

BC HYDRO
COMMUNITY-BASED BIOMASS POWER CALL
REQUEST FOR QUALIFICATIONS

Issue Date: April 7, 2010

1. INVITATION

BC Hydro invites Proposals for electricity supply solutions that qualify as clean or renewable (in accordance with the [Clean or Renewable Electricity Definitions](#) published by the British Columbia Ministry of Energy, Mines and Petroleum Resources) to the Community-Based Biomass (CBB) Request for Qualifications (RFQ). BC Hydro, in its discretion, may select one or more, or no, Projects to engage in negotiations after this RFQ process which may or may not result in EPAs being awarded pursuant to negotiations.

This RFQ is open to all persons and Projects meeting the RFQ eligibility requirements. See section 6 for eligibility requirements.

Persons intending to participate as a Respondent in this RFQ must register with BC Hydro. See section 13 for registration requirements.

Certain capitalized words and phrases used in this RFQ are defined in Schedule 1.

This RFQ is not a call for tenders. This RFQ and/or the submission of a Proposal and/or the exercise by BC Hydro of any discretion in the conduct of the RFQ process, including the review and evaluation of Proposals, and/or selection of Proposals for negotiations following this RFQ, creates no contractual or other legal relationship, liability or obligation whatsoever between or among BC Hydro and any other person, whether or not such person submits a Proposal, except only obligations arising under the Confidentiality and Compliance Agreement referenced herein. Except as aforesaid, no such contractual or other legal relationship, liability or obligation whatsoever arises between BC Hydro and any Respondent under the RFQ process.

2. RFQ CONTENTS

The RFQ includes the following Schedules, which are posted with this RFQ on, and may be downloaded from, the RFQ Website:

- Schedule 1 Definitions
- Schedule 2 RFQ Timetable
- Schedule 3 Registration Form
- Schedule 4 Disclosure Statement
- Schedule 5 Confidentiality and Compliance Agreement
- Schedule 6 Proposal Guide

The RFQ also includes the *Code of Conduct guidelines applicable to BC Hydro contracts* (the “Code of Conduct Guidelines”) (at www.bchydro.com, go to: *home page > who we are > company information > code of conduct > director and employee code of conduct > Code of Conduct guidelines applicable to BC Hydro contracts including clarification statements for contracts*).

BC Hydro may amend the RFQ, including Schedules, from time to time by the issue of Addenda.

3. RFQ WEBSITE

BC Hydro has established a website at www.bchydro.com/bioenergycallcbb to which Respondents and the public will have access during the conduct of the RFQ process.

The RFQ Website will provide access to the RFQ, including Schedules and Addenda, as well as other important communications from BC Hydro to all Respondents. The RFQ Website will also provide access to Q&As and other information and links of interest to Respondents.

4. BC HYDRO BACKGROUND

BC Hydro is an electricity generation and distribution public utility constituted as a Crown corporation under the *Hydro and Power Authority Act* (British Columbia). BC Hydro is owned by the Province of British Columbia. It is regulated by the British Columbia Utilities Commission (“BCUC”) under the *Utilities Commission Act* (British Columbia).

Further information is available about:

- BC Hydro at its corporate website, www.bchydro.com, and
- BCUC and the regulation of British Columbia public utilities, including BC Hydro, at BCUC’s website, www.bcuc.com.

BC Hydro serves customers in integrated and non-integrated areas of British Columbia.

The integrated System is comprised of the high voltage transmission system that is operated by British Columbia Transmission Corporation (“BCTC”) (the “Transmission System”) and the lower voltage distribution system operated by BC Hydro (the “Distribution System”). This integrated System serves the majority of the British Columbia mainland and Vancouver Island.

5. SUPPLY OPPORTUNITY

This RFQ is focused on smaller-scale, innovative, community-level energy supply solutions using biomass. BC Hydro will seek to identify at least two such Projects that can provide cost-effective electricity for ratepayers, as well as other quantifiable, local or regional electricity benefits such as improved reliability. The RFQ process is designed to encourage solutions that are tailored to a community’s goals and capabilities.

