

Bioenergy Call Phase I

Proponent Workshop
Wednesday, May 28, 2008

Bioenergy RFP

(Phase 1)

Introduction

Martin Kincade
Power Acquisitions



- Morning break at 10:00 for 15 minutes
- Meeting ends at 12:00
- Washrooms
- Exits
- Electronics off or in “quiet” mode
- Handouts of key presentation material are available

- Assist proponents in preparing high quality submissions
- Review proposal submissions requirements
- Desired outcome is that proposal submissions be in a form that could be accepted by BC Hydro with no modification
- This session is not intended to replace a thorough reading & understanding of the RFP documents
- Keep in mind that compliance with RFP requirements is an evaluation criteria

Today's Agenda

8:00 – 8:15	Registration & Coffee	
8:15 – 8:45	Welcome & Introduction	<i>Martin Kincade</i>
8:45 – 9:15	Fuel Plan Expectations	<i>Rob Schuetz</i>
9:15 – 9:45	EPA Overview	<i>Paul Lowry</i>
9:45 – 10:00	Questions	
10:00 – 10:15	Coffee Break	
10:15 – 10:45	Commercial Proposal Overview	<i>Bill Peterson</i>
10:45 – 11:30	Sample Calculations	<i>Judy Baum</i>
11:30 – 11:45	Questions	
11:45 – 12:00	Post Submission Process & Wrap-up	<i>Martin Kincade</i>

- The Bioenergy Call is an RFP process, allowing greater flexibility
 - Eligibility criteria are not negotiable
 - Specimen EPA represents BC Hydro's preferred terms & conditions
- Variations to the Specimen EPA will be considered
 - Should represent changes that are “essential” to your project, or
 - Should represent potential value to BC Hydro
 - There are a limited number of key provisions of the EPA for which BC Hydro does not intend to consider variations
- BC Hydro has reserved the right to conduct discussions or negotiations with Proponents
 - Discussion or negotiations will be very focused and will be constrained by the RFP schedule
- Finding the correct balance between proposed variations and conforming to the Specimen EPA will be important

BC Hydro's intent is to conduct a fair procurement process

- Collusion between or among Proponents is strictly prohibited
- Proponents should not lobby BC Hydro directors, officers or employees, or government in an effort to influence the outcome of the process
- Proponents should include a Ownership/Personnel/Consultant Disclosure form with their Proposal
- Proponents should respect the terms of the Confidentiality Agreement required to be submitted with the Proposal, and refrain from unauthorized disclosures relative to any post-submission discussions that may occur
- Review the BC Hydro Code of Conduct posted to the RFP Website and note that certain relationships with BC Hydro officers, directors and employees must be disclosed

Bioenergy RFP
(Phase 1)
Fuel Plan
Expectations

Rob Schuetz



The Fuel Plan is intended to address the following key questions:

- What is the probable fuel availability?
- What are the potential impacts of Fuel on the project development and energy delivery risk?
- Will the project increase utilization of existing wood residuals?
- Is there a plan minimize or mitigate adverse impacts on existing productive uses of Forest-based biomass?

- Follow the numbering system and the headings set out in the Fuel Plan instructions
- Required Tables:
 - Schedule A (Category A, B and C Fuels)
 - Schedule B (Biomass versus Non-biomass Fuel)
- All additional information is requested in reference to and support of Schedules A and B

- Self-source -- Third-party source -- Alternative supplies
 - Geographic location
 - Suppliers and/or Operating areas
 - Short (1-5 years), mid (6-10 yrs) and long (11+ yrs) fibre security
 - Supply Agreements
 - Fibre flow diagram
 - Estimated delivered fuel cost by Category
- Delivery arrangements
- Other concerns



Be specific....

