

**BC HYDRO
BIOENERGY CALL FOR POWER – PHASE I**

ELECTRICITY PURCHASE AGREEMENT TERM SHEET

Issued February 29, 2008

The following summarizes key terms of the base case Electricity Purchase Agreement (“EPA”). In this Term Sheet, the term “Seller’s plant” refers to Seller’s new and/or existing facilities and equipment associated with the generation of energy to be supplied under the EPA, including, in the case of a Customer Project, associated with the generation of its GBL.

- Parties:** BC Hydro
Project Proponent (Seller)
- Regulatory Condition:** Subject to EPA being accepted for filing by the British Columbia Utilities Commission (“BCUC”) as an energy supply contract under section 71 of the Utilities Commission Act either without conditions or subject to conditions that do not (i) require as a condition of acceptance for filing a material alteration to any material term or condition of the EPA or (ii) otherwise have an adverse effect on the party seeking to terminate the EPA. This condition to be satisfied within 120 days after EPA filing with the BCUC. Both parties to support filing application. Failure of condition gives both parties right to terminate EPA, without liability (except for failure to support filing application, which will be subject to liquidated damages in the amount of \$2.50/MWh multiplied by the annual firm energy amount proposed by Seller). If BC Hydro terminates the EPA based on conditions in the BCUC order, BC Hydro will reimburse Seller for any interconnection study fees incurred by Seller after execution of the EPA.
- Term:** Initial term 5 to 20 years from COD as elected by Seller (in whole years only).
- Commercial Operation Date:**
- Guaranteed COD, as proposed by Seller, no later than November 1, 2012.
 - BC Hydro or Seller may postpone guaranteed COD based on estimated date for completion of interconnection facilities as set out in final interconnection study after execution of the EPA. Notice of postponement must be delivered within 30 days after receipt of final interconnection study.
 - Seller may achieve COD no earlier than 90 days prior to guaranteed COD except with BC Hydro consent, such consent not to be unreasonably withheld.

- COD achieved when:
 - All material permits issued,
 - 72-hour operating test achieved (see below for further detail),
 - Compliance with all applicable interconnection requirements, and
 - Seller not bankrupt, insolvent or in material default under EPA, interconnection agreements or material permits.
- 72-hour operating test will require that the Seller's plant operate:
 - for IPP Projects, for 72 continuous hours at 90% of the Seller's plant capacity; and
 - for Customer Projects, for 72 continuous hours at average hourly GBL plus 90% of Seller's highest Post-COD firm energy delivery commitment in each of the three daily delivery periods (i.e., Off-Peak, Peak and Super Peak).

Product:

- Firm Energy: Seller to deliver hourly firm energy. The total firm energy during system freshet (May 1 to July 31) may not exceed one-quarter of the total annual firm energy proposed.
- Non-Firm Energy: Seller may deliver additional energy as non-firm energy, subject to the Seller's Plant capacity constraints under the EPA (see "Firm Energy/Plant Capacity Adjustments").
- Auxiliary Fuel: Annual consumption of Auxiliary Fuel not to exceed the Auxiliary Fuel Base Line, as approved by BC Hydro before Proposal submission.
- Non-Incremental Energy: BC Hydro will not be obliged to take or pay for energy under this EPA up to Customer's GBL, or up to an IPP's existing generation, at the facility at which energy will be delivered under this EPA, in each case applied on an hourly basis.

Delivery Point:

Point of interconnection with transmission or distribution system. Title and risk to energy passes at point of delivery.

Firm Energy/Plant Capacity Adjustments:

- Seller to have one-time right to increase/decrease plant capacity prior to COD by the greater of (i) +/- 1 MW and (ii) +/- 10%. All other changes in plant capacity require BC Hydro consent. “Network upgrades” refer to both interconnection and transmission network upgrades. Seller responsible for all direct assignment (also referred to as Transmission Provider Interconnection Facilities for T-connected projects) and network upgrade costs associated with the change in plant capacity. Seller also responsible for any incremental direct assignment and network upgrade costs suffered or incurred by BC Hydro with respect to any other project as a result of a change in the plant capacity.
- Seller to have the right prior to first anniversary of COD to adjust the annual firm energy quantity by +/-10% for each of the peak hours, super-peak hours and off-peak hours in each month, with no payment or price adjustment and without consent of BC Hydro, provided that: (i) after the adjustment, the firm energy during system freshet does not exceed one-quarter of the total annual firm energy; and (ii) Seller provides additional performance security as required with respect to an increase in the firm energy quantity.

