



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

DECISION AND ORDER

EB-2019-0201/EB-2019-0202

WATERGEN CANADA HOLDINGS INC.

**Applications for an Electricity Retailer Licence & an
Electricity Generation Licence**

BY DELEGATION, BEFORE: Brian Hewson
Vice President, Consumer Protection &
Industry Performance

October 24, 2019

DECISION AND ORDER

Watergen Canada Holdings Inc. (Watergen) filed two applications on August 7, 2019 under section 60 of the *Ontario Energy Board Act, 1998* (OEB Act) for an electricity retailer licence and an electricity generation licence.

The applications are considered by the Delegated Authority without holding a hearing pursuant to section 6(4) of the OEB Act.

Watergen has entered into an agreement to buy an undivided 49% interest in the ownership of eight existing hydro generation facilities located in Ontario and currently 100% owned by H2O Power Limited Partnership¹ (H2O). Due to the interest purchasing agreement, Watergen applied for an electricity generation licence authorizing the applicant as the owner of a 49% interest in the eight facilities, currently listed in Schedule 1 of H2O's electricity generation licence EG-2006-0124. The applicant also requested that Schedule 1 of H2O's licence be amended to reflect the 51% ownership of these facilities. The facilities are presently being operated and will continue to be operated by H2O Power Holding Limited Partnership².

Watergen applied for an electricity retailer licence for the purpose of being authorized to sell electricity to the four customers directly connected to the subject generation facilities that would be jointly owned by Watergen and H2O.

The OEB finds that the applications should be granted. The evidence in the applications indicates that the joint ownership of the facilities by Watergen and H2O will have no impact on the location or operation of the existing facilities, with no disruption to the business. The applicant provided the necessary financial, technical and conduct information to be licensed as an electricity retailer and generator.

IT IS ORDERED THAT:

1. The application for an electricity retailer licence is granted on such conditions as are contained in the attached licence.
2. The application for an electricity generation licence is granted on such conditions as are contained in the attached licence.

¹ H2O Power Limited Partnership is holding an electricity generation licence EG-2006-0124 and will have a 51% interest ownership in the facilities.

² H2O Power Holding Limited Partnership is holding an electricity generation licence EG-2016-01369

3. Schedule 1 of H2O Power Limited Partnership's Electricity Generation Licence EG-2006-0124 is amended to reflect a 51 % ownership of the facilities.

DATED at Toronto October 24, 2019

ONTARIO ENERGY BOARD

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance



Electricity Generation Licence

EG-2019-0202

Watergen Canada Holdings Inc.

Valid Until

March 30, 2027

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance
Ontario Energy Board
Date of Issuance: October 24, 2019

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

Commission de l'énergie
de l'Ontario
C.P. 2319
2300, rue Yonge
27e étage
Toronto ON M4P 1E4

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1 Definitions

In this Licence:

“**Act**” means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

“**Electricity Act**” means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

“**generation facility**” means a facility for generating electricity or providing ancillary services, other than ancillary services provided by a transmitter or distributor through the operation of a transmission or distribution system and includes any structures, equipment or other things used for that purpose;

“**Licensee**” means Watergen Canada Holdings Inc.;

“**regulation**” means a regulation made under the Act or the Electricity Act;

2 Interpretation

- 2.1 In this Licence words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of this Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this Licence where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

3 Authorization

- 3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this licence:
- a) to generate electricity or provide ancillary services for sale through the IESO-administered markets or directly to another person subject to the conditions set out in this Licence. This Licence authorizes the Licensee only in respect of those facilities set out in Schedule 1;
 - b) to purchase electricity or ancillary services in the IESO-administered markets or directly from a generator subject to the conditions set out in this Licence; and
 - c) to sell electricity or ancillary services through the IESO-administered markets or directly to another person, other than a consumer, subject to the conditions set out in this Licence.

4 Obligation to Comply with Legislation, Regulations and Market Rules

- 4.1 The Licensee shall comply with all applicable provisions of the Act and the Electricity Act, and regulations under these acts, except where the Licensee has been exempted from such compliance by regulation.
- 4.2 The Licensee shall comply with all applicable Market Rules.

5 Obligation to Maintain System Integrity

- 5.1 Where the IESO has identified, pursuant to the conditions of its licence and the Market Rules, that it is necessary for purposes of maintaining the reliability and security of the IESO-controlled grid, for the Licensee to provide energy or ancillary services, the IESO may require the Licensee to enter into an agreement for the supply of energy or such services.
- 5.2 Where an agreement is entered into in accordance with paragraph 5.1, it shall comply with the applicable provisions of the Market Rules or such other conditions as the Board may consider reasonable. The agreement shall be subject to approval by the Board prior to its implementation. Unresolved disputes relating to the terms of the Agreement, the interpretation of the Agreement, or amendment of the Agreement, may be determined by the Board.

