

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

ORDER EB-2016-0285 & EB-2016-0286

TRANSALTA (SC) INC. ON BEHALF OF TRANSALTA (SC) L.P.

Application for Transfer of Electricity Generation Licence EG-2009-0287 & Electricity Retailer Licence ER-2014-0374

BY DELEGATION, BEFORE: Peter Fraser Vice President

November 17, 2016

ORDER

TransAlta (SC) Inc. on behalf of TransAlta (SC) L.P. (TransAlta) filed an application dated September 23, 2016 under section 18 (2) of the *Ontario Energy Board Act, 1998* (OEB Act) for leave to transfer Electricity Generation Licence EG-2009-0287 and Electricity Retailer Licence ER-2014-0374 to its affiliate Sarnia Cogeneration Inc. on behalf of Sarnia Cogeneration LP (Sarnia Cogen).

TransAlta stated that as a result of a corporate re-organization, it is transferring the electricity generation facility, the Sarnia Regional Cogeneration Plant, to Sarnia Cogen. The re-organization is part of a broader corporate re-organization within the TransAlta Corporation (Canada) group of companies to organize the ownership of subsidiaries and their respective assets. The applicant stated that the re-organization is purely one of legal structure and will have no impact on the day-to-day operations of the Sarnia Regional Cogeneration Plant.

TransAlta has also requested confirmation that the transfer of licences and the generation facilities included therein will not enact the requirements for notice under section 81 of the OEB Act, or if so, that notice of this transfer of licence is sufficient to fulfill those requirements. TransAlta noted that a notice of proposal for the distribution line connecting the existing load at the Sarnia Regional Cogeneration Plant was already filed with the OEB in the EB-2012-0298 proceeding, where the OEB chose not to review the proposal.

I have considered the application without holding a hearing pursuant to section 6(4) of the OEB Act.

I find that the application should be granted and that the OEB will not review the proposal under section 81 of the OEB Act. The evidence in the application indicates that the corporate re-organization will have no impact on the location or operation of the existing facility. Once the re-organization is complete, Sarnia Cogen will own and operate the generation facility with no disruption to the business.

However, I find that the granting of the application to transfer the licences should be conditioned. With transfer of licences in the event of a corporate re-organization, the OEB generally requires the applicant to file written confirmation of the completion of the corporate re-organization with the OEB. The OEB will approve the transfer of the licences with a delayed effective date, specifically once the applicant files, in writing, confirmation of the completion of the corporate re-organization.

IT IS ORDERED THAT:

- 1. The application for leave to transfer electricity generation licence EG-2009-0287 and electricity retailer licence ER-2014-0374 is granted, with the following condition with respect to timing:
 - Electricity Generation Licence EG-2009-0287 will be transferred to Sarnia Cogeneration Inc. on behalf of Sarnia Cogeneration LP once the OEB receives confirmation, in writing, that the corporate reorganization of TransAlta (SC) Inc. on behalf of TransAlta (SC) L.P. has taken place.
 - Electricity Retailer Licence ER-2014-0374 will be transferred to Sarnia Cogeneration Inc. on behalf of Sarnia Cogeneration LP once the OEB receives confirmation, in writing, that the corporate re-organization of TransAlta (SC) Inc. on behalf of TransAlta (SC) L.P. has taken place.

DATED at Toronto November 17, 2016

ONTARIO ENERGY BOARD

Original signed by

Peter Fraser Vice President