

<Date to be inserted by IESO>

<Name>

<Title>

[Subject]

<Address1>

<Address2>

<Postal Code>



Independent Electricity System Operator

Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900

www.ieso.ca

Dear <Mr.> <Name>

Re: Cost Recovery Agreement in respect of an Expedited System Impact Assessment

Chapter 4, Section 6 of the *market rules* gives authority to the *IESO* to establish procedures related to *requests for connection assessments*. These procedures are set out in [Market Manual 1.4: Connection Assessment and Approval](#) (formerly Market Manual 2.10) (the "**Manual**"), which describes the process for submitting and approving *requests for connection assessments*, including granting the *IESO* the discretion to establish expedited procedures for *requests for connection assessments* for projects that do not represent significant changes and are not expected to have a major impact on the *reliability* of the *integrated power system*. Where the *IESO* makes such a determination, an Expedited System Impact Assessment ("**ESIA**") will be conducted.

In most cases, upgrading and/or modifying various equipment and *connected facilities* should not necessitate the time and expense of a System Impact Assessment. In this regard, and pursuant to the *IESO's* authority to establish expedited procedures, the *IESO* has established the following procedure, which is formalized by way of this Cost Recovery Agreement between [Subject] (the "**Connection Applicant**") and the *IESO*:

- To initiate a request for *connection assessment*, the Connection Applicant will complete the appropriate application, as more fully described in the Manual.
- The Connection Applicant may receive a request from the *IESO* for additional information or clarification in respect of the Connection Applicant's submitted materials, as more fully described in the Manual.
- Within five *business days* of receiving a *request for connection assessment* from the Connection Applicant, and receipt of all necessary information, the *IESO* will determine whether a System Impact Assessment is appropriate in the circumstances, and will notify the Connection Applicant of such decision. If the *IESO* determines a System Impact Assessment is not appropriate, the *IESO* will conduct an ESIA and the terms of this Cost Recovery Agreement will apply (as such terms may be supplemented by the Manual).
- The Connection Applicant will not be required to submit a deposit for an ESIA.
- The Connection Applicant will reimburse the *IESO* for all costs and expenses incurred by the *IESO* in processing and assessing each *request for connection assessment* (including for further certainty, all amounts relating to the Harmonized Sales Tax and any other taxes resulting directly or indirectly from the activities hereunder). The *IESO* will invoice the Connection Applicant quarterly for the costs and expenses incurred with conducting each ESIA during the previous quarter.

- The completion date for an ESIA will be negotiated between the *IESO* and the Connection Applicant, and may depend on the in-service date of the project and availability of *IESO* resources.
- The *IESO* will deliver the associated ESIA report, per Section 9.6 of the Manual, within the timeline agreed upon with the Connection Applicant.
- If the project requires a connection cost recovery agreement (CCRA) to be signed with the *transmitter*, the Connection Applicant will sign the "Consent for Connection Cost Recovery Agreement Status Request" form prior to the *IESO's* issuance of the final ESIA report.
- The *IESO* will issue to the Connection Applicant and any affected *transmitters*, a Notice of Conditional Approval, Notice of Final Approval or Notice of Disapproval with Reasons, as applicable, as more fully described in the Manual.
- After the *IESO* has issued the ESIA report and a Notice of Conditional Approval, Notice of Final Approval or Notice of Disapproval with Reasons, as applicable, to the Connection Applicant and any affected *transmitters*, the *IESO* will publish the ESIA report on its website pursuant to the Manual.
- The *IESO* may at any time determine that a project should undergo a System Impact Assessment instead of an ESIA, in which case the *IESO* and the Connection Applicant will follow the steps for the System Impact Assessment outlined in the Manual.
- Where the Connection Applicant withdraws or is deemed, in accordance with the provisions of the Manual, to have withdrawn its project, the Connection Applicant remains responsible for any costs and expenses incurred by the *IESO*.
- This Cost Recovery Agreement will cover all subsequent ESIA's initiated by the Connection Applicant, unless terminated in accordance with the terms herein.
- Either the *IESO* or the Connection Applicant may terminate this Cost Recovery Agreement on 60 days prior written notice to the other party, provided, however, that the Connection Applicant will be liable to reimburse the *IESO* for any costs incurred to the effective date of termination for all ESIA's then under consideration. If this Cost Recovery Agreement is terminated, the *IESO* shall, as of the effective date of termination, cease work on any ESIA then under consideration.

