

June 9, 2017

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: Electricity Generation Licence EG-2016-0290 – Transfer request

Dear Sir or Madam,

Please find this letter on behalf of **SLS Wind Development II LP** and **SLS ZEP Wind Corp.** as application to the Ontario Energy Board (the "OEB") for leave to transfer generation licence EG-2016-0290 pursuant to section 18(2) of the *Ontario Energy Board Act, 1998*, as more particularly described herein.

By way of background, **SLS ZEP Wind Corp.** is the holder of electricity generation licence EG-2016-0290 issued by the OEB on November 24, 2016 (the "Licence"), in respect of a generation facility that reached commercial operation in April 2017, the Settlers Landing Wind Park (8.0 MW, FIT Reference # FIT-F856F47, the "Facility"), as tabulated below. The Facility is jointly-owned pursuant to a joint venture arrangement entered into by **SLS ZEP Wind Corp.** and **SLS Wind Development LP**; the latter is a wholly-owned subsidiary of Capstone Power Corp. (Capstone). As noted, Capstone, through its subsidiary, SLS Wind Development LP, is the sole licenced operator of the Facility. As a parent

| Generation Licence Number | Licensee | Licensee Responsibility | Licensed Generation Facility Name |
|---------------------------|-------------------------|--------------------------------|-----------------------------------|
| EG-2016-0290 | SLS ZEP Wind Corp. | Ownership (part) | Settlers Landing Wind Park |
| EG-2016-0291 | SLS Wind Development LP | Ownership (part), Operation | |

company, Capstone currently owns and operates ten wind facilities in Ontario.

Now that the Facility has reached commercial operation, we are undergoing a restructuring whereby the ownership interests of **SLS ZEP Wind Corp.** (a non-Capstone subsidiary) will be transferred to a new Capstone subsidiary, **SLS 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) by the end of the month.

Key Individuals and Licence Primary Contact for SLS 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 SLS Wind Development LP and SLS Wind Development II LP.

| Key Individual | Title/Position within the Licence Transferee's Business |
|-------------------------|---|
| David Eva | Chief Executive Officer |
| Andrew Kennedy | Chief Financial Officer |
| Patrick Leitch | Vice President, Operations |
| 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 SLS 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) at your convenience.

Sincerely,

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



Patrick Leitch
Vice President, Operations

For and on behalf of SLS ZEP Wind Corp.:

I hereby consent to the transfer of licence EG-2016-0290.

Ingo Stuckmann
President

