

EB-2013-0436

December 16, 2013

Via courier

7/12/13
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

RECEIVED

DEC 17 2013

ONTARIO ENERGY BOARD
OFFICE OF THE BOARD SECRETARY

RE: Request for cancellation of Electricity Generation License EG-2002-0367 issued to Sky Generation Inc. and Application for an Electricity Generation License for Sky Generation LP pursuant to the Reorganization of Renewable Energy Developers Inc. following acquisition by Capstone Infrastructure Corporation

Dear Sir or Madam,

Please find this letter in respect of license EG-2002-0367 issued to Sky Generation Inc. Sky Generation Inc. was a subsidiary of Renewable Energy Developers Inc. (previously named Sprott Power Corp.) following the amalgamation with 2269980 Ontario Inc. in February 2011. Capstone Infrastructure Corporation ("Capstone") completed its acquisition of Renewable Energy Developers Inc. on October 1, 2013, thus Sky Generation Inc. is currently a wholly owned subsidiary of Capstone. Capstone is implementing an internal reorganization in which assets in Sky Generation Inc. will be transferred to Sky Generation LP effective January 1, 2014 (the "Reorganization").

Sky Generation Inc. is an owner and operator of three operating wind energy facilities in Ontario (Ferndale, Ravenswood, and Proof Line 1), and recently acquired a fourth project that is currently under construction (Skyway 8). All four projects hold power purchase agreements with the OPA under the Renewable Energy Standard Offer Program.

Facility Name	In-service date
Ferndale	Nov. 2002, Oct. 2006
Ravenswood	Jan. 2008
Proof Line 1	Dec. 2009
Skyway 8	Jul. 2014 (planned)

Earlier this month, in preparation for the Reorganization, we consulted with an advisor from the Ontario Energy Board ("OEB") whom confirmed the license could not be assigned for the proposed transaction, and that a new license would need to be applied for, hence the enclosed application. We also discovered that Sky Generation Inc.'s third operating asset that went online December 2009 (Proof Line

1) was never added to the list of licensed generation facilities on license EG-2002-0367. As such, the enclosed application includes the two existing licensed facilities (Ferndale and Ravenswood), as well as Proof Line 1 and Skyway 8. We were also made aware of the 90-day turnaround time for license issuance and thus advised to request an interim license for the three operating facilities to cover the period until the new full license is issued. The 90-day turnaround does not impact the project construction and commissioning schedule for Skyway 8 therefore this project does not need to be considered for the interim license.

In summary, we are requesting the following upon consultation with the OEB:

- 1) Cancel License EG-2002-0367 as the result of an asset transfer from the licensed generator (Sky Generation Inc.) to an affiliate (Sky Generation LP) effective January 1, 2014
- 2) Issue an interim license to Sky Generation LP effective January 1, 2014 to ensure the owner and operation of the three existing operating facilities (Ferndale, Ravenswood, and Proof Line 1) remains licensed
- 3) Consider a fourth facility (Skyway 8) for inclusion on the new (full) license to be issued to Sky Generation LP, anticipated to take 90 days for issuance

If you have any questions, please do not hesitate to contact me at your convenience. I will be unavailable to respond to email between December 23 and 27 and kindly ask that you direct any inquiries to my colleague Steve Simpson during this time (ssimpson@capstoneinfra.com or telephone 416-649-1321).

Thank you very much for your assistance in this matter.

Sincerely,



Andrea Kausel

Project Manager

akausel@capstoneinfra.com

Direct Line: 416-649-5003

- Encl. 1) Application for an Electricity Generation License, Standard Offer Program
 2) Cheque payable to Ontario Energy Board for \$1,000

Ontario Energy Board
Commission de l'énergie de l'Ontario



Application for an Electricity Generation Licence Standard Offer Program

Application Instructions

1. Purpose of this Form

This form is to be used to apply for a licence that would enable the applicant to generate electricity for sale under the Standard Offer Program.

2. Completion Instructions

This form is in a writeable PDF format. The applicant must either:

- type answers to all questions, print two copies and sign both copies; or
- print a copy of the form, clearly print answers to all questions, make a copy and sign both copies.

Please send two signed copies of the completed form and attachments to:

Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

If you have any questions on completing this application, please contact the Market Operations Hotline at 416-440-7604 or 1-888-632-6273 or e-mail at market.operations@ontarioenergyboard.ca.

The Board may require information that is additional or supplementary to the information filed in this form.

The Board's "Performance Standards for Processing Applications" are indicated on the "Corporate Information and Reports" section of the Board's website at www.ontarioenergyboard.ca. Applicants are encouraged to consider the timelines required to process applications to avoid submitting applications too early or too late. Submitting applications too early without reasonable certainty of the proposed licensed activities will impede regulatory efficiency while submitting applications too late will leave the applicant to bear the risk of delayed commencement of licensed activities. If the submitted application is incomplete, it may be returned by the Board or there may be a delay in processing the application.