The *IESO* expects this procedure will expedite the approval of routine *requests for connection assessment*.

Schedule A includes a mandatory disclosure notice relating to the *IESO's* insurance status, and this notice must be separately signed by the Connection Applicant in order for the *IESO* to proceed with the work hereunder. For clarity, this notice is provided to the extent that the *IESO's* activities contemplated hereunder fall within the scope of the notice.

The Connection Applicant acknowledges that the *IESO* is relying on the Connection Applicant's representation that this Cost Recovery Agreement has been duly authorized, executed and delivered by the Connection Applicant and is a valid and binding obligation of the Connection Applicant.

All italicized terms used herein shall have the meaning ascribed to them in Chapter 11 of the *market rules*.

If you agree with this procedure and the terms set forth herein, please sign below and return a signed copy to the *IESO* in original or electronic form. The parties hereto may adopt any signatures received electronically as original signatures of the parties.

Yours truly,

By:

Name:

Title:

Dated and signed this ____ day of _____, 20____

NOTE: if the Connection Applicant is a Corporation, use the following signature block and delete the non-applicable signature blocks.

[Subject]

By:

Name:

Title:

Date:

I have authority to bind the corporation.

NOTE: if the Connection Applicant is a Limited Partnership, use the following signature block and delete the non-applicable signature blocks.

[Subject]>, by its general partner [NOTE: insert name of general partner]

By:

Name:

Title:

Date:

I have authority to bind the corporation.

NOTE: if the Connection Applicant is a Partnership, use the following signature block and delete the non-applicable signature blocks. Include sufficient and applicable signature lines for all partners required to sign the contract on behalf of the Partnership.

[Subject]>, by its partner [NOTE: insert name of general partner]

By:

Name:

Title:

Date:

cc: IESO Records

SCHEDULE A

DISCLOSURE NOTICE

(CONNECTION APPLICANT MUST EXECUTE)

The *Professional Engineers Act* and the Regulations thereunder require that each holder of a Certificate of Authorization be insured against professional liability in accordance with specified minimum requirements. As an alternative, the Certificate of Authorization holder is required to give notice to each person to whom the holder provides services within the practice of professional engineering, stating that the holder is not insured in accordance with such minimum requirements. This notice is given to you in compliance with this legislation.

THE UNDERSIGNED HEREBY ADVISES YOU THAT THE *IESO* IS NOT INSURED FOR PROFESSIONAL LIABILITY IN ACCORDANCE WITH THE MINIMUM REQUIREMENTS OF ONTARIO REGULATION 941 MADE UNDER THE PROFESSIONAL ENGINEERS ACT.

DATED this ____ day of _____ 20__.

Name:

Title:

The legislation referred to above requires this disclosure notice to include a statement to be signed by the person (the client) to whom the services are to be provided, to the effect that the client understands that the Certificate of Authorization holder is not so insured. The legislation also requires the holder to receive from such client written authority to provide those services without that insurance. In compliance with this legislation, please sign the statement set forth below on both copies of this disclosure notice and return one copy to the *IESO*.

THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF THIS DISCLOSURE NOTICE AND CONFIRMS THAT THE UNDERSIGNED UNDERSTANDS THAT THE ABOVE IS NOT INSURED IN ACCORDANCE WITH THE MINIMUM REQUIREMENTS DESCRIBED ABOVE AND CONFIRMS THAT THE ABOVE HAS THE WRITTEN AUTHORITY TO PROVIDE PROFESSIONAL ENGINEERING SERVICES TO THE UNDERSIGNED WITHOUT THAT INSURANCE.

DATED this ____ day of _____ 20__.

CONNECTION APPLICANT

Name:

Title: