

Assurance of Voluntary Compliance

**Pursuant to s. 112.7 of the
*Ontario Energy Board Act, 1998***

SNC-LAVALIN OPERATIONS & MAINTENANCE INC.

(EG-2016-0175)

EB-2016-0282

October 14, 2016

I. Background

Ontario Energy Board (OEB) staff conducted an inspection of SNC-Lavalin Operations & Maintenance Inc. (SNC-Lavalin O&M) after it became known that SNC Lavalin O&M had been operating without a generation licence for the period December 2006 to June 2016. The inspection was conducted under the authority of Part VII of the *Ontario Energy Board Act, 1998* (the “Act”).

SNC-Lavalin has operated the Greater Toronto Airports Authority (GTAA) cogeneration plant for ten years without a licence. Section 57 of the *Ontario Energy Board Act, 1998* (OEB Act) states that generating electricity or providing ancillary services for sale through the IESO-administered markets or directly to another person requires a licence.

II. Findings

On June 3, 2016, SNC-Lavalin O&M filed its complete application for an electricity generation licence as operator of the GTAA cogeneration facility. The facility is owned by the GTAA and has been operational since 2006. In its application for the owner’s electricity generation licence, the GTAA stated that they had entered into a contract with SNC-Lavalin to operate and maintain the subject generation facility. However, SNC-Lavalin O&M has never applied for a generation licence until June 2016.

During the application review process, OEB staff sought an explanation as to why SNC-Lavalin O&M had not applied for a licence earlier. SNC-Lavalin O&M replied that it had not previously applied for the licence as they were of the opinion that pursuant to section 57 of the OEB Act, it was not required to be licensed. SNC-Lavalin O&M also informed OEB staff that the licensing requirement was only confirmed to it recently at which time they commenced the application process for a licence under section 57 of the OEB Act.

Section 57 of the OEB Act states that:

Neither the IESO nor the Smart Metering Entity shall exercise their powers or perform their duties under the Electricity Act, 1998 unless licensed to do so under this Part and no other person shall, unless licensed to do so under this Part,

- (c) generate electricity or provide ancillary services for sale through the IESO-administered markets or directly to another person.

III. Assurance

SNC-Lavalin O&M hereby assures the OEB that it will comply with the requirements under section 57 of the OEB Act, and consequently it will ensure it has a licence for the purpose of providing ancillary services to the GTAA which is engaged in the business of generating electricity for sale through the IESO-administered markets or directly to another person and that it shall pay an amount of \$75,000 within thirty (30) days of the date of this assurance of voluntary compliance, by cheque made in certified funds or electronically with notice sent to the Board Secretary

IV. Failure to Comply

This Assurance has the same force and effect as an order of the OEB pursuant to section 112.7(2) of the Act and any failure to comply with its terms shall be deemed to be a breach of an order of the OEB.

V. Execution of Assurance

I have the authority to bind SNC-Lavalin Operations & Maintenance Inc. to the terms set out in this Assurance of Voluntary Compliance.

Name: Christina Costy

Title: Vice president Legal Affairs

Company: SNC-Lavalin Operations & maintenance Inc.

Dated this 14th day of October 2016