

North Montney Region Electrification Project
Transmission-Service Load Customer Expression of Interest
March 18, 2021

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1 Introduction

Electrifying industry with clean, reliable, and affordable electricity is critical to reducing greenhouse gas emissions (GHGs) and meeting the economic development, energy, and climate action targets in the Government of B.C.'s CleanBC plan. BC Hydro has an important role to play in meeting those climate action targets and fostering sustainable economic growth across the province.

In support of CleanBC, BC Hydro is proposing to extend its transmission system infrastructure into the North Montney region, located northwest of Fort St. John in northeastern B.C. (see Figure 1). This region is experiencing considerable development due to its abundant natural gas reserves. It is estimated that this new transmission infrastructure could avoid the production of up to 1 million tonnes of GHG emissions (tCO₂e) per year—roughly equivalent to taking 200,000 cars off the road—as well as avoid the production of local air contaminants.

The proposed NMRE Project is supported by the Governments of British Columbia and Canada through a number of well-aligned plans and commitments, including a joint government memorandum which seeks to prioritize and advance power transmission and electrification projects through federal funding.

The proposed North Montney Region Electrification Project (the **NMRE Project**) consists of an approximately 100-kilometre long, 230-kilovolt transmission line and associated infrastructure, extending north from either an existing substation at GM Shrum or Site C to a new substation in the vicinity of the Wonowon community (see Figure 1).

BC Hydro is currently evaluating a range of procurement options for the proposed NMRE Project, including Indigenous and third-party participation. Regardless of the ultimate ownership structure, all customers obtaining electricity supply and service from the NMRE Project will be customers of BC Hydro, providing customers with the rights and protections associated with being part of the large rate base of a regulated public utility.

In addition to accessing clean, renewable electricity, benefits to prospective load customers include reduced electrification costs through the construction of a shared transmission extension, optimized transmission line routing and design, and access to reduced rates and funding for customer interconnection costs.

BC Hydro intends to allocate up to 100% of the transmission line's capacity to transmission-service load customers (service at 60 kV or higher) through an open and transparent process, beginning with the North Montney Region Electrification Project's Transmission-Service Load Customer Expression of Interest (the **NMEOI**). The terms and conditions of service for transmission-service load customers will be as per a proposed new tariff for the North Montney transmission line¹. Corresponding revisions to

¹ The proposed North Montney transmission line tariff is intended to replace Tariff Supplement 5 (Electricity Supply Agreement) and Tariff Supplement 6 (Facilities Agreement) for customers obtaining electricity supply and service from the NMRE Project. A draft will be available for review to those having participated in the NMEOI (see Section 4.4 for more information).

the interconnection business practices, including streamlining, will follow. At this time indirect interconnections and the interconnection of other prospective customer groups (e.g. generators wishing to supply electricity to the BC Hydro system and distribution-service load customers) can not be accommodated. Depending on future interest and need, such interconnections will be considered and would require revised tariff arrangements.

With the launch of the NMEOI, BC Hydro is inviting prospective transmission-service load customers in the North Montney region to signify their interest in taking electricity service and share their electrification needs with BC Hydro through the submission of a non-binding Letter of Interest (Appendix B) and Expression of Interest Form (Appendix C). BC Hydro will use this information to facilitate the technical, commercial, and regulatory planning of the proposed NMRE Project.

