MINISTRY OF ENERGY

by its agent the Shared Services Bureau

REQUEST FOR PROPOSALS

FOR 300 MW OF RENEWABLE ENERGY SUPPLY

Request for Proposal No.: **SSB-065230**

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I. INTRODUCTION

This document is a Request for Proposals (the "Renewables RFP") for renewable energy supply issued by Her Majesty the Queen in right of Ontario as represented by the Minister of Energy, and was prepared with the assistance of its technical advisors, NERA Economic Consulting. This Renewables RFP is intended to solicit the supply of approximately 300 MW of RES Contract Capacity (as defined in Appendix B – Glossary of Terms) from new Renewable Generating Facilities as soon as practicable, but no later than the end of 2007. Only Prospective Proponents, namely entities or persons who submitted a Statement of Qualifications in accordance with the Request for Qualifications issued by the Ministry of Energy (the "Ministry") on April 28, 2004 as amended (the "RFQ"), are entitled, but not obligated, to submit Proposals in response to this Renewables RFP. However, the submission of a Statement of Qualifications in accordance with the RFQ is not an assurance that the Prospective Proponent's proposed facility will be considered to be an Eligible Project for purposes of this Renewables RFP, and Prospective Proponents are advised to review the definition of Eligible Project as set out in Section III.D.1 to ensure that their proposed facility qualifies as an Eligible Project, prior to preparing a Proposal.

This Renewables RFP describes all of the terms relating to the process of procuring 300 MW of RES Contract Capacity from new Renewable Generating Facilities, and supercedes and replaces the RFQ.

The RES Contract has also been issued by the Ministry in final form together with this Renewables RFP, and Prospective Proponents are also advised to review the RES Contract in its entirety for a more detailed and complete description of the parties' respective rights and obligations under the RES Contract, and not simply those selected provisions that are summarized in this Renewables RFP. Any conflict or inconsistency between the RES Contract, the Renewables RFP, and the Proposal shall be resolved by interpreting such documents in the following order from highest priority to lowest priority, namely the RES Contract, the Renewables RFP, and the Proposal, where a document of a higher priority shall govern over a document of a lower priority to the extent of any conflict or inconsistency.

Proposals will be evaluated by the Ministry with the assistance of its technical advisors, NERA Economic Consulting. Proposals will first be evaluated to ascertain that they are complete with respect to providing the information required by this Renewables RFP. For Proposals that are complete, the technical and financial qualifications set out in each Proposal will be evaluated by the Evaluation Team to determine whether the proposed

project meets the minimum mandatory technical and financial requirements. Proposals that pass the technical and financial evaluations will be ranked by price from lowest to highest Proposal Price (as defined in Appendix B – Glossary of Terms) so as to allow the Ministry to select the Proposals that have the lowest Proposal Prices.

More detailed descriptions of the deliverables to be procured through this Renewables RFP, the Proposal submission and evaluation process, general information and instructions to Prospective Proponents, and a description of selected terms of the RES Contract, are provided in Sections II, III, IV, and V of this Renewables RFP, respectively.

Capitalized terms used in this Renewables RFP shall have the respective meanings ascribed to them in the Glossary of Terms set out in Appendix B. Unless otherwise indicated, references to Sections and Appendices are references to Sections and Appendices in this Renewables RFP.

II. DESCRIPTION OF DELIVERABLES

A. BACKGROUND

The Government of Ontario is committed to making electricity from renewable sources an important part of Ontario's energy future. The Government of Ontario has set targets of having 1,350 MW of renewable generating capacity to be in service by the year 2007 and 2,700 MW to be in service by the year 2010.

B. ONTARIO POWER AUTHORITY

On June 15, 2004, the Government of Ontario introduced Bill 100 in the Legislative Assembly of Ontario entitled the *Electricity Restructuring Act, 2004*, which, among other things, would create the Ontario Power Authority (the “OPA”) as a new statutory corporation which is not a Crown Agent. One of the responsibilities of the OPA would include securing new electricity supply for Ontario. Under the proposed *Electricity Restructuring Act, 2004*, the costs of the OPA, including the costs of the RES Contracts, would be recovered from all electricity consumers through appropriate settlement mechanisms.

C. PRESENT ACTION

In advance of the establishment of the proposed OPA, the Government of Ontario is taking immediate action to meet its renewables targets. Procurement requirements have been formulated carefully, in consultation with the Ministry of Natural Resources, the Ministry of the Environment, the Ministry of Finance, the Ministry of Municipal Affairs and

Housing, Hydro One and the IMO. Moreover, Ontario Power Generation Inc. has been instructed by its shareholder not to participate in this Renewables RFP process, whether on its own or jointly with another interested party. Following the evaluation of the Proposals received in response to this Renewables RFP, the Ministry reserves the right to purchase less or, under limited conditions described later in this document, more than 300 MW of RES Contract Capacity.

This Renewables RFP is expected to be just the first of many opportunities for the private sector to contribute to building new generating capacity in Ontario. Additional requests for proposals for renewable and other new electricity generation will likely follow in the near future, including a request for proposals for up to 2,500 MW of new clean electrical generating capacity and/or demand-side projects, which has also been announced and is expected to follow shortly.

Failure by a Prospective Proponent to submit a Proposal in response to this Renewables RFP or failure by a Proponent to become a Successful Proponent does not in any way imply that the renewable energy project proposed by that party would not be eligible for future requests for proposals, or other procurements of new generating capacity. Moreover, Prospective Proponents are advised that neither this Renewables RFP, nor any of the other procurement initiatives described above, are intended to preclude or restrict an interested party in any way from proceeding with the development of projects for new generating capacity and/or demand-side projects in the normal course, outside of these procurement initatives.

D. THE RENEWABLE GENERATING FACILITY

A Successful Proponent will sign a RES Contract, pursuant to which the Successful Proponent shall be the “Supplier” and OEFC, or the OPA if appropriate legislation has been enacted, shall be the “Buyer”. If OEFC is the Buyer, it is expected that OEFC will transfer the RES Contract to the OPA, if appropriate legislation has been enacted. The RES Contract shall take effect from the date it is signed by both parties and shall expire twenty (20) years after the Commercial Operation Date.

The RES Contract requires the Supplier to design, build, operate and maintain the Renewable Generating Facility as outlined in its Proposal using good engineering and operating practices and in compliance with the Market Rules and applicable laws and regulations. The Renewable Generating Facility, which will have a RES Contract Capacity from 0.5 MW to 100.0 MW, inclusive, is to attain Commercial Operation no later than December 31, 2007.