BC Hydro will consider Proposals reflecting a range of long-term supply options, including:

- supply of non-firm energy,
- supply of firm energy with associated non-firm energy, or
- supply of capacity and associated firm energy.

BC Hydro will also consider Proposals that contribute to a solution meeting BC Hydro’s objectives outlined above, including innovative or value-added products and attributes. In developing Proposals, Respondents are encouraged to investigate other sources of municipal, provincial or federal funding and to demonstrate community involvement or support.

6. ELIGIBILITY REQUIREMENTS

BC Hydro will consider Proposals that meet the following eligibility requirements:

- Clean Biomass Energy: Project generation must use biomass fuel types that qualify as clean biomass pursuant to the Clean or Renewable Electricity Definitions.
- Registration: Respondents must be registered under this RFQ not later than the Proposal submission deadline date.

- **Project Size:** Projects must have an installed capacity larger than 50 kW, and no greater than 5 MW.
- **Project Location:** Projects must be located in British Columbia where BC Hydro is not required to transmit energy through another utility or out-of-province jurisdiction to reach the Lower Mainland.
- **Point of Interconnection:** Projects must have a point of interconnection on the Distribution System, or on an existing BC Hydro customer's site, which could be either Distribution System-connected or Transmission System-connected.
- **New or Existing Generation:** Project generating facilities must be new (including new, used or refurbished equipment) or existing, provided however that capacity and/or generation currently under contract to BC Hydro or serving current load is not eligible during the term (including any renewal term at BC Hydro's option) of the existing contract.
- **Metering:** Project output must be capable of being metered separately or alternate measures satisfactory to BC Hydro must be available to accurately determine delivered energy for billing purposes.
- **Pulp & Paper Green Transformation Program:** Respondents must not have applied for, nor be eligible to receive funding under, the Government of Canada's "Pulp and Paper Green Transformation Program" for their Project.

7. EVALUATION CRITERIA

BC Hydro will determine in its discretion the Proposal(s) meeting the RFQ eligibility requirements (outlined in section 6) and BC Hydro's objectives (outlined in section 5) in a cost-effective manner that are best suited to proceed to bilateral negotiations upon completion of this RFQ.

Factors that may be considered in Proposal evaluation include but are not limited to:

A. *Fundamental to Proposal:*

- **Economic Viability**
 - Project costs;
 - The Respondent's opportunity cost relative to its Project;
 - Interconnection and Distribution/Transmission System impacts;
- **Development and Operating Risk**
 - A risk assessment that will include consideration of Project development and operating risks, including permitting, an understanding of First Nations consultation requirements, technological, constructability and schedule risks, and supply reliability and other operating availability and reliability risks;
 - An assessment of probable fuel availability, with a desirability of minimizing adverse impacts on existing productive uses of biomass;
 - Environmental impacts;
 - Funding from alternative sources (*e.g.*, Innovative Clean Energy (ICE) Fund, Sustainable Development Technology Canada).

A high level of understanding from a Respondent of what is necessary to develop the Project is beneficial, and is preferred to a Proposal not having a clearly defined development plan. From a risk perspective, proven technology has a different risk profile than unproven technology in terms of

technical, market and financial risks. The additional risks that accompany emerging or unproven technologies should be addressed in the proposal (see also ‘Innovation’).

B. *Strong Preference will be given to Proposals demonstrating:*

- Community Benefits
 - Status of community engagement and breadth of community support;
 - Community or industrial use of waste heat (e.g., space and water heating, lumber drying, etc.) and other byproducts of electricity generation from biomass;
 - Environmental benefits;
 - Quantifiable economic near-term benefits to the local community and the potential for future long term business and energy system growth;
 - Contribution to and coordination with the community’s environmental programs;
 - Community ownership interest in the Project;
- Aboriginal Benefits
 - Benefits of the Project to Aboriginal Peoples as they relate to employment or business opportunities.

C. *Additional consideration will be attributed to Proposals with:*

- Distribution System Benefits
 - Distribution System benefits (e.g., reliability);
- Innovation
 - Broader commercialization potential – consideration of innovative technologies at the late demonstration or market development phase that have potential for wider application in British Columbia.

