

**EMAIL**

June 14, 2023

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

Dear Ms. Walli:

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

We are writing to apply for: (i) a minor amendment to Schedule 1 of 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 4 Inc. ("PEGI 4"), Public Energy Gas 5 Inc. ("PEGI 5") and Public Energy Gas 6 Inc. ("PEGI 6"). The requested amendments and new licence applications mirror similar amendment and licence applications approved by the Board in December 2021. For ease of reference, we enclose a copy of the Board's earlier December 2021 decision.

We are also requesting and would be grateful if the Board could expedite its review and approval of these applications because PEGI's timeline for commissioning the new generation facilities in respect of which these applications are made has recently been advanced. Two of the three new facilities are now scheduled to be commissioned the last week of July 2023 and so we would be grateful if the Board could conclude its review and provide its determination by the week of **July 17, 2023**.

We explain below the reasons for the requested amendment, the new electricity generation licence applications, and our request for an expedited review. We also enclose supporting documentation, including completed Applications for Electricity Generation Licences for each of PEGI 4, PEGI 5, and PEGI 6.

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

PEGI, together with its affiliate companies PEGI 1, PEGI 2, PEGI 3, PEGI 4, PEGI 5 and PEGI 6, is a developer of on-site, behind-the-meter distributed energy resources ("DER"). 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 and ownership of gas-fired power generation.

PEGI is in the process of expanding its business and enrolling new industrial and commercial customers. Specifically, PEGI has contracted with Magna International Inc. ("Magna") to own and operate behind-the-meter generation facilities at three of Magna's manufacturing plants:

- i) PEGI 4 – a 10 MW DER project for Formet Industries in St Thomas, Ontario;
- ii) PEGI 5 – an 8 MW DER project for Karmax Heavy Stamping in Milton, Ontario; and
- iii) PEGI 6 – a 6 MW DER project for Modatek Systems in Milton, Ontario.

PEGI 4, PEGI 5, and PEGI 6 will each own the new generation facilities and PEGI will act as operator. The facilities are identified in the proposed amendment to Schedule 1 of PEGI's generation licence. We enclose proposed blackline changes to the current Schedule 1 of PEGI's Electricity Generation Licence.

### **Application for Electricity Generation Licences by PEGI 4, PEGI 5 and PEGI 6**

We enclose herein three completed Applications for Electricity Generation Licences in respect of PEGI 4, PEGI 5 and PEGI 6. The applications request that PEGI 4, PEGI 5 and PEGI 6 be licenced only as generation facility owners, not as operators. As noted, PEGI will remain as the licenced operator for all generation facilities.

### **Request for Expedited Review**

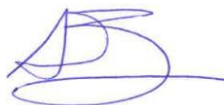
PEGI anticipated that it would not be ready to commission the new facilities until the fall of this year due to certain outstanding issues including lengthy substation upgrade timelines from Hydro One. PEGI, however, recently resolved these scheduling constraints with Hydro One and, as a result, two of the three facilities are now capable of being commissioned by the last week of July 2023. PEGI's customer, Magna, has requested that PEGI make best efforts to commission these facilities by this date.

PEGI has been licensed to operate as a generator, and has been operating as a generator since 2019, in compliance with its licence obligations. The proposed amendments to PEGI's generation licence are relatively minor and the new licence applications are in respect of three special-purpose subsidiary companies which will solely act as generation owners, with the current licensee PEGI continuing to serve as the operator of the new facilities. In the circumstances, we would be grateful if the Board would conclude its review and provide its determination by the week of July 17, 2023 so that PEGI can, if the applications are approved, commission the new facilities by the week of July 24, 2023.

PEGI proposes, pursuant to section 21(4)(b) of the *Ontario Energy Board Act*, that these applications be disposed of without a hearing. PEGI submits that it is appropriate to determine the applications without hearing because no person stands to be adversely affected in a material way by the applications. PEGI will remain as the operator of the generation facilities currently referenced in Schedule 1 of its Electricity Generation Licence, which PEGI has operated in compliance with its generation licence since 2019. The only changes proposed are the addition of three new facilities that will also be operated by PEGI.

