

JOHN HART GENERATING STATION REPLACEMENT PROJECT

Schedule 2

Review Procedure, Consent Procedure and Other Submittals

SCHEDULE 2

REVIEW PROCEDURE, CONSENT PROCEDURE AND OTHER SUBMITTALS

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SCHEDULE 2

REVIEW PROCEDURE, CONSENT PROCEDURE AND OTHER SUBMITTALS

1. SUBMITTAL REQUIREMENTS

Any proposed document (including any drawing, numbered appendix, specification, schedule, Design Data, Certificate, Construction Record, records and reports) or proposed course of action on the part of Project Co which, under the terms of this Agreement or any other BC Hydro Project Document is required to be submitted to BC Hydro's Representative, whether for information only, or pursuant to the Review Procedure or the Consent Procedure (each a "**Submittal**"), shall, unless otherwise specified:

- (a) include 2 printed copies and one electronic copy, in a form acceptable to BC Hydro's Representative acting reasonably, of the Submittal;
- (b) be submitted in English;
- (c) not be combined with any other Submittal;
- (d) be submitted in writing and clearly identified as a Submittal;
- (e) be delivered with a cover sheet, in a form acceptable to BC Hydro's Representative acting reasonably, which includes:
 - (i) a unique Submittal tracking number, consistent with the "BC Hydro Naming Framework" included in the Disclosed Data;
 - (ii) the date of the Submittal;
 - (iii) a list of all documents, information and data included with, or required for interpretation of, the Submittal, including details of all attachments and other documents, information and data incorporated by reference;
 - (iv) designation of the Submittal as being submitted pursuant to the "Review Procedure", "Consent Procedure" or for "information only";
 - (v) a description of the purpose of the Submittal, including reference to the relevant provision(s) of this Agreement or other BC Hydro Project Document pursuant to which it is being submitted;
 - (vi) a description of the component(s) of the design being submitted for consideration (if applicable);
 - (vii) a detailed Submittal history, including:
 - (A) submission date(s), endorsement(s) and endorsement code(s) in respect of any prior versions of the Submittal (if applicable);
 - (B) revision number (if applicable);

- (C) identification of all revisions from previously submitted versions of the Submittal (if applicable);
- (D) name of the person or entity that prepared the Submittal; and
- (E) details of any previous Submittal(s) superseded by the current Submittal; and
- (viii) identification of the applicable record retention class(s), in accordance with Appendix 20A *[Record Classification Requirements]*, of the of all documents, information and data included in the Submittal; and
- (f) be signed or sealed by persons with appropriate professional designations, where required by this Agreement or any other BC Hydro Project Document, applicable Law or Good Utility Practice to be so signed or sealed.

2. SUBMITTAL REGISTER

Project Co shall compile and maintain a real-time register of the submission date, contents and status of each Submittal. The Submittal register shall be available to designated BC Hydro Persons, using a secure, internet based system established, implemented and maintained by Project Co.

3. PRELIMINARY CONSIDERATION

For each of the following Submittals:

- (a) each Interim Dam Safety Risk Management Plan required to be submitted pursuant to Section 4.3.1 *[Preparation and Submission]* of Schedule 5 *[Design and Construction Protocols]*;
- (b) each Commissioning Notice to Energize required to be submitted pursuant to Section 9.6.5 *[Interconnection to the BC Hydro Transmission System]* of Schedule 5 *[Design and Construction Protocols]*;
- (c) each Submittal, required to be submitted pursuant to the Consent Procedure, for which the period of time provided for BC Hydro's response is less than 30 days; and
- (d) any other Submittal which the Parties agree is to be subject to the Preliminary Consideration Procedure,

Project Co, shall prepare and submit a complete draft version of the proposed Submittal to BC Hydro's Representative, for information only, not less than thirty (30) days prior to the date on which the Submittal is required to be submitted to BC Hydro's Representative (the "**Preliminary Consideration Procedure**"); provided, in the case of a Submittal required to be submitted to BC Hydro's Representative within thirty (30) days after the Effective Date, Project Co shall prepare and submit the complete draft of the proposed Submittal to BC Hydro's Representative as soon as practicable after the Effective Date.

4. REVIEW PROCEDURE

Subject to Section 6 [*Informational Submittals*] of this Schedule, any Submittal which, under the terms of this Agreement or any other BC Hydro Project Document, either:

- (a) is expressly required to be submitted to BC Hydro's Representative pursuant to the Review Procedure or to BC Hydro's Representative for review in accordance with or pursuant to the Review Procedure; or
- (b) unless the parties agree otherwise, or this Agreement otherwise specifies, is required to be submitted to BC Hydro's Representative for consideration, without specifying whether such submission is to be under the Review Procedure, the Consent Procedure or for information only,

shall be submitted to BC Hydro's Representative, and the following procedures (together, the "**Review Procedure**") shall apply (provided, in the case of any Submittal submitted to the Review Procedure in accordance with the Design and Certification Procedure, any specific procedures set out therein shall also apply).

