

SPECIMEN EPA ADAPTATIONS SCHEDULE

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Background

The base Specimen EPA is premised on certain assumptions set out in Addendum 8, section 1 and in the head notes in the base Specimen EPA. As indicated in Addendum 8, section 2, this document sets out a description of substantive changes that will be made to the base Specimen EPA to address the following different and/or additional assumptions that may apply to specific Proposals:

- The Project is a “Customer Project”,
- The Proponent and BC Hydro have an existing electricity purchase agreement for the purchase of energy from the same generating facility, which will continue for all or part of the term of any EPA awarded under this RFP,
- The product is “seasonally Firm Energy”,
- The Project is a “Phased Project”,
- The Project has a direct interconnection to the Distribution System,
- The Project has an indirect interconnection to the Transmission System through the transmission system of FortisBC, and
- The Proponent consists of an entity or entities, other than a single corporation.

BC Hydro will provide to the relevant Proponent(s) definitive text revisions, including non-substantive, consequential revisions (which are not described in this document) for any of the adaptations required to suit a particular Proposal that is short-listed. Proposals may be based on any, or a combination, of these assumptions.

Words and phrases defined in the base Specimen EPA and used in this document have the meanings given in the base Specimen EPA, unless otherwise defined herein.

1. Your Project is a “Customer Project”

Each Proponent of a Customer Project has been given BC Hydro’s confirmation of a generation baseline (“GBL”), expressed in GWh/year. A Customer Proponent should complete and submit in its Commercial Proposal a table of hourly or seasonal GBL, depending on whether its offered Firm Energy profile is “hourly Firm Energy” or “seasonally Firm Energy”. The table of hourly or seasonal GBL must be consistent with the annual GBL confirmed by BC Hydro, and must be approved by BC Hydro before award of an EPA. (Note that Customers having an existing electricity purchase agreement or load displacement agreement with BC Hydro, which will continue for all or part of the term of any EPA awarded in this Call should also refer to section 2 of this Schedule as both this section and section 2 will apply.)

Each Proponent of a Customer Project should also submit in its Commercial Proposal its Auxiliary Fuel Annual Baseline, expressed in GJ/year, together with supporting data in its Fuel Plan.

The base Specimen EPA for Projects to which this assumption applies will be revised to reflect the following substantive terms and conditions:

- The table of hourly or seasonal GBL, as applicable, will be included in the EPA. The Seller may modify the table annually, provided that any modification can be reconciled to the annual GBL determined by the Buyer before Proposal submission. Eligible Energy will exclude in each hour or season, as applicable, any Energy generated up to the GBL for that hour or season, with the result that the Buyer will not be obliged to purchase, accept delivery of, or pay for, any Energy forming part of GBL. Energy generated up to GBL may be used to displace mill load and/or sold to third parties, subject to any existing agreements,
- In the case of seasonally Firm Energy offers, for purposes of applying the pricing/billing provisions of any EPA awarded in this Call, Energy generated in a season will be allocated *pro rata* among GBL and deliveries under the EPA, and among Super-Peak Hours, Peak Hours and Off-Peak Hours,
- The Auxiliary Fuel Annual Baseline will be included in any EPA awarded in this Call, subject to approval by BC Hydro prior to EPA award, with the result that the definition in the base Specimen EPA (i.e., 3% of total Fuel, other than Start-up Fuel) will not apply. Any use of Auxiliary Fuel in excess of the Auxiliary Fuel Annual Baseline will result in the consequences set out in the base Specimen EPA, with the result that no incremental Auxiliary Fuel usage will be tolerated,
- If necessary to satisfy the eligibility requirement in section 14 of the RFP, “Metering”, the metering provisions of the base Specimen EPA will be modified to ensure that Energy sold under the EPA can be accurately measured by separate metering or alternate measures acceptable to BC Hydro, and
- Proponents should note that amendments to their existing Electricity Supply Agreements with BC Hydro may require modification to accommodate an EPA.

2. **You Have an Existing Electricity Purchase Agreement with BC Hydro (which will not be terminated)**

Under the RFP, and in accordance with the eligibility clarification in Addendum 8, eligible incremental generation may include generation from idle capacity and/or generation sold to third parties under contracts that are lawfully terminable by the Proponent. Proponents of these Projects may have existing generation under contract to BC Hydro (i.e., not incremental) from the same generating plant.