D. *Other Evaluation Factors:*

- The impact, if any, of court or regulatory orders and/or decisions made subsequently to the issue date of this RFQ;
- Conformity of Interconnection Application and Proposal: The technical parameters of a Project as described in a Proposal should be consistent in all material respects with the technical parameters forming the basis of the corresponding Interconnection Application, and later study conducted by BC Hydro or BCTC for Qualified Proposals. A material inconsistency would be any inconsistency that, in BC Hydro’s opinion, could reasonably be expected to have an impact on interconnection network upgrade schedule or costs, or any other costs to be borne by BC Hydro as a result of the development and operation of the Project;
- The Respondent’s compliance, or failure to comply, with the RFQ terms, including the Confidentiality and Compliance Agreement; and
- Other public interest criteria, including particularly ratepayer benefits, that BC Hydro considers have not otherwise been appropriately addressed in the evaluation.

8. PROPOSAL SUBMISSION REQUIREMENTS

8.1 *Mandatory Deadline for Proposal Submission:* Proposals **must** be delivered to the RFQ Administrator at the address indicated in section 12 on or before **4:00 p.m. PPT** on the Proposal submission

deadline date as shown on the latest RFQ Timetable. Check the RFQ Website frequently for the currently scheduled date. BC Hydro's time/date stamp recording Proposal receipt will be conclusive.

Late Proposals will not be considered and will be returned to the Respondent unopened.

8.2 **Proposal Contents:** Proposals should be submitted in a sealed package marked "BC Hydro CBB RFQ, Proposal of [insert name of Respondent]", and bear a return address.

Proposals should be prepared in the format, and should contain the information, required by the Proposal Guide, which is posted to the RFQ Website. **Read the Proposal Guide carefully and ensure that the Proposal contains detailed responses to all applicable items.** BC Hydro may, but is not obliged to, seek further information and clarification from Respondents concerning their Proposals. However, Respondents should **not** assume that any opportunity will be given to clarify and/or supplement incomplete or unresponsive Proposals.

In addition to the information called for by the Proposal Guide, Proposals should include a non-refundable Proposal fee equal to \$5,000, payable as a cheque or bank draft to British Columbia Hydro and Power Authority or BC Hydro. Proposal security (*i.e.*, bond or letter of credit) is **not** required.

8.3 **Other Matters:** Proposals will not be opened publicly. Proposal documents (excluding any proprietary intellectual property embodied therein) become the property of BC Hydro, and will not be returned to Respondents, except in the case of late-submitted Proposals.

A Respondent may withdraw its Proposal by written notice to the RFQ Administrator at any time during the RFQ process. A Proposal, if withdrawn after the Proposal submission deadline time shown on the RFQ Timetable, cannot be resubmitted by the Respondent and/or an Affiliate in the same or an amended form under this RFQ, and the Respondent's registration in the RFQ process will be cancelled as of the time of withdrawal.

BC Hydro, in its discretion, may waive any and all failures of a Respondent or a Proposal to comply with the terms of this RFQ, whether or not the failure is material. However, Respondents should note that non-compliance, even if waived, may be considered in BC Hydro's evaluation of Proposals.

9. POST-PROPOSAL PROCESS

BC Hydro, in its discretion, may invite in-person Proposal presentations and/or engage in written and/or in-person interviews from or with one or more, but not necessarily with any or all, Respondents, after the Proposal submission deadline. The purpose of such interviews, if any, may include clarification of the Proposal or any part thereof. Any such interviews will be strictly scope and time disciplined as determined by BC Hydro. BC Hydro will notify, by the date shown in the RFQ Timetable, each Respondent, if any, with which it intends to conduct post-Proposal interviews of the scope and schedule of those interviews.

Post-Proposal interviews, if any, will be undertaken with a Respondent solely upon BC Hydro's invitation. Respondents should not assume that they will be invited to engage in interviews. Accordingly, all Respondents should endeavour to prepare Proposals that are complete, clear and capable of being fairly evaluated without post-Proposal interviews.

BC Hydro, in its discretion, may conduct post-Proposal interviews with one or more Respondents or decline to conduct such interviews with any or all Respondents. Post-Proposal interviews will be conducted at BC Hydro's offices in Vancouver, B.C., unless BC Hydro determines otherwise. Interviews are confidential, as provided in the Confidentiality and Compliance Agreement.

