

DECISION AND ORDER

EB-2023-0121
DRYDEN FIBRE CANADA ULC

Application for an Electricity Generation Licence

EB-2023-0139 DOMTAR INC.

Application for an Electricity Generation Licence Amendment

BY DELEGATION, BEFORE: Brian Hewson

Vice President, Consumer Protection

Industry Performance

June 27, 2023

DECISION AND ORDER

On April 17, 2023, Dryden Fibre Canada ULC (Dryden Fibre) filed an application with the Ontario Energy Board (OEB) under section 60 of the *Ontario Energy Board Act,* 1998 (OEB Act) for an electricity generation licence. Dryden Fibre initially submitted its application under its previous legal name, Dryden Pulp Canada ULC, which was later changed to Dryden Fibre Canada ULC. The OEB was provided with a copy of the certificate of change of name.

On May 5, 2023, Domtar Inc. (Domtar) filed an application pursuant to section 74 of the OEB Act to amend Schedule 1 of the electricity generation licence, EG-2011-0031.

The OEB combined the applications into one proceeding, pursuant to section 21(5) of the OEB Act. This Decision and Order is being issued by the Delegated Authority without a hearing pursuant to section 6(4) of the OEB Act.

The applicants submit that, Domtar Corporation, its wholly-owned subsidiaries Domtar and Domtar Paper Company, LLC entered into an asset purchase agreement to sell the generation facility located at 1 Duke St, Dryden, Ontario (subject facility) and its related assets to First Quality Enterprises Inc. (First Quality). Dryden Fibre is an indirect wholly owned subsidiary of the successor corporation to First Quality, which is First Quality Enterprises, LLC, and was formed to own and operate the subject facility.

Dryden Fibre will be both an owner and the operator of the subject facility, pending completion of sale. It intends to continue all current business activities of Domtar, at the subject facility, in a similar manner. Thus, Dryden Fibre has filed an application for an electricity generation licence and Domtar to remove the subject facility from Schedule 1 of its electricity generation licence.

The issuance of the electricity generation licence will not materially affect the operation of the subject facility, and Dryden Fibre has demonstrated that it will have the technical and financial capacity to operate it.

The OEB finds that it is in the public interest to grant the applications and issue an electricity generation licence to Dryden Fibre and the requested amendment to Schedule 1 of Domtar's electricity generation licence. However, as the sale of the subject facility has not yet been completed, the OEB's approvals in this Decision and Order shall not take effect until the applicants file written evidence with the OEB confirming the closing of the transaction.

IT IS ORDERED THAT:

- 1. Subject to paragraph 3 below, the application by Dryden Fibre Canada ULC for an electricity generation licence is granted.
- 2. Subject to paragraph 3 below, the application by Domtar Inc. to remove "Dryden Pulp Mill, owned and operated by the Licensee at 1 Duke Street, Dryden, Ontario" from Schedule 1 of its electricity generation licence is granted.
- 3. The grants of the electricity generation licence and electricity generation licence amendment in paragraphs 1 and 2 shall not take effect until Dryden Fibre and Domtar advise the OEB, in writing, that the transaction described in their applications, and summarized in the Decision and Order, have closed.

DATED at Toronto June 27, 2023

ONTARIO ENERGY BOARD

Brian Hewson Vice President, Consumer Protection & Industry Performance