

September 20, 2016

Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4
Attn: Viive Sawler

Dear Viive,

Re: License transfer of generation license EG-2007-0939

We are writing to you on behalf of 1721027 Ontario Inc. (o/a Becker Cogeneration) ("**Becker**"), and are applying to the Ontario Energy Board (the "**OEB**") for leave to transfer a generation licence EG-2007-0939 from Becker to Hornepayne Power Inc. pursuant to section 18(2) of the *Ontario Energy Board Act, 1998* (the "**OEB Act**"), as more particularly described herein.

By way of background, Becker is the holder of the electricity generation licence EG-2007-0939 issued by the OEB on March 20, 2008, (the "**Licence**"), in respect of the Becker Cogeneration plant currently operating in Hornepayne, Ontario (the "**Generation Facility**"). The connection point for the Generation Facility is Hydro One 44kV feeder line 13M2 located approximately 1 km from the Generation Facility.

Becker is also subject to a Court-supervised restructuring process pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") which commenced on February 2, 2016 (the "**CCAA Proceeding**"). Pursuant to an Order issued in the CCAA Proceeding, Becker underwent a sales process that ultimately resulted in a sale to Hornepayne Power Inc. (the "**Purchaser**").

On September 9, 2016, the Purchaser signed an asset purchase agreement with Becker for the purchase and sale of substantially all of Becker's assets (the "**APA**"). The sale to

the Purchaser was approved by the Ontario Superior Court of Justice on September 16, 2016 and is currently scheduled to close on September 30, 2016.

The Purchaser is substantially controlled by Mr. Frank Dottori, currently the President of White River Forest Products Limited Partnership ("**White River**"), a sawmill approximately one hour from the Generation Facility. Mr. Dottori is also the founder of Tembec, an international forest products company. During and after his time at Tembec, Mr. Dottori has built and run cogeneration facilities in Canada (Skookumchuk, B.C., Temiskaming, QC, Nackawic, NB, Chapleau, ON) and France (St. Gaudens). The size of the facilities ranged from 10MW to 80MW, including a cogeneration facility located in Chapleau, Ontario, which is quite similar to the Cogeneration Facility, and a cogeneration facility in White River which is currently idled.

It is currently contemplated by the APA that all of the existing Becker staff will remain employed at the plant, ensuring a smooth transition to the Purchaser. It is not currently contemplated that the operations of the Generation Facility will change as a result of the sale to the Purchaser. The Purchaser has already arranged for financing to allow it to run post-closing.

During the CCAA Proceeding, Becker has had a number of meetings and/or conference calls with the IESO to ensure that they were advised of the status of the CCAA Proceeding. Becker is currently in the process of furnishing the IESO with information it requires to assess its desire to transfer the power purchase agreement it has with Becker to the Purchaser. In addition to the transfer of the IESO contract to the Purchaser, Becker needs to ensure that various regulatory permits and licenses are transferred to the Purchaser. This is currently ongoing with various Ontario ministries.

The key employees of the Purchaser include the following:

- 1 Frank Dottori – President of the Purchaser; and
- 2 Carlo Bin – Manager.

Becker wishes to thank the OEB for its prompt attention to this matter and assisting in transferring the Licence from Becker to the Purchaser. Should the OEB require any further information, please do not hesitate to contact Todd Ambachtsheer of KPMG Inc.,

the Co-Restructuring Advisor of Becker. Todd may be reached at 647 777 5319 or tambachtsheer@kpmg.ca.

Yours truly,

KPMG Inc.

Court-appointed Co-Restructuring Advisor of 1721027 Ontario Inc.

Per:

A handwritten signature in black ink, appearing to read 'Todd Ambachtsheer', written over a horizontal line.

Todd Ambachtsheer

Vice President