BC Hydro, in its discretion, may qualify one or more or no Proposals to engage in negotiations after this RFQ process. All Proposals that are qualified by BC Hydro through this RFQ are subject to bilateral negotiations, followed by approval of any successfully negotiated and accepted Proposals by BC Hydro's executive management and/or board of directors and signing of a final EPA and/or other agreement. Successful Respondents will be advised by notice of qualification to enter bilateral negotiations with BC Hydro.

No legal obligations or liabilities whatsoever will be created or arise between BC Hydro and any Respondent through this RFQ, except only under the Confidentiality and Compliance Agreement.

10. ANTICIPATED POST-RFQ STEPS

At the conclusion of the RFQ process, BC Hydro expects to enter into bilateral negotiations with one or more Respondents in an effort to conclude an EPA or other agreement for one or more Projects. A broad range of contractual arrangements may be developed to be responsive to the strengths of each Project selected through these post-RFQ negotiations to conclude an EPA, which may include:

- non-firm energy supply,
- firm and associated non-firm energy supply, and
- capacity and associated firm energy supply.

The form of agreement selected for a successful Project may be based on, but is not necessarily limited to, one of these contractual models. For illustration purposes only, current examples of BC Hydro's standard specimen EPAs for Clean Energy (for both non-firm and firm energy supply) may be downloaded for review at the following websites:

- non-firm energy supply at www.bchydro.com/standingoffer, and
- firm energy supply at www.bchydro.com/cleanpowercall or www.bchydro.com/bioenergycall.

The RFQ process concludes upon the selection of one or more Respondents, if any, for commencement of bilateral negotiations. Such negotiations do not form part of this RFQ process and will be concluded separately with each selected Respondent.

11. INTERCONNECTION MATTERS

Respondents are required to submit a completed Interconnection Application, accompanied by a deposit (to be refunded for Projects that are not qualified through the RFQ) of the amount of \$15,000 to BC Hydro (for both Transmission System and Distribution System-connected projects) on or before **4:00 p.m. PPT** on the applicable date shown in the RFQ Timetable. To ensure completeness of the Interconnection Application, Respondents are encouraged to submit to BC Hydro an initial Interconnection Application one month before the Interconnection Application deadline. BC Hydro will check the Interconnection Application for completeness and advise the Respondent of deficiencies, if any, or that the Interconnection Application is complete.

Interconnection Application forms are available for downloading at www.bchydro.com/interconnections or by contacting gen.connections@bchydro.com.

All Projects participating in this RFQ will be studied on a stand-alone basis, under the same system conditions. Respondents submitting Proposals involving eligible incremental generation, including Respondents with existing interconnection agreements for existing generation, will still be required to file an Interconnection Application for the new incremental generation by the applicable deadline. The cost of the interconnection study for a Qualified Proposal, and any subsequent studies necessary to complete the Project's interconnection until the commercial operation date is achieved, will be borne by the Respondent.

After the RFQ is complete and Qualified Proposals are identified, a signed Feasibility Interconnection Study agreement with BCTC (for Transmission System-connected Projects) or a signed Preliminary Interconnection Study agreement with BC Hydro (for Distribution System-connected Projects) for the Qualified Proposals, together with the required study fee deposit (another \$15,000), must be filed with BCTC or BC Hydro for such Projects, as applicable. Each completed interconnection study will be provided to the Respondent upon completion.

BC Hydro will be responsible for interconnection and transmission costs on the transmission or distribution side of the POI, as applicable, for the Project. BC Hydro's cost responsibility will be based on the Project as described in the completed interconnection study. The Respondent will be responsible for any additional interconnection and/or transmission costs arising from any changes made to the Project, including Project size, POI and schedule, described in the completed interconnection study.

After this RFQ is completed, interconnection studies for Qualified Proposals will be used by BC Hydro to determine the estimated interconnection costs to be borne by BC Hydro, line losses, and whether necessary System upgrades can be completed on a schedule compatible with the Project development schedule.

