



BY EMAIL

March 18, 2025

Navdeep Shiroya
Chief Executive Officer
Volcan, Inc.
1100 King Street West
Toronto ON M6K 1E6
Navdeep@volcanpower.com

Dear Navdeep Shiroya:

**Re: Decision on Volcan's Application for a Licence Exemption
under Section 57.1 of the OEB Act
OEB File No.: EB-2024-0291**

Volcan, Inc. (Volcan) filed an application on October 3, 2024, with the Ontario Energy Board (OEB) pursuant to Section 57.1 of the *Ontario Energy Board Act, 1998* (OEB Act), for a temporary licence exemption. Volcan applied for a temporary exemption from the requirement to be licensed as an electricity retailer for a proposed innovative pilot project. The decision on Volcan's application is being issued without a hearing under Delegated Authority pursuant to Section 6 of the OEB Act. For the reasons set out below, the OEB is denying Volcan's application for an exemption under section 57.1 of the OEB Act.

In its application, Volcan stated that under a power purchase agreement with renewable energy generators, Volcan intends to purchase electricity from the generators and sell the electricity back into the IESO-controlled grid at a local wholesale price. The applicant stated that during the process of selling the electricity back to the grid, Volcan plans to strip the renewable energy credits (RECs) from the purchased electricity and apply it towards a fixed monthly price model, to offer REC to its customers, to assist customers with clean energy consumption. Volcan indicated that its customers will remain as local distribution customers but will be billed by Volcan.

On October 23, 2024, OEB staff issued an application incomplete letter to Volcan, requesting that Volcan provide detailed project information that includes supporting documentation and a schematic outlining Volcan's energy supply mechanisms.

On November 22, 2024, Volcan submitted the requested documentation for OEB staff's review. Following a review of the information submitted, OEB staff scheduled a meeting with Volcan on February 21, 2025, to seek additional information on how Volcan's pilot project will facilitate innovation in the electricity sector and what regulatory requirements associated with an electricity retailer licence Volcan believes to be a barrier to its proposal.

The intention of section 57.1 is to allow an innovative project to go forward for a short-term period (up to five years) as a demonstration or a pilot, without being encumbered by licensing conditions. Based on the evidence provided by Volcan, the proposal does not, in the OEB's view, appear to be novel or innovative in nature such that it would facilitate innovation in the Ontario electricity sector, which is the purpose of an exemption under section 57.1, given other Ontario licensed entities are undertaking similar retail activities.

From the evidence and information provided, the proposal does not appear to be planned for implementation as a short-term demonstration or pilot, which is one of the criteria for approval under section 57.1 of the OEB Act. Rather, Volcan is proposing to contract with up to 10,000 customers to provide an ongoing electricity retailing service.

Further, the OEB has reviewed Volcan's application and finds that Volcan has not identified any specific regulatory requirements of an electricity retailer licence that would pose a barrier to implementing the proposed project. As noted above, based on the information provided the proposal is similar to retail activities undertaken by licensed entities without any exemptions.

Therefore, for the reasons set out, the OEB is denying Volcan's application for a temporary licence exemption under Section 57.1 of the OEB Act seeking a temporary exemption from the electricity retailer licence requirements set out in section 57(d) of the OEB Act, which authorizes a licensed electricity retailer to retail electricity in Ontario.

Volcan may apply for an electricity retailer licence to determine its eligibility to be licenced as an electricity retailer in pursuing its proposed project. Should Volcan have any questions about the process for filing such an application, please email IndustryRelations@oeb.ca.

Yours truly,

Brian Hewson
Vice President, Consumer Protection and Industry Performance