The RES Contract is for the provision of the electricity output of the Successful Proponent's Renewable Generating Facility and for the provision of the Related Products, which will be comprised of Ancillary Services, capacity products, transmission rights, and Environmental Attributes, regardless of whether or not there is presently a market for any of such Related Products. The annual energy output is subject to a cap to be set forth in the RES Contract and which is calculated as 125% of the expected annual energy output of the Renewable Generating Facility (in MWh) to be delivered to the Delivery Point. For greater certainty, the RES Contract does not specifically prescribe a minimum quantity of energy or Related Products to be generated and delivered at any time, although the Supplier will be required to operate the facility in accordance with the RES Contract.

The Supplier will be required to supply all energy and Related Products to the Delivery Point, which will align with the defined point of sale as prescribed by the Market Rules. The Buyer will be the "metered market participant" under the Market Rules for the energy and Related Products purchased from the facility. If the metering point for the facility is not located at the Delivery Point, as is the case for embedded generating facilities, for example, the metered output will be adjusted by the IMO using loss adjustment factors to account for any distribution or transmission losses incurred in reaching the Delivery Point. The loss adjustment factors are approved by the OEB for each distributor or transmitter, and are provided to the IMO by the metering service provider at the time of registration with the IMO of the meters for the facility.

The Supplier will be entitled to the payments set out in the RES Contract, as outlined in Section V.C. It is recognized that the value of the energy supplied by Successful Proponents to the marketplace is partly a function of the price of market energy displaced. Electricity consumers benefit to the extent that energy can be supplied by Successful Proponents during periods of higher market price, effectively reducing the market clearing price for all electricity consumers. Similarly, in addition to energy supplied by Successful Proponents, it is also acknowledged that the provision of Operating Reserves has value to the marketplace. While the intent is to simplify the RES Contracts and settlement mechanisms, the importance of supplying energy at times of higher price and the provision of Operating Reserves must be recognized. To this end, the RES Contracts provide for incentives and revenue sharing, in addition to payment for energy supplied.

A more detailed summary of select terms of the RES Contract is set out in Section V.

III. SUBMISSION AND EVALUATION OF PROPOSALS

Only Prospective Proponents, namely those entities or persons who submitted Statements of Qualifications in accordance with the RFQ, are entitled to submit Proposals in response

to this Renewables RFP. A Proponent may submit a Proposal for more than one Renewable Generating Facility, subject to the restrictions set out in Sections III.D.2 and III.D.3. Only one Proposal shall be provided for each proposed Renewable Generating Facility.

A. PROPOSAL

A Proposal must consist of the following documents:

i. The Proposal introduction, as outlined in Section III.B.

ii. The completed Technical and Financial Questionnaires, as well as all supporting documents. The forms of the Technical and Financial Questionnaires are provided as Appendix C and Appendix D, respectively.

iii. The completed Proposal Price Statement, in a separate, sealed, opaque envelope marked "Proposal Price Statement" followed by the name of the Proponent and the name of the project. The form of the Proposal Price Statement is provided as Appendix E. Prospective Proponents are advised that the Proposal Price shall not be disclosed or described in any other part of the Proposal, failing which, the Proposal shall be disqualified.

iv. The completed Statutory Declaration, Conflict of Interest Declaration, and Tax Compliance Declaration in the forms provided as Appendix H, Appendix I, and Appendix J, respectively.

v. If applicable, a Confidentiality Statement as described in Section III.K, in a form prepared by the Proponent.

vi. the Proposal Security described in Section III.J, by way of certified cheque or in the form provided in Appendix F or Appendix G, as applicable.

Apart from the completion of any blanks, bullets, or similar uncompleted information, a Proponent may not make amendments to the pre-printed wording of the forms of Technical or Financial Questionnaires, Proposal Price Statement, Statutory Declaration, Conflict of Interest Declaration, Tax Compliance Declaration, the Letter of Credit Form (if applicable) of the Proposal Security, and the Bid Bond Form (if applicable) of the Proposal Security. Proposals containing any such amendments, whether on the face of such forms or contained elsewhere in the Proposal, may be disqualified, subject to the reserved rights of the Ministry set out in Section IV.G.ii.

B. PROPOSAL INTRODUCTION

The Proposal introduction should contain:

- A cover page with the name of the project, name of the Proponent, and the date of the Proposal;
- Contact information of the Proponent and its contact person, and back-up contact person, if any, including their respective mailing addresses, telephone numbers, fax numbers, and electronic mail addresses;
- An executive summary section that provides a high-level description of the Proposal. The summary should not exceed two pages and should specify the location, size, technology, project design and proposed Commercial Operation Date of the proposed facility;
- A summary of the business arrangements and financing of the proposed Renewable Generating Facility, including:
    - A short description of all entities involved in the development, construction, financing and operation of the project; and
    - A short description of the key personnel involved in the preparation of the Proposal and in the delivery and operation of the project; and
- An organization chart that provides a schematic representation of ownership and contractual links among all entities or individuals involved in the development, construction, financing and operation of the project.

C. EVALUATION AND SELECTION PROCESS

The evaluation process will be divided into three stages:

- Evaluation for Completeness (Stage 1)
- Technical and Financial Evaluation (Stage 2)
- Proposal Price Evaluation (Stage 3)

The specific requirements for each of these stages are described below.

1. Evaluation for Completeness (Stage 1)

This stage is an initial screening of the information and documentation submitted in the Proposal to ensure that Proponents have submitted complete Proposals. It is the responsibility of Proponents to complete all questionnaires, statements, and forms as

instructed and to supply all required supporting documentation. The Evaluation Team will verify that the Proponent has completed all questionnaires and has provided all required declarations, statements, and other documents, subject to the reserved rights of the Ministry set out in Section IV.G.ii. For any Proposal which, in the opinion of the Ministry, requires clarification, the Ministry will request such clarification in accordance with Section IV.D. Only complete Proposals, including Proposals for which all clarifications were satisfactorily resolved, will proceed to the technical and financial evaluation stage (Stage 2) . All other Proposals shall be disqualified.

For any disqualified Proposal, only the Proposal Security and the unopened envelope containing the Proposal Price Statement shall be returned to the Proponent. After the announcement by the Ministry of the Successful Proponents, the remaining documents comprising the original copy of the Proposal shall be returned to the Proponent upon written request by the Proponent.

