



# Ontario Energy Board Commission de l'énergie de l'Ontario

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## DECISION AND ORDER

EB-2018-0330

## ZEPHYR FARMS LIMITED

Application for leave to transfer electricity generation licence  
EG-2010-0318 from Zephyr Farms Limited to Watford Wind LP

**BY DELEGATION, BEFORE: Brian Hewson**  
Vice President,  
Consumer Protection & Industry Performance

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January 10, 2019

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**DECISION AND ORDER**

On December 5, 2018, Zephyr Farms Limited applied for leave of the Ontario Energy Board (OEB) pursuant to section 18(2) of the *Ontario Energy Board Act, 1998* (OEB Act) to transfer an electricity generation licence EG-2010-0318 from Zephyr Farms Limited (Zephyr) to Watford Wind LP (Watford Wind).

Zephyr is a holder of an electricity generation licence EG-2010-0318 issued by the OEB on January 20, 2011. The licence authorizes Zephyr to own and operate the Zephyr Farms 10 MW wind generation facility located in Watford, Ontario. The facility is operated under the Renewable Energy Standard Offer Program (RESOP) procurement contract with the Independent Electricity System Operator (IESO).

Pursuant to the asset Purchase and Sale agreement signed by both parties on December 3, 2018, Watford Wind will purchase all of the rights, title and interest in the generation facility and all agreements, permits and other documents and instruments that are required to operate the facility, including the RESOP contract. The transfer of the assets and the RESOP contract to Watford Wind will occur on the closing date of the sale transaction.

This Decision and Order is being issued by the Delegated Authority without holding a hearing pursuant to section 6(4) of the OEB Act.

The OEB finds that the application should be granted. The evidence in the application indicates that the transfer of the generation facility to Watford Wind will have no impact on the location or operation of the subject generation facility. However, the granting of the application to transfer the licence should be conditioned. For generation licence applicants who will be operating under a power purchase contract with the IESO, proof of signing of a procurement contract is part of the evidence that must be filed with the OEB. At present, Zephyr holds the RESOP contract with the IESO. When generation assets are transferred to unlicensed entities, the OEB generally requires the applicant to obtain confirmation from the IESO of the transfer of the contract to the new entity before the licence is granted or transferred. However, the applicant has informed the OEB that the IESO requires a confirmation of the OEB's leave to transfer the licence to Watford Wind in order for the RESOP Assignment and Novation agreement to take effect. To allow completion of the transaction in an orderly fashion, the applicant proposed that the OEB's approval of the transfer of the generation licence EG-2010-0318 be made conditional on the IESO's assignment of the RESOP procurement contract to Watford Wind. The OEB finds this proposal has merit.

**IT IS ORDERED THAT:**

The application to transfer electricity generator licence EG-2010-0318 to Watford Wind LP is granted. The transfer of the licence will become effective once the OEB receives confirmation in writing that the IESO has assigned the RESOP contract presently held by Zephyr Farms Limited to Watford Wind LP.

**DATED** at Toronto January 10, 2019

**ONTARIO ENERGY BOARD**

*Original Signed By*

Brian Hewson  
Vice President, Consumer Protection & Industry Performance