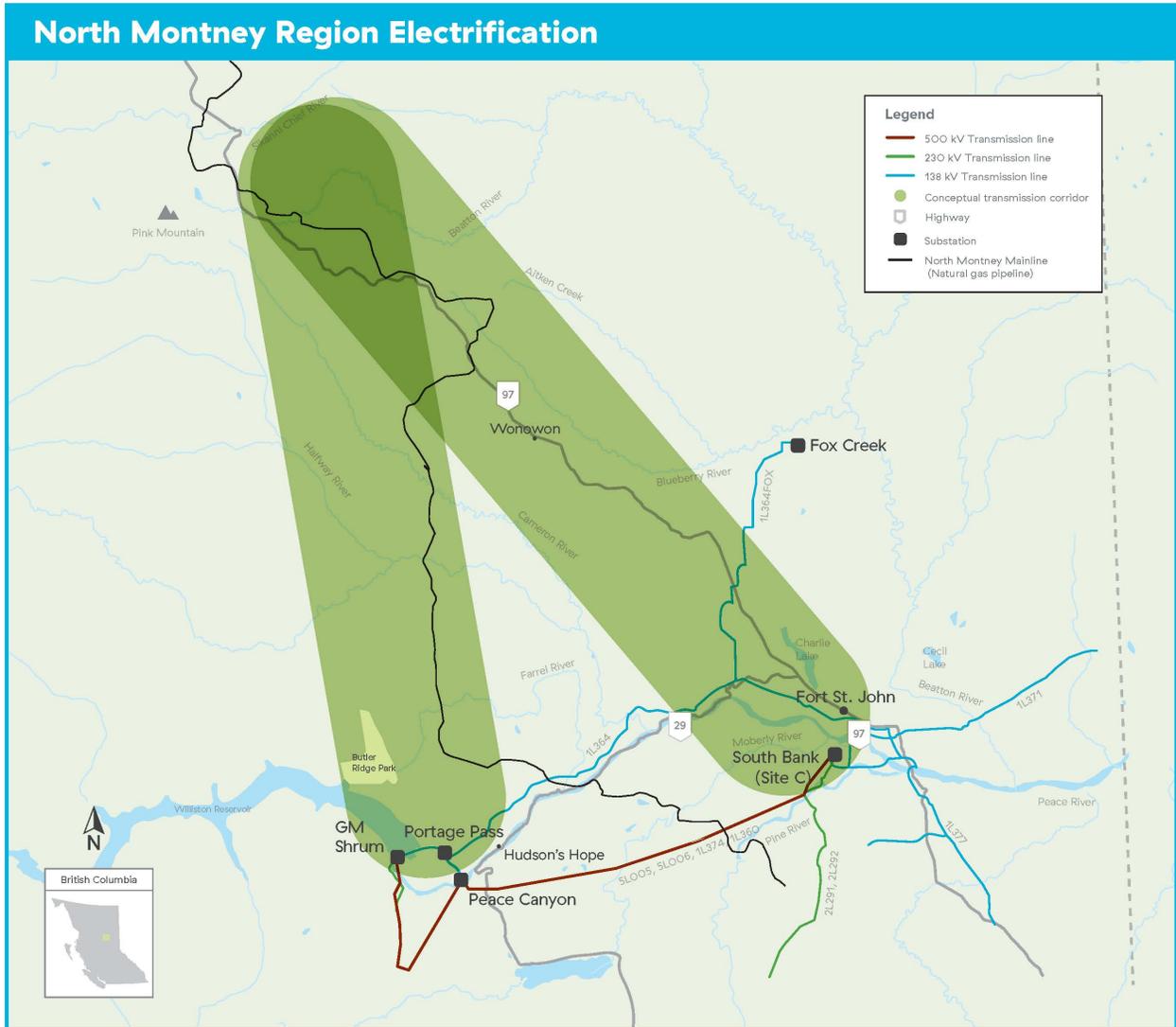
Customer interest in the proposed NMRE Project, as determined through the NMEOI, will help determine the viability of the project and any subsequent steps to confirm customer requirements and commitment. These subsequent steps may include: submission of a transmission service request; completion of interconnection studies; posting of security for the design and construction of the NMRE Project and associated interconnection facilities; and the execution of corresponding agreements (e.g. interconnection study agreements, a security agreement, a Facilities Agreement, and an Electricity Supply Agreement, or similar). Other considerations in determining the viability of the NMRE Project will include the need for and cost-effectiveness of the project and the engagement process outcomes with Indigenous Nations. The NMEOI process does not commit BC Hydro to proceeding with the NMRE Project or interconnecting prospective customers.

The following sections of the NMEOI describe in further detail:

- the NMRE Project;
- the customer opportunity;
- the NMRE Expression of Interest process; and
- regulatory and legal matters.

For the latest information on the NMEOI, please refer to bchydro.com/northmontneyEOI.

Figure 1: North Montney Region Electrification Project – Conceptual Transmission Line Corridors



2 Project Description

The proposed NMRE Project consists of an approximately 100-km long, 230-kV transmission line and associated infrastructure, extending north from an existing substation at either GM Shrum (near Hudson's Hope) or Site C (near Fort St. John) to a proposed new substation in the vicinity of the Wonowon community (see Figure 1).

At present two transmission corridor alternatives are under consideration. The exact transmission line route and new substation location remain to be determined based on multiple factors, such as geotechnical and environmental considerations, consultation with Indigenous Nations, stakeholder engagement, and customer location and load.

The final design capacity of the proposed NMRE Project will be determined based on need and cost-effectiveness. BC Hydro intends to allocate up to 100% of the NMRE Project capacity to transmission-service load customers. None of the capacity has been allocated to-date.

At this time, BC Hydro is in the early development stages of the NMRE Project. Timing of final design and construction will proceed based on prospective transmission-service load customer electrification needs and the technical, commercial, and regulatory planning requirements of the NMRE Project. The earliest targeted in-service date is late 2026.

BC Hydro is currently evaluating a range of procurement options for the proposed NMRE Project, including Indigenous and third-party participation. Factors that will be considered in confirming the procurement approach include input from Indigenous Nations, market capabilities, market response, timelines, and regulatory requirements.

The NMRE Project's proposed transmission corridors are located within the traditional territory of various Treaty 8 Nations. BC Hydro values its relationships with the Treaty 8 Nations in whose territory it operates and the NMRE Project is an opportunity to build on these relationships and advance reconciliation through meaningful engagement, consistent with BC Hydro's mandate to implement the United Nations Declaration on the Rights of Indigenous Peoples.