2. Technical and Financial Evaluations (Stage 2)

In this stage, the Evaluation Team will assess, based on the response to the Technical and Financial Questionnaires and supporting documentation, whether each Proposal satisfies each of the minimum mandatory technical and financial requirements set forth in Sections III.D and III.F, respectively. Proponents are advised that all statements or information provided in satisfaction of the minimum mandatory technical and financial requirements set forth in Sections III.D and III.F, respectively, are subject to review by the Ministry to determine whether such statements or information are correct and accurate. If such statements or information are determined by the Ministry to be incorrect or misleading, the Ministry reserves the right to re-evaluate the Proponent's compliance with the minimum mandatory technical and financial requirements.

All Proposals that have passed Stage 1 will be evaluated based on an assessment of each Proposal's required technical and financial information on a pass/fail basis, subject to the reserved rights of the Ministry set out in Section IV.G.ii. For greater certainty, any Proposal that fails any one or more of the technical or financial minimum mandatory requirements will not be considered further and will be disqualified. Only those Proposals which pass all of the technical and financial evaluations will proceed to the Proposal Price evaluation stage (Stage 3).

For any disqualified Proposal, only the Proposal Security and the unopened envelope containing the Proposal Price Statement shall be returned to the Proponent. After the announcement by the Ministry of the Successful Proponents, the remaining documents

comprising the original copy of the Proposal shall be returned to the Proponent upon written request by the Proponent.

3. Proposal Price Evaluation (Stage 3)

Each Prospective Proponent must also submit, as part of its Proposal, a Proposal Price stated in Canadian Dollars per MWh, exclusive of applicable GST and PST. All Proposals that are complete and meet the minimum technical and financial requirements will be ranked by price from lowest to highest Proposal Price. The Ministry will select Successful Proponents starting with the lowest Proposal Price, proceeding to the one ranking second lowest, and continuing to select according to the ranking of Proposals by Proposal Price until the total RES Contract Capacity of the selected Proposals adds up to as close to 300 MW as possible, provided that this limit may be exceeded under the circumstances set forth in Section III.H. The Ministry's selections shall be subject to the approval of the Management Board of Cabinet of the Government of Ontario.

D. MINIMUM MANDATORY TECHNICAL REQUIREMENTS

The objective of the Evaluation Team in its technical evaluation is to assess whether the proposed project is technically sound and the proposed facility has a reasonable degree of assurance of attaining Commercial Operation by no later than December 31, 2007. This will be considered to be the case if the proposed project satisfies all of the minimum mandatory technical requirements set out below, which will be evaluated based on the information requested in Section III.E. The ten (10) minimum mandatory requirements are:

1. The proposed facility must have the specifications of an "Eligible Project", which means a facility which:

    a. is a new Renewable Generating Facility, or an expansion or upgrade to a Renewable Generating Facility which provides incremental energy and additional capacity above and beyond that which would otherwise have been provided by the existing Renewable Generating Facility;

    b. is located within the province of Ontario;

    c. has a RES Contract Capacity from 0.5 MW to 100.0 MW, inclusive;

    d. supplies energy to the IMO-Administered Markets through a connection to the IMO-controlled grid or local distribution system; and

    e. had not attained Commercial Operation before January 20, 2004, but will attain Commercial Operation no later than December 31, 2007.

2. The combined RES Contract Capacities of all Proposals submitted in response to this Renewables RFP by Proponents that are Controlled by any member of a Proponent Core Team must be less than or equal to 150.0 MW; otherwise, all such Proposals shall be disqualified.

3. The lands of the proposed facility site must be located at a distance of at least one (1) kilometer from the lands of any other facility or facilities proposed by the same Proponent or another Proponent Controlled by any member of the Proponent Core Team under this Renewables RFP, where the combined RES Contract Capacities set out in the Proposals for all such proposed facilities exceeds 100.0 MW. Otherwise, all such Proposals shall be disqualified. For the purposes of this Section III.D.3, the distance between lands of the proposed facilities shall be calculated along the straight-line path between the closest points of the boundaries of the lands of the proposed facilities to each other, and lands over which a proposed facility enjoys an easement shall be considered to be the lands of that proposed facility. For greater certainty, this requirement shall be satisfied by the Proponent making the statement set out in question 3.b of the form of Technical Questionnaire attached as Appendix C.

4. The Proponent must have one of the following: (i) registered title to the lands for the proposed facility site; or (ii) a registered lease, licence, or agreement to use the land for the site with a term starting no later than the milestone date for the commencement of construction provided by the Proponent in response to question 10 of Appendix C and expiring no earlier than the end of the Term; or (iii) a written agreement to purchase the land for the site with a closing date no later than the milestone date for the commencement of construction provided by the Proponent in response to question 10 of Appendix C; or (iv) a written agreement entitling the Proponent to an option to purchase the land for the site with a closing date no later than the milestone date for the commencement of construction provided by the Proponent in response to question 10 of Appendix C, or (v) a written agreement entitling the Proponent to an option to lease, licence, or use the land for the site with a term starting no later than the milestone date for the commencement of construction provided by the Proponent in response to question 10 of Appendix C and expiring no earlier than the end of the Term. Where the Proponent has an option to purchase, lease, licence, or use the land for the site, such option must be exercisable at any time by the Proponent for at least one hundred and eighty (180) days after the Proposal Submission Deadline. If the project involves Crown resources, the Proponent must have written confirmation from the Ministry of Natural Resources that the Proponent has been

granted the opportunity to pursue development approvals for a renewable energy project in the form of a “Site Release” or, in the case of a wind facility, a “Land Use Permit and Option Agreement”. For greater certainty, this requirement shall be satisfied by the Proponent submitting a copy of one of the documents specified above.

5. The Proponent must state the category to which the proposed project belongs according to the Ontario Ministry of the Environment’s “Guide to Environmental Assessment Requirements for Electricity Projects” dated March 2001, as referred to in O. Reg. 116/01 to the *Environmental Assessment Act* (Ontario) entitled “Electricity Projects”. For greater certainty, the aforementioned Guide describes three (3) possible categories: Category A, B, and C. If the proposed project is within Category B, as referred to in the aforementioned Guide (i.e. a project subject to an environmental screening process), the Proponent must also provide a copy of documentation (for example, a letter that has been sent to stakeholders or a published newspaper advertisement) evidencing that it has prepared and published a “Notice of Commencement of a Screening”, as described in the aforementioned Guide. If the proposed project is within Category C, as referred to in the aforementioned Guide (i.e. a project which requires an individual environmental assessment), the Proponent must provide a copy of the “Terms of Reference” submitted to the Ministry of the Environment in respect of such individual environmental assessment. For greater certainty, the statement of the category to which the proposed project belongs and the submission of a copy of all applicable documentation, as described above, will satisfy this requirement.

