

Chris Sandve

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October 28, 2022

Sara Hardgrave
Acting Commission Secretary and Manager
Regulatory Services
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Sara Hardgrave:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Electricity Purchase Agreement (EPA) Extension – Moresby Lake**

BC Hydro, pursuant to section 71 of the *Utilities Commission Act (UCA)*, applies for acceptance by the Commission of a six-month extension agreement, dated August 31, 2022, for the EPA originally executed by the Queen Charlotte Power Corporation, dated December 9, 1988, and ultimately assigned to Atlantic Power Preferred Equity Ltd. (**Atlantic Power**).

In this filing (**Filing**), BC Hydro requests an order from the Commission under section 71 of the UCA that the six-month extension agreement is accepted for filing. A copy of the draft form of the order is attached as Appendix A.

Project Background

The Moresby Lake Hydro Project (**Project**) is a storage hydro project serving one of the Non-Integrated Areas located in Haida Gwaii off the north coast of British Columbia. The Project serves the southern grid¹ of Haida Gwaii, which includes the communities of Skidegate, Queen Charlotte City, Tlell and Sandspit (**Sandspit Non-Integrated Area**). The Project has a plant capacity of 6 MW and is backed up by BC Hydro's diesel generating station in Sandspit, B.C. A 49 km, 69 kV transmission line interconnects the facility to the point of interconnection at BC Hydro's Sandspit substation.

The Sandspit Non-Integrated Area has peak loads of approximately 6.4 MW and the annual average load of the communities served is approximately 27 GWh/yr. The

¹ Haida Gwaii also has a northern grid, the Masset Non-Integrated Area, which includes the communities of Old Masset, Masset, and Port Clements. The northern grid and southern grid are not connected and have separate generation-distribution systems.

Project provides approximately 75% of the energy supply for the Sandspit Non-Integrated Area, with BC Hydro’s diesel generating station providing the remainder of the supply. BC Hydro owns and operates the diesel generating station in Sandspit for backup and reliability purposes and as a supplemental resource when the Project’s generation is not sufficient to meet the communities’ electricity needs.

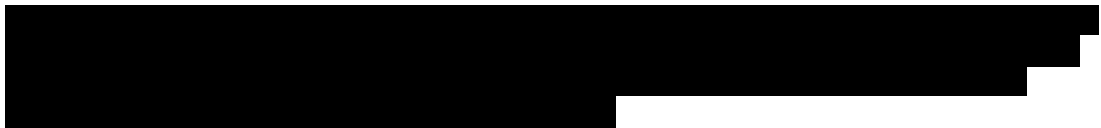
Total annual energy supplied by the Project to BC Hydro has averaged approximately █ GWh/yr and BC Hydro generally has the exclusive rights to the energy output of the Project.

Moresby Lake EPA Background

The original EPA for the Project was executed with the Queen Charlotte Power Corporation (**QCPC**) on December 9, 1988 (**1988 EPA**), and the Project reached commercial operations on September 1, 1990. The Project has changed owners several times during the contract term and its agreement has been amended twice, with the term of the existing EPA reflected in the further amended agreement dated June 13, 1996 (**Moresby Lake EPA**).

The 1988 EPA was filed with the BCUC on January 18, 1989, and on March 23, 1989, was accepted pursuant to Order No. E-1-89 (order included in Appendix B). The 1988 EPA provided that the generating facility was to have an installed capacity of 6 MW and its term was for 20 years commencing from the date that the Project reached commercial operations. This 1988 EPA was subsequently amended, and replaced in its entirety, on September 1, 1992, primarily to: i) increase the amount of electricity purchased, ii) provide clearer responsibilities in the operation and dispatch of the Moresby Lake generating facility, and iii) amend the term of the agreement from 20 years to 27 years. This amended EPA (**Amended 1992 EPA**) and an associated letter agreement between BC Hydro and QCPC with respect to minimum reservoir levels to be maintained at Moresby Lake were filed with the BCUC on July 28, 1993, and on September 10, 1993, both agreements were accepted pursuant to Order No E-16-93 (order also included in Appendix B).

