

2002

CUSTOMER-BASED GENERATION

CALL FOR TENDERS

REVISED TENDER FORMS

(Revised 3 December 2002)

Instructions:

- *Download the word version of the Revised Tender Forms available at www.bchydro.com/customergen and complete the Tender Forms in accordance with the following instructions. Print the completed forms and sign in the manner and in the number of copies indicated in the 2002 CBG/CFT.*
- *This Tender Form consists of two parts: Part I – Non-Price Information and Bid Price Adjustments, and Part II – Bid Price. Both parts must be fully completed, signed and sealed in separate envelopes. Those envelopes must be placed in a third envelope with the required Tender Security, sealed and delivered to BC Hydro in accordance with the 2002 CBG/CFT before the Tender Closing Time.*
- *For information on the required Tender Security, see “Tender Security” in the 2002 CBG/CFT.*
- *For detailed instructions on the form of signature required on these Tender Forms, see “How to Submit a Tender” in the 2002 CBG/CFT.*
- *If information contained in the Project’s RFQ Qualification Statement is changed, complete Attachment A by setting out current information that is different from that disclosed in the RFQ Qualification Statement, and referencing the applicable paragraph numbers of the RFQ Qualification Statement, and attaching additional pages and/or documents as necessary.*
- *Note that if the proposed owner/operator entity is different from that specified in the RFQ Qualification Statement, evidence of the financial capability of the proposed owner/operator or its guarantor, as outlined in paragraph 6.4 of the RFQ Qualification Statement, must be submitted with the Tender. In order to evidence financial capability, bidders may offer the covenant or guarantee of a creditworthy entity. If a guarantee is offered, provide in (or attached to) Attachment A the name of the guarantor, information concerning the guarantor of the type listed and provided for the owner/operator in paragraph 6 of the RFQ Qualification Statement, and evidence of the guarantor’s financial capability as outlined in paragraph 6.4 of the RFQ Qualification Statement. Guarantors will be required to execute and deliver a form of guarantee under which the performance and financial obligations of the “Seller” under the electricity purchase agreement are guaranteed.*

- *The Bulk Location Adjustment, Area Location Adjustment and System Adjustment must be as determined and advised by BC Hydro – Office of Generator Interconnections. In the case of a discrepancy, the Tender may be disqualified.*
- *Any applicable GHG Intensity Target and associated GHG Intensity Adjustment must be as confirmed by BC Hydro – Green and Alternative Energy. In the case of a discrepancy, the Tender may be disqualified.*
- *Only bidders who received a letter from BC Hydro – Green and Alternative Energy indicating that the bidder could apply for the CBG Green Criteria Adjustment are eligible to submit a Tender Form indicating that the project will meet the 2002 CBG Green Criteria. In the case of a discrepancy, the Tender may be disqualified.*
- *The Generator Baseline must be as determined and advised by BC Hydro – Manager, Customer-Based Generation. In the case of a discrepancy, the Tender may be disqualified. For projects that have no Generator Baseline insert “0” in the line specified for Generator Baseline.*
- *In Attachment B, set out a brief description of the Project and a brief description of the Seller’s Plant after completion of the Project, following the format and content indicated in that Attachment. If the descriptions do not comply with the instructions or are incomplete or otherwise inadequate, the Tender may be disqualified.*
- *Complete Attachment C with the Project’s Contracted Capacity. Contracted Capacity profiles may be flat for the term of the electricity purchase agreement, or may reflect an increasing or decreasing Contracted Capacity over the term, but subject to the limitation that the minimum Average Annual Contracted Capacity stated in Part I of Attachment C must be not less than 50% of the maximum Average Annual Contracted Capacity specified in Part I of Attachment C, before giving effect to the one-time 20% recall option.*
- *Complete Attachment D with the information requested in that Attachment with respect to the electricity purchase agreement security requirements.*
- *A director or senior officer of the customer with the requisite customer involvement in the Project specified in the Mandatory Requirements set out in the 2002 CBG/CFT must complete and sign Part I of Attachment E. The bidder must complete and sign Part II of Attachment E where that Part II is applicable to the Bidder’s project.*
- *Complete the selected term of the electricity purchase agreement where indicated in the form. Terms may be 10 to 20 years from COD, in whole integers only.*
- *Complete the Target Commercial Operation Date (COD), which must be not later than 30 September 2006.*

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CUSTOMER-BASED GENERATION

CALL FOR TENDERS

TENDER FORM

PART I – NON-PRICE INFORMATION AND BID PRICE ADJUSTMENTS

COMPLETE AND SIGN FIVE (5) COPIES

TO: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY (“BC Hydro”)

In connection with its priced tender, as set out in the Tender Form, Part II – Bid Price submitted herewith in a separate sealed envelope, the undersigned (“Bidder”) confirms to BC Hydro that:

1. This Tender is submitted with respect to the project (“Project”) described in the Qualification Statement (the “Qualification Statement”) dated July 2002 submitted by in response to the Customer-Based Generation 2002 Request for Qualifications published by BC Hydro on its website on or about 31 May 2002.

2. The Bidder has reviewed carefully the Customer-Based Generation 2002 Call for Tenders, issued 6 September 2002, inclusive of all Frequently Asked Questions and Addenda posted to the BC Hydro website www.bchydro.com/customergen (the “CFT”), and the Bidder accepts, is bound by and is in compliance with the Tender Conditions set out in the CFT.

3. The Bidder confirms for purposes of Tender eligibility and qualification purposes, that the RFQ Qualification Statement previously submitted for the Project is true and correct in all material respects, except only as disclosed in Attachment A.

4. The Bidder has reviewed carefully the Mandatory Requirements set out in the CFT, and the Project complies with such Mandatory Requirements, and the Bidder undertakes to provide BC Hydro, at its request, with such further information as it may reasonably require to verify such compliance. Attachment E is a letter signed by a director or senior officer of a BC Hydro customer confirming the nature of that customer’s involvement in the Project and evidencing compliance with the Mandatory Requirement relative to customer involvement.

5. The Bidder has reviewed carefully the “Code of Conduct Guidelines Applicable to 2002 Customer-Based Generation Call for Tenders” set out in the CFT and has complied with all disclosure and other requirements in that document.

6. The Bidder has reviewed carefully the Standard EPA forming part of the CFT and taken such legal and other professional advice as is necessary for the Bidder to have a complete understanding of the terms and conditions of the Standard EPA and the risks associated with the Project and any electricity

purchase agreement on the terms and conditions set out in the Standard EPA that may be awarded to the Bidder.

7. The required Tender Security, as described in the CFT, is enclosed herewith, being CASH LETTER OF CREDIT (type an "X" in the applicable box) in the amount of \$ (calculated in the manner specified in the CFT).

8. The Bidder shall meet the security requirements specified in the Standard EPA in the manner set out in Attachment D.

9. For Bid Price comparison purposes only:

[Note that a "+" indicates an addition to the Bid Price for bid comparison purposes only. A "-" indicates a reduction to the Bid Price for bid comparison purposes only. For each of the first three adjustments below circle a "+" or "-" sign with the adjustment figure, as applicable.]

- o the Project Bulk Location Adjustment is + \$ /MWh,
- o the Project Area Location Adjustment is + \$ /MWh,
- o the Project System Adjustment is + \$ /MWh,
- o the Project GHG Intensity Adjustment, if any, is - \$ /MWh, and
- o the Project WILL WILL NOT (type an "X" in the applicable box) meet the 2002 CBG Green Criteria (\$5.00 reduction in Bid Price for bid comparison purposes only if the Project will meet the 2002 CBG Green Criteria),
- o the Project IS IS NOT (type an "X" in the applicable box) subject to the Hydrology Adjustment (\$3.50 addition to the Bid Price for bid comparison purposes only if the Project is subject to the Hydrology Adjustment).