6 Restrictions on Certain Business Activities

- 6.1 Neither the Licensee, nor an affiliate of the Licensee shall acquire an interest in a transmission or distribution system in Ontario, construct a transmission or distribution system in Ontario or purchase shares of a corporation that owns a transmission or distribution system in Ontario except in accordance with section 81 of the Act.

7 Provision of Information to the Board

- 7.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 7.2 Without limiting the generality of paragraph 7.1 the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee, as soon as practicable, but in any event no more than twenty (20) days past the date upon which such change occurs.

8 Term of Licence

- 8.1 This Licence shall take effect on October 24, 2019 and expire on March 30, 2027. The term of this Licence may be extended by the Board.

9 Fees and Assessments

- 9.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

10 Communication

- 10.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.
- 10.2 All official communication relating to this Licence shall be in writing.
- 10.3 All written communication is to be regarded as having been given by the sender and received by the addressee:
- a) when delivered in person to the addressee by hand, by registered mail or by courier;
 - b) ten (10) business days after the date of posting if the communication is sent by regular mail; or
 - c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

11 Copies of the Licence

- 11.1 The Licensee shall:
- a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and
 - b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

SCHEDULE 1 LIST OF LICENSED GENERATION FACILITIES

The Licence authorizes the Licensee only in respect to the following:

1. The 49% ownership¹ of Iroquois Falls Generating Station², with an installed capacity of 29.7 MW and located at 1 Park St. Iroquois Falls, Ontario.
2. The 49% ownership¹ of Twin Falls Generating Station³, with an installed capacity of 27.5 MW and located at Teefy Township, Cochrane District, Ontario.
3. The 49% ownership¹ of Island Falls Generating Station⁴, with an installed capacity of 44.3 MW and located at Menapiat Tolmie Township, Smooth Rock Falls, Ontario.
4. The 49% ownership¹ of Calm Lake Generating Station⁵, with an installed capacity of 9.5 MW and located at Bennet Township, District of Rainy River, Ontario.
5. The 49% ownership¹ of Sturgeon Falls Generating Station⁶, with an installed capacity of 8.4 MW and located at Bennet Township, District of Rainy River, Ontario.
6. The 49% ownership¹ of Fort Frances Generating Station⁷, with an installed capacity of 13.1MW and located at 145 Third St. West, Fort Frances, Ontario.
7. The 49% ownership¹ of Kenora Generating Station⁸, with an installed capacity of 5.5 MW and located at 438 Veterans Drive, Kenora, Ontario.
8. The 49% ownership¹ of Norman Generating Station⁹, with an installed capacity of 12.8 MW and located at 87 Norman Dam Road, Kenora, Ontario.

¹ Joint ownership with H2O Power Limited Partnership - 51% (Electricity Generation Licence EG-2006-0124)

² Operated by H2O Power Holding Limited Partnership under the authorization of its Electricity Generation Licence EG-2016-0369

³ Operated by H2O Power Holding Limited Partnership under the authorization of its Electricity Generation Licence EG-2016-0369

⁴ Operated by H2O Power Holding Limited Partnership under the authorization of its Electricity Generation Licence EG-2016-0369

⁵ Operated by H2O Power Holding Limited Partnership under the authorization of its Electricity Generation Licence EG-2016-0369

⁶ Operated by H2O Power Holding Limited Partnership under the authorization of its Electricity Generation Licence EG-2016-0369

⁷ Operated by H2O Power Holding Limited Partnership under the authorization of its Electricity Generation Licence EG-2016-0369

⁸ Operated by H2O Power Holding Limited Partnership under the authorization of its Electricity Generation Licence EG-2016-0369

⁹ Operated by H2O Power Holding Limited Partnership under the authorization of its Electricity Generation Licence EG-2016-0369



Electricity Retailer Licence

ER-2019-0202

Watergen Canada Holdings Inc.

Valid Until

October 23, 2024

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance
Ontario Energy Board
Date of Issuance: October 24, 2019

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

Commission de l'énergie de l'Ontario
C.P. 2319
2300, rue Yonge
27e étage
Toronto ON M4P 1E4

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1 Definitions

In this Licence:

“**Act**” means the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

“**consumer**” means a person who uses, for the person’s own consumption, electricity that the person did not generate;

“**Electricity Act**” means the *Electricity Act, 1998*, S.O. 1998, c. 15, Schedule A;

“**Licensee**” means Watergen Canada Holdings Inc.;

“**Market Rules**” means the rules made under section 32 of the Electricity Act;

“**regulation**” means a regulation made under the Act or the Electricity Act; and

“**residential or small business consumer**” means a consumer who annually uses less than 150,000 kWh of electricity;

For the purpose of this Licence, the terms “retailer” and “retailing” do not apply to a Licensed Distribution Company fulfilling its obligations under section 29 of the Electricity Act.

