



Electricity Retailer Licence Application

Watergen Canada Holdings Inc.

1. Application Type

1. (a) Application Type

☐ New ☒ Renewal

1. (b) Licence Number

ER-2019-0201

1. (c) Expiry Date

October 23, 2024

1. (d) If the licence has already expired, please advise why the applicant failed to renew the licence before expiry.

The failure to renew the retailer licence was due to an unintentional administrative oversight by the applicant. Historically, Stepstone has participated in energy projects in Ontario in a passive capacity, whereby it is not itself responsible for operational, day-to-day management of projects (i.e., another partner would have been obligated to apply for, and renew, licences). In this case, Stepstone was responsible for licences. The applicant also holds a generation licence (EG-2019-0202) expiring in March 2027, and there was a misunderstanding that the retailer licence had a similar expiration date as both licences were applied for around the same time. The applicant has taken steps immediately upon learning that this licence has expired to engage external counsel to (1) file for a renewal of the licence, and (2) implement processes to ensure that renewal applications are submitted in a timely manner before expiration in the future.

1. (e) Has the applicant conducted any electricity retailing activities after the licence expiry?

☒ Yes ☐ No

If yes, please describe the electricity retailing activities conducted.

Since 2020, the applicant's sale of electricity is solely to the Fort Frances Power Corporation (FFPC) through a historical contract at less than the IESO market price. The sales to Fort Frances Power Corporation are not retail sales as FFPC does not itself consume the power. The sale of electricity to FFPC was disclosed in the applicant's original licence application (EG-2019-0201). The applicant no longer sells electricity as disclosed in the original Schedule B to directly connected retail customers.

NOTE: Section 57(d) of the [Ontario Energy Board Act, 1998](#) states that no person is permitted to retail electricity without a licence. For operating without a licence, the person may be subject to an OEB compliance review or enforcement proceeding.

2. The Applicant

2. (a) Legal Name of the Applicant

Watergen Canada Holdings Inc.

2. (b) Business Classification

☐ Sole Proprietorship ☐ Partnership ☒ Corporation ☐ Other

2. (c) Date of Formation or Incorporation

May 30, 2019

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: 77 King Street West, TD Tower North, Suite 2120, P.O. Box 44

City: Toronto

Province/State: Ontario

Country: Canada

Postal/Zip Code: M5K 1J3

Website: www.stepstonegroup.com

Main Phone Number and Email Address

Phone Number: 647-339-8794

Email Address: jenna.lu@stepstonegroup.com

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

Watergen Canada Holdings Inc. is a special purpose holding company that has a minority interest in a portfolio of eight hydroelectric generation assets located in Eastern and Western Ontario comprising 151 MW of installed generation capacity. The assets are managed by H2O Power Holding LP (Quebec) via a management agreement.

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: Ebsary

First Name: Sean

Title/Position: Director

Company: Watergen Canada Holdings Inc.

Phone Number: 437-999-3800

Email Address: Sean.Ebsary@stepstonegroup.com

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

Salutation: Mr.

Last Name: Ebsary

First Name: Sean

Title/Position: Director

Company: Watergen Canada Holdings Inc.

Phone Number: 437-999-3800

Email Address: Sean.Ebsary@stepstonegroup.com

Address for Service in Ontario

Street Address: 77 King Street West, TD Tower North, Suite 2120, P.O. Box 44

City: Toronto

Province/State: Ontario

Country: Canada

Postal/Zip Code: M5K 1J3

Website: <https://www.stepstonegroup.com/>

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: Ms.

Last Name: Ouellette

First Name: Sarah

Title/Position: Office Manager

Company: Watergen Canada Holdings Inc.

Phone Number: 647-339-8794

Email Address: sarah.ouellette@stepstonegroup.com

Customer Complaint or Inquiries Primary Contact Address

Street Address: 77 King Street West, TD Tower North, Suite 2120, P.O. Box 44

City: Toronto

Province/State: Ontario

Country: Canada

Postal/Zip Code: M5K1J3

Website: www.stepstonegroup.com

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
Watergen Canada Holdings Inc.	Applicant itself	EG-2019-0202
Watergen Canada Holdings Inc.	Applicant itself	ER-2019-0201

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
Watergen Canada Holdings Inc.	Generaton licence held concurrently	Generator

8. Officers, Directors and Key Individuals

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

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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)
Sean Ebsary	Sean.Ebsary@stepstonegroup.com	Director
Simon Beer	Simon.Beer@stepstonegroup.com	Director

8. (c) If unable to provide a minimum of 3 key individuals, please explain.

There are only two directors.

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_yes) If yes, provide a list of the services the applicant is currently providing.

Watergen Canada Holdings Inc. sells electricity to Fort Frances Power Corporation (FFPC) through a historical contract. FFPC is a high-volume consumer.

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. (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.

FFPC is not a retail customer, and is at this time the sole consumer of electricity generated by the applicant. Should this change in the future, the applicant would return to historical practices whereby the retail customers will be billed directly.

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.

H2O's portfolio of 8 hydropower assets are each underpinned by PPAs with the IESO, with a contract period between 2009-2029. The price is anchored in 2009 at C\$69/MWh, escalated at 100% of Ontario CPI inflation. Following expiry of the existing PPA, H2O's 3 hydro facilities under 10MW are expected to participate in IESO's Small Hydro Program that will run up to 2043 (H2O's application accepted by IESO, with legal process ongoing), at C\$94.67/MWh as of 2023 escalated at 60% of Ontario CPI. The remaining 5 hydro facilities above 10MW are expected to participate in IESO's Northern Hydro Program that is currently still being finalized, which is expected to follow a similar structure as the Small Hydro Program with potential for a slightly longer contract term.

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.