12. COMMUNICATIONS

All communications with BC Hydro prior to Proposal submission regarding this RFQ should be directed to the RFQ Administrator (Community-Based Biomass) as follows:

BC Hydro
10th Floor, 333 Dunsmuir Street
Vancouver, BC
V6B 5R3
Attention: RFQ Administrator (CBB)

email: bioenergy.call@bchydro.com
fax: (604) 623-4335

For contact information regarding generator interconnections contact:

Generator Interconnection and Transmission Services
BC Hydro
333 Dunsmuir Street
Vancouver, BC
V6B 5R3

email: gen.connections@bchydro.com

phone: (604) 623-3755 or (604) 623-4138
fax: (604) 623-4335

Additional interconnection information is available at www.bchydro.com/interconnections.

Communications from Respondents should originate from their contact person specified upon registration. Contact persons may be changed by notice to the RFQ Administrator. Respondents should communicate in writing (which may include e-mail).

BC Hydro will notify Respondents, if any, with whom BC Hydro decides to conduct interviews following Proposal submission, of the communications protocol applicable to that phase of the RFQ process.

BC Hydro will not be responsible for any instructions or information given to any Respondent, except as made or authorized through the RFQ Administrator or in accordance with any post-Proposal communications protocol.

Respondents should not contact directly BC Hydro's directors, officers, employees or advisors concerning matters related in any way to this RFQ, other than the RFQ Administrator or with respect to matters relating to interconnection or as directed or authorized through the RFQ Administrator. Refer also to section 18.8 of this RFQ, which restricts lobbying.

13. REGISTRATION

Persons who intend to submit a Proposal are required to register their interest using the Registration Form set out in Schedule 3. The Registration Form requires summary information regarding the Respondent and its Project(s).

Persons intending to register should review the Code of Conduct Guidelines, including item 3 of the guidelines, which require disclosure of certain relationships. Also, all persons considering participation in this RFQ are advised that persons or consultants associated with Respondents may include former employees of BC Hydro, or current or former consultants to BC Hydro.

Respondents should submit with their Registration Form a Disclosure Statement in the form set out in Schedule 4 showing the identity of (i) their controlling shareholders, directors and senior officers, (ii) persons involved, or expected to be involved, in their Proposal work, whether as employees or consultants, who have been employed by BC Hydro within the previous two years, (iii) consultants involved, or expected to be involved, in Proposal work, and (iv) relationships required to be disclosed by item 3 of the Code of Conduct Guidelines. This information should be updated by notice to BC Hydro from time to time during the RFQ process, both before and after the Proposal submission deadline, if and when circumstances change so that the Disclosure Statement is accurate and up to date. The Disclosure Statement should also be updated upon submission of a Proposal.

Respondents should also submit with their Registration Form a Confidentiality and Compliance Agreement in the form set out in Schedule 5. This Agreement sets out obligations of confidentiality regarding any Proposal submission made, interviews that may occur after the Proposal submission deadline, and negotiations with successful Respondents that may be conducted after the RFQ process is complete, as well as a commitment to comply with the general terms and conditions of this RFQ as set out in section 18.

Respondents are encouraged to submit their completed Registration Documents to the RFQ Administrator on or before the 'Registration Closes' date identified in the RFQ Timetable. Registration by the 'Registration Closes' date is not mandatory; however, registration by the Proposal submission deadline, as identified in the RFQ Timetable, is an eligibility requirement for the submission of a Proposal. Registration by the 'Registration Closes' date also has certain advantages as outlined below.

Registration does not oblige a Respondent to submit a Proposal. However, registration will assist BC Hydro in communicating with Respondents throughout the RFQ process.

Persons who have registered (including completing the Registration Documents) may receive first priority response on questions submitted under the Q&A process described in this RFQ. Registration response may be taken into consideration in structuring Proposal preparation workshop locations, format and timing. Persons who have not registered may not receive communications from the RFQ Administrator that are sent to registered Respondents.

BC Hydro will consider only Proposals made by registered persons, or their Affiliates.

Registered Respondents who decide not to submit a Proposal will have their registration cancelled after the Proposal submission deadline.

