



Electricity Retailer Licence Application

Kap Paper Inc.

1. Application Type

1. (a) Application Type

☒ New ☐ Renewal

2. The Applicant

2. (a) Legal Name of the Applicant

Kap Paper Inc.

2. (b) Business Classification

☐ Sole Proprietorship ☐ Partnership ☒ Corporation ☐ Other

2. (c) Date of Formation or Incorporation

October 12, 2023

2. (d) Province/State of Formation or Incorporation

Ontario

2. (e) Country of Formation or Incorporation

Canada

2. (f) If the applicant is an individual, are they at least 18 years old?

If the applicant is an individual, the applicant must be at least 18 years old.

☐ Yes ☐ No ☒ Not Applicable

2. (g) Head Office or Business Address of the Applicant

Street Address: 1 Government Road

City: Kapuskasing

Province/State: Ontario

Country: Canada

Postal/Zip Code: P5N 2Y2

Website: <https://www.kappaper.ca/>

Main Phone Number and Email Address

Phone Number: 7053371311

Email Address: KPI.Executive@Kap.Paper.ca

2. (h) Please describe the applicant's current or intended line of business and business activities.

Kap Paper Inc. engages primarily in manufacturing newsprint from virgin wood fibre pulp. The mill manages the procurement of raw materials, logistics for product distribution, and implements stringent quality control measures to ensure industry standards. Committed to environmental sustainability, Kap Paper Inc. adopts sustainable forestry practices, recycling programs, and complies with environmental regulations and certifications including FSC and SFI. The mill invests in research and development to enhance production efficiency and innovate new products, while engaging in sales and marketing to expand its market domestically and internationally. Additionally, it provides robust customer service to meet client needs and ensure satisfaction.

3. Licence Primary Contact

The licensee shall designate a person who will act as a primary contact with the Ontario Energy Board (OEB) on matters related to the licence.

3. (a) Licence Primary Contact

Salutation: Mr.

Last Name: Munnoch

First Name: Kenneth

Initials: G

Title/Position: Compliance Manager

Company: Kap Paper Inc.

Phone Number: 7053379772

Email Address: Energy@KapPaper.ca

3. (b) Is the Licence Primary Contact address the same as the Head Office or Business address?

☒ Yes ☐ No

NOTE: If the Licence Primary Contact Address is not in Ontario, the applicant must also provide the contact information for service purposes in Ontario. The applicant may provide the address of an agent (an individual who is a resident of Ontario and is at least 18 years old, or a corporation that has its head office or registered office in Ontario) as the contact for service.

3. (c) Contact Information for Service in Ontario

Address for Service in Ontario

City: Kapuskasing

Province/State: Ontario

Country: Canada

4. Application Primary Contact

The primary contact for the licence application may be a person within the applicant's organization other than the licence primary contact noted above. An applicant may also choose to designate a consultant, lawyer, etc. to be the primary contact for the licence application. The OEB will communicate with this person during the course of the application review process, but with the licence primary contact after a licence is issued.

4. (a) Is the Application Primary Contact the same as the Licence Primary Contact?

☒ Yes ☐ No

5. Customer Complaint or Inquiries Primary Contact

Provide contact information of the person to whom correspondence or communication regarding customer complaints or inquiries should be addressed. The mailing address should be in Ontario and the phone number should be listed in Ontario. If the applicant intends to retail electricity to low-volume consumers (annually consuming less than 150,000 kilowatt hours of electricity), the applicant should also provide a toll-free phone number for the general public to use.

5. (a) Customer Complaint or Inquiries Primary Contact

Salutation: Mr.

Last Name: Munnoch

First Name: Kenneth

Initials: G

Title/Position: Compliance Manager

Company: Kap Paper Inc.

Phone Number: 7053379772

Email Address: Energy@KapPaper.ca

Customer Complaint or Inquiries Primary Contact Address

Street Address: 1 Government Road

City: Kapuskasing

Province/State: Ontario

Country: Canada

Postal/Zip Code: P5N 2Y2

Website: <https://www.kappaper.ca/>

6. Trade Names

The electricity retailer licence authorizes the licensee to conduct business using the name under which the licence is held (i.e. the applicant's legal name). It also provides for the use of trade names by the licensee.

6. (a) Does the applicant intend to use trade names?