3. Application and Registration Fees

A non-refundable application fee is required to process your application. Please enclose a cheque or money order made payable to the ONTARIO ENERGY BOARD. The amount of the application fee is indicated on the "Apply for a Licence" page of the "Licences" section of the Board's website at www.ontarioenergyboard.ca.

If a licence is issued, the licensee may be required to pay an annual registration fee. The annual registration fee criteria can be found on the "Apply for a Licence" page of the "Licences" section of the Board's website at www.ontarioenergyboard.ca.

4. Confidentiality

Sections B and C of this application will be treated as confidential. All other information filed as part of or in support of this application will be placed on the public record. Where the applicant objects to public disclosure of information contained in sections other than sections B and C, the applicant must follow the procedure set out in the Board's Practice Direction on Confidential Filings.

5. Important Information

Applicants must make a copy of the non-confidential sections of the application available to any person who requests a copy of the application.

As a licensed electricity generator under the Standard Offer Program, the licensee may be subject to additional obligations as required by a distributor, the Ontario Power Authority, or the Ontario Energy Board.

RECEIVED 10/17/13

Ontario Energy
Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto ON M4P 1E4
Telephone: 1-888-632-6273
Facsimile: (416) 440-7656

Commission de l'énergie
l'Ontario
C.P. 2319
2300, rue Yonge
27^e étage
Toronto ON M4P 1E4
Téléphone: 1-888-632-6273
Télécopieur: (416) 440-7656

ONTARIO ENERGY BOARD
OFFICE OF THE SEAL AND CLERK



Application for an Electricity Generation Licence Standard Offer Program

For Office Use Only	
Application Number	EB - 2013-0436
Date Received	Dec. 17/13

A. Applicant Information

1. The Applicant

Legal Name of the Applicant : SKY GENERATION LP

Name to Appear on Licence: _____

☒ Indicate if same as above

If not the same as above, the name must include the legal name of the applicant and the legal name must appear first. The "Name to Appear on Licence" will appear on the notice and on the licence.

2. Applicant's Business Information

<input type="radio"/> Sole Proprietor <input type="radio"/> Corporation <input checked="" type="radio"/> Partnership <input type="radio"/> Other _____	Ontario Corporation Number/ Business Registration Number 230991424	Date of Formation October 8, 2013
Contact Address (if RR, give Lot, Concession No. and Township): 155 WELLINGTON STREET WEST, SUITE 2930		
City TORONTO	Province/State ONTARIO	Country CANADA
Postal/Zip Code M5V 3H1		
Phone Number 416.649.1300	Fax Number 416.649.1335	E-mail Address info@capstoneinfra.com

3. Key Individual (Officer, Director, Partner, or Proprietor)

Mr. <input checked="" type="radio"/> Mrs. <input type="radio"/> Miss <input type="radio"/> Ms. <input type="radio"/> Other <input type="radio"/> _____	Last Name ROBERTI	First Name ROB	Initial _____
Position Held DIRECTOR			

4. Licence Primary Contact

(As a condition of licence, the licensee shall designate a person who will act as primary contact with the Board on matters related to the licence.)

Mr. <input checked="" type="radio"/>	Mrs. <input type="radio"/>	Last Name	First Name	Initial
Miss <input type="radio"/>	Ms. <input type="radio"/>	ROBERTI	ROB	
Other <input type="radio"/>		Title/Position/Company		
		DIRECTOR		
Licence Primary Contact Address (if RR, give Lot, Concession No. and Township):				
155 WELLINGTON STREET WEST, SUITE 2930				
City	Province/State	Country	Postal/Zip Code	
TORONTO	ONTARIO	CANADA	M5V 3H1	
Phone Number	Fax Number	E-mail Address		
416.649.1320	416.649.1335	rroberti@capstoneinfra.com		

5. Primary Contact for this Application

☐ Indicate if same as above. Proceed to section 6.

Mr. <input type="radio"/>	Mrs. <input type="radio"/>	Last Name	First Name	Initial
Miss <input type="radio"/>	Ms. <input checked="" type="radio"/>	KAUSEL	ANDREA	
Other <input type="radio"/>		Title/Position		
		PROJECT MANAGER		
Company Name if different from Name to Appear on Licence				
CAPSTONE POWER DEVELOPMENT				
Contact Address (if RR, give Lot, Concession No. and Township), or indicate as above in item 2 <input type="checkbox"/>				
155 WELLINGTON STREET WEST, SUITE 2930				
City	Province/State	Country	Postal/Zip Code	
TORONTO	ONTARIO	CANADA	M5V 3H1	
Phone Number	Fax Number	E-mail Address		
416.649.5003	416.649.1335	akausel@capstoneinfra.com		

6. Generation Facility (see attached table)

a) Describe the generation facility by providing the following information. If the applicant has more than one facility, provide the information on additional facilities as an attachment.

