

December 5, 2016

Via email ([Boardsec@ontarioenergyboard.ca](mailto:Boardsec@ontarioenergyboard.ca)) and courier

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

**RE: Electricity Generation Licence EG-2016-0172 – Transfer request**

Dear Sir or Madam,

Please find this letter on behalf of **SR Wind Development II LP** and **SR ZEP Wind Corp.** as application to the Ontario Energy Board (the "OEB") for leave to transfer generation licence EG-2016-0172 pursuant to section 18(2) of the *Ontario Energy Board Act, 1998*, as more particularly described herein.

By way of background, **SR ZEP Wind Corp.** is the holder of electricity generation licence EG-2016-0172 issued by the OEB on January 7, 2016 (the "Licence"), in respect of a generation facility that reached commercial operation in October 2016, the Snowy Ridge Wind Park (10 MW, FIT Reference # FIT-FK22CJ6, the "Facility"), as tabulated below. The Facility is jointly-owned pursuant to a joint venture arrangement entered into by **SR ZEP Wind Corp.** and **SR Wind Development LP**; the latter is a wholly-owned subsidiary of Capstone Power Corp. (Capstone). As noted, Capstone, through its subsidiary, SR Wind Development LP, is the sole licenced operator of the Facility. As a parent company, Capstone currently owns and operates ten wind facilities in Ontario.

Generation Licence Number	Licensee	Licensee Responsibility	Licensed Generation Facility Name
EG-2016-0172	SR ZEP Wind Corp.	Ownership (part)	Snowy Ridge Wind Park
EG-2016-0173	SR Wind Development LP	Ownership (part), Operation	

Now that the Facility has reached commercial operation, we are undergoing a restructuring whereby the ownership interests of **SR ZEP Wind Corp.** (a non-Capstone subsidiary) will be transferred to a new Capstone subsidiary, **SR Wind Development II LP** (the "Licence Transferee" or "Purchaser"). The Licence Transferee will hold an ownership interest in the Facility, but will not be a licenced operator or engaged in operations. Accordingly, we confirm that the change in ownership and corresponding licence transfer will not result in any impact to the normal course of operation of the Facility.

**Third Party Consent Required**

As a condition precedent to close of the transaction, we require consent from the FIT contract counterparty (the IESO). IESO is currently engaged in this request, and we anticipate executing a Consent, Assumption and Acknowledgement Agreement (or similar form of agreement) before year-end.

Key Individuals and Licence Primary Contact for SR Wind Development II LP (the Licence Transferee):

Please find below updated Key Individuals and titles for the Facility. Please note that this update applies to both SR Wind Development LP and SR Wind Development II LP.

Key Individual	Title/Position within the Licence Transferee's Business
David Eva	Chief Executive Officer
Andrew Kennedy	Chief Financial Officer
Greg Peterson	Vice President
Licence Primary Contact	Position Held and Company Name
John Kirby	Director of Wind Operations – Ontario, Capstone

In closing, it is our expectation that, upon review of this transfer request, the OEB would approve the transfer of the Licence to SR Wind Development II LP, subject to the condition that the licence transfer will not take effect until the Applicant files with the OEB the executed Consent, Assumption and Acknowledgement Agreement (or otherwise named form of IESO consent agreement).

Should you have any questions on this request, please do not hesitate to contact Facilities representative, Erin Jaggard, Environmental Manager for Capstone (tel. 416-649-6101 or [ejaggard@capstoneinfra.com](mailto:ejaggard@capstoneinfra.com)) at your convenience.

Sincerely,

For and on behalf of SR Wind Development II LP (the Purchaser):



**David Eva**  
CEO

For and on behalf of SR ZEP Wind Corp.:

I hereby consent to the transfer of licence EG-2016-0172.



**Ingo Stuckmann**  
President