



FOR GENERATIONS

Standing Offer ~~Draft~~ Program Rules

~~Issued January 18,~~ April 2008





Standing Offer Program
~~Draft Program~~ Rules

~~January~~ April 2008

For more information, please contact:

Standing Offer Program
Power Acquisitions
~~Customer Care & Conservation~~
BC Hydro
10th Floor - 333 Dunsmuir Street
Vancouver, BC V6B 5R3
standing.offer@bchydro.com

Copyright © 2008 BC Hydro, All rights reserved.

Standing Offer Program Rules

Table of Contents

1.0	Introduction	1
2.0	Regulatory Framework	2
3.0	Eligibility Requirements.....	3 <u>2</u>
4.0	Price.....	15 <u>10</u>
5.0	Interconnection.....	19 <u>15</u>
6.0	Revenue Metering	22 <u>18</u>
7.0	Electricity Purchase Agreement.....	22 <u>18</u>
8.0	Communications.....	24 <u>20</u>
9.0	Application Process & Review.....	25 <u>21</u>
10.0	Project EPA Offer & Acceptance.....	34 <u>27</u>
11.0	Disclosure	34 <u>27</u>
12.0	Additional Rules	34 <u>27</u>
13.0	Appendices.....	i
14.0	Reference Documents	i

Standing Offer Program Rules

1.0 Introduction

As directed by the provincial government in its [BC Energy Plan: A Vision for Clean Energy Leadership](#) (the “Energy Plan”), [BC Hydro](#) is implementing a Standing Offer Program (the “Program”) to encourage the development ~~by independent power producers~~ of [small and](#) clean energy [Projects](#) throughout British Columbia. The Program is a process to purchase energy from small [Projects](#) with a [Nameplate Capacity](#) greater than 0.05 [megawatts \(MW\)](#) but not more than 10 MW.

In previous years, BC Hydro has issued a number of calls for power with varying requirements of the projects and participants. While these calls were successful in obtaining power for the province from both small and large sources, both BC Hydro and the provincial government were concerned that the administrative burden of participation in the calls was too great for small developers.

Through a series of informal stakeholder engagement sessions and written comments, we received extensive feedback from stakeholders about previous calls for power and the design of the Standing Offer Program. As a result, the Program has been designed to simplify the process, the contract and its administration, and to decrease the costs of participation for developers while remaining cost-effective for the ratepayer. The Program was developed to meet the need identified by the Energy Plan and embodies its policy and principles.

The Program is currently limited to [Proven Generation Technologies](#), with the exception of nuclear power.

The Standing Offer Program Rules (“the Rules”) explain Program details including eligibility requirements, application process and the [Standard Form Electricity Purchase Agreement](#) (“Standard Form EPA”) terms.

Key Section Highlights

Eligibility – The Rules establish a number of eligibility requirements that the [Developer](#) and the Project must meet to be eligible to apply for the Program, including Project size, location, interconnection, development status and generation type. See [Section 3.0 – Eligibility](#).

Payment Price - The payment price offered by BC Hydro for energy delivered under the Program is determined by the location of the Project and the year,

month and time of day the energy is delivered. An additional payment for [Environmental Attributes](#) may apply. See [Section 4.0 – Price](#).

Network Upgrade Costs - BC Hydro is responsible for certain [Network Upgrade Costs](#) (“NU Costs”). The Developer is responsible for certain interconnection costs. See [Section 5.0 – Interconnection](#).

Electricity Purchase Agreement - Energy will be delivered under a long-term EPA. An overview of the Standard Form EPA is provided in [Section 7.0 – Electricity Purchase Agreement](#).

How to apply - We invite Developers to submit an [Application](#) to BC Hydro by following the process detailed in [Section 9.0 – Application Process & Review](#).

For more information about the Program - Please see the Program website located at <http://www.bchydro.com/standingoffer>. For administrative ease, we will only accept questions submitted as described in [Section 8.0 – Communications](#).

2.0 Regulatory Framework

~~2.1~~ ~~2.1~~ BC Hydro ~~intends to file~~[filed](#) an application for the Program with the British Columbia Utilities Commission (“BCUC”) ~~on December 14, 2007~~ pursuant to Section 45 (6.1)~~(b)~~ of the ~~Utilities Commission Act of British Columbia. This filing will include the draft Rules, Standing Offer Program Application Form (“Application Form”), Standard Form EPA and certain other Reference Documents for the Program. The Section 45 application will seek BCUC comments on the Rules, Application Form, Standard Form EPA and certain other Reference Documents and approval to proceed with the Program. We anticipate that the BCUC will establish a regulatory process to review the Program. Upon completion of the regulatory review, the BCUC will render a decision regarding the Program. [Note: This section will be revised for the final Program Rules to reflect BCUC’s decision with respect to the Section 45 application.]~~ Subsequently, a Negotiated Settlement Process resulted in a [Settlement Agreement between BC Hydro and registered intervenors](#). The BCUC [approved the Settlement Agreement pursuant to Order G-43-08 dated March 19, 2008 and directed BC Hydro to file final form documents \(i.e. Rules, Standard Form EPA and Application Form\) reflecting changes agreed to in the Settlement Agreement.](#)

~~2.2~~ ~~2.2~~ BC Hydro plans to file [Project EPAs](#) signed under the Program with the BCUC as they constitute “energy supply contracts” which must be filed under Section 71 of the *Utilities Commission Act*.

3.0 Eligibility Requirements

The BC Energy Plan
A Vision for Clean Energy Leadership

“Transmission or distribution connected Projects [located in BC or BC Coastal waters] of 10 MW or less, and either clean, renewable or co-generation with an overall efficiency (heat and electricity production) in excess of 80 per cent will be eligible for the program.”
- BC Energy Plan

The BC Energy Plan
A Vision for Clean Energy Leadership

“The financial and environmental problems experienced in other jurisdictions that have invested in nuclear power continue to make it a risky proposition. The government rejects nuclear power as a strategy to meet British Columbia’s future energy needs.”
- BC Energy Plan

The Developer and the Project must meet the following requirements:

- 3.1 ~~Size—The Project must have a Nameplate Capacity of greater than 0.05 MW but not more than 10 MW. See section 3.4 regarding the application of this requirement to various types of eligible generation, including configurations where the Project and any existing electricity generation facility constitutes, or will constitute, a Common Generation Facility. 3.2~~ **Clean** - The Project, and any Common Generation Facility that the Project is a part of, if applicable, and all energy generated from Developer must provide evidence that the energy acquired under the Project and the Common Generation Facility ~~must~~ EPA will be Clean, Renewable or High Efficiency Co-generation. Where the Project shares, or will share, a common Revenue Meter with any other existing generation, the existing electricity generator must also be

The Clean, Renewable ~~or~~ and High Efficiency Co-generation requirement applies only to the portion of energy that BC Hydro will buy under a Project EPA.

- ~~3-33.2~~ **Location** - Projects must be located in British Columbia, which includes Canadian and British Columbia territorial waters.

- ~~3-43.3~~ **Eligible Generation** - All Proven Generation Technologies are eligible to participate in the Program, except nuclear. Prototype and near commercial technologies are not eligible to participate in the Program.

The following restrictions ~~or~~ and conditions apply:

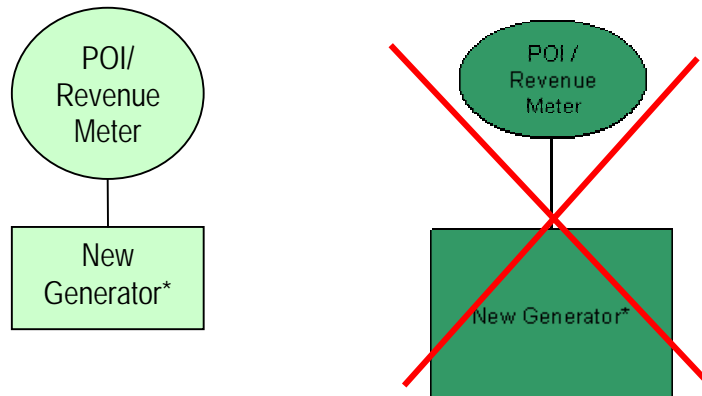
- **Energy from a new generator ~~not Behind a Customer Load and that is not part of a Common Generation Facility~~** – The Nameplate Capacity of the new generator must be greater than 0.05 MW but not more than 10 MW. The full output from the new generator will be sold to BC Hydro under the Project EPA.

The new generator must be separately metered with a Revenue Meter ~~must be able to measure the~~ that measures electricity delivered to the POI from generated by the new generator (net of Station Service) and deducts line losses from the generator to the POI.

If the new generator is Behind a Customer Load, such generation is eligible provided that any changes to the customer’s Electricity or Energy Supply Agreement (“ESA”), whichever is applicable, required to accommodate the new generator in the Program are not significant as determined by BC Hydro in its sole discretion and

are concluded prior to the time specified in Section 10.1 of the Rules for an offer of a Project EPA. The customer's ESA will be modified so that future billings to the customer will account for the energy generated by the new generator that is being sold to BC Hydro under the Project EPA.

Figure 1 – Energy from a ~~New Generator not Behind a Customer Load and That is Not Part~~ new generator that is not part of a Common Generation Facility



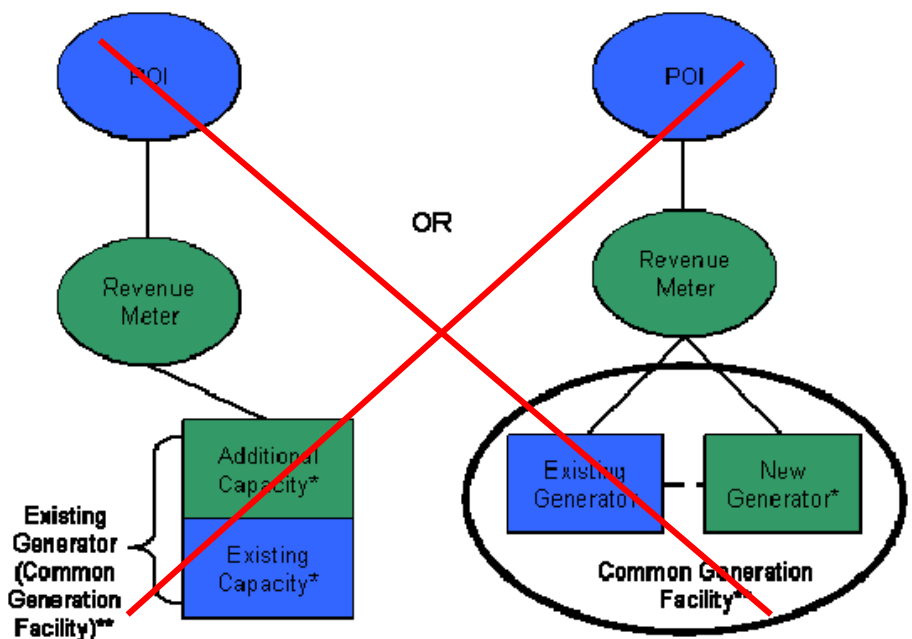
** The new generation must be greater than 0.05 MW and not greater than 10 MW.*

- ~~Energy from existing generator(s) not Behind a Customer Load (No increase in Nameplate Capacity)~~ – is eligible if none of the existing generation is under contract to BC Hydro.