The NMRE Project is subject to consultation with Indigenous Nations, including the decision on the transmission corridor alternatives. BC Hydro is consulting Indigenous Nations during this initial phase of the NMRE Project.

Additional information about the proposed NMRE Project is available at bchydro.com/northmontneyEOI.

3 Customer Opportunity

The North Montney region is experiencing considerable development due largely to the activities associated with the region's significant natural gas reserves. However there is currently no transmission system infrastructure to the region and as a result operations located or planning to locate in the region rely largely on GHG-producing energy sources, such as natural gas, diesel, and propane. BC Hydro is issuing this NMEOI to investigate the viability of expanding its transmission infrastructure to provide clean, renewable energy to the region.

Access Clean Electricity and Reduce Electrification Costs

Avoiding GHG production, creating low-carbon products, and reducing carbon taxes are among the benefits of electrifying with clean, renewable energy.

By participating in the NMEOI – indicating your interest in taking transmission service in the North Montney region and sharing your electrification needs with BC Hydro early in the NMRE Project development process – we can work together to not only facilitate access to clean, renewable electricity, but also reduce electrification costs through:

- Building the North Montney transmission line as a shared transmission extension, securitized by multiple customers, rather than paid for by a single customer;
- Accessing reduced energy rates through the [CleanBC Industrial Electrification Rates](#);
- Accessing government funding for customer interconnection costs through the [CleanBC Facilities Electrification Fund](#) or other potential funding sources;
- Optimizing transmission line routing and design, potentially further reducing customer interconnection costs; and
- Coordinating the interconnection process with NMRE Project development to help provide you with timely information to support your investment decisions.

Well-Supported and Well-Aligned Initiative

The NMRE Project is supported by the Governments of British Columbia and Canada through several well-aligned plans and programs, establishing a sound framework for advancing the proposed NMRE Project.

British Columbia's Climate Commitment and CleanBC Plan:

B.C.'s climate commitment includes legislating that provincial greenhouse gas emissions be reduced by 40% from 2007 levels by the year 2030. This target increases to 60% by 2040, and 80% by 2050.

CleanBC, the Government of B.C.'s economic development, energy, and climate plan, aims to reduce climate pollution in support of B.C.'s climate commitment, while creating more jobs and economic opportunities for people, businesses and communities.

A key goal under CleanBC is to “Make BC industries the cleanest in the world” and a key action under CleanBC is “Industrial and Upstream Electrification”. This includes increasing access to clean electricity for large industrial operations and providing clean electricity for natural gas production in the Peace Region, which includes the North Montney.

For further information see [CleanBC](#).

Memorandum of Understanding between the Governments of Canada and British Columbia on the Electrification of the Natural Gas Sector (MOU):

This MOU acknowledges the shared interest of the two levels of government in electrifying the natural gas sector to build Canada’s brand as a supplier of the world’s cleanest natural gas and as a key factor in achieving Canada’s climate goals. The Canada-B.C. Clean Power Planning Committee, which includes representatives from the provincial and federal governments and BC Hydro, are advancing projects that increase power transmission and electrification across the province, including the proposed NMRE Project (referred to as the North Montney Power Supply Project in the MOU). Funding is being sought for the NMRE Project, including funding for a portion of the costs associated with interconnecting customers. Alternative funding and ownership models, including potential Indigenous or private sector ownership, are also being examined.

For further information see [MOU](#).

CleanBC Facilities Electrification Fund:

To encourage the electrification of industry, transportation, and the built environment, the B.C. Government has allocated \$84 million of federal green infrastructure funding to create the CleanBC Facilities Electrification Fund (the **Fund**). The Fund is available to BC Hydro customers with electrification projects that reduce GHGs to help reduce the cost of connecting to BC Hydro’s clean electricity grid.

Customer interconnection projects may receive up to 50% of eligible costs, up to a maximum of \$15 million per project; the remaining 50% of costs could be funded through a combination of customer contributions and electrification programs offered by the B.C. Government and BC Hydro. For industrial customers, the fuel-switching load must be a minimum of 5 MW, with a minimum interconnection cost of \$5 million. Eligible costs include planning, design, and construction of BC Hydro’s electrical infrastructure to supply the customer load (e.g. basic transmission extension). Customer transmission lines are eligible if ownership is transferred to BC Hydro. The customer interconnection must be completed by spring 2027 to receive this federal infrastructure funding.

For further information see [CleanBC Facilities Electrification Fund](#) or other electrification incentives and programs offered by the B.C. Government and BC Hydro.

CleanBC Industrial Electrification Rates – Clean Industry and Innovation Rate (Rate Schedule 1894) and Fuel Switching Rate (Rate Schedule 1895):

The CleanBC Industrial Electrification Rates are designed to encourage existing and new industrial customers to electrify their operations by connecting to BC Hydro’s clean electricity grid. These rates have been approved and are available to eligible NMRE customers. Rate Schedule 1895 would be the applicable rate for a new natural gas processing facility that chooses electricity over gas for power supply.

