

**SCHEDULE C**

**ELECTRICITY PURCHASE AGREEMENT – TERM SHEET**

**TRANSMISSION AND LARGE DISTRIBUTION CONNECTED PROJECTS**

*The following is a summary of the key terms and conditions of the proposed standard form electricity purchase agreement (“EPA”) for all projects connected to the Transmission System, regardless of size, and all projects connected to the Distribution System that have a maximum power output of 10 MVA or more as specified in the preliminary interconnection study application for the project. The “base” Term Sheet applies to projects that do not elect the curtailability option or the hourly firm option. The special provisions applicable to projects that elect the curtailability option or the hourly firm option are described in separate sections at the end of the Term Sheet. (For a description of the curtailability option and the hourly firm option see the Procurement Process Description and the Quantitative Evaluation Methodology (Schedule A))*

<b>Parties</b>
<ul style="list-style-type: none"> <li>• Buyer – BC Hydro</li> <li>• Seller – Bidder as described in the Tender</li> </ul>
<b>Term</b>
<ul style="list-style-type: none"> <li>• 25 years from COD</li> </ul> <p><i>BC Hydro is considering allowing bidders to elect EPA terms ranging from 15 to 35 years with BC Hydro renewal options extending the full term to 35 years.</i></p>
<b>Renewal</b>
<ul style="list-style-type: none"> <li>• Buyer right to renew for two 5 year renewal terms to a maximum term of 35 years from COD</li> <li>• Seller required to use reasonable commercial efforts to secure permit and tenure extensions for renewal term</li> </ul>
<b>Regulatory Filing</b>
<ul style="list-style-type: none"> <li>• The EPA must be filed with the BCUC for review under the Utilities Commission Act. The EPA will contain termination provisions associated with these regulatory requirements</li> </ul>
<b>Project Development</b>
<ul style="list-style-type: none"> <li>• <u>Progress Reports</u>: Seller to provide quarterly progress reports on project development, including interconnection issues and any regulatory disputes/issues</li> <li>• <u>Metering</u>: Seller to ensure that the Seller’s Plant is equipped with e-metering and SCADA capability</li> <li>• <u>Point of Interconnection</u>: Seller will be responsible for any increase in interconnection or network upgrade costs associated with any change, after the date of EPA signing, in the expected point of interconnection or any other information in the preliminary interconnection</li> </ul>

study application
<b>Commercial Operation Date</b>
<ul style="list-style-type: none"> <li>• <u>Target COD</u>: Seller to use best efforts to achieve COD by not later than October 1, 2009</li> <li>• <u>Actual COD</u>: COD occurs when:             <ul style="list-style-type: none"> <li>• Seller's Plant has generated electricity in compliance with all Material Permits for 72 continuous hours at an uninterrupted hourly rate equal to 95 % of the hourly firm energy rate (ie. the monthly firm energy rate bid by the Seller for that month divided by the number of hours in the month)</li> <li>• If the hourly firm energy rate for the applicable month is less than 20% of the nameplate capacity of Seller's Plant, COD occurs when Seller's Plant has generated electricity in compliance with all Material Permits for 72 continuous hours at an uninterrupted hourly rate equal to 95% of the average hourly firm energy rate for the previous three calendar months (including the month in which the COD test occurs)</li> <li>• Seller has obtained all Material Permits</li> <li>• Seller has obtained a Certificate of Compatibility – Generator or similar document from the Transmission or Distribution Authority as applicable</li> <li>• Seller is not bankrupt or insolvent, or in material default under EPA, Interconnection Agreement, Facilities Agreement, any Material Permit or any land tenure agreement for Seller's Plant site</li> </ul> </li> <li>• <u>COD Certificate</u>: Seller to deliver a COD Certificate and long-term and annual operating plans within 30 days after the date on which COD occurs as set out above. If not delivered by that time, COD will not occur until the COD Certificate and plans are actually delivered</li> <li>• <u>Early COD</u> <ul style="list-style-type: none"> <li>• COD can occur up to one year early (ie. October 1, 2008)</li> <li>• Seller responsible for any incremental costs resulting from COD occurring before October 1, 2009 (including, without limitation, network upgrade costs)</li> </ul> </li> <li>• <u>Late COD</u> <ul style="list-style-type: none"> <li>• Seller pays liquidated damages for each day COD is delayed after April 1, 2010. Amount/day = Performance security amount/180 days</li> <li>• Buyer can terminate EPA if COD has not occurred by October 1, 2010</li> </ul> </li> <li>• <u>Deemed COD</u>: For projects connected to the distribution system only, if COD is delayed solely as a result of a delay in completion of interconnection or network upgrades on the distribution system, where such delay is not attributable to the Seller, COD will be deemed to occur on October 1, 2009 and the Seller will receive payment for the monthly firm energy amount after that date for the amount of firm energy the Seller could have delivered during the period from</li> </ul>

<p>October 1, 2009 to the date of completion of the interconnection and network upgrades. When the interconnection and network upgrades are complete, the Seller will be required to run a COD test as set out above. If the Seller's Plant fails that COD test, the Seller will be required to refund to the Buyer all payments made by the Buyer prior to the date of the test</p>
<p><b>Operation</b></p> <ul style="list-style-type: none"> <li>• Seller to own Seller's Plant and ensure it is managed and operated by qualified and experienced persons in accordance with Good Electric Industry Practice, permits, interconnection agreement, and other similar documents</li> <li>• Seller to use commercially reasonable efforts to deliver energy to the point of interconnection at a uniform rate within each hour</li> <li>• No expansion of Seller's Plant without Buyer's consent</li> <li>• No modification, without Buyer's consent, of Seller's Plant that could have adverse effect on the Seller's ability to perform under the EPA</li> <li>• Seller to provide long-term operating plan, annual operating plan, notice of outages and monthly reports of actual outages for the preceding month</li> <li>• Seller to provide weekly schedules of expected daily energy deliveries for the next succeeding week. These schedules will be provided for planning purposes only and do not operate as a guarantee of, or cap on, deliveries during the week</li> <li>• Seller to use commercially reasonable efforts to resume generating promptly after a Forced Outage</li> <li>• Seller required to maintain exemption from regulation as a public utility</li> </ul>
<p><b>Planned Outages</b></p> <ul style="list-style-type: none"> <li>• Planned Outages only allowed April – October</li> <li>• Seller to give notice of proposed timing of Planned Outages in annual operating plan</li> <li>• Seller can change annual operating plan but must give 30 days advance notice of final schedule for any Planned Outage</li> <li>• Buyer can require Seller to reschedule a Planned Outage provided that the rescheduling does not have a materially adverse effect on the operation of the Seller's Plant</li> <li>• If a Planned Outage extends beyond the schedule, the period outside the original schedule will be treated as a Forced Outage</li> <li>• If a Planned Outage is shorter than originally scheduled, Buyer will pay the non-firm energy price for energy delivered during the period covered by the original schedule</li> </ul>
<p><b>Delivery Obligation</b></p> <ul style="list-style-type: none"> <li>• <u>Pre-COD Sales to Third Parties:</u> Seller can sell to third parties until the earlier of COD and</li> </ul>

October 1, 2009

- No Third Party Sales Post-COD: After the earlier of COD and October 1, 2009, Seller required to deliver entire output of Seller's Plant to Buyer
- Delivery Point: Point at which Seller's Plant interconnects with the transmission or distribution system, as applicable
- Delivery Obligation
  - In each month, Seller required to deliver monthly contracted firm energy amount
  - Seller has "one-time" opportunity (exercisable not later than 30 days prior to COD) to increase or decrease the monthly contracted firm energy amount by up to 10% in each month, provided that (a) any such increase must not result in the contracted firm energy amount for the period from April to July inclusive exceeding 1/3 of the annual contracted firm energy amount; and (b) the Seller has completed all necessary interconnection and network upgrade studies. The Seller will be responsible for all interconnection and network upgrade costs, and any delay in completion of interconnection and network upgrades, associated with any increase in the monthly contracted firm energy amount
- Excuses
  - Force Majeure
  - Planned Outages that do not exceed the scheduled period
  - Transmission/distribution issues, not caused by Seller
  - Seller suspension based on Buyer default