- (c) Subject to Section 8 [*Request for Further Information*] of this Schedule, BC Hydro's Representative shall as soon as practicable and in any event within 14 days of actual receipt thereof (or such other period as may be specified in this Agreement or other BC Hydro Project Document, as the case may be, for any particular case) return one copy of the relevant Submittal endorsed "received" ("R1") or (subject to Sections 9 [*Objection or Rejection in BC Hydro's Discretion*], 10 [*General Grounds for Objection or Rejection*] and 11 [*Specific Grounds for Objection or Rejection*] of this Schedule as applicable in each case) "received with comments" ("R2") or "comments" ("R3"). In the case of any Submittal returned endorsed "received with comments" ("R2") or "comments" ("R3"), BC Hydro's Representative shall also provide with such returned Submittal such comments.
- (d) If, subject to Section 8 [*Request for Further Information*] of this Schedule, BC Hydro's Representative fails to return any Submittal (including any re-submitted Submittal) duly endorsed within 14 days of actual receipt thereof (or such other period as may be specified in this Agreement or other BC Hydro Project Document, as the case may be, for any particular case), then Project Co shall mark one copy of the Submittal "deemed received" ("R4") and deliver it to BC Hydro's Representative for information only, and the Submittal shall thereafter be deemed to have been endorsed "received".
- (e) Project Co may proceed to implementation in the case of a Submittal endorsed "received" ("R1" or "R4").
- (f) Subject to Section 4(h) of this Schedule, a Submittal endorsed "received with comments" ("R2") shall be amended by Project Co in accordance with such comments (but need not be re-submitted to BC Hydro's Representative other than pursuant to Section 4(k) of this Schedule) and once so amended Project Co shall proceed to implementation.

- (g) Subject to Section 4(h) of this Schedule, a Submittal endorsed “comments” (“R3”) shall be revised by Project Co and re-submitted to BC Hydro’s Representative pursuant to this Section within 14 days of Project Co’s receipt of such comments (or such other time period as agreed in writing by BC Hydro’s Representative).
- (h) Where BC Hydro’s Representative returns a Submittal endorsed “received with comments” (“R2”) or “comments” (“R3”), if Project Co disputes that:
- (i) any of the comments provided by BC Hydro’s Representative pursuant to Section 10 *[General Grounds for Objection or Rejection]* or 11 *[Specific Grounds for Objection or Rejection]* of this Schedule, are properly made on permitted grounds; or
 - (ii) Section 9 *[Objection or Rejection in BC Hydro’s Discretion]* of this Schedule applies to such Submittal, where BC Hydro’s Representative has made comments pursuant to that Section,

Project Co’s Representative shall refer the matter to the Dispute Resolution Procedure within 10 days of Project Co’s receipt of such comments and, if it is resolved in accordance with the Dispute Resolution Procedure that:

- (iii) the Submittal is not subject to Section 9 *[Objection or Rejection in BC Hydro’s Discretion]* of this Schedule (where Section 4(h)(ii) of this Schedule applies), then Project Co shall mark one copy of the Submittal “deemed received” (“R4”) and deliver it to BC Hydro’s Representative for information only, and: (A) the Submittal shall thereafter be deemed to have been endorsed “received”; (B) the provision of comments with respect to the Submittal shall constitute a Compensation Event; and (C) the provisions of Section 8 *[Supervening Events]* shall apply;
- (iv) none of the comments provided by BC Hydro’s Representative were properly made on grounds permitted by Sections 10 *[General Grounds for Objection or Rejection]* or 11 *[Specific Grounds for Objection or Rejection]* of this Schedule (where Section 4(h)(i) of this Schedule applies), then Project Co shall mark one copy of the Submittal “deemed received” (“R4”) and deliver it to BC Hydro’s Representative for information only, and: (A) the Submittal shall thereafter be deemed to have been endorsed “received”; (B) the provision of comments with respect to the Submittal shall constitute a Compensation Event; and (C) the provisions of Section 8 *[Supervening Events]* shall apply; or
- (v) the Submittal is subject to Section 9 *[Objection or Rejection in BC Hydro’s Discretion]* of this Schedule, or that any of the comments provided by BC Hydro’s Representative were properly made on grounds permitted by Sections 10 *[General Grounds for Objection or Rejection]* or 11 *[Specific Grounds for Objection or Rejection]* of this Schedule, then the Submittal shall be deemed to have been endorsed with the most adverse endorsement code assigned to such

properly made comment(s) and Project Co shall thereafter revise such Submittal pursuant to the requirements of this Section.