☐ Yes ☒ No

7. Applicant's Licensing Status and History

7. (a) Has the applicant, an affiliate of the applicant, or an associated entity (e.g. a partnership or limited partnership) ever been licensed by the OEB?

☒ Yes ☐ No

The *Business Corporations Act* definition for "affiliate" can be found at www.e-laws.gov.on.ca.

If yes, please provide current and expired licences.

Licensee Name	Relation to the Applicant (e.g. applicant itself, affiliate, partner, etc.)	Licence Number
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Kap Paper Inc.	Applicant	EW-2023-0355
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7. (b) Does the applicant, an affiliate of the applicant, or an associated entity (e.g. a partnership or limited partnership) have any other application(s) before the OEB?

☐ Yes ☒ No

7. (c) Has the applicant, an affiliate of the applicant, or an associated entity (e.g. a partnership or limited partnership) ever undertaken energy sector activity in any other jurisdiction within North America?

☐ Yes ☒ No

7. (d) Is the applicant, an affiliate of the applicant, or an associated entity (e.g. a partnership or limited partnership) an Independent Electricity System Operator (IESO) market participant?

☒ Yes ☐ No

If yes, please provide information on the IESO market participant(s) below.

Registered IESO Organization Name	Relation to the Applicant	Participant/Program/Service
Kap Paper Inc.	Applicant	Load-Metered Market Participant / Transmission Tariff; Load-Operator; Load-Owner; Load-Registered Market Participant

8. Officers, Directors and Key Individuals

8. (a) Please confirm the number of officers, directors and key individuals in your organization.

4

8. (b) In the table below, identify the key individuals that are responsible for executing the following functions for the applicant: matters related to regulatory requirements and conduct, financial matters and technical matters.

Key individuals include the Chief Executive Officer, the Chief Financial Officer, other officers and directors, partners or proprietors.

NOTES:

1. List a minimum of 3 key individuals in the table below. Additional information about each key individual is required in Section 17.
2. One of the listed key individuals must sign the completed application. See Section 19 for signing authority details.

Name of Key Individual	Email	Title/Position within Applicant's Business (or identify company if not the Applicant's Business)
Terry Skiffington	Terry.Skiffington@KapPaper.ca	Chief Executive Officer
Kenneth G. Munnoch	Ken.Munnoch@KapPaper.ca	Compliance Manager
Janie Fortin	Janie.Fortin@KapPaper.ca	Finance Manager
Ranjit Kari	Ranjit.Kari@KapPaper.ca	Operations Manager

9. Intended Markets and Services

9. (a) Identify the applicant's intended markets and services. Select all that apply.

- ☐ To sell or offer to sell electricity to low-volume consumers (annually consuming less than 150,000 kilowatt hours of electricity) in Ontario.
- ☒ To sell or offer to sell electricity to large-volume consumers (annually consuming more than 150,000 kilowatt hours of electricity) in Ontario.
- ☐ To sell electricity generated by a renewable generation facility under a Power Purchase Agreement (i.e. retail contract) to a low-volume consumer who will be entering into a net metering arrangement with their distributor. To learn more, click [here](#).
- ☐ To sell electricity generated by a renewable generation facility under a Power Purchase Agreement (i.e. retail contract) to a large-volume consumer who will be entering into a net metering arrangement with their distributor. To learn more, click [here](#).
- ☐ To act as an agent or broker for a retailer with respect to the sale or offering for sale of electricity to low-volume consumers, or as an agent or broker for low-volume consumers with respect to the sale or offering for sale of electricity in Ontario.
- ☐ To act as an agent or broker for a retailer with respect to the sale or offering for sale of electricity to large-volume consumers, or as an agent or broker for large-volume consumers with respect to the sale or offering for sale of electricity in Ontario.

9. (b) Is the applicant currently providing any of the above listed services?

- ☐ Yes ☒ No

9. (b_no) If no, indicate when the applicant intends to provide these services.

October 1, 2024

9. (c) Wholesale Market Participation: Does the applicant intend to operate in the IESO-administered markets and settle bilateral contracts through the IESO?

- ☐ Yes ☒ No

9. (c_no) If no, please explain how the applicant intends to participate.

