

DISTRIBUTION GENERATOR INTERCONNECTION AGREEMENT

This Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20___, by the British Columbia Hydro and Power Authority ("BC Hydro"), and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

BC Hydro Information

Attention:
Address:
Phone: _____ Fax: _____

Interconnection Customer Information

Project Description:
Attention: _____
Address: _____
Phone: _____ Fax: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under BC Hydro's "Distribution Connected Generator Interconnection" process.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Generating Facility will interconnect with, and operate in parallel with, BC Hydro's System. For clarity, the terms and conditions contained in the DIR and the TIR are incorporated into the Agreement and are binding on the Interconnection Customer regardless of whether they are attached to this Agreement.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between BC Hydro and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the Operating Requirements, this Agreement and Good Utility Practice.
- 1.5.3 BC Hydro shall construct, operate, and maintain its System in accordance with this Agreement and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with the Operating Requirements and with Applicable Laws and Regulations, including without limitation, the Canadian Electrical Code, IEEE, the Canadian Standards Association. The Interconnection Customer agrees to design, install, maintain, and operate its Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing BC Hydro's System or any Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of Point of Interconnection. The Interconnection Customer, as appropriate, shall construct Interconnection Facilities that adequately protect BC Hydro's System, personnel, and other persons from damage and injury. Responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall remain with the Interconnection Customer.
- 1.5.6 BC Hydro shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 BC Hydro and the Interconnection Customer shall jointly develop an Operating Order with respect to the interconnection. Any amendments to the Operating Order must be consistent with this Agreement, be in writing and be mutually agreed upon by the Parties.

1.6 Parallel Operation Obligations

Once the Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable control area, including, but not limited to the Operating Requirements and those additional requirements set forth in Attachment 5 of this Agreement, if any.

1.7 Metering

The Interconnection Customer shall be responsible for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachment 2 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and the Operating Requirements.

1.8 Reactive Power

The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection as specified in the Operating Requirements.

1.9 Definitions

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Generating Facility and Interconnection Facilities prior to interconnection in accordance with the Operating Requirements. BC Hydro may, at its expense, send a qualified person to the premises of the Interconnection Customer prior to the time the Generating Facility first produces energy at those times, for those purposes and in accordance with the terms set out in, the Operating Requirements.

2.1.2 BC Hydro's involvement in the Interconnection Customer's commissioning process required by the Operating Requirements shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by BC Hydro of the safety, durability, suitability, or reliability of the Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 BC Hydro shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, BC Hydro shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. BC Hydro shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Generating Facility in parallel

with BC Hydro's System without prior written authorization of BC Hydro which will be provided in accordance with the Operating Requirements.

2.3 Right of Access

2.3.1 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, BC Hydro shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.2 Each Party shall be responsible for its own costs associated with following this article.

2.4 Exchange of Information

The Interconnection Customer shall provide, at its own cost, to BC Hydro in a timely manner, all information reasonably required for the coordinated operation of the interconnection, including such further information as BC Hydro may reasonably require to meet its obligations to any organization of which it is a member and which imposes upon it an obligation to collect information for submission to that organization. The Interconnection Customer will use Reasonable Efforts to provide accurate information pursuant to this article 2.4.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving BC Hydro 30 Business Days written notice or by mutual agreement of the Parties.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 6.6.

- 3.3.3 BC Hydro may terminate this Agreement by providing sixty (60) Business Days written notice if for any reason the Interconnection Customer is not connected to the System for an extended or prolonged period of time and the Interconnection Customer is not diligently pursuing efforts to reconnect.
- 3.3.3 Upon termination of this Agreement, the Generating Facility will be disconnected from BC Hydro's System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.
- 3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.
- 3.3.5 This provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

- 3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of BC Hydro, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to BC Hydro's System or an Affected System to which BC Hydro's System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or the Interconnection Facilities. Under Emergency Conditions, BC Hydro may immediately suspend interconnection service and temporarily disconnect the Generating Facility. BC Hydro shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Generating Facility. The Interconnection Customer shall notify BC Hydro promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect BC Hydro's System or any Affected System. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

BC Hydro may interrupt interconnection service or curtail the output of the Generating Facility and temporarily disconnect the Generating Facility from BC Hydro's System when necessary for routine maintenance, construction, and

repairs on BC Hydro's System. BC Hydro shall provide the Interconnection Customer with five Business Days notice prior to such interruption. BC Hydro shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, BC Hydro may suspend interconnection service to effect immediate repairs on BC Hydro's System. BC Hydro shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, BC Hydro shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

BC Hydro shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Generating Facility could cause damage to BC Hydro's System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, BC Hydro may disconnect the Generating Facility. BC Hydro shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Generating Facility

The Interconnection Customer must receive written authorization from BC Hydro before making any change to the Generating Facility that may have a material impact on the safety or reliability of the System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without BC Hydro's prior written authorization, the latter shall have the right to temporarily disconnect the Generating Facility. Notwithstanding any review or consent by BC Hydro, the responsibility for any such modifications will reside entirely with the Interconnection Customer and any review or consent by BC Hydro will not constitute an assumption of liability by BC Hydro or relieve the Interconnection Customer of any liability in respect of the modifications and their effect on the BC Hydro System and the interconnection.