14. RFQ TIMETABLE

BC Hydro intends to conduct the RFQ process according to the RFQ Timetable set out in Schedule 2. The RFQ Timetable may be changed at any time. Respondents should check the RFQ Website frequently to ensure that they are aware of the current schedule requirements.

15. ADDENDA

BC Hydro may amend and/or supplement this RFQ, including the RFQ Timetable and the Schedules, at any time by issue to all Respondents of an Addendum. Addenda will be sequentially numbered and issued to Respondents by posting to the RFQ Website. Addenda will not necessarily be distributed directly to Respondents.

Respondents should check the RFQ Website frequently to ensure that they are aware of all Addenda.

16. Q&As AND SUPPLEMENTARY INFORMATION

Respondents may submit questions regarding the RFQ process and related matters to the RFQ Administrator. Questions should be in writing (including e-mail). Questions raising issues of general interest to all Respondents and corresponding answers will be posted to the RFQ Website as a Q&A, without express attribution to the Respondent submitting the question. BC Hydro reserves the right to edit questions for clarity and application to Respondents generally. Questions of specific relevance only to the Respondent submitting the question will not necessarily be posted to the RFQ Website, and BC Hydro may direct the answer to that Respondent only.

BC Hydro may post to the RFQ Website other information of interest to Respondents.

Respondents should check the RFQ Website frequently for Q&As and other information of interest.

17. REGULATORY AND LEGAL MATTERS

BC Hydro, in its discretion, may qualify one or more, or no, Projects to engage in negotiations after this RFQ process which may or may not result in EPAs being awarded with respect to the Qualified Proposals. EPAs awarded after this RFQ may constitute “energy supply contracts” under the *Utilities Commission Act* (British Columbia) (the “Act”). Accordingly, subject to a valid exemption, if any, obtained by a Respondent, such energy supply contracts must be filed with the BCUC under section 71 of that Act. The BCUC may accept the EPAs for filing without convening a public hearing, or the BCUC may convene a hearing. If the BCUC determines, after a hearing, that an EPA is not in the public interest, the BCUC may make an order declaring the EPA to be unenforceable, in whole or in part, or may make any other order it considers advisable in the circumstances.

The foregoing is a very brief and general summary of section 71 of the Act. Respondents should familiarize themselves with the Act, including any amendments, and current regulatory processes that could impact energy supply contracts, including any EPAs awarded under this RFQ, and seek their own legal and other professional advice on all legal and regulatory risks and issues associated with this RFQ and any EPAs awarded as a result of it.

At the completion of this RFQ, and prior to entering into an EPA with respect to a Project, BC Hydro will assess whether First Nations consultation is required, the level of First Nations consultation that may be required and if required, whether the First Nations consultation has been adequate for purposes of entering into an EPA taking into account the Project's stage of development. Upon request, participants in bilateral negotiations must submit further written materials to enable BC Hydro to complete its assessment.

18. GENERAL TERMS AND CONDITIONS

18.1 **Privilege:** BC Hydro may qualify Project(s) for bilateral negotiations after the completion of the RFQ process that in BC Hydro's sole and unfettered opinion, offers the resource(s) that best serves the interests of BC Hydro and its ratepayers. The Proposal(s) having the lowest cost to BC Hydro will not necessarily be successful. BC Hydro may qualify no Projects, may terminate the RFQ process or negotiations with respect to any or all Qualified Proposals at any time, or may enter into no EPAs. BC Hydro is not obliged to provide to Respondents reasons for the qualification or the rejection of any Proposal, or for termination of the RFQ process or subsequent negotiations, if any.

18.2 **Further Enquiries:** BC Hydro may, but is not obliged to, require that a Respondent provide further information concerning, or clarification of, its Proposal. BC Hydro may make enquiries of, and rely upon, information obtained from third parties and/or public records relative to the evaluation of any Proposal. BC Hydro may, but is not obliged to, meet with one or more Respondents for the purpose of seeking such information or clarification or conducting interviews.

18.3 **Code of Conduct:** Each Respondent, by submitting a Proposal, represents and warrants that it has complied, and will comply, with the Code of Conduct Guidelines.