BC Hydro will acquire the first 10 MW of energy from the existing generator in excess of the generator baseline. If none of the electricity from the existing generator is under contract to a third party the generator baseline will be zero MW. If a portion of the electricity from the existing generator is under contract to a third party the generator baseline will be based on the existing contracted electricity. If the commitment to the third party expires, or is otherwise terminated, prior to the expiry or termination of a Project EPA, the generator baseline will be revised to zero (or the amount of any remaining commitments to other third parties).

The Revenue Meter must be able to measure the electricity delivered to the POI from the Common Generation Facility (net of Station Service).

Figure 2 – Energy from an existing generator not Behind a Customer Load (No increase in Nameplate Capacity)



**BC Hydro will acquire energy at any time generation exceeds the generator baseline to a maximum of the generator baseline plus 10 MW.*

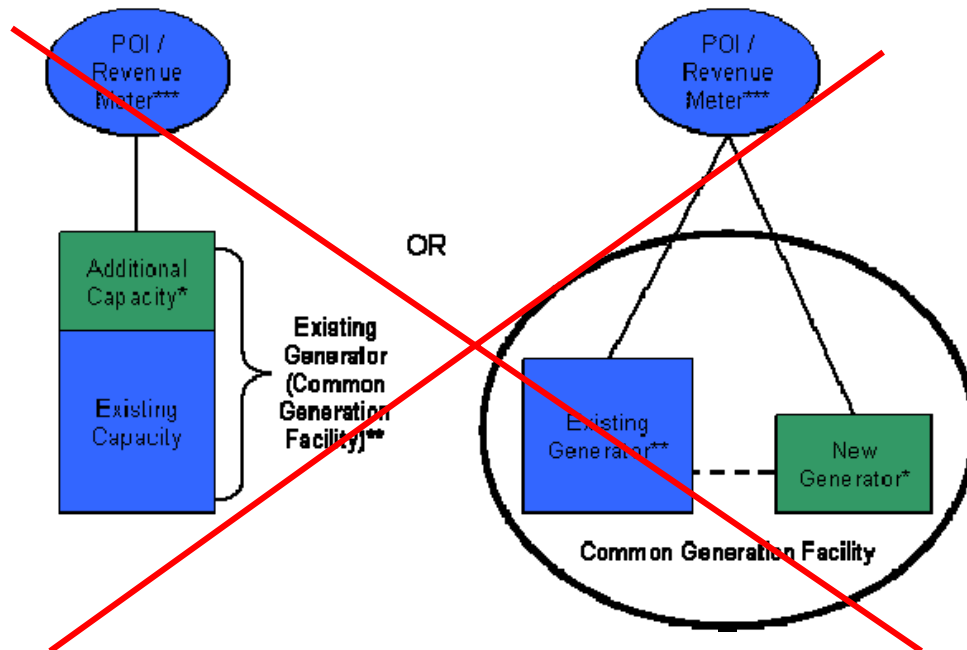
***Output from the existing generator must not be under contract to BC Hydro.*

- **Energy from new generation not Behind a Customer Load and that is part of a Common Generation Facility**—A new generator added to an existing generation facility or an increase in the Nameplate Capacity of an existing facility is eligible if none of the generation from the existing facility is under contract to BC Hydro.

The Nameplate Capacity of the new generator or the increase in the Nameplate Capacity of the existing generation facility must be greater than 0.05 MW but not more than 10 MW. BC Hydro will acquire the first 10 MW of energy generated by the Common Generation Facility in excess of the generator baseline. If none of the electricity from the Common Generation Facility is under contract to a third party the generator baseline will be zero MW. If a portion of the electricity from the Common Generation Facility is under contract to a third party the generator baseline will be based on the existing contracted electricity. If the commitment to the third party expires, or is otherwise terminated, prior to the expiry or termination of a Project EPA, the generator baseline will be revised to zero (or the amount of any remaining commitments to other third parties).

The Revenue Meter must be able to measure the electricity delivered to the POI from the Common Generation Facility (net of Station Service).

Figure 3—Energy from an existing generator not Behind a Customer Load (No increase in Nameplate Capacity)



* The capacity increase and/or the Nameplate Capacity of the new generator must be greater than 0.05 MW and not more than 10 MW.
 ** Output from the existing generator must not be under contract to BC Hydro.
 *** The Revenue Meter must be able to measure the electricity from the Common Generation Facility.

- ~~Energy from a new generator Behind a Customer Load and that **is not part of a Common Generation Facility**—is eligible, provided that any changes to the customer’s Electricity Supply Agreement (“ESA”) required to accommodate the Project in the Program are not significant as determined by BC Hydro in its sole discretion and are concluded prior to the time specified in section 10.1 of the Program Rules for an offer of a Project EPA. The full output from the new generator will be sold to BC Hydro under the Project EPA. The Nameplate Capacity of the new generator must be greater than 0.05 MW but not more than 10 MW.~~

Energy from a Project that is part of a Common Generation Facility
 – The following types of Common Generation Facilities are eligible:

- (1) an Existing Generation Facility with a Nameplate Capacity greater than 0.05 MW, and

(2) an increase in the Nameplate Capacity of an Existing Generation Facility whereby the new capacity is greater than 0.05 MW but not more than 10 MW, and

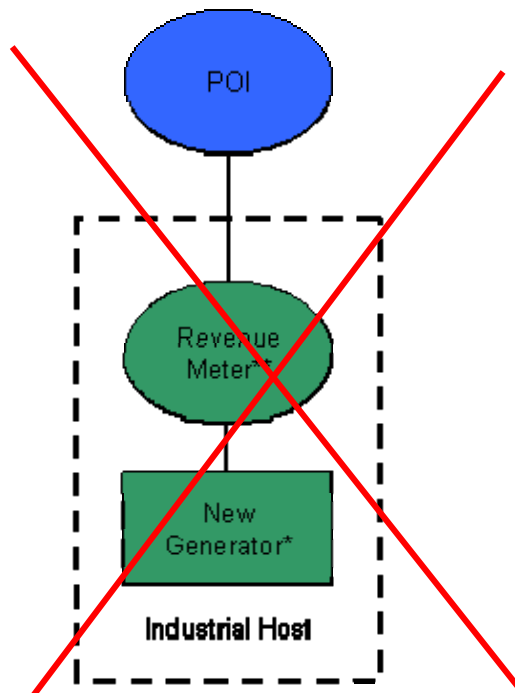
(3) a new generator added to an Existing Generation Facility where the Nameplate Capacity of the new generator is greater than 0.05 MW but not more than 10 MW.

BC Hydro will acquire energy generated by the Common Generation Facility (including the Project) to a maximum of 110 per cent of the Project Capacity. The Project Capacity is limited to 10 MW.

If a portion of the electricity from the Common Generation Facility is under contract to a third party, the generator baseline will be established based on the existing contracted electricity. BC Hydro will acquire energy generated by the Common Generation Facility in excess of the generator baseline to a maximum of 110 per cent of the Project Capacity. If the commitment to the third party expires, or is otherwise terminated, prior to the expiry or the termination of the Project EPA, the generator baseline will be revised accordingly.

~~In this case the new generator must be separately metered with a~~The Revenue Meter that measures~~must be able to measure the~~ electricity generated by ~~the new generator~~ the Common Generation Facility (net of Station Service) and ~~deducts~~deduct line losses from the ~~generator to the point at which the customer's load interconnects with the Distribution System or Transmission System.~~ The customer's ESA will be modified to reflect future billings to the customer to account for the energy generated by the new generator that is being sold to BC Hydro. Common Generation Facility to the POI.

~~Figure 4 – Energy from a new generator~~If the Common Generation Facility is Behind a Customer Load ~~and that is not part of a Common Generation Facility.~~



** Nameplate Capacity must be greater than 0.05 MW and not greater than 10 MW.
 ** The new generator must be separately metered.*

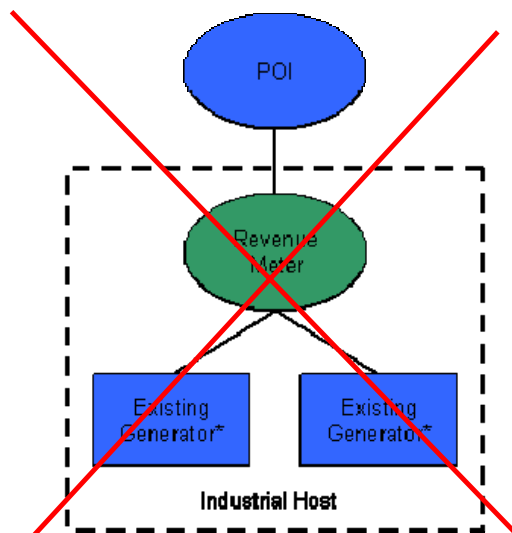
- Energy from existing such generation **Behind a Customer Load (no Increase in Nameplate Capacity)**— is eligible if (i) none of the existing generation is under contract to BC Hydro, and (ii) is eligible provided that any changes to the customer’s ESA required to accommodate the Project new generator in the Program are not significant as determined by BC Hydro in its sole discretion and are concluded prior to the time specified in section Section 10.1 of the Program Rules for an offer of a Project EPA. In this case all existing generation Behind the Customer Load will generally be considered one Common Generation Facility. BC Hydro will acquire the first 10 MW of The customer’s ESA will be modified so that future billings to the customer will account for the energy generated by the Common Generation Facility in excess of the generator baseline that is being sold to BC Hydro. The generator baseline will be based on (a) for a Common Generation Facility behind a Customer Load will be set for each month based on the historical generation of the existing generation facility and/or ~~(b)~~ if a portion of the electricity from the Common Generation Facility is under contract to a third party, the existing contracted electricity. If the commitment to the third party expires, or is otherwise terminated, prior to the expiry or the termination of a Project EPA the generator baseline will be revised**

~~accordingly. The generator baseline will not be adjusted to reflect variations in the customer's energy consumption; and~~

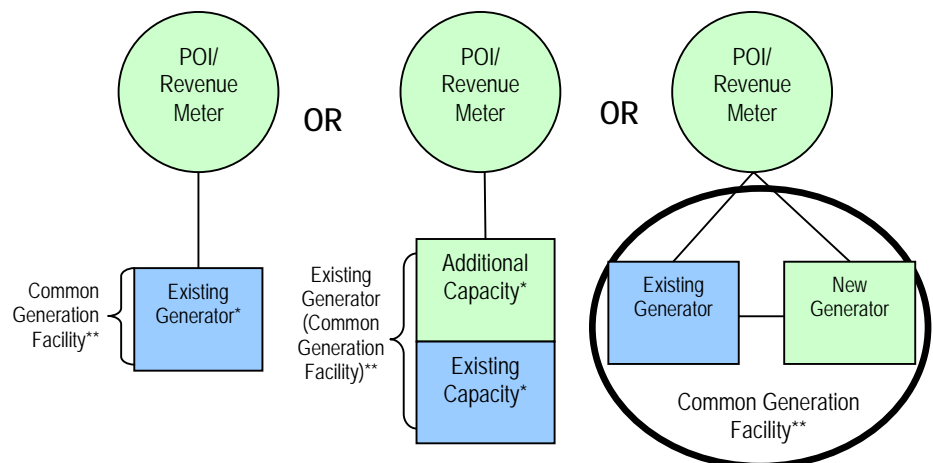
- ~~a generator baseline will be set for each month based on the historical generation of the existing generation facility and if a portion of the electricity from the Common Generation Facility is under contract to a third party, the existing contracted electricity.~~ The generator baseline will not be adjusted to reflect variations in the customer's energy consumption.