#### **Purchase Obligation**

- Pre-COD
  - Buyer to make commercially reasonable efforts to accept output from Seller's Plant after October 1, 2008
  - Seller responsible for incremental costs of advancing completion of network upgrades prior to October 1, 2009
- Post-COD
  - After COD, Buyer required to accept delivery of entire output of Seller's Plant (as at COD) including energy in excess of the contracted monthly firm energy amount ("non-firm energy"), provided that on a 12 month rolling basis Buyer will not be required to accept or pay for any non-firm energy in excess of an amount equal to the contracted firm energy amount for that 12 month period
- Excuses

- Transmission issues or disconnection of Seller's Plant for reasons not attributable to Buyer
- Distribution issues where distribution authority entitled to disconnect the Seller or suspend firm distribution service
- Force Majeure
- Buyer suspension based on Seller default

**Price – Initial Term**

- Pre-COD: \$25/MWh for energy delivered during a successful 72 hour COD test. No other amount is payable for any other pre-COD energy delivered to Buyer
- Post-COD
  - Firm Energy: Energy up to the monthly firm energy amount - Seller's bid price, adjusted by price adjustment table that adjusts for deliveries in heavy load and light load hours in each month. A sample price adjustment table is attached to this Term Sheet as Appendix 1. The numbers in the attached price adjustment table are sample numbers only and may be changed before the CFT is issued
  - Non-Firm Energy: Energy in excess of the contracted monthly firm energy amount - Percentage of firm energy bid price set out in non-firm energy price adjustment table as further adjusted by the heavy load and light load hour adjustment table. A sample non-firm energy price adjustment table is attached to this Term Sheet as Appendix 2. The numbers in the attached non-firm energy price adjustment table are sample numbers only and may be changed before the CFT is issued
  - Calculation of Firm and Non-Firm Energy Amounts
    - To the extent that energy delivered in a month exceeds the monthly contracted firm energy amount, the energy delivered during heavy load hours and light load hours will be allocated into firm and non-firm amounts on a proportional basis. An example to illustrate the method of allocation is attached to this Term Sheet as Appendix 3.
    - The monthly contracted firm energy amount will be reduced to reflect the number of hours in the month in which the Seller's Plant is subject to a Planned Outage
- Flow-Throughs: No flow-throughs or other price adjustments for any price increases or changes in law
- Escalation: Firm energy price escalates at 50% of CPI from January 2006 base year
- "Deemed Available"
  - Buyer pays firm energy price for undelivered firm energy that could have been delivered but for the following events:
    - Transmission issues not attributable to Seller where BCTC authorized to disconnect the

Seller or suspend firm transmission service

- Distribution issues not attributable to Seller
- Seller suspension based on Buyer default
- Except in the case of Seller suspension based on Buyer default, the Seller's Plant will not be "deemed available" during the first 24 hours in aggregate in each month in which delivery of energy from the Seller's Plant is interrupted due to any of the foregoing events
- The amount of firm energy that could have been delivered during a "deemed available" event will be determined based on the schedule delivered by the Seller for the relevant day unless the Buyer can demonstrate that the Seller could not have complied with that schedule. Relevant evidence will include the meter readings before and after the "deemed available" period. The amount of "deemed available" firm energy will be included in calculating the deliveries of firm energy for the applicable month
- Green Credit Price Reduction: Price for firm energy and non-firm energy for projects that received the green credit reduced by amount of green credit if Seller fails to obtain or loses Ecologo or other applicable certification. Green credit escalates at 100% of CPI for price reduction purposes
- Payment Terms: 30 days after receipt of invoice
- Set-off: Either party can set-off liquidated damages, termination payment or other Final Amount (ie. amount determined under an arbitration award) where amount remains outstanding 30 days after notice

**Price – Renewal Term(s)**

- Renewal price will consist of the following three components:
  - For the first renewal term - a \$/MWh amount which is equal to 10% of the firm energy price at time of renewal (ie. as escalated). This portion of the renewal price will escalate during the renewal term at 50% of CPI. For the second and subsequent renewal terms, this portion of the price will simply be carried forward from the last year of the previous term. For example, if this portion of the price was \$5.00/MWh at the beginning of the first renewal term and that price had escalated to \$5.80 during the first renewal term, this portion of the price would be set at \$5.80 at the beginning of the second renewal term
  - A \$/MWh amount for recovery of reasonably estimated operating costs during renewal term. This portion of the renewal price will escalate during the renewal term at 100% of CPI. This portion of the price will be reset at the beginning of each renewal term based on the reasonably estimated operating costs for each renewal term
  - A \$/MWh amount to allow for a reasonable return on, and of, any additional capital investment required to allow the Seller's Plant to deliver the monthly firm energy amount during the renewal term. Any such additional capital investment will be amortized over the first renewal term in which such additional capital investment is required. This portion of the price will not escalate during the renewal term

