

ASSURANCE OF VOLUNTARY COMPLIANCE

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

Gerdau Ameristeel Corporation

Licence No. EW-2019-0016

OEB File No. EB-2019-0199

August 28, 2019

I. BACKGROUND

Ontario Energy Board (OEB) staff conducted an inspection of Gerdau Ameristeel Corporation (Gerdau) pursuant to the OEB's finding, in proceeding EB-2019-0016, that Gerdau had been operating as an electricity wholesaler in Ontario without a licence from July 2015 to February 2019.¹

II. STATEMENT OF FACTS

On January 16, 2019, Gerdau 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, Gerdau self-reported that it had failed to renew its prior electricity wholesaler licence No. EW-2010-0176, before it expired on July 6, 2015.

The OEB reviewed the application and, on February 28, 2019, issued a Decision and Order granting Gerdau a new electricity wholesaler licence (EW-2019-0016).² In the Decision and Order, the OEB indicated that Gerdau might still be subject to an OEB compliance proceeding with respect to the contravention. The OEB stated:

The applicant failed to renew its previous electricity wholesaler licence EW-2010-0176 before it expired and has been operating without a licence in contravention of section 57 of the OEB Act. Therefore, the applicant may be subject to an OEB compliance proceeding. In its application, Gerdau made a commitment to put in place comprehensive measures to ensure such a failure would not happen in the future.

¹ Ontario Energy Board, Decision and Order, EB-2019-0016, issued February 28, 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 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;

While noting Gerdau's commitment to take measures to ensure such a failure would not happen in the future, the OEB stated the new licence was being granted to Gerdau "without prejudice with regard to any future compliance actions".

Through its January 16, 2019 application filing, and subsequent meetings with OEB staff, Gerdau explained that the failure to secure a renewal of the licence prior to its expiry was an unintentional oversight due to the unexpected loss of a key staff member. Gerdau confirmed that, upon discovering the oversight, it took steps to renew the licence and has since updated its internal procedures in order to ensure that this type of contravention does not occur in the future.

II. ASSURANCE

Gerdau hereby assures the OEB that it has taken all appropriate measures to comply with the requirement under section 57 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.

Gerdau also hereby assures the OEB that it will comply with the terms of its electricity wholesaler licence EW-2019-0016, 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

Gerdau agrees to pay an administrative monetary penalty to the OEB in the amount of \$14,000. Payment will be made by cheque or electronically, together with notice sent to the Board Secretary, within two weeks of Gerdau being given 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 OF ASSURANCE

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

Name: Darren MacDonald

Title: Director of Energy

Company: Gerdau

Signature: 

Dated this 28th day of August, 2019.