~~In this case the Revenue Meter must be able to measure the electricity generated by the Common Generation Facility (net of Station Service) and deducts line losses from the Common Generating Facility to the point at which the customer's load interconnects with the Distribution System or Transmission System. The customer's ESA will be modified to reflect future billings to the customer to account for the energy generated by the Common Generation Facility that is being sold to BC Hydro.~~

~~Figure 5— Energy from existing generation Behind a Customer Load (No increase in Nameplate Capacity)~~



~~Figure 2 – Energy from a Project that is part of a Common Generation Facility~~



* The additional capacity increase and/or existing capacity for sale under a Project EPA must be greater than 0.05 MW and not more than 10 MW.

* *Output from the existing generator must not be under contract to BC Hydro. ♦

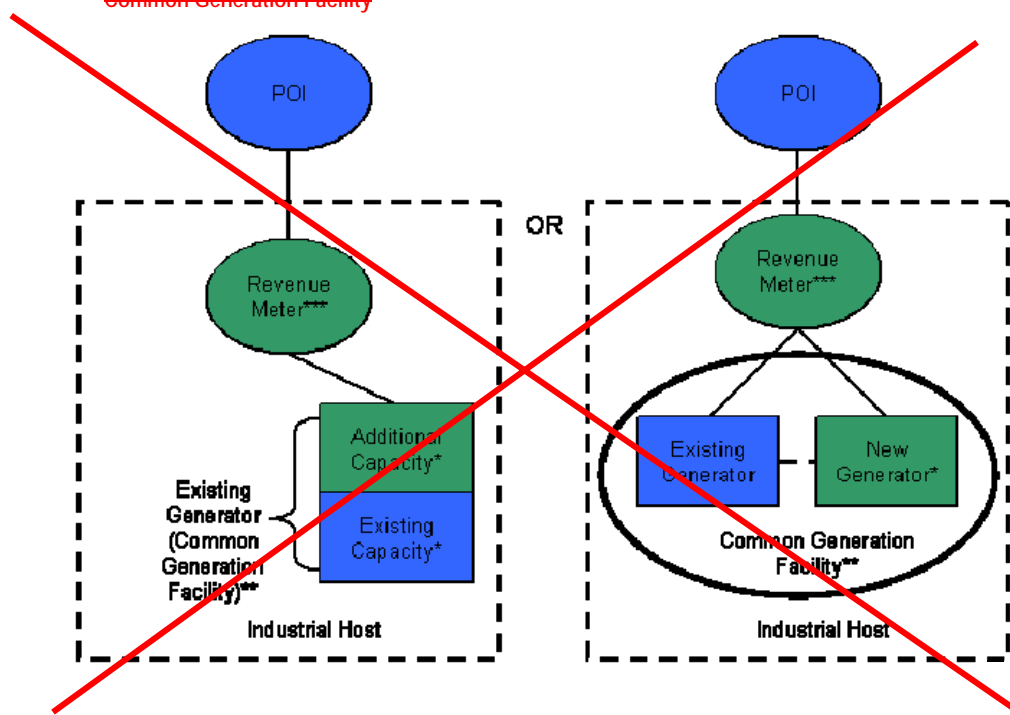
~~—Energy from new generation Behind a Customer Load and a Project EPA with BC Hydro. Eligibility of a Project that is part of a Common Generation Facility - A new generator added to an existing generation facility located Behind a Customer Load or an increase in the Nameplate Capacity of an existing facility located Behind a Customer Load is eligible if (i) none of the generation from the existing facility is under contract to BC Hydro, and (ii) any changes to the customer's Electricity Supply Agreement required to accommodate the Project in the Program are not significant as determined by BC Hydro in its sole discretion and are concluded prior to the time specified in section 10.1 of the Program Rules for an offer of a Project EPA. that includes existing generation or existing capacity under any other BC Hydro EPA is at the discretion of BC Hydro. See "Previous, Current and Future EPAs with BC Hydro".~~

~~The Nameplate Capacity of the new generator or the increase in the Nameplate Capacity of the existing generation facility must be greater than 0.05 MW but not more than 10 MW. BC Hydro will acquire the first 10 MW of energy generated by the Common Generation Facility in excess of the generator baseline. The generator baseline will be based on (a) the Nameplate Capacity of the existing generation facility and/or (b) the historical generation of the existing generation facility and/or (c) if a portion of the electricity from the Common Generation Facility is under contract to a third party, the existing contracted electricity. If the commitment to the third party expires, or is otherwise terminated, prior to the expiry or the termination of a Project EPA the generator baseline will be revised accordingly.~~

~~The generator baseline will not be adjusted to reflect the variations in the customer's energy consumption.~~

In this case the Revenue Meter must be able to measure the electricity generated by the Common Generation Facility (net of Station Service) and deducts line losses from the Common Generating Facility to the point at which the customer's load interconnects with the Distribution System or Transmission System. The customer's ESA will be modified to reflect future billings to the customer to account for the energy generated by the Common Generation Facility that is being sold to BC Hydro.

Figure 6—Energy from new generation Behind a Customer Load and that is part of a Common Generation Facility



* The capacity increase and/or the Nameplate Capacity of the new generator must be greater than 0.05 MW and not more than 10 MW.

** Output from the existing generator must not be under contract to BC Hydro.

*** The Common Generation Facility must be separately metered.

- **Previous, Current and Future EPAs with BC Hydro** - Projects for which an EPA was signed with BC Hydro prior to 2006 are eligible to participate in the Program, provided that the EPA has been terminated in accordance with the EPA terms and all other post-termination conditions and restrictions in the EPA have been complied with.

[Except as otherwise indicated in the Settlement Agreement attached to BCUC Order G-43-08,](#) Projects for which an EPA was signed with BC Hydro in 2006 or later, are not eligible to **apply to participate in** the Program regardless of any termination or expiry of the EPA. BC Hydro may determine in its sole discretion whether or not a Project submitted

to the Program constitutes the same project as a project for which an EPA was signed with BC Hydro in 2006 or later. Factors BC Hydro may consider in its sole discretion include, but are not limited to:

- the location;
- permits, licenses and site tenure; and
- the Developer (including the ownership structure of the Developer)

of the Project submitted to the Program, relative to the prior project.

A Project that is part of a Common Generation Facility where that Common Generation Facility is, in whole or in part, the subject of an EPA entered into under the Program will not be eligible for the Program.

A Project that is part of a Common Generation Facility where that Common Generation Facility is, in whole or in part, the subject, in of an EPA with BC Hydro other than an EPA entered into under the Program EPA, may be eligible for the Program in the sole discretion of BC Hydro.



"Set an ambitious target, to acquire 50 per cent of BC Hydro's incremental resource needs through conservation by 2020."

*- BC Energy Plan
Policy Action #1*

- **BC Hydro Incentives** - ~~Projects that consist of or include an electricity generator that received or is eligible to receive funding (whether or not that funding has been applied for)~~ Customer-owned generation will not be eligible to participate in the Program if any of the generation offered for sale under the Program EPA is or will be funded through a Load Displacement or Demand Side Management ("DSM") program with provided by BC Hydro ~~are not eligible.~~

~~3.5~~3.4 **Target Commercial Operation Date** - The Target Commercial Operation Date ("Target COD") submitted by the Developer in the Application must be within three (3) years after signing the Project EPA.

~~3.6~~3.5 **Permits, Site Control and Zoning**

The Project must meet the following requirements:

~~3.5.1~~ ~~3.6.1~~3.5.1 **Permits** - The Developer must have obtained those ~~construction and operating~~ permits specified in the Application Form asto the extent required for the Project under applicable laws.

~~3.5.2~~ ~~3.6.2~~3.5.2 **Site Control** - The Developer must demonstrate that it has obtained the right to use the Project site (including all areas where the generating facility and related access roads, transmission lines and other Project facilities will be built) for a

period generally consistent with the [Term](#) of the Project EPA. Information requirements to demonstrate site control are detailed in the Application Form.

~~3.5.3~~ ~~3.6.3~~ **Zoning** - If local government land use requirements apply to all or any part of the Project site (including all areas where the generating facility and related access roads, transmission lines and other Project facilities will be built), that part of the Project site must be appropriately zoned for the applicable Project use.

Where the Project forms part of a Common Generation Facility, BC Hydro may require that the ~~developer~~ [Developer](#) provide evidence that the foregoing requirements are satisfied for the entire Common Generation Facility.

~~3.7.3.6~~ **Interconnection** - Subject to the limitations below, Projects that are located within the [Integrated System Area](#) are eligible, but must have an interconnection to the [Integrated System](#), and for this purpose an interconnection includes an [Indirect Interconnection](#).

Subject to the limitations below, Projects which are not located within the Integrated System Area are eligible, but the delivery of energy under the Project EPA must be at a specified point of delivery on the Integrated System, and the Developer must bear all costs of transmission and energy losses to that point of delivery.

Projects that would require BC Hydro to transmit energy to the Lower Mainland through another jurisdiction, including Projects in the Fort Nelson service area, are not eligible.

For [D-Connected Projects, including those with an Indirect Interconnection through a BC Hydro customer facility or a private transmission or distribution line](#), a valid impact study portion of an [Interconnection Design/Impact Study \("IDIS"\)](#) for the Project is required.

For [T-Connected Projects, including those with an Indirect Interconnection through a BC Hydro customer facility or a private transmission or distribution line](#), a valid [Interconnection System Impact Study \("ISIS"\)](#) for the Project is required.

Developers should not include ~~these~~ Interconnection Studies with the Application as BC Hydro will request them when appropriate. (See [Section 9.0 – Application Process & Review for further details](#)). Any

Interconnection Study commenced prior to a request from BC Hydro will not be accepted.

The [Interconnection Study](#) must be submitted within one hundred and eighty (180) calendar days after a request from BC Hydro in the Application review process. If the Interconnection Study is not received within that time period, the Application may be rejected. Developers should note that Interconnection Studies may become invalid if further studies are not commenced within the time required by BCTC or BC Hydro. Accordingly, Developers are encouraged to file completed Interconnection Studies with BC Hydro as soon as possible to complete the Application process.

