



March 28, 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
TEL 905-427-9870
TEL 1-888-445-2881
FAX 905-619-0210
www.veridian.on.ca

EB-2019-0125

Dear Ms. Walli:

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

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,

Rob Scarffe
Interim 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

RECEIVED

APR 01 2019

ONTARIO ENERGY BOARD

Name of Applicant Veridian Corporation	File No: (Board Use Only) EB-2019-0125
Address of Head Office 55 Taunton Rd. E. Ajax, Ontario L1T 3V3	Telephone Number 905 427 9870
	Facsimile Number 905 619 0210
	E-mail Address generalinquiry@veridian.on.ca
Name of Individual to Contact Rob Scarffe Interim President and CEO	Telephone Number 905 427 9870 ext. 2267
	Facsimile Number 905 619 0210
	E-mail Address rscarffe@veridian.on.ca

1.1.2 Other Parties to the Transaction or Project

If more than one attach list.

Name of Other Party The Corporation of the City of Belleville	Board Use Only	
Address of Head Office 169 Front Street Belleville, Ontario K8N 2Y8	Telephone Number 613 968 6481	
	Facsimile Number Not available.	
	E-mail Address Not available.	
Name of Individual to Contact Perry Decola Superintendent Water Treatment and Waste Water Treatment	Telephone Number 613-966-3657 Ext. 2223	
	Facsimile Number Not available.	
	E-mail Address pdecola@city.belleville.on.ca	

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>Veridian Corporation is the sole shareholder of Veridian Connections Inc., a licenced electricity distributor.</p> <p>The officers of Veridian Corporation are: (a) Rob Scarffe, Interim President and Chief Executive Officer; (b) George Armstrong, Vice President; (c) Kevin Ashe, Vice Chair; (d) Adrian Foster, Chair; and (e) Laurie McLorg, Treasurer.</p> <p>The directors of Veridian Corporation are: (a) Adrian Foster; (b) Kevin Ashe; (c) Murray Angus; (d) Ron Chatterton; (e) Shaun Collier; (f) Joanne Dies; (g) Karen Fisher; (h) James Macpherson; (i) Mitch Panciuk; (j) David Pickles; and (k) David Ryan.</p> <p>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%).</p> <p>The Corporation of the City of Belleville is a municipal corporation. The Mayor of Belleville is Mitch Panciuk.</p>	

1.2.2	Attach a corporate chart describing the relationship between each of the parties to the proposed transaction or project and each of their respective affiliates.	
	<pre> graph TD A["The Corporation of the City of Pickering (41%)"] --> E["Veridian Corporation"] B["The Corporation of the Town of Ajax (32.1%)"] --> E C["The Corporation of the Municipality of Clarington (13.6%)"] --> E D["The Corporation of the City of Belleville (13.3%)"] --> E E --> F["Veridian Connections Inc. (Regulated Entity)"] E --> G["Veridian Corporation direct contract with The Corporation of the City of Belleville."] E --> H["The Corporation of the City of Belleville Waste Water Treatment Facility 131 St. Paul Street Belleville, Ontario K8N 1B1"] </pre>	

1.3 Description of the Business of Each of the Parties

1.3.1	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>Veridian Corporation, in addition to the ownership interest in Veridian Connections Inc., is engaged in the development and ownership of generation facilities in Ontario.</p> <p>Veridian Connections Inc. is licenced by the Ontario Energy Board pursuant to an electricity distribution licence (ED-2002-0503). Veridian Connections Inc. is also engaged in the development and ownership of renewable generation facilities in Ontario.</p> <p>Each of Veridian Corporation and Veridian Connections Inc. have headquarters located in Ajax, Ontario.</p> <p>The Corporation of the City of Belleville is a municipal corporation. It is a shareholder of Veridian Corporation in the proportion set forth in Section 1.2.2.</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>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.</p> <p>Veridian Connections Inc. owns and operates three renewable solar generation facilities located at 55 Taunton Road East, Ajax, 4941 Old Brock Road, Pickering and 739 D'Arcy Street Cobourg.</p> <p>Veridian Corporation plans to construct two CHP projects located at 575 Granite Court, Pickering (400 kW) and 265 Cannifton Road, Belleville (195 kW). Letters of no review have been received by Veridian Corporation from the Ontario Energy Board for both planned projects.</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 distributions companies.	
	<p>In 2017, Veridian Connections Inc.'s facility located at 55 Taunton Road East, Ajax, generated 148.3 MWh of electricity and had sales of \$105,650.00.</p> <p>In 2017, Veridian Connections Inc.'s facility located at 4941 Old Brock Road, Pickering, generated 123.6 MWh of electricity and had sales of \$66,750.00.</p> <p>The Veridian Connections Inc. facility located at 739 D'Arcy Street, Cobourg will begin operations during the spring of 2019.</p>	
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.	
	Veridian Connections Inc. is the holder of a distribution licence (ED-2002-0503).	

