

September 25, 2025

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VIA E-MAIL

Mr. Ritchie Murray, Acting Registrar
ONTARIO ENERGY BOARD
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Dear Mr. Murray:

Re: Bioveld North Inc. - Application for Electricity Wholesaler Licence [EB-2025-0238]

We write as legal counsel to Bioveld North Inc. (BNI) in connection with BNI's application for an Electricity Wholesaler Licence, and its related (now granted) Electricity Generation Licence (EG-2025-0237). We are writing to respectfully request formal confirmation from the OEB that, in the circumstances outlined below, an Electricity Wholesaler Licence is not required by BNI. Upon receipt of such confirmation, BNI will be in a position to withdraw its application for such a licence.

Operational Circumstances

By letter dated July 4, 2025 we submitted two licence applications for BNI; one for the now issued BNI Electricity Generation Licence, and one for an Electricity Wholesaler Licence. Our letter described the historical, current and prospective licensable activities at the Espanola Ontario property that BNI is acquiring from Domtar Inc. (Domtar). The property being acquired includes a (currently idled) pulp and paper plant, and a hydroelectric generation facility (the EB Eddy Forest Espanola CGS generating facility).

Our letter included the following particulars of the historical, current and prospective operations at the property:

- Domtar is currently licenced to generate electricity from the generation facility [EG-2011-0031] and to purchase electricity directly from the IESO administered market [EW-2025-0195]. Such purchases were historically required to supplement Domtar's self-generated electricity supply in support of pulp and paper mill operations at the Espanola site.
- The Espanola pulp and paper mill has recently been idled, with the shutdown process completed mid-2024. Since that time most of the output from the run of the river generation facilities has been sold into the IESO-administered market.

- BNI's plans for the Espanola property are under development. Continued processing of forest products, including for paper and/or new kinds of biofuels, is under consideration, along with other electricity intensive uses on the property. In the interim, and as has been the case since Domtar ceased operation of the Espanola pulp and paper mill, BNI plans to continue operating the generation facilities and selling electricity output therefrom into the IESO-administered market.
- At times when the generation facilities are down for maintenance or otherwise offline BNI will rely on purchases directly from the IESO-administered market to power the property. As the Espanola property is redeveloped electricity demand on the property could exceed supply from the generation facilities on a consistent basis, at which point BNI might need to purchase electricity in the IESO-administered market as a regular part of its operations.

Advice from OEB Staff

While the OEB has now issued BNI's Electricity Generation Licence, OEB Staff have shared with us the view that an Electricity Wholesaler Licence is not required by BNI. We understand this view to be on the basis that the BNI's Electricity Generation Licence includes the following authorities (section 3.1, our emphasis):

The Licensee is authorized, under Part V of the Act ...

- a) to generate electricity or provide ancillary services for sale through the IESO-administered markets or directly to another person subject to the conditions set out in this Licence. This Licence authorizes the Licensee only in respect of those facilities set out in Schedule 1;*
- b) to purchase electricity or ancillary services in the IESO-administered markets or directly from a generator subject to the conditions set out in this Licence; and*
- c) to sell electricity or ancillary services through the IESO-administered markets or directly to another person, other than a consumer, subject to the conditions set out in this Licence.*

On the basis of these now licensed authorizations for BNI, we understand OEB Staff's view to be that a separate Electricity Wholesaler Licence is not required, even in the anticipated future circumstance where BNI develops the Espanola property to the extent that BNI becomes a net electricity importer (i.e. load) on a sustained basis, as Domtar was prior to idling of its pulp and paper mill. That is, we understand OEB Staff's view to be that BNI's Electricity Generation Licence satisfies the distinct licencing requirements of both subsection 57(c) (to generate electricity for sale through the IESO-administered markets) and subsection 57(e) (to purchase electricity in the IESO-administered markets) of the *Ontario Energy Board Act, 1998 (OEB Act)*. On this basis, OEB Staff have suggested that BNI withdraw its Electricity Wholesaler Licence application.

IESO staff have expressed to us some uncertainty regarding this position.

Request for Confirmation

In light of;

- a. Domtar's historical licencing status for the Espanola property (holding both a generation and a wholesaler licence);
- b. the separately articulated generation and wholesaling activity licencing requirements set out in the *OEB Act* as noted above (subsections 57(c) and 57(e), respectively); and
- c. some uncertainty expressed to us by the IESO regarding whether a generation licence is sufficient authority to operate as a net load facility in the IESO-administered market;

on behalf of BNI we respectfully request formal confirmation from the OEB that BNI's Electricity Generation Licence (EG-2025-0237) is sufficient to authorize BNI to both generate electricity for sale through the IESO-administered markets and to purchase electricity from the IESO-administered markets on a consistent net-import (i.e. load facility) basis.

We propose to share such confirmation with the IESO. Following receipt of such confirmation we will be in a position to advise BNI to withdraw its Electricity Wholesaler Licence application and upon confirmation of instructions to do so will so advise the OEB.

We appreciate the OEB's consideration of this request.

Yours truly,



Ian A. Mondrow

- c: Brian Hewson, Vice President, Consumer Protection & Industry Performance, OEB
Humphrey Kisenbe, Advisor, Transmission Policy & Compliance, OEB
Paul Veldman, President, BIOVELD NORTH INC.
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