The Interconnection Study must indicate that the proposed interconnection and [Interconnection Network Upgrades](#) are capable of being completed ninety (90) calendar days prior to the Target COD specified by the Developer in the Application. See [Section 5.0 – Interconnection](#) for further details.

A valid Interconnection Study is one that has not become invalid for any reason whatsoever as determined by BC Hydro Generator Interconnection and Transmission Services (“GITS”) or BCTC at any time prior to the execution of a Project EPA by BC Hydro and the Developer. The reasons that may invalidate an Interconnection Study include a change in the Base Case, a material modification to the Interconnection Request or the expiry of time required to proceed to the next step in the interconnection process.

4.0 Price



“The Standing Offer will allow small projects to sell power to BC Hydro at a fixed price and with standard contract terms and conditions... The price should be transparent, simple, and based on the most recent call results and updated regularly, but not more than annually.”
- BC Energy Plan

There are two parts to the Program ~~Price~~price - ~~Energy Price~~energy price and Environmental Attributes ~~Price~~price.

4.1 **Energy Price** - To determine the price of the energy sold to BC Hydro under a Project EPA, the Program uses a base price in ~~2007~~2008\$ determined by the region of the POI ~~or point of delivery~~ for the Project in [Figure 73 – Base Price by Region](#).

Figure [73](#) – Base Price by Region

Region of POI	Base Price (2007 <u>2008</u> \$/MWh)
Vancouver Island	79.00 <u>84.23</u>
Lower Mainland	78.00 <u>83.86</u>
Kelly/Nicola	75.00 <u>80.31</u>
Central Interior	72.00 <u>77.53</u>
Peace Region	65.00 <u>69.94</u>
North Coast	66.00 <u>71.37</u>
South Interior	67.00 <u>72.27</u>
East Kootenay	71.00 <u>76.05</u>

The base prices will be revised no sooner than at the end of the second year of the Program. Any adjustment to the base price will apply to all Project EPAs offered after the adjustment but will not apply to Project EPAs offered prior to the adjustment.

100 per cent of the base price will be escalated at [CPI](#) annually up to the year in which a Project EPA is signed. Escalation will commence in ~~2008~~2009 and will be effective as of January 1st in each year. If CPI data is not available when the Project EPA is signed, the Project EPA will provide for a base price adjustment when the CPI data is released. After the Project EPA is signed, 50 per cent of the escalated base price is further escalated at CPI annually effective as of ~~each~~ January 1st [in each year](#).

The escalated base price is further adjusted based upon the time of day and month when the energy is delivered (see [Figure 84 – Adjustment to Escalated Base Price](#)) to establish the payment price for each MWh of energy delivered to the POI ~~or point of delivery~~.

Figure 84 – Adjustment to Escalated Base Price

Time of Delivery	Adjustment to Escalated Base Price (percentage)	
Month	High Heavy Load HourHours (HLH)	Low Light Load HourHours (LLH)
January	125%	106%
February	126%	110%
March	114%	106%
April	103%	95%
May	92%	76%
June	90%	72%
July	91%	72%
August	95%	81%
September	96%	88%
October	108%	97%
November	109%	102%
December	122%	102%

Note to Developers: Final values for Figure 5 – Adjustment to Escalated Base Price will be confirmed prior to the BCUC decision on the application for the Program pursuant to section 45 (6.1) of the Utilities Commission Act.

Revenue Meters at the generator will be set to measure energy deliveries at the POI ~~or point of delivery.~~



"BC Hydro will retain any rights and incentives associated with the green attributes, as well as any credits associated with greenhouse gas emissions (GHG)."
- BC Energy Plan

4.2 **Environmental Attributes Price** – It is mandatory for Developers to transfer any Environmental Attributes (including any on-site emission reduction credits) for the energy delivered and sold under the Project EPA to BC Hydro. An additional payment of ~~\$3,053.10~~ (20072008\$) will be made for each MWh of Project energy that receives [Environmental Certification](#) and is delivered to BC Hydro under a Project EPA. The Environmental Attributes ~~Price~~price will be revised no sooner than at the end of the second year of the Program. Any adjustment to the Environmental Attributes ~~Price~~price will apply to all Project EPAs offered after the adjustment but will not apply to Project EPAs offered prior to the adjustment. 100 per cent of the Environmental Attributes price will be escalated at CPI annually. Escalation will commence in ~~2008~~2009 and will be effective as of January 1st in each year. The Environmental Attributes price will not be adjusted for the time of day and month when the energy is delivered. Developers should note that not all participants in the Program will be eligible for Environmental Certification and accordingly will not be eligible for this additional payment.

Figure 95 – Total Price in 20072008\$ shows the total price paid (for energy, [prior to any adjustment based on the time of day and month when the energy is delivered,](#) and Environmental Attributes) in

~~2007~~2008 if a Developer were to sign a Project EPA and achieve COD in ~~2007-2008~~.

Figure 5 – Total Price in 2008\$

<u>Region of POI</u>	<u>Base Price (2008\$/MWh)</u>	<u>Environmental Attributes Price (if any) (2008\$/MWh)</u>	<u>Total Price (2008\$/MWh)</u>
<u>Vancouver Island</u>	<u>84.23</u>	<u>3.10</u>	<u>87.33</u>
<u>Lower Mainland</u>	<u>83.86</u>	<u>3.10</u>	<u>86.96</u>
<u>Kelly/Nicola</u>	<u>80.31</u>	<u>3.10</u>	<u>83.41</u>
<u>Central Interior</u>	<u>77.53</u>	<u>3.10</u>	<u>80.63</u>
<u>Peace Region</u>	<u>69.94</u>	<u>3.10</u>	<u>73.04</u>
<u>North Coast</u>	<u>71.37</u>	<u>3.10</u>	<u>74.47</u>
<u>South Interior</u>	<u>72.27</u>	<u>3.10</u>	<u>75.37</u>
<u>East Kootenay</u>	<u>76.05</u>	<u>3.10</u>	<u>79.15</u>

4.3 **Example Calculation – Total Price**

The [example on the following example page](#) shows the total price for energy and Environmental Attributes delivered during the Heavy Load Hours of February 2012 for a Project located on Vancouver Island with a Project EPA signed in 2009.

Figure 9— Total Price in 2007\$

<u>Region of POI</u>	<u>Base Price (2007\$/MWh)</u>	<u>Environmental Attributes Price (if any) (2007\$/MWh)</u>	<u>Total Price (2007\$/MWh)</u>
<u>Vancouver Island</u>	<u>79.00</u>	<u>3.05</u>	<u>82.05</u>
<u>Lower Mainland</u>	<u>78.00</u>	<u>3.05</u>	<u>81.05</u>
<u>Kelly/Nicola</u>	<u>75.00</u>	<u>3.05</u>	<u>78.05</u>
<u>Central Interior</u>	<u>72.00</u>	<u>3.05</u>	<u>75.05</u>
<u>Peace Region</u>	<u>65.00</u>	<u>3.05</u>	<u>68.05</u>
<u>North Coast</u>	<u>66.00</u>	<u>3.05</u>	<u>69.05</u>
<u>South Interior</u>	<u>67.00</u>	<u>3.05</u>	<u>70.05</u>
<u>East Kootenay</u>	<u>71.00</u>	<u>3.05</u>	<u>74.05</u>

Figure 406 – Example Calculation Table – Total Price

CPI Assumptions for Example Calculation

CPI Year	Amt
2007	130.2
2008	132.5 110.1
2009	135.0 112.3
2010	137.7

STEP	CALCULATION
Step 1	Determine the applicable base price, which is \$79.00 <u>84.23</u> /MWh for Vancouver Island. See <i>Figure 43 – Base Price by Region</i> .
Step 2	Calculate the escalated Base Price <u>base price</u> for energy in the year (2009) the EPA is signed, which is \$81.91/MWh. $= \text{regional price} \times \text{CPI } 2009 / \text{CPI } 20072008$ $= 79.0084.23 / \text{MWh} \times 135112.3 / 130.2110.1$ $= 81.9185.91 / \text{MWh}$ <p><i>(Note: 100% of the base price is escalated at CPI up to the year the Project EPA is signed.)</i></p>
Step 3	Calculate the payment price for energy for 2012 prior to adjusting for the time of day or month when the energy is delivered, which is \$84.43 <u>88.54</u> /MWh. $= (\text{escalated base price} \times 0.5 \times \text{CPI } 2012 / \text{CPI } 2009) + (\text{escalated base price} \times 0.5)$ $= (81.9185.91 \times 0.5 \times 143.3119.2 / 135112.3) + (81.9185.91 \times 0.5)$ $= 84.4388.54 / \text{MWh}$ <p><i>(Note: 50% of the escalated base price from step 2 is escalated at CPI annually starting the first calendar year after the Project EPA is signed.)</i></p>
Step 4	Calculate the payment price for energy delivered in HLH during February 2012, which is \$106.38 <u>111.56</u> /MWh. $= \text{payment price for 2012 prior to adjusting for the time of day or month when the energy is delivered} \times \text{February HLH adjuster}$ $= 84.4388.54 / \text{MWh} \times 126\%$ $= 106.38111.56 / \text{MWh}$
Step 5	Calculate the payment price for Environmental Attributes in 2012, which is \$3.36/MWh. $= \text{Environmental Attribute price in } 20072008 \times \text{CPI } 2012 / \text{CPI } 20072008$ $= 3.05 \times 143.3 / 130.2$ $= 3.10 \times 119.2 / 110.1$ $= 3.36 / \text{MWh}$
Step 6	Add the payment price for energy delivered in HLH during February 2012 with payment price for Environmental Attributes in 2012, which is \$109.74 <u>114.92</u> /MWh. $= 106.38111.56 / \text{MWh} + 3.36 / \text{MWh}$ $= 109.74114.92 / \text{MWh}$

5.0 Interconnection

There are two parts to Section 5.0 – Interconnection: **Interconnection Request Process**, and **Responsibility for Costs**.

Interconnection Request Process

This process is mandatory for all applicants to the Program, whether new or existing generators and including all types of Indirect Interconnections.

Projects will interconnect directly or indirectly to either Distribution or Transmission System.

5.1 **Direct Interconnection** - The Developer's interconnection request process will depend on whether a project is interconnected to the Distribution or Transmission System. The process for each type of interconnection is described below.

5.1.1 **D-Connected Projects** - Contact BC Hydro ~~GITS~~[Generator Interconnection and Transmission Services \("GITS"\)](#) at gen.connections@bchydro.com if the Project is or will be interconnected to BC Hydro's Distribution System (35 kV or below). See www.bchydro.com/interconnections for further information.