The CleanBC rates offer a fixed discount to the otherwise applicable firm transmission-service rate for a term of up to seven years. The discount is calculated relative to the default rate (e.g. Rate Schedule 1823) and applies to both energy and demand charges. The discount is 20% for the first five years, 13% in year six, and 7% in year seven, after which time customers will return to the standard (non-discounted) rate. The CleanBC rates are available to eligible customers that expect to have their project in-service by March 31, 2030, or such later date acceptable to BC Hydro, and expire on March 31, 2037. This means that if an eligible customer project has an in-service date after March 31, 2030, the term of the rate discount would be less than 7 years.

For further information see [Industrial Electrification Rates](#).

4 Expression of Interest Process

The following sections describe the process applicable to the NMEOI, including registration and communication, submission requirements, eligibility, review and follow-up, over-subscription, and schedule.

Registration and Communication

Registration

Registration is required for all parties wanting to:

- receive notice of any updates to the NMEOI;
- submit questions in the NMEOI process;
- request a meeting with BC Hydro to discuss the NMEOI (prospective transmission-service load customers only); or
- make a submission under the NMEOI.

To register please complete the [Registration Form \(Appendix A\) online](#). Registration is limited to one contact per company. If a change in contact person is required, please notify the NMEOI Administrator at admin_nmeoi@bchydro.com.

Website

The NMEOI website will serve as the primary means of communication about the NMEOI and will be kept up-to-date with the latest versions of all documents and forms and the latest publicly available information. Website content will include:

- Documents and Forms
- Schedule
- Notices & Supporting Materials
- Questions & Answers

For further information see bchydro.com/northmontneyEOI.

Information Meeting

Registered prospective transmission-service load customers may request a meeting with BC Hydro to discuss the NMRE Project, the NMEOI, and the electrification needs and interconnection of customer projects. Meetings can be arranged by the registered contact through emailing the NMRE Administrator at admin_nmeoi@bchydro.com.

Questions & Answers

Questions regarding the NMEOI and NMRE Project should be submitted by the registered contact to the NMEOI Administrator at admin_nmeoi@bchydro.com.

Responses to questions received through the Question & Answer process or Information Meetings that are applicable to other prospective applicants (as determined in BC Hydro's sole discretion) will be posted on the NMEOI website. Customer and customer project-specific information will be redacted.

For further information see bchydro.com/northmontneyEOI.

Submission Requirements

On or before the NMEOI Closing Date (see Section 4.6 – Schedule), prospective transmission-service load customers are requested to complete and submit the following:

- Registration Form (Appendix A; [please complete the form online](#))
- Letter of Interest (Appendix B)
- Expression of Interest Form (Appendix C)
- Confidentiality Agreement (Appendix D)

For the latest version of all documents and forms, please visit bchydro.com/northmontneyEOI.

Submissions should be made by email to the NMEOI Administrator at admin_nmeoi@bchydro.com.

Eligibility

The following eligibility criteria must be met to be considered as having made a "Complete NMEOI Submission":

- The prospective transmission-service load must be located in BC Hydro's service area.
- The applicant must be a registered NMEOI participant (Appendix A) and have executed a Confidentiality Agreement (Appendix D) by the NMEOI Closing Date.
- The applicant must have submitted a Letter of Interest (Appendix B) and completed Expression of Interest Form (Appendix C), signed by a senior officer of the company, by the NMEOI Closing Date.

Submission Review and Follow-up

BC Hydro will review all submissions to confirm eligibility. Applicants will be notified accordingly and contacted with any clarification questions. Eligible participants, those having made a "Complete NMEOI Submission", will subsequently receive the proposed North Montney transmission line tariff for review and comment.

Submissions received after the NMEOI Closing Date that meet the eligibility criteria will still be considered. These submissions will not however be designated a “Complete NMEOI Submission”.

Over-Subscription

In the event that the total transmission-service requests meeting the eligibility criteria exceed the NMRE Project’s available transmission capacity or any intermediate cost-effective thresholds, a “Complete NMEOI Submission” may be given priority over other submissions, as determined at BC Hydro’s sole discretion.

Schedule

The NMEOI schedule is as follows. The schedule for any subsequent steps to confirm customer requirements and commitment remain to be determined, subject in part to customer interest in the proposed NMRE Project. Any changes to the schedule will be posted on the [NMEOI website](#).

Date	Milestone
March 18, 2020	North Montney Expression of Interest - Opening Date
May 13, 2020 5:00 pm PPT	North Montney Expression of Interest - Closing Date
Jun 10, 2020	North Montney Expression of Interest – Submission Review and Follow-up Completed

5 Regulatory and Legal Matters

The terms and conditions of service for customers wishing to obtain electricity supply by way of a direct transmission-service connection to the proposed North Montney transmission line will be as per a proposed new tariff for the transmission line. A copy of the draft tariff will be shared with eligible participants in the NMEOI process (see Section 4.4).