6. The Proponent must have notified the relevant local municipality (or municipalities) and planning authority (or planning authorities) of the Proponent’s project, in the manner described in Section III.E.7.a. For greater certainty, this requirement shall be satisfied by the Proponent submitting a copy of the written notice to the municipality (or municipalities) and planning authority (or planning authorities described in Section III.E.7.a.

7. The Proponent must provide the completed schedule of major project milestone events and the respective dates by which the Proponent will attain such milestone events, in the form set out in question 10 of Appendix C. The milestone date corresponding to Commercial Operation must be no later than December 31, 2007. For greater certainty, the submission of the completed schedule in accordance with the foregoing will satisfy this requirement.

8. The Proponent must provide the expected energy output of the facility flowing from the RES Contract Capacity and a methodology by which these expected quantities have been derived, together with supporting data for these expected quantities relating to the source or fuel to be consumed by the facility. For greater certainty, the submission of the methodology and supporting data as required in Section III.E.6 will satisfy this requirement.

9. The Proponent must provide evidence that it has initiated the assessments of the impact of the facility on the electricity system. For greater certainty, this requirement shall be satisfied by the Proponent submitting the documentation described in Section III.E.7.b.

10. The Proponent must demonstrate that members of its Proponent Team collectively have sufficient prior experience (i.e. other than in relation to the proposed Renewable Generating Facility) in the planning, development, construction and operation of at least one (1) generating facility which has entered into commercial operation. For the purposes of this requirement, sufficient prior experience means that:

    a. at least one (1) member of the Proponent Team must have been in a managerial capacity for at least one (1) year in the function of planning at least one (1) generating facility other than the proposed Renewable Generating Facility. For purposes of this paragraph, planning includes, without limitation, project organization, site acquisition, and technical design;

    b. at least one (1) member of the Proponent Team must have been in a managerial capacity for at least one (1) year in the function of development of at least one (1) generating facility other than the proposed Renewable Generating Facility. For purposes of this paragraph, development includes, without limitation, permitting, financing, negotiation of EPC (i.e. engineering, procurement and construction) contracts, fuel procurement contracts and other project development contracts;

    c. at least one member of the Proponent Team must have been in a managerial capacity for at least one (1) year in the function of construction of at least one (1) generating facility other than the proposed Renewable Generating Facility. For purposes of this paragraph, construction includes, without limitation, the supervision of

a general contractor retained to construct a generating facility pursuant to an EPC, design-build or other construction contract; and

d. at least one member of the Proponent Team must have been in a managerial capacity for at least one (1) year in the function of operating at least one (1) generating facility other than the proposed Renewable Generating Facility. For purposes of this paragraph, operating includes, without limitation, the supervision of an operator or manager retained to operate a generating facility pursuant to an operations or similar agreement.

The Proponent must clearly indicate, in its response to the Technical Questionnaire, which member of the Proponent Team satisfies each of the requirement for experience in planning, the requirement for experience in development, the requirement for experience in construction and the requirement for experience in operating, and describe such experience. For greater certainty, there may be one Proponent Team member or several Proponent Team members satisfying each of the above-noted requirements; moreover, the experience relating to each area of experience does not have to pertain to the same generating facility.

E. RESPONSE TO THE TECHNICAL QUESTIONNAIRE

In response to the Technical Questionnaire, the Proponent is asked to provide a description of the project, including the major features of the project and the work, if any, completed to date, along with information regarding approvals and permits.

Prospective Proponents are advised that all of the information required by the Technical Questionnaire is mandatory and must be submitted for the Proposal to be complete. The information will be used to determine whether the Proposal complies with the minimum mandatory technical requirements set out in Section III.D.

The information required by the Technical Questionnaire consists of the following:

1. A list of the full names of all entities and persons comprising the Proponent Team, and all lenders. In addition, the list must identify those entities and persons of the Proponent Team who are members of the Proponent Core Team. This information is required in relation to the minimum mandatory technical requirements set out in Sections III.D.2, III.D.3 and III.D.10.

2. A description of the proposed facility site must be provided. To be complete, this description must include:

a. a map showing the location of the proposed facility site in relation to neighboring roads and lands, drawn to a scale of no less than 1:10,000 and no greater than 1:100,000, and having a size of at least 6 inches by 6 inches;

b. a plan of survey or its equivalent delineating the boundaries of the lands for the site including all easements appurtenant to such lands;

c. a description of the project site and a diagram, clearly indicating anticipated placement of key facilities of the proposed facility on the lands for the site (for example, if a wind facility, show anticipated placement of wind turbines); and

d. as more particularly described in Section III.D.4, a copy of one of the following: (i) a registered transfer, lease, licence, or other agreement permitting the use of the land for the site, (ii) a copy of a written agreement to purchase the land for the site, or (iii) a copy of a written agreement entitling the Proponent to an option to purchase, lease, licence, or use the land for the site. If the project involves Crown resources, including Crown land for transmission, distribution and ancillary structures, the Proponent must provide instead a written confirmation from the Ministry of Natural Resources that the Proponent has been granted the opportunity to pursue development approvals for a renewable energy project, in the form of a “Site Release” or, in the case of a wind facility, a “Land Use Permit and Option Agreement”.

For greater certainty, submission of the above information shall complete this information requirement. This information is required for the minimum mandatory technical requirements set out in Sections III.D.3 and III.D.4.

3. The Proponent must state whether the Proposal is for a facility that is an expansion or upgrade to an existing Renewable Generating Facility and if so, that the proposed project provides incremental energy and additional capacity above and beyond that which would otherwise have been provided by the existing Renewable Generating Facility. If the Proposal is for an upgrade or expansion, the Proponent must confirm whether the Proponent for the upgrade or expansion is also the operator of the balance of the existing Renewable Generating Facility. This information is required in relation to the

minimum mandatory technical requirements set out in Sections III.D.1 and III.D.8.