For D-~~connected~~[Connected](#) Projects, the interconnection request process for the Program consists of two steps:

1. A scoping meeting to address the interconnection concept and feasibility; and
2. An impact study portion of an Interconnection Design/Impact Study ("IDIS") to address technical impacts and requirements for the interconnection of the Project. Upon request from BC Hydro, the Developer must provide the impact study portion of an IDIS in order to fulfill Program eligibility requirements. Developers should *not* initiate the impact study portion of an IDIS with GITS until it is requested by BC Hydro under [Section 9.2.2](#) of the Rules.

5.1.2 **T-Connected Projects** - Contact ~~BC~~[British Columbia Transmission Corporation \("BCTC"\)](#) if the Project is or will be interconnected to the ~~transmission system~~[Transmission System](#) (69 kV or above). See www.bctc.com/generator_interconnection.

Developers of T-~~connected~~Connected Projects will be required to apply for Network Resource Interconnection Service ("NRIS"). Upon request from BC Hydro, Developers must provide the Interconnection System Impact Study ("ISIS") in order to fulfill Program eligibility requirements. Developers should *not* initiate the ISIS with BCTC until it is requested by BC Hydro under Section 9.2.2 of the Rules.

- 5.2 **Indirect Interconnection** - A Developer whose project will indirectly interconnect to the Distribution or Transmission System through a customer facility or a private transmission line will be required to have the respective customer or the owner of the private line contact GITS or BCTC as above based on the point of interconnection of the customer facility or the private transmission line.

Projects with an Indirect Interconnection through a public utility transmission/distribution system should contact that public utility/~~distribution system~~ regarding an Indirect Interconnection to the Distribution System or Transmission ~~system~~System through that public utility/~~distribution system~~ transmission/distribution system, but are not required to file an Interconnection Study with the Application. The Developer will be required to deliver energy under the Project EPA at a specified POI between the third party public utility transmission/distribution system and the Transmission System or Distribution System and is responsible for all interconnection costs (including all study costs) and all costs of transmission and energy losses to that point.

- 5.3 **Early Contact** - Although Interconnection Studies are not required to be completed until requested by BC Hydro under Section 9.2.2 of the Rules, Developers are encouraged to contact BC Hydro GITS or BCTC early in the planning process for their Project to discuss the interconnection concept and feasibility.

Developers should be aware that both BC Hydro and BCTC require certain information to conduct an Interconnection Study and follow certain procedures and schedules in conducting an Interconnection Study. To obtain more information for D-Connected Projects contact GITS and for T-Connected Projects contact BCTC or refer to the OATT Standard Generator Interconnection Procedures located on the BCTC website (www.bctc.com).

Responsibility for Costs

- 5.4 **Interconnection Study Costs** - The Developer will be responsible for the costs of all studies required by BC Hydro or BCTC for the

interconnection of the Project to the Distribution System or Transmission System including the Interconnection Studies.

- 5.5 **Transmission Costs** - BC Hydro will be responsible for the cost to transmit power acquired under the Project EPA from the POI ~~or the point of delivery.~~
- 5.6 **Interconnection Costs** - Interconnection costs refer to the cost of any modifications or additions to ~~distribution or transmission related facilities~~ the Distribution System or Transmission System arising from the direct or indirect interconnection of the Project to the Distribution System or Transmission System as the case may be. An estimate of these costs will be provided in the relevant Interconnection Study required for Application to the Program. The Interconnection Study will (1) identify those costs that are the responsibility of the Developer and (2) provide an estimate of INU Costs.
- 5.7 **Interconnection Network Upgrade (INU) Costs and INU Threshold** - Unless the ~~project~~ Project EPA is terminated prior to ninety (90) days after COD, BC Hydro is responsible for all INU Costs up to ~~\$200~~ \$87.50 per kilowatt of ~~Nameplate~~ Project Capacity ("INU Threshold"). The ~~\$200~~ \$87.50 per kilowatt amount will be escalated at CPI annually up to the year in which a Project EPA is signed, effective as of January 1st starting in ~~2008, 2009.~~ BC Hydro will also be responsible for INU Costs in excess of the INU Threshold resulting from a change in the Base Case after the effective date of the Project EPA, but excluding any changes to the Base Case caused by the Developer and/or the Project. The Developer is responsible for all costs in excess of the INU Threshold, except as described above.
- 5.8 **Transmission Network Upgrade (TNU) Costs** - BC Hydro is responsible for TNU Costs, except for TNU Costs that may arise as a result of any ~~project~~ Project changes made by the Developer relative to the information provided as part of the Application, including the Interconnection Study.
- 5.9 **NU Security** - After receipt by the Developer of the design portion of the IDIS or the ~~Interconnection Facilities Study~~ ISIS, as applicable, and prior to entering into any Interconnection Agreement with BC Hydro GITS or BCTC, the Developer must deliver the NU Security to BC Hydro for 100% of the INU Costs as estimated in the design portion of the IDIS for D-Connected Projects or the ~~Interconnection Facilities Study~~ ISIS for T-~~connected~~ Connected Projects.

The required amount of NU Security may change from time to time to reflect the full amount of INU Costs estimated plus any TNU Costs that

are the responsibility of the Developer due to ~~project~~ Project changes made by the Developer relative to the information provided as part of the Application, including the Interconnection Study.

The required form of NU Security is available at www.bchydro.com/standingoffer. The ~~letter of credit~~ NU Security must be issued by a Canadian bank or financial institution with a minimum, long-term credit rating of A-/A3/A (low) with S&P, Moody's or DBRS respectively (or other ~~credit rating~~ financial institution acceptable to BC Hydro). Where the issuing bank is not located in Vancouver, the letter of credit must be advised by a Vancouver branch of a Canadian bank or financial institution.

The NU Security will be returned to the Developer within ten (10) business days after the date that is ninety (90) calendar days after COD after deducting any outstanding amounts payable by the Developer for INU Costs and Base Case liabilities as set out in Appendix 3 of the Standard Form EPA.

6.0 Revenue Metering

Developers will be required to have a Revenue Meter for the Project. The Revenue Meter must be leased from BC Hydro's Revenue Metering group (metering.revenue@bchydro.com). Arrangements for the location and calibration of the Revenue Meter should be made with BC Hydro's ~~Contract Management~~ Contracts and Evaluations group after signing a Project EPA.

7.0 Electricity Purchase Agreement

Standard Form EPA

The Standard Form EPA for the Program is available at www.bchydro.com/standingoffer.

The Standard Form EPA is based on a "standard" type of Project and Developer. For example, the Standard Form EPA assumes that the Project consists of a new generator that is not part of ~~an existing electricity generation facility~~ a Common Generation Facility, has a direct and independent ~~connection~~ interconnection to the Distribution System or the Transmission System and will have a Revenue Meter that measures output only from the Project and no other electricity generators. The Standard Form EPA also assumes that the Developer is a corporation.

EPA Changes

BC Hydro reserves the right to require changes to the Standard Form EPA with respect to any Application where BC Hydro considers in its sole discretion that changes to the Standard Form EPA are required based on the information in the Application. Some of the changes that will be required to the Standard Form EPA for certain types of Projects or Developers are described in Appendix 5 to the Standard Form EPA. The changes described in Appendix 5 are not intended to be exhaustive.

Developers may also propose changes to the Standard Form EPA in their Application. Acceptance or rejection of any proposed Standard Form EPA changes in an Application is in the sole discretion of BC Hydro. BC Hydro reserves the right to reject an Application that contains proposed Standard Form EPA changes that are not acceptable to BC Hydro. Developers should make every effort to limit the number of proposed changes to the Standard Form EPA.

Summary of Key EPA Terms

The following is a summary only of certain key terms and conditions of the Standard Form EPA. Developers are encouraged to carefully review the Standard Form EPA prior to submitting an Application.

- 7.1 The Developer is required to sell all energy from the Project to BC Hydro at a pre-determined price (subject to escalation and delivery time adjustments) during the EPA Term.
- 7.2 The Developer can select an EPA term of twenty (20) to forty (40) years from COD (in whole years only).
- 7.3 The Target COD specified in the Developer's Application must be within three (3) years after signing the EPA. After EPA signing, either BC Hydro or the Developer may adjust the Target COD to reflect the Project's revised interconnection schedule as indicated in the ~~design portion of the IDIS or the~~ Interconnection Facilities Study (as defined in the Standard Form EPA).
- 7.4 The Developer is required to deliver the energy from the Project to the POI.
- 7.5 BC Hydro pays for the quantity of Clean, Renewable or High Efficiency Co-generation energy delivered to the POI after COD. See Section 4.1 for further information on the price for energy.
- 7.6 The Developer is required to transfer title to BC Hydro to all Environmental Attributes associated ~~for~~with the energy delivered and sold under the Project EPA to BC Hydro.

- 7.7 BC Hydro pays an additional amount for Project energy that has received Environmental Certification. See [Section 4.2](#) for further information on the price for Environmental Attributes.
- 7.8 There is no requirement to deliver a specified quantity of energy to BC Hydro at specified times. BC Hydro accepts energy if and when it is delivered to the POI. However, the Project EPA provides BC Hydro with the right to terminate the Project EPA in certain circumstances including, among others, a failure to achieve COD within two (2) years after the Target COD, or a failure to deliver any energy for a continuous period of two (2) years.
- 7.9 There are no liquidated damages payable under the Project EPA and the Developer is not required to post performance security. However, the Developer is required to provide BC Hydro with the NU Security at the time specified in [Section 5.8](#) of the Rules. See [Section 5.8](#) for further information on the NU Security.
- 7.10 Special rules apply to certain ~~project~~[Project](#) configurations. See ~~section 3-4~~[Section 3.3](#) of the ~~Program~~ Rules and Appendix 5 of the Standard Form EPA for further details.

8.0 Communications

- 8.1 **General** - Developers should direct any questions regarding the Program in writing to the Program Coordinator as follows:

• by email to: standing.offer@bchydro.com

• by mail to: Standing Offer Program
Power Acquisitions
10th Floor, 333 Dunsmuir [Street](#)
Vancouver, BC V6B 5R3

Any questions submitted and subsequent answers may be posted at <http://www.bchydro.com/standingoffer>.

To avoid any potential misunderstandings and for administrative ease, Developers must not contact any BC Hydro director, officer or employee on any matter pertaining to the Program except as set out above.

8.2 **Interconnection Issues** – For questions related to interconnection the contacts are as follows:

D-Connected Projects: Please contact BC Hydro Generator ~~Interconnections~~[Interconnection and Transmission Services](#) at:

Generator ~~Interconnections~~[Interconnection and Transmission Services](#)
10th Floor, 333 Dunsmuir
[Street](#), Vancouver, BC V6B 5R3
Phone: 604 623-4138 or 604 623-3755
FAX: 604 623-4335
Email: gen.connections@bchydro.com

T-Connected Projects: Please contact BCTC Market Operations - Interconnections:

Market Operations - Interconnections
Suite 1100, Four Bentall Centre
~~1055 Dunsmuir, Street~~ P.O. Box ~~49260~~
~~49260~~, Vancouver, BC, V7X 1V5
Phone: 604.699.7381
Fax: 604.699.7539
E-mail: bctc.interconnection@bctc.com

Key BCTC Contacts:

Jim Ko: 604-699-7389
Ryan Hefflick: 604-699-7382
Bryan Corns: 604-699-7368

For further information on the interconnection process, see [Section 5.0 – Interconnection](#).