- (i) A reference in this Agreement or other BC Hydro Project Document to there being “no objection” under the Review Procedure in relation to a particular matter means that such matter has been submitted in accordance with the provisions of this Section and returned (or deemed returned) with an endorsement of “received” (“R1” or “R4”) or returned with an endorsement “received with comments” (“R2”), in the latter case the Submittal having been amended in accordance with such comments.
- (j) Documents or courses of action the subject of a Submittal pursuant to this Section and returned (or deemed returned) endorsed:
 - (i) “received” (“R1” or “R4”) shall be adhered to; or
 - (ii) “received with comments” (“R2”) shall, once amended in accordance with the comments, be adhered to,except to the extent that there has been no objection to any subsequent change or amendment thereto submitted in accordance with this Section.
- (k) Project Co shall ensure that two copies and electronic versions of all Submittals that have been modified by Project Co in accordance with Section 4(f) [Review Procedure] of this Schedule are issued to BC Hydro’s Representative for information only, prior to the commencement of any Project Work to which such Submittals relate.
- (l) Once all applicable disputes arising in respect of any decision made by BC Hydro’s Representative under the Review Procedure have been resolved in accordance with this Section, such decision shall, subject only to Section 12 [*Review, Approval, Inspection and Audit by BC Hydro*] of this Schedule, be final.
- (m) Under no circumstances shall Project Co proceed with any Construction installation, testing or Commissioning activities or undertake any communications with Governmental Authorities in respect of which a Submittal has been, or is required to be, made under the Review Procedure prior to having received the Submittal endorsed “received” (“R1” or “R4”) or “received with comments” (“R2”), following completion of the Review Procedure.

5. CONSENT PROCEDURE

Any Submittal which, under the terms of this Agreement or other BC Hydro Project Document, is required to be submitted to BC Hydro’s Representative pursuant to the Consent Procedure or to BC Hydro’s Representative for consent in accordance with or pursuant to the Consent Procedure, shall be submitted to BC Hydro’s Representative, and the following procedures (together, the “**Consent Procedure**”) shall apply (provided, in the case of any Submittal submitted to the Consent Procedure in accordance with the Design and Certification Procedure, any specific procedures set out therein shall also apply).

- (a) Subject to Section 8 [*Request for Further Information*] of this Schedule, BC Hydro's Representative shall as soon as practicable and in any event within 30 days of actual receipt thereof (or such other period as may be specified in this Agreement or other BC Hydro Project Document, as the case may be, for any particular case) return one copy of the relevant Submittal endorsed "accepted" ("C1"), "conditionally accepted" ("C2"), or (subject to Sections 9 [*Objection or Rejection in BC Hydro's Discretion*], 10 [*General Grounds for Objection or Rejection*] and 11 [*Specific Grounds for Objection or Rejection*] of this Schedule as applicable in each case) "rejected" ("C3"). In the case of any Submittal returned endorsed "rejected" ("C3"), BC Hydro's Representative shall also provide with such returned Submittal the grounds for such rejection.
- (b) BC Hydro's Representative shall have the right at its option to impose conditions to the acceptance of a Submittal pursuant to Section 5(a) of this Schedule, which conditions shall be required to be reasonable having regard to the relevant circumstances, save in the case of an acceptance to which Section 9 [*Objection or Rejection in BC Hydro's Discretion*] of this Schedule applies. A conditionally accepted Submittal shall be endorsed "conditionally accepted" ("C2").
- (c) If, subject to Section 8 [*Request for Further Information*] of this Schedule, BC Hydro's Representative fails to return any Submittal (including any re-submitted Submittal) duly endorsed within 30 days of actual receipt thereof (or such other period as may be specified in this Agreement or other BC Hydro Project Document, as the case may be, for any particular case), then the Submittal shall be deemed to have been "rejected" in reliance upon grounds set out in Sections 9 [*Objection or Rejection in BC Hydro's Discretion*], 10 [*General Grounds for Objection or Rejection*] or 11 [*Specific Grounds for Objection or Rejection*] of this Schedule, as applicable, and Project Co shall mark one copy of the Submittal "deemed rejected" ("C4") and deliver it to BC Hydro's Representative for information only.
- (d) Project Co may proceed to implementation in the case of a Submittal endorsed "accepted" ("C1" or "C5").
- (e) Subject to Section 5(g) of this Schedule, unless otherwise specified in this Agreement or other BC Hydro Project Document, as the case may be, a "conditionally accepted" ("C2") Submittal shall not be implemented by Project Co unless Project Co has first accepted the conditions in writing.
- (f) Subject to Section 5(g) of this Schedule, unless otherwise specified in this Agreement or other BC Hydro Project Document, as the case may be, for any particular case, a Submittal endorsed "rejected" ("C3") or "deemed rejected" ("C4") shall not be implemented by Project Co until it is: (i) revised by Project Co and re-submitted to BC Hydro's Representative pursuant to this Section within 14 days of Project Co's receipt of such endorsement (or such other time period as agreed in writing by BC Hydro's Representative); and (ii) subsequently returned endorsed "accepted" ("C1") or "conditionally accepted" ("C2").

- (g) Where BC Hydro's Representative returns a Submittal endorsed "conditionally accepted" ("C2") or "rejected" ("C3") or where a Submittal is "deemed rejected" ("C4"), if Project Co disputes that:
- (i) any conditions imposed by BC Hydro's Representative pursuant to Section 5(b) of this Schedule are not reasonable in the circumstances (provided that pursuant to this Agreement BC Hydro was obligated to act reasonably in respect of such Submittal);
 - (ii) the rejection (including a deemed rejection pursuant to Section 5(c) of this Schedule) pursuant to Section 10 *[General Grounds for Objection or Rejection]* or 11 *[Specific Grounds for Objection or Rejection]* of this Schedule, is properly made on permitted grounds; or
 - (iii) Section 9 *[Objection or Rejection in BC Hydro's Discretion]* of this Schedule applies to such Submittal, where BC Hydro's Representative has rejected (or is deemed to have rejected) the Submittal pursuant to that Section,

