

ADDENDUM

Number: 9

Issue Date: May 15, 2008

**Subject: RFP Schedule Revised
Proponent Workshop
Phased Projects
Proponents with Existing BC Hydro EPAs
RFP Amendments re: Variations
Project Description Requirements
EPA Correction
Sample Calculations
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Words and phrases defined in the RFP and used in this Addendum have the meanings given in the RFP, unless otherwise defined herein. References to section numbers mean sections of the RFP, unless otherwise specified.

1. RFP Schedule Revised

In order to afford Proponents additional time to prepare Proposals, and to provide greater flexibility in evaluating and shortlisting Proposals, the RFP Scheduled Dates set out in section 7 of the RFP are revised as follows:

- Proposal submission (4:00 p.m. PPT) is revised to **June 10, 2008**, and
- Proponents notified of short list (optional) is revised to the period from **June 27, 2008 to July 15, 2008**.

All other scheduled dates remain unchanged.

2. Proponent Workshop

BC Hydro is convening a Proponent workshop on Proposal submissions at the following place and time:

**Place: Westin Grand Hotel
Symphony Room
433 Robson Street
Vancouver, British Columbia**

Date: May 28, 2008

Time: 8:15 a.m. to 12:00 p.m. PPT (registration at 8:00 a.m.)

The purposes of the workshop are to:

- Provide guidance to Proponents on Proposal content and other requirements,

- Review and highlight key terms of the recently released Specimen EPA,
- Review example applications of EPA formulae relative to energy pricing and allocation, and liquidated damages,
- Review post-Proposal activities and schedule, and
- Afford Proponents an opportunity to ask questions regarding the foregoing.

This session provides a further opportunity for all Proponents to gain a better understanding of BC Hydro’s expectations for Proposals submitted in this Call, to explore contractual issues and to prepare for post-Proposal activities.

For further information on the Proponent workshop, refer to the announcement of the workshop available on the *Proponent Information Session* page at www.bchydro.com/bioenergycall.

3. Phased Projects

BC Hydro will consider Proposals for Projects with phased in-service dates (“Phased Projects”). For details and conditions applicable to Phased Projects, see Addendum 8, section 10.

Proponents submitting a Proposal for a Phased Project should complete a Commercial Proposal as follows:

- Complete item 6, Guaranteed COD,
- Complete item 7, Phased Project, with the date (month and year) of each phase, ensuring that the date of the last phase is the same as the offered Guaranteed COD, and
- Complete item 14 (hourly Firm Energy) or item 15 (seasonally Firm Energy) by submitting a separate (hourly or seasonally) Firm Energy profile for each phase, using the Appendix 3A – Hourly Firm Energy Profile (Phased Project) or the Appendix 3A – Seasonally Firm Energy Profile (Phased Project), being MS Excel tables available on the Phase I RFP Documents page at www.bchydro.com/bioenergycall rather than the table included in item 14 or 15. Note that the table for a particular phase should show the offered Firm Energy for that phase, **not** the cumulative offered Firm Energy for that phase and all prior phases. On each table, be sure to complete the in-service date (month and year) for the phase corresponding to the same information completed in item 7.

4. Proponents with Existing BC Hydro EPAs

BC Hydro will consider a Proposal for incremental generation from idle capacity and/or generation sold to third parties under contracts that can be lawfully terminated by the Proponent. Proponents may have existing generation under contract to BC Hydro (i.e., not incremental) from the same generating plant. The existing contract may expire before the expiry of the offered Term in the Proposal.

In these circumstances, the Proponent may submit two Firm Energy profiles, the first to apply until the expiry of the term of the existing contract, and the second to apply thereafter. Note that the profile for the second period should only include the additional Firm Energy for that period, and should **not** include the offered Firm Energy in the first period. Show clearly on each table

the period to which it applies. Proponents who wish to submit these two Firm Energy profiles should complete item 14 (hourly Firm Energy) or item 15 (seasonally Firm Energy) of the Commercial Proposal by submitting a separate (hourly or seasonally) Firm Energy profile for each of the two periods – the first applicable until expiry of the existing contract, and the second applicable thereafter, using the Appendix 3A – Hourly Firm Energy Profile (Existing EPA) or the Appendix 3A – Seasonally Firm Energy Profile (Existing EPA), being MS Excel tables available on the Phase I RFP Documents page at www.bchydro.com/bioenergycall rather than the table included in item 14 or 15.

5. RFP Amendments re: Variations

Addendum 5, section 3, sets out certain matters in respect of which BC Hydro does not intend to consider variations to the Specimen EPA. The following are added to that list of matters:

- Define Firm Energy by reference to any period longer than the “seasonally Firm Energy” periods specified in the Specimen EPA, or
- Change the amount of the Performance Security or the Interconnection Security (both as defined in the Specimen EPA) required under the EPA, or the amount by which any such security reduces, or the conditions of reduction or release, or terms of escalation of the amount of any such security.

6. Project Description Requirements

Amend the Project Description Requirements (Appendix 4 of the RFP) by adding the following at the end of section 3.5:

- “(b) Proponents should provide a good-faith estimate of the expected deliveries of Non-Firm Energy in a form similar to the hourly Firm Energy profile or the seasonally Firm Energy profile, as applicable, submitted with the Commercial Proposal.”

Estimated Non-Firm Energy deliveries should be inputted using the Appendix 4 – Hourly Non-Firm Energy Profile or the Appendix 4 – Seasonally Non-Firm Energy Profile, being MS Excel tables available on the Phase I RFP Documents page at www.bchydro.com/bioenergycall.

Proponents proposing Phased Projects, or Proponents with existing BC Hydro EPAs, should only provide one Non-Firm Energy profile as of the Guaranteed COD.

7. EPA Correction

The Specimen EPA, Appendix 1, subsection 20(c)(ii) is revised to read “December 8, 2008”.

8. Sample Calculations

Specific examples showing (i) the calculation of the Firm Energy and Non-Firm Energy prices as per Appendix 3 of the EPA, (ii) the monthly allocation of energy deliveries for seasonally Firm Energy proposals, and (iii) the calculation of liquidated damages for Firm Energy delivery shortfalls, are available on the Phase I RFP documents page at www.bchydro.com/bioenergycall.

9. Documents Issued Concurrently with this Addendum

- Appendix 3A – Hourly Firm Energy Profile (Phased Project)
- Appendix 3A – Seasonally Firm Energy Profile (Phased Project)
- Appendix 3A – Hourly Firm Energy Profile (Existing EPA)
- Appendix 3A – Seasonally Firm Energy Profile (Existing EPA)
- Appendix 4 – Hourly Non-Firm Energy Profile
- Appendix 4 – Seasonally Non-Firm Energy Profile
- Sample Calculations for Energy Pricing and Allocation, and Liquidated Damages