- Region
- Timber Supply Area(s) / Tree Farm / Private land
- Forest District
- Operating area
- Forest tenure numbers

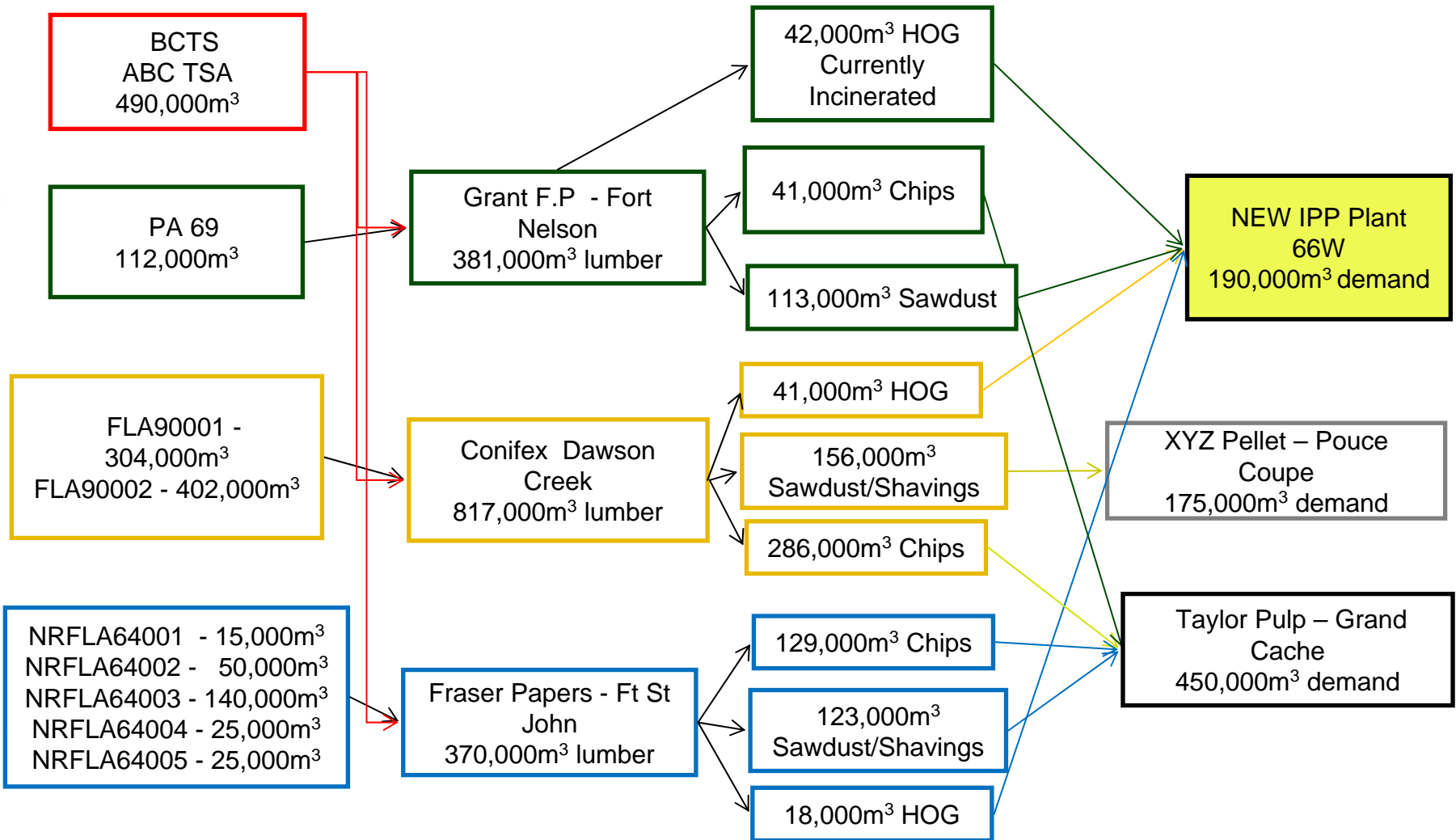
- Forest company(s) holding tenure
- Forest Tenure
 - License number, type, term
 - Apportionment
- Operating Area location
 - (e.g., planning cell / landscape unit)
 - Distance to generating facility
- Estimated regional supply of sawmill residues
 - (e.g. chips, sawdust, shavings, HOG)
- Estimated current regional allocation of sawmill residues



- Current Suppliers / tenure = Short-term security
- Long-term security?

- TSA / TFL allowable annual cut (AAC)
- Forecast change in AAC
- Future partitioned harvest
- Gross volume of dead biomass in operating area(s)
- *Estimated available* volume of biomass after consideration for:
 - Timber Harvesting Land Base net-down
 - Biodiversity objectives
 - Adjacency
 - Visual quality, wildlife habitat and other resource objectives

Fibre Flow (supply-demand) Diagram



Discussion on viable alternate biomass fuel supplies that may be available for access should contracted forest-based biomass suppliers fail to perform.