10. The Bidder offers, that if it is awarded a contract pursuant to the CFT, it will enter into, execute and deliver to BC Hydro within forty-six (46) days after delivery to it of a completed contract document, an electricity purchase agreement ("EPA") in the form of the Standard BC Hydro Customer-Based Generation Electricity Purchase Agreement included in the CFT, completed as follows (words defined in the EPA and used below have the meanings given in the EPA):

- The description of the Project and of the Seller's Plant as set out in Attachment B,
- The Contracted Capacity as set out in Attachment C,
- The Term of the EPA will continue until the anniversary of COD,
- The Target Commercial Operation Date (COD) will be ,
- The Generator Baseline (GBL) is MW,
- The GHG Intensity Target is tonnes CO₂e/MWh



- The Development Security is in the amount of \$ (calculated in the manner specified in the CFT),
- The Operating Security as calculated in the manner specified in the CFT
- The Seller's address for delivery of notices under the EPA will be:

Fax:

- The definition of "Facilities" for the purposes of Appendix 12, if applicable, will be as advised by BC Hydro – Green and Alternative Energy prior to submission of this Tender Form.
- The "Customer" for purposes of Appendix 1 of the EPA and the "Customer Involvement" for purposes of Appendix 5 of the EPA will be as described in Attachment E.
- The GHG Intensity Factor will be an amount equal to the GHG Intensity Adjustment as advised by BC Hydro – Green and Alternative Energy prior to submission of this Tender Form.
- The CFT Adjusted Bid Price will be the Bid Price set out in the Tender Form, Part II – Bid Price submitted herewith in a separate sealed envelope, as adjusted by the adjustments for bid comparison purposes as set out in the CFT.
- The Bid Price, as defined in the EPA, before adjustment, will be equal to the Bid Price set out in the Tender Form, Part II – Bid Price submitted herewith in a separate sealed envelope.
- Appendices 10 and 11 in the form attached to the Standard EPA will be attached to the EPA as applicable to the Bidder's project.
- The date of submission of the RFQ Qualification Statement will be the date stated in paragraph 1 above.
- The date of submission of the Tender Form will be the date of submission to BC Hydro of this Form.
- The project-specific amendments, if any, set out in the attached letter to the bidder from BC Hydro, will be made to the Standard EPA. If there is no letter attached, the Standard EPA, completed as set out above, will apply.

11. The offer herein contained is legally valid and irrevocable from and after the Tender Closing Time defined in the CFT until 4:00 p.m. on 18 August 2003, and may be accepted on or before that time by delivery by BC Hydro to the Bidder by courier or facsimile transmission at the address or fax number set out below of a written notice of award.

12. This Tender is submitted by the following:

Bidders Name:

Bidders Address:

Fax No.:

DATED , 2003

[BIDDER SIGNATURE]

ATTACHMENT A

EXCEPTIONS TO RFQ QUALIFICATION STATEMENT

BIDDER:

PROJECT:

EXCEPTIONS TO QUALIFICATION STATEMENT (by reference to paragraph numbers in Qualification Statement):

ATTACHMENT B

DESCRIPTION OF PROJECT AND DESCRIPTION OF SELLER'S PLANT

(For insertion into EPA Appendix 5)

BIDDER:

PROJECT:

The project is those activities involved in construction or modification of the Seller's Plant.

TYPE AN "X" IN THE APPLICABLE BOX (If Box B is applicable, complete the description of the modifications):

- A.** Where the Seller's Plant is a new facility: "design, engineering, equipment procurement, construction, commissioning and operation of the Seller's Plant";

OR

- B.** Where the project involves modifications to an existing facility: "design, engineering, equipment procurement, construction, commissioning and operation of _____" (fill in the blank with a description of the modifications).

SELLER'S PLANT:

Insert a description of the Seller's Plant after completion of the Project. The Seller's Plant is the generating plant, transmission lines and associated facilities and infrastructure of the Seller, as constructed or modified in accordance with the Project, and as required for the generation and delivery of the Contracted Capacity by the Seller to the Buyer at the POD. The description of the Seller's Plant should include:

General Description of the Seller's Plant:

[NOTE THAT IN COMPLETING THIS DESCRIPTION THE FACILITIES MUST BE LIMITED TO THOSE GENERATING THE PROJECT CAPACITY AS DEFINED IN THE STANDARD EPA]

Energy Source:

Key Facilities and Equipment:

Nameplate Capacity: Nameplate capacity of each electrical generator within the Seller's Plant (in MW). For each generator indicate whether the generator is an existing generator or a new generator.

ATTACHMENT C
CONTRACTED CAPACITY
(EPA Appendix 2)

BIDDER:

PROJECT:

The Contracted Capacity for each hour in each month of each year during the Term is the amount expressed in MWh/h, equal to the applicable percentage (in Part II of this Appendix 2) of the applicable amount in Part I of this Appendix 2 where Year 1 commences on COD.

