

2024 Call for Power:

1. Request for Proposals: Informational Meeting for First Nations and Registered Proponents
2. The Canada Infrastructure Bank – Loan products
3. Government of BC permitting processes

May 14 / May 16, 2024

Agenda

Time	Topic
	1. Welcome & Introductions
	2. 2024 Call for Power: Overview
	3. Request for Proposals (RFP) Process
	Coffee break
	4. Request for Proposals Process (cont'd)
	5. Specimen Electricity Purchase Agreement (EPA)
	Lunch
	6. Canada Infrastructure Bank
	7. Permitting and Environmental Assessment
	8. Wrap up

Today's Goal

Support First Nations' and registered proponents' understanding of the RFP process and Specimen EPA, and answer questions.

Context for our discussion

- *This presentation is for informational purposes only and should in no way be relied on or considered as replacement for seeking independent legal or professional advice. BC Hydro assumes no responsibility for the content, accuracy or completeness of the information presented.*
- *Anyone with questions about the Call for Power rules, terms and conditions should consult the RFP document for answers or, in the alternative, seek independent legal or professional advice. Proponents may also utilize the Question and Answer process provided for in section 5 of the RFP. All Call for Power information, including documents, questions and answers, can be found at www.bchydro.com/2024callforpower*

Background and Purpose

- Acquire about 3,000 GWh/year of clean or renewable energy from IPPs, starting as early as Fall 2028
- Support First Nations economic reconciliation
- Deliver clean, renewable and affordable power to British Columbians
- Reduce greenhouse gas emissions through efficient electrification



Engagement and call design

- **June to December 2023:** Extensive engagement



31

information sessions, focus groups and engagement sessions



99

First Nations engaged



42

individual First Nations meetings



5

surveys



650+

attendees at events



2500+

individual pieces of feedback received

- **January to March 2024:** Call design

RFP Process

Dina Matterson

Monique Stevenson

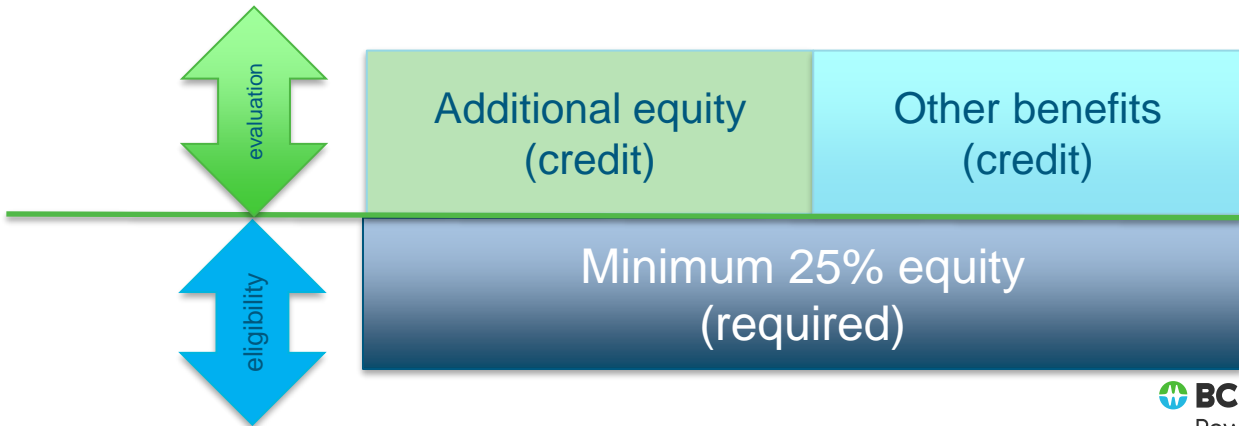
Sachie Morii

Chris Revell

First Nations Economic Participation

Section 3.0

- First Nations Equity Ownership: Minimum 25% First Nations equity ownership – **eligibility** requirement
- Additional First Nations Equity Ownership – **evaluation** credit
- Other First Nations Economic Benefits – **evaluation** credit



First Nations Economic Participation

Sections 3.1 & 3.4: First Nations Equity Ownership

- At the Commercial Operation Date (COD) First Nations Equity Ownership of the Seller must be at least 25%, or such higher Committed Level of First Nations Equity Ownership.
- First Nations Equity Ownership Holding Period: at the time of COD and for a minimum of 3 years post COD, every Proposal First Nations must continue to hold Equity Ownership in the Seller.
- Proposal First Nations may decrease or increase their percentage of Equity Ownership in the Seller in favour of other Proposal First Nations, or a Project First Nation not named in the Proposal.

