

ASSURANCE OF VOLUNTARY COMPLIANCE

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

Red Lake Gold Mines

Licence No. EW-2019-0223

OEB File No. EB-2020-0086

March 4, 2020

I. BACKGROUND

Ontario Energy Board (OEB) staff conducted an inspection of Red Lake Gold Mines, a partnership, pursuant to the OEB's finding, in proceeding EB-2019-0223, that Red Lake Gold Mines had been operating as an electricity wholesaler in Ontario without a licence since December 2017.¹ Following the inspection, and in resolution of the contravention, Red Lake Gold Mines 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 September 18, 2019, Red Lake Gold Mines filed an application with the OEB for an electricity wholesaler licence, pursuant to section 60 of the OEB Act. Together with the application, Red Lake Gold Mines self-reported that it had been operating as an electricity wholesaler without a license since its previous wholesaler licence expired on December 5, 2017.

The OEB reviewed the application and, on November 21, 2019, issued a Decision and Order granting Red Lake Gold Mines an electricity wholesaler licence (EW-2019-0223).² In the Decision and Order, the OEB noted that Red Lake Gold Mines had been operating without a licence for a period of approximately two years, and that in so doing it had contravened section 57 of the OEB Act. The OEB also stated that Red Lake Gold Mines may be subject to a potential OEB compliance proceeding with respect to the contravention and that the licence was being granted without prejudice with regard to any future compliance actions.

¹ Decision and Order, EB-2019-0223, issued November 21, 2019

² *Ibid.*

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 specifically 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

Through its September 18, 2019 application filing, and subsequent discussions with OEB staff, Red Lake Gold Mines explained that the failure to secure a licence was an unintentional oversight due to (i) the transmission line related to the wholesale licence not being energized for a lengthy period after Red Lake Gold Mines first obtained a wholesale licence and not applying for the renewal of its wholesale licence when the line was eventually energized; and (ii) a change in personnel during the interregnum. Red Lake Gold Mines confirmed that, upon discovering the oversight, it took steps to obtain the licence and has since updated its internal procedures in order to ensure that this type of contravention does not occur in the future. Red Lake Gold Mines explained that it has put in place new knowledge management controls to ensure the continuity of its licence requirements.

II. ASSURANCE

Red Lake Gold Mines 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 licence for the purpose of purchasing electricity or ancillary services in the IESO-administered markets or directly from a generator.

Red Lake Gold Mines also hereby assures the OEB that it will comply with the terms of its electricity wholesaler licence EW-2019-0223, 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.

IV. ADMINISTRATIVE MONETARY PENALTY

Red Lake Gold Mines agrees to pay an administrative monetary penalty to the OEB in the amount of \$9,000.00. Payment will be made by cheque or electronically, together with notice sent to the Registrar and Board Secretary, within two weeks of Red Lake Gold Mines 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 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.

VII. EXECUTION

I have the authority to bind Red Lake Gold Mines to the terms set out in this Assurance of Voluntary Compliance.

RED LAKE GOLD MINES, by its general partners:

Name: Dan Janney

Title: President

**Company: Goldcorp Canada Ltd. and Newmont Goldcorp Red Lake Holdings
Ltd.**

Signature: 

Dated this 4th day of March, 2020

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