

EMAIL

September 27, 2021

Board Secretary
Ontario Energy Board
Yonge-Eglinton Centre
P.O. Box 2319, Suite 2700
2300 Yonge Street
Toronto ON M4P 1E4

To whom it may concern:

**Re: Public Energy Gas Inc. – Applications for Electricity Generation
Licence Amendments and New Electricity Generation Licences**

We are writing to apply for: (i) an amendment to Public Energy Gas Inc.'s ("PEGI") Electricity Generation Licence (EG-2019-0216), and (ii) electricity generation licences for PEGI's wholly-owned subsidiary companies Public Energy Gas 1 Inc. ("PEGI 1"), Public Energy Gas 2 Inc. ("PEGI 2") and Public Energy Gas 3 Inc. ("PEGI 3").

We explain below the reasons for the requested amendment and for the new electricity generation licences. We also enclose supporting documentation, including completed Applications for Electricity Generation Licences for each of PEGI 1, PEGI 2 and PEGI 3.

Application for Amendment to PEGI's Electricity Generation Licence (EG-2019-0216)

PEGI, together with its affiliate companies PEGI 1, PEGI 2 and PEGI 3, is a developer of on-site, behind-the-meter distributed energy resources. It supplies electricity to large industrial or commercial customers under long-term contracts; PEGI does not offer or sell to low volume consumers. PEGI's business specifically involves the financing, ownership and of gas-fired power generation.

PEGI is in the process of expanding its business and enrolling new industrial and commercial customers. As part of this expansion, PEGI refinanced and it reorganized its corporate structure. PEGI also intends going forward to transfer ownership of each customer located generation facility to special-purpose subsidiary companies, including PEGI 1, PEGI 2 and PEGI 3. PEGI, however, will remain as the operator of all customer located generation facilities and PEGI will provide all retail services to customers. PEGI's subsidiary companies, including PEGI 1, PEGI 2 and PEGI 3, will solely hold legal ownership of the specific generation facilities.

PEGI accordingly wishes to amend its Electricity Generation Licence to be designated solely as the operator, not owner, of the generation facilities specified in Schedule 1 to its licence. PEGI also wishes to amend Schedule 1 to reflect some changes to the number and size of the specified generation facilities. We accordingly enclose proposed blackline changes to the current Schedule 1 of PEGI's Electricity Generation Licence. The changes in the number and size of generation facilities is due to changes in customer demand and some generation design/configuration changes.

We also wish to update the Board on changes to PEGI's corporate organizational structure/ credit facilities and changes to its Directors & Officers/Key Individuals. In this regard, we

enclose: (i) updated Key Individual forms (these mirror the Key Individual forms included in the enclosed electricity generation licence applications for each of PEGI 1, PEGI 2 and PEGI 3); and (ii) organizational charts showing PEGI's corporate structure and credit facilities pre- and post PEGI's corporate reorganization (these are also mirrored in the Key Individual forms included in the enclosed electricity generation licence applications for each of PEGI 1, PEGI 2 and PEGI 3). Please note that PEGI's corporate reorganization has been affected, but ownership of the generation facilities referenced in Schedule 1 to PEGI's Electricity Generation Licence remains with PEGI and ownership will not be transferred to PEGI 1, PEGI 2 and PEGI 3 until after the Board issues electricity generation licences to each of PEGI 1, PEGI 2 and PEGI 3.

Further, PEGI proposes, pursuant to section 21(4)(b) of the *Ontario Energy Board Act*, that PEGI's proposed licence amendment be disposed of without a hearing. PEGI consents to the disposition of its licence amendment application without a hearing and PEGI submits that it is appropriate to determine its licence amendment application without hearing because no person other than PEGI stands to be adversely affected in a material way by the proposed amendment since PEGI will remain as the operator of all generation facilities referenced in Schedule 1 of its Electricity Generation Licence. The only changes proposed are non-material changes to the numbers and size of the generation facilities specified in Schedule 1 and a transfer, for corporate purposes, of legal ownership of the generation facilities from PEGI to its special-purpose subsidiary companies, PEGI 1, PEGI 2 and PEGI 3.