Append to Fuel Plan as Exhibits:

- Executed letters of intent
- Preliminary commitments
- Executed final agreements

- Average haul distance
- Average cycle time
- Loads per year
- Average delivered fuel cost (by fuel category)
- Scaling considerations
- Load-out facilities, storage considerations, seasonal delivery fluctuations

- Road User agreements
- Legislated requirements
- Operating areas
- Other tenure holders
- Biodiversity

- Rationale supporting proposed Auxiliary Fuel usage (e.g., HOG Press)
- Discussion on risks of proposed fuel plan on other residual biomass users (e.g., pulp mills, pellets, livestock bedding, board plants)
- Conversion factors and operating assumptions e.g.:
 - Species profile
 - Green/wet metric tonnes per BDT
 - Green cubic metres per BDT
 - Average moisture content of fibre
 - Kilograms per cubic metre of logs
 - BDT per MWh
 - Highway vs. off-highway haul

Bioenergy RFP (Phase 1) Electricity Purchase Agreement Overview

Paul Lowry



- Highlights of the base Specimen EPA
- How will the base Specimen EPA be adapted to suit specific Projects?
- Generic – Adaptations Schedule
- Project-Specific – Variations Proposal

- Regulatory Condition
- Plant Changes
- Firm Energy Profile Changes
- Authorized Planned Outages
- Fuel Plan Updates and Compliance
- Environmental Attributes

- Customer Projects
- Existing (Continuing) EPAs with BC Hydro
- Seasonally Firm Energy Profile
- Phased Projects
- Distribution-connected Projects
- Alternate Seller Entities (e.g., JVs, partnerships, etc.)

- Essential Variations
- Value Variations
- Pricing Value Variations
- BC Hydro-proposed Variations

- Firm Energy and Non-Firm Energy pricing structure/options
- Liquidated damages
- Limitations/exclusions of liability
- Treatment of system freshet energy
- Maximum “firmness” period (i.e., seasonal)
- Performance/Interconnection Securities

- Be clear and specific (e.g., redlined version of EPA)
- Distinguish “Essential” (non optional) from “Value” (optional)
- Briefly indicate reason/need for/benefit of Variation
- Price “Value Variations”, if appropriate
- Consider a turn down Value Variation – include operating constraints
- Respect the “No Go Zones”

Bioenergy RFP

(Phase 1)

Commercial

Proposal

Bill Peterson

Power Acquisitions



- Purpose of the Commercial Proposal
 - To set out the Proponent's offered pricing and other commercial terms for the Proposal being submitted to the Bioenergy RFP (Phase 1)
 - Provides the data needed to complete the quantitative evaluation, and to fill in some of the blanks in the EPA (if awarded)
- Some data is REQUIRED, and some is OPTIONAL
- Some data to be entered by selecting values from drop-down menus, other data to be entered directly into form fields
- Each Commercial Proposal needs to be uniquely identified at the top of the first page by adding (1) the name of the Proponent, and (2) the name of the Project
- The following slides will walk through the Non-Price and Price Commercial Terms, in item# order

Item #1 Product (REQUIRED)

- Select the type of firm energy being offered
- Choices are “hourly Firm Energy”, or “seasonally Firm Energy”
 - Choices are mutually exclusive
- If “hourly Firm Energy” is selected, then need to complete an Hourly Firm Energy profile (item #14) which becomes Appendix 2 of the EPA
- If “seasonally Firm Energy” is selected, then need to complete a Seasonally Firm Energy profile (item #15) which becomes Appendix 2 of the EPA
- If item left “blank”, selection is deemed to be “hourly Firm Energy”
- Note that the Specimen EPA is designed for “hourly Firm Energy”
 - Refer to the Specimen EPA Adaptations Schedule to see how the Specimen EPA will be changed to accommodate Proposals offering “seasonally Firm Energy”

Item #2 Project Type (REQUIRED)