4. The Proponent must state whether the electricity output for purposes of the RES Contract, defined as the "Total Contract Capacity" in the RES Contract, will or will not be metered separately from any other output of the facility to the transmission or distribution system, if the facility has other generating capacity beyond the RES Contract Capacity. For greater certainty, facilities which have other generating capacity beyond the RES Contract Capacity will include situations where there are expansions or upgrades of an existing Renewable Generating Facility, or situations where a portion of the capacity being developed under the project is not part of the RES Contract Capacity. If the electricity output of the RES Contract Capacity is not separately metered from the electricity output to the transmission or distribution system of any and all other generating capacity, the Proponent must provide the Nameplate Capacity of the facility, which, for greater certainty, will be used in calculating the compensation to the Proponent as specified in the RES Contract. This information is required in relation to the minimum mandatory technical requirements set out in Sections III.D.1 and for purposes of finalizing the RES Contract.

5. A description of the proposed Renewable Generating Facility must be provided, which must include the source or fuel from which electricity is generated. In addition, the point where the proposed Renewable Generating Facility is to be connected to the transmission system or distribution system must be provided. For greater certainty, where a Renewable Generating Facility is expected to be connected to a transmission system, the point of connection is the low voltage bus which is part of the IMO-controlled grid, as set out in the OEB's Transmission System Code, and where a Renewable Generating Facility is to be connected to a distribution system, the point of connection is the point where electricity produced by the Renewable Generating Facility is injected into the distribution system. This information is required in relation to the minimum mandatory technical requirement set out in Section III.D.1.

6. The Proponent must provide the expected energy output of the facility (in MWh) flowing from the RES Contract Capacity, and a description of how those expected quantities were determined. At a minimum, such expected quantities must be provided for annual energy output (in MWh) flowing from

the RES Contract Capacity to be delivered to the Delivery Point and for hourly energy output (in MWh) flowing from the RES Contract Capacity to be delivered to the Delivery Point for each hour in an average day of each month. Proponents are advised that the annual quantity cap on the energy to be purchased under the RES Contract for the Proposal Price shall be an amount equal to 125% of the expected annual energy output flowing from the RES Contract Capacity to be delivered by the facility to the Delivery Point. The following additional information must be provided in relation to these expected quantities flowing from the RES Contract Capacity:

a. If the proposed facility is a wind facility:

    i. a list and summaries of any studies available to the Proponent that were conducted to collect wind data, including the dates of the studies and the time period covered;

    ii. the number of wind turbines in the proposed facility which collectively comprise the RES Contract Capacity, and the capacity of each wind turbine; and

    iii. wind data that supports the expected energy output delivered and an explanation of the method used to develop these expected quantities.

b. If the proposed facility is a waterpower facility:

    i. water flow data used in developing the expected energy output delivered, specifying the location at which the water flow measurements were taken to collect such data;

    ii. minimum, maximum, and expected average head; and

    iii. an explanation of the methodology used to translate expected head and flow rate into the expected energy output.

c. If the proposed renewable project is for Biomass, Bio-fuel, Bio-gas or landfill gas:

    i. a description of the fuel source(s) and how such sources are available on a renewable basis. If multiple fuel sources are used, provide percentage of generation associated with each fuel type. Prospective Proponents are advised to review the definition of Biomass set forth in Appendix B which contains

limitations on the amount of certain supplementary fuels which can be used;

ii. a description of how each fuel will be extracted or obtained and the amount to be used;

iii. for projects operating on landfill gas, a list and summaries of any studies conducted to measure the fuel source including the dates of the studies, the time period and the forecast period covered, if any; and

iv. an explanation of the methodology used to determine the expected energy output delivered.

d. If the proposed renewable project is solar, the following information must be included:

i. a description of system details, and the estimated useful life of significant plant components, and the expected capacity factor degradation over the Term, if applicable; and

ii. an explanation of the methodology used to determine the expected energy output delivered.

This information is required in relation to the minimum mandatory technical requirement set out in Section III.D.8.

7. Proponents must provide the following with respect to approvals and permits:

a. Proponents must provide a copy of a written notice delivered to the relevant local municipality (or municipalities) or planning authority (or planning authorities) notifying them of their project. This information is required in relation to the minimum mandatory technical requirement set out in Section III.D.6.

b. Prospective Proponents are advised that as part of the process of developing a generating facility, certain connection-related assessments (depending on the type of connection required) are required to be conducted in order to review the impact of the project on the electricity system; in general, a project connecting to the transmission system will require a “System Impact Assessment” and a “Customer Impact Assessment”, while one connecting to a distribution system will need a “Connection Impact Assessment” and, if it has potential impacts on the

reliability of the interconnected system, a “System Impact Assessment” and also a “Customer Impact Assessment”. Prospective Proponents are directed to review the specifications set out in the OEB’s Transmission System Code (in particular, section 9.1 thereof entitled New or Modified Generator Connections), the Market Rules (in particular, Chapter 4 - Section 6 thereof), the IMO’s Connection Assessment and Approval Process (in particular, Market Manual 2.10), the transmitters’ Load & Generation Connection Process (filed with the Ontario Energy Board), and the OEB’s Distribution System Code (in particular, Section 6.2 thereof entitled Responsibilities to Generators), to determine which requirements are applicable to the Proponent’s proposed facility. For greater certainty, this requirement will be deemed to be satisfied by the submission of the following documents, if required by the aforementioned specifications in connection with the facility:

<u>System Impact Assessment (by the IMO)</u>

i. An executed copy of a “System Impact Assessment” (SIA) Agreement between the Proponent and the IMO for the System Impact Assessment for the proposed project. Before the SIA Agreement can be executed, the Proponent is required to submit a completed application form accompanied by a deposit to the IMO. The SIA Agreement includes a description of the scope of work required to determine the impact of the project on the electricity system; and

ii. An executed copy of a “Non-Disclosure Agreement” between the IMO and the consultant retained by the Proponent to perform connection assessment studies. This Non-Disclosure Agreement protects the confidentiality of information provided by the IMO to the consultant in order for the consultant to perform system impact assessment studies; and

iii. A copy of the “Scope of Study” developed by the IMO which specifies the system impact studies to be performed by the Proponent’s consultant.

<u>Customer Impact Assessment (by the Transmitter)</u>

i. An executed copy of a “Preliminary Study Agreement” between the Proponent and the transmitter for the “Preliminary Customer

Impact Assessment" for the proposed project. This requires a payment to the transmitter as specified in the agreement, and includes a description of the scope of work required to determine the impact of the proposed project on the customers in the area; and

ii. A copy of the application form accepted by the transmitter as complete for a "Preliminary Customer Impact Assessment"; and

iii. A copy of the "Scope of the Study", identifying the transmitter's requirements for the "Preliminary Customer Impact Assessment", specified by the transmitter and added to the IMO's Scope of the Study.