At this time indirect interconnections and the interconnection of other prospective customer groups (e.g. generators wishing to supply electricity to the BC Hydro system and distribution-service load customers) can not be accommodated. Depending on future interest and need, such interconnections will be considered and would require revised tariff arrangements.

The NMEOI and the expressions of interest received are non-binding, do not result in a “rate”, and are not subject to filing with the British Columbia Utilities Commission. Any future steps that result in binding commitments to construct the NMRE Project or provide electricity service are subject to tariff arrangements and / or enactments by government.

Appendix A: Registration Form

To register for the NMEOI, [please complete the following information online](#). Registration is limited to one contact per company. If a change in contact person is required, please notify the **NMEOI Administrator**.

For further information on the NMEOI process, please see Section 4.

Company

Parent Company (if applicable)

Contact Person

Title

Phone

Email

Mailing Address

Street

City

Province / State

Postal Code / Zip Code

Country

Industry Sector

(e.g. Chemicals, Mining, Oil & Gas, Pulp & Paper, Solid Wood, Data Centre, Cryptocurrency, Hydrogen / Low Carbon Fuel Producer, Project Development & Construction, Consulting, Utility, Government, Academia, Media, etc.)

Would you like to receive email updates about the NMEOI and the NMRE Project? (Yes / No)

Is your company a prospective NMRE transmission-service load customer? (Yes / No)

If the above response is "No", briefly describe the nature of your interest in the NMRE Project:

Appendix B: Specimen Letter of Interest

Prospective North Montney transmission-service load customers wishing to be considered as part of the North Montney Expression of Interest are requested to submit a Letter of Interest by the NMEOI Closing Date to the NMEOI Administrator at **admin_nmeoi@bchydro.com**.

The attached specimen Letter of Interest may be amended as necessary, but should address the following content and be signed by a senior officer of the company duly authorized to make the submission.

Information provided by applicants is non-binding, but is expected to reflect the best available information as of the date of submission. BC Hydro has no obligation to continue with the NMEOI process, to proceed with the NMRE Project, or interconnect the submitting party's facility to the North Montney transmission line.

For further information on the NMEOI process, please see Section 4.

Dear Sir / Madam:

Re: North Montney Transmission-Service Load Customer Letter of Interest

- This letter, along with the attached completed Expression of Interest Form, serve as an indication of [company name's] interest in taking transmission service as a load customer on the proposed North Montney transmission line.
- [Company name's] interest in taking transmission service is subject to, among other things, [our Final Investment Decision expected in [***], etc.].
- The information contained in the attached Expression of Interest Form reflects, as of today's date, our best estimates regarding our project development efforts in the North Montney region and the corresponding transmission service requirements.
- We commit to notifying BC Hydro at admin_NMEOI@bchydro.com, as soon as is reasonably possible, about any decisions to delay or discontinue development of the project(s) noted in the Expression of Interest Form, and any substantive changes in the corresponding transmission-service requirements.
- The completed Expression of Interest Form is considered Confidential Information as defined under the Confidentiality Agreement executed between us and BC Hydro on [date].
- We acknowledge that BC Hydro has no obligation to continue with the North Montney Expression of Interest process, to proceed with the North Montney Region Electrification Project, or to interconnect our facility to the North Montney transmission line.

Appendix C: Expression of Interest Form

Prospective North Montney transmission-service load customers wishing to be considered as part of the North Montney Expression of Interest are requested to submit an Expression of Interest Form by the NMEOI Closing Date. Please complete the latest version of the following form online at bchydro.com/northmontneyEOI and submit it to the NMEOI Administrator at admin_nmeoi@bchydro.com.

If there are multiple projects / sites, use a separate form for each project / site. Please only complete a form for projects / phases with potential grid connection dates prior to 2040.

Information provided by applicants is non-binding – estimates and ranges are acceptable – but information should reflect the best available information as of the submission date. Do not leave sections blank – use None or Not Applicable (N/A), as appropriate. The information provided will be used to facilitate BCHydro’s technical, commercial, and regulatory planning.

For further information on the NMEOI process, please see Section 4.

CONTACT INFORMATION

Company

Parent Company (if applicable)

Contact Person

(if different than the registered contact, please update registered contact)

Title

Phone

Email

Mailing Address

Street

City

Province / State

Postal Code / Zip Code

Country

PROJECT INFORMATION

Complete table for each project / site being considered for interconnection.

Project name:

Briefly describe project function:

(e.g. gas extraction, gas processing, gas compression, chemical production, etc.)