Project Co's Representative shall refer the matter to the Dispute Resolution Procedure within 10 days of Project Co's receipt of such rejection or deemed rejection, and if it is resolved in accordance with the Dispute Resolution Procedure that:

- (iv) the Submittal is not subject to Section 9 *[Objection or Rejection in BC Hydro's Discretion]* of this Schedule (where Section 5(g)(iii) of this Schedule applies), then Project Co shall mark one copy of the Submittal "deemed accepted" ("C5") and deliver it to BC Hydro's Representative for information only and: (A) the Submittal shall thereafter be deemed to have been endorsed "accepted"; (B) the rejection of the Submittal shall constitute a Compensation Event; and (C) the provisions of Section 8 *[Supervening Events]* shall apply;
- (v) none of the conditions imposed by BC Hydro's Representative pursuant to Section 5(b) of this Schedule are reasonable in the circumstances (where Section 5(g)(i) of this Schedule applies), then Project Co shall mark one copy of the Submittal "deemed accepted" ("C5") and deliver it to BC Hydro's Representative for information only and: (A) the Submittal shall thereafter be deemed to have been endorsed "accepted"; (B) the rejection of the Submittal shall constitute a Compensation Event; and (C) the provisions of Section 8 *[Supervening Events]* shall apply;
- (vi) there was no basis for the rejection or deemed rejection of such Submittal on grounds permitted by Section 10 *[General Grounds for Objection or Rejection]* or 11 *[Specific Grounds for Objection or Rejection]* of this Schedule (where Section 5(g)(ii) of this Schedule applies), then Project Co shall mark one copy of the Submittal "deemed accepted" ("C5") and deliver it to BC Hydro's Representative for information only and: (A) the Submittal shall thereafter be deemed to have been endorsed "accepted"; (B) the rejection of the Submittal shall constitute a Compensation Event; and (C) the provisions of Section 8 *[Supervening Events]* shall apply;

- (vii) some or all of the conditions imposed by BC Hydro's Representative pursuant to Section 5(b) of this Schedule are reasonable in the circumstances, then Project Co shall comply with such conditions; or
- (viii) the Submittal was subject to Section 9 [*Objection or Rejection in BC Hydro's Discretion*] of this Schedule, or that there was a basis for the rejection of such Submittal on grounds permitted by Section 10 [*General Grounds for Objection or Rejection*] or 11 [*Specific Grounds for Objection or Rejection*] of this Schedule, then such Submittal shall not be implemented by Project Co until it is: (A) revised by Project Co and re-submitted to BC Hydro's Representative pursuant to this Section; and (B) subsequently returned endorsed "accepted" ("C1" or "C5") or "conditionally accepted" ("C2").
- (h) Subject to Section 5(g) of this Schedule, Submittals submitted pursuant to this Section and returned (or deemed returned) endorsed "accepted" ("C1" or "C5") or "conditionally accepted" ("C2"), including any conditions imposed by BC Hydro's Representative under Section 5(b) of this Schedule, shall be adhered to, except to the extent that there has been "acceptance" or "conditional acceptance" of any subsequent change or amendment thereto submitted in accordance with this Section.
- (i) Project Co shall ensure that two copies and electronic versions of all Submittals that have been modified by Project Co in accordance with the Consent Procedure are issued to BC Hydro's Representative prior to the commencement of any Project Work to which such Submittals relate.
- (j) Once all applicable disputes arising in respect of any decision made by BC Hydro's Representative under the Consent Procedure have been resolved in accordance with this Section, such decision shall, subject only to Section 12 [*Review, Approval, Inspection and Audit by BC Hydro*] of this Schedule, be final.
- (k) Under no circumstances shall Project Co proceed with any component of the Project Work in respect of which a Submittal has been, or is required to be, made under the Consent Procedure prior to having received the Submittal endorsed "accepted" ("C1" or "C5") or "conditionally accepted" ("C2") following completion of the Consent Procedure.

6. INFORMATIONAL SUBMITTALS

Notwithstanding Section 4 [*Review Procedure*] of this Schedule, where a Submittal is expressly required to be submitted to BC Hydro's Representative for information only:

- (a) the Submittal shall be marked "information only" by Project Co;
- (b) BC Hydro's Representative may, but shall not be obligated to, review or consider the Submittal at the convenience of BC Hydro's Representative; and

- (c) the Submittal shall not be subject to the Review Procedure or the Consent Procedure, provided that where BC Hydro's Representative elects to review or consider a Submittal marked "information only", BC Hydro's Representative may (subject to Section 9 [*Objection or Rejection in BC Hydro's Discretion*], Section 10 [*General Grounds for Objection*] or Section 11 [*Specific Grounds for Objection*] of this Schedule as applicable in each case) return a copy of the relevant Submittal endorsed "received" ("I1") or "comments" ("I3"), in which case Sections 4(g), 4(h) and 4(l) [*Review Procedure*] of this Schedule shall apply as if the Submittal had been delivered in accordance with the Review Procedure.