- Select the type of project being proposed
- Choices are “IPP Project”, or “Customer Project”
- If “Customer Project” is selected for Project Type AND if “hourly Firm Energy” is selected for Product (item #1), then need to complete an Hourly Generation Baseline profile (item #16)
- If “Customer Project” is selected for Project Type AND if “seasonally Firm Energy” is selected for Product (item #1), then need to complete a Seasonal Generation Baseline profile (item #17)
- If “Customer Project” is selected for Project Type AND if Project consumes Auxiliary Fuel, then need to complete an Auxiliary Fuel Annual Baseline (item #13)
- Note that the Specimen EPA is designed for an “IPP Project” type
 - Refer to the Specimen EPA Adaptations Schedule to see how the Specimen EPA will be changed to accommodate “Customer Project” types

Item #3 Interconnection System (REQUIRED)

- Select the system to which the Project will be interconnected
- Choices are “Distribution System”, “Transmission System”, or “FortisBC System”
- Choice needs to be consistent with the Project’s POI in the initial interconnection study agreement (or the initial interconnection study report, if available)
- Note that the Specimen EPA is designed for Projects interconnected to the “Transmission System”
 - Refer to the Specimen EPA Adaptations Schedule to see how the Specimen EPA will be changed to accommodate Projects interconnected to the “Distribution System” or to the “FortisBC System”

Item #4 Existing BC Hydro EPA (REQUIRED)

- Indicate whether or not any portion of the electricity from the Project is subject to an existing EPA with BC Hydro that will be in force on or after the Guaranteed COD (item #6)
- Choices are “Yes” or “No”
- Note that the Specimen EPA is designed for Projects without any existing EPA with BC Hydro (i.e., that continues for any part of the Post-COD Term of an EPA awarded under this RFP)
 - Refer to the Specimen EPA Adaptations Schedule to see how the Specimen EPA will be changed to accommodate Projects with an existing EPA with BC Hydro that continues after the Guaranteed COD

Item #5 Proponent Entity (REQUIRED)

- Indicate whether the Proponent is a single corporation or other entity (such as a JV, limited partnership, etc)
- Choices are “Single Corporation” or “Other”
- Note that the Specimen EPA is designed for a Proponent that is a “Single Corporation”
 - Refer to the Specimen EPA Adaptations Schedule to see how the Specimen EPA will be changed to accommodate a Proponent that is not a “Single Corporation”

Item #6 Guaranteed COD (REQUIRED)

- Select the 'month' and 'year' of the offered Guaranteed COD (GCOD)
- The 'day' of the GCOD will be the first day of the offered month
- GCOD should be no later than November 1, 2012
- Date entered here will form part of the definition for GCOD in Appendix 1 of the EPA

Item #7 Phased Project (OPTIONAL)

- A Proponent may elect to bring the Project into service in phases
- If so, indicate the total number of phases AND the in-service date (month and year) for each phase
- In-service date of each phase will be deemed to be on the first day of the offered month
- Maximum of 8 phases in total (2 per year, at least 90 days apart)
- The last phase must be the same as the GCOD (item #6)
- The last phase should be no later than November 1, 2012
- Refer to Addendum 8 for more details on Phased Projects
- Note that the Specimen EPA is designed for Projects that are not phased
 - Refer to the Specimen EPA Adaptations Schedule to see how the Specimen EPA will be changed to accommodate a Phased Project

Item #8 Post-COD Term (REQUIRED)

- Indicate the number of years from the GCOD to the end of the Term
- Integers only
- Post-COD Term should be ≥ 5 years, ≤ 20 years
- Number entered here will form part of Section 2.1 of the EPA

Item #9 Firm Energy Price (REQUIRED)

- Indicate the offered Firm Energy Price (FEP)
- Expressed in January 1, 2008 constant dollars
- Applies for the entire Post-COD Term (item #8) to deliveries of Firm Energy
- FEP subject to escalation as determined by the parameters entered in Escalation (item #10), and subject to the appropriate TDFs, as per Sections 3.1 and 3.2 of Appendix 3 of the EPA

Item #9 Firm Energy Price (REQUIRED) (cont'd)

- FEP subject to adjustment for any Cost of Interconnection Security (item #12)
 - FEP should exclude any allowance for the Cost of Interconnection Security
- FEP subject to adjustment for any Value Variations accepted by BC Hydro (items #18 and #19), but not adjusted for any Essential Variations
 - FEP should exclude any allowance for Value Variations
 - FEP should include an allowance for any Essential Variations
- Value entered here will form part of Section 3.1 of Appendix 3 of the EPA