Generation Type: ☒ Wind ☐ Small Hydro-Electric ☐ Solar ☐ Bio-Mass
☐ Natural Gas ☐ By-Product Fuel ☐ Other _____

Number of Units _____ Total Installed Capacity _____ ☐ kW ☐ MW

In Service Date _____

Facility Name and Address _____

b) Responsibilities of applicant:

- ☒ Own and Operate
☐ Own Only (Please identify operator _____)
☐ Operate Only (Please identify owner _____)

If you are applying for only one of the two qualifications, please provide information on the status of the other qualification. The information should include confirmation as to whether or not the person or entity seeking the other qualification is licensed and if not, indicate when an application for the other qualification will be filed with the Board.

7. Connection

Is the applicant a licensed distributor or transmitter, or an affiliate of a licensed distributor or transmitter?

- ☐ Yes, the applicant may be required to give notice to the Board under section 80 of the Act regarding the acquisition of generation facilities by transmitters or distributors. The filing requirements for a notice under section 80 of the Act are found at www.ontarioenergyboard.ca.
☒ No, the applicant may be required to give notice to the Board under section 81 of the Act regarding the acquisition of transmission or distribution assets by generators. The filing requirements for a notice under section 81 of the Act are found at www.ontarioenergyboard.ca.

8. Licensing History

Has the applicant been licensed by the Ontario Energy Board? ☒ Yes ☐ No

If yes, please provide the licensed company name, address and licence number

Licensed Company Name SKY GENERATION INC. Licence Number EG-2002-0367

Address _____

9. Distribution Company

Identify the distributor to whose system the generation facility will be connected (directly or indirectly):

Hydro One Networks Inc.

D. Notice

AS REQUIRED BY THE *FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT*

The Board is authorized, under section 4.14 of the *Ontario Energy Board Act, 1998*, to collect personal information for the purpose of carrying out its duties and exercising its powers under the *Ontario Energy Board Act, 1998* or any other Act.

The information provided both on this form and attached to this form is being collected by the Board for the purpose of determining whether the applicant is qualified to receive the licence for which it is applying.

In order to verify the information on this form and/or determine whether the applicant is qualified to receive the licence for which it is applying, it may be necessary for the Board to collect additional information from some or all of the following sources: federal, provincial/state, or municipal governments; licensing bodies; law enforcement agencies; credit bureaus; and banks. Only information relevant to the application or the Board's determination of the application will be collected by the Board.

The public official who can answer questions about the collection of the information is:

Board Secretary
Ontario Energy Board
P.O Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Tel: 416-481-1967 or 1-888-632-6273

Applicants are reminded that the Board is subject to the *Freedom of Information and Protection of Privacy Act* ("FIPPA"). FIPPA addresses circumstances in which the Board may, upon request, be required to release information that is in its custody or under its control, and generally prohibits the Board from releasing personal information. "Personal Information" has the meaning given to it under FIPPA.

E. Certification and Acknowledgment of Other Market Conditions

I certify that the information contained in this application and in the documents provided are true and accurate.

I understand and acknowledge that, as a licensed electricity generator, I must provide information as the Board may require from time to time.

I understand and acknowledge that, as a licensed electricity generator, I must enter into agreements with the distributor to whom my facilities are connected.

Note: The issuance of an electricity generator licence does not guarantee contractual arrangements with the Ontario Power Authority or connection to a distribution system.

Print Name of Applicant	Signature of Applicant	Date Signed
ROB ROBERTI		13/12/13

(Must be signed by the key individual identified in section A3)

Section 6 a) of the Generation License Application - Generation Facilities

	Existing Operation Facilities			Facility under construction
Generation Type	Wind	Wind	Wind	Wind
Number of units	3	6	4	5
Total installed capacity	5.1 MW	9.9 MW	6.6 MW	9.48 MW
In-service date	November 2002 (1 unit) October 2006 (2 units)	January 2008	December 2009	July 2014 (anticipated)
Facility Name	Ferndale	Ravenswood	Proof Line 1	Skyway 8 Wind Farm
Facility Address	2584 Hwy 6 Lion's Head, ON N0H 1W0	7184 Lakeshore Rd RR#2 Forest, ON N0N 1J6	6463 Lakeshore Road RR#5 Forest, ON N0N 1J0	351544 Southgate- Melancthon Townline Dundalk, ON N0C 1B0
Distribution Company to which the facility is connected	Hydro One Networks Inc.	Hydro One Networks Inc.	Hydro One Networks Inc.	Hydro One Networks Inc.
Power purchase agreement	RESOP	RESOP	RESOP	RESOP
Responsibility of application	Own and operate	Own and operate	Own and operate	Own and operate