Where Project Co is required to revise any informational Submittal pursuant to Section 6(c) of this Schedule, Project Co shall ensure that two copies and electronic versions of the revised Submittal are issued to BC Hydro's Representative for information only, within fourteen (14) days of Project Co's receipt of such comments (or such other time period as agreed in writing by BC Hydro's Representative).

7. REFERRAL BY BC HYDRO'S REPRESENTATIVE

BC Hydro's Representative may, in reviewing and dealing with any matter, refer such matter to BC Hydro or any of its employees, agents, advisors, consultants, or contractors or subcontractors of any tier, and any review, consideration, decision, belief, opinion or determination referred to herein in relation to BC Hydro's Representative may be that of BC Hydro's Representative or any such person upon whose review, consideration, decision, belief, opinion or determination BC Hydro's Representative relies. BC Hydro's Representative may also, by written notice to Project Co from time to time, designate an employee, advisor, consultant, contractor or other person to whom any specific Submittal or class of Submittals is to be delivered by Project Co and Project Co shall comply with any such designation in making submissions under this Schedule, and, where a Submittal is delivered in accordance with any such designation, shall provide BC Hydro's Representative with a copy of the transmittal of the submission to the designated person at the same time as the Submittal is delivered to that person.

8. REQUEST FOR FURTHER INFORMATION

- (a) BC Hydro's Representative, acting reasonably and within: (i) 7 days after actual receipt of a Submittal, where the Submittal is subject to the Review Procedure; (ii) 15 days after actual receipt of a Submittal, where the Submittal is subject to the Consent Procedure; or (iii) such longer period of time as is reasonable in the circumstances, may request in writing, and if so requested Project Co shall promptly and in any event no later than 15 Business Days following such request submit, any further or other information, data and documents which may be requested by BC Hydro's Representative in order to fully consider a Submittal under Section 3 [*Preliminary Consideration*], Section 4 [*Review Procedure*], Section 5 [*Consent Procedure*] or Section 6 [*Informational Submittals*] of this Schedule and its implications, and shall take all such steps as may be required to satisfy BC Hydro's Representative that the proposed document or proposed course of action complies with this Agreement or other BC Hydro Project Document, as the case may be, and as appropriate.

- (b) If BC Hydro's Representative makes a written request for further or other information, data and/or documents under this Section, then the time periods referred to in Section 4 *[Review Procedure]* or Section 5 *[Consent Procedure]* of this Schedule, as the case may be, shall not commence to run until such time as BC Hydro's Representative has received the requested information, data and/or documents.

9. OBJECTION OR REJECTION IN BC HYDRO'S DISCRETION

Where, pursuant to the terms of this Agreement or any other BC Hydro Project Document, the consideration of a Submittal is stated to be subject to the discretion of BC Hydro, or any other BC Hydro Person, BC Hydro's Representative may make comments in relation to or reject, as applicable, any such Submittal in its discretion and Project Co shall not be entitled to dispute such comments, or rejection, as applicable pursuant to the Dispute Resolution Procedure.

10. GENERAL GROUNDS FOR OBJECTION OR REJECTION

Subject to Section 9 *[Objection or Rejection in BC Hydro's Discretion]* of this Schedule, BC Hydro's Representative may, acting reasonably, make comments in relation to or reject, as applicable, any Submittal on any of the following grounds:

- (a) the Submittal does not conform to the requirements of Section 1 *[Submittal Requirements]* of this Schedule, in respect of such Submittal;
- (b) the Submittal is inconsistent, or conflicts, with the contents, requirements or procedures described in an earlier Submittal that has been accepted, or to which BC Hydro had no objection, pursuant to this Schedule;
- (c) the Submittal has not been prepared in accordance, or otherwise conflicts or is inconsistent, with Good Utility Practice, Environmental Best Management Practices or the BC Hydro SPRs;
- (d) the Submittal has not been prepared in accordance, or otherwise conflicts or is inconsistent, with the requirements of this Agreement or any other BC Hydro Project Document;
- (e) that Project Co has not provided all information, data and documents required (including any information, data and documents required by BC Hydro's Representative pursuant to Section 8 *[Request for Further Information]* of this Schedule) in respect of such Submittal;
- (f) that the proposed Submittal either has not been compiled in accordance with the provisions of this Agreement or the applicable BC Hydro Project Document, or has been based on erroneous information or data;
- (g) that the proposed Submittal or the adoption of the proposed document or proposed course of action is not practicable;

- (h) that the adoption of the proposed document or proposed course of action would, or might reasonably be expected to:
 - (i) conflict or be inconsistent with the statutory, public or other duties or functions, including the BC Hydro Activities or any Legal Obligations, of BC Hydro;
 - (ii) conflict with or be inconsistent with any provisions of this Agreement or any other BC Hydro Project Document;
 - (iii) materially and adversely affect the ability of Project Co to perform its obligations under this Agreement or any other Project Document;
 - (iv) materially and adversely affect any right or obligation of BC Hydro under this Agreement or any other Project Document, or the ability of BC Hydro to enforce any such right or to perform any of its obligations under this Agreement or any other Project Document, or the ability of BC Hydro or any other Governmental Authority to carry out any statutory or public duty or function;
 - (v) materially and adversely affect any right or obligation of BC Hydro under or with respect to any Material Contract should BC Hydro enforce its rights under the Collateral Agreement with respect to such Material Contract;
 - (vi) give rise to a breach, or be in breach, of any Laws; or
- (i) any other reasonable grounds, provided that all of the specific grounds set out in Section 11 [*Specific Grounds for Objection or Rejection*] of this Schedule shall be deemed to be reasonable grounds,

and BC Hydro's Representative shall always be entitled to make such comments or reject, as the case may be, on the foregoing grounds notwithstanding any other provision in this Agreement or any other BC Hydro Project Document.