First Nations Economic Participation

Section 3.5 Evidence of First Nations Equity Ownership

- Evidence is provided by completing attestation – see Section 2 of Schedule 4, Form 4. The attestation must be completed by the Proponent and an authorized representative of the First Nation community(ies).
- If the Seller cannot certify at COD and on each of the first three anniversaries of COD that the First Nations Equity Ownership is at least at the Committed Level of First Nations Equity Ownership, the Energy Price may be subject to an Energy Price reduction or termination in accordance with the provisions of the Specimen EPA. See sections 6.10 d), 15.1 q) and 11.3 of the Specimen EPA for details.

First Nations Economic Participation

Section 3.2 & 3.3 Additional First Nations Equity Ownership & Other First Nations Economic Benefits

- Proposals that provide a Committed Level of First Nations Equity Ownership in excess of 25% in a Proponent that may be awarded an EPA under this RFP will receive additional credit for Proposal evaluation purposes in accordance with RFP Section 11.2.
- Additional credit for Proposal evaluation purposes in accordance with Section 11.2 if the included letter(s) confirm that non-equity economic benefits will be received by any Project First Nations who will not acquire First Nations Equity Ownership, if a Proponent is awarded an EPA pursuant to this RFP.
- Evidence is provided through RFP Forms 4 and 5.

Questions

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Eligibility Requirements

Section 2.0

- Location
- New Incremental Energy
- Clean or Renewable Resource
- Point of Interconnection
- Project Size
- Proven Technology
- Interconnection Study Agreement
- First Nations Equity Ownership
- Commercial Operation Date

RFP Schedule

Section 4.0

Table 2: RFP Schedule

MILESTONE	DATE(S)
Issue of RFP Documents	April 3, 2024
CEAP IR pre-submission deadline **Failure to meet this date results in ineligibility to participate in RFP**	April 19, 2024
Submission of Registration Form	May 1, 2024
<i>RFP Informational Meeting (for First Nations and registered Proponents only)</i>	May 14 & 16, 2024
CEAP IR Submission Date (incl. deposits) **Failure to meet this date results in ineligibility to participate in RFP**	May 21, 2024
<i>Deliver Completed Interconnection Feasibility Studies to Proponents*</i>	July 30, 2024
<i>Deliver Project Specific Losses to Proponents*</i>	August 30, 2024
Deadline to submit RFP Q&As to BC Hydro	September 5, 2024
RFP Closing Date (Proposal Submission Deadline) and Closing Time **Failure to meet this date and time results in ineligibility to participate in RFP**	September 16, 2024 16:00:00 Pacific Time

*Items in italics are BC Hydro's target deliverable dates and subject to change.

Communications

Section 5.0

- All enquiries regarding this RFP should be directed, by email only, to the RFP Administrator (2024call@bchydro.com)
- Any reply from the RFP Administrator to an enquiry will be posted to the RFP Website Address as either a question and answer as part of a question and answer series for this RFP (“Q&As”); or an Addendum
- Written Addenda are the only means of amending or clarifying this RFP

BCUC Regulatory Matters

Section 10.0

- EPAs awarded under this RFP are “energy supply contracts” under the UCA.
- Executed EPAs must be filed by BC Hydro with the BCUC under section 71 of the UCA, unless there is an applicable legislative exemption to this filing requirement.
- Section 3. of Specimen EPA addresses Regulatory matters.

Interconnection Matters

Section 9.0

- We are following follow CEAP as described in Attachment M-2 of the OATT.
- CEAP IR pre-submissions were due or before April 19, 2024 at 5 pm.
- Following receipt by BC Hydro, the Participant was advised of any deficiencies which must have been cured within 10 business days, otherwise the CEAP IR is deemed withdrawn under the CEAP.
- Once deemed withdrawn, the Participant has, pursuant to S. 3.7 of OATT Attachment M-1, the earlier of (i) 15 business days after receipt of notice of deemed withdrawal, and (ii) the CEAP IR Submission Date, in which to respond with information or actions that cures the deficiencies.

Interconnection Matters

Section 9.0

- On or before 5 pm on the CEAP IR Submission Date, the CEAP IR must be accepted as valid and BC Hydro must have received the executed Interconnection Feasibility Study Agreement together with payment of the deposits.
- As it is not possible to concurrently complete all of these steps on the CEAP IR Submission Date, BC Hydro strongly recommends submitting any final information no later than 5 pm on May 16th to enable a reasonable opportunity to review and confirm whether the CEAP IR can be accepted as valid.