Item #10 Escalation (REQUIRED)

- Indicate the % of the FEP (item #9) that will be subject to escalation at CPI during the Pre-COD period
 - Starting on January 1, 2008
 - Ending on the first day of the month in which the earlier of GCOD (item #6) and COD occurs
 - For example, if GCOD is July 1, 2010 and actual COD is June 17, 2010, then the Pre-COD escalation will end on June 1, 2010
- Indicate the % of the FEP that will be subject to escalation at CPI during the Post-COD period
 - Starting on the date when the Pre-COD escalation ends
 - Ending on the expiry of the Term

Item #10 Escalation (REQUIRED) (cont'd)

- Note that the Pre-COD and Post-COD escalations apply to the FEP inclusive of any adjustments for the Cost of Interconnection Security (item #12), and for any Value Variations that may be accepted by BC Hydro (items #18 and 19)
- Pre-COD escalation % should be between 0% and 300%
- Post-COD escalation % should be between 0% and 100%
- %'s entered here will form part of Section 3.2 of Appendix 3 of the EPA

Item #11 Non-Firm Energy Price (REQUIRED)

- Indicate the % of the Non-Firm Energy (NFE) to be priced at Option A (fixed price option), and the % of the NFE to be priced at Option B (market price option)
- Applies for the entire Post-COD Term (item #8) to deliveries of Non-Firm Energy
- Each of the %'s must be between 0% and 100%
- Each of the %'s must be in multiples of 10%

Item #11 Non-Firm Energy Price (REQUIRED) (cont'd)

- The two %'s must add to 100%
- Option A NFE price is subject to CPI escalation, and subject to the appropriate TDFs, as per Sections 3.3 and 3.4 of Appendix 3 of the EPA
- The two %'s entered here will form part of Section 3.3 of Appendix 3 of the EPA
- Note that the NFE pricing example posted on May 15 in Addendum 9 has a 75%/25% split for Option A/Option B, which is not allowed

Item #12 Cost of Interconnection Security (OPTIONAL)

- Proponents are required to provide an Interconnection Security in the form of a letter-of-credit in an amount equal to the cost estimate for Interconnection Network Upgrades (INUs) to be set out in the Final Interconnection Study Report
 - The Final Interconnection Study Report will not be available until after EPA award
- This feature of the Commercial Proposal provides Proponents the opportunity to state, in advance, by how much the FEP (item #9) will be increased for every \$1,000,000 of Interconnection Security provided by the Proponent after EPA award as described above

Item #12 Cost of Interconnection Security (OPTIONAL) (cont'd)

- The FEP should therefore exclude any allowance for the cost of providing the Interconnection Security
- Keep in mind that the Cost of Interconnection Security is subject to escalation as determined by the parameters entered in Escalation (item #10), and subject to the appropriate TDFs, as per Sections 3.1 and 3.2 of Appendix 3 of the EPA
- Value entered here will form part of Section 3.1 of Appendix 3 of the EPA

Item #13 Auxiliary Fuel Annual Baseline (OPTIONAL)

- If “Customer Project” is selected for Project Type (item #2) and if the Project consumes Auxiliary Fuel as defined in the Specimen EPA, the Proponent needs to stipulate an Auxiliary Fuel Annual Baseline (AFAB)
- Expressed in GJ per year
- AFAB should represent total onsite consumption of any Auxiliary Fuel during a 12-month period comparable to the period used to determine annual GBL
- Refer to Addendum 8 for further information about the AFAB
- Note that the Specimen EPA (i.e., for “IPP Project” types) contains a pre-set cap of 3% (by heat content) on Auxiliary Fuel usage, therefore no amount is required to be entered here if “IPP Project” is selected for Project Type

Item #14 Hourly Firm Energy Profile

(REQUIRED FOR HOURLY FIRM PROJECTS)

- If “hourly Firm Energy” is selected for Product (item #1), then complete the Hourly Firm Energy (HFE) profile using the table provided
- Completion guidelines:
 - Units are MWh per hour
 - Assume no leap year (EPA will adjust table for leap years)
 - Assume no planned outages (EPA carves out for LD purposes)
 - Assume HFE volumes are delivered at the POI (e.g., need to factor in losses from generator to POI)
 - Freshet HFE (in MWh) must not exceed 25% of annual HFE (in MWh)
- HFE profile becomes Appendix 2 of the EPA

