

VANCOUVER ISLAND – CALL FOR TENDERS

ADDENDUM

Addendum Number: 13

Date of Issue: 3 May 2004

Subject: **Clarifications re Definitions**
Quantitative Evaluation Methodology
Preliminary Form EPA – Amendments/Clarifications
Appendix 6
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Gas-fired Generation Fuel Risk Allocation Election
Dual Fuel Capability
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1. This Addendum is issued pursuant to the BC Hydro Call for Tenders for Capacity and Associated Energy on Vancouver Island, issued 31 October 2003, as amended, (the “CFT”).
2. Words and phrases defined in the CFT and used herein have the meanings given in the CFT. Refer to Appendix 1 of the CFT for definitions.
3. **Clarifications re Definitions:** “Minimum CFT Capacity” and “Maximum CFT Capacity”, which are referenced in the QEM issued with this Addendum, mean currently 150 MW and 300 MW, both expressed as average degraded capacity over the Initial Term. BC Hydro reserves the right to modify either or both of the Minimum CFT Capacity and the Maximum CFT Capacity by subsequent Addendum issued not later than 30 days before the Tender Closing Time. For clarity, bidders should also note that, consistent with BC Hydro’s need for a reliable resource on Vancouver Island, for purposes of applying the Mandatory Criterion associated with Dependable Capacity to Tenders, a plant will not be considered capable of achieving a guaranteed availability of 97% during the period October to March inclusive, unless it can generate Bid Capacity, adjusted for AAC and degradation in accordance with the EPA, without restrictions associated with Fuel or Energy Source availability, permit conditions or other circumstances or conditions, which do not excuse delivery obligations under the Preliminary Form EPA.
4. **Quantitative Evaluation Methodology:** The Quantitative Evaluation Methodology (“QEM”), the Tender Spreadsheet and Portfolio Spreadsheet and the associated User’s Manual have been revised. The revised QEM is issued with this Addendum. The revised Tender Spreadsheet and Portfolio Spreadsheet, with the associated User’s Manual, are being delivered by e-mail to pre-qualified bidders. The QEM issued with this Addendum consolidates the quantitative evaluation methodology, and accordingly supercedes and cancels Addendum 1, Addendum 6 and specific provisions of any other Addenda, which describe the quantitative evaluation methodology, or any part thereof. Except as otherwise indicated in the QEM, data assumptions, inputs and sources used in the QEM may be revised by BC Hydro by Addendum issued not later than 30 days before the Tender Closing Time. Other CFT amendments may be issued by Addendum not later than 7 days before the Tender Closing Time, as provided in the CFT.
5. **Preliminary Form EPA Amendments/Clarifications:** The revised Preliminary Form EPA issued with Addendum 12 is amended and clarified as set out in the document entitled “Preliminary Form EPA - Amendments/Clarifications – 3 May 2004” issued with this Addendum. Pre-qualified bidders should

consider this document in preparing any comments they wish to submit on the revised Preliminary Form EPA.

6. **Appendix 6 - Summary of Seller EPA Performance and Delay LDs, Liabilities and Securities:** Appendix 6 of the CFT, the Summary of Seller EPA Performance and Delay LDs, Liabilities and Securities, has been revised to reflect the current Preliminary Form EPA. The revised Appendix 6 replaces and cancels the prior version of that document. Bidders are reminded that Appendix 6 is a summary only and that the terms of any executed EPA, and VIGP Transfer Agreement, if any, are the only terms and conditions that will govern.

7. **Appendix 8 - EPA Pricing Structure:** Appendix 8 of the CFT, the EPA Pricing Structure, has been revised to reflect the current Preliminary Form EPA. The revised Appendix 8 replaces and cancels the prior version of that document. Bidders are reminded that Appendix 8 is a summary only and that the terms of any executed EPA, and VIGP Transfer Agreement, if any, are the only terms and conditions that will govern.

8. **Gas-fired Generation Fuel Risk Allocation Election:** Bidders intending to tender gas-fired generation are reminded that an Election Form in respect of fuel risk allocation (and in the case of an election for Option #2, a Full Tolling Information Form) is due for submission 7 May 2004. **Bidders should note that the name or a brief description of their project should be completed in the box marked "Description" on the Election Form. Bidders intending to tender two or more gas-fired generation projects should note that a separate Election Form (and Full Tolling Information Form, if applicable) should be filed in respect of each project. A bidder may make only one election per project. The election, once made or deemed to be made, is irrevocable and will apply to that project in all Tenders submitted, which include that project.**

9. **Dual Fuel Capability:** As contemplated by the QEM, a bidder may submit a single Tender in respect of a gas-fired plant with mutually exclusive alternate scenarios: a plant with dual fuel capability and a plant without dual fuel capability, with alternate pricing applicable in each scenario. For details on how the QEM models such a Tender, see section 4.3.5 of the QEM.

10. **Duct Firing Capability:** As contemplated by the QEM, a bidder may submit a single Tender in respect of a gas-fired plant with mutually exclusive scenarios: a plant with duct firing capability and a plant without duct firing capability, with alternate pricing and Guaranteed Heat Rate applicable in each scenario. For details on how the QEM models such a Tender, see section 4.3.6 of the QEM.

11. **VIGP Data Room:** Bidders who made the VIGP Election will be notified by e-mail of additional documents to be made available to them pursuant to section 5.3 of the CFT for due diligence purposes.

12. **Documents of Latest Date Govern:** Bidders are reminded that in accordance with section 1 of the CFT, documents bearing the latest issue date govern. Accordingly, the QEM issued with this Addendum supersede and cancel any conflicting provisions of the CFT, including any prior Addenda and/or other documents issued pursuant thereto.

13. **Documents Issued Concurrently:** The following documents referenced herein are issued concurrently with this Addendum and are available at <http://www.bchydro.com/vicft>.

- QEM
- Preliminary Form EPA – Amendments/Clarifications – 3 May 2004
- Appendix 6, Summary of Seller EPA Performance and Delay LDs, Liabilities and Securities
- Appendix 8, EPA Pricing Structure