3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Generating Facility, Interconnection Facilities, and BC Hydro's System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

3.4.7 Modification of the Operating Requirements

If at any time BC Hydro issues an amended DIR which impacts the interconnection or the Parties' respective systems, or amendments are made by the Interconnection Customer to the information on which the PIR is based, then the Party making the amendment shall provide the other with timely notice of such amendments. BC Hydro will determine, acting reasonably, whether any amendments to the PIR are required and the Interconnection Customer will make Reasonable Efforts to adhere to any such amendments to the PIR in a timely way. If the Interconnection Customer changes any of the information provided for in the development of the PIR and if, as a result, BC Hydro determines acting reasonably that it is necessary to amend the PIR to reflect the changes in the information, all BC Hydro costs and Interconnection Customer costs associated with such changes will be the responsibility of the Interconnection Customer. If BC Hydro issues an amended DIR and if as a result it may be necessary for BC Hydro to change the PIR to reflect the amended DIR, all BC Hydro and Interconnection Customer costs associated with such changes will be the responsibility of BC Hydro. If, however, BC Hydro issues an amended DIR to reflect changes in Applicable Laws or Regulations and if BC Hydro determines, acting reasonably, that changes to the PIR are necessary, then the Interconnection Customer will be responsible for the costs associated with such changes.

Article 4. Cost Responsibility for Interconnection Facilities and Network Upgrades

4.1 Interconnection Facilities

The Interconnection Customer shall design, procure, construct, install, own and/or control the Interconnection Facilities described in Attachment 2 of this Agreement at its sole expense.

4.2 Network Upgrades

4.2.1. Networks Upgrades

BC Hydro shall design, procure, construct, install, own and/or control the Network Upgrades described in Attachment 6 of this Agreement. BC Hydro shall fund the costs for the Network Upgrades and Interconnection Customer shall, at its cost, provide security for the costs of such Network Upgrades as set out in article 4.2.2 of this Agreement. Notwithstanding the foregoing, in addition to providing the Security required hereunder, the Interconnection Customer may be required to fund certain Network Upgrade costs for interconnection projects being built under BC Hydro's Standing Offer Program. In such a case, the terms and conditions of the Standing Offer Program will govern the cost allocation between the Interconnection Customer and BC Hydro.

4.2.2 Security

- (a) At least 30 calendar days prior to the commencement of the design, procurement, installation, or construction of the Network Upgrades,

Interconnection Customer shall provide BC Hydro a standby irrevocable letter of credit or other form of security that is acceptable to BC Hydro.

- (b) Such security shall be granted in favour of BC Hydro. The security shall be in an amount sufficient to cover the costs for designing, constructing, procuring and installing the Network Upgrades (less any customer funded amounts as per article 4.2.1), which amount may be revised from time to time as costs change.
- (c) Such security must be made by an entity that meets the creditworthiness requirements of BC Hydro, or issued by a financial institution reasonably acceptable to BC Hydro. If the entity making the security ceases to meet the creditworthiness requirements of BC Hydro or the financial institution issuing the security ceases to be reasonably acceptable to BC Hydro, then the Interconnection Customer shall provide a new form of security that meets BC Hydro's requirements, as stated above, within 30 calendar days of notice being provided to the Interconnection Customer.
- (d) BC Hydro shall reduce the outstanding balance of the security by an amount equal to 20% of the total Security on each of the 1st to 5th anniversary of COD. If the Interconnection Customer's Generating Facility fails to achieve commercial operation within 3 years of the target date for commercial operation as set out in Attachment 4 or if this Agreement is terminated before the 5th anniversary of COD, BC Hydro may call on the full outstanding balance of the security at that time.

