



EB-2014-0376

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 Seacliff
Energy Corp. for leave to transfer electricity
generation licence EG-2008-0039 from Seacliff
Energy Ltd. to Seacliff Energy Corp.

By delegation, before: Peter Fraser

DECISION AND ORDER

March 12, 2015

On December 16, 2014, Seacliff Energy Corp. applied for leave of the Ontario Energy Board pursuant to section 18(2) *Ontario Energy Board Act, 1998* ("the Act") to transfer an electricity generation licence EG-2008-0039 from Seacliff Energy Ltd. to Seacliff Energy Corp.

Seacliff Energy Ltd. is licensed by the Board as a Renewable Energy Standard Offer Program ("RESOP") participant to own and operate the 1.6 MW biogas generation facility located in Leamington, Ontario. Seacliff Energy Ltd. is in default of its obligations to the first secured lender Caterpillar Financial Services Limited ("Caterpillar"). As a result of enforcement of its rights as a secured lender, Caterpillar is selling all assets of Seacliff Energy Ltd., including the generation facility, to Seacliff Energy Corp.

I find that the application should be granted. The evidence in the application indicates that sale of the assets to Seacliff Energy Corp. will have no impact on the location or operation of the existing facility. Once the sale transaction is complete, Seacliff Energy Corp. will continue to operate the generation facility with no disruption to the business with the same employees and the same secured lender.

However, I find that the granting of the application to transfer the licence should be conditioned. For generation licence applicants who will be operating under a RESOP contract with the Independent Electricity System Operator (the "IESO", formerly, the Ontario Power Authority), proof of signing of a procurement contract is part of the evidence that must be filed with the Board. At present, Seacliff Energy Ltd. holds the RESOP contract with the IESO. When generation assets are transferred to unlicensed entities, the Board generally requires the applicant to obtain confirmation from the IESO of the transfer of the contract to the new entity before the licence is granted or transferred. However, the applicant has informed the Board that the IESO will finalize the transfer of the RESOP contract only on the closing date for the purchase and sale transaction. In order to allow completion of the commercial transaction in an orderly fashion, the applicant proposed that the Board approve the transfer of the generation licence with a delayed effective date, specifically once the IESO assigns the contract to Seacliff Energy Corp. I find this proposal has merit.

I have proceeded without a hearing pursuant to section 21(4)(b) of the Act since no other parties are adversely affected in a material way by the outcome of the proceeding and the applicant has requested that the matter be disposed of without a hearing.

IT IS THEREFORE ORDERED THAT:

The application to transfer the electricity generation licence is granted, subject to the following condition respecting timing:

- Electricity generation licence EG-2008-0039 will be transferred to Seacliff Energy Corp. once the Board receives confirmation in writing that the IESO has assigned the RESOP contract presently held by Seacliff Energy Ltd. to Seacliff Energy Corp.

DATED at Toronto, March 12, 2015

ONTARIO ENERGY BOARD

Original signed by

Peter Fraser
Vice President, Industry Operations and Performance