Item #15 Seasonally Firm Energy Profile

(REQUIRED FOR SEASONALLY FIRM PROJECTS)

- If “seasonally Firm Energy” is selected for Product (item #1), then complete the Seasonally Firm Energy (SFE) profile using the table provided
- Completion guidelines:
 - Units are MWh per season
 - Assume no leap year (EPA will adjust table for leap years)
 - Assume no planned outages (EPA carves out for LD purposes)
 - Assume SFE volumes are delivered at the POI (e.g.,. need to factor in losses from generator to POI)
 - Freshet SFE (in MWh) must not exceed 25% of annual SFE (in MWh)
- SFE profile becomes Appendix 2 of the EPA

Item #16 Hourly Generation Baseline Profile

(REQUIRED FOR HOURLY FIRM CUSTOMER PROJECTS)

- If “hourly Firm Energy” is selected for Product (item #1) AND if “Customer Project” is selected for Project Type (item #2), then complete the Hourly Generation Baseline (HGBL) profile using the table provided
- Completion guidelines:
 - Units are MWh per hour
 - Assume no leap year (EPA will adjust table for leap years)
 - Assume no planned outages (EPA carves out for LD purposes)
 - Assume HGBL volumes are measured at the POI (e.g., need to factor in losses from generator to POI)
 - Annual GBL (in MWh) from HGBL table must reconcile to annual GBL determined by BC Hydro prior to Proposal submission

Item #17 Seasonal Generation Baseline Profile

(REQUIRED FOR SEASONALLY FIRM CUSTOMER PROJECTS)

- If “seasonally Firm Energy” is selected for Product (item #1) AND if “Customer Project” is selected for Project Type (item #2) , then complete the Seasonal Generation Baseline (SGBL) profile using the table provided
- Completion guidelines:
 - Units are MWh per season
 - Assume no leap year (EPA will adjust table for leap years)
 - Assume no planned outages (EPA carves out for LD purposes)
 - Assume SGBL volumes are measured at the POI (e.g.,. need to factor in losses from generator to POI)
 - Annual GBL (in MWh) from SGBL table must reconcile to annual GBL determined by BC Hydro prior to Proposal submission

Item #18 Value Variations Pricing (OPTIONAL)

- Complete this section if the Proponent is submitting a Variations Proposal which includes optional Value Variation(s) for which separate pricing is offered
 - Essential Variations are included in FEP (item #9)
 - Value Variations are not included in FEP
- Value Variations may or may not be accepted by BC Hydro
 - Proponents may stipulate if two or more Value Variations are “co-dependent” or “mutually exclusive”
- Using the table provided, for each Value Variation provide:
 - A brief description, including applicable references to the Specimen EPA
 - The FEP Adjustment, quantified in \$/MWh terms if possible, but other pricing alternatives may be considered
 - A “+” or “-” to indicate whether the FEP Adjustment is to be added or deducted from the FEP

Item #18 Value Variations Pricing (OPTIONAL) (cont'd)

- FEP Adjustments are subject to escalation as determined by the parameters entered in Escalation (item #10), and subject to the appropriate TDFs, as per Sections 3.1 and 3.2 of Appendix 3 of the EPA
- As part of an optional Variations Proposal, Proponents are required to submit detailed wording changes to the Specimen EPA that fully accommodate each Essential Variation and/or Value Variation
- Refer to Addendum 5 for more information about Variations

Item #19 Turn Down Provisions (OPTIONAL)

- Complete this section if the Proponent is submitting a Variations Proposal that includes turn down provisions
- Treat as a Value Variation
- In a suitable format determined by the Proponent, provide sufficient details to allow BC Hydro to assess the value of the turn down provision, including:
 - Pricing
 - Avoided costs, fixed and variable
 - Incurred costs, fixed and variable
 - etc
 - Operating constraints
 - Min/max turndown output, duration and frequency
 - Notice requirements
 - Ramp rates
 - Steam host constraints
 - etc
 - Detailed wording changes to the Specimen EPA

In summary, the Specimen EPA is designed for a Commercial Proposal that has been completed as follows:

- Firm Energy Product (item #1) is “hourly Firm Energy”
- Project Type (item #2) is “IPP Project”
- Interconnection System (item #3) is “Transmission System”
- Existing BC Hydro EPA (item #4) is “No”
- Proponent Entity (item #5) is “Single Corporation”
- Number of phases (item #7) is “0”

- BC Hydro will provide EPA language to short-listed Proponents for the other options available for these items, to the extent required
 - The Specimen EPA Adaptations Schedule (Addendum 8) provides some guidance on what changes will be required to the Specimen EPA to accommodate these other options
- Proponent to propose EPA language for any Variations submitted, as part of a Variations Proposal
- Commercial Proposal needs to be signed by the Proponent, on the last page of the document
- Questions?