9.0 Application Process & Review

9.1 **Application Process** - To apply for the Program, the Developer must submit the following:

- Two (2) hard copies of the Developer's completed and signed Standing Offer Program Application Form with appropriate exhibits; and
- One (1) electronic copy (on compact disc) of the completed Standing Offer Program Application Form in MS Word format.

to BC Hydro at:

[Standing Offer Program](#)

Power Acquisitions

10th Floor, 333 Dunsmuir Street
Vancouver, BC V6B 5R3

~~Attention: Standing Offer Program Coordinator~~

The Application Form is available at
<http://www.bchydro.com/standingoffer>.

BC Hydro will confirm receipt of the Application by sending an email to the Developer's designated contact person as specified in the Application.

- 9.2 **Review Process** - The Application review process consists of two stages: ~~1.1~~ Preliminary Application Review, and ~~2.2~~ Submission of Interconnection Study and Statement of Project Changes ~~(form included with the Application Form)~~. See *Figure 9-7 – Application Review Process*.

9.2.1 **Preliminary Application Review** - BC Hydro will:

- a.) Review the Application for completeness and to assess whether the Developer and the Project meet eligibility requirements.

BC Hydro may request additional information or clarification from the Developer. Depending upon how much information is missing from the Application, BC Hydro will either ~~1.1~~ keep the Application and request submission of the missing information; or ~~2.2~~ return the Application and supporting documents to the Developer for revision.

BC Hydro intends to complete [this step in the Preliminary Application Review review process](#) within forty-five (45) calendar days after receipt of the Application.

If BC Hydro rejects the Application, we will notify the Developer in writing.

- b.) If during the preliminary Application review described above, BC Hydro has not identified any grounds for rejecting the Application, BC Hydro will review any Project-specific EPA changes requested by the Developer in the Application. BC Hydro may request additional information or clarification regarding proposed changes and will advise the Developer whether or not the proposed changes are acceptable to BC Hydro.

BC Hydro may identify to the Developer additional or alternate required changes to the Standard Form EPA based on a review of the Application. The Developer will be required to advise BC Hydro whether the required changes are acceptable to the Developer. If the Developer does not respond within thirty (30) calendar days, or if the Developer does not accept the EPA changes required by BC Hydro, BC Hydro may reject the Application.

If BC Hydro and the Developer cannot reach agreement on the Project-specific changes to the Standard Form EPA, BC Hydro may reject the Application [at its sole discretion](#).

- 9.2.2 **Interconnection Study and Statement of Project Changes** - For each Application that is retained following completion of the steps described in [Section 9.2.1, 9.2.1 of the Rules](#), BC Hydro will request that the Developer file the required Interconnection Study together with a Statement of Project Changes ~~(form included with Application Form)~~ that identifies any changes to any information in the Application. If a valid Interconnection Study and Statement of Project Changes are not submitted within one hundred and eighty (180) calendar days after the request from BC Hydro, BC Hydro may reject the Application. Developers should note that Interconnection Studies may become invalid if further studies are not commenced within the time required by BCTC or BC Hydro. Accordingly, Developers are encouraged to file completed Interconnection Studies with BC Hydro as soon as possible to complete the Application process.

BC Hydro will review the Interconnection Study to determine whether the Project meets the interconnection eligibility requirements. See [Section 3.7.3.6 for further information](#).

BC Hydro will review the Statement of Project Changes to determine whether the Project continues to meet the eligibility requirements of the Program.

- 9.3 **Amending Applications** - Developers may amend an Application at any time prior to delivery of an offer of Project EPA by BC Hydro to the Developer. Any amendments received after notice to the Developer to obtain the required Interconnection Study will not be reviewed by BC Hydro until receipt of the Interconnection Study and Statement of Project Changes.

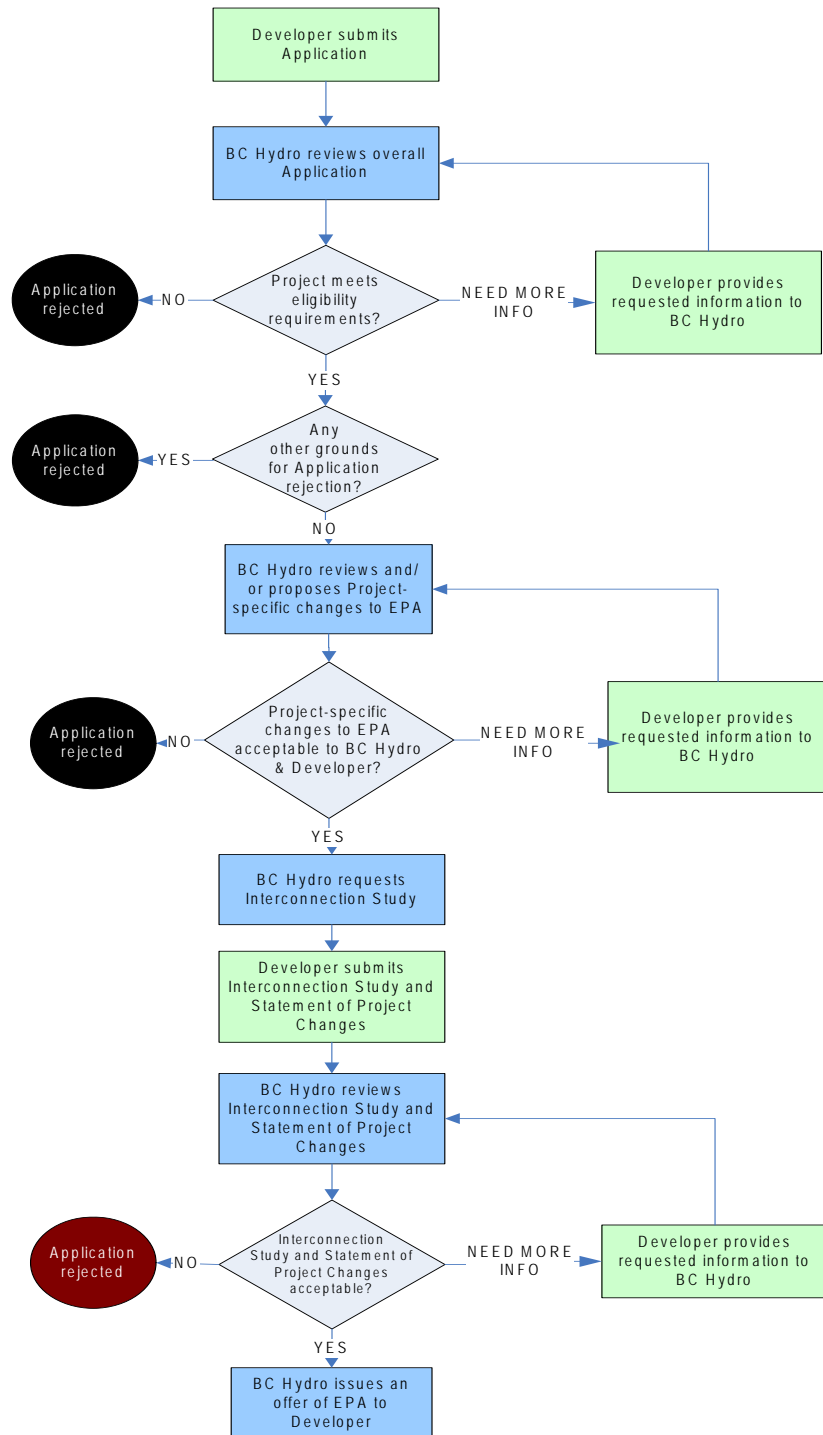
Developers should note that any amendments that may result in a change to an ~~Interconnection Request~~[interconnection request](#) or Interconnection Study may invalidate the ~~Interconnection Request~~[interconnection request](#) or the Interconnection Study.

- 9.4 **Withdrawing Applications** - Developers may withdraw a submitted Application, without liability, at any time on written notice to BC Hydro prior to signing a Project EPA.
- 9.5 **Request for Further Information/Meetings** - BC Hydro may, but is not required to, request further information, clarification or verification concerning an Application or other communication received from a Developer. Failure to respond to such a request within thirty (30) calendar days after the date of the request may result in rejection of an Application. BC Hydro may telephone or meet with any Developer or group of Developers at any time prior to or following submission of any Application or Applications.
- 9.6 **Due Diligence** - BC Hydro may, but is not required to, undertake any investigation or inquiries with any governmental or regulatory authority or any other person as BC Hydro considers necessary in its sole and unfettered discretion with respect to a Developer, a Project, and/or an Application and may, in reviewing an Application, consider any information received as a result of such investigation or inquiry.
- 9.7 **Rejecting Applications** - Acceptance or rejection of an Application and the decision to offer or not to offer a Project EPA to a Developer is solely at the discretion of BC Hydro. Rejection of an Application may occur at any stage in the Application review process notwithstanding any prior decision by BC Hydro in the Application review process or prior completion of any step in the Application review process. Reasons for rejection of an Application and/or a decision not to offer a Project EPA to a Developer may include, but are not limited to:
- i.) an incomplete Application;
 - ii.) an Application that does not meet the ~~Eligibility Requirements~~[eligibility requirements](#) set out in [Section 3.0 – Eligibility Requirements](#);

- iii.) failure to respond to a request by BC Hydro for additional information, failure to respond to Project-specific EPA changes and/or failure to file an Interconnection Study or Statement of Project Changes within the required time limits;
- iv.) an Interconnection Study becomes invalid at any time prior to execution of a Project EPA by both BC Hydro and the Developer;
- v.) an Application that proposes Standard Form EPA amendments that are not acceptable to BC Hydro;
- vi.) an Application for a Project that BC Hydro determines requires material Standard Form EPA amendments;
- vii.) an Application in respect of which any of the information included in the Application is not satisfactory to BC Hydro in any respect; or
- viii.) an Application in respect of which BC Hydro determines that the Project and/or the Developer are unsuitable for the Program or that it would not be in the public interest to offer a Project EPA to the Project or the Developer.

If the Application is rejected, the Developer can request an information meeting with BC Hydro to discuss the reasons for the rejection.

Figure 447 – [Application Review Process](#)



* BC Hydro may apply Section 9.7 at any time in the Application review process.