In 1996, the Amended 1992 EPA was amended, and replaced in its entirety a second time primarily to: i) █, and ii) extend the term for an additional five years, so as to expire on August 31, 2022. The associated July 28, 1993, letter agreement was also



incorporated in the further amended EPA. This further amended agreement, dated June 13, 1996, is the existing Moresby Lake EPA and is exempted from section 71 of the UCA in accordance with Ministerial Order M-22-9801 (order also included within Appendix B). A confidential copy of the Moresby Lake EPA is attached as Appendix C.³

The Moresby Lake EPA does not contain any provisions for an extension of the existing term. Under the EPA, the current energy price is approximately [REDACTED], and is comprised of [REDACTED]

[REDACTED]. The estimated energy price for the Sandspit diesel generating facility is approximately [REDACTED].

The annual payment to Atlantic Power for the Moresby Lake EPA is currently approximately [REDACTED] per year.

Moresby Lake EPA Extension Agreement

The Moresby Lake EPA was to expire on August 31, 2022 and a six-month extension was agreed upon (**Extension Agreement**) in order to continue negotiations on an EPA renewal. The Extension Agreement does not amend or change any aspect of the Moresby Lake EPA except for the term, and is attached as Appendix D. The EPA renewal process for the Project is underway and negotiations are ongoing between BC Hydro and Atlantic Power. The extension of the Moresby Lake EPA allows for the continuous supply of power from the Project to BC Hydro to serve BC Hydro's customers in the Sandspit Non-Integrated Area. As BC Hydro's only alternative resource option for the southern grid of Haida Gwaii is running our stand-by diesel generators, if the Extension Agreement is not accepted by the Commission there will be increased environmental impacts and higher costs compared to continuing to receive supply from the Project.

Energy Supply Contract Considerations

The Extension Agreement is an "energy supply contract" under Part 5 of the UCA. Section 71(2.21) of the UCA describes the factors the BCUC must consider when

³ On July 23, 2004, QCPC assigned the Moresby Lake EPA to Coastal Rivers Power Limited Partnership. On November 2, 2011, Coastal Rivers Power Limited Partnership assigned the Moresby Lake EPA to CPI Preferred Equity Ltd. who in February 2012 changed their name to Atlantic Power Preferred Equity Ltd. and is a wholly owned subsidiary of Atlantic Power Corporation.

assessing whether or not an energy supply contract filed by BC Hydro is in the public interest. Specifically:

- Section 71(2.21) of the UCA requires the Commission to consider the interests of persons in British Columbia who receive or may receive service from BC Hydro;
- The Commission must consider: the quantity of energy to be supplied under the EPA, the availability of supplies of the energy, the price and availability of alternative sources of energy, and the price of the energy being supplied under the EPA;
- The Commission must consider British Columbia's energy objectives, including the extent to which an EPA is consistent with the 93% target for clean or renewable electricity generation; and
- The Commission must consider the most recent long-term resource plan filed by BC Hydro under section 44.1 of the UCA.

BC Hydro notes that the 2021 Integrated Resource Plan applies to BC Hydro's integrated system and does not generally address Non-Integrated Areas. The local generation from the Project serves customers located in the Sandspit Non-Integrated Area and accordingly, the 2021 Integrated Resource Plan is not applicable to this Filing.

Interests of BC Hydro Ratepayers/Price, Quantity and Availability

The Extension Agreement provides for the continued use of an existing, clean or renewable resource at cost effective pricing. The only alternative to the Extension Agreement would be more costly and environmentally undesirable diesel generation at BC Hydro's diesel generating station at Sandspit. There are no other alternatives.

The price, quantity and availability of the Project's generation is discussed above in the section that provides a brief overview of the Moresby Lake EPA.

British Columbia's Energy Objectives

The Commission must also consider "British Columbia's energy objectives" as defined in section 2 of the *Clean Energy Act*. In BC Hydro's submission, the Extension Agreement supports the following British Columbia energy objectives as it enables the continuation of supply from an existing clean or renewable resource that contributes to the local community, continues the displacement of diesel generation (which reduces

environmental impacts, such as greenhouse gas emissions), and is less costly than the alternative diesel generation:⁴

- To generate at least 93% of the electricity in B.C. from clean or renewable resources (objective 2[c]);
- To use and foster the development in B.C. of innovative technologies that support energy conservation and efficiency and the use of clean or renewable resources (objective 2[d]);
- To ensure that BC Hydro's rates remain among the most competitive of rates charged by public utilities in North America (objective 2[f]);
- Reduction of greenhouse gas emissions (objectives 2[g], [h] and [i]);
- To encourage economic development and the creation and retention of jobs (objective 2[k]);
- To foster the development of First Nation and rural communities through the use and development of clean or renewable resources (objective 2[l]);
- To maximize the value, including the incremental value of the resources being clean or renewable resources, of British Columbia's generation and transmission assets for the benefit of British Columbia (objective 2[m]); and
- No use of nuclear (objective 2[o]).

First Nations

A review of the consultative boundary maps by BC Hydro identifies the Project as being within the traditional territories, per the Government of British Columbia's Consultative Areas Database, of the following First Nations:

- Old Masset Village Council; and
- Skidegate Band Council.

Old Masset Village Council and Skidegate Band Council are part of the Council of the Haida Nation.

BC Hydro is of the view that, since the Extension Agreement will not result in any changes to the physical footprint, energy output or operation of the Project and that no new or amended Crown authorizations are required, the Extension Agreement will not

⁴ For those objectives where the extension neither advances nor conflicts with that objective, BC Hydro is of the view it is in alignment with such objective and thus has not included it in the objectives identified in this Filing.

result in potential incremental impacts to Aboriginal rights and title and, therefore, the duty to consult is not triggered.

Regulatory Review and Notice of Filing

The Commission's Rules for Energy Supply Contracts for Electricity state that the Commission intends to review energy supply contracts expeditiously and without a hearing. Further, the scheme of the relevant provisions of the UCA is that energy supply contracts are presumptively in the public interest unless the Commission declares otherwise, after a hearing. BC Hydro submits that the BCUC may accept the Extension Agreement for filing and grant the requested Order without a hearing for the following reasons:

- The Extension Agreement allows for the continuous supply of power from Atlantic Power to BC Hydro to serve BC Hydro's customers in the Sandspit Non-Integrated Area;
- As BC Hydro does not have other resource options in the Sandspit Non-Integrated Area other than running our standby diesel generators, without the Extension Agreement there would be an increase in environmental impacts and it would be more costly as compared to continuing to receive supply from the Moresby Lake Project; and
- The Extension Agreement does not amend or change any aspect of the Moresby Lake EPA except for the term, which is extended for a period of six months.

In the case of this Filing and for the reasons set out below, if additional information is required for the Commission to determine whether it requires a hearing, BC Hydro proposes a single round of Commission Information Requests followed by a process step to allow for letters of comment from interested parties so that they may express their views prior to any further determinations on process being made.

For clarity, this proposed process would not be the "hearing" contemplated by the UCA, but a preliminary enquiry into the question of whether: i) the Extension Agreement can be accepted for filing, or ii) a hearing is required to determine whether the Extension Agreement for the Moresby Lake EPA is in the public interest.

Concurrent with this Filing, BC Hydro will provide notice to the registered interveners in BC Hydro's most recent revenue requirements application in accordance with section 1.1.2 of the Rules for Energy Supply Contracts for Electricity. BC Hydro will also provide notice of this Filing to the Old Masset Village Council and the Skidegate Band Council.

Requested Order

BC Hydro seeks an order that the Extension Agreement is accepted for filing under section 71 of the UCA. As noted above, a draft order is attached as Appendix A.

Confidentiality

BC Hydro is of the view that key or specific commercial terms and conditions relating to the Moresby Lake EPA are commercially sensitive and the public disclosure of such information will harm BC Hydro's negotiating position with respect to further EPAs. Certain information in the Moresby Lake EPA is also considered commercially sensitive to the facility owner. BC Hydro has thus redacted certain information in this Filing and the Moresby Lake EPA in its entirety (Appendix C) from the public version of the Filing. For clarity, BC Hydro notes that the Extension Agreement (Appendix D) is not filed on a confidential basis.

As provided by the General Rules 1.10 of the Rules for Energy Supply Contracts for Electricity, Part IV of the Commission's Rules of Practice and Procedure, and section 42 of the *Administrative Tribunals Act*, BC Hydro requests that the Commission keep this information confidential.