- Thermal generators will be provided with fuel cost protection for the renewal term
- If the parties are unable to agree on the amount determined by application of the pricing principles set out above, the matter will be resolved by arbitration

**Liquidated Damages**

- COD Delay: Seller pays LDs for each day COD is delayed after April 1, 2010. Amount/day = Performance Security amount/180 days
- Delivery Shortfall:
  - LDs will be payable for a shortfall in deliveries of the monthly firm energy amount
  - Hours where the Seller is excused from its delivery obligation (eg. Force Majeure, Planned Outages etc.) will be excluded from the calculation of the monthly firm energy amount
  - All delivered energy including all “deemed available energy” will be included in calculating the deliveries for the month
- LD Relief: No LDs payable for delivery shortfalls prior to first anniversary of COD
- LD Amount: LDs for delivery shortfall based on comparison of adjusted bid price (escalated at 50% of CPI) to the average of the mid-C index prices for the month plus all transmission charges and allowances for transmission of non-firm energy from mid-C to the border. If the adjusted bid price is less than that amount, LDs will be payable based on the difference between the adjusted bid price and that amount. If the adjusted bid price exceeds that amount, no LDs will be payable
- Exclusive Remedy: Except in case of Deliberate Breach, Buyer’s exclusive remedies for delivery shortfalls are LDs, reduction in firm energy amount and, where shortfalls exceed the specified level described below, termination
- Liability Limits: Except in case of Deliberate Breach, Seller’s annual liability for EPA breaches (including delivery shortfalls) during each calendar year of the EPA term is capped at 200% of the Performance Security (with a pro-rated amount for “stub” years at the beginning and end of the term). This does not include any termination payments, third party claim indemnity, interest, reductions in firm energy amount or payment adjustments
- Consequential Damages: No consequential damages
- Renewal Term: LDs remain same during renewal term

**Security**

- Performance Security Amount:
  - Seller to provide letter of credit Performance Security on EPA signing = \$40,000/MW based on annual firm energy amount set out in the EPA divided by 8760 + \$40,000/MVA of maximum power output (D-Connected projects) or of rated MVA (T-Connected projects) as

specified in the Seller's preliminary interconnection study application

- Performance Security reduced to \$40,000/MW on first anniversary of COD based on the annual firm energy amount set out in the EPA divided by 8760
- Performance Security amount remains constant throughout remainder of EPA term (including renewal terms)
- Enforcement: Buyer entitled to enforce Performance Security if Seller fails to pay LDs or other Final Amount, if Buyer terminates EPA for Seller failure to achieve COD by October 1, 2010 or for delivery shortfalls or for any other Seller Termination Event. (For definition of "Seller Termination Event" see Termination below)
- Release: Performance Security returned on expiry or earlier termination of EPA after satisfaction of Seller's outstanding obligations
- Replenishment: If Buyer draws on the Performance Security, Seller required to replenish to full amount required under EPA
- Withholding Payment: If there is a security shortfall or any letter of credit failure that has not been rectified within the specified cure period, Buyer entitled to withhold payment until corrected

#### **Reduction in Firm Energy Amount**

- Firm Energy Reduction: After first anniversary of COD, if in any 12 month period delivered firm energy is less than 80% of contracted firm energy amount for that period, then the contracted firm energy amount will be reduced to reflect the percentage delivered during the relevant period. Any such reduction will be allocated pro rata across all 12 months
- Redemption: If Seller delivers above 80% (average) of pre-derated contracted firm energy amount over 24 months, but excluding all energy in excess of the monthly pre-derated contracted firm energy amount, contracted firm energy amount will be increased to reflect the percentage of the original contracted firm energy amount delivered during the relevant period. Any such increase will be allocated pro rata across all 12 months

