

# **ASSURANCE OF VOLUNTARY COMPLIANCE**

Pursuant to s. 112.7 of the  
*Ontario Energy Board Act, 1998*

**NOVA Chemicals (Canada) Ltd.**

Licence No. EW-2019-0185

OEB File No. EB-2019-0262

October 29, 2019

## I. BACKGROUND

Ontario Energy Board (OEB) staff conducted an inspection of NOVA Chemicals (Canada) Ltd. (NOVA Chemicals) pursuant to the OEB's finding, in proceeding EB-2019-0185, that NOVA Chemicals had been operating as an electricity wholesaler in Ontario without a licence since 2006.<sup>1</sup> Following the inspection, and in resolution of the contravention, NOVA Chemicals provided this Assurance of Voluntary Compliance to the OEB under section 112.7 of the *Ontario Energy Board Act, 1998* (OEB Act).

## II. STATEMENT OF FACTS

On August 1, 2019, NOVA Chemicals filed an application with the OEB for the renewal of an electricity wholesaler licence, pursuant to section 57 of the OEB Act. Together with the application, NOVA Chemicals self-reported that it had failed to renew its prior electricity wholesaler licence No. EW-2000-0303, before it expired on February 5, 2006.

The OEB reviewed the application and, on August 15, 2019, issued a Decision and Order<sup>2</sup> granting NOVA Chemicals a new electricity wholesaler licence (EW-2019-0185). In the Decision and Order, the OEB indicated that NOVA Chemicals remained subject to a potential OEB compliance proceeding with respect to the contravention. The OEB stated:

The applicant has been previously licensed by the OEB, however neglected to renew its previous electricity wholesaler licence and has been operating without a licence since 2006. Thus, the applicant has

---

<sup>1</sup> Decision and Order, EB-2019-0185, issued August 15, 2019

<sup>2</sup> *Ibid.*

contravened section 57 of the OEB Act, and may be subject to an OEB compliance action.

Purchasing electricity directly from a generator without a licence is a contravention of section 57 of the OEB Act. Section 57(e) of the OEB Act specifically states as follows:

**Requirement to hold licence**

**57** Neither the IESO nor the Smart Metering Entity shall exercise their powers or perform their duties under the *Electricity Act, 1998* unless licensed to do so under this Part and no other person shall, unless licensed to do so under this Part, ...

(e) purchase electricity or ancillary services in the IESO-administered markets or directly from a generator

Through its August 1, 2019 application filing, and subsequent discussions with OEB staff, NOVA Chemicals explained that the failure to secure a renewal of the licence prior to its expiry was an unintentional oversight. NOVA Chemicals confirmed that, upon discovering the oversight, it took steps to renew the licence and has since updated its internal procedures in order to ensure that this type of contravention does not occur in the future. NOVA Chemicals explained that it has put in place new knowledge management controls to ensure the continuity of its licence requirements.

**II. ASSURANCE**

NOVA Chemicals hereby assures the OEB that it has taken all appropriate measures to comply with the requirement under section 57(e) of the OEB Act

that it has a licence for the purpose of purchasing electricity or ancillary services in the IESO-administered markets or directly from a generator.

NOVA Chemicals also hereby assures the OEB that it will comply with the terms of its electricity wholesaler licence EW-2019-0185, including the obligation under section 8.1 therein to designate a person to act as a primary contact with the OEB on matters related to the licence, and to promptly notify the OEB should the contact details change.

#### **IV. ADMINISTRATIVE MONETARY PENALTY**

NOVA Chemicals agrees to pay an administrative monetary penalty to the OEB in the amount of \$65,000. Payment will be made by cheque or electronically, together with notice sent to the Registrar and Board Secretary, within two weeks of NOVA Chemicals having received notice of the acceptance of this assurance by the OEB.

#### **V. FAILURE TO COMPLY**

This Assurance of Voluntary Compliance has the same force and effect as an order of the OEB pursuant to section 112.7(2) of the OEB Act and any failure to comply with its terms shall be deemed to be a breach of an order of the OEB.

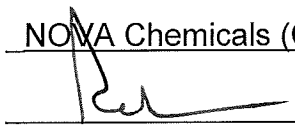
**VII. EXECUTION**

I have the authority to bind NOVA Chemicals (Canada) Ltd. to the terms set out in this Assurance of Voluntary Compliance.

Name: Rakesh Vermani

Title: President

Company: NOVA Chemicals (Canada) Ltd.

Signature: 

Dated this 29th day of October 2019.