Part I

Average Annual Contracted Capacity (In completing this Table note the allowances set out in the Standard EPA for the calculation of Monthly Capacity Factor LDs and Annual Capacity Factor LDs).

Year	Average Annual Contracted Capacity (MWh/h)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	

15	
16	
17	
18	
19	
20	

Part II

Monthly Percentage of Average Annual Contracted Capacity (Note that the numbers inserted in the this Table must average to 100% when weighted by the number of days in the month).

Month	Percentage of Amount Stated in Part I
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

ATTACHMENT D

EPA SECURITY REQUIREMENTS

Instructions:

- *For the “Development Security” as defined in the Standard EPA, state whether the security requirement will be fulfilled by cash deposit or letter of credit, or by a combination of the foregoing. Note that letters of credit forming part of the Development Security must be in the form of Appendix 6 to the Standard EPA.*
- *For the “Operating Security” as defined in the Standard EPA, state whether the security requirement will be fulfilled by cash deposit, letter of credit or covenant/guarantee, or by a combination of the foregoing. Note that letters of credit forming part of the Operating Security must be in the form of Appendix 6 to the Standard EPA. The Standard EPA also sets out the requirements for covenants and guarantees forming all or part of the Operating Security.*
- *If security requirements will be fulfilled in whole or in part by covenant of the Bidder, provide the Bidder’s credit rating and specify the credit rating agency.*
- *If security requirements will be fulfilled in whole or in part by guarantee, provide the guarantor’s credit rating and specify the credit rating agency.*
- *If security will be fulfilled in whole or in part by a letter of credit, provide the name of the proposed issuing or confirmation bank.*
- *For Bidder and, if applicable, guarantor, provide the following information:*
 - *Full legal name*
 - *Date and jurisdiction of incorporation/formation,*
 - *Names and addresses of directors and senior officers*

ATTACHMENT E

CONFIRMATION OF CUSTOMER INVOLVEMENT

PART I

TO: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY (“BC HYDRO”)

In connection with the Tender submitted herewith by the Bidder to BC Hydro, the undersigned confirms to BC Hydro that: **[check applicable box or boxes]**

- The undersigned holds at least a 25% ownership interest in the Project
- The undersigned has entered into a commitment to supply at least 25% of the Project fuel, based on heat content
- The undersigned has entered into a commitment to purchase heat from the Project at least equal to 10% of the heat energy annually of the input fuel for the Project
- The undersigned is otherwise integrally involved in, and/or dependent to a significant degree upon, the Project in the following manner:

[Customer to complete detail if this section is applicable]

The undersigned confirms its intention that its involvement with the Project as described above will continue for a period of at least five years after the commercial operation date of the Project.

CUSTOMER’S NAME:

CUSTOMER’S ADDRESS:

Dated _____, 2003

[Signature of a Director or Senior Officer of the Customer on behalf of the Customer]

PART II

(Bidder to complete where the customer has indicated in Part I of this Attachment that the customer involvement requirement will be satisfied by the customer purchasing heat from the Project and the Project is fired by fossil fuel.)

TO: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY (“BC HYDRO”)

In connection with its Tender submitted herewith, the undersigned Bidder confirms to BC Hydro that the Project is designed to have a heat rate not exceeding BTUs/ kWh of electrical energy calculated in accordance with the requirements of Class 43.1 under the *Income Tax Act* (Canada).

[BIDDER’S SIGNATURE]

BC HYDRO

2002

CUSTOMER-BASED GENERATION

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TENDER FORM

PART II – BID PRICE

TO: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY (“BC HYDRO”)

In connection with the Tender Form, Part I – Non Price Information and Price Adjustments submitted herewith in a separate sealed envelope, the undersigned (“Bidder”) confirms to BC Hydro that

1. Its “Bid Price” referenced in paragraph 10 thereof, is:

\$ /MWh (in 1 January 2003 Canadian dollars and whole cents only).

This Tender is submitted by the following;

Bidders Name:

Bidders Address:

Fax No.:

DATED , 2003

[BIDDER SIGNATURE]