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.

**Ontario Energy Board's Decision and Order for Public Energy Gas Inc. and its subsidiaries (December 16, 2021)**

# **DECISION AND ORDER**

**EB-2021-0254/EB-2021-0256/  
EB-2021-0257/EB-2021-0258**

**PUBLIC ENERGY GAS INC.**

**PUBLIC ENERGY GAS 1 INC.**

**PUBLIC ENERGY GAS 2 INC.**

**PUBLIC ENERGY GAS 3 INC.**

**Application for an Electricity Generation Licence Amendment and  
Electricity Generation Licences**

**BY DELEGATION,**

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

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**December 16, 2021**

## Decision and Order

Public Energy Gas Inc. (PEG) filed an application on September 28, 2021, with the Ontario Energy Board (OEB) pursuant to section 74 of the *Ontario Energy Board Act, 1998* (OEB Act), to amend its electricity generation licence EG-2019-0216. Public Energy Gas 1 Inc. (PEG 1), Public Energy Gas 2 Inc. (PEG 2) and Public Energy Gas 3 Inc. (PEG 3), each filed its respective application with the OEB on October 4, 2021, under section 60 of the OEB Act for an electricity generation licence.

Given the interrelated business relationship between the applicants, 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.

In its application to amend its electricity generation licence EG-2019-0216, PEG requested changes to the installed capacity of the three generation facilities listed in Schedule 1 of its licence. PEG also requested the amendment of its licence authorization from owner and operator to only operator of all three generation facilities.

PEG explained that the request to amend the authorization under its electricity generation licence EG-2019-0216 is the result of a business reorganization, as the result of which special-purpose entities PEG 1, PEG 2 and PEG 3 were created to own electricity generation facilities, currently owned by PEG. The three entities PEG 1, PEG 2 and PEG 3 each applied for licences to authorize their ownership of specific generation facilities: PEG 1 will be the owner of the Confederation Freezers facility located in Brampton Ontario; PEG 2 will be the owner of Confederation Freezers facility located in Brantford Ontario and PEG 3 will be the owner of Stanpac Inc. located in Smithville Ontario

The OEB finds that the applications should be granted. The applicants provided the necessary financial and technical information to be licensed as electricity generators.

### IT IS ORDERED THAT:

1. Public Energy Gas Inc. application to amend Schedule 1 of its electricity generation licence EG-2019-0216 is granted. The amended licence is attached to this Decision and Order.
2. The application by Public Energy Gas 1 Inc. for an electricity generation licence is granted on such conditions as are contained in the attached licence.

3. The application by Public Energy Gas 2 Inc. for an electricity generation licence is granted on such conditions as are contained in the attached licence.
4. The application by Public Energy Gas 3 Inc. for an electricity generation licence is granted on such conditions as are contained in the attached licence.

**DATED** at Toronto, December 16, 2021

**ONTARIO ENERGY BOARD**

*Original Signed By*

Brian Hewson  
Vice President, Consumer Protection & Industry Performance

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

**SCHEDULE 1 LIST OF LICENSED GENERATION FACILITIES**

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

1. The operation of Confederation Freezers natural gas fired generation facility, with installed capacity of 2.1 MW and located at 250 Summerlea Rd., Brampton, Ontario, L6T 3V6
2. The operation of Confederation Freezers natural gas fired generation facility, with an installed capacity of 1 MW and located at 21 York Rd., Brantford, Ontario, N3T 5L7
3. The operation of Stanpac Inc. natural gas fired generation facility, with an installed capacity of 2 MW and located at 2790 Thompson Rd., Smithville, Ontario, L0R 2A0
4. The operation of Formet natural gas fired generation facility, with installed capacity of 10 MW and located at 1 Cosma Ct, St Thomas, Ontario, N5P 4J5
5. The operation of Karmax natural gas fired generation facility, with installed capacity of 8 MW and located at 333 Market Dr, Milton, Ontario, L9T 4Z7
6. The operation of Modatek natural gas fired generation facility, with installed capacity of 6 MW and located at 400 Chisholm Dr, Milton, Ontario, L9T 5V6