Pre-COD Generation:

Seller may sell all generation to third parties (including Powerex) until the earlier of COD and guaranteed COD.

BC Hydro will pay \$50/MWh for energy delivered during a successful 72-hour COD test. No other payment for pre-COD energy.

Post COD Pricing:

Firm Energy Price: Firm energy price, escalated as elected by Seller, and adjusted by the following delivery time table:

| | Off-Peak | Peak | Super Peak |
|-----|----------|------|------------|
| Jan | 105% | 122% | 141% |
| Feb | 101% | 113% | 124% |
| Mar | 99% | 112% | 124% |
| Apr | 85% | 95% | 104% |
| May | 70% | 82% | 90% |
| Jun | 69% | 81% | 87% |
| Jul | 79% | 96% | 105% |
| Aug | 86% | 101% | 110% |
| Sep | 91% | 107% | 116% |
| Oct | 93% | 112% | 127% |
| Nov | 99% | 112% | 129% |
| Dec | 104% | 120% | 142% |

[The above Table provides indicative percentages only. The Table is subject to change prior to or at issue of the Specimen EPA.]

“Peak Hours” means the hours commencing at 06:00 Pacific time and ending at 22:00 Pacific time Monday through Saturday inclusive, but excluding the hours from 16:00 to 20:00 Pacific time and excluding British Columbia statutory holidays.

“Super Peak Hours” means the hours commencing at 16:00 Pacific time and ending at 20:00 Pacific time Monday through Saturday inclusive but excluding British Columbia statutory holidays.

“Off-Peak Hours” means all hours other than Peak Hours and Super Peak Hours.

Escalation: Seller can elect:

- 0 to 300% of firm energy price to escalate at CPI from January 1, 2008 to the earlier of (i) COD and (ii) guaranteed COD.
- 0 to 50% of firm energy price to escalate at CPI from and after the earlier of (i) COD and (ii) guaranteed COD.

Non-Firm Energy: As elected by Seller from the following options:

- Option (A): A fixed dollar amount for each year of the EPA term as set out in Schedule A to this term sheet, with each such amount escalated at CPI from January 1, 2008, less line losses from the point of interconnection to Lower Mainland, and adjusted for time of delivery in accordance with the time of delivery table set out above; or

- Option (B):
 - for non-firm energy delivered during Off-Peak Hours, the lesser of (i) the average mid-C non-firm price during Off-Peak Hours for the month; and (ii) \$250/MWh, escalating at CPI from January 1, 2008. Line losses from the point of interconnection to Lower Mainland will be deducted. No amount will be payable if average mid-C price is less than zero; and
 - for non-firm energy delivered during Peak Hours, the lesser of (i) the average mid-C non-firm price during On-Peak Hours for the month multiplied by the quotient of the Peak delivery time factor for the month divided by the On-Peak delivery time factor for the month; and (ii) \$250/MWh, escalating at CPI from January 1, 2008. Line losses from the point of interconnection to Lower Mainland will be deducted. No amount will be payable if average mid-C price is less than zero. See below for definition of “On-Peak Hours” and a table of delivery time factors.
 - for non-firm energy delivered during Super Peak Hours, the lesser of (i) the average mid-C non-firm price during On-Peak Hours for the month multiplied by the quotient of the Super Peak delivery time factor for the month divided by the On-Peak delivery time factor for the month; and (ii) \$250/MWh, escalating at CPI from January 1, 2008. Line losses from the point of interconnection to Lower Mainland will be deducted. No amount will be payable if average mid-C price is less than zero.
 - “On-Peak Hours” means the hours commencing at 06:00 Pacific time and ending at 22:00 Pacific time Monday through Saturday inclusive, but excluding British Columbia statutory holidays.

