



## Licence Amendment Request

Power Purchase Agreement with Brookfield Renewable Trading  
and Marketing LP and Waltham Power and Company LP

Submitted on: October 5<sup>th</sup>, 2021

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**IN THE MATTER OF** the Ontario Energy Board Act, 1998, S.O.

1998, c.15, (Schedule B); **AND IN THE MATTER OF** an

Application by Ottawa River Power Corporation to the Ontario Energy Board for an Order or Orders approving an amendment to its licence allowing the purchase of power from Waltham Power and Company LP located in Quebec through Brookfield Renewable Trading and Marketing LP. The request would cover from the first day of the month following the month in which the Extension of the Regulatory Exemptions is granted by the Ontario Energy Board for a period of 5 years.

**1. Applicant**

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**2. Application**

Ottawa River Power Corporation (“ORPC”) hereby applies to the Ontario Energy Board (the “Board”) for approval to amend its licence to allow the purchase power from Brookfield Renewable Trading and Marketing LP and Waltham Power and Company LP which are situated outside of Ontario. ORPC applies for an Order or Orders approving the amendment from the first day of the month following the month in which the Extension of the Regulatory Exemptions is granted by the Ontario Energy Board for a period of 5 years.

Ottawa River Power Corporation is applying in reference to the Electricity Act, 1998. 2004, c.23, Sced. B, s.13 as the company believes this amendment is in the public interest.

### 3. Existing Power Purchase Agreement

The prior agreement including approved extension agreements was in force until September 30<sup>th</sup>, 2021 and is provided in Appendix A. On September 30<sup>th</sup>, 2021, ORPC submitted an extension request of the agreement provided in Appendix A to December 31<sup>st</sup>, 2021 or until the effective date of the new agreement. The extension agreement is under review by the Board through case file number EB-2021-0263 and is provided in Appendix B.

### 4. Proposed Power Purchase Agreement

The agreement the parties are proposing is found in Appendices C and D. The agreement is proposing to cover from the first day of the month following the month in which the Extension of the Regulatory Exemptions is granted by the Ontario Energy Board for a period of 5 years.

### 5. Form of Hearing Request

Ottawa River Power Corporation requests pursuant to Section 34.01 of the Board's Rules of Practice and Procedure that this application be disposed of by way of a written hearing.

### 6. Notice of Application

Ottawa River Power attests that the utility, its shareholders and all its customer classes will be affected by the outcome of this application. Ottawa River Power Corporation will make the application and the evidence, and any amendments thereto, available for public review at Ottawa River Power Corporation's office and in a prominent place on Ottawa River Power Corporation's website at [www.orpowercorp.com](http://www.orpowercorp.com) pending OEB direction.

### 7. Company Profile

Ottawa River Power Corporation serves the urban 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).

ORPC has 490 kilometers of lines comprised of 364 kilometers of overhead lines and 126 kilometers of underground lines. ORPC's distribution plant includes eleven substations: eight at 4.16 KV and three at 12.4 KV. Eight substations are located in the City of Pembroke and three substations are located in the Town of Mississippi Mills. Ottawa River Power Corporation has 14 sub-transmission transformers and approximately 1600 distribution transformers. A diagram of ORPC's Pembroke service territory including the connection from Waltham is provided at Appendix F. For the purposes of the diagram, please note that Waltham Power and Company LP was formerly named Pontiac Hydro.

At the end of 2020 Ottawa River Power had approximately 11,500 customers comprised of 87% residential customers and 12% commercial customers including small businesses and industry. The balance of the utility's customer base is comprised of Sentinel Lighting, Street Lights and Unmetered Scattered Load.

## 8. Customer and Bill Impacts

In its previous applications to extend the agreement to March 31<sup>st</sup>, 2021 and September 30<sup>th</sup> 2021, Ottawa River Power Corporation analyzed the benefits of the power purchase agreement up to December 31<sup>st</sup>, 2020. Ottawa River Power Corporation has presented the same analysis of the benefit from January 1<sup>st</sup>, 2015 to December 31<sup>st</sup>, 2020 in Appendix E as the rates have remained unchanged in the new agreement.

Tab E1 presents the details of the purchases from Brookfield from January 2015 to December 2020. Over that time period, Ottawa River Power Corporation has purchased 234,409,315 kWh from Brookfield for totals of \$3,516,088.80 and \$353,234.00 in power charges and wholesale market charges respectively. Per the agreement provided in Appendix C, the Power Charge is calculated based on the Hourly Ontario Energy Price whereas the Wholesale Market Charge (referred to as "Avoided Market Charge") is calculated based on 35% of the sum of all the market charges that Ottawa River Power Corporation avoided by taking delivery of the power sold by Brookfield. This represents savings of approximately 65%, depending on timing differences with rate updates, on Wholesale Market Charges passed directly to the customer. As for Transmission Charges, Ottawa River Power Corporation purchased \$372,799.73 from Brookfield based on 127,678 kW in that same

time frame. This is calculated based on 50% of the Hydro One monthly transmission charges considering Brookfield's coincident peak with Hydro One's monthly billing peak. This would also represent savings of approximately 50% passed directly to the customer, also depending on timing differences.

Tabs E2, E3 and E4 present an analysis on the savings of transmission charges, wholesale market charges and low voltage charges respectively which were achieved through purchasing from Brookfield as opposed to Hydro One. Tab E2 indicates savings of \$376,641.73 in transmission charges whereas tabs E3 and E4 indicate savings of \$703,039.13 and \$150,112.82 for wholesale market charges and low voltage charges respectively between 2015 and 2020. This resulted in total savings of \$1,229,793.68 passed directly to the customer.

The renewal to 2026 maintains the same rates and percentages of savings and therefore will remain beneficial to the customers as savings occur each year through this agreement.

## 9. Global Adjustment

The proposed agreement presents an additional rate whereas fifty percent (50%) of the IESO monthly Global Adjustment ("GA") charges avoided by ORPC by purchasing power from Waltham pursuant to this Agreement, being fifty percent (50%) of the actual GA rate applicable to Class B customers for any given month expressed in \$ per kWh, as such rate is published by the IESO on its website or via any other communication tool from time to time (the "Actual GA Rate"), multiplied by the quantity of Power (expressed in kWh) delivered to ORPC hereunder in such month.

At this time, ORPC pays Global Adjustment to Hydro One on all power delivery to ORPC from Waltham and as such, no Global Adjustment is avoided. Should future provincial rules and regulations or a change in OEB interpretations allow for the exemption of Global Adjustment on power delivered from Waltham situated in Quebec, the Avoided Global Adjustment rate of 50% would be applicable. The remaining 50% of Avoided Global Adjustment would benefit ORPC customers.

## 10. Certification

I hereby certify that, to the best of my knowledge, the information and evidence contained in this application are accurate and complete.



Jeffrey Roy, Chief Financial Officer

Ottawa River Power Corporation

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The following are appended to and form part of this Application

Appendix A	Existing Power Purchase Agreement
Appendix B	Extension Agreement to December 31 <sup>st</sup> , 2021
Appendix C	Proposed Power Purchase Agreement
Appendix D	Proposed Operating Agreement
Appendix E	Power Purchase Benefit Analysis
Appendix F	Waltham Connection Diagram