Connection Impact Assessment (by the Distributor)

i. An executed copy of the "Preliminary Study Agreement" between the Proponent and the distributor for the proposed project. This requires a payment to the distributor as specified in the "Preliminary Study Agreement", and includes a description of the scope of work required to determine the impact of the proposed project on the distribution system; and

ii. A copy of the application form accepted by the distributor as complete for a "Preliminary Connection Impact Assessment".

c. Prospective Proponents are advised that the total costs for connection of the facility to the relevant transmission or distribution system, including, without limitation, the costs of any improvements or modifications to the existing facilities of the relevant transmitter or distributor and the costs of new radial facilities extending beyond the existing transmission and distribution systems and dedicated to the facility are to be included in the Proposal Price (i.e., these costs must be covered by the Proposal Price). Notwithstanding the foregoing, in the event that the OEB orders that transmitters or distributors instead of generators pay any or all of such costs, the Proposal Price will be reduced by mutual agreement in accordance with the terms of the RES Contract, although for purposes of conducting the Proposal Price evaluation and selecting Successful Proponents based on Proposal Price as described in Section III.C.3 of this Renewables RFP, the Proposal Price will not be reduced. Accordingly, and to facilitate any

such adjustment, Proponents must provide separate estimates of the costs of, where applicable: (i) improvements or modifications to the existing facilities of the relevant transmitter required to connect the facility; (ii) improvements or modifications to the existing facilities of the relevant distributor required to connect the facility; and (iii) any new dedicated radial facilities that may be required to connect the facility, together with the name of the entity that prepared any such estimates. Such estimates, where applicable, must be provided notwithstanding that the identification of the required facilities, and the associated costs, may not have been provided, or agreed, by the relevant transmitter and/or distributor.

Any risks for costs or other aspects of a Proposal resulting from a Prospective Proponent's decision to submit a Proposal without having completed the applicable connection assessments are the sole responsibility of the Proponent.

Unless otherwise set out above, this information is required in relation to the minimum mandatory technical requirement set out in Section III.D.9.

8. The Proponent must state the category to which the proposed project belongs according to the Ontario Ministry of the Environment's "Guide to Environmental Assessment Requirements for Electricity Projects" as previously described in Section III.D.5 and provide the documentation required to be submitted in relation to this minimum mandatory technical requirement as set out in Section III.D.5.

9. The Proponent must provide a schedule of major project milestones, including the respective dates by which the Proponent expects to attain each such milestone. Prospective Proponents are advised that should a Proponent become a Successful Proponent, the milestone date set forth in its Proposal corresponding to attaining Commercial Operation for the facility will be transcribed into the schedule of milestones contained in Exhibit F of the RES Contract without negotiation, revision, or correction, while the other milestone dates will be transcribed into the schedule of milestones contained in Exhibit F of the RES Contract, but may be subject to revision by the Successful Proponent. Milestones must comprise the following:

   a. Obtaining project and site approvals, and permitting

b. Completion of connection assessments including approval from the IMO, the transmitter, and distributor, as applicable

c. Financial closing

d. Equipment order

e. Equipment delivered

f. Commencement of construction

g. Completion of construction

h. Connection of facility to the transmission or distribution system

i. Commercial Operation

This information is required in relation to the minimum mandatory technical requirement set out in Section III.D.7.

10. The Proponent must provide evidence that members of its Proponent Team collectively have sufficient prior experience (i.e. other than in relation to the proposed Renewable Generating Facility) in the planning, development, construction and operation of at least one (1) generating facility which has entered into commercial operation. Sufficient prior experience is described in Section III.D.10.

F. MINIMUM MANDATORY FINANCIAL REQUIREMENTS

The objective of the Evaluation Team in its financial evaluation is to assess whether the financing plan provided in the Proposal is sound and whether there is a reasonable degree of assurance that the project will attain Commercial Operation by no later than December 31, 2007. This will be considered to be the case if the Proponent satisfies the following four (4) minimum mandatory financial requirements, which will be evaluated based on the information requested in Section III.G, as applicable:

FOR EQUITY SOURCES OF FINANCING

1. If, and to the extent that, the financing plan specifies that equity (including, without limitation, contributions that are structured as subordinated debt) is a source of financing for the proposed project and that the equity structure of the Proponent is not yet in place, the Proponent must submit a commitment letter from each equity provider stating its agreement in principle to advance its equity contribution by the milestone date for financial closing provided by the Proponent in response to question 10 of the Technical Questionnaire, as well as the amount of its proposed

equity contribution. In the event that the equity structure of the Proponent is in place at the time of submission of the Proposal, the Proponent must submit a letter from each equity provider confirming that its equity is in place and the amount of its equity contribution. For greater certainty, the submission of all such commitment letters shall satisfy this requirement.

2. If, and to the extent that, the financing plan specifies that equity is a source of financing for the proposed project, the financial capability of the equity provider(s) in the project must be demonstrated as follows:

    a. For projects of 4.0 MW or less of RES Contract Capacity, at least 35% of the total project equity must be provided by one or more equity provider(s) who each have a Tangible Net Worth of at least $2,000,000. For projects of more than 4.0 MW of RES Contract Capacity, one or more equity provider(s) accounting for 35% or more of the total project equity must each have a Tangible Net Worth of at least $500,000/MW of RES Contract Capacity; and

    b. The equity provider(s) accounting for at least 35% of the total project equity must each have an Investment Grade Credit Rating or, in the alternative, the Proponent must provide, with respect to such equity provider(s), either:

        i. a confirmation letter from a financial institution (meeting the minimum requirements of a financial institution set forth in Section III.F.3 below) evidencing the financial ability of such equity provider(s) to borrow sufficient funds in order to fund its equity contribution; or

        ii. annual reports or financial statements for the past three (3) years relating to its cash flow from operations, evidencing that the equity provider would have sufficient funds available to fund its equity contribution. Financial statements must be audited, but if audited financial statements are not available, then an officer of the equity provider must confirm, to the best of his or her knowledge and belief, that such financial statements present fairly, in all material respects, the financial position of the equity provider in conformity with generally accepted accounting principles in Canada or the United States. In addition, an officer of the equity provider must confirm, to the best of his or her knowledge, that there are no

facts or circumstances that would materially adversely affect the equity provider's operating revenues from cash flow as set out in the annual reports or financial statements described above.