For further information, please contact Alicia Henderson at 604-623-4381 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Chris Sandve
Chief Regulatory Officer

fv/kl

Enclosure

Moresby Lake
Electricity Purchase Agreement Renewal

Appendix A

Draft Order

ORDER NUMBER

E-xx-xx

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority (BC Hydro)
Electricity Purchase Agreement Extension – Moresby Lake Hydro Project

BEFORE:

Commissioner
Commissioner
Commissioner

on Date

ORDER

WHEREAS:

- A. On October 28, 2022, pursuant to section 71 of the *Utilities Commission Act* (UCA), BC Hydro filed with the British Columbia Utilities Commission (BCUC) a six-month extension agreement (Moresby Lake Extension Agreement) extending the electricity purchase agreement between BC Hydro and Atlantic Power Preferred Equity Ltd. (as assignee) for the Moresby Lake Hydro Project (Moresby Lake EPA) to February 28, 2023 (Filing);
- B. By Order G-61-12, dated May 17, 2012, the BCUC approved the Rules for Energy Supply Contracts for Electricity (Rules). Appendix A of Order G-61-12 contains the Rules, which are intended to facilitate the BCUC's review of energy supply contracts for electricity, pursuant to section 71 of the UCA;
- C. BC Hydro requests the unredacted version of the Filing, including the entirety of the Moresby Lake EPA, be held confidential as it contains information that is customer specific or otherwise commercially sensitive, and the public disclosure of such information will harm BC Hydro's negotiating position with respect to further EPAs; and
- D. The Panel has reviewed the Filing and considers acceptance of the Moresby Lake Extension Agreement is warranted.

NOW THEREFORE pursuant to section 71 of the UCA and the Rules, the BCUC orders the following:

1. The Moresby Lake Extension Agreement is accepted for filing.
2. The BCUC will keep the un-redacted version of the Filing, including the entirety of the Moresby Lake EPA, confidential as it contains customer specific and other commercially sensitive information.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)
Commissioner

Attachment Options

DRAFT

Moresby Lake
Electricity Purchase Agreement Renewal

Appendix B

**BCUC Orders E-1-89, E-16-93,
and Ministerial Order M-22-9801**



BRITISH COLUMBIA UTILITIES COMMISSION	
ORDER NUMBER	E-1-89

PROVINCE OF BRITISH COLUMBIA

BRITISH COLUMBIA UTILITIES COMMISSION

IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended

and

IN THE MATTER OF an Energy Supply Contract
for British Columbia Hydro and Power Authority

BEFORE: J.G. McIntyre,)
 Chairman;)
 J.D.V. Newlands)
 Deputy Chairman;)
 N. Martin,) March 23, 1989
 Commissioner;)
 W.M. Swanson, Q.C.,)
 Commissioner; and)
 F.C. Leighton,)
 Commissioner)

O R D E R

WHEREAS amendments to the Utilities Commission Act ("the Act"), including Section 85.3, require that Energy Supply Contracts ("Contracts") between producers and consumers, be filed with the Commission for approval; and

WHEREAS British Columbia Hydro and Power Authority ("B.C. Hydro") filed with the Commission by letter dated January 18, 1989 a fully executed Contract with Queen Charlotte Power Corporation ("QCPC") covering a twenty-year period from the time the Moresby Lake hydro-electric generating plant located on Moresby Island is placed into service; and

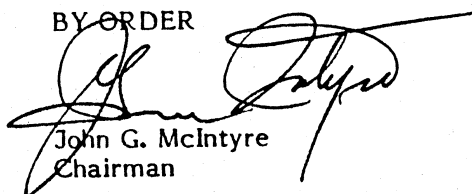
WHEREAS the Commission has reviewed the Contract including Technical Requirements as specified in Schedule 3.2 and is satisfied that it is in the public interest.

NOW THEREFORE pursuant to Section 85.3 of the Act the Commission hereby orders as follows:

1. The Commission approves and accepts for filing the Contract between B.C. Hydro and QCPC which is designated as Energy Supply Contract, ESC No. 1.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of March, 1989.