| Delivery Time Factors | Peak | Super Peak | On-Peak |
|-----------------------|------|------------|---------|
| Jan | 122% | 141% | 127% |
| Feb | 113% | 124% | 116% |
| Mar | 112% | 124% | 115% |
| Apr | 95% | 104% | 97% |
| May | 82% | 90% | 84% |
| Jun | 81% | 87% | 82% |
| Jul | 96% | 105% | 99% |

| Delivery Time Factors | Peak | Super Peak | On-Peak |
|-----------------------|------|------------|---------|
| Aug | 101% | 110% | 103% |
| Sep | 107% | 116% | 109% |
| Oct | 112% | 127% | 116% |
| Nov | 112% | 129% | 116% |
| Dec | 120% | 142% | 126% |

- Seller may elect to have 0% to 100% (in 10% increments) of the non-firm energy priced according to Option A above with the remainder of the non-firm energy priced according to Option B above.

Flow Throughs: No flow through or other charges.

Excess Auxiliary Fuel – Annual True-up: If in any contract year Seller’s consumption of Auxiliary Fuel exceeds the Auxiliary Fuel Base Line, as approved by BC Hydro before Proposal submission, then a determination will be made of the aggregate energy generated and sold to BC Hydro during that contract year that is attributable to such excess Auxiliary Fuel and BC Hydro will be entitled to a credit equal to the price paid for such energy (using the firm energy price), which shall be repaid to BC Hydro or may be set-off against payments otherwise becoming due under the EPA. The methodology for determining the credit amount will be specified in the EPA.

Environmental Attributes:

- No requirement for EcoLogo^M certification except to the extent certification is required for the energy from the Seller’s plant to be considered BC clean energy to the extent required in the RFP. If certification is required for the energy to be considered BC clean energy, Seller pays certification costs.
- Seller to transfer environmental attributes to BC Hydro.
- BC Hydro can require Seller to obtain EcoLogo^M certification at BC Hydro’s cost.

Payment Terms:

Monthly. Set off and netting applies. Interest on all overdue accounts at bank prime plus 2%. Proposal price does not include GST.

Performance Security and Interconnection Security:

Seller to provide performance security at the time of EPA signing in the amount of \$2.50/MWh multiplied by annual firm energy as set out in the energy profile filed by Seller in the RFP.

Within 15 days after the date of expiry of Seller's right to terminate for failure to obtain material permits, performance security amount to be increased to \$8.00/MWh multiplied by the annual firm energy.

On the first anniversary of COD, performance security amount reduced to \$6.00/MWh (adjusted for CPI from January 1, 2008) multiplied by the annual firm energy.

At the end of each 5 year period during the EPA term with the first such period commencing on the first anniversary of COD, if the cumulative firm energy delivered since the first anniversary of COD averages at least 95% of the annual firm energy amount for the next succeeding 5 year period, the performance security for the next 5 year period will be \$4.00/MWh (adjusted for CPI from January 1, 2008). If the cumulative firm energy delivered since the first anniversary of COD averages less than 95% of the annual firm energy amount for the next succeeding 5 year period, then the performance security for the next 5 year period will be \$6.00/MWh (adjusted for CPI from January 1, 2008). For the purposes of the foregoing calculation, the amount of energy Seller can demonstrate could have been generated and delivered but for force majeure events, authorized planned outages or other events specified in the EPA that excuse Seller from its delivery obligation will be included in the "firm energy delivered" for purposes of the foregoing calculation.

Seller to provide a separate interconnection security to BC Hydro in the amount of the estimated interconnection costs as set out in the Feasibility Interconnection Study by BCTC or the Preliminary Interconnection Study by BC Hydro multiplied by a factor of 1.5. Interconnection security to be delivered to BC Hydro prior to Seller entering into any interconnection or facilities agreement with BCTC or BC Hydro. Interconnection security to be returned to Seller on the earlier of the fifth anniversary of COD or the end of the 12-month period in which Seller has delivered 95% of the firm energy volume for that 12 month period (excluding energy that could not be delivered due to force majeure and other events specified in the EPA that excuse Seller from its delivery obligation), as notified by Seller and verified by the meter readings for that 12-month period. If the EPA is terminated prior to the date specified for the return of the interconnection security for any reason other than BC Hydro default, Seller to pay interconnection costs for the Seller's plant incurred to the date of termination and any incremental network upgrade costs associated with other projects arising from termination of the EPA not exceeding the amount of the interconnection security. BC Hydro entitled to draw on the interconnection security for those costs if Seller fails to pay.