Questions

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Proposal Content Requirements

Section 7.0

- ✓ Proposal Fee
- ✓ Commercial Proposal Form
- ✓ Project Information Requirements
- ✓ First Nation Consultation and Economic Participation
- ✓ Financial Information Requirements
- ✓ Relationship Disclosure Statement Form
- ✓ Bid Security

Proposal Content Requirements

Section 7.0: Proposal Fee

- Electronic Fund Transfer (EFT) to BC Hydro in the amount of \$13,000 per Proposal within 5 Business Days of the Closing Date.
- Instructions for EFT submission will be provided to registered Proponents.
- Multiple Proposals must submit a separate Proposal Fee for each Proposal

Proposal Content Requirements

Section 7.0: Commercial Proposal Form

- Information must align with CEAP IR
- Plant Capacity
- Bid Price
- Guaranteed COD
- Optional Capacity Commitment
- Proponent declarations

Proposal Content Requirements

Section 7.0: Schedule 3: Project Information Requirements

A. Project Information

1. Seller's Plant Description
2. Energy Resource Information
3. Site Information
4. Interconnection Information
5. Site Services
6. Project Development Plan

B. Proponent Information

- Experience, contracting method, operating plan, etc.

C. Other Matters

Proposal Content Requirements

Section 7.0: First Nation Consultation and Economic Participation

1. Consultation with First Nations (see Section 1 of Schedule 4 of RFP)
 - *Proponents are expected to consult with all First Nations potentially impacted by the Project. Provide a description of the engagement and consultation activities with First Nations that have been undertaken as part of its Proposal development.*
2. Evidence of First Nations Equity Ownership (required minimum 25%; optional 26-51%)
 - Form 4
3. First Nations Non-Equity Economic Benefits Letter (optional)
 - Form 5

Proposal Content Requirements

Section 7.0: Financial Information Requirements

- Schedule 5
- Project financing past experience
- Financing plan
- Status of financing
- Financial Statements
- Bank reference (optional)

Proposal Content Requirements

Section 7.0: Relationship Disclosure Statement Form

- Schedule 6
- Complete all required fields and provide all required exhibits as supporting documentation.
- Submit this Schedule even if nothing to disclose, indicating “N/A” or equivalent.

Proposal Content Requirements

Section 7.0: Bid Security

- Form 1 - Letter of Credit
- Bid Security in the amount of \$25,000 per MW of Plant Capacity as specified in the Proponent's Commercial Proposal.
- Bid Security is required to be in the form of a Letter of Credit
 - An electronic copy must be submitted via the RFP Administrator Email address with each Proposal.
- Original Letter of Credit must be provided to BC Hydro within 5 Business Days of the Closing Date
- If Proponent is awarded and then fails to execute EPA and associated requirements, Bid Security will be forfeited.

Questions

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Proposal Evaluation & Selection

Section 11.0: Proposal Evaluation Process

- Conformity and conflict review
- Eligibility requirements
- Risk Assessment
- First Nations Consultation Adequacy Assessment
- Quantitative Evaluation
- Additional Considerations

Proposal Evaluation & Selection

Section 11.0: Proposal Evaluation Process

- Risk Assessment

All Projects will undergo a risk assessment that is designed to assess Project development and energy under-delivery risk. The risk assessment considers financial, First Nations, permitting and approvals, technical, and energy resource risk categories. Projects that demonstrate an unacceptable level of risk may be disadvantaged in the evaluation at BC Hydro's sole discretion.

Proposal Evaluation & Selection

Section 11.0: Proposal Evaluation Process

- First Nations Consultation Adequacy Assessment

BC Hydro will review the First Nations consultation records of Proponents at the time of Proposal submission. BC Hydro will not enter into an EPA with a Proponent unless BC Hydro in its sole discretion considers consultation has met BC Hydro's consultation obligations to enter the EPA.