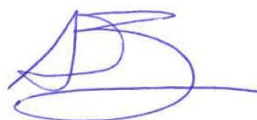
PEGI does not require an amendment to its Electricity Retailer Licence (ER-2019-0215) because, notwithstanding the transfer of legal ownership of the generation facilities, PEGI will continue to provide all retail services to customers. However, PEGI wishes to take this opportunity to notify the Board that the same corporate organization/credit facility changes and changes to Directors & Officers/Key Individuals apply to PEGI in its capacity as electricity retailer licensee.

Application for Electricity Generation Licences by PEGI 1, PEGI 2 and PEGI 3

We enclose herein three completed Applications for Electricity Generation Licences in respect of PEGI 1, PEGI 2 and PEGI 3. The applications request that PEGI 1, PEGI 2 and PEGI 3 be licenced only as generation facility owners, not as operators. As noted above, PEGI will remain as the licenced operator for all generation facilities.

Please let us know if you require any additional information or if you have any questions regarding the proposed amendment or applications. Also, please provide us with the Board's EFT payment instructions so that we may transfer the necessary funds to process the applications.

Yours truly,



Stella Jhang

/sc
Encl.

Proposed Blackline Changes to Schedule 1 of Public Energy Gas Inc.'s Electricity Generation License (EG-2019-0216)

SCHEDULE 1 LIST OF LICENSED GENERATION FACILITIES

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

1. The ~~ownership and~~ operation of Confederation Freezers natural gas fired generation facility, with installed capacity of ~~4.405~~ **2.1** MW and located at 250 Summerlea Rd., Brampton, Ontario.
2. The ~~ownership and~~ operation of Confederation Freezers natural gas fired generation facility, with an installed capacity of ~~0.995~~ **1** MW and located at 21 York Rd., Brantford, Ontario.
3. The ~~ownership and~~ operation of Stanpac Inc. natural gas fired generation facility, with an installed capacity of ~~0.995~~ **2** MW and located at 2790 Thompson Rd., Smithville, Ontario.

16. Key Individual Information

Required for each key individual identified in section 7. Make a copy of section 16 for each key individual identified in section 7.

Key Individual Information

Mr. <input checked="" type="radio"/>	Mrs. <input type="radio"/>	Last Name	First Name	Initial
Miss <input type="radio"/>	Ms. <input type="radio"/>	Douglas	John	C.
Other <input type="radio"/>	_____	Title/Position		
		President, Secretary and Director		
		Company Name		
		Public Energy Gas Inc.		

Personal Experience

(a) Does this person have experience in the energy sector?

☒ Yes, provide details

Please see Addenda material attached.

☐ No

(b) Has this person been a proprietor, partner, officer or director of an entity that was licensed by the OEB?

☒ Yes, provide licence number and name of licensee EG-2019-0216; Public Energy Gas Inc.

☐ No

(c) Has this person been a proprietor, partner, officer or director of an entity that was registered or licensed in relation to any energy sector activities in Ontario or any other jurisdiction within North America?

☒ Yes, provide jurisdiction, name of business and business activity Ventus Energy Inc. (PEI, NB); Lake Erie Power (PA); Transmission Developers Inc. (NY)

☐ No

Legal and Regulatory Proceedings

(a) Has this person ever been declared bankrupt or is presently the subject of a bankruptcy proceeding?

☐ Yes, provide a copy of the Assignment in Bankruptcy or proof of discharge

☒ No

(b) Has this person been a proprietor, partner, officer or director of an entity that has been declared bankrupt or is presently the subject of bankruptcy proceedings?

☐ Yes, provide full particulars

☒ No

(c) Are there any unpaid judgements against this person?

☐ Yes, provide a copy of each judgement and state the amount outstanding and repayment arrangements

☒ No

(d) Has this person been found guilty or convinced of a criminal offence under any law in the past 5 years or are any charges now pending?

