



EB-2013-0315

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 NRStor Inc. for an electricity generation licence.

By delegation, before: Viive Sawler

DECISION AND ORDER

November 21, 2013

NRStor Inc. filed an application dated August 27, 2013 with the Ontario Energy Board under section 60 of the *Ontario Energy Board Act*, 1998 for an electricity generation licence.

The Board's Notice of Application and Written Hearing for an electricity generation licence was posted on September 17, 2013. No parties responded to the Notice of Application and Written Hearing.

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

The applicant is seeking a generation licence in order to provide frequency regulation to the Independent Electricity System Operator ("IESO") administered grid through an Ancillary Services Provider Agreement with the IESO dated April 5, 2013. Such agreements generally have a term of five years or less. The information on the IESO public website indicates that the ancillary services that are the subject of this application provide a grid-balancing function traditionally provided by generators, and that this is the first time such services have been provided in Ontario by an alternative technology such

as flywheels. Given these circumstances, I find that an initial licence term of five years is appropriate. In addition, the licence conditions have been adjusted from the standard form of generator licence to reflect the nature of the services to be provided.

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 November 21, 2013

ONTARIO ENERGY BOARD

Original signed by

Viive Sawler

Manager, Licence Applications, Conservation & Reporting



Electricity Generation Licence

EG-2013-0315

NRStor Inc.

Valid Until

November 20, 2018

Original signed by

Viive Sawler

**Manager, Licence Applications, Conservation & Reporting
Ontario Energy Board**

Date of Issuance: November 21, 2013

Ontario Energy Board
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27th. Floor
Toronto, ON M4P 1E4

Commission de l'énergie de l'Ontario
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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 NRStor Inc.;

“**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 provide ancillary services for sale through the IESO-administered markets. This Licence authorizes the Licensee only in respect of those facilities set out in Schedule 1; and
 - b) to sell ancillary services through the IESO-administered markets 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 November 21, 2013 and expire on November 20, 2018. 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 ownership and operation of NRS1Minto2 flywheel energy storage system located at Concession D, Part Lot 83 Hutchision Street, Harriston Industrial Park, Town of Minto, Ontario.