10.0 Project EPA Offer & Acceptance

- 10.1 Within twenty-one (21) calendar days after receipt of a valid Interconnection Study and Statement of Project Changes, BC Hydro will send the Developer either an offer of a Project EPA or a notice of rejection of the Application. If the Developer files any amendments to the Application during this twenty-one (21) calendar day period, the deadline for BC Hydro's decision may be extended. If the Interconnection Study becomes invalid (as determined by BCTC or BC Hydro GITS) prior to execution of a Project EPA by both BC Hydro and the Developer, the Application may be rejected.
- 10.2 The Developer has fifteen (15) calendar days from the date of receipt of an offer from BC Hydro to sign the Project EPA and deliver it to BC Hydro at the address specified in [Section 9-1-9.1 of the Rules](#). If the Developer has not delivered the signed Project EPA by the required date, BC Hydro's offer of a Project EPA is deemed to be withdrawn.
- 10.3 BC Hydro will send a fully signed Project EPA to the Developer within fifteen (15) calendar days after receipt by BC Hydro of the signed Project EPA from the Developer.
- 10.4 BC Hydro may withdraw an offer of Project EPA, without liability, at any time prior to delivery of the fully-signed Project EPA to the Developer, if the Interconnection Study becomes invalid (as determined by BCTC or BC Hydro GITS).

11.0 Disclosure

- 11.1 BC Hydro may disclose all or any part of an Application or the information contained in an Application, except for any of the ~~Seller~~[Developer](#)'s confidential, technical or financial information that the ~~Seller~~[Developer](#) has expressly designated as confidential information in the Application. BC Hydro may reject an Application if BC Hydro does not accept the Developer's designation of confidential information as set out in the Application.

12.0 Additional Rules

- 12.1 **Costs** - Developers are responsible for all costs incurred by them in connection with the Program, including the costs of preparing an Application and any other submission required under the Program, all

Interconnection Study costs and the execution and delivery of any Project EPA.

12.2 **Nature of Process** - The Program is *not* a Call for Tenders. No legal offer, legal contract or legal duties or obligations of any kind whatsoever, whether express or implied, are intended to be created by or under the Program Rules, or by the filing of an Application, or the acceptance of an Application for review, or the review of an Application, or in any other manner whatsoever under or in connection with the Program except, subject to [Section 10.4 of the Rules](#), for those arising under a Project EPA that has been signed and delivered by the Developer.

12.3 **Program Suspension/Cancellation** - BC Hydro reserves the right to cancel or suspend the Program without any liability to any Developer or to any other person. BC Hydro will provide notice to Developers one year prior to the effective date of the cancellation or suspension of the Program.

Within sixty (60) calendar days after the announcement of the suspension or cancellation of the Program, a Developer may submit a notice of intent to file an Application in the form and containing the information specified by BC Hydro at the time the suspension or cancellation is announced. Developers that file the required notice of intent will be eligible to file an Application prior to the suspension or cancellation of the Program and will have an additional [one hundred and eighty \(180\)](#) calendar days from the effective date of the suspension or cancellation of the Program to fulfill all eligibility requirements for the Program.

12.4 **Program Amendments** - Subject to any BCUC review required, and subject to the provisions of [Sections 4.1 and 4.2 of the Rules](#) limiting the review of the [Energy price](#) and Environmental Attributes [Price](#) during the first [two \(2\)](#) years of the Program, BC Hydro may amend the Program Rules, the Application Form, the Standard Form EPA and any Reference Documents in any respect in whole or in part at any time provided that any such amendments shall not affect any Project EPA that has been offered to a Developer prior to the amendment (except for amendments to those Reference Documents that are not attached as an Appendix to a Project EPA). Any amendment will apply to all Project EPAs offered after the amendment.

12.5 **No Liability** - BC Hydro (which in this [Section](#) includes BC Hydro, its affiliates, and their respective directors, officers, employees, contactors, subcontractors, consultants, agents and representatives), incurs no liability of any nature or kind whatsoever to any person in

connection with the Program or the administration of the Program, or information provided with respect to, or in the course of, the Program, or the acceptance, rejection, or review of any Application, or any other statement, act or omission whatsoever, whether negligent or not, relating to the Program or its administration.

- 12.6 **Unsolicited Information Not Considered** - BC Hydro is not required to consider any information with respect to an Application that is not contained in the Application, or any written response to a request from BC Hydro for further information, clarification or verification.
- 12.7 **Ownership of Documents** - All Applications and all documents filed with an Application and all other submissions by a Developer under or in relation to the Program will be retained by, and become the property of, BC Hydro provided however that BC Hydro does not thereby acquire any ownership interest in intellectual property embedded therein.
- 12.8 **Other BC Hydro Power Procurement Processes** - BC Hydro may at any time reject an Application for a Project that is the subject of an interconnection study application in any other BC Hydro procurement process.
- 12.9 **Filing Requirements** - If the last day for completing any act required or contemplated under the Rules falls on a day that is a Saturday, Sunday or other day recognized as a statutory holiday in British Columbia, the time for completing that act will be extended to the next day that is not a Saturday, Sunday or other day recognized as a statutory holiday in British Columbia.
- 12.10 **Legal Counsel** - Lawson Lundell LLP and Borden Ladner Gervais LLP have provided, and continue to provide, legal advice to BC Hydro in respect of the Program, the Standard Form EPA and the Project EPAs. By participating in the Program in any respect, Developers consent to Lawson Lundell LLP and Borden Ladner Gervais LLP continuing to represent and advise BC Hydro in respect of this Program and any Standard Form EPA and/or Project EPAs notwithstanding any solicitor-client relationship that the Developer may have or previously has had with Lawson Lundell LLP or Borden Ladner Gervais LLP.

13.0 Appendices

- A. Glossary

14.0 Reference Documents

- A. Standing Offer Program Application Form
- B. [Standing Offer Program Statement of Project Changes Form](#)
- C. ~~B.~~ Standard Form EPA
- D. ~~C.~~ BC Hydro Code of Conduct Guidelines
- E. ~~D.~~ EcoLogo^M Letter Form
- F. ~~E.~~ Network Upgrade Security Form
- G. ~~F.~~ Development Report Form
- H. ~~G.~~ COD Certificate Form
- I. ~~H.~~ Lender Consent Agreement Form

Standing Offer Program Rules – [Appendix A](#)

Glossary

All references to section numbers are to sections of the Program Rules, not the Application Form or EPA, unless otherwise expressly stated.

1. **Application** means the Application Form for a Project as submitted by the Developer to BC Hydro and all supporting documents and information filed by the Developer with BC Hydro with respect to the Project, including the Interconnection Study ~~files~~ [or Studies](#) and Statement of Project Changes. [\[back\]](#)
2. **Application Form** means the form titled “Standing Offer Program Application Form” available at www.bchydro.com/standingoffer. [\[back\]](#)
3. **Base Case** means the base case power flow, short circuit, and stability data bases used as the basis for the Interconnection Studies. [\[back\]](#)
4. **BC Hydro** means British Columbia Hydro and Power Authority. [\[back\]](#)
5. **BCTC** means British Columbia Transmission Corporation. [\[back\]](#)
6. **BCUC** means the British Columbia Utilities Commission. The BCUC is an independent regulatory agency of the Provincial Government that operates under and administers the Utilities Commission Act. ~~The Commission's primary responsibility is the regulation of British Columbia's natural gas and electricity utilities.~~ [\[back\]](#)
7. **Behind a Customer Load** means a Project with an Indirect Interconnection through a BC Hydro customer facility. [\[back\]](#)
8. **Clean** means electricity that is determined to be clean electricity by the British Columbia Ministry of Energy, Mines and Petroleum Resources or any successor Ministry thereto. [\[back\]](#)
9. **COD** or **Commercial Operation Date** has the meaning given in the Standard Form EPA. [\[back\]](#)
10. **Common Generation Facility** means the Project together with any existing electricity generation facility that BC Hydro determines in its sole discretion is so closely connected with, or related to, the Project that the Project and the existing generation should be considered a common generation facility for the purposes of the Program. The following factors will generally result in a finding that a Project together with existing generation constitutes a common generation facility although BC Hydro reserves the right to conclude otherwise in its sole discretion: (i) the Project and the existing

generation are located on the same site or in close proximity to each other and use the same fuel source; (ii) the Project and the existing generation share common facilities and infrastructure; and/or (iii) the energy generated by the Project and the existing generation is metered by a single Revenue Meter. [\[back\]](#)

11. **CPI** means the [British Columbia](#) Consumer Price Index ~~for Canada~~, All Items (Not Seasonally Adjusted) as published by Statistics Canada or any successor agency thereto. [\[back\]](#)
12. **D-Connected Projects** mean Projects interconnected to the Distribution System. [\[back\]](#)
13. **Demand Side Management** means actions that modify customer demand for electricity, helping to defer the need for new energy and capacity supply additions. [\[back\]](#)
14. **Developer** means the developer or owner of a Project that submits an Application under the Program. [\[back\]](#)
15. **Distribution System** means the distribution, protection, control and communication facilities in British Columbia that are or may be used in connection with, or that otherwise relate to, transmission of electrical energy at 35 kV or less [and that are owned by BC Hydro, and includes all additions and modifications thereto and repairs and replacements thereof.](#) [\[back\]](#)
16. **EcoLogo^M Certification** means certification pursuant to Environment Canada's Environmental Choice^M program confirming that the Project complies with the "Guideline on Renewable Low-Impact Electricity" as amended from time to time and is therefore entitled to the EcoLogo^M designation. [\[back\]](#)
17. **Energy Plan** has the meaning given in [Section ~~4.0.1.0~~ of the Rules.](#)
18. **Environmental Attributes** has the meaning given to that term in the Standard Form EPA. [\[back\]](#)
19. **Environmental Certification** means either EcoLogo^M Certification or any alternate certification BC Hydro requires the Developer to obtain under a Project EPA. [\[back\]](#)
20. [ESA means Electricity or Energy Supply Agreement between BC Hydro and a customer of BC Hydro.](#)
21. [Existing Generator/Existing Generation Facility: \(i\) any generator or generation facility that is built or under construction, \(ii\) any generator or generation facility that is the subject of a contract for the sale of the output from that facility, regardless of whether that facility is yet built or under construction and \(iii\) any generator or generation facility that is the subject of a bid, offer, application or similar submission for a contract for the sale of the output from the facility, regardless of whether that facility is yet built or under construction.](#) [\[back\]](#)
22. [GITS means BC Hydro Generator Interconnection and Transmission Services.](#)
23. ~~20.~~ **High Efficiency Co-generation** means electricity that is determined to be high efficiency co-generation electricity by the British Columbia Ministry of Energy, Mines and Petroleum Resources or any successor Ministry thereto. [\[back\]](#)