18.4 **Costs:** Each Respondent is responsible for all costs incurred by it in connection with this RFQ, including the preparation of and, if applicable, interviews with respect to, any Proposal, whether or not one or more, or no, Proposals are accepted and whether or not this RFQ is terminated at any time before acceptance of any Proposals.

18.5 **Liability Exclusion:** BC Hydro, its directors, officers, employees, advisors and consultants incur no liability whatsoever to any Respondent under or in any manner arising out of, or related to, this RFQ, including without limitation the exercise by BC Hydro of any discretion under or in relation to this RFQ.

18.6 **No Implied Terms:** No terms or conditions whatsoever may be implied in this RFQ.

18.7 **No Collusion:** Each Respondent, by submitting a Proposal, represents and warrants that its Proposal has been prepared without collusion with any other Respondent, and in particular the cost estimates and other elements of its Proposal have been arrived at independently of, and without discussion with, any other Respondent, and the Respondents will refrain from any such collusion or discussion during the entirety of the RFQ process (including, without limitation, during the period of any interviews with BC Hydro) and any subsequent bilateral negotiations.

18.8 **No Lobbying:** Each Respondent will direct all communications to BC Hydro relative to this RFQ strictly to the person, and in accordance with the communication instructions, set out in section 12. The Respondent will not engage, and will cause its Affiliates, agents and representatives not to engage, in lobbying, or otherwise communicating directly to, any other director, officer, employee or agent of BC Hydro, any consultant or advisor to BC Hydro, or any member of the Government of British Columbia for the purpose of influencing the terms, or outcome, of this RFQ. The foregoing does not preclude the Respondent or its Affiliates from normal course communications with BC Hydro and/or the Government of British Columbia as required to further Project permitting and other Project planning and development.

18.9 **Disclosures:** Each Respondent, by submitting a Proposal, represents and warrants that it has made the disclosures required by the Disclosure Statement, including those required under the Code of Conduct Guidelines, and that it will update those disclosures as required under section 13 to the date of notification of accepted Proposals under this RFQ, and that all such disclosures will be true, correct and complete. Each Respondent acknowledges that BC Hydro may require that the Respondent confirm or implement policies and/or measures to avoid any actual or perceived conflict of interest and/or unfair advantage that may arise from any relationship required to be disclosed on the Disclosure Statement.

18.10 **Non Compliance:** If the Respondent is in violation of the terms of its Confidentiality and Compliance Agreement, including the terms of this section 18 incorporated therein, BC Hydro, in its discretion, may decline to consider a Proposal or disqualify the Respondent from further participation in the RFQ process or any post-RFQ steps with respect to the award of an EPA or other agreement.

18.11 **Unavailable Service-Providers:** BC Hydro has retained the following service-providers in relation to this RFQ. Accordingly, in order to avoid any perceived or actual conflict of interest, Respondents will not retain any such service-provider in relation to this RFQ, and if any such service-provider is retained by a Respondent on an unrelated matter, the Respondent consents to such service-provider continuing to provide service to BC Hydro, including if applicable legal advice and representation, relative to this RFQ, any agreement arising therefrom, and any related dispute or matter. Unavailable service-providers are: Borden Ladner Gervais LLP and Industrial Forestry Service Ltd.

SCHEDULE 1

DEFINITIONS

All references to section numbers are to sections of the RFQ document unless otherwise expressly stated.