Article 5. Milestones

5.1 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

Article 6. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

6.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

- 6.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies BC Hydro of any such assignment;
- 6.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of BC Hydro, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will promptly notify BC Hydro of any such assignment.
- 6.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

6.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

6.3 Indemnity

- 6.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 6.2.
- 6.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all third party claimed damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of

the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

- 6.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 6.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 6.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

6.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

6.5 Force Majeure

- 6.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control." A Force Majeure Event does not include an act of negligence or intentional wrongdoing or economic hardship.
- 6.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party)

shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible. If the Force Majeure Event continues uninterrupted for a period of 180 continuous days, then the Affected Party may terminate this Agreement by giving the other Party no less than 60 Business Days written notice.

6.6 Default

- 6.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 6.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.
- 6.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 7. Insurance

7.1 Coverage Required.

- 7.1.1 The Interconnection Customer shall, at its own expense, obtain and maintain in force throughout the period of this Agreement and until released by BC Hydro, the following minimum insurance coverages:

- (a) Commercial General Liability Insurance of no less than [****] dollars (\$**,000,000) for each and every occurrence. The policy shall include a standard non-owned automobile liability endorsement, a products and completed operations liability endorsement, a broad form property damage endorsement ***[and a fire fighting expenses endorsement (subject to a sublimit of not less than \$1 million for any occurrence)]*** and shall provide coverage not less than the insurance required by IBC Form 2100, or its equivalent replacement. The policy shall name BC Hydro as an additional insured and shall contain a cross liability and severability of interest clauses or equivalent wordings.

[Notes to draft:

- ***Consider whether the specific project is deemed to be in a zone where there is a risk of forest fire. If so, insert the above bolded and italicized language.***
- ***Depending on the size of the project, the following are the amounts of CGL insurance required for the blank above:***
 - i. Up to 1 MW - \$ 1,000,000***
 - ii. Greater than 1 MW to 5 MW - \$2,000,000***
 - iii. Greater than 5 MW - \$3,000,000]***

- (b) Property Insurance of no less than the full replacement value of the Interconnection Customer's property and equipment, or for which the Interconnection Customer is legally responsible. The policy shall provide coverage on an "All Risks" basis, including perils of flood and earthquake, and shall contain a waiver of subrogation in favour of BC Hydro.
- (c) Automobile Liability Insurance covering liability for bodily injury, death or property damage to third parties arising out of the ownership, use or operation of licensed vehicles which are owned or leased by, for or on behalf of the Interconnection Customer, in an amount of \$5 million.

7.1.2 All insurance policies required from the Interconnection Customer under this Agreement shall:

- (a) provide that 30 calendar days written notice of cancellation of the insurance shall be given to BC Hydro;
- (b) be purchased from insurers licensed to underwrite insurance in British Columbia or Alberta, or acceptable to BC Hydro; and
- (c) be considered primary with respect to the Interconnection Customer's operations under the Agreement.

7.1.3 The Interconnection Customer shall be responsible for the full amount of all deductibles of all insurance policies required under this Agreement.

- 7.1.4 The requirements contained herein as to the types and limits of all insurance to be maintained by the Interconnection Customer are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Interconnection Customer under this Agreement.
- 7.1.5 Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, the Interconnection Customer shall provide a Certificate of Insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.
- 7.1.6 The Interconnection Customer agrees to report to BC Hydro in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.
- 7.1.7 In addition to the above, in the event that any policy of insurance required hereunder is cancelled or the coverage is materially changed such that the insurance coverage is either made unavailable or reduced or restricted, the Interconnection Customer will provide immediate notice to BC Hydro. If such deficiency is not rectified by the provision of replacement insurance or other security to the reasonable satisfaction of BC Hydro within 30 calendar days after the date on which BC Hydro becomes aware of such deficiency, BC Hydro shall have the right to disconnect the Interconnection Customer's System from the BC Hydro System.

Article 8. Confidentiality

- 8.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 8.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities or pursuant to Applicable Laws and Regulations (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements, including without limitation those imposed pursuant to Applicable Laws and Regulations.
 - 8.2.1 Each Party shall employ at least the same standard of care to protect Confidential

Information obtained from the other Party as it employs to protect its own Confidential Information.

8.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

8.3 Notwithstanding anything in this article to the contrary, if the Commission, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to the Commission, within the time provided for in the request for information. In providing the information to the Commission, the Party must request that the information be treated as confidential and non-public by the Commission and that the information be withheld from public disclosure. The Party shall notify the other Party to this Agreement when it is notified by the Commission that a request to release Confidential Information has been received by the Commission, at which time either of the Parties may respond before such information would be made public.

Article 9. Disputes

9.1 In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement, such dispute or resolution shall be resolved in accordance with the dispute resolution procedures attached as Attachment 7.

Article 10. Miscellaneous

10.1 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of British Columbia, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

10.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

10.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

10.4 Waiver

10.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

10.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or Default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from BC Hydro. Any waiver of this Agreement shall, if requested, be provided in writing.

