

Notice of Force Majeure

(Market Rules for the Ontario Electricity Market)

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SUBMIT BY EMAIL (PDF WITH SIGNATURE)

To: ForwardMarkets@ieso.ca


Capitalized terms not defined herein have the meaning ascribed in the Market Rules for the Ontario Electricity Market (the "Market Rules").

- This is a new Force Majeure event, start date: <insert date, if applicable>
- This is an update to an existing Force Majeure No.: <insert the Force Majeure #>
- This is a termination Notice, termination date: November 24, 2020

Date	November 24, 2020
Legal Name of Market Participant	Essex Energy Corporation (the "Participant")
Market Participant ID #	197196
Delivery Point	N/A
Title of Force Majeure	COVID-19

Pursuant to Chapter 1, Section 13.3 of the Market Rules, the FIT Contract, the Participant is hereby submitting this Notice of Force Majeure Event to the IESO. The Supplier agrees and consents that the IESO may disclose any information contained in this Notice of Force Majeure, related documentation to any Person for the purpose of assessing this Force Majeure claim, and may post the Notice of Force Majeure in accordance with Chapter 1, section 13.3.12 of the Market Rules.

The Participant represents and warrants that all of the information in this Notice of Force Majeure, including all documentation provided herewith, is complete, true and accurate, and there is no material information omitted from this Notice of Force Majeure that makes the information contained herein misleading or inaccurate.

Participant: Essex Energy Corporation	
Signature:	
Name:	Steve Ray
Title:	General Manager
I have the authority to bind the Participant.	
Dated this 24 day of November , 2020	

1. Description of the events leading to Force Majeure Event.

Provide reasonably full particulars of the cause and timing of the events relating to the invoked Force Majeure. Also provide documentary evidence of the same, including without limitation, the following: newspaper articles, correspondence, emails, notes, reports, memoranda and any other documentation relevant to establishing Force Majeure.

Throughout January and February of 2020, the COVID-19 virus was starting to become wide spread in North America. The effects of the virus to the economy was apparent having seen it develop in Asia and Europe, and the writing was on the wall that our local economy would follow suit. In March 2020 Essex Energy Corporation learned how this was affecting the operations of the DR resources and attempted to transfer our 2MW obligation to other Market Participants in the West zone that had surplus capacity.

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Upon unsuccessfully locating a Market Participant willing to accept the transfer, Essex Energy Corporation submitted a notice of Force Majeure to the IESO on March 25th, 2020.

2. Effect of Force Majeure.

Provide reasonably full particulars of the effect of the Force Majeure on the Participants' ability to fulfill its obligations under the Market Rules. Also provide documentary evidence of the same, including without limitation, the following: reports, policy documents, correspondence, emails, notes, memoranda and any other documentation relevant to establishing the effect of Force Majeure.

Unfortunately, the COVID-19 pandemic has significantly impacted our planned DR resources during this extraordinary time – beyond their control. Specifically, the operations of one customer in the portfolio (with a capacity of greater than 1MW) has become unreliable / not viable because of this unprecedented response to the global Coronavirus pandemic.

Due to the current economic shutdown and the uncertainties of the market beyond the shutdown, our planned DR resources no longer have the capability to participate in the summer and winter obligation periods beginning May 1st, 2020. These are greenhouse vegetable and cannabis growers and their focus is, and will be, recovering their main business as the economy tries to recover. The uncertainty of their respective markets require total flexibility in their operations to adjust to unknowable market conditions after the COVID-19 event has passed. The perishable nature of their products, their reliance on migrant labourers who may be unavailable to work, and securing logistics to get their perishable goods to customers on time is questionable at this time and into the foreseeable future post COVID-19. Adjusting to uncertain and rapidly changing market conditions cannot be managed effectively if there are obligations that are not central to their core business that must be unnecessarily maintained. It is impossible for these greenhouse operators to guarantee any offer of capacity into the DR markets under these conditions. As a result, a guarantee of capacity during the daily availability window will not be possible.

3. Commercially Reasonable Efforts

Provide reasonably full particulars of efforts, if any, undertaken or contemplated by the Participant to remedy or mitigate the Force Majeure. Also provide documentary evidence of the Commercially Reasonable Efforts listed, including, without limitation, the following, as applicable: correspondence, emails, notes, memoranda and any other documentation relevant to establishing the efforts to remedy or mitigate the Force Majeure.

As mentioned in Section 1, Essex Energy Corporation attempted to transfer our 2MW obligation after learning that there is nothing the DR resources can do operationally to guarantee a capacity. Not surprisingly, the other Market Participants that were contacted politely declined to accept the obligation transfer. It is likely that their DR resources were also experiencing a decline in operations due to the global pandemic.

(Use separate attachments or extra pages, as necessary)