Kap Paper Inc. intends to operate in the IESO-administered markets and handle the financial transactions and agreements for the sale or purchase of electricity directly with its counterparties rather than through the IESO.

9. (d) Retail Market Participation: Does the applicant intend to settle the wholesale market cost of electricity consumed by its customers through a distributor's settlement system?

- ☐ Yes ☒ No

9. (d_no) If no, please explain how the applicant intends to participate.

Kap Paper Inc. intends to handle the settlement of transactions privately.

9. (e) Describe in detail the applicant's current or intended business model and product offering(s). Include details of all products the applicant intends to offer to its customers and explain how the commodity pricing will be determined for each of the applicant's product offering.

1. Business Model Overview:

Kap Paper Inc. is focused on offering electricity to customers operating on its property, starting with the GreenFirst Kapuskasing Sawmill. This model is designed to provide a reliable and cost-effective electricity solution by purchasing electricity from the Ontario grid via the Independent Electricity System Operator (IESO).

2. Product Offering:

- Electricity Supply: Kap Paper Inc. will supply electricity to customers, initially the GreenFirst Kapuskasing Sawmill, by purchasing it from the Ontario grid through IESO. The electricity provided will not be generated on-site but rather procured from the external grid.

3. Pricing and Cost Structure:

- Commodity Pricing Determination:

- o Pass-Through Pricing: The electricity pricing charged to customers will directly reflect the cost of purchasing electricity from the Ontario grid via IESO. There will be no markup or additional profit margin added to the commodity price.
- o Cost Transparency: Customers will be provided with detailed information on how their electricity charges are calculated, including a breakdown of the purchase costs from IESO and any applicable fees or charges related to electricity delivery.

4. Operational Details:

• Electricity Procurement:

- o IESO Purchase: Kap Paper Inc. will purchase electricity from the Ontario grid through IESO, ensuring a reliable supply of electricity based on current market rates and availability.

• Electricity Supply Agreement:

- o Terms and Conditions: Formal agreements will be established with customers outlining the terms and conditions of electricity supply, including pricing, payment terms, and any other contractual obligations.

- o Metering and Billing: Advanced metering systems will be used to accurately measure electricity consumption. Customers will receive regular bills reflecting their energy usage and the cost based on the pass-through pricing model.

5. Strategic Goals:

- Cost Efficiency: By purchasing electricity from IESO and passing the cost directly to customers, Kap Paper Inc. aims to provide competitive pricing while managing its own operational expenses.
- Customer Satisfaction: Offering a reliable and transparent electricity supply to customers on its property, starting with the GreenFirst Kapuskasing Sawmill, is intended to build strong relationships and support operational needs.
- Market Alignment: Aligning with market rates for electricity procurement ensures that Kap Paper Inc.'s pricing remains competitive and reflective of the current energy market conditions.

9. (f) Does the applicant intend to acquire any services from the third-party service providers (e.g. customer service, call centre, settlement services)?

☐ Yes ☒ No

CONFIDENTIAL SECTIONS

Information filed as part of or in support of sections 10 to 17 of this application will be treated as confidential and is not available for public view.

18. Notice

The OEB is authorized, under section 4.14 of the [OEB Act](#), to collect personal information for the purpose of carrying out its duties and exercising its powers under the OEB Act or any other Act.

The information provided both on this form and attached to this form is being collected by the OEB for the purpose of determining whether the applicant is qualified to receive the licence for which it is applying.

In order to verify the information on this form and/or determine whether the applicant is qualified to receive the licence for which it is applying, it may be necessary for the OEB to collect additional information from some or all of the following sources: federal, provincial/state, or municipal governments; licensing bodies; law enforcement agencies; credit bureaus; and banks. Only information relevant to the application or the OEB's determination of the application will be collected by the OEB.

The public official who can answer questions about the collection of the information is:

Registrar

Ontario Energy Board

P.O. Box 2319

2300 Yonge Street, 27th Floor

Toronto, ON M4P 1E4

Tel: 416-481-1967 or 1-888-632-6273

Applicants are reminded that the OEB is subject to the [Freedom of Information and Protection of Privacy Act](#) (FIPPA). FIPPA addresses circumstances in which the OEB may, upon request, be required to release information that is in its custody or under its control, and generally prohibits the OEB from releasing personal information. "Personal Information" has the meaning given to it under FIPPA.