24. ~~21.~~ **HLH or Heavy Load Hours** means the hours commencing at 06:00 Pacific time and ending at 22:00 Pacific time Monday through Saturday inclusive but excluding British Columbia statutory holidays. [\[back\]](#)
25. ~~22.~~ **Indirect Interconnection** means the indirect interconnection of a Project to the Distribution System or Transmission System through (i) a configuration involving generating equipment interconnected through a BC Hydro customer facility, or (ii) a private transmission line or distribution line owned by a third party, such as an existing independent power producer, or (iii) a public utility transmission/distribution system owned and operated by a third party, other than BCTC, such as the FortisBC system. [\[back\]](#)
26. ~~23.~~ **Integrated System** means the Transmission System and the Distribution System, both within British Columbia, excluding the Fort Nelson service area and certain remote areas where electricity supply is provided by local generation which is isolated from the provincial transmission system. [\[back\]](#)
27. ~~24.~~ **Integrated System Area** means that part of British Columbia within which Projects may be connected directly to the Integrated System as determined by BCTC and BC Hydro. [\[back\]](#)
28. ~~25.~~ **Interconnection** means the facilities and procedures that permit the flow of electrical power from the Project to the Distribution System or Transmission System and vice versa. [\[back\]](#)
29. ~~26.~~ **Interconnection Agreements** means the agreement or agreements between the ~~Seller and the Distribution Authority/Transmission Authority~~ [Developer and BC Hydro/BCTC](#) which provide for the design, construction, implementation and operation of the facilities that permit the flow of electric power from the ~~Seller's Plant~~ [Project](#) to the Distribution System/Transmission System and vice versa, and the payments associated with the construction of such facilities, including any facilities agreement or letter, all as amended or replaced from time to time.
30. ~~27.~~ **Interconnection Design/Impact Study (IDIS/IS)** means the study prepared by BC Hydro GITS as the basis for entering into a facilities letter with the Developer for the interconnection of the Developer's Project to the Distribution System as shown on the Distribution Generator Interconnection – BC Hydro Interconnection Process for Generators with Transmission Impact available at www.bchydro.com/interconnections. [\[back\]](#)
31. ~~28.~~ **Interconnection Network Upgrades (INU)** means [those additions, modifications](#) and upgrades to the Transmission System or Distribution System ~~that are identified in the Interconnection Studies (and as further refined in subsequent Interconnection Studies)~~ determined by [BCTC \(for the Transmission Authority \(as System impacts related to the Interconnection of the Project to the Transmission System\) or BC Hydro \(for the Distribution Authority \(as System impacts related to the Interconnection of the Project to the Distribution System\) to be "interconnection network upgrades" under the applicable policies of the Distribution Authority BC Hydro or under the Transmission Authority BCTC's OATT in effect from time to time.](#) [\[back\]](#)
32. ~~29.~~ **Interconnection Network Upgrade Costs (INU Costs)** means all costs incurred by the ~~Transmission Authority BCTC and/or the Distribution Authority BC Hydro~~ after a Project EPA is

entered into for the design, engineering, procurement, construction, installation and commissioning of Interconnection Network Upgrades. [\[back\]](#)

- ~~33.~~ [Interconnection Network Upgrade Threshold \(or INU Threshold\)](#) has the meaning given in [Section 5.7 of the Rules](#). [\[back\]](#)
- ~~34.~~ ~~30.~~ **Interconnection Request** has the meaning given to that term in the in the OATT Standard Generator Interconnection Procedures. See www.bctc.com.
- ~~35.~~ ~~31.~~ **Interconnection Study** means either the impact study portion of the Interconnection Design/Impact & ~~Facilities~~ Study (IDIS) or the Interconnection System Impact Study (ISIS) as applicable to the Project. Where more than one Interconnection Study is filed as part of an Application prior to offer of a Project EPA, the relevant study for the Base Case is the most recent Interconnection Study. [\[back\]](#)
- ~~36.~~ ~~32.~~ **Interconnection System Impact Study (ISIS)** has the meaning given to that term in the OATT Standard Generator Interconnection Procedures. See www.bctc.com. [\[back\]](#)
- ~~37.~~ [kV mean kilovolt](#).
- ~~38.~~ ~~33.~~ **LLH or Light Load Hours** means all hours other than Heavy Load Hours. [\[back\]](#)
- ~~39.~~ ~~34.~~ **Load Displacement** means a reduction in electricity sales due to electricity conservation or customer self-generation, although the customer's pattern of peak and off-peak periods (load shape) may not have changed. [\[back\]](#)
- ~~40.~~ ~~35.~~ **MW** means megawatt.
- ~~41.~~ ~~36.~~ **MWh** means megawatt-hour.
- ~~42.~~ ~~37.~~ **Nameplate Capacity** means the aggregate of the nameplate capacities of all the generators included in the Project. Where the nameplate capacity is expressed in MVA, the nameplate capacity will be multiplied by a power factor of 0.95 to determine the nameplate capacity in MW. [\[back\]](#)
- ~~43.~~ ~~38.~~ **Network Upgrades (NU)** means additions, modifications or upgrades to the Distribution System or Transmission System that are determined by BC Hydro (as to the Distribution System) or BCTC (as to the Transmission System) to be "network upgrades" under the applicable policies of BC Hydro or under BCTC's OATT in effect from time to time. [\[back\]](#)
- ~~44.~~ ~~39.~~ **Network Upgrade Costs (or NU Costs)** means all Interconnection Network Upgrade Costs and Transmission Network Upgrade Costs. [\[back\]](#)
- ~~45.~~ ~~40.~~ **Network Upgrade Security (or NU Security)** means a letter of credit in the amount described in [Section 5.9](#) of the ~~Program~~ Rules, in the form of the *Network Upgrade Security Form* available at www.bchydro.com/standingoffer with such modifications as approved by BC Hydro in writing and issued and advised as required under [Section 5.8](#). ~~[back]~~

- ~~41.~~ ~~**Network Upgrade Threshold (or NU Threshold)**~~ has the meaning given in Section 5.7 of the Program ~~5.9 of the~~ Rules. [\[back\]](#)
- ~~46.~~ ~~**Open Access Transmission Tariff (OATT)**~~ means the BCTC tariff that governs both wholesale transmission services and generator interconnection services that BCTC offers to its customers.
- ~~47.~~ ~~**Point of Interconnection (POI)**~~ means ~~the point at which the Project interconnects with the Distribution System or Transmission System.~~ [\[back\]](#)
- a. [for a Project not Behind a Customer Load, the point at which the Project interconnects with the Distribution System or Transmission System; or](#)
- b. [for a Project that is Behind a Customer Load, the point at which the customer’s load interconnects with the Distribution System or Transmission System.](#)
- c. [for a Project with an Indirect Interconnection through a third party private transmission or distribution line or through a public utility transmission/distribution system owned and operated by a third party, other than BCTC, the point at which the private line or the third party public utility line interconnects with the Distribution System or Transmission System, as specified in the Project EPA.](#)
- ~~48.~~ ~~**Program**~~ has the meaning given in ~~Section 3.0.1.0 of the Rules.~~
- ~~45.~~ ~~**Project EPA**~~ means an electricity purchase agreement offered to a Developer under the Standing Offer Program. [\[back\]](#)
- ~~49.~~ ~~**Project**~~ means an electrical generation facility and includes all land and interests in land, buildings, equipment and material related to the generation facility as required for the generation and delivery of electrical energy to the point of delivery under the EPA. In the case of a Project that consists of existing [and/or](#) incremental generation, the “Project” for the purposes of the Program consists of ~~either:~~ (a) the new generator(s) and related facilities that are added to an existing generating facility; [and/or](#) (b) the ~~electrical energy from an existing generator(s) in excess of the generator baseline established by BC Hydro for the existing generator as described in Section 3.4.~~ [existing generator and related facilities to the extent the existing generator and related facilities are required to generate and deliver electrical energy to BC Hydro under a Project EPA.](#) [\[back\]](#)
- ~~50.~~ ~~**Project Capacity**~~ means the capacity of the Project that is the subject of a Project EPA, [not exceeding 10 MW.](#) [\[back\]](#)
- ~~51.~~ ~~**Project EPA**~~ means an electricity purchase agreement offered to a Developer under the Standing Offer Program. [\[back\]](#)
- ~~52.~~ ~~**Proven Generation Technology**~~ refers to generation technology that is readily available in commercial markets and in commercial use (not demonstration use only), as evidenced by at least 3 generation plants (which need not be owned or operated by the Developer) generating energy for a

period of not less than 3 years, to a standard of reliability generally required by Good Utility Practice (as defined in the Standard Form EPA). [\[back\]](#)

- 53. ~~48.~~ **Reference Documents** means the documents listed in [Section 14.0.14.0 of the Rules](#).
- 54. ~~49.~~ **Renewable** means electricity that is determined to be renewable electricity by the British Columbia Ministry of Energy, Mines and Petroleum Resources or any successor Ministry thereto. [\[back\]](#)
- 55. ~~50.~~ **Revenue Meter** means a meter that measures energy output and/or consumption for purposes of calculating payments under a Project EPA. [\[back\]](#)
- 56. ~~51.~~ **Rules** has the meaning given in [Section 1.0.1.0 of the Rules](#).
- 57. ~~52.~~ **Standard Form EPA** means the [Standard Form Electricity Purchase Agreement for the Standing Offer Program](#) ~~Standard Form EPA~~ available at www.bchydro.com/standingoffer. [\[back\]](#)
- 58. ~~53.~~ **Standing Offer Program** means the program as described in these Rules implemented by BC Hydro to acquire energy from Projects with a ~~nameplate capacity~~ [Nameplate Capacity](#) greater than 0.05 MW but no more than 10 MW. [\[back\]](#)
- 59. [Standing Offer Program Website](#) means the website with respect to the Standing Offer Program located at www.bchydro.com/standingoffer.
- 60. [Statement of Project Changes](#) has the meaning given in [Section 9.2.2 of the Rules](#).
- 61. ~~54.~~ **Station Service** means electricity required to service the ~~seller's plant~~ [Project](#). [\[back\]](#)
- 62. ~~55.~~ **T-Connected Projects** mean Projects interconnected to the Transmission System. [\[back\]](#)
- 63. ~~56.~~ **Target Commercial Operation Date (COD)** means the date when the Developer expects the Project to achieve COD as specified by the Developer in the Application as ~~amended as described in Section 7.3~~ [adjusted in accordance with the Project EPA](#). [\[back\]](#)
- 64. ~~57.~~ **Term** means the term of the Project EPA as specified by the Developer in the Application. [\[back\]](#)
- 65. [Transmission Network Upgrades \(TNU\)](#) means those additions, modifications and upgrades to the Transmission System identified in the [Interconnection Studies \(and as further refined in the Network Integration Transmission Service Study\)](#) as determined by BCTC. [\[back\]](#)
- 66. [Transmission Network Upgrade Costs \(or TNU Costs\)](#) means all costs incurred by BCTC and/or BC Hydro for the design, engineering, procurement, construction, installation and commissioning of [Transmission Network Upgrades](#).
- 67. ~~58.~~ **Transmission System** means the transmission, substation, protection, control and communication facilities (i) owned by BC Hydro or by BCTC, and (ii) operated by BCTC in British

Columbia, and includes all additions and modifications thereto and repairs or replacements thereof.
[\[back\]](#)

~~59. **Transmission Network Upgrade Costs** means all costs incurred by the Transmission Authority and/or the Distribution Authority for the design, engineering, procurement, construction, installation and commissioning of Transmission Network Upgrades.~~