

ASSURANCE OF VOLUNTARY COMPLIANCE

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

**Arauco Canada Limited
License No. EW-2019-0253**

**OEB File No. EB-2020-0098
March 30th, 2020**

I. BACKGROUND

Ontario Energy Board (Hereafter “OEB”) staff conducted an inspection of Arauco Canada Limited (Hereafter “ARAUCO”) pursuant to the OEB’s finding in preceding EB-2019-0253, that ARAUCO had been operating as an electricity wholesaler in Ontario without a license since 2013. Following the correspondence with OEB staff during the inspection process, ARAUCO has provided this Assurance of Voluntary Compliance to the OEB under section 112.7 of the Ontario Energy Board Act, 1998 (OEB ACT).

II. STATEMENT OF FACTS

On October 18th 2019, ARAUCO filed an application with the OEB for the renewal of an electricity wholesaler license, pursuant to section 57 of the OEB Act. Together with the application ARAUCO, acting with good faith, self-reported that it had failed to renew its prior electricity wholesaler license No. EW2007-0821 before it expired on January 24th, 2013.

The OEB reviewed the application and, on December 19th, 2019 issued a Decision and Order granting ARAUCO a new electricity wholesaler license (EW-2019-0253). In the Decision and Order, the OEB indicated that ARAUCO remained subject to a potential OEB compliance proceeding with respect to the contravention. The OEB stated:

“The applicant has been previously licensed by the OEB, however it did not renew its electricity wholesaler license and has been operating without a license since January 24th, 2013. Thus, the applicant has contravened section 57 of the OEB Act and may be subject to an OEB compliance action”.

Purchasing electricity directly from a generator without a license is a contravention of section 57 of the OEB Act Section 57(e) of the OEB Act specifically states as follows.

a. Requirements to hold license

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 under this Part,

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

Through its October 18th, 2019 application filing, and subsequent discussions with OEB staff, ARAUCO explained that the failure to secure a renewal of the license prior to its expiry was an unintentional oversight. The responsibility to manage the OEB licensing process was not passed through staff role and ownership changes within the organization. ARAUCO confirmed that, upon discovering the oversight, diligently acted on its own discovery and took steps to renew the license immediately and has since updated its internal procedures in order to ensure that this type of contravention does not occur in the future. ARAUCO explained that it has put in place new knowledge management control to ensure the continuity of the license requirements.

III. ASSURANCE

ARAUCO hereby assures the OEB that it has taken all appropriate measures to comply with the requirement under section 57(e) of the OEB ACT that it has a license for the purpose of purchasing electricity or ancillary services in the IESO-administered markets or directly from a generator.

ARAUCO also hereby assures the OEB that it will comply the terms of its electricity wholesaler license EW-2019-0253, 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 license, and to promptly notify the OEB should contact details change.

IV. ADMINISTRATIVE MONETARY PENALTY


ARAUCO agrees to pay an administrative monetary penalty to the OEB in amount of \$23,000. This payment can be made by cheque or electronic transfer and will be sent with a notice to the Registrar and Board Secretary within two weeks of ARAUCO receiving 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 to the OEB 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.

VI. EXECUTION

I have the authority to bind ARAUCO to the terms set out in this Assurance of Voluntary Compliance.

Name: JOSE BEZAVILLA
Title: CEO
Company: ARAUCO CANADA LIMITED
Signature: 
Date: 03/30/2020