#### **Termination**

- Buyer Termination Right
  - Seller has not obtained Material Permits by October 1, 2007
  - COD has not occurred by October 1, 2010 (as extended by any Force Majeure that prevents or delays COD, not exceeding 365 days)
  - Post-COD Force Majeure is invoked by Seller and continues for more than 365 days
  - In any 24 month period, delivered energy in that period is less than 60% of the original contracted firm energy amount for that period as set out in the Seller's tender
  - Seller is bankrupt or insolvent

- Letter of Credit failure (eg. issuer of letter of credit has credit rating downgrade, Seller fails to replenish the letter of credit etc.)
- amount owing by Seller is unpaid for 60 days
- other material default that is not cured within specified cure period
- *Termination Payment:* Except for termination for prolonged Force Majeure, Seller pays termination payment equal to required amount of Performance Security
- *Seller Termination Right*
  - After using commercially reasonable efforts, Seller fails to obtain Material Permits by February 1, 2007
  - Post-COD Force Majeure is invoked by Buyer and continues for more than 365 days
  - Buyer is bankrupt or insolvent
  - amount owing by Buyer is unpaid for 60 days
  - other material default that is not cured within specified cure period
  - Termination Payment
    - Seller termination based on failure to obtain Material Permits = Seller pays \$20,000/MW based on annual tendered firm energy amount set out in EPA divided by 8760
    - Seller termination before COD based on Buyer Termination Event = Buyer pays lesser of (a) 115% of the Seller's Development Costs; and (b) amount by which Seller's losses arising from the termination exceed the Seller's gains arising from the termination. Losses and gains determined by comparing EPA firm energy price for the term to the market price for an equivalent amount of power with both amounts being discounted to a present value amount
    - Seller termination after COD based on Buyer Termination Event = Buyer pays amount in (b) above
- *Force Majeure:* No termination payment except that the Seller will be required to reimburse the Buyer for all network upgrade costs incurred prior to the date of termination in proportion to the number of years remaining in the EPA term relative to the initial EPA term.
- *Exclusive Remedies:* Except in case of Deliberate Breach, Seller's payment of termination payment is Buyer's exclusive remedy for termination. Buyer's payment of termination payment is Seller's exclusive remedy for termination

### **Suspension**

- *Buyer Suspension:* Buyer right to suspend accepting deliveries for Seller default for up to 90 days or until default cured

- Seller Suspension: Seller right to suspend making deliveries and can sell to third parties during Buyer default. No time limit. Any amounts recovered by the Seller from third parties during suspension deducted from the amount payable by Buyer to Seller

#### **Insurance**

- Insurance: Seller required to maintain commercial general liability insurance with limits of liability and deductibles consistent with those a prudent owner and its lenders would require
- Major Damage:
  - Seller required to repair damage other than major damage that occurs as a result of a Force Majeure event. “Major damage” is damage that would take more than 1 year to fix and where the repair costs exceed the present value of the bid price multiplied by the contracted firm energy amount for the remainder of the EPA term
  - If major damage occurs as a result of a Force Majeure event, Seller can elect to rebuild or to terminate without liability

#### **Environmental Attributes**

##### *Green Projects – Projects that received Green Credit in the Evaluation Process*

- Ownership of Green Rights: Buyer acquires all environmental attributes (broadly defined) of Seller’s Plant and energy generated by Seller’s Plant including all credits or other similar instruments for assumed displacement of off-site generation (“Green Rights”)
- Permit Allocations: Seller retains all liability for on-site emissions and the permit allocations and other rights arising from on-site reductions in greenhouse gas emissions (“GHG”) emissions
- Certification:
  - Seller to obtain Ecologo or other applicable certification by one year after COD and maintain Ecologo or other applicable certification throughout remainder of EPA term. (“Other applicable certification” means any other certification designated by Buyer as described below under “Alternate Certification Standard”)
  - Buyer will pay certification, audit and licensing fees
- Seller Default: If Seller fails to obtain or maintain certification, energy price for firm and non-firm energy reduced by amount of green credit. If Seller fails to obtain certification by one year after COD, Seller to refund amount of green credit received during the first year of the Term
- Buyer Right to Require Cure: Where Seller fails to obtain or maintain certification, Buyer can require Seller to undertake measures necessary to obtain certification and Buyer will reimburse Seller for reasonable costs incurred by Seller in implementing those measures. The payment reduction remains in effect if Buyer invokes this provision. If Seller fails to comply with a direction to cure at Buyer’s cost, Buyer can terminate the EPA
- Exclusive Remedy: Except as set out in the immediately preceding paragraph, price reduction is

