

VANCOUVER ISLAND – CALL FOR TENDERS

ADDENDUM

Addendum Number: 8

Date of Issue: 13 January 2004

Subject: Revised CFT and Preliminary Form Agreements

1. This Addendum is issued pursuant to the BC Hydro Call for Tenders for Capacity and Associated Energy Supply on Vancouver Island, issued 31 October 2003 as amended (“CFT”).
2. Words and phrases defined in the CFT and used herein have the meanings given in the CFT, unless otherwise indicated.
3. On 15 December 2003, BC Hydro posted the BC Hydro Response to Bidders’ Comment Sheets. The response indicated that a number of revisions would be made to the CFT and to the Preliminary Form Agreements.
4. Addendum Number 5, section 10, provides that in order to permit BC Hydro to also consider all Bidder Reply/Comment Forms submitted, and questions and comments that may be raised at the Bidders’ Evaluation Workshop, CFT and Preliminary Form Agreement revisions would be issued on 13 January 2004, with a copy being filed concurrently, along with the Bidder Reply/Comment Forms, with the BCUC.
5. In order to assist bidders and the BCUC to readily identify CFT revisions, those revisions are set out below in this Addendum. Bidders should note that in accordance with section 1 of the CFT, if there is any conflict or inconsistency between or among the CFT as originally issued and amended prior to the date hereof and this Addendum, then this Addendum governs.
6. **Network Upgrade Costs for Split Bids:** With reference to section 7.6 of the CFT, in the case of a split bid, the Network Upgrade Costs to be borne by BC Hydro and associated with a successful portfolio containing a Tender reflecting a split bid, will exclude that portion of the total Network Upgrade Costs allocated to project capacity in excess of the Bid Capacity. The bidder will bear any such excluded portion of Network Upgrade Costs.
7. **Split Bids Permitted:** The Project Criteria forming part of Mandatory Criteria under section 9.8 of the CFT are revised to delete the final criterion – “No Split Bids”.
8. **Dual Fuel Gas-Fired Tolling Projects:** With reference to section 6.5 of the CFT, the following information is provided relative to dual fuel gas-fired tolling projects. If gas-fired tolling projects, which include dual fuel capability are pre-qualified, then BC Hydro will issue a revised Appendix 8 to the Preliminary Form EPA, together with any other revisions required, to reflect tolling of secondary fuel in addition to tolling natural gas for such projects. These revisions will be available in sufficient time for bidders to comment on them on or before the deadline for final comments on the Preliminary Form EPA set out in the CFT Schedule, currently 9 April 2004.
9. **Tender Security for Multiple, Mutually Exclusive Tenders:** With reference to section 10.7 of the CFT, if a bidder submits two or more Tenders, each of which is mutually exclusive, then the bidder

will be required to provide only one Tender Security, the amount of which will be determined by the Tender having the largest Bid Capacity.

10. **Address for Submission Deliveries:** In order to properly direct bidder submissions within BC Hydro, section 15.1 of the CFT is revised by deleting the address for deliveries and substituting:

“British Columbia Hydro and Power Authority
10th Floor
333 Dunsmuir Street
Vancouver, British Columbia V6B 5R3
Canada

Attention: VI CFT Records Manager”

11. **Anti-Lobbying:** Section 18.20 of the CFT is revised to add: “For clarity, normal course communications between bidders and/or their consultants, advisors and contractors and government officials concerning project permitting and regulatory aspects of project development do not violate the anti-lobbying provisions of this section.”

12. **New, Incremental Capacity:** Project Criteria forming part of Mandatory Criteria under section 9.8 of the CFT include “*New, Dependable Capacity*”. “New” is defined in Appendix 1 of the CFT. This definition is revised to read:

“New” means, in relation to Dependable Capacity, new or refurbished generation facilities that have not achieved initial synchronization prior to the Tender Closing Time, and **incremental** capacity and associated energy resulting from refurbishing or modifying existing equipment after the Tender Closing Time, whether or not such existing equipment had achieved initial synchronization prior to the Tender Closing Time.”

13. **Bidder Entities:** Under the CFT, bidders must be registered in order to make a Pre-Qualification Submission, and only pre-qualified, registered bidders are eligible to submit Tenders. BC Hydro acknowledges that some bidder organizations may not have completed transaction planning or formed a bidding entity at the time of registration. Accordingly, Pre-Qualification Submissions may be made by registered bidders, or by entities which are Affiliates of registered bidders, provided that the registered bidder has given its written consent to the substitution of the Affiliate for the registered bidder. The Affiliate, if pre-qualified, is then eligible to submit a Tender. Evidence that the entity is an Affiliate of the registered bidder, and the written consent of the registered bidder, should be delivered as part of the Pre-Qualification Submission. For the governing definition of “Affiliate”, see Appendix 1 of the CFT. (Reference: Q&A#6)

14. **Quantitative Evaluation Methodology - Correction:** Addendum Number 1, section 3.4.2(b) is corrected by deleting “2000” in line 4 and substituting “2002”.

15. **Pre-Qualification Submission Forms:** The Pre-Qualification Submission documents posted with Addendum Number 3 on 14 November 2003 have been revised to reflect the BC Hydro Response to Bidders’ Comment Sheets and to correct certain errors. The revised documents are posted with this Addendum and include:

- General Instructions
- Pre-Qualification Form

- Mandatory Criteria Guidelines and Information Requirements.

A blacklined version of the foregoing documents is also posted with this Addendum. Black lining shows changes from the version posted with Addendum Number 3 on 14 November 2003.

16. ***Revised Appendices:*** The following Appendices to the CFT have been revised and are posted with this Addendum:

- Appendix 5 - Preliminary Form EPA
- Appendix 6 – Summary of Seller EPA Performance and Delay LDs, Remedies, Liabilities and Securities
- Appendix 7 – Preliminary Form VIGP Transfer Agreement
- Appendix 8 – EPA Pricing Structure.

Black lined versions of the foregoing are also posted with this Addendum. Black lining shows changes from the previous versions. Changes reflect the BC Hydro Response to Bidders' Comments Sheets and the correction of certain errors.