

**EPA Renewal Program with Market-Based Pricing  
Term Sheet  
February 2022**

	<b>Key Terms</b>
<b>Parties</b>	<ul style="list-style-type: none"> <li>• BC Hydro</li> <li>• Seller</li> </ul>
<b>Form of Agreement</b>	<ul style="list-style-type: none"> <li>• Electricity Purchase Agreement (EPA)</li> </ul>
<b>Energy</b>	<ul style="list-style-type: none"> <li>• Seller's energy will be from a clean or renewable resource as defined by the <i>Clean Energy Act</i></li> <li>• Energy Purchase delivered to the Point of Delivery</li> </ul>
<b>Point of Delivery</b>	<ul style="list-style-type: none"> <li>• The point of delivery for the Seller's energy will be Point of Interconnection (POI) of the Seller's system to the BC Hydro system</li> </ul>
<b>Contract Term</b>	<ul style="list-style-type: none"> <li>• Term = 5 years Minimum, 10 years Maximum</li> </ul>
<b>Pricing</b>	<ul style="list-style-type: none"> <li>• Energy price will be a market-based in the form of either: <ul style="list-style-type: none"> <li>• A) Variable price based on day-ahead Mid-C index or</li> <li>• B) Fixed price updated annually based on Mid-C forward curves</li> </ul> </li> <li>• Price adjustments (eg. losses, wheeling, other)</li> <li>• Price ceiling will apply on Mid-C prices</li> <li>• No price escalation</li> </ul>
<b>Energy Profile</b>	<ul style="list-style-type: none"> <li>• BC Hydro will accept and pay for freshet energy at market prices</li> <li>• Seller may choose not to generate during freshet if EPA prices are uneconomic</li> </ul>
<b>Delivered Energy</b>	<ul style="list-style-type: none"> <li>• BC Hydro will purchase and accept delivery of energy provided by Seller at the POI subject to limitations (eg. hourly or daily caps)</li> <li>• BC Hydro has no obligation to accept or pay for energy in excess of the limits</li> </ul>
<b>Environmental Attributes</b>	<ul style="list-style-type: none"> <li>• All environmental attributes for delivered energy are transferred to BC Hydro</li> </ul>
<b>Exclusivity</b>	<ul style="list-style-type: none"> <li>• Seller will not commit, sell or deliver any energy or any environmental attributes associated with the generation output to any person other than BC Hydro, unless BC Hydro consents</li> </ul>
<b>Dispatch / Turn Down Rights</b>	<ul style="list-style-type: none"> <li>• Dispatch for system safety or reliability issues</li> </ul>
<b>Deemed Delivered Energy</b>	<ul style="list-style-type: none"> <li>• No payments or liability if BC Hydro is not able to accept delivery of energy at POI</li> </ul>
<b>Liquidated Damages</b>	<ul style="list-style-type: none"> <li>• No liquidated damages for Seller for non-delivery</li> </ul>
<b>Operating Plan</b>	<ul style="list-style-type: none"> <li>• No operating plan required</li> </ul>
<b>Outages</b>	<ul style="list-style-type: none"> <li>• Seller to provide prompt notice of Forced Outage</li> <li>• Seller to provide notice prior to a Planned Outage</li> </ul>
<b>Invoices and Payment</b>	<ul style="list-style-type: none"> <li>• By the 15<sup>th</sup> day of each month the Seller will deliver to BC Hydro a billing invoice which will include (as applicable) delivered energy during the preceding month, and the amounts payable by BC Hydro. The invoice will be in a format acceptable by BC Hydro with sufficient detail, as determined by BC Hydro, to be included for BC Hydro to verify Seller invoiced amounts</li> <li>• BC Hydro will pay undisputed amounts within 30 days of receipt of an invoice. If requested by BC Hydro, the Seller will reissue a new invoice for the undisputed amount. Set off against amounts owing to BC Hydro, under any other agreement and netting will apply</li> <li>• No dispute relating to the accuracy of an invoice can be raised by either party more than 36 months after the date it is issued</li> <li>• Interest on overdue payments will accrue at prime plus 2%</li> </ul>
<b>Interconnection Agreement Condition</b>	<ul style="list-style-type: none"> <li>• Seller must have an interconnection agreement in the form of a BC Hydro Standard Interconnection Agreement</li> </ul>
<b>Regulatory Condition</b>	<ul style="list-style-type: none"> <li>• EPA is to be filed with the BCUC, and is subject to BCUC acceptance</li> <li>• If EPA is not accepted within specified period, either party may terminate</li> </ul>
<b>Termination</b>	<ul style="list-style-type: none"> <li>• Either party can terminate the EPA due to bankruptcy/insolvency, payment defaults &gt;60 days or material default of covenants, representations and warranties</li> <li>• BC Hydro can terminate the EPA if Seller does not deliver energy or BC Hydro is unable to accept delivery for 180 continuous days</li> <li>• No termination payment by BC Hydro</li> </ul>