☐ Yes, provide full particulars

☒ No

(e) Has this person been a proprietor, partner, officer or director of an entity that had a registration or licence of any kind in Ontario or any other jurisdiction within North America refused, suspended, revoked or cancelled?

☐ Yes, provide name of business, jurisdiction, and describe the situation _____

☒ No

(f) Has this person been a proprietor, partner, officer or director of an entity that had been subject to penalties, fines, voluntary payments, payments as a result of investigation or any other disciplinary actions by a regulatory body in Ontario or any other jurisdiction within North America in the past 5 years?

☐ Yes, provide name of business, jurisdiction, and describe the situation _____

☒ No

Signature of Key Individual

Date

September 27, 2021

16. Key Individual Information

Required for each key individual identified in section 7. Make a copy of section 16 for each key individual identified in section 7.

Key Individual Information

Mr. <input type="radio"/>	Mrs. <input type="radio"/>	Last Name	First Name	Initial
Miss <input type="radio"/>	Ms. <input type="radio"/>	Steyn	Denis	D.S.
Other <input checked="" type="radio"/>	Dr. <input type="radio"/>	Title/Position		
		Director		
		Company Name		
		Public Energy Gas Inc.		

Personal Experience

(a) Does this person have experience in the energy sector?

☒ Yes, provide details

Please see Addenda material attached.

☐ No

(b) Has this person been a proprietor, partner, officer or director of an entity that was licensed by the OEB?

☒ Yes, provide licence number and name of licensee EG-2019-0216; Public Energy Gas Inc.

☐ No

(c) Has this person been a proprietor, partner, officer or director of an entity that was registered or licensed in relation to any energy sector activities in Ontario or any other jurisdiction within North America?

☒ Yes, provide jurisdiction, name of business and business activity Proventus Global (ON)

☐ No

Legal and Regulatory Proceedings

(a) Has this person ever been declared bankrupt or is presently the subject of a bankruptcy proceeding?

☐ Yes, provide a copy of the Assignment in Bankruptcy or proof of discharge

☒ No

(b) Has this person been a proprietor, partner, officer or director of an entity that has been declared bankrupt or is presently the subject of bankruptcy proceedings?

☐ Yes, provide full particulars

☒ No

(c) Are there any unpaid judgements against this person?

☐ Yes, provide a copy of each judgement and state the amount outstanding and repayment arrangements

☒ No

(d) Has this person been found guilty or convinced of a criminal offence under any law in the past 5 years or are any charges now pending?

☐ Yes, provide full particulars

☒ No

(e) Has this person been a proprietor, partner, officer or director of an entity that had a registration or licence of any kind in Ontario or any other jurisdiction within North America refused, suspended, revoked or cancelled?

☐ Yes, provide name of business, jurisdiction, and describe the situation _____

☒ No

(f) Has this person been a proprietor, partner, officer or director of an entity that had been subject to penalties, fines, voluntary payments, payments as a result of investigation or any other disciplinary actions by a regulatory body in Ontario or any other jurisdiction within North America in the past 5 years?

