



ELECTRICITY GENERATION LICENCE

EG-2000-0156

Ron K. Klages

**Valid Until
October 23, 2020**

Anne Powell
Director of Licensing
Ontario Energy Board

Date of Issuance: October 24, 2000

**Ontario Energy
Board**
P.O. Box 2319
2300 Yonge Street
26th. Floor
Toronto ON M4P 1E4

**Commission de l'Énergie
de l'Ontario**
C.P. 2319
2300, rue Yonge
26e étage
Toronto ON M4P 1E4

GENERATION LICENCE

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PART 1 - DEFINITIONS AND INTERPRETATIONS

1. Definitions

In this licence:

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

"affiliate", with respect to a corporation, has the same meaning as in the *Business Corporations Act*;

"ancillary services" means services necessary to maintain the reliability of the IMO-controlled grid including frequency control, voltage control, reactive power and operating reserve services;

"Board" means the Ontario Energy Board;

"consumer" means a person who uses, for the person's own consumption, electricity that the person did not generate;

"Director" means the Director of Licensing appointed under section 5 of the Act;

"distribute", with respect to electricity, means to convey electricity at voltages of 50 kilovolts or less;

"distribution system" means a system for distributing electricity and includes any structures, equipment or other things used for that purpose;

"distributor" means a person who owns or operates a distribution system;

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

"generate" means to produce electricity or provide ancillary services, other than ancillary services provided by a transmitter or distributor through the operation of a transmission or distribution system;

"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;

"generator" means a person who owns or operates a generation facility;

"IMO" means the Independent Electricity Market Operator established under the *Electricity Act*;

"IMO-administered markets" means the market established by the Market Rules under the *Electricity Act*;

"IMO-controlled grid" means the transmission systems with respect to which, pursuant to agreements, the IMO has authority to direct operations;

"Licensee" means the person named on the front of this Licence;

"market participant" means a person who is authorized by the Market Rules to participate in the IMO-administered markets or to cause or permit electricity to be conveyed into, through or out of the IMO-controlled grid;

"Market Rules" means the rules made under section 32 of the *Electricity Act*;

"regulations" means the regulations made under the Act or the *Electricity Act*;

"transmission system" means a system for transmitting electricity, and includes any structures, equipment or other things used for that purpose;

"transmit", with respect to electricity, means to convey electricity at voltages of more than 50 kilovolts; and

"transmitter" means a person who owns or operates a transmission system.

2. Interpretations

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 the 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 and where the time for doing an act expires on a holiday, the act may be done on the next day.

PART 2 - CONDITIONS

3. Authorization

- 3.1 The Licensee is authorized to generate electricity or provide ancillary services for sale through the IMO-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.
- 3.2 The Licensee is authorized to purchase electricity or ancillary services in the IMO-administered markets or directly from a generator subject to the conditions set out in this Licence.
- 3.3 The Licensee is authorized to sell electricity or ancillary services through the IMO-administered markets or directly to another person, other than a consumer, subject to the conditions set out in this Licence.

4. Fees and Assessment

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

5. Term of Licence

This Licence shall come into force on October 24, 2000 and shall remain in force until October 23, 2020. The term of this Licence may be extended by the Board.

6. Transfer of Licence

This Licence is not transferable or assignable without leave of the Board.

7. Amendment of Licence

The conditions of this Licence are subject to amendment in accordance with section 74 of the *Act*.

8. Orders for Securing Compliance

If the Board is satisfied that the Licensee is contravening this Licence or is likely to contravene this Licence, the Board may order the Licensee to comply with this Licence in accordance with section 75 of the *Act*.

9. Suspension or Revocation of Licence

9.1 The Board may suspend or revoke this Licence in accordance with sections 76 and 77 of the *Act*.

9.2 The Board may cancel this Licence if the Licensee agrees, at any time, in writing that this Licence should be cancelled.

10. Provision of Information to the Board

10.1 The Licensee shall provide, in the manner and form determined by the Board, such information as the Board may require from time to time to monitor the Licensee's compliance with the conditions of this Licence and any other legislative or regulatory requirements.

10.2 Without limiting the generality of paragraph 10.1 the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the Licensee's ability to comply with the conditions of this Licence, as soon as practicable, but in any event within fifteen days of the date upon which such change occurs.

11. Restrictions on Certain Business Activities

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*.

12. Compliance with Market Rules

The Licensee shall comply with all applicable Market Rules.

13. System Integrity

13.1 Where the IMO 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 IMO-controlled grid, for the Licensee to provide energy or ancillary services, the IMO may require the Licensee to enter into an agreement for the supply of energy or such services.

13.2 Where an agreement is entered into in accordance with paragraph 13.1, 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. Disputes relating to the terms of the Agreement, the

interpretation of the Agreement, or amendment of the Agreement shall, where unresolved by the parties, be determined by the Board.

14. Communication

14.1 All communication relating to this Licence shall be in writing.

14.2 All 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 either by hand, or by courier;
- b) 10 business days after the date of posting, if the communication is sent by registered mail; and,
- c) when received by facsimile transmission by the addressee as confirmed by the sender's transmission report.

SCHEDULE 1
LIST OF LICENSED GENERATION FACILITIES

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

1. The facilities owned and operated by the Licensee in Chesley, Ontario.