the only remedy for failure to maintain certification

- Prohibition on Sale of Green Rights: Seller may not sell any Green Rights to any third party at any time during the EPA term (including renewal terms) including when price reduction in effect
- Information Requirements: Seller to provide all information Buyer requires to verify energy generated, maintenance of Ecologo or other applicable certification, and Green Rights, including participation in green rights and/or energy tracking systems
- Audit Right: Buyer or its affiliate (or a third party who has entered into a contract with Buyer or its affiliate to purchase Green Rights from Buyer or its affiliate) can audit Seller's Plant at Buyer's or third party's cost to verify compliance with Ecologo, or other applicable certification requirements
- Alternate Certification Standard: Buyer right to require Seller to obtain alternate certification at Buyer's cost provided no material adverse effect on Seller

*Clean Projects – Projects that were considered “clean” in the evaluation process*

- Ownership of Clean Attributes: Buyer acquires all clean attributes
- Prohibition on Sale of Green Rights and Clean Attributes: Seller may not sell any Green Rights or clean attributes to any third party or make any other use of such Rights or attributes at any time during the EPA term (including renewal terms). (Note that if Seller received green credit in evaluation process, as described above, Buyer acquires all Green Rights)
- Liabilities: Seller retains all liability for on-site emissions and all other environmental liabilities and the permit allocations and other rights arising from on-site reductions in GHG emissions
- Information Requirements: Seller required to provide all information Buyer requires to verify energy generated and maintenance of clean status including participation in energy tracking systems
- Audit Right: Buyer or its Affiliates can audit Seller's Plant at Buyer's cost to verify maintenance of clean status

*GHG Requirements*

- Regulatory Requirements: Seller retains all liability for GHG emissions and is responsible to comply with all regulatory requirements with respect to such emissions
- Offset Requirement: Subject to further discussions, Seller may be required to offset some or all of the GHG emissions from the Seller's Plant beyond any offset requirement established under applicable regulations
- Method of Achieving Offset Requirement: Should there be an offset requirement, BC Hydro is considering two potential methods for the Seller to meet the offset requirement. The Seller would be required to select in its Tender the applicable method of meeting any offset requirement

- Option A – At the end of each year during the Term, the Seller makes a payment to Buyer in an amount to be determined based on the actual tonnes of GHG emissions from the Seller’s Plant (less any tonnes of GHG emissions for which the Seller acquired offsets under regulatory requirements) multiplied by a specified \$/tonne of GHG emissions. If Seller fails to make such payment within 30 days after receipt of an invoice from the Buyer, Buyer can set-off amount owing against future energy payments or can draw on the Performance Security for the amount owing
- Option B – Seller assumes obligation to meet the EPA GHG offset requirement. If the Seller fails to deliver evidence to Buyer that it has met the EPA GHG offset requirement, Buyer will be entitled to purchase offsets for any GHG emissions the Seller has failed to offset and the Seller shall reimburse Buyer for the cost of any such offsets. If the Seller fails to pay for such offsets, Buyer will be entitled to set-off the amount owing against future energy payments or draw on the Performance Security in the amount of the costs incurred by Buyer to purchase such offsets
- Offset Definition: BC Hydro is considering the benefit of requiring BC based offsets. This may facilitate project siting and approval.

**Hourly Firm Projects**

- For projects that elect the hourly firm option in the evaluation process, the EPA will provide for hourly pricing and an hourly delivery obligation
- For projects that elect the hourly firm option there will be a heavy load hour and light load hour contracted firm energy amount for each month
- Any energy in excess of the hourly firm energy amount will receive the non-firm energy price
- Any energy in excess of the hourly firm energy amount will not be included in the calculation of firm deliveries for the month. Therefore, any shortfall in deliveries of the hourly firm energy amount (except in hours where delivery is excused such as for Force Majeure, Planned Outages etc.) will result in liquidated damages payable by the Seller
- Sellers who have elected the hourly firm option will be required to deliver day ahead energy schedules which show projected energy deliveries in each hour for the next succeeding day