Proposal Evaluation & Selection

Section 11.0: Quantitative Evaluation: Bid Price Adjustors for Evaluation

Adjustment	Directionality
Network Upgrade Costs	Adder
Capacity Commitment	Credit
First Nations Equity Benefit	Credit
First Nations Support Letter	Credit
Resource Integration Cost	Adder
Cost of Incremental Firm Transmission	Adder / Credit / Neutral
Transmission Line Losses	Adder / Credit

Selection & Debriefing

Section 12.0

- Once Preferred Proponents are selected, BC Hydro will notify those Preferred Proponents in writing of their selection, and in accordance with Section 12.2 will notify those Proponents that were not selected by BC Hydro.
- BC Hydro may make a public announcement of its Preferred Proponent selections
- Any Proponent whose Proposal was not selected may request a single debriefing meeting with BC Hydro

Proposal Submission

Section 8.0

- Submit a separate and distinct Proposal for each Project.
- Submission via RFP Administrator Email
- Proposals must be received electronically at the RFP Administrator Email address at or before the Closing Time.
- Proposals received after the Closing Time will not be considered.
- Obligation to Inform of Material Changes

BC Hydro strongly recommends that Proponents allow sufficient time for uploading their Proposals to the RFP Administrator Email address to allow for any potential electronic delays or other issues.

Documents, Forms, Schedules

All information available @ www.bchydro.com/2024CallforPower

- RFP and Addenda
- Schedules
- Forms

Call documents

BC Hydro issued the Request for Proposals ("RFP") on April 3, 2024, including documents outlining the requirements of the RFP process and supporting information.

RFP and Addenda

- [2024 Call for Power RFP](#) (PDF, 398 KB) April 3, 2024
- [Addendum 1](#) (PDF, 105 KB) April 15, 2024

Schedules and Forms

- [Schedule 1 – Registration Form](#) (MS Word, 75 KB) April 3, 2024
- [Schedule 2 – Commercial Proposal Form](#) (MS Word, 88 KB) April 3, 2024
- [Schedule 3 – Project Information Requirements](#) (MS Word, 153 KB) April 3, 2024
- [Schedule 4 – First Nations Consultation and Economic Participation](#) (MS Word, 103 KB) April 3, 2024
- [Schedule 5 – Financial Information Requirements](#) (MS Word, 93 KB) April 3, 2024
- [Schedule 6 – Relationship Disclosure Form](#) (MS Word, 65 KB) April 3, 2024
- [Schedule 7 – Specimen Electricity Purchase Agreement](#) (PDF, 1.1 MB) April 15, 2024
- [Schedule 8 – EPA Side Letter](#) (MS Word, 29 KB) April 3, 2024
- [Form 1 – Form of Letter of Credit](#) (MS Word, 100 KB) April 3, 2024
- [Form 2 – List of Anticipated Permits](#) (MS Word, 145 KB) April 3, 2024
- [Form 3 - Authorization to Collect Personal Info](#) (MS Word, 50 KB) April 3, 2024
- [Form 4 - Evidence of First Nations Economic Participation](#) (MS Word, 109 KB) April 15, 2024
- [Form 5 - First Nations Economic Benefits Letter Template](#) (MS Word, 109 KB) April 3, 2024
- [Form 6 - Financial Commitment Letter Template](#) (MS Word, 43 KB) April 3, 2024

Questions

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Specimen EPA: Select terms

Alan Tan

Specimen EPA

Key Terms

Contract Term (s. 2.1)	<ul style="list-style-type: none">• 30 years commencing on Commercial Operation Date (COD)
Pricing (s. 1.1(zz))	<ul style="list-style-type: none">• Seller to bid in fixed energy price in \$/MWh (\$2024)• Energy Price subject to:<ul style="list-style-type: none">• Pre-COD escalation at 100% of BC Consumer Price Index (CPI) (up to earlier of COD or Guaranteed COD)• Post-COD escalation of 30% of BC CPI (annual)• Time of Delivery Factor (TDF)
Delivered Energy (s. 7)	<ul style="list-style-type: none">• BC Hydro will purchase and accept delivery of energy at the POI subject to hourly limits• BC Hydro has no obligation to accept or pay for energy in excess of the limits
Environmental Attributes (s. 7.5)	<ul style="list-style-type: none">• All environmental attributes are transferred to BC Hydro
Exclusivity (s. 7.6)	<ul style="list-style-type: none">• Seller will not sell or deliver any energy or environmental attributes associated with the generation to any other person

Time of Delivery Factor

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
On-Peak	134%	126%	126%	114%	45%	45%	105%	113%	110%	118%	125%	134%
Off-Peak	118%	111%	111%	99%	19%	19%	75%	97%	95%	102%	109%	118%

- Appendix C
- Escalated energy price is adjusted for the applicable On-Peak or Off-Peak Time of Delivery Factor
- For example, if the escalated energy price is \$60/MWh, in January for On-Peak hours from 6 am - 10 pm Pacific Time, then the calculation would be $\$60 \times 134\%$ or \$80/MWh
- Similarly, in January for Off-Peak hours from 10 pm – 6 am Pacific Time, then the calculation would be $\$60 \times 118\%$ or \$70/MWh