In these circumstances, the base Specimen EPA will be revised to reflect the following substantive terms and conditions:

- The existing electricity purchase agreement (“existing EPA”) with BC Hydro will continue in accordance with its terms,

- All generation will be applied first to satisfy GBL, if applicable, and second, for so long as the existing EPA continues, to satisfy the Seller’s delivery obligations under the existing EPA, before any generation is applied in satisfaction of the Seller’s delivery obligations under the EPA awarded under the RFP,
- Proponents may offer two Firm Energy profiles – one to apply for so long as the existing EPA continues, and a second to apply thereafter – so that energy under any current EPA may be offered in this Call, effective upon expiry of the existing EPA. Proponents who do not offer a second Firm Energy profile should note that energy under an existing EPA will be deliverable to the Buyer as Non-Firm Energy under any EPA awarded in this Call upon expiry of the existing EPA, unless otherwise specified in a variation that is included in the EPA under this Call, and
- Any EPA awarded under this Call will contain, and an existing EPA will be amended to contain, reciprocal cross default provisions.

BC Hydro, in its sole discretion, may include in any post-Proposal submission discussions consideration of settling a consolidated single EPA to cover all energy deliverable under the existing EPA and under any EPA awarded in this Call.

3. **Your Product is “Seasonally Firm”**

For Proposals offering “seasonally Firm Energy” and submitting a seasonally Firm Energy profile, the base Specimen EPA will be revised to reflect the following substantive terms and conditions:

- The seasonally Firm Energy profile will be included in Appendix 2 of the EPA in lieu of the hourly Firm Energy profile and the “Seasonally Firm Energy Amount” in each season will be the amount specified on the table,
- The Seller will be obliged to sell and deliver at the POI the Seasonally Firm Energy Amount for the applicable season, failing which LDs will apply,
- LD formulae will be adjusted as per an example calculation to be posted to the RFP Website, and
- For purposes of applying the pricing/billing provisions of any EPA awarded in this Call, Eligible Energy generated in a season will be allocated *pro rata* among deliveries under the EPA in Super-Peak Hours, Peak Hours and Off-Peak Hours.

4. **Your Project is a Phased Project**

For a description of Phased Projects and associated EPA adaptations, refer to Addendum 8.

5. **Your Project is Interconnected to the Distribution System**

For Projects interconnected to the Distribution System, the base Specimen EPA will be revised to reflect the following substantive terms and conditions:

- If the Seller cannot achieve COD by the Guaranteed COD solely as a result of a delay in Network Upgrades and such delay is caused by the Buyer or the Transmission Authority, in whole or in part, the Buyer shall pay the post-COD price for Eligible 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 Network Upgrades to the extent that the Buyer or the Transmission Authority caused such delay. Avoidable Costs will be deducted from the amount payable by the Buyer. There will be no payments to the 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 the Buyer or the Transmission Authority.
- Where the Buyer is required to make payments as set out above:
 - The Seller will be required to satisfy all COD requirements within 30 days after all Network Upgrades are complete. If the Seller's Plant does not satisfy the requirements for COD within that 30-day period, the Seller shall repay all amounts paid by the Buyer pursuant to the provisions described above.
 - If the Seller's Plant satisfies all COD requirements within 30 days after all Network Upgrades are complete, COD will be deemed to have occurred on the Guaranteed COD.
 - If the Final Interconnection Study concludes that interconnection of the Project is not feasible, either party may terminate the EPA, whereupon the Buyer will provide post EPA signing cost recovery compensation to the Seller.
- Generally, references to the Transmission Authority will be revised to the Distribution Authority, defined as BC Hydro – Distribution, a business unit of BC Hydro responsible for the operation of the Distribution System, and study references will be corrected accordingly.

6. **Your Project is Interconnected to the Transmission System through the FortisBC System**

If the Project is interconnected to the Transmission System through the FortisBC System, the EPA will be revised to reflect the following substantive terms and conditions:

- All Eligible Energy must be delivered to the Transmission System/FortisBC interconnect, which will be the delivery point under the EPA, equivalent to the POI under the base Specimen EPA,
- Prices/billing will be adjusted for losses to the above-noted delivery point, and
- Title and risk will pass at the above-noted delivery point.

7. **The Proponent is not a Corporation**

If the Proponent is not a single corporation, the base Specimen EPA will be revised to reflect the following substantive terms and conditions:

- In the case of a joint venture or general partnership, all members of the joint venture or partnership will be jointly and severally (and not severally only) bound by, and liable under, the EPA,
- In the case of a limited partnership and/or a limited liability partnership, the liability of partners, if any, will be determined by applicable law.