For greater certainty, the submission of the documentation referred to either Section III.F.2.b.(i) or Section III.F.2.b.(ii) shall satisfy this requirement.

FOR DEBT SOURCES OF FINANCING

3. If, and to the extent that, the financing plan specifies that debt is a source of financing for the proposed project, the Proponent must submit a commitment letter from each lender stating its agreement in principle to provide the necessary debt financing for the project by the milestone date for financial closing provided by the Proponent in response to question 10 of the Technical Questionnaire, and the amount of its proposed credit facility or loan. For the purpose of this requirement, each lender must be a financial institution listed in Schedule I or II of the *Bank Act* (Canada), or be such other financial institution or other entity having a minimum credit rating of (i) A– with S&P, (ii) A3 with Moody's, (iii) A low with DBRS, or (iv) A with Fitch IBCA. For greater certainty, the submission of all such commitment letters shall satisfy this requirement.

FOR NEITHER DEBT NOR EQUITY SOURCES OF FINANCING

4. If, and to the extent that, the financing plan specifies a source or sources of financing for the proposed project other than equity or debt, the Proponent must submit a commitment letter from each such source of financing stating its agreement in principle to provide such financing for the project by the milestone date for financial closing provided by the Proponent in response to question 10 of the Technical Questionnaire and the amount of its proposed financial contribution. By way of examples, and without limiting the generality of the foregoing, to the extent that the financing of a project proposed under the Renewables RFP by a cooperative or unincorporated association is funded by the contributions of its members, the Proponent would have to provide such commitment letters from its members; or if a portion of the financing of a project was funded by government grants, the Proponent would have to provide such a commitment letter from the relevant government(s) providing such funding or grants. For greater certainty, the submission of such commitment letters, as applicable, shall satisfy this requirement.

G. RESPONSE TO FINANCIAL QUESTIONNAIRE

In response to the Financial Questionnaire, the Proponent is asked to provide a detailed description of the financial qualifications of the Proponent Team and its lenders and a detailed description of the proposed financing for the project.

Prospective Proponents are advised that all of the information required by the Financial Questionnaire is mandatory and must be submitted for the Proposal to be complete. The information will be used to determine whether a Proposal complies with the minimum mandatory financial requirements set out in Section III.F.

The information required by the Financial Questionnaire consists of the following:

1. A complete description of the financing plan for the project, comprising all sources of current and future financing or credit support for the project, including the names of all sources of financing, the characterization of each source as either equity, debt, or other (i.e. neither debt nor equity), the amount of financing provided by each such source, and the total amount of financing for the project. For greater certainty, loans from affiliated entities, project partners, and loans that are subordinated to the primary or senior project financing should be reported as equity. This information is required in relation to all of the minimum mandatory financial requirements set out in Section III.F.

2. If equity is a source of financing of the Proponent and the project, the provision of:

    i. a list of the names of all equity provider(s) accounting for 35% of more of total project equity, each such equity provider(s)' percentage contribution of total project equity, and each such equity provider(s)' Tangible Net Worth;

    ii. a commitment letter or letter from each equity provider as described in the minimum mandatory financial requirement set out in Section III.F.1, and specifying the amount of the proposed or actual equity contribution, as applicable.

    iii. for projects of 4.0 MW or less of RES Contract Capacity, evidence that one or more equity provider(s) accounting for 35% or more of total project equity each has a Tangible Net Worth of at least $2,000,000;

iv. for projects of more than 4.0 MW of RES Contract Capacity, evidence that one or more equity provider(s) accounting for 35% or more of total project equity each has a Tangible Net Worth of at least $500,000/MW of RES Contract Capacity;

v. all available credit ratings from the following agencies: Standard and Poors Rating Services (S&P), Moody's Investors Services Inc. (Moody's), Dominion Bond Rating Service Limited (DBRS), and Fitch IBCA, if and as applicable, relating to those equity provider(s) accounting for 35% or more of total project equity subject to the Tangible Net Worth requirement in Section III.F.2 or, in the alternative, the Proponent must provide, with respect to such equity provider(s), either:

a. a confirmation letter from a financial institution (meeting the minimum requirements of a financial institution set forth in Section III.F.3) evidencing the financial ability of such equity provider(s) to borrow sufficient funds in order to fund its equity contribution; or

b. annual reports or financial statements for the past three (3) years relating to its cash flow from operations. Financial statements must be audited, but if audited financial statements are not available, then an officer of the equity provider must declare that such financial statements present fairly, in all material respects, the financial position of such entity in conformity with accounting principles generally accepted in Canada or the United States. In addition, an officer of the equity provider must confirm, to the best of his or her knowledge, that there are no facts or circumstances that would materially adversely affect the equity provider's operating revenues from cash flow as set out in the annual reports or financial statements.

This information is required in relation to the minimum mandatory financial requirements set out in Sections III.F.1 and III.F.2.

3. If the financing plan specifies that debt is a source of financing, the provision of a commitment letter from each lender as described in the minimum mandatory financial requirement set out in Section III.F.3., and specifying the amount of such proposed debt financing. In addition, the Proponent must confirm whether the lender is a financial institution listed in Schedule I or II of the *Bank Act* (Canada), or another financial institution or other entity with

evidence that such other financial institutions or entities meet the minimum credit ratings set forth in Section III.F.3. This information is required in relation to the minimum mandatory financial requirement set out in Section III.F.3.

4. If the financing plan specifies that a form of financing other than equity or debt is a source of financing, the provision of a commitment letter from each source of such financing as described in the minimum mandatory financial requirement set out in Section III.F.4, and specifying the amount of its proposed financial contribution. This information is required in relation to the minimum mandatory financial requirement set out in Section III.F.4.

H. PROPOSAL PRICE EVALUATION

In this stage of the evaluation, Proposals that have passed the technical and financial evaluation will be ranked and selected in ascending order of Proposal Price starting with the Proposal with the lowest Proposal Price, until the cumulative RES Contract Capacities of the selected projects reaches as close as possible to 300 MW without exceeding this limit, which limit may be exceeded under the circumstances set forth below. No other criteria will be applied to the ranking or Proposal Price evaluation.