11. SPECIFIC GROUNDS FOR OBJECTION OR REJECTION

Without limiting the generality of Section 10 [*General Grounds for Objection or Rejection*] of this Schedule, it shall be reasonable for BC Hydro's Representative to make comments in relation to or reject, as applicable, the following Submittals on any of the following grounds:

- (a) in relation to a document or proposed course of action submitted to BC Hydro's Representative pursuant to Section 5.2 [*Changes to Senior Financing Agreements*], other than a Refinancing or change to a proposed Refinancing, on the grounds that the adoption of such document or proposed course of action would or might reasonably be expected to materially and adversely affect the financial position, liquidity or solvency of Project Co or any of its Partners;
- (b) in relation to a Refinancing (other than a Qualifying Refinancing) or change to a proposed Refinancing (other than a Qualifying Refinancing) submitted to BC Hydro's Representative pursuant to Section 5.4 [*Refinancing Process*], on the ground that, at the

time it is contemplated or effected, the Refinancing or change to a proposed Refinancing would or might reasonably be expected to materially and adversely affect the financial position, liquidity or solvency of Project Co or any of its Partners;

- (c) in relation to a Draft Reinstatement Plan or Reinstatement Plan submitted to BC Hydro's Representative pursuant to Section 6.4 [*Project Co's Obligations – Material Damage or Destruction*], on any of the following grounds:
- (i) that the estimate of the cost to carry out the Reinstatement Work set out in the Draft Reinstatement Plan or Reinstatement Plan and/or Project Co's determination of whether or not there are sufficient funds available to Project Co from all sources to allow Project Co to complete the Reinstatement Work while meeting its scheduled payment obligations under the Senior Financing Agreement is not a reasonable estimate and/or a reasonable determination, as the case may be, having regard to all relevant circumstances;
 - (ii) that the schedule for the execution of the Reinstatement Work set out in the Draft Reinstatement Plan or Reinstatement Plan is not a reasonable schedule having regard to all relevant circumstances including the Requirements of Interested Parties and the public interest in restoring the Facility and the Site to a condition safe for use as soon as reasonably possible, or would or might reasonably be expected to adversely affect the performance by Project Co of its obligations under Section 1 [*Diligent Performance of Project Work*] of Schedule 4 [*Project Schedule*];
 - (iii) that the implementation of the Draft Reinstatement Plan or Reinstatement Plan would or might reasonably be expected to materially and adversely affect any right or obligation of BC Hydro under this Agreement or any other Project Document, or the ability of BC Hydro to enforce any such right or to perform any of its obligations under this Agreement or any other Project Document, or the ability of BC Hydro or any other Governmental Authority to carry out any statutory or public duty or function;
 - (iv) without limiting Section 11(c)(iii) of this Schedule, that the implementation of the Draft Reinstatement Plan or Reinstatement Plan would or might reasonably be expected to increase any liability of BC Hydro, whether actual or contingent, present or future, known or unknown, including any liability under Schedule 16 [*Compensation on Termination*] or Schedule 14 [*Changes*] (and causing an obligation or liability of BC Hydro to occur earlier, or increasing the risk of a contingent obligation or liability of BC Hydro occurring at all, or occurring earlier, shall be determined to be an increase in the liability of BC Hydro);
 - (v) that the implementation of the Draft Reinstatement Plan or Reinstatement Plan would or might reasonably be expected to adversely affect public or worker safety or the structural integrity of the Facility or the Existing Facility, including the Dams;