2 Interpretation

- 2.1 In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of this Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this Licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

3 Authorization

- 3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence:
- a) to sell or offer to sell electricity to a consumer;
 - b) to act as the agent or broker for a retailer with respect to the sale or offering for sale of electricity; and
 - c) to act or offer to act as the agent or broker for a consumer with respect to the sale or offering for sale of electricity.
- 3.2 The Licensee is authorized to conduct business in the name under which this Licence is issued, or any trade name(s) listed in Schedule 1.

4 Obligation to Comply with Legislation, Regulations and Market Rules

- 4.1 The Licensee shall comply with all applicable provisions of the Act, the Electricity Act and regulations under these Acts, except where the Licensee has been exempted from such compliance by regulation.
- 4.2 The Licensee shall comply with all applicable Market Rules.

5 Obligation to Comply with Codes

- 5.1 The Licensee shall at all times comply with the following Codes (collectively the “Codes”) approved by the Board, except where the Licensee has been specifically exempted from such compliance by the Board:
- a) the Electricity Retailer Code of Conduct;
 - b) the Retail Settlement Code; and
 - c) the Retail Metering Code.
- 5.2 The Licensee shall:
- a) make a copy of the Codes available for inspection by members of the public at its head office and regional offices during normal business hours; and
 - b) provide a copy of the Codes to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

6 Agent for Service

- 6.1 If the Licensee does not have an office or other place of business in Ontario, the Licensee shall ensure the continuing appointment at all times of an individual who is a resident of Ontario and is at least 18 years old, or a corporation that has its head office or registered office in Ontario, as the Licensee’s agent for service in Ontario on whom service of process, notices or other documentation may be made.

7 Market Power Mitigation Rebates

- 7.1 The Licensee shall comply with the pass through of Ontario Power Generation rebate conditions set out in Appendix A of this Licence.

8 Provision of Information to the Board

- 8.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 8.2 Without limiting the generality of paragraph 8.1, the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee as soon as practicable, but in any event no more than twenty (20) days past the date upon which such change occurs.

9 Customer Complaint and Dispute Resolution

9.1 The Licensee shall participate in a consumer complaints resolution process selected by the Board.

10 Term of Licence

10.1 This licence shall take effect on October 24, 2019 and expire on October 23, 2024. The term of this Licence may be extended by the Board.

11 Fees and Assessments

11.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

12 Communication

12.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.

12.2 All official communication relating to this Licence shall be in writing.

12.3 All written communication is to be regarded as having been given by the sender and received by the addressee:

- a) when delivered in person to the addressee by hand, by registered mail, or by courier;
- b) ten (10) business days after the date of posting if the communication is sent by regular mail; or
- c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

13 Copies of the Licence

13.1 The Licensee shall:

- a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and
- b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

SCHEDULE 1 AUTHORIZED TRADE NAMES

1. None

APPENDIX A

MARKET POWER MITIGATION REBATES

“OPGI” means Ontario Power Generation Inc.

A retailer shall promptly pass through a portion of the rebate received from a distributor to those consumers who are not receiving the fixed price under sections 79.4 and 79.5 of the *Ontario Energy Board Act, 1998* and who are served by the retailer but who have not assigned the benefit of the rebate payment to the retailer.

If requested in writing by OPGI, the retailer shall ensure that all rebates paid to consumers are identified as coming from OPGI in the following from on or with each bill or cheque.

“ONTARIO POWER GENERATION INC. rebate”

A retailer shall promptly return to a distributor any portion of the rebate received from the distributor which relates to low-volume or designated consumers receiving the fixed commodity price for electricity under sections 79.4 and 79.5 of the *Ontario Energy Board Act, 1998*, who are served by the retailer but who have not assigned the benefit of the rebate payment to the retailer or another party.

The amounts paid out to consumers or returned to the distributor shall be based on energy consumed and calculated in accordance with the rules set out in the Retail Settlement Code.

Amounts payable by the retailer may be made by way of set off at the discretion of the retailer.

ONTARIO POWER GENERATION INC. REBATES

For the payments that relate to the period from May 1, 2006 to April 30, 2009, the rules set out below shall apply:

“OPGI” means Ontario Power Generation Inc.

A retailer shall promptly pass through a portion of the rebate received from a distributor to those consumers who are not receiving the fixed price under sections 79.4 and 79.5 of the *Ontario Energy Board Act, 1998* and who are served by the retailer but who have not assigned the benefit of the rebate payment to the retailer.

If requested in writing by OPGI, the retailer shall ensure that all rebates paid to consumers are identified as coming from OPGI in the following from on or with each bill or cheque.

“ONTARIO POWER GENERATION INC. rebate”

The amounts paid out to consumers or returned to the distributor shall be based on energy consumed and calculated in accordance with the rules set out in the Retail Settlement Code.

Amounts payable by the retailer may be made by way of set off at the discretion of the retailer.