Project Information	Existing Phases	Phase	Phase	Phase	Phase	Other Phases
Latitude (deg min sec)						
Longitude (deg min sec)						
Property (lot #)						
Stage of Development:						
Final Investment Decision / Sanction Date (yyyy)						
Site Control (yes / no)						
Development Stage (not initiated / design / construction)						
Key Permits (not initiated / in-progress / approved)						
Indigenous Nations Consultation (not initiated / in-progress / complete)						
Stakeholder Engagement (not initiated / in-progress / complete)						

PROJECT INTERCONNECTION & LOAD INFORMATION

1. This table mirrors BC Hydro’s Transmission Voltage Customer Interconnection Data Form. Please complete to the extent that this information is available.
2. For each project phase, including existing phases and future phases to be interconnected to the BC Hydro transmission system, provide the estimated incremental Connected Load and Coincident Peak Demand, and estimated Load Factor and Power Factor after completion of the phase.
3. Provide only steady-state load values. Transient and dynamic load values are not required at this time.
4. The minimum Power Factor must be 95% or higher (when the actual load is 75% or more of the Peak Load) for the load to be interconnected to the BC Hydro transmission system.

Project Phase	Requested Service Date (yyyy)	Service Term (years)	Connected Load (MW)	Coincident Peak Demand (MW)	Load Factor (%)	Power Factor (%)
Existing Phases						
Construction Power						
New Phases						
Phase _____						
Phase _____						
Phase _____						
Phase _____						
Other Phases						
Total						

Preferred Interconnection Voltage (kV):

Existing Phases - Please describe existing power source (e.g. direct gas drive, electric drive with on-site generation, etc.) and if any electrical generation will be run in parallel with the transmission system:

CERTIFICATION

The content of this Expression of Interest Form is intended only as an expression of the submitting party's current intent and is not legally binding on the submitting party or BC Hydro. Unless and until any binding written agreement has been executed and delivered by both parties, neither party shall have any legal obligation of any kind to the other party whatsoever with respect to the content of this Expression of Interest Form. Further, BC Hydro has no obligation to continue with the Expression of Interest process, to proceed with the North Montney Region Electrification Project, and the submission of this Expression of Interest Form does not create any obligation on BC Hydro to interconnect the submitting party's facility to the North Montney transmission line.

The undersigned is a senior officer of the company and hereby certifies that they are duly authorized to submit this Expression of Interest Form on behalf of the submitting party and that the information in this Expression of Interest Form is true to the best of their knowledge.

Name

Title

Signature

Date

Appendix D: Confidentiality Agreement

NMEOI participants are requested to execute the Confidentiality Agreement provided in this Appendix D and send to submit it to the NMEOI Administrator at **admin_nmeoi@bchydro.com**. BCHydro will return a fully executed copy of the agreement to the registered contact.

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT (“Agreement”) is made as of _____, 20__ (the “Effective Date”)

BETWEEN:

having an office at

(“Company”)

[DRAFTING NOTE TO BE DELETED PRIOR TO EXECUTING AGREEMENT: IF THE COUNTERPARTY IS A LIMITED PARTNERSHIP, THE PARTY DESCRIPTION ABOVE WILL NEED TO REFLECT THAT STRUCTURE AND OTHER CHANGES MAY NEED TO BE MADE TO THE AGREEMENT – PLEASE CONTACT NMEOI ADMINISTRATOR]

AND:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
having an office at
333 Dunsmuir Street
Vancouver, BC V6B 5R3

(“BC Hydro”)

WHEREAS:

- A. BC Hydro has issued a **North Montney Region Electrification Project Transmission-Service Load Customer Expression of Interest** dated March 18, 2021 (as may be amended from time to time) describing the process established by BC Hydro to solicit expressions of interest from potential customers (the “EOI Process”) with respect to the supply of electricity from the proposed North Montney Region Electrification Project (the “Project”);
- B. In connection with the EOI Process, BC Hydro intends to consider expressions of interest received in the EOI Process and evaluate the feasibility and potential design of the Project, and if determined feasible by BC Hydro, BC Hydro may develop and construct the Project (together with the EOI Process, the “NMRE Evaluation and Development Process”);
- C. The Company intends to participate in the NMRE Evaluation and Development Process;
- D. In connection with the Company’s participation in the NMRE Evaluation and Development Process (the “Purpose”), the parties may enter into business discussions and wish to share and exchange certain information that is non-public, confidential and/or proprietary in nature in connection with the Purpose, including without limitation in relation to the Proposal, all on the terms and conditions set out in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

1 **Definition of Confidential Information.** In this Agreement, the term “Confidential Information” means, subject to Section 2:

- a) all information in any form disclosed by either party (the “Disclosing Party”) or its Representatives to the other party (the “Recipient”) or its Representatives on or after the Effective Date in connection with the Purpose, including without limitation and for greater certainty any such information owned by a third party and any draft or final non-public tariff documents developed by BC Hydro; and
- b) all notes, compilations, working papers, studies, analyses and any other documents prepared by or for the Recipient or its Representatives that contain or are derived from, in whole or in part, information described in paragraph (a).

2 **Exclusions.** Confidential Information does not include information that the Recipient can clearly demonstrate:

- a) is lawfully disclosed to the Recipient by a third person who, in the Recipient’s reasonable belief following due enquiry, has the right to make such disclosure without violating any confidentiality obligation to the Disclosing Party;
- b) was developed independently by the Recipient, before disclosure to it by the Disclosing Party or its Representatives; or
- c) is or comes into the public domain, other than through a violation of this Agreement by the Recipient.