Performance security and interconnection security to be in prescribed letter of credit form from a qualifying financial institution. Performance security to be replenished if called.

Liquidated Damages:

Delivery Shortfalls: From and after the first anniversary of COD, subject only to force majeure and authorized planned outages, liquidated damages payable on an hourly basis for delivery shortfalls in firm energy.

Amount of liquidated damages is the greater of: (i) market price less the EPA firm energy price (adjusted to reflect differences in product attributes and contractual terms and conditions) and (ii) \$5.00 (adjusted annually for CPI from January 1, 2008) for each MWh of shortfall.

Except only in the case of deliberate breach by Seller, annual aggregate liquidated damages capped at 200% of then current performance security amount.

COD Delay: Subject only to delays caused by force majeure, if COD does not occur on or before guaranteed COD, Seller to pay liquidated damages calculated in the same manner as delivery shortfall LDs from guaranteed COD until BC Hydro's right to terminate for Seller's failure to achieve COD arises.

Delay in Network Upgrades:

D-Connected Projects: If Seller can not achieve COD by guaranteed COD (as adjusted following completion of detailed interconnection studies) solely as a result of a delay in direct assignment facilities or network upgrades and such delay is caused by BC Hydro or BCTC in whole or in part, BC Hydro to pay post-COD price for energy that could have been generated and delivered by the Seller's plant from and after guaranteed COD but for the delay in completion of the direct assignment facilities and/or network upgrades to the extent BC Hydro or BCTC caused such delay. Costs avoided or that reasonably could have been avoided by Seller will be deducted from the amount payable by BC Hydro.

T-Connected Projects: BC Hydro will have no liability for delays in Transmission Provider Interconnection Facilities or interconnection network upgrades. If Seller can not achieve COD by guaranteed COD (as adjusted following completion of detailed interconnection studies) solely as a result of a delay in transmission network upgrades and such delay is caused by BC Hydro or BCTC in whole or in part, BC Hydro to pay post-COD price for energy that could have been generated and delivered by the Seller's plant from and after guaranteed COD but for the delay in completion of the transmission network upgrades to the extent BC Hydro or BCTC caused such delay. Costs avoided or that reasonably could have been avoided by Seller will be deducted from the amount payable by BC Hydro.

For both D-connected projects and T-connected projects, there will be no payments to Seller if delays are attributable to any reason other than as set out above including, for greater certainty, delays that are caused by events beyond the control of BC Hydro or BCTC.

For both D-connected projects and T-connected projects, where BC Hydro is required to make payments as set out above:

- Seller will be required to satisfy all COD requirements within 30 days after direct assignment facilities and network upgrades are complete. If the Seller's plant does not satisfy the requirements for COD within that 30 day period, Seller to repay all amounts paid by BC Hydro pursuant to the provisions described above.
- if the Seller's plant satisfies all COD requirements within 30 days after direct assignment facilities and network upgrades are complete, COD will be deemed to have occurred on the guaranteed COD.

Delay in completion of interconnection facilities that is beyond the control of Seller is a force majeure event so that Seller is excused from delivery shortfall LDs and time for achieving COD is extended.

Transmission Interruptions: For transmission/distribution interruptions, disconnections, or constraints (“T/D Outage”) after COD that are not caused by Seller or events beyond the control of BC Hydro or BCTC, BC Hydro to pay for energy that could have been delivered but for the T/D Outage at the applicable post-COD energy price less costs avoided, or that reasonably could have been avoided, by Seller. BC Hydro will not pay for any T/D Outage that is less than 30 minutes in duration (a “Short Outage”) unless the cumulative duration of such Short Outages exceeds 24 hours in a month, in which case BC Hydro will only pay for those Short Outages that occur after the 24 hour threshold is exceeded.

If T/D Outages are caused by Seller or by events beyond the control of BC Hydro or BCTC, no payment due to Seller from BC Hydro.

Force Majeure: Typical events, but excluding economic hardship, delay or failure to obtain material permits and unavailability of fuel.

Termination by Seller: Seller may terminate for:

- Seller’s failure, after using commercially reasonable efforts, to obtain material permits by the earlier of (i) 180 days prior to guaranteed COD and (ii) the second anniversary of EPA, or
- Prolonged force majeure declared by BC Hydro or Seller or prolonged transmission/distribution interruptions, disconnections or constraints that are caused by force majeure events (in either case “prolonged” means 730 days), or
- Major damage to the Seller’s plant caused by a force majeure event. “Major damage” occurs where the cost to repair the damage exceeds the net present value of the expected revenue less operating and maintenance costs over the remainder of the term of the EPA, or
- BC Hydro failure to pay amounts owing by BC Hydro, subject to reasonable cure period, or
- BC Hydro bankruptcy or insolvency, or, subject to reasonable cure period, BC Hydro material default.

Termination by BC Hydro:

BC Hydro may terminate for:

- Seller's failure to obtain material permits by the earlier of (i) third anniversary of EPA signing or (ii) guaranteed COD (provided Seller has not elected to terminate as set out above), or
- Seller failure to provide interconnection security by required date, or
- Seller failure to provide additional performance security within 30 days after expiry of Seller's right to terminate for inability to obtain material permits, subject to reasonable cure period, or
- Seller's failure to provide additional performance security if required following each five year performance security review as described in the "Performance Security" section of this term sheet, or
- Seller's failure to complete any step in the process for interconnecting the Seller's plant to the transmission system or the distribution system in accordance with the requirements and time limits specified by BCTC or BC Hydro, if such failure results in the Seller's plant losing its position in the transmission/distribution interconnection queue, or
- Prolonged force majeure declared by Seller or BC Hydro or prolonged transmission/distribution interruptions, disconnections or constraints that are caused by force majeure, (in either case "prolonged" means 730 days), or
- Seller fails to achieve COD by 365 days after guaranteed COD (plus all force majeure days not exceeding another 180 days) unless Seller can demonstrate by clear and convincing evidence acceptable to BC Hydro acting reasonably that construction or necessary modification (as the case may be) of the Seller's plant is 80% complete by that date. If Seller can so demonstrate, BC Hydro may only terminate the EPA if Seller fails to achieve COD within a further 180 days plus any further force majeure days not exceeding 180 days, or
- Seller failure to pay amounts owing by Seller, subject to reasonable cure period, or
- Seller's failure to maintain performance security and interconnection security as required under EPA, subject to reasonable cure period, or

- Seller bankruptcy or insolvency, or, subject to reasonable cure period, Seller material default, including letter of credit failure, persistent consumption of Auxiliary Fuel in excess of the Auxiliary Fuel Baseline and material variation from a currently approved Fuel Plan, without the consent of BC Hydro, as required under the EPA.

Termination Payment:

Force Majeure: Upon termination by either party for prolonged force majeure or prolonged transmission/distribution interruptions, disconnections or constraints, no termination payment is due by either party. On termination by Seller based on major damage to the Seller's plant caused by a force majeure event, no termination payment is due by either party. In any of the above situations, where termination occurs prior to the fifth anniversary of COD, Seller must pay unamortized interconnection costs (including interconnection network upgrade costs). For greater certainty, the foregoing applies where BC Hydro terminates the EPA for Seller's failure to achieve COD where the sole reason for Seller's failure to achieve COD is a force majeure event.

Seller Material Permit Termination: Upon termination by Seller for failure to obtain material permits, Seller to pay a termination fee of \$2.50/MWh multiplied by the annual firm energy. Seller also to pay any interconnection costs (including interconnection network upgrade costs) incurred to the date of termination plus any incremental network upgrade cost liability associated with any other project suffered or incurred by BC Hydro as a result of Seller's termination of the EPA to a maximum of the interconnection security.

Seller Termination for BC Hydro Default: Upon termination by Seller before COD for BC Hydro bankruptcy or insolvency or material default, BC Hydro to pay termination payment equal to Seller's Project development costs to date plus 15% less net realizable value of project assets. After COD, BC Hydro to pay a termination payment based on the loss, if any, suffered by Seller determined by comparing the value of the remaining EPA term, contract quantities and price payable under the EPA had it not been terminated to the relevant market prices for equivalent quantities for the remaining EPA term with market prices adjusted for differences between the product subject to the market prices and the product specified under the EPA.

