

September 10, 2021

Sent By Email (BoardSec@oeb.ca)

Kristen Walli, Board Secretary
Ontario Energy Board
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Dear Ms. Walli:

Notice of Proposal under Section 81 of the *Ontario Energy Board Act, 1998* and Application for an Electricity Generation Licence – DTE Lake Erie Generation, Inc. (DTE)

Please find enclosed an application for an Electricity Generation Licence in relation to Lake Erie Works, which is being filed by DTE pursuant to section 60 of the *Ontario Energy Board Act, 1988* (the **Act**), and a Notice of Proposal under Section 81 of the *Ontario Energy Board Act, 1998*, together with supporting documentation. Once receipt of the enclosed is confirmed, we would be pleased to make arrangements for payment of the \$1000.00 application fee for the Generation Licence via EFT, in accordance with the Board's COVID-19 protocols.

DTE has entered into an agreement with Stelco Inc. (**Stelco**) pursuant to which DTE will develop a power generation facility at Stelco's integrated steel production facility known as Lake Erie Works, located in Nanticoke, Ontario.

The project will include the design and construction by DTE of a 68.2 MW behind-the-meter Steam Turbine Generator (the **STG**) along with a new behind-the-meter 230 kV Transmission Line less than 2 km in length (the **Transmission Line**). The Transmission Line will be transferred to Stelco immediately following successful commissioning of the STG and the Transmission Line. DTE will remain the owner and operator of the STG.

While the Transmission Line will ultimately be transferred to Stelco immediately following successful commissioning of the STG and the Transmission Line, there will be a period of time before such transfer during which DTE will hold an interest in both the STG and the Transmission Line. Therefore, DTE believes that an application under section 81 of the *Ontario Energy Board Act, 1998* is prudent.

DTE's view is that no Retailer Licence will be required in respect of the STG's intended conveyance of electricity to Stelco. The rationale for this view is that, under the agreement between Stelco and DTE, DTE's compensation in exchange for such conveyance will comprise monthly payments based solely on (i) DTE's capital costs incurred in completing the Transmission Line and STG; (ii) DTE's operating and maintenance costs in respect of the STG; and (iii) DTE's general and administrative costs. In other words, DTE will not be selling electricity to Stelco. If the Board believes that a Retailer Licence will nonetheless be required, DTE would be pleased to submit an application for the Board's consideration.

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DTE relies on O. Reg. 161/99, ss. 4.0.2 and 6.2(1)(c) such that neither a Leave to Construct application nor a Transmission Licence will be required with respect to the new Transmission Line.

As DTE is a new entity, pro-forma financial statements are attached as Appendix H to the Generation Licence Application and reference letters from DTE's financial institutions are attached as Appendix I to the Generation Licence Application.

No other parties will be adversely affected in a material way by the outcome of this proceeding. Therefore, DTE, as applicant, requests that this application proceed without a hearing pursuant to section 21(4)(b) of the Act and hereby consents to same.

The STG and Transmission Line are expected to be in commercial operation by March 1, 2022. DTE respectfully requests that the Board dispose of this matter as soon as possible.

If you have any questions in respect of the above, please contact us.

Yours very truly,

A handwritten signature in black ink, appearing to read "J. Teskey".

Jennifer Teskey
Partner

JT/tm