**Bioenergy Call RFP
(Phase I)
Computation Model**

**Judy Baum
Power Acquisitions**



- Purpose of model is to assist Proponents with the calculation of energy prices, allocation of energy for billing purposes, and calculation of liquidated damages
- Two versions of the computation model
 - Hourly Firm Projects
 - Seasonally Firm Projects
- Each version comprises of six worksheets
 - Commercial Proposal
 - EPA Data
 - Data Input
 - Energy Price Calculation
 - Energy Allocation and Payments
 - LD Amounts

- Commercial Proposal worksheet is a duplication of the Commercial Proposal to be submitted by the Proponent on June 10th
- EPA Data worksheet contains information extracted from the Specimen EPA
 - Time of delivery factors
 - Hourly firm energy credits
 - Hours in each of the 36 delivery periods
 - Fixed annual prices for non-firm energy pricing option A
- Data Input worksheet
 - BC CPI
 - Bank of Canada currency exchange rate
 - Monthly on-peak and off-peak Mid-C prices

- Seller to submit a price for hourly firm energy (Jan 1, 2008 dollars) including a cost for interconnection security
- Price Escalation
 - Pre-COD: 0% to 300% of firm energy price to be escalated by BC CPI
 - Post-COD: 0% to 100% of firm energy price to be escalated by BC CPI
- Firm Energy Price = contractual firm energy price, escalated as elected by Seller and adjusted by a delivery time factor

❖ Option A: Fixed Price

- Set of pre-determined annual prices (Jan 1, 2008 dollars)
- Prices escalated at BC CPI commencing Jan 1, 2008
- Escalated price is adjusted by time of delivery factors
- Further adjustment for transmission losses from plant gate to Lower Mainland

❖ Option B: Floating Price

➤ Lesser of:

- 1) average of the daily Mid-C non-firm prices for the applicable daily delivery period in the month, and
- 2) \$250/MWh, escalated at BC CPI from Jan 1, 2008

➤ Adjustment for transmission losses from plant gate to Lower Mainland

- ❖ Firm and non-firm energy is calculated on an hourly basis
- ❖ Firm energy is the lesser of metered energy and hourly firm energy commitment (HFE)
- ❖ Non-firm energy is the difference between metered energy and HFE when meter energy is greater than HFE
- ❖ Delivery shortfall occurs when metered energy is less than HFE

- ❖ Firm and non-firm energy is calculated at the end of a season
- ❖ The established seasonal firm to non-firm energy ratio is used to allocate energy delivered during each of the 9 delivery periods in a season
- ❖ Actual payment is based on this allocation methodology
- ❖ Interim monthly payment assumes firm energy from the seasonally firm energy delivery profile is delivered equally amongst the three months comprising the season
- ❖ Any delivered energy in excess of one-third of the seasonally firm energy is paid in the Non-Firm Option A price at the end of each month
- ❖ Reconciliation of seasonal payment and sum of monthly payments occurs at the end of each season

- ❖ Delivery shortfall is computed on an hourly basis
- ❖ Liquidated damages payment for delivery shortfall is calculated by multiplying the LD Factor by the hourly delivery shortfall, and adjusting the replacement energy back to the plant gate
- ❖ LD Factor is the greater
 - \$5.00/MWh, escalated, and
 - $\text{Mid-C Price less } [(\text{escalated contract price} * \text{TDF}) / (1 - \text{losses}) - \text{Hourly Firm Credit, escalated}]$
- ❖ Mid-C Price means
 - off-peak hours – daily Dow Jones Mid-C firm off-peak price index
 - peak hours – daily Dow Jones Mid-C firm on-peak price index multiplied by the peak TDF divided by the on-peak TDF
 - super-peak hours – daily Dow Jones Mid-C firm on-peak price index multiplied by the super-peak TDF divided by the on-peak TDF