Specimen EPA (cont'd)

Key Terms

Security (s. 1.1(xxxx))	<ul style="list-style-type: none">• Performance Security \$60,000/MW required on execution of EPA• Returned to Seller at COD (without interest)
Plant Changes (s. 4.8, 6.4)	<ul style="list-style-type: none">• Seller cannot make changes to Seller's Plant without BC Hydro's consent
COD Incentives/Bonuses (s. 8.4)	<ul style="list-style-type: none">• Proponent proposing GCOD between Oct 1, 2028 to Sep 30, 2030 and if COD is achieved between:<ul style="list-style-type: none">• Oct 1, 2028 to Sep 30, 2030, \$2/MWh bonus payment until Sep 30, 2030; or• Oct 1, 2028 to Sep 30, 2029, \$5/MWh additional until Sep 30, 2029• Bonus payment(s) not subject to CPI escalation or TDF adjustment & not applicable for Deemed Energy• Bonus payments are payable on a monthly basis

Specimen EPA (cont'd)

Key Terms

Curtailment for Emergency (s. 7.9)

- Curtailment for safety or system reliability issues (Emergency Conditions) at any time and Seller must comply with directions
- No payment or liability during an Emergency Condition

Deemed Energy (Turn-Down & BC Hydro System Constraint) (s. 7.10)

- BC Hydro has right to turn down all or portion of Seller's generation
- Seller may decline due to operational, technical, regulatory or fuel storage constraints
- BC Hydro will pay for Energy that could have been generated and delivered to the POI but for:
 - the Seller's compliance with a turn-down request (Turn-Down Energy), net of avoided costs.
 - a BC Hydro system constraint (Constraint Energy), only after the first 24 hours in aggregate of BC Hydro system constraint(s)
- BC Hydro will not be required to pay for any Deemed Energy (Turn-Down Energy or Constraint Energy) when Seller is in an Outage, not operational, or not capable of operating

Specimen EPA (cont'd)

Key Terms

Termination Payment (s. 15)

- No termination payment by either party when terminated for Force Majeure
- Termination Payment before COD:
 - If EPA terminated by Seller for failure to obtain Material Permits, Seller pays \$60,000/MW x plant capacity
 - If EPA terminated for material default of BC Hydro, BC Hydro pays Seller's project development costs to date plus 15% less net realizable value of project assets
- Termination Payment after COD: Upon termination of the EPA by BC Hydro/Seller, if BC Hydro/Seller is owed a Termination Payment, the amount owing is based on the cost of a "replacement contract" which is determined by comparing:
 - the value of the remaining EPA term,
 - the estimated contract quantities (and if appropriate, the actual amount and rate of generation of Energy from the Seller's Plant since COD)
 - the price payable under the EPA; and
 - the relevant market prices for equivalent quantities adjusted for differences between the product
for the remaining EPA term

Specimen EPA (cont'd)

Key Terms

- | | |
|---|---|
| Liquidated Damages (s. 11) | <ul style="list-style-type: none">• Pre-COD – Liquidated damages (in the amount of \$70/MW-day x Plant Capacity x number days late) payable upon failure to meet GCOD• After COD, no liquidated damages for Seller for non-delivery, except if the Seller has committed to a Capacity Commitment |
| Capacity Commitment (optional) (s. 11.2) | <ul style="list-style-type: none">• Seller to provide Energy deliveries that meet the following requirements:<ul style="list-style-type: none">• Designated Capacity Commitment amount (MWh per Hour) for 16 hours per day, 6 days per week (HLH)• From November 1 to February 28• Designated Capacity Commitment amount could be lower than Plant Capacity• Liquidated damages (in the amount of \$58,000/MWh-yr for each hour of shortfall) will be payable for delivery shortfalls on the Designated Capacity Commitment amount• Seller is excused for the lowest 5% of Eligible Hours in Capacity Commitment Period |

Specimen EPA (cont'd)

Key Terms

First Nations (s. 5.2, 6.10(d), 11.3)

- Seller is required to confirm First Nations Equity Ownership at COD and on each of the first, second and third anniversaries of COD
- If First Nations Equity Ownership is less than Proposal or Proposal First Nation does not hold Equity Ownership, then Energy Price will be reduced by 5% for Energy Deliveries in subsequent year

Questions

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Wrap Up & Thank you