BY ORDER



John G. McIntyre
Chairman

381/35/cms



SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3
CANADA

BRITISH COLUMBIA UTILITIES COMMISSION	
ORDER NUMBER	E-16-93

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1387
FACSIMILE: (604) 660-1102

**AN ORDER IN THE MATTER OF the Utilities Commission
Act, S.B.C. 1980, c. 60, as amended**

and

**An Energy Supply Contract between British Columbia Hydro and Power Authority
and Queen Charlotte Power Corporation**

BEFORE: M.K. Jaccard, Chairperson; and) September 10, 1993
K.L. Hall, Commissioner)

WHEREAS:

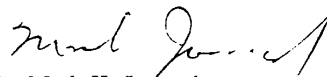
- A. Commission Order No. E-1-89 approved for British Columbia Hydro and Power Authority ("B.C. Hydro") an Energy Supply Contract ("the Contract") with Queen Charlotte Power Corporation ("QCPC") covering a 20 year period commencing from the time the Moresby Lake hydro-electric generating plant on Moresby Island was placed into service, pursuant to Section 85.3 of the Utilities Commission Act ("the Act"); and
- B. On September 1, 1992 B.C. Hydro and QCPC amended the Contract in order to increase amount of electricity purchased and provide clearer responsibilities in the operation and dispatch of the generating plant and amended the term of the Contract from 20 years to 27 years from September 1, 1990 to August 31, 2017; and
- C. On July 6, 1993 B.C. Hydro and QCPC executed a Letter Agreement to the Contract which provided for minimum reservoir levels to be maintained in Moresby Lake; and
- D. The Commission has reviewed amended the Contract and Letter Agreement and is satisfied that approval is necessary and in the public interest.

NOW THEREFORE pursuant to Section 85.3 of the Act and the revised Rules Respecting Energy Supply Contracts - Electrical, the Commission orders as follows:

The Commission approves and accepts for filing the September 1, 1992 Amended Contract and the July 6, 1993 Letter Agreement between B.C. Hydro and QCPC, effective immediately.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of September, 1993.

BY ORDER


Dr. Mark K. Jaccard
Chairperson

BCUC/Order/BCH-QCPC-Contr

M 297

MINISTER'S ORDER NO. M-22-9801

**IN THE MATTER OF THE SALE, PURCHASE OR PRODUCTION OF A POWER SERVICE
AND AN EXEMPTION FROM THE PROVISIONS OF PART 3 AND SECTION 71 OF THE
UTILITIES COMMISSION ACT, R.S.B.C. 1996, c. 473, AS AMENDED, ("THE ACT")**

WHEREAS, certain persons in the Province generate electricity and sell, produce or purchase a power service, as defined in section 22(1) of the Act, including entering into energy supply contracts within the meaning of section 58 of the Act for the provision of electricity;

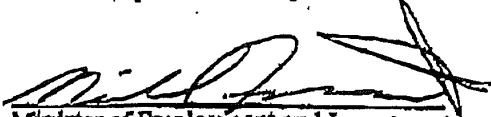
AND WHEREAS, some of these persons may sell some or all of the power service to the British Columbia Hydro and Power Authority ("the Authority") or the British Columbia Power Exchange Corporation ("Powerex"), by entering into energy supply contracts;

AND WHEREAS, pursuant to section 22 of the Act, the Minister of Employment and Investment (the "Minister") is empowered to exempt persons selling, producing or purchasing a power service from the provisions of Part 3 and section 71 of the Act specified in the order;

AND WHEREAS, the Minister considers that persons that sell a power service to the Authority or Powerex by entering into energy supply contracts should continue to be exempt from all provisions of Part 3, as well as section 71 of the Act, and that the Authority and Powerex should be exempt from Part 3 and section 71 of the Act for such purchases;

NOW THEREFORE, the Minister pursuant to section 22 of the Act hereby exempts from:

- (1) section 71 of the Act, persons and their successors or assigns, who have entered into an energy supply contract with either the Authority or Powerex on or before March 31, 2000, but only with respect to such contracts;
- (2) all provisions of Part 3 of the Act, persons and their successors or assigns who have entered into the contracts referred to in subsection (1) above, for the equipment, appliances, safety devices, facilities, plant, projects, system or system extensions required to produce and sell the power service to the Authority or Powerex pursuant to those contracts;
- (3) section 71 of the Act, the Authority or Powerex, in respect of an energy supply contract for the purchase of a power service from the persons referred to in subsection (1) above; and
- (4) all provisions of Part 3 of the Act, the Authority or Powerex, for the electrical equipment, appliances, safety devices, facilities, plant, projects, system or system extensions, directly constructed for or dedicated to the purchase of a power service pursuant to contracts referred to in subsection (1) above.


