

November 23, 2016

Via email (Boardsec@ontarioenergyboard.ca) and courier

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

RE: Application for an Electricity Generation License, Feed-in Tariff Program for GHG Wind Development II LP (as Owner), and cancellation of Electricity Generation Licence EG-2015-0360 effective on or about December 31, 2016

Dear Sir or Madam,

Please find this letter in respect of two generation facilities that reached commercial operation earlier this year, Grey Highlands Zero Emission People (10 MW, FIT Reference # FIT-FQX360R), and ZEP Wind Farm Ganaraska (17.6 MW, FIT Reference # FIT-FTFZ53C) (collectively, the "Facilities"). The Facilities are jointly-owned by **GHG ZEP Wind Corp.** and **GHG Wind Development LP**, the latter is a wholly-owned subsidiary of Capstone Power Corp. (Capstone). A summary is tabulated below:

Generation Licence Number	Licensee	Licensee Responsibility	List of Licensed Generation Facilities
EG-2015-0360	GHG ZEP Wind Corp.	Ownership (part)	1. Grey Highlands Zero Emission People 2. ZEP Wind Farm Ganaraska
EG-2015-0361	GHG Wind Development LP	Ownership (part), Operation	

Now that the Facilities have reached commercial operation, we are undergoing a restructuring whereby the ownership interests of **GHG ZEP Wind Corp.** (a non-Capstone subsidiary) will be transferred to a new Capstone subsidiary, **GHG Wind Development II LP**.

Accordingly, enclosed hereto you will find:

- Two copies of an application to license **GHG Wind Development II LP**, including
 - Notice to Proceed for both Facilities (despite both Facilities being in operation)
 - Cheque in the amount of \$1,000 made out to Ontario Energy Board (as required for an applicant with a name plate capacity of more than 10.0 megawatts)
- A cancellation request letter from GHG ZEP Wind Corp. for licence number EG-2015-0360.

As you will note on the enclosed application (included in copy), the details for both Facilities are included. The details for Grey Highlands Zero Emission People are included first, and the details for ZEP Wind Farm Ganaraska follow in brackets. For clarity, all Facilities-specific details on the application correspond to those provided on the original applications made in 2015 for both GHG ZEP Wind Corp. and GHG Wind Development LP.

By means of procedure, in order for the restructuring transaction to close, we require consent from the IESO (the FIT contract counterparty) as well as Hydro One Networks Inc. On November 4, 2016, legal counsel acting on behalf of both joint venture parties (current license holders) for the transaction initiated the consent request with IESO. It was requested that the parties select a target date to be included on the consent agreement as the effective date (e.g. December 15, 2016), which would then be the effective license cancellation date for EG-2015-0360, and effective license date for the Applicant's (GHG Wind Development II LP's) new license.

As of this letter date, the IESO has not initiated the consent process or confirmed a target effective date. We are hopeful that this process will still conclude before the December holiday season, as the consent agreement can reasonably be drafted and executed in a month's time.

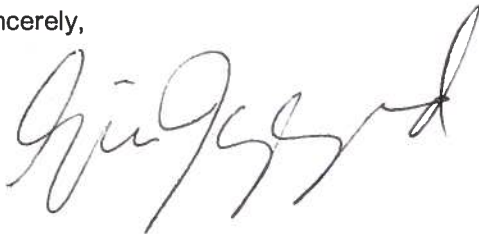
Being mindful of timing, we would like to provide OEB with adequate notice to process the application and related cancellation request, so we are requesting that the new application have an effective date of December 31, 2016 at the latest as we would like to wrap up the transfer process in 2016.

We expect to be able to update OEB with a more definitive date (i.e., an earlier date than December 31) in 1-2 weeks' time, once we have heard back from the IESO on timing. Could you please confirm your preference on how a revised date is communicated?

Alternatively, could OEB allow for an overlap of licensing, such that the enclosed application is processed in advance of cancellation of EG-2015-0360 (i.e., new license effective as soon as OEB can process the application, and cancellation on or around December 31, 2016)?

We appreciate your understanding in this situation. Should you have any questions, please do not hesitate to contact me.

Sincerely,



Erin Jaggard
Environmental Manager
ejaggard@capstoneinfra.com
Tel. 416-649-6101

Encl.