BC Hydro Termination: Upon termination by BC Hydro, other than for force majeure or transmission/distribution interruption, disconnection or constraint caused by force majeure, Seller to pay a termination payment equal to the lesser of: (i) the required amount of performance security at time of termination, and (ii) the loss, if any, suffered by BC Hydro determined by comparing the value of the remaining EPA term, contract quantities and price payable under the EPA had it not been terminated to the relevant market prices for equivalent quantities for the remaining EPA term with market prices adjusted for differences between the product subject to the market prices and the product specified under the EPA.

Seller also to pay any unamortized interconnection costs incurred to the date of termination plus any incremental network upgrade cost liability associated with any other project suffered or incurred by BC Hydro as a result of the termination of the EPA to a maximum of the interconnection security.

In cases of deliberate breach of the EPA by Seller, the foregoing payment does not limit Seller's liability.

Suspension

- BC Hydro may suspend its obligations to take and pay for energy under the EPA in circumstances in which it is entitled to terminate the EPA, without limiting its right thereafter to terminate the EPA for a continuation of such circumstances.

Development Covenants:

- Seller to develop plant and achieve COD by guaranteed COD.

- Plant to conform to specified description including capacity, fuel type (Forest-based Biomass), point of interconnection and other specified matters. See “Firm Quantity/Plant Capacity Adjustments” in this Term Sheet for a description of permitted changes to plant capacity. No other changes in specified plant description or changes to the Seller’s plant that either: (i) create risk of incremental direct assignment or network upgrade costs for the Seller’s plant or any other project, (ii) that are likely to have an adverse effect on performance capability, without BC Hydro consent, unless required by law or permit conditions, or (iii) material change in fuel type. Seller responsible for any additional interconnection and/or transmission costs arising from any changes made by Seller to the Seller’s plant (including, without limitation, plant size, POI and schedule) from the information provided by Seller for purposes of the Feasibility/Preliminary Interconnection Study and BC Hydro may require additional interconnection security with respect to the estimated amount of such costs.
- Seller to construct and/or modify the Seller’s plant such that output from the Seller’s plant will be considered BC clean energy generated from Forest-based Biomass to the extent required under the RFP, based on requirements in effect at date of execution of the EPA.
- Seller to obtain, maintain and comply with all required permits and comply with all applicable laws as well as interconnection agreements, good utility practice, and Code of Conduct Guidelines Applicable to BC Hydro Contracts.
- Seller to provide periodic development status reports and BC Hydro access for inspection during development phase and to witness COD testing.

Operating Covenants:

- Seller will:
 - File with BC Hydro an annual report on fuel consumption by reference to the current Fuel Plan,
 - File with BC Hydro a replacement Fuel Plan, containing information of the type required under the initial Fuel Plan, in respect of each 5-year period, each such plan to be subject to BC Hydro's written consent, not to be unreasonably withheld, delayed or conditioned and to take due account of Seller's reasonable requirements,
 - Comply in all material respects with the then current Fuel Plan, subject to BC Hydro's written consent to the contrary, not to be unreasonably withheld, delayed or conditioned and to take due account of Seller's reasonable requirements.
- Seller to own plant and operate or engage contract operator, in either case with qualified and experienced personnel.
- No third party energy sales or deliveries, other than as permitted pre-COD, during force majeure declared by BC Hydro, during any period of BC Hydro default with respect to its obligation to accept energy.
- Seller to ensure that metering equipment leased from BC Hydro is installed, maintained and calibrated as required to measure energy deliveries from the Seller's plant at the point of interconnection independent of all other generating facilities. Meter location to be approved by BC Hydro. BC Hydro to have right to install duplicate metering.
- Seller may not take planned outages in the period from November 1 to March 31 inclusive except: (i) in periods where there is no firm energy delivery specified for delivery to BC Hydro, or (ii) with BC Hydro consent.
- Seller to enter planned outage schedule into web-based application for communicating outages to BC Hydro.
- No plant modifications likely to have an adverse effect on performance capability without BC Hydro consent, unless required by law or permit conditions.