For greater certainty, information disclosed under this Agreement will not be considered to be within the scope of any of the exclusions set out in this Section 2 merely because individual elements of the information are within one or more of the exclusions. Any combination of information or data that comprises part of the Confidential Information will not be within the scope of any exclusion solely because the individual parts of that information or data are in the public domain unless the combination itself is also in the public domain.

3 **Definition of Representatives.** In this Agreement, the term “Representatives” means:

- a) for each of BC Hydro and the Company, their respective employees, officers, directors, agents, contractors, consultants or advisors;
- b) for BC Hydro, its affiliates; and
- c) for the Company, **[INSERT NAME(S) OF SPECIFIED AFFILIATES OF THE COMPANY]**.

- 4 **Non-Disclosure.** Each Recipient will keep Confidential Information that it has received strictly confidential and will not disclose such Confidential Information to any third party, except:
- a) a Recipient may disclose Confidential Information to its Representatives, but only on a 'need to know' basis as reasonably necessary in connection with the Purpose, and provided such Representatives are informed of the confidential nature of the information and obliged in a manner consistent with this Agreement to maintain the confidentiality of the Confidential Information disclosed to them;
 - b) if required by law, court order, or a regulatory authority having jurisdiction, provided however that the Recipient will, to the extent that it is not legally prohibited from doing so, provide written notice to the Disclosing Party as soon as reasonably practicable after becoming aware of such requirement and in any event prior to making any such required disclosure, and the Recipient will limit its disclosure to that which it is required to make by the applicable law, order or regulatory authority;
 - c) BC Hydro may disclose Confidential Information that it has received under this Agreement:
 - i. to any ministers, deputy ministers, servants or employees of the Province of British Columbia or of Canada, in either case to the extent that BCHydro considers disclosure is necessary or desirable for any purpose;
 - ii. in any regulatory proceeding to the extent BC Hydro considers disclosure is necessary or desirable to support its position in such proceeding, or in connection with any other regulatory filing or reporting that may be required; or
 - iii. to reliability organizations, reliability coordinators, balancing authorities, transmission operators or others to the extent that BCHydro considers disclosure is necessary or desirable for operating reliability or compliance purposes, provided each of them is advised of the confidential nature of the information;
 - d) as reasonably necessary in proceedings to enforce the terms of this Agreement; or
 - e) with the prior written agreement of the Disclosing Party.
- 5 ***Freedom of Information and Protection of Privacy Act.*** Without limiting the generality of the exceptions set out in Section 4, the Company acknowledges that BC Hydro is subject to the British Columbia *Freedom of Information and Protection of Privacy Act* and associated regulations, and agrees that BC Hydro's obligations and the restrictions on use of Confidential Information under this Agreement are subject to the provisions of that legislation, as may be amended or replaced from time to time.
- 6 **Restricted Use.** Subject to the disclosures permitted under Section 4, each party will use, and direct its Representatives to use, Confidential Information that it has received under this Agreement only for the Purpose, and for no other purpose. A Recipient may not use the Confidential Information of the Disclosing Party, or permit it to be used, to reverse engineer,

disassemble, decompile or design around the Disclosing Party's proprietary services, products and/or confidential intellectual property.

- 7 **Safeguarding.** Each party will exercise at least the same degree of care in safeguarding the Confidential Information that it has received under this Agreement against loss, theft and inadvertent disclosure as it does for its own Confidential Information, and in any event no less than a commercially reasonable degree of care.
- 8 **Ownership.** Each Disclosing Party retains its entire right, title and interest, including without limitation all intellectual property and other rights, in and to all of its Confidential Information. A Recipient acquires no ownership interest in any such Confidential Information, and any disclosure of such Confidential Information under this Agreement will not be construed as an assignment, grant, option, licence or other transfer of any such right, title or interest whatsoever to the Recipient or any of its Representatives. Each Recipient specifically acknowledges and agrees that it has no right, title or interest in or to the Confidential Information of the Disclosing Party. The Recipient will not remove any copyright, confidential, proprietary rights or intellectual property notices attached to or included in any Confidential Information received from the Disclosing Party and the Recipient will reproduce all such notices on any copies.
- 9 **Loss of Confidential Information.** A Recipient will, as soon as is reasonably practicable, notify the Disclosing Party in writing if any information comes to the attention of the Recipient or its Representatives which may indicate there was or is likely to be a breach of the Recipient's obligations of non-disclosure in this Agreement, or any misuse of any of the Confidential Information that it has received under this Agreement. The Recipient will use reasonable efforts to retrieve any lost or wrongfully disclosed Confidential Information and to prevent any further unauthorized disclosure or use.
- 10 **Return of Confidential Information.** Within 10 days of the Disclosing Party's written request, the Recipient will return to the Disclosing Party or destroy all of the Confidential Information in its and its Representatives' possession, subject to the following exceptions:
 - a) If a Recipient (or any of its Representatives) is required by either applicable law or the rules or bylaws of a professional association to which it belongs and which has jurisdiction over it to retain copies of all, or any part, of the Confidential Information, it may retain one copy for archival purposes in accordance with such applicable law or rules and regulations or any written document retention policy.
 - b) A Recipient and its Representatives may retain copies of the Confidential Information described in Section 1(b) and copies of any Confidential Information in routine back-up of electronic data processing systems until the ordinary course deletion of the information.