**Curtailed Projects (Available only to T-connected projects with a contracted firm energy amount of 25 MW (equivalent) or greater and that elect the Hourly Firm Option)**

- Bidders with curtailment capability and that elect the hourly firm option will be offered four curtailability options to elect from - hourly, daily, weekly, monthly – representing the time the Seller’s Plant will remain at reduced, or zero, output based on each curtailment instruction from the Buyer
- Bidders electing the curtailability option will be required to tender a Minimum Generation Level which can be set at any level below the contracted firm energy amount down to zero
- Hourly – Seller provides an hourly schedule of firm and non-firm energy production for a 24 hour period (ie. 24 numbers, in units of MWh/h), 12 hours in advance, every 24 hours. Buyer can curtail schedule with hourly resolution, down to the greater of zero, and any tendered

Minimum Generation Level (in MWh/h). Maximum response time is 1 hour

- Daily – Seller provides a daily schedule of firm and non-firm energy production for a 14 day period (ie. 14 numbers, in units of MWh/day), 7 days in advance, every 7 days. Buyer can curtail schedule with daily resolution, down to the greater of zero, and any tendered Minimum Generation Level (in MWh/day). Maximum response time is 1 day
- Weekly - Seller provides a weekly schedule of firm and non-firm energy production for a 12 week period (ie. 12 numbers, in units of MWh/week), 1 week in advance, every 4 weeks. Buyer can curtail schedule with weekly resolution, down to the greater of zero, and any tendered Minimum Generation Level (in MWh/week). Maximum response time is 1 week
- Monthly - Seller provides a monthly schedule of firm and non-firm energy production for a 12 month period (ie. 12 numbers, in units of MWh/month), 14 days in advance, every 2 months. Buyer can curtail schedule with monthly resolution, down to the greater of zero, and any tendered Minimum Generation Level (in MWh/month). Maximum response time is 1 month
- Bidders offering curtailment capability will be required to bid an energy charge in addition to the firm energy bid price. The energy charge will escalate at 100% of CPI and will not be payable when the Seller's Plant has been curtailed as a result of a curtailment instruction from Buyer
- Hours in which the Seller's Plant is subject to a curtailment instruction will be considered "deemed available" hours and the Seller will be paid the firm energy amount less the energy charge for undelivered firm energy that could have been delivered but for the curtailment instruction. The hourly pricing adjustment table will be applied to determine the amount payable by the Buyer for "deemed available" firm energy during the curtailment period. The amount of firm energy that could have been delivered will be determined from the energy schedule provided by the Seller for the relevant period unless the Buyer can demonstrate that the Seller could not have complied with that schedule
- During hours in which the Seller's Plant is subject to a curtailment instruction, the Seller cannot deliver any energy in excess of the generation level specified in the curtailment instruction from the Buyer

**APPENDIX 1**

**Sample Price Premium/Discount Table**

	HLH	LLH
January	113%	97%
February	109%	102%
March	105%	100%
April	103%	88%
May	104%	73%
June	104%	71%
July	104%	77%
August	104%	97%
September	105%	98%
October	103%	89%
November	106%	104%
December	117%	101%

**APPENDIX 2**

**Sample Non-Firm Discount Table**

	0%-25%	25%-50%	50%-75%	>75%
Jan	90%	80%	70%	60%
Feb	90%	80%	70%	60%
Mar	85%	70%	55%	40%
Apr	80%	60%	40%	20%
May	75%	50%	25%	10%
Jun	75%	50%	25%	10%
Jul	75%	50%	25%	10%
Aug	80%	60%	40%	20%
Sep	80%	60%	40%	20%
Oct	85%	70%	55%	40%
Nov	90%	80%	70%	60%
Dec	90%	80%	70%	60%

**APPENDIX 3**

**Sample Monthly Calculation of Firm and Non-Firm Energy Calculation (MWh)**

	HLH	LLH	Total
Tendered Monthly Firm Energy	N/A	N/A	20
Total Energy delivered	30 (60% of total)	20 (40% of total)	50
Firm Energy	12 (60% of tendered firm energy amount)	8 (20% of tendered firm energy amount)	20
NFE 0% - 25%	3	2	5
NFE 25% - 50%	3	2	5
NFE 50% - 75%	3	2	5
NFE > 75%	9	6	15