- (d) in relation to any Submittal for payment for Reinstatement Work submitted to BC Hydro's Representative pursuant to Section 6.10 [*Application of Insurance Proceeds If No Termination*], on any of the following grounds:
 - (i) in the case of a submission under Section 6.10 [*Application of Insurance Proceeds If No Termination*], that the amount claimed, when added to any deductible amounts applicable to the damage or loss in respect of which the Insurance Proceeds (as defined therein) were payable, together with all amounts previously claimed and paid out in respect of the Reinstatement Work, exceed the value of the Reinstatement Work completed as at the date of the invoice referred to in Section 6.10 [*Application of Insurance Proceeds If No Termination*] or the date of the certificate referred to in Section 6.10 [*Application of Insurance Proceeds If No Termination*], whichever is applicable;
 - (ii) in the case of a Submittal under Section 6.10 [*Application of Insurance Proceeds If No Termination*], that the Insurance Proceeds (as defined therein) remaining in the hands of the Insurance Trustee following payment of the amount claimed would be insufficient to cover the reasonably estimated remaining cost to complete the Reinstatement Work;
- (e) in relation to any Innovation Proposal submitted by Project Co to BC Hydro's Representative pursuant to Section 7 [*Changes, Minor Works and Innovation Proposals*], on the grounds that that implementation of the Innovation Proposal may endanger public or worker safety or the structural integrity of the Facility or the Existing Facility, including the Dams;
- (f) in relation to a proposed Change in Control submitted to BC Hydro's Representative pursuant to Section 16 [*Assignment / Change in Control*], on the grounds that the proposed Change in Control would or might reasonably be expected to materially and adversely affect the financial position, liquidity or solvency of Project Co or any of its Partners;
- (g) in relation to the appointment of, or a proposed change in the appointment of any Key Individual submitted to BC Hydro's Representative pursuant to Section 2.2 [*Change of Project Co's Representative*], or Section 2.3 [*Key Individuals*] of Schedule 3 [*Roles and Representatives*], on any of the following grounds:
 - (i) that the person intended to be so appointed does not have the independence, qualifications and experience necessary to carry out and fulfil the functions of such appointment;
 - (ii) that the person intended to be so appointed does not meet the requirements stipulated for that role in this Agreement or is not, in the reasonable opinion of BC Hydro's Representative, suitably qualified or does not have sufficient experience, expertise or resources to properly fulfil the functions of such appointment;

- (iii) that the person intended to be so appointed or any person Controlled by such person is a Restricted Person for any reason other than by reason of subsection (d) of the definition of Restricted Person in Schedule 1 *[Definitions and Interpretation]*; or
 - (iv) that such appointment shall have the effect of being likely to materially prejudice BC Hydro's rights under this Agreement or the effectiveness of enforcement of such rights;
- (h) in relation to a proposed Design Management Plan, or any amendment to the Design Management Plan, submitted to BC Hydro's Representative pursuant to Section 5.5.1 *[Submission of Design Management Plan]* of Schedule 5 *[Design and Construction Protocols]*, on the grounds that the proposed Design Management Plan, or amendment thereto, does not include all of the components and information (including with respect to submissions of drawings and other Design Data and design reviews, meetings, audits and progress reports) required by, or otherwise would not comply with or would be inconsistent with, the requirements set out in Schedule 5 *[Design and Construction Protocols]*;
- (i) in relation to a proposed Submittal Schedule, or any amendment to the Submittal Schedule, submitted to BC Hydro's Representative pursuant to Section 5.5.1(s) *[Submission of Design Management Plan]* of Schedule 5 *[Design and Construction Protocols]*, on the grounds that the proposed Submittal Schedule, or amendment thereto:
 - (i) would not provide for a progressive and orderly flow of the applicable design Submittals; or
 - (ii) would not provide sufficient time for consideration of each Submittal by BC Hydro's Representative, taking into account the volume and complexity of the Submittals and the resources necessary to consider such Submittals;
- (j) in relation to any Design Data submitted to BC Hydro's Representative pursuant to the Design and Certification Procedure, on the grounds that such Design Data, if implemented would or might reasonably be expected to adversely affect public or worker safety or the structural integrity of the Facility or the Existing Facility, including the Dams;
- (k) in relation to a proposal for the Checking Team submitted to BC Hydro's Representative pursuant to Section 5.16.1 *[Checking Team]* of Schedule 5 *[Design and Construction Protocols]*, on any of the following grounds:
 - (i) that the proposed Checking Team is not independent of the Design-Builder; or
 - (ii) that the proposed Checking Team does not have sufficient knowledge and experience relating to the type of element to be examined properly to perform the check;
- (l) in relation to the proposed Commissioning Plan or a proposed Commissioning Schedule, or any amendment to the Commissioning Plan or a Commissioning Schedule, submitted

to BC Hydro's Representative pursuant to Section 9 *[Commissioning]* of Schedule 5 *[Design and Construction Protocols]*, on the grounds that the proposed Commissioning Plan or Commissioning Schedule, or any amendment thereto, would, if implemented, be reasonably expected to negatively impact, or materially increase the risk of disruption to, the operation of the BC Hydro Transmission System;

- (m) in relation to the initial or an amended Asset Management Plan submitted to BC Hydro's Representative pursuant to Section 4.6(b) *[Asset Management Plan Components]* of Schedule 7 *[Services]*, on any of the following grounds:
 - (i) the proposed Asset Management Plan or amendment does not provide sufficient information to permit BC Hydro to schedule the performance of the applicable Services; or
 - (ii) that management of the Project in accordance with the proposed Asset Management Plan or amendment would not be conducive to achieving compliance with the Handback Requirements and the other Project Requirements or otherwise would or might reasonably be expected to not result in the delivery of the Project in the manner and to the quality and standards contemplated by this Agreement;
- (n) in relation to the initial or an amended Construction Environmental Management Plan submitted to BC Hydro's Representative pursuant to Section 2.5 *[Construction Environmental Management Plan]* of Schedule 8 *[Environmental Obligations]*, on the ground that the Construction Environmental Management Plan, or any amendment thereto, does not comply with the requirements of Section 2.5 *[Construction Environmental Management Plan]* of Schedule 8 *[Environmental Obligations]*, or that management of the Project in accordance with the proposed Construction Environmental Management Plan, or any amendment thereto, would not be conducive to achieving compliance with Project Co's Environmental Obligations and the Project Requirements or otherwise would or might reasonably be expected to not result in the delivery of the Project in the manner and to the quality and standards contemplated by this Agreement;
- (o) in relation to a Submittal, if the Submittal indicates that Project Co is proposing to accept or create a commitment under a Permit, authorization or other legally binding obligation required from: (i) the Ministry of Forests, Lands and Natural Resource Operations, the Ministry of the Environment or any other Governmental Authority under the *Water Act* (British Columbia), excluding the Leaves to Commence; or (ii) Fisheries and Oceans Canada, that:
 - (i) is materially different from the commitments BC Hydro is subject to at its other hydroelectric generating facilities that are similar in size or environmental sensitivity to the Facility; or

