line, will be to supply power to a load customer in Port Colborne, Ontario.

Red Jar submitted that, together with its affiliates, it possesses significant experience in asset management, operations and maintenance of transmission and distribution assets. Red Jar filed evidence that, through its affiliates, it has the financial feasibility and security to plan, develop, construct, own, operate and maintain electricity transmission facilities in Ontario.

FINDINGS

The key areas reviewed by the OEB in a licence application are the financial position, technical capability and conduct of an applicant. Furthermore, the OEB's decision in proceeding EB-2009-0164 identified two threshold tests for transmission licence applications, namely:

1. Whether there is a specific project which underpins the application; and,
2. In the absence of a specific project, whether the applicant is engaged in transmission activity elsewhere and whether it has the necessary technical and financial expertise to undertake transmission activity in Ontario.

While it does not yet own or operate a transmission system in Ontario, Red Jar has filed information pertaining to a specific project that underpins its application for a transmission licence. Red Jar has also provided sufficient information on its technical and financial expertise to demonstrate that it has the qualifications and expertise to be licensed to undertake transmission activity in Ontario. In terms of constructing and maintaining the facilities, Red Jar has identified that it will be using contracted parties that have the technical and operating experience in these functions. Red Jar also provided a commitment to meet all applicable regulatory requirements once licensed.

The OEB finds that Red Jar has demonstrated that it meets the criteria for holding a transmission licence. The OEB therefore approves Red Jar's application for a transmission licence. However, the OEB is mindful that Red Jar does not currently own or operate a transmission system in Ontario and that its proposed transmission facilities are not expected to be operational for another two years. For these reasons, the OEB is approving the application, and will reserve issuance of the licence until Red Jar has provided the OEB with notification that it will be energizing the proposed transmission facilities.

Red Jar is further advised that this Decision should not be construed as providing any views or being determinative of any other regulatory approvals that Red Jar may need to obtain in the future in relation to the Project.

IT IS ORDERED THAT:

1. Red Jar Niagara Power Company's application for an electricity transmission licence is approved, and its licence shall be issued and take effect on the date on which it files a confirmation with the OEB that it has constructed the facilities and intends to energize the transmission system.

DATED at Toronto August 29, 2024

ONTARIO ENERGY BOARD

Brian Hewson
Vice President, Consumer Protection & Industry Performance