☐ Yes, provide name of business, jurisdiction, and describe the situation _____

☒ No

Signature of Key Individual

James Steyer

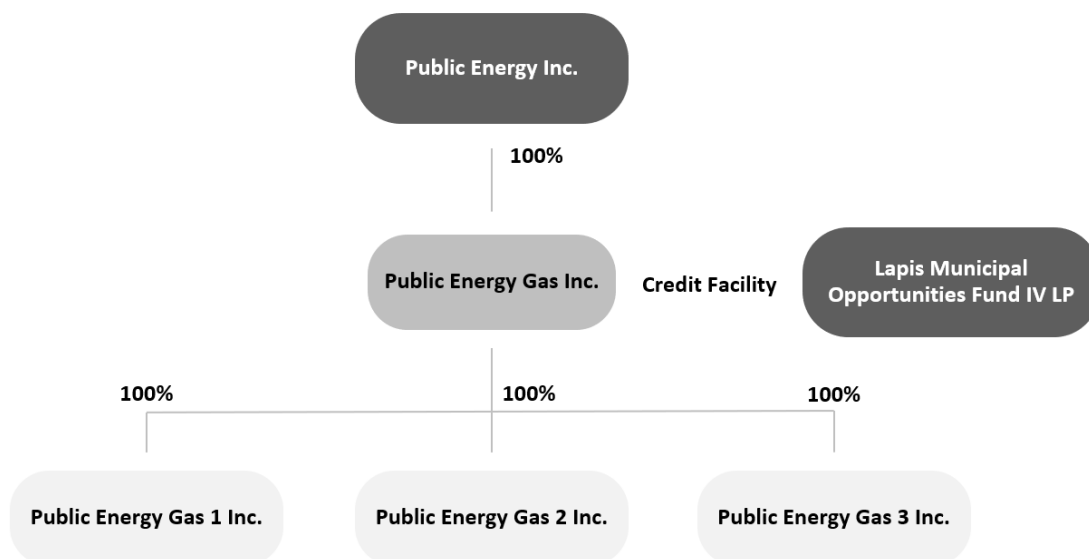
Date

September 27, 2021

Addenda – Public Energy Gas Inc. OEB Generation License Additional Material

12. Corporate Organization

(a) Proposed Organization Chart (following issuance of new generator license to Public Energy Gas 1 Inc., Public Energy Gas 2 Inc. and Public Energy Gas 3 Inc.):



(b) Description of Current Business Activities:

Public Energy Gas Inc., together with its subsidiary companies (collectively “the Company”), is an Ontario corporation owned 100% by Public Energy Inc. which is wholly owned by John Douglas and Denis Steyn. Under the Company’s activities, Public Energy Gas Inc.’s subsidiaries as shown above, will own specific customer on-site generation facilities but Public Energy Gas Inc. will be responsible for operating all generation facilities and for all related retail services.

Public Energy Gas Inc. is a developer of on-site, behind-the-meter distributed energy resources. The Company supplies electricity to large industrial or commercial customers under long-term contracts; the Company does not offer or sell to low volume consumers. The Company’s business specifically involves the ownership and financing of gas-fired power generation.

The Company has a suite of gas-fired generation units from major manufacturers in various sizes. These units can be organized in combinations and multiples to serve different size loads. The Company offers a baseload solution, providing electricity to customers 24/7 and also a peak shaving solution to participate in Ontario’s Industrial Conservation Initiative (“ICI”) program.

By supplying power only behind-the-meter, the Company will not be transacting in the IESO administered markets; nor will Company’s generation facilities be injecting power into the local distribution company (LDC) grids.

13. Finance

Public Energy Gas Inc., as noted in Section 12, is an Ontario corporation owned 100% by Public Energy Inc. which is owned by John Douglas and Denis Steyn.

Lapis Municipal Opportunities Fund IV LP (“Lapis”) has provided a USD \$30 million credit facility to Public Energy Gas Inc. towards acquisition of and construction of PEGI’s generation solutions. Lapis funding is drawn down as the Company executes its Power Purchase Agreements (“PPA”).

14. Technical Resources

Public Energy Gas Inc. employs a combination of insourced and outsourced technical resource staff and contractors with appropriate qualifications and experience.

The Company has contract outsource arrangements with approved installation and maintenance service providers of the major manufacturers of the power generation systems. It also has contract outsource arrangements with engineering firms with combined electrical, mechanical and environmental engineering professionals and expertise.

The Company’s key individuals include Dr. Denis Steyn, Vice-Chairman, who is a Master Electrician with a Ph.D. in electrical engineering and extensive business experience in the electric industry. (See section 16 for a description of Dr. Steyn’s industry experience).