1. “**Addendum**” means an addendum to the RFQ issued by BC Hydro pursuant to section 15.
2. “**Affiliate**” means, with respect to a Respondent, any person directly or indirectly Controlled by, Controlling, or under common Control with, the Respondent.
3. “**BC Hydro**” means British Columbia Hydro and Power Authority.
4. “**BCTC**” means British Columbia Transmission Corporation.
5. “**BCUC**” means British Columbia Utilities Commission.
6. “**Clean Energy**” means electrical energy that qualifies as clean or renewable in accordance with the [Clean or Renewable Electricity Definitions](#).
7. “**Clean or Renewable Electricity Definitions**” means “British Columbia’s Clean or Renewable Electricity Definitions”, published by the British Columbia Ministry of Energy, Mines and Petroleum Resources and available at www.empr.gov.bc.ca/EAED/AEPB/Documents/CleanEnergyJune.pdf.
8. “**Code of Conduct Guidelines**” means the “Code of Conduct guidelines applicable to BC Hydro contracts”, including all clarifications thereto, published by BC Hydro from time to time.
9. “**Confidentiality and Compliance Agreement**” means a confidentiality and compliance agreement in the form attached as Schedule 5 to this RFQ.
10. “**Control**” of any person means (i) with respect to any corporation or other person having voting shares or the equivalent, the ownership or power to vote, directly or indirectly, shares, or the equivalent, representing 50% or more of the power to vote in the election of directors, managers or persons performing similar functions, or (ii) ownership of 50% or more of the equity or beneficial interest in that person, or (iii) the ability to direct the business and affairs of any person by acting as a general partner, manager or otherwise.
11. “**Disclosure Statement**” means a form of statement attached as Schedule 4 to this RFQ.
12. “**Distribution System**” means the distribution, protection, control and communication facilities in British Columbia that are operated by BC Hydro and are or may be used in connection with, or that otherwise relate to, the transmission of electrical energy at 35 kV or less, and includes all additions and modifications thereto and repairs or replacements thereof.
13. “**EPA**” means an electricity purchase agreement that may be entered into between a Respondent qualified through this RFQ to enter into bilateral negotiations with BC Hydro.
14. “**Feasibility Interconnection Study**” means a study in response to a request required to accommodate the interconnection of a Project to the Transmission System.
15. “**FIS**” means feasibility interconnection study.
16. “**Interconnection Application**” means a PIS application or an FIS application, as applicable.
17. “**PIS**” means preliminary interconnection study.
18. “**POI**” means point of interconnection.

19. “**PPT**” means Pacific Prevailing Time, which means Pacific Daylight Time or Pacific Standard Time, as applicable.
20. “**Preliminary Interconnection Study**” means a study prepared by BC Hydro in response to a request required to accommodate the interconnection of a Project to the Distribution System, prepared by BC Hydro, Distribution.
21. “**Project**” means an electrical generation facility meeting the eligibility requirements of this RFQ, which may consist of one or more generating units, provided that all electrical output would be injected to the Distribution System or Transmission System at the same POI, and includes all land and/or land tenures, buildings and other structures and infrastructure, equipment, including transmission and interconnection facilities required to generate and deliver energy to the POI, permits, licenses and other governmental approvals associated with the generation and delivery of electricity under an EPA.
22. “**Proposal**” means a Proposal made by a Respondent pursuant to this RFQ, and all documents stated in this RFQ to form part of a complete Proposal, including any amendments thereto made and confirmed in accordance with this RFQ.
23. “**Proposal Guide**” means the document attached as Schedule 6 to this RFQ.
24. “**Q&A**” means question and answer.
25. “**Qualified Proposal**” means a Proposal that has been qualified pursuant to this RFQ for bilateral negotiations between the Respondent and BC Hydro.
26. “**Registration Documents**” means the Registration Form, the Disclosure Statement and the Confidentiality and Compliance Agreement.
27. “**Registration Form**” means the form attached as Schedule 3 to this RFQ.
28. “**Respondent**” means a person registered under this RFQ for the purpose of submitting a Proposal, as described in section 13, or an Affiliate of the registrant designated by the registrant to submit a Proposal.
29. “**RFQ**” means this request for qualifications.
30. “**RFQ Administrator**” means the person appointed by BC Hydro to act as RFQ Administrator (CBB) and described in section 12.
31. “**RFQ Timetable**” means the schedule by which BC Hydro intends to conduct the RFQ process, as set out in Schedule 2 to this RFQ, and any amendment thereof.
32. “**RFQ Website**” means the website that BC Hydro has established and to which Respondents will have access during the conduct of this RFQ, as described in section 3.
33. “**System**” means the Distribution System and/or the Transmission System, as applicable.
34. “**Transmission System**” means the transmission, substation, protection, control and communication facilities (i) owned by BC Hydro or BCTC, and (ii) operated by BCTC in British Columbia, and includes all additions and modifications thereto and repairs or replacements thereof.