



McCarthy Tétrault LLP  
PO Box 48, Suite 5300  
Toronto-Dominion Bank Tower  
Toronto ON M5K 1E6  
Canada  
Tel: 416-362-1812  
Fax: 416-868-0673

**George Vegh**  
Counsel  
Direct Line: (416) 601-7709  
Direct Fax: (416) 868-0673  
Email: gvegh@mccarthy.ca

April 17, 2014

**Via RESS and Courier**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
Suite 2700  
P.O. Box 2319  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Leave to transfer generator ownership licence from Varna Wind, Inc. to Varna Wind, LP**

We are counsel for NextEra Energy Canada, ULC ("**NextEra**"), Varna Wind, Inc., Varna Wind, LP and Varna Wind GP, ULC.

Varna Wind, Inc. is licenced by the Ontario Energy Board ("**OEB**" or the "**Board**") to own the Bluewater Wind Energy Centre ("**BWEC**").<sup>1</sup> Varna Wind, Inc. also has a Feed-in-Tariff contract with the Ontario Power Authority ("**OPA**") (the "**OPA Contract**"). Varna Wind, Inc.'s affiliate, NextEra Energy Canadian Operating Services, Inc. ("**NEECOSI**") is licenced by the OEB to operate the BWEC.<sup>2</sup>

By Decision and Order dated November 4, 2013, the Board granted Varna Wind, Inc. leave to construct a transmission facility to connect the BWEC to the IESO-controlled grid.<sup>3</sup>

On January 8, 2014, Varna Wind, Inc. filed a Notice of Proposal with the Board under sections 80 and 81 of the *Ontario Energy Board Act, 1998* (the "**Proposal**").<sup>4</sup> As indicated in the Proposal, Varna Wind, Inc. is one of several Electricity Sector affiliates associated with NextEra. By letter dated March 7, 2014, the OEB advised that it did not intend to review Varna Wind, Inc.'s proposal.

As a result of a corporate re-organization among affiliates associated with NextEra, Varna Wind, Inc. will assign all of its assets to Varna Wind, LP. These assets include the generation facility and related land and infrastructure, as well as the OPA Contract.

The purpose of the corporate reorganization is to facilitate cost-effective and efficient management of the NextEra affiliates. The reorganization will have no impact on the

<sup>1</sup> OEB Electricity Generator Licence EG-2014-0011, dated March 6, 2014.

<sup>2</sup> OEB Electricity Generator Licence EG-2012-0311 (amended), dated March 6, 2014

<sup>3</sup> OEB Decision and Order in EB-2012-0042 dated November 4, 2013.

<sup>4</sup> Letter from OEB in EB-2014-0015, dated March 7, 2014.

construction or operation of the transmission facility or the BWEC. The BWEC will continue to be operated by NEECOSI under its generation licence.

The result of the assignment is that the BWEC, which is currently owned by a corporation will, after the assignment, be owned by a limited partnership. The difference is purely one of legal structure. As the Board is aware, a corporation is a legal entity that is separate from its shareholders and considered by law to be a separate person with the full rights and abilities to act as a natural person. A limited partnership is comprised of at least one general partner and at least one limited partner. The general partner has unlimited liability for partnership liabilities and is responsible for managing the business of the limited partnership.

The Board has granted generation licences to both corporations and to limited partnerships, and the latter example includes a number of NextEra entities (Summerhaven, Conestogo and Bornish are all limited partnerships that have been granted generation licences). The Board has also granted leave to construct to limited partnerships (Summerhaven and Bornish, for example). The Board has not distinguished between the two legal forms in granting approvals and legal form has not been an issue in these approvals.

Therefore, and pursuant to section 18(2) of the *Ontario Energy Board Act, 1998*, Varna Wind, Inc. hereby applies for leave of the Board to transfer its generation ownership licence to Varna Wind GP, ULC on behalf of Varna Wind, LP. Consistent with previous licences granted to NextEra affiliates, we request that the generation licence be issued to "Varna Wind, LP by Varna Wind GP, ULC, its General Partner". After the transfer, Varna Wind, LP will be responsible for meeting the conditions of approval set out in the Board's licence to own the BWEC. As indicated, the BWEC will continue to be operated by NEECOSI under its generation licence. The legal name of the applicant and type of business entity, as submitted by Varna Wind, Inc. in its application for the electricity generation licence, will change. There will be no change to the generation facilities information.

The Applicant submits that no one will be adversely affected in a material way by the Board's decision regarding this application, and therefore requests that the Board exercise its authority under s. 21(4)(b) of the *Ontario Energy Board Act, 1998* to dispose of this application without a hearing.

By separate application of today's date, Varna Wind, Inc. is applying to the Board to transfer its leave to construct approval to Varna Wind, LP. Also, the corporate reorganization of the NextEra energy affiliates will be set out in further detail under a new proposal to be filed under sections 80 and 81 of the *Ontario Energy Board Act, 1998*.

In order to effect an orderly transition of the corporate reorganization, the Applicant respectfully requests that the Board dispose of this matter by May 30, 2014.

Please contact the undersigned if you have any questions in regards to the foregoing.

Sincerely,

*Signed in the original*

George Vegh

GV/jr

Encl: Varna Wind, Inc. Electricity Generation Licence EG-2014-0011 issued on March 6, 2014  
DOCS 13313442v2



# Electricity Generation Licence

## EG-2014-0011

### Varna Wind, Inc.

Valid Until

March 5, 2034

*Original signed by*

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**David Richmond**  
**Manager, Facilities & Infrastructure**  
**Ontario Energy Board**  
**Date of Issuance: March 6, 2014**

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

Commission de l'énergie de l'Ontario  
C.P. 2319  
2300, rue Yonge  
27e étage  
Toronto ON M4P 1E4

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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 Varna Wind, 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, to generate electricity or provide an ancillary service for sale under a contract with the Ontario Power Authority and the contract is entered into as part of a standard offer program offered by the Ontario Power Authority. This Licence authorizes the Licensee only in respect of those facilities set out in Schedule 1.

## 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 6, 2014 and expire on March 5, 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 of Bluewater Wind Energy Centre with an installed capacity of 59.9 MW, located at Centennial Rd and Babylon Line, near Zurich, Ontario.