- Seller to maintain and operate plant in accordance with all required permits and comply with all applicable laws, including laws pertaining to GHG and other environmental matters, as well as interconnection agreements, good utility practice, Code of Conduct Guidelines Applicable to BC Hydro Contracts.
- Seller to provide and update long-term and annual operating plans.
- Seller to provide prompt notice of all outages. Seller to use web-based application for communicating outages to BC Hydro.
- Seller to provide weekly and day ahead energy delivery schedules for planning purposes.
- Seller not to take any action that would render it subject to regulation as a public utility.
- Seller to authorize BC Hydro access to all data provided to transmission authority.
- Seller to provide BC Hydro access to plant and records, and reports, as required for administration and enforcement of the EPA.
- Seller to operate the Seller's plant such that output from the Seller's plant will be considered BC clean energy to the extent required in the RFP based on requirements in effect at date of execution of EPA.

Insurance and Indemnities:

- Seller to maintain specified property damage and comprehensive general liability insurance.
- Mutual indemnities for third party claims for personal injury or property damage.

Assignment:

Sale of the Seller's plant and/or assignment of EPA or revenue from the EPA subject to BC Hydro consent, such consent not to be unreasonably withheld. Assignee to assume all obligations and liabilities of the assignor. Assignment is subject to the assignee demonstrating its capability (financial, technical and otherwise) to fulfill the obligations of the assignor under the EPA.

Except as set out below, any direct or indirect change of control, amalgamation or other reorganization of Seller and any mortgage or grant of a security interest in the Seller's plant is deemed to be an assignment of the EPA.

Provision for permitted assignment to lenders and specified form of tripartite lender consent agreement.

Representations and Warranties:

Standard corporate representations and warranties.

Confidentiality:

EPA price is confidential. Other terms and conditions of the EPA that were not disclosed in the RFP process are confidential.

BC Hydro to keep confidential Seller's confidential technical and financial information that BC Hydro has access to during the term of the EPA.

Confidentiality obligations are subject to exceptions such as regulatory/legal requirements, BC clean energy verification, information that enters into the public domain without breach of the EPA, etc.

Law and Dispute Resolution:

BC law applies. Dispute resolution by arbitration.

BC Hydro Turn-Down Right:

BC Hydro right to require Seller to turn down or shut off the Seller's plant at any time, subject to operational, technical, regulatory or fuel storage constraints, during the term of the EPA on appropriate notice to Seller. BC Hydro's right to require such turn down or shut off will be subject to operational, technical, regulatory and fuel storage constraints that clearly prevent or limit Seller's ability to turn down or shut off the Seller's plant. BC Hydro to pay for all energy that could have been generated but for BC Hydro's notice. Costs avoided or that reasonably could have been avoided by Seller will be deducted from amounts otherwise payable by BC Hydro.

Other Terms:

Other terms typical of similar agreements.

SPECIAL TERMS AND CONDITIONS

The following provisions apply to certain project types and configurations. The following is not intended to be an exhaustive list of all amendments to the EPA that may be required for particular projects.

Projects with an Electrical Host

Where Seller connects to the Transmission System or Distribution System through its own electrical host, Seller may be required to enter into an amendment to its Electricity Supply Agreement to reflect appropriate metering and billing arrangements.

Projects with an Indirect Interconnection through an Electrical Host

Where Seller has an indirect connection to the Transmission System or Distribution System through a BC Hydro customer facility (i.e., where Seller is not itself a customer at the facility), Seller must ensure that the customer and BC Hydro enter into a new or amended Electricity Supply Agreement on terms and conditions satisfactory to BC Hydro. BC Hydro may terminate the EPA if such an agreement has not been entered into within 120 days after the EPA filing with the BCUC unless Seller can demonstrate that it can and will secure a direct connection to the Transmission System or Distribution System within sufficient time to achieve COD by the guaranteed COD. Seller will be responsible for all costs of such direct interconnection. If the EPA is terminated, Seller will pay a termination payment equal to the outstanding performance security amount.

Project with an Indirect Interconnection through a Private Line or Third Party Utility System

Where Seller has an indirect connection to the Transmission System or Distribution System through a private line or a third party utility system, Seller is solely responsible for all arrangements and costs associated with delivery of the energy to a point of delivery on the Transmission System or Distribution System. BC Hydro will not be responsible for any costs associated with interconnecting the Seller's plant to the private line or to the third party utility system.