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>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 0.922 MW and 5,029.7 MWh.</p> <table><tr><th>Licensee</th><th>Location</th><th>Type</th><th>Capacity (MW)</th><th>Energy (MWh)</th></tr><tr><td>VCI</td><td>55 Taunton Rd. E., Ajax</td><td>Solar</td><td>0.120</td><td>148.3 (2017 actual)</td></tr><tr><td>VCI</td><td>4941 Old Brock Rd., Pickering</td><td>Solar</td><td>0.101</td><td>123.6 (2017 actual)</td></tr><tr><td>VCI</td><td>739 D'Arcy St., Cobourg</td><td>Solar</td><td>0.106</td><td>112.8 (estimated)</td></tr><tr><td>VC</td><td>265 Cannifton Rd., Belleville</td><td>Cogeneration</td><td>0.195</td><td>1,571 (estimated)</td></tr><tr><td>VC</td><td>575 Granite Crt., Pickering</td><td>Cogeneration</td><td>0.400</td><td>3,074 (estimated)</td></tr><tr><td>Total</td><td></td><td></td><td>0.922</td><td>5,029.7</td></tr></table> <p>VCI means Veridian Connections Inc. VC means Veridian Corporation</p>	Licensee	Location	Type	Capacity (MW)	Energy (MWh)	VCI	55 Taunton Rd. E., Ajax	Solar	0.120	148.3 (2017 actual)	VCI	4941 Old Brock Rd., Pickering	Solar	0.101	123.6 (2017 actual)	VCI	739 D'Arcy St., Cobourg	Solar	0.106	112.8 (estimated)	VC	265 Cannifton Rd., Belleville	Cogeneration	0.195	1,571 (estimated)	VC	575 Granite Crt., Pickering	Cogeneration	0.400	3,074 (estimated)	Total			0.922	5,029.7	
Licensee	Location	Type	Capacity (MW)	Energy (MWh)																																	
VCI	55 Taunton Rd. E., Ajax	Solar	0.120	148.3 (2017 actual)																																	
VCI	4941 Old Brock Rd., Pickering	Solar	0.101	123.6 (2017 actual)																																	
VCI	739 D'Arcy St., Cobourg	Solar	0.106	112.8 (estimated)																																	
VC	265 Cannifton Rd., Belleville	Cogeneration	0.195	1,571 (estimated)																																	
VC	575 Granite Crt., Pickering	Cogeneration	0.400	3,074 (estimated)																																	
Total			0.922	5,029.7																																	
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 the completion of the proposed transaction or project.																																				
	<p>The total Annual Ontario Energy Demand for 2017 was 132.1 TWh (132,100,000 MWh), as reported by the IESO (http://www.ieso.ca/corporate/media/year-end-data). 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.</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>The Project consists of a 400 kW behind-the-meter cogeneration facility to be located at the City of Belleville Waste Water Treatment Facility, located at 131 St. Paul Street, Belleville, Ontario K8N 1B1, which is owned and operated by The Corporation of the City of Belleville. Veridian Corporation has entered into a Project Incentive Contract with Veridian Connections Inc. pursuant to the Process and System Upgrade Program under the Save On Energy Initiative of the Province of Ontario. Veridian Corporation will own and operate the cogeneration facility.</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.	
	The total generation capacity of existing generation facilities, including the proposed facility by each of Veridian Connections Inc. and Veridian Corporation is 1.322 MW. Veridian Corporation does not consider that the project will have any impact on generation capacity within the Province of Ontario.	
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>As noted above, the total Annual Ontario Energy Demand for 2017 was 132.1 TWh (132,100,000 MWh), as reported by the IESO (http://www.ieso.ca/corporate-ieso/media/year-end-data). The market share of the project including existing generation facilities, will be approximately 7,591.7 MWh (approximately, 0.00575% of the total Annual Ontario Energy Demand for 2017).</p> <p>The 7,591.7 MWh is calculated based on 2017 actual production for the generators currently in service and estimated for those generators not currently in service.</p>	
1.5.4	Attach a short description of the impact, if any, of the proposed transaction or project on completion. 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.	
	The project will 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 proposed generation facility will likely be wholly consumed by the Belleville Waste Water Treatment Plant.	
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.	
	The project will not have any impact on open access to the transmission or distribution system of the parties or their affiliates. The Corporation of the City of Belleville's Waste Water Treatment Plan will utilize all of the electrical energy generated by the project.	

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.	
	<p>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.</p> <p>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.</p> <p>To the best of its knowledge, The Corporation of the City of Belleville is in compliance with all licence and code requirements and will continue to be in compliance after completion of the proposed project.</p>	

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.	
	The generation output is for the sole use of The Corporation of the City of Belleville at the project site.	
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.	
	<p>The project consists of a natural gas fueled cogeneration facility, having a maximum capacity of 400 kw and is expected to have approximately 6,400 hours of full operation output in a year.</p> <p>The estimated annual generation for the project is 2,562 MWh.</p> <p>The project has a base-load character.</p>	
2.1.4	Provide details on whether the generation facility is expected to sign a “must run” contract with the IESO.	
	The project will not be a ‘must run’ facility with the IESO.	
2.1.5	Provide details of whether the generation facility is expected to service a “load pocket”, or is likely to be “constrained on” due to transmission constraints.	
	The project is not expected to serve a ‘load pocket’ and is not 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.

This section is not applicable because the project is not required for system reliability under Section 82(2) 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 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.

This section is not applicable to the proposed project.

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