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DOCKET NO. 49419

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APPLICATION OF NCP CANADIAN §
BREAKS HOLDINGS LLC UNDER §
§ 39.158 OF THE PUBLIC UTILITY §
REGULATORY ACT §

PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

ORDER

This Order addresses the application of NCP Canadian Breaks Holdings LLC, for approval of the sale of passive Class A tax equity interests in Canadian Breaks Holdings, LLC to Siemens Financial Services, Inc. and Antrim Corporation. The Commission approves the transaction.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant and Interested Parties

1. NCP Canadian Breaks Holdings is a Delaware limited liability company that, along with its affiliated entities, own electric generation facilities that are interconnected to the Electric Reliability Council of Texas (ERCOT) system.
2. NCP Canadian Breaks Holdings owns 100% of the membership interests in Canadian Breaks SponsorCo, LLC, a Delaware limited liability company.
3. Canadian Breaks SponsorCo owns 100% of the membership interests in Canadian Breaks Holdings, a Delaware limited liability company.
4. Canadian Breaks Holdings owns 100% of the membership interests in Canadian Breaks, LLC, a Delaware limited liability company.
5. Canadian Breaks is developing and constructing a 210.1-megawatt (MW) wind-powered electric generation facility that will be interconnected to the ERCOT system.
6. Siemens Financial Services is a Delaware corporation and an owner of electric generation facilities in ERCOT.
7. Antrim is a Delaware corporation and an owner of electric generation facilities in ERCOT.
8. Siemens Financial Services, Antrim, and their respective affiliated entities also own whole or partial equity interests in generation facilities in adjacent power regions.

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Application

9. On April 4, 2019, NCP Canadian Breaks Holdings filed an application for approval of the sale of passive Class A tax equity interests in Canadian Breaks Holdings to Siemens Financial Services and Antrim.
10. In the proposed transaction in the present docket, Siemens Financial Services and Antrim will acquire the passive Class A tax equity interests in Canadian Breaks Holdings from Canadian Breaks SponsorCo, and Canadian Breaks SponsorCo will convert its remaining interests in Canadian Breaks Holdings into active, controlling Class B interests.
11. In Order No. 2 issued on April 26, 2019, the administrative law judge (ALJ) deemed the application sufficient.

Notice

12. On April 4, 2019, contemporaneously with the filing of the application, NCP Canadian Breaks Holdings provided notice to Siemens Financial Services and Antrim.
13. In Order No. 2 issued on April 26, 2019, the ALJ deemed the notice sufficient.

Evidence

14. On July 2, 2019, NCP Canadian Breaks Holdings and Commission Staff filed a motion to admit evidence.
15. In Order No. 3 issued on July 16, 2019, the ALJ admitted the following evidence into the record of this proceeding: (a) NCP Canadian Breaks Holdings' application and all attachments, filed on April 4, 2019; and (b) Commission Staff's final recommendation and all attachments, filed on May 13, 2019.

Generation Capacity Installed In, or Capable of Delivery Into, ERCOT

16. It is appropriate to use nameplate capacity to calculate the share of installed generation capacity because no data was provided to support actual capacity as provided in 16 Texas Administrative Code (TAC) § 25.91(f).
17. Upon closing of the transaction, NCP Canadian Breaks Holdings, Siemens Financial Services, and Antrim, either directly or indirectly through subsidiaries or affiliated entities, will own and control 1,570.43 MW of installed generation capacity or generation capacity that will be installed within the next 12 months in ERCOT.

18. The combined installed generation capacity in adjacent power regions that is capable of delivering electricity into ERCOT via the direct current ties is 820 MW.
19. The combined installed generation capacity owned by NCP Canadian Breaks Holdings, Siemens Financial Services, Antrim, and their respective affiliated entities in the adjacent power regions that is capable of being delivered to ERCOT is 820 MW.
20. The total installed generation capacity located in or capable of delivery to ERCOT is 89,348 MW.
21. The combined direct and indirect generation ownership of NCP Canadian Breaks Holdings, Siemens Financial Services, Antrim, and their respective affiliated entities will equal 2,390.43 MW, or approximately 2.67% of the installed generation capacity located in or capable of delivery to ERCOT.
22. After the transaction, the total installed generation capacity into ERCOT owned and controlled by NCP Canadian Breaks Holdings, Siemens Financial Services, Antrim, and their respective affiliated entities will not exceed 20% of the total installed generation capacity located in or capable of delivery to ERCOT.

Informal Disposition

23. More than 15 days have passed since the completion of notice provided in this docket.
24. No person filed a protest or motion to intervene.
25. NCP Canadian Breaks Holdings and Commission Staff are the only parties to this proceeding.
26. No party requested a hearing and no hearing is needed.
27. Commission Staff recommended approval of the application.
28. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.


1. The Commission has jurisdiction over the proposed transaction under PURA¹ §§ 39.154 and 39.158.
2. Notice of the application complies with 16 TAC § 22.55.
3. The Commission must approve the transaction unless it finds that the proposed transaction results in a violation of PURA § 39.154.
4. A power generation company may not own and control more than 20% of the installed generation capacity located in or capable of delivering electricity to a power region under PURA § 39.154.
5. The relevant power region under PURA § 39.154(a) is ERCOT.
6. The analysis performed to determine compliance with the 20% standard meets the requirements of PURA § 39.154(a) and 16 TAC § 25.401(d)(2).
7. The proposed transaction will not result in a violation of PURA § 39.154 because NCP Canadian Breaks Holdings, Siemens Financial Services, Antrim, and their respective affiliated entities will not own and control more than 20% of the installed generation capacity located in or capable of delivering electricity to ERCOT.
8. The proposed closing date complies with the 120-day requirement in PURA § 39.158.
9. The application does not constitute a major rate proceeding as defined in 16 TAC § 22.2(27).
10. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016.

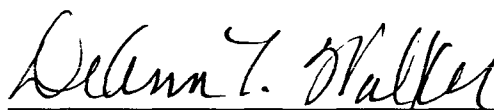
III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the sale of passive Class A tax equity interests in Canadian Breaks Holdings to Siemens Financial Services and Antrim.
2. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the  day of August 2019.

PUBLIC UTILITY COMMISSION OF TEXAS


DEANN T. WALKER, CHAIRMAN


ARTHUR C. D'ANDREA, COMMISSIONER


SHELLY BOTKIN, COMMISSIONER