

## **CLEAN POWER CALL – NOTICE TO PROPONENTS**

As BC Hydro continues to move forward with the evaluation of Proposals as per the RFP schedule, we would like to take this opportunity to advise Proponents of the appointment of an Independent Observer. As well, we would like to remind Proponents of some obligations under the RFP that are relevant in the continuing evaluation of Proposals.

### **Independent Observer**

BC Hydro is committed to fairness in procurement and strives to avoid not only any inappropriate bias or undue influence in Proposal evaluation, but also any appearance thereof. Accordingly, shortly before the submission of Proposals by Proponents, BC Hydro retained John Singleton of Singleton Urquhart LLP, Vancouver, BC, to act as an Independent Observer. The Independent Observer is retained to monitor the evaluation of Proposals identified as involving persons with relevant prior relationships with BC Hydro and/or Government. The Independent Observer also monitors communications, including discussions and/or negotiations, between BC Hydro and such Proponents, and the formulation of final recommendations to BC Hydro's senior management and/or Board of Directors for EPA awards. The Independent Observer may also monitor evaluations, communications and final selection relative to other Proponents as he considers necessary to fulfill his terms of reference. The Independent Observer reports to BC Hydro's senior management.

For clarity, the Independent Observer is not engaged as an ombudsperson or otherwise for the purpose of mediating, advocating or otherwise addressing Proponent concerns or complaints, and Proponents should not communicate directly or indirectly with the Independent Observer on matters pertaining to the RFP process or any Proposal or related matter.

### **Disclosure Statements—Providing Updates**

Proponents were required to file with their Registration Statements a Disclosure Statement (Schedule 4, Revised July 17, 2008) setting out information concerning:

- Controlling Shareholder(s)
- Directors/Senior Officers
- Former BC Hydro/Government Entity Employees
- Project Consultants
- Code of Conduct Guidelines.

Section 5 of the RFP indicates that if the information set out on the submitted Disclosure Statements changes, a Proponent should submit an update by notice to BC Hydro from time to time during the RFP process, both before and after Proposal submission. An update should set out clearly only the change in information originally submitted (e.g., new disclosures, deletion of prior disclosures, change in disclosures), and confirm that all other prior disclosures remain accurate. The notice should address only changes in the information disclosed on the original statement submitted, and no other matters relative to the Proposal.

Proponents should review their originally filed Disclosure Statements and if changes in the disclosed information have occurred, notify the RFP Administrator as indicated above.

**Compliance with RFP Terms and Conditions**

BC Hydro wishes to remind all Proponents of their obligation under the Confidentiality and Compliance Agreements to observe the RFP terms and conditions. These conditions include sections 20.7 (No Collusion) and 20.8 (No Lobbying), as well as section 4 requiring communications with BC Hydro regarding RFP matters to be directed only to the RFP Administrator. Proponents are encouraged to review those sections and ensure that their personnel, consultants and advisors are aware of those terms. As indicated in section 20.10 of the RFP, Proponents who violate the RFP terms, including those noted above, risk disqualification.

For clarity, the RFP terms and conditions, including those noted above, do not restrict any Proponent from (i) normal course communications with BC Hydro and/or the Government of British Columbia as required to further Project permitting and other Project planning and development, provided those communications do not extend to discussion of RFP terms, or Proposal terms or evaluation, and/or (ii) participation as an intervenor or interested party in the current 2008 Long Term Acquisition Plan (LTAP) proceeding before the BCUC.