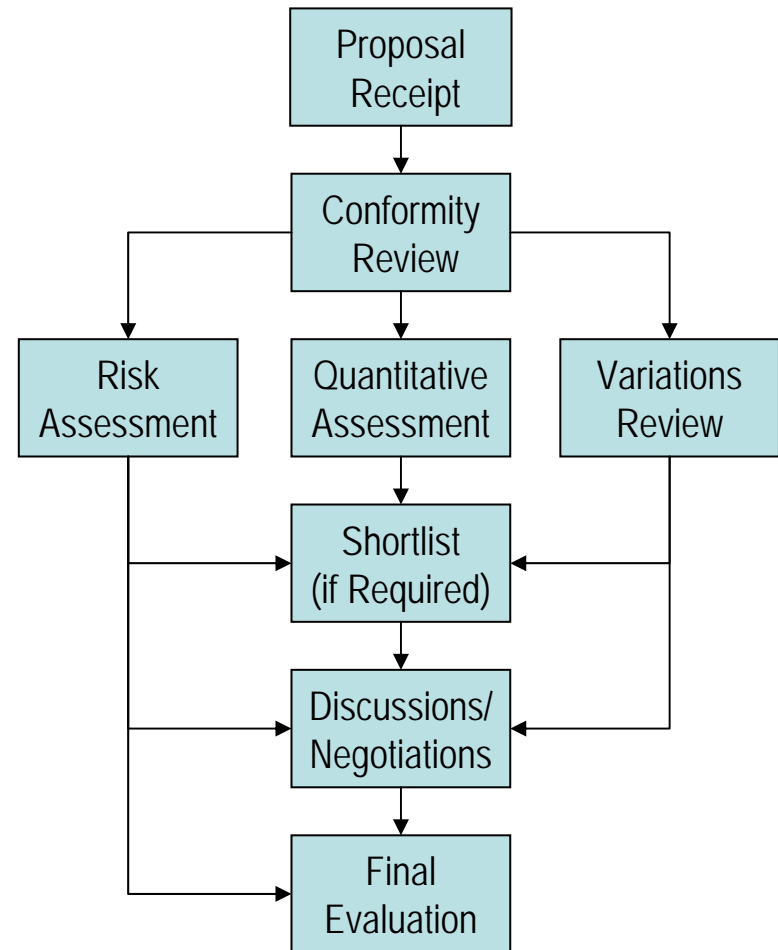
- ❖ Delivery shortfall is computed on a seasonal basis
- ❖ Liquidated damages payment for delivery shortfall is calculated by multiplying the LD Factor by the seasonal delivery shortfall, and adjusting the replacement energy back to the plant gate
- ❖ LD Factor is the greater
 - \$5.00/MWh, escalated, and
 - Seasonal Mid-C Price less $[(\text{escalated FEP} * \text{seasonally TDF}) / (1 - \text{losses})]$
- ❖ Seasonal Mid-C Price is the time-weighted average of the average Mid-C firm on-peak and off-peak price indices for the season
- ❖ Seasonal TDF is the time-weighted average of the applicable TDFs for the season

**Bioenergy RFP
(Phase 1)
Post Submission
Process & Wrap-up**

**Martin Kincade
Power Acquisitions**



- After submission are received, BCH will conduct a conformity & completeness review
- Separate teams will evaluate key areas of proposals
- Risk Assessment includes fuel plan, FN, financial & construction/permitting review
- Shortlist is at BC Hydro's discretion
- Price & Fuel plan will form main criteria for shortlist, but potential "showstoppers" in other areas will be considered
- Post proposal discussions/negotiations will be at BC Hydro's discretion
- Review/Short List: 4 weeks
- Discussion/Negotiation: 10-12 weeks
- Final Evaluation/Approvals: 4 weeks



- Limit proposals to “Eligible Projects”
- Proponents should make every effort to be compliant with the RFP requirements and use the forms provided
- Proposed variations should be very specific and be limited to matters of real significance
- Proponents should not count on a meeting with BC Hydro to clarify or discuss their submission – the proposal should stand on it’s own

Proposals Submitted Late Will Not Be Considered