If the total RES Contract Capacity of selected projects is below 300 MW and the Evaluation Team determines that:

- there are several Proposals with the identical Proposal Price which are competing to be the last project selected, but if all such Proposals were selected, the total RES Contract Capacity would exceed 300 MW; or
- the next Proposal does not have the identical Proposal Price as any other Proposal but, if the next Proposal were selected, the total RES Contract Capacity would exceed 300 MW,

then the Evaluation Team will bring forth such Proposals or Proposal, respectively, for consideration by the Ministry, which will be entitled, subject to the approval of the Management Board of Cabinet of the Government of Ontario, to:

- in the case of several Proposals with the identical Proposal Price, either select all of such Proposals, even if it means that the 300 MW target will be exceeded, or select none of such Proposals; or
- in the case of a single Proposal, select such Proposal, even if it means that the 300 MW target will be exceeded, or not select such Proposal.

Moreover, subject to the approval of the Management Board of Cabinet of the Government of Ontario, the Ministry reserves the right to select Proposals that together offer significantly less than 300 MW of RES Contract Capacity if there are insufficient Proposals that meet the minimum technical and financial requirements and propose acceptable Proposal Prices.

I. PROPOSAL PRICE STATEMENT

Proponents are to submit their Proposal Price in a separate, sealed, opaque envelope, marked "Proposal Price Statement" followed by the name of the Proponent and the name of the project. The Proposal Price shall not be disclosed or described in any other part of the Proposal, failing which the Proposal shall be disqualified. The Proposal Price is a price expressed in Canadian Dollars per MWh in the form set out in Appendix E. The Proposal Price shall be exclusive of applicable GST and PST payable by the Buyer in respect of the energy and Related Products purchased under the RES Contract. It is expected that Prospective Proponents will take account of the expected value of the additional Operating Reserves revenue and Performance Incentive Payments as well as the annual indexation of 15% of the Proposal Price to the percentage change (if any) in the Consumer Price Index as set out in Section V.C, when determining their Proposal Price.

Prospective Proponents are advised that any deviation from the required format of the Proposal Price Statement whatsoever, including without limitation the provision of a price range, conditional price, qualified price, or an incomplete price, shall result in the disqualification of the Proposal.

J. PROPOSAL SECURITY

Prospective Proponents must submit, as part of their Proposals, financial security payable and/or in favour of "Ontario Electricity Financial Corporation" in the form of:

a. a certified cheque;

b. an irrevocable and unconditional standby letter of credit issued by a financial institution listed in either Schedule I or II of the *Bank Act* (Canada), or such other financial institution having a minimum credit rating of (i) A– with S&P, (ii) A3 with Moody's, (iii) A low with DBRS, or (iv) A with Fitch IBCA, in the form attached as Appendix F; or

c. a bid bond issued by a surety with a financial strength rating of A- or higher by A.M. Best in financial size category VIII or higher, in the form attached as Appendix G.

The value of the Proposal Security shall be $25,000 per MW of RES Contract Capacity, subject, however, to a minimum of $25,000 and a maximum of $1,000,000.

An authorized director or officer of the Proponent must complete and sign a declaration in the form set out in Appendix H certifying, amongst other things, that the Proponent agrees that Ontario Electricity Financial Corporation, as directed by the Ministry, shall be able to draw upon the Proposal Security if the Proponent is found to have made any material misrepresentation in its Proposal or if the Proponent, having become a Successful Proponent, fails to sign the RES Contract within ten (10) Business Days of the date on which the Proponent is given the final RES Contract to sign.

Proposal Security will be returned to Proponents in accordance with Section IV.E.

K. ADDITIONAL DECLARATIONS AND CONFIDENTIALITY STATEMENT

As part of its Proposal, each Prospective Proponent shall complete, sign and submit the declarations described below and in the forms set forth in Appendices H, I, and J, and may submit a Confidentiality Statement, as described below, if applicable. The pre-printed wording of the Declarations may not be altered, as previously noted in Section III.A. Prospective Proponents are reminded that the onus is solely on the Proponent to conduct all investigations and verifications necessary, including any investigations required of any member(s) of the Proposal Team, in order to confirm that each of the statements set out in the declarations can be made.

If any member of a Proponent Team (other than the members of the Proponent Core Team) provides any advice or assistance in the preparation of the Proposal(s) of any other Proponent, or if any such member of a Proponent Team will be privy to information relevant to any other Proponent's Proposal(s), then Proponents are reminded that the Proponent must have taken and/or put in place appropriate measures or protections to ensure that such person does not serve as a conduit for the exchange, sharing or comparison of information relating to any Proposal between multiple Proponent Teams.

All completed declarations, statements, and forms must be signed by a director, officer or other person who has the authority to bind the Proponent. Prospective Proponents are advised that if, in the sole and absolute determination of the Ministry, any matter declared in the following declarations is not materially true and correct, then the Proposal may be disqualified and Ontario Electricity Financial Corporation, as directed by the Ministry, may,

in addition to any other remedies available at law or in equity, draw upon the Proposal Security. In instances where the Proposal is not disqualified notwithstanding a discrepancy or inconsistency between the declarations described below and a Proponent's Proposal, the declarations shall be deemed to prevail.

Appendix H: Statutory Declaration

Each Proponent must provide a statutory declaration, in the form provided in Appendix H, providing confirmations with respect to the following matters:

a. Proposal Validity and Proposal Security. The Proponent must declare: (i) that the Proposal is valid and all statements, specifications, data, confirmations, and other information set out in the Proposal are accurate; (ii) that the Proposal will remain valid, irrevocable and open for acceptance for a period of 180 days from the Proposal Submission Deadline; (iii) that the Proponent agrees to be bound by the terms of the RES Contract, including any security that may be required under the RES Contract; and (iv) that the Proponent, its proposed facility or any member of the Proponent Team is not the subject of any bona fide legal proceedings, investigation or regulatory hearings that could materially impact the financial condition of the Proponent or any of the entities involved in financing and operations for the proposed Renewable Generating Facility. Moreover, the declaration shall certify that the Proponent agrees that Ontario Electricity Financial Corporation, as directed by the Ministry, shall be able to draw upon the Proposal Security if the Proponent is found to have made any material misrepresentation in its Proposal or if the Proponent, having become a Successful Proponent, fails to sign the RES Contract within ten (10) Business Days of the date on which the Proponent is given the final RES Contract to sign; and

b. Non-Collusion Declaration. The Proponent must declare that:

    - in preparing its Proposal(s), no member of its