

ASSURANCE OF VOLUNTARY COMPLIANCE

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

Essar Steel Algoma Inc.

Licence No. EW-2018-0250

May 13, 2019

EB-2019-0129

I. BACKGROUND

Ontario Energy Board (OEB) staff conducted an inspection of Essar Steel Algoma Inc. (Essar Steel) pursuant to the OEB's finding, in proceeding EB-2018-0250, that Essar Steel had been operating as an electricity wholesaler in Ontario without a licence for a period of approximately 13 months, from August 2017 to September 2018.¹

II. STATEMENT OF FACTS

On August 14, 2018 Essar Steel filed an application with the OEB for the renewal of an electricity wholesaler licence, pursuant to section 57 of the *Ontario Energy Board Act, 1998* (OEB Act). Together with the application, Essar Steel self-reported that it had failed to renew its prior electricity wholesaler licence No. EW-2012-0269, before it expired on August 1, 2017.

Through its August 14, 2018 application filing (and subsequent meetings with OEB staff) Essar Steel explained that the failure to secure a renewal of the licence prior to its expiry was inadvertent. As a result of turnover in personnel, Essar Steel was not aware of the licence expiry. Essar Steel immediately applied for a licence upon recognition of this oversight.

The OEB reviewed the application and, on September 20, 2018, issued a Decision and Order² granting Essar Steel a new electricity wholesaler licence (EW-2018-0250). In the Decision and Order, the OEB indicated that Essar Steel may still be subject to an OEB compliance proceeding with respect to the contravention. The OEB stated:

¹ Decision and Order, EB-2018-0250, issued September 20, 2018

² *Ibid.*

The applicant neglected to renew its previous electricity wholesaler licence EW-2012-0269 before it expired on August 1, 2017. The applicant has been operating without a licence since that date, in contravention of section 57 of the OEB Act, and may be subject to an OEB compliance proceeding.

Operating in the IESO-administered markets without a licence is a contravention of section 57 of the OEB Act. Section 57(e) of the OEB Act states as follows:

Requirement to hold licence

57 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, ...

(e) purchase electricity or ancillary services in the IESO-administered markets or directly from a generator;

The OEB stated the new licence was being granted to Essar Steel “without prejudice with regard to any future compliance actions”.

III. ASSURANCE OF VOLUNTARY COMPLIANCE

Essar Steel hereby assures the OEB that it has taken all appropriate measures that it will comply with the requirement under section 57 of the OEB Act and that it will ensure that it has a licence for the purpose of purchasing electricity or ancillary services in the IESO-administered markets or directly from a generator.

Essar Steel also hereby assures the OEB that it will comply with the terms of its electricity wholesaler licence EW-2018-0250, including the obligation under section 8.1 therein to designate a person to act as a primary contact with the OEB on matters related to the licence, and to promptly notify the OEB should the

contact details change. Essar Steel also assures the OEB that it will notify the OEB of any material change in business circumstances that adversely affects or may adversely affect the business etc. as required in section 5.2 of its licence.

IV. ADMINISTRATIVE MONETARY PENALTY

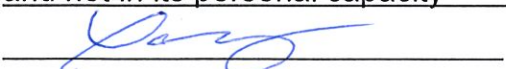
Essar Steel agrees to pay an administrative monetary penalty to the OEB in the amount of \$8,000. Payment will be made by cheque or electronically with notice sent to the Board Secretary, within two weeks of Essar Steel having received notice of the acceptance of this assurance by the OEB.

V. FAILURE TO COMPLY

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

VII. EXECUTION OF ASSURANCE

I have the authority to bind Essar Steel Algoma Inc. to the terms set out in this Assurance of Voluntary Compliance.

Name: Allen (Liang) Yao
Title: Vice President
Company: Ernst & Young Inc., solely in its capacity as
Court-appointed Monitor of Old Steelco Inc.,
formerly known as Essar Steel Algoma Inc.,
and not in its personal capacity
Signature: 

Dated this 13th day of May 2019.