Minister of Employment and Investment.

Dated this 28 day of August, 1998.

M 116

AMENDING ORDER NO. M-22-9801-A1

**IN THE MATTER OF THE SALE, PURCHASE OR PRODUCTION OF A
POWER SERVICE AND AN EXEMPTION FROM THE PROVISIONS OF PART
3 AND SECTION 71 OF THE UTILITIES COMMISSION ACT, R.S.B.C. 1996, c.
473, AS AMENDED, ("THE ACT")**


WHEREAS, on August 28, 1998 the Minister of Employment and Investment ("the Minister"), pursuant to section 22 of the Act, issued Order M-22-9801 exempting persons that sell a power service to the British Columbia Hydro and Power Authority ("the Authority") or the British Columbia Power Exchange Corporation ("Powerex") from all provisions of Part 3, as well as section 71 of the Act, and exempting the Authority and Powerex from Part 3 and section 71 of the Act for such purchases;

AND WHEREAS, the exemptions set out in Order M-22-9801 applied to contracts entered into between such persons and either the Authority or Powerex on or before March 31, 2000 ("the Term");

AND WHEREAS, the Term was coterminous with the period under which the Authority's rates were frozen pursuant to the *British Columbia and Power Authority Rate Freeze and Profit Sharing Act*;

AND WHEREAS, on February 3, 2000, the Minister announced government's intention to extend the period during which BC Hydro's rates would be frozen from March 31, 2000 to September 30, 2001;

NOW THEREFORE, the Minister pursuant to section 22 of the Act hereby amends Paragraph (1) of Order M-22-9801 by deleting "March 31, 2000" and substituting "September 30, 2001".



Minister of Employment and Investment

Dated this 30th day of March, 2000.

** TOTAL PAGE.03 **

Moresby Lake
Electricity Purchase Agreement Renewal

Appendix C
Moresby Lake EPA

PUBLIC

**CONFIDENTIAL
ATTACHMENT**

**FILED WITH BCUC
ONLY**

Moresby Lake
Electricity Purchase Agreement Renewal

Appendix D
Moresby Lake EPA Extension Agreement (2022)

**EPA Extension Agreement
Moresby Lake Hydro Project**

THIS EXTENSION AGREEMENT ("Agreement") is made as of the 31 day of August, 2022

BETWEEN:

ATLANTIC POWER PREFERRED EQUITY LTD., an Alberta corporation having a head office at Suite 1301, 200 University Avenue, Toronto ON M5H 3C6

("AP")

AND:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY, a corporation continued under the *Hydro and Power Authority Act*, R.S.B.C. 1996, c. 212, with its head office at 333 Dunsmuir Street, Vancouver, BC, V6B 5R3

("BC Hydro")

WHEREAS:

- A. AP and BC Hydro are parties to an electricity purchase agreement dated December 9, 1988 (as amended, restated, supplemented, modified, assigned and assumed, from time to time, the "**EPA**"), and which was originally executed by the Queen Charlotte Power Corporation ("**QCPC**") and was subsequently assigned to CPI Preferred Equity Ltd. by way of an assignment and assumption agreement dated November 2, 2011;
- B. On February 1, 2012, CPI Preferred Equity Ltd. changed its name to Atlantic Power Preferred Equity Ltd.;
- C. Pursuant to the EPA, AP sells to BC Hydro electricity generated at AP's QCPC Plant located at Moresby Island, British Columbia;
- D. AP and BC Hydro have been and are in the process of negotiating a potentially new electricity purchase agreement;
- E. The EPA is due to expire on August 31, 2022 at 24:00 hours and AP and BC Hydro require additional time to complete negotiations on the terms of a new electricity purchase agreement prior to that date; and
- F. To facilitate negotiations, BC Hydro wishes to extend the term of the EPA for up to a six-month period and AP has agreed to such additional extension.

