



**EB-2013-0439**

**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 K2 Wind Ontario Limited Partnership for an electricity generation licence.

By delegation, before: David Richmond

## **DECISION AND ORDER**

**March 20, 2014**

K2 Wind Ontario Limited Partnership (“K2 Wind”) filed an application on December 19, 2013 with the Ontario Energy Board under section 60 of the *Ontario Energy Board Act, 1998* (the “Act”) for an electricity generation licence.

The Board’s Notice of Application and Written Hearing (the “Notice”) for an electricity generation licence was posted on January 14, 2014. The Board received a submission in response to the Notice from a group of residents from the Township of Ashfield-Colborne-Wawanosh (the “ACW Residents”) on February 4, 2014.

The ACW Residents submission is based on the three main criteria used by the Board to assess an application for an electricity generation licence: the applicant’s financial viability, technical capability and conduct.

The ACW Residents state that the wind industry is heavily subsidized and without such subsidies, companies like K2 Wind would not be able to maintain their facilities. In addition, the ACW Residents raise concerns with respect to delayed cost award payments by K2 Wind to the ACW Residents in accordance with the Board’s decision on cost awards in K2 Wind’s leave to construct proceeding (EB-2012-0458) and

delayed crop compensation payment to a tenant farmer on the site of the K2 Wind substation.

In addition, the ACW Residents allege that Capital Power Corporation, a partner in the K2 wind project, has been deficient in the operation of its wind project in the Township of Ashfield-Colborne-Wawanosh, the Kingsbridge 1 Wind Power project. In their submission, the ACW Residents point out several deficiencies in relation to the operation of the facility and state that these deficiencies foretell how the K2 facility will be operated. The ACW Residents also raise concerns in relation to the construction of Hydro One's Ashfield Switching Station.

K2 Wind filed its reply submission on February 11, 2014. In summary, K2 Wind states that its application amply demonstrates that it meets the Board's criteria for a licence to generate electricity and that the allegations of the ACW Residents to the contrary are unsupported and unfounded.

Despite the record of the proceeding having closed on February 11, 2014, in accordance with the Board's Notice, the ACW Residents filed further comments on February 24, 2014 and March 3, 2014. K2 Wind replied to the comments filed on February 24, 2014 on February 27, 2014.

In the exercise of its licensing function, the Board's practice is to review a licence application based on the Applicant's ability to own and/or operate a generation facility and to participate reliably in Ontario's energy market. The Board uses the three criteria as noted by the ACW Residents in their submission. Having reviewed the material filed in the application, I am satisfied with K2 Wind's financial viability, technical capability and conduct.

In accordance with the Notice, the filing of the reply submission by K2 Wind on February 11, 2014 closed the record of this proceeding. I therefore find no reason to give any weight to the subsequent comments filed by the ACW Residents on February 24, 2014 and March 3, 2014.

After considering the application, it has been found to be in the public interest to issue the electricity generation licence under Part V of the Act.

**IT IS THEREFORE ORDERED THAT:**

The application for an electricity generation licence is granted, on such conditions as are contained in the attached licence.

**DATED** at Toronto, March 20, 2014

ONTARIO ENERGY BOARD

*Original signed by*

David Richmond  
Manager, Facilities & Infrastructure



# Electricity Generation Licence

## EG-2013-0439

### K2 Wind Ontario Limited Partnership

Valid Until

March 19, 2034

*Original signed by*

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**David Richmond**  
**Manager, Facilities & Infrastructure**  
**Ontario Energy Board**  
**Date of Issuance: March 20, 2014**

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## 1 Definitions

In this Licence:

“**Act**” means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

“**Electricity Act**” means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

“**generation facility**” means a facility for generating electricity or providing ancillary services, other than ancillary services provided by a transmitter or distributor through the operation of a transmission or distribution system and includes any structures, equipment or other things used for that purpose;

“**Licensee**” means K2 Wind Ontario Limited Partnership;

“**regulation**” means a regulation made under the Act or the Electricity Act;

## 2 Interpretation

- 2.1 In this Licence words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of this Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this Licence where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

## 3 Authorization

- 3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this licence:
- a) to generate electricity or provide ancillary services for sale through the IESO-administered markets or directly to another person subject to the conditions set out in this Licence. This Licence authorizes the Licensee only in respect of those facilities set out in Schedule 1;
  - b) to purchase electricity or ancillary services in the IESO-administered markets or directly from a generator subject to the conditions set out in this Licence; and
  - c) to sell electricity or ancillary services through the IESO-administered markets or directly to another person, other than a consumer, subject to the conditions set out in this Licence.

#### **4 Obligation to Comply with Legislation, Regulations and Market Rules**

- 4.1 The Licensee shall comply with all applicable provisions of the Act and the Electricity Act, and regulations under these acts, except where the Licensee has been exempted from such compliance by regulation.
- 4.2 The Licensee shall comply with all applicable Market Rules.

#### **5 Obligation to Maintain System Integrity**

- 5.1 Where the IESO has identified, pursuant to the conditions of its licence and the Market Rules, that it is necessary for purposes of maintaining the reliability and security of the IESO-controlled grid, for the Licensee to provide energy or ancillary services, the IESO may require the Licensee to enter into an agreement for the supply of energy or such services.
- 5.2 Where an agreement is entered into in accordance with paragraph 5.1, it shall comply with the applicable provisions of the Market Rules or such other conditions as the Board may consider reasonable. The agreement shall be subject to approval by the Board prior to its implementation. Unresolved disputes relating to the terms of the Agreement, the interpretation of the Agreement, or amendment of the Agreement, may be determined by the Board.

#### **6 Restrictions on Certain Business Activities**

- 6.1 Neither the Licensee, nor an affiliate of the Licensee shall acquire an interest in a transmission or distribution system in Ontario, construct a transmission or distribution system in Ontario or purchase shares of a corporation that owns a transmission or distribution system in Ontario except in accordance with section 81 of the Act.

#### **7 Provision of Information to the Board**

- 7.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 7.2 Without limiting the generality of paragraph 7.1 the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee, as soon as practicable, but in any event no more than twenty (20) days past the date upon which such change occurs.

#### **8 Term of Licence**

- 8.1 This Licence shall take effect on March 20, 2014 and expire on March 19, 2034. The term of this Licence may be extended by the Board.

#### **9 Fees and Assessments**

- 9.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

## **10 Communication**

- 10.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.
- 10.2 All official communication relating to this Licence shall be in writing.
- 10.3 All written communication is to be regarded as having been given by the sender and received by the addressee:
- a) when delivered in person to the addressee by hand, by registered mail or by courier;
  - b) ten (10) business days after the date of posting if the communication is sent by regular mail; or
  - c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

## **11 Copies of the Licence**

- 11.1 The Licensee shall:
- a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and
  - b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

**SCHEDULE 1 LIST OF LICENSED GENERATION FACILITIES**

The Licence authorizes the Licensee only in respect to the following:

1. The owner and operator of K2 Wind Power Project with an installed capacity of 270 MW, located in the Township of Ashfield-Colborne-Wawanosh in Huron County, Ontario.