- (ii) BC Hydro determines, acting reasonably, may create an adverse precedent for future BC Hydro approvals whether in relation to the Facility or any other BC Hydro hydroelectric generating facility,

provided that if BC Hydro returns a Submittal, which otherwise complies with all applicable Project Requirements, marked "comments" ("R3") or "rejected" ("C3") based solely on the grounds set out under this Section 11(o), BC Hydro shall concurrently issue a Preliminary Change Instruction in respect of the applicable comments or rejection, and the provisions of Schedule 14 [*Changes*] shall apply;

- (p) in relation to the either of the Project Public Safety Management Plans, or any amendment to the Project Public Safety Management Plans, submitted to BC Hydro's Representative pursuant to Section 1.1 [*Project Public Safety Management Plans*] of Schedule 23 [*Public Safety and Public Use*], on the ground that the Project Public Safety Management Plans, or any amendment thereto, fail to establish adequate public safety controls, commensurate with the potential hazards and Public Safety Incidents related to the applicable Project Work; and
- (q) in relation to the Quality Documentation, or any amendment to any Quality Documentation, submitted to BC Hydro pursuant to Schedule 9 [*Quality Management*] on the grounds that such Quality Documentation or amendment, or the Quality Management System which they reflect, would not provide sufficient detail to permit BC Hydro to audit the conformity of the Project Work to the Design Data and the Project Requirements.

12. REVIEW, APPROVAL, INSPECTION AND AUDIT BY BC HYDRO

If any review, approval, inspection, examination, audit, testing, determination, acceptance, certificate, certification, permission, consent, comment or objection is provided, performed or made by or on behalf of BC Hydro or BC Hydro's Representative under, pursuant to, or in respect of, this Agreement or any other Project Documents, whether pursuant to the Review Procedure or the Consent Procedure or otherwise, or if no comment or objection is made by BC Hydro or BC Hydro's Representative pursuant to the Review Procedure or the Consent Procedure or otherwise:

- (a) such review, approval, inspection, examination, audit, testing, determination, acceptance, certificate, certification, permission, consent, comment or objection, or lack of comment or objection, shall be for assessment by BC Hydro or BC Hydro's Representative of general compliance by Project Co with its obligations under this Agreement or the other Project Documents only;
- (b) notwithstanding any other provisions of this Agreement, no such review, approval, inspection, examination, audit, testing, determination, acceptance, certificate, certification, permission, consent, comment or objection, or lack of comment or objection, now or in the future, and whether or not involving any negligent act or negligent omission or error on the part of BC Hydro or BC Hydro's Representative or any person for whom BC Hydro is in law responsible:

- (i) shall relieve or exempt or be deemed to relieve or exempt Project Co or any other person for whom Project Co is in law responsible from any of its obligations and liabilities under this Agreement or any other BC Hydro Project Document or at law or in equity;
 - (ii) shall constitute a waiver or release or be deemed to be a waiver or release by BC Hydro of any duty or liability owed by Project Co or any other person to BC Hydro, or of any indemnity given by Project Co to BC Hydro under this Agreement or any other BC Hydro Project Document;
 - (iii) shall create or impose or be deemed to create or impose any requirement, liability, covenant, agreement or obligation on BC Hydro; or
 - (iv) shall entitle or be deemed to entitle Project Co to make any Claim against BC Hydro for, or to recover from BC Hydro, any Losses, except to the extent Project Co is entitled to recover Direct Losses as a result of the occurrence of a Compensation Event; and
- (c) any decision so made by BC Hydro's Representative under the Review Procedure or the Consent Procedure shall, once all applicable disputes arising in respect thereof have been resolved in accordance with this Schedule 2 [*Review Procedure, Consent Procedure and Other Submittals*], be final, subject only to being opened up, reviewed or revised by BC Hydro in its discretion if errors or further relevant facts are revealed after the decision has been made.

At the request of BC Hydro's Representative from time to time, Project Co shall obtain from the Key Individuals and any other person identified by BC Hydro, acting reasonably, prior to any such party carrying out any part of the Project Work, waivers of liability substantially on the terms of this Section 12 [*Review, Approval, Inspection and Audit by BC Hydro*] of this Schedule 2 [*Review Procedure, Consent Procedure and Other Submittals*] in favour of BC Hydro and BC Hydro's Representative and in form and substance satisfactory to BC Hydro.