THIS AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, AP and BC Hydro (together, the "**Parties**" and each, a "**Party**") hereby agree as follows:

1. BCUC Acceptance

If required, as determined by BC Hydro in consultation with AP, BC Hydro will file this Agreement with the British Columbia Utilities Commission (the "**BCUC**") under section 71 of the *Utilities*

Commission Act (British Columbia) (the “UCA”), for BCUC Acceptance, as an energy supply contract in accordance with BC Hydro’s usual filing practices within a reasonable period of time following the date of this Agreement. “BCUC Acceptance” means that the BCUC has issued an order accepting for filing, or approving, this Agreement under section 71 of the UCA as an energy supply contract either without conditions or subject to conditions that do not: (i) require as a condition of acceptance for filing or approval a material alteration to any material term or condition of this Agreement, or (ii) otherwise have an adverse effect on one or both of the Parties. If the Agreement is filed with the BCUC, BC Hydro will take all reasonable steps to secure BCUC Acceptance. AP will provide any assistance reasonably requested by BC Hydro to secure BCUC Acceptance.

2. Termination

- (a) If the Agreement is filed with the BCUC and BCUC Acceptance has not been issued for this Agreement on or before the date that is 60 days after the date of this Agreement, or such later date as BC Hydro, in its sole discretion, may from time to time elect by notice to AP, then at any time following such date either Party may terminate this Agreement by delivering notice of termination to the other Party, and such termination will be effective on the date that is 30 days after the date of delivery of such notice of termination, provided that a Party may not terminate this Agreement under this section if BCUC Acceptance is issued before the notice of termination is delivered to the other Party.
- (b) If this Agreement is terminated by either Party in accordance with section 2(a), the Parties will have no further liabilities or obligations under, or in relation to, this Agreement.

3. Term

Section 3.1 of the EPA is deleted in its entirety and replaced with the following provision:

“QCPC will supply Electricity generated by the QCPC Plant to BCH at the Point of Connection for a term (the “Term”) commencing on the 1st day of September, 1990 and ending on the earlier of i) the 28th day of February, 2023 at 24:00 hours, or ii) the effective date of a new electricity purchase agreement as may be agreed to by the Parties.

For clarity, all of the rights and obligations of QCPC under the EPA were assigned and assumed by Coastal Rivers Power Limited Partnership as of July 22, 2004 and were further assigned and assumed by CPI Preferred Equity Ltd. (the former name of AP) pursuant to the Assignment and Assumption Agreement dated November 2, 2011.”

4. Continuation of Terms and Conditions

AP and BC Hydro acknowledge and agree that except as specifically amended by this Agreement, the EPA continues in full force and effect.

5. Duly Authorized

Each of AP and BC Hydro represent and warrant to the other that: (a) this Agreement has been duly authorized, executed and delivered, and (b) this Agreement constitutes a valid and binding obligation, enforceable against it in accordance with its terms.

6. Governing Law

This Agreement is governed by British Columbia law and the laws of Canada applicable therein.

7. Further Assurances

AP and BC Hydro will, upon the reasonable request of the other, do, sign or cause to be done or signed all further acts, deeds, documents and assurances required for the performance of this Agreement.

8. Enurement

This Agreement enures to the benefit of, and is binding upon, the Parties and their respective successors and permitted assigns.

9. Counterparts

This Agreement may be executed in counterparts, each of which when executed and delivered (by facsimile, pdf or otherwise) will be deemed to be an original, and all of which together will constitute one and the same document.

10. Interpretation

Capitalized terms not otherwise defined in this Agreement have their meanings ascribed to them in the EPA.

IN WITNESS WHEREOF this Agreement has been executed by a duly authorized representative of each of the parties hereto as of the date first above written.

ATLANTIC POWER PREFERRED EQUITY LTD.

By: 
Authorized Signatory

Name: Nicholas Galotti

Title: EVP, Operations

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

By: Charlotte Mitha Digitally signed by Charlotte Mitha
Date: 2022.08.11 11:18:21 -07'00' **Charlotte Mitha Signed On
Chris O'Riley's Behalf**
Authorized Signatory

Name: Chris O'Riley

Title: President & CEO