The Company’s key contractors include Siemens (gensets and in-kind engineering), T&T Power Group (design-build & service-maintenance), HDR Inc. (environmental permitting), WSP Canada Inc. (engineering), Stikeman Elliott (legal) and ERM Capital (investment banking).

16. Key Individual Information – John Douglas

- Chairman, Co-Founder, Public Energy Inc. (2018- Present)
- President, Secretary, Director, Public Energy Gas Inc. (2018 - Present)
- CEO, oneGRID Corp. (2015 - Present)
- Chairman, Pacifico HVDC Link Inc. (2014 - Present)
- Co-founder and CEO, Lake Erie Power Corp (2012 – Present) – project acquired by ITC Transmission in 2014
- Founder and Director, Transmission Developers Inc. (2008 - 2010) – underwater HVDC project from Montreal to New York City acquired by Blackstone in 2010
- Founder, President and CEO, Ventus Energy Inc. (2004 - 2007) – wind project acquired by GDF-SUEZ in 2007)
- Chairman, Douglas Capital Inc. (2002 – Present)
- Head of Investment Banking, Director, Sprott Securities Inc. (now Cormark Securities Inc.), (1996 - 2001)
- CPA, CA, CBV
- B.A., University of Waterloo, 1985

About Ventus Energy Inc.:

In 2006, Ventus developed and constructed the 99 MW West Cape Wind Farm on Prince Edward Island. Part of its energy was sold under a long-term Power Purchase Agreement to the City of Summerside. The remaining production was sold as merchant energy into the New England Power Pool (“NEPOOL”) after being wheeled-through New Brunswick. Renewable energy certificates (“RECs”) associated with this project were sold Massachusetts. Later, after the wind industry attracted larger and lower cost of capital participants, Ventus was acquired by GDF SUEZ in 2007.

About Lake Erie Power Corp.:

In 2012, Lake Erie Power Corp. was created to develop 1,000 MW, HVDC transmission line able to connect Ontario to Pennsylvania via a 120 kilometre submarine cable underneath Lake Erie. In 2014, ITC Holdings Corp., now owned by Fortis Inc., acquired the ownership and development rights for this HVDC line Lake Erie Power Corp.

About Transmission Developers Inc.:

In 2008, Transmission Developers Inc. was established to develop a portfolio of HVDC transmission projects in northeast North America. Its first development project was a merchant 550 kilometre, 1,000 MW, HVDC transmission line known as the Champlain Hudson Power Express. This line is an intertie between Canada and the United States that will connect Montreal, Quebec, to New York, New York through a route under the lakebed of Lake Champlain and the riverbed of the Hudson River. Blackstone Group LP subsequently acquired Transmission Developers Inc. in 2010. The New York State Public Service Commission reached approved the project in February 2012 and granted it a Certificate of Environmental Compatibility and Public Need in April 2013. A Presidential Permit was issued for the project in October 2014 and the US Army Corp of Engineers issued the final Federal and State siting permit required to begin construction in April 2015.

16. Key Individual Information – Denis Steyn

- President and CEO, Proventus Global (2019 – Present)
- Vice-Chairman, Co-Founder, Public Energy Inc. (2018 – Present)
- Director, Public Energy Gas Inc. (2018 - Present)
- COO, oneGRID Corp. (2017 - Present)
- Director, Business Development Energy Management, Siemens Canada, (2018)
- Founder and CEO, Smart Lines Solutions GmbH, Nuremberg, Germany (2017 - Present)
- Director, Power Transmission Lines, Siemens AG, Germany (2011 - 2018)
- Senior Chief Researcher, University of Technology Graz, Austria (2008 - 2011)
- Founder and CEO, Energy Systems GmbH, Graz, Austria (2002 – 2008)
- Senior Engineer for Energy Management Projects – Medium Voltage in Austria, Elektro Gasser and E-Werk Goessting (1998 - 2002)
- Career began in 1993 as electrician
- PhD, Electrical Engineering, Technische Universität Graz, 2011
- Dipl. Ing., Electrical Engineering, Technische Universität Graz, 2007