10.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

10.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

10.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

10.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

10.9 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the facilities affected by the

interconnection, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

10.10 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

10.10.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall BC Hydro be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

10.10.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

Article 11. Notices

11.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ Province: _____ Postal: _____
Phone: _____ Fax: _____

If to BC Hydro:

BC Hydro: _____
Attention: _____
Address: _____
City: _____ Province: _____ Postal: _____
Phone: _____ Fax: _____

11.2 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ Province: _____ Postal: _____
Phone: _____ Fax: _____

If to BC Hydro:

BC Hydro: _____
Attention: _____
Address: _____
City: _____ Province: _____ Postal: _____
Phone: _____ Fax: _____

11.3 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ Province: _____ Postal: _____
Phone: _____ Fax: _____

BC Hydro's Operating Representative:

BC Hydro: _____
Attention: _____
Address: _____

City: _____ Province: _____ Postal: _____
Phone: _____ Fax: _____

11.4 Changes to the Notice Information

Either Party may change this information by giving 5 Business Days written notice prior to the effective date of the change.

Article 13. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives as of the date first written above.

For BC Hydro

Name: _____
Title: _____

For the Interconnection Customer

Name: _____
Title: _____

Glossary of Terms

Affected System – An electric system other than BC Hydro's System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, provincial and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

BC Hydro – The entity that owns, controls and operates transmission or distribution facilities used for the transmission of electricity in British Columbia.

Business Day – Monday through Friday, excluding statutory holidays in British Columbia.

Commission – The British Columbia Utilities Commission.

DIR – BC Hydro's published interconnection requirements for distribution voltage customers connected to BC Hydro's system, entitled "35kV and Below Interconnection Requirements for Power Generators" (May 2010), as same may be amended from time to time.

Default – The failure of a breaching Party to cure its breach under this Agreement.

Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, provincial, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer or BC Hydro.

Interconnection Customer – Any entity that proposes to interconnect its Generating Facility to BC Hydro's System.

Interconnection Facilities – All facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to BC Hydro's System. Interconnection Facilities are sole use facilities and shall not include Network Upgrades.

Interconnection Request – The Interconnection Customer's request, pursuant to BC Hydro's standards, procedures and practices, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with BC Hydro's System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request.

Network Upgrades – The additions, modifications, and upgrades to BC Hydro's System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility. Network Upgrades do not include Interconnection Facilities.

Operating Order – The operating protocol developed by the Parties that establishes operating authority boundaries and isolation procedures for the interconnection to ensure the safe and consistent operation of those portions of each Party's system which are part of, or affect, the interconnection.

Operating Requirements – Any operating and technical requirements that may be applicable, including the Operating Order, the PIR and the DIR.

Party or Parties – BC Hydro, the Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with BC Hydro's System or such other point as the Parties may agree, as more fully described in the PIR.

PIR – The project interconnection requirements set out in Attachment 2 which include the specific requirements for the interconnection of the Generating Facility to BC Hydro's System which are based on the DIR as well as on all plant-specific information provided by the Interconnection Customer to BC Hydro.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

System – The generation, transmission, distribution, protection, control and communication facilities owned, controlled or operated by BC Hydro in British Columbia, and includes all additions and modifications thereto and repairs or replacements thereof.

Project Interconnection Requirements

**One-line Diagram Depicting the Generating Facility, Interconnection
Facilities, Metering Equipment, and Network Upgrades**

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For BC Hydro _____ Date _____

For the Interconnection Customer _____ Date _____

**Additional Operating Requirements for BC Hydro's
System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

BC Hydro shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with BC Hydro's System.

**BC Hydro's Description of its Network Upgrades
and Security Requirements**

Dispute Resolution Procedures

1. Internal Dispute Resolution Procedures

Any dispute between the Interconnection Customer and BC Hydro under this Agreement shall be referred to a designated senior representative of each of the Parties for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within 30 calendar days or such other period as the Parties may agree upon by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

2. External Arbitration Procedures

Any arbitration initiated pursuant to Paragraph 1 above shall be conducted in British Columbia before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within 10 calendar days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within 20 calendar days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall conduct the arbitration in British Columbia and shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Act of British Columbia.

3. Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within 90 calendar days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement, as applicable, and shall have no power to modify or change any of them in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards of the Commercial Arbitration Act of British Columbia.

4. Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (a) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
- (b) one half the cost of the single arbitrator jointly chosen by the Parties.

5. Rights Under The British Columbia *Utilities Commission Act*

Nothing in this dispute resolution procedure shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the British Columbia *Utilities Commission Act*.