If requested by the Disclosing Party, the Recipient will certify in writing that the Confidential Information has been destroyed or otherwise retained in accordance with the requirements of this Section 10.

- 11 **Term.** This Agreement commences on the Effective Date and expires on the earlier of:
 - a) the date that is six years after the Effective Date of this Agreement; and

- b) the date which is 10 days after the date on which either party has provided written notice to the other party that the Purpose is concluded.

12 Survival of Obligations.

- a) Each party's obligations under this Agreement survive any destruction of the Confidential Information, and any retained Confidential Information will remain subject to the confidentiality requirements of and restrictions on use in this Agreement.
- b) Each party's rights and obligations under this Agreement will survive for a period of six years from the date of the expiry of this Agreement, even after the return or destruction of each party's Confidential Information by the other party.

13 Equitable Remedies. Each party acknowledges that irreparable harm may result to the other party if it breaches its obligations under this Agreement and each party acknowledges that such a breach would not be adequately compensable by an award of damages. Accordingly, each party agrees that remedies for any such breach may include, in addition to other remedies and damages available in law or equity or under this Agreement, specific performance, injunctive relief or other equitable relief enjoining such breach.

14 Liability. Each Recipient will be responsible and liable to the Disclosing Party for any unauthorized disclosure or use of Confidential Information by its Representatives or by any third party to whom the Recipient or any of its Representatives discloses Confidential Information. In no event will either party be liable to the other party in connection with any breach of this Agreement for any indirect, incidental or consequential damages, including without limitation loss of profits. All Confidential Information is provided "as is" and without any warranty, express, implied, or otherwise, regarding its accuracy, completeness, performance or fitness for a particular purpose.

15 No Waiver. No implied waiver by any party will arise in the absence of a waiver in writing signed by that party. No failure or delay in exercising any right, power, or privilege under this Agreement will operate as a waiver, nor will any single or partial failure in exercising any right, power, or privilege preclude any other further exercise of that or any other right, power, or privilege.

16 Relationship. Nothing in this Agreement creates any relationship of partnership, co-venturer, or principal and agent between the parties. In addition, nothing in this Agreement obligates or compels either party to: a) disclose any Confidential Information to the other party; or b) to negotiate for or enter into any business or contractual arrangement or otherwise pursue the Purpose unless and until both parties execute a definitive written agreement with respect to such arrangement.

17 Notices. Any notice required or permitted to be given under this Agreement must be in writing and may be delivered by registered mail, by hand, by email or by other designated form of electronic communication, if to BC Hydro, Attention: **Manager, Business & Economic Development, at 333 Dunsmuir, Vancouver, B.C., V6B 5R3, admin_BD@bchydro.com**], and if to Company, Attention: **[INSERT NAME]** at **[INSERT MAILING ADDRESS AND EMAIL ADDRESS - DELETE ALL INSTRUCTIONS]**, or to such other address as a party may designate by subsequent notice. A notice given by email or

other designated form of electronic communication will be deemed to have been delivered (even if no individual with the recipient is aware of its delivery) when it enters an information processing system that the recipient has designated for the purpose of receiving notices under this Agreement and is in a form capable of being processed by that system.

- 18 **Governing Law.** This Agreement will be governed by and interpreted and construed under the laws of the Province of British Columbia and the laws of Canada applicable in the Province of British Columbia as if it were executed and to be performed wholly within the Province of British Columbia. Each of the parties submits to the exclusive jurisdiction of the courts of British Columbia. If a party is not incorporated or registered in British Columbia, it will appoint an agent to receive service of process in British Columbia and notify the other party of the name and address of the appointed agent.
- 19 **Validity.** If any provision of this Agreement is declared or held to be invalid or unenforceable, that provision will be severed, and all other provisions will continue to be valid and enforceable.
- 20 **Assignment and Enurement.** This Agreement is not assignable by a party without the prior written consent of the other party, not to be unreasonably withheld. This Agreement ensures to the benefit of, and is binding upon, the parties and their respective successors and permitted assigns.
- 21 **Amendment.** This Agreement may not be modified except by an agreement signed by all parties.
- 22 **Counterparts.** This Agreement may be executed and delivered by electronic means and in several counterparts, each of which when executed and delivered will be deemed to be an original and all of which together will be one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

by its authorized signatory(ies):

BRITISH COLUMBIA HYDRO AND POWER
AUTHORITY
by its authorized signatory:

Signature
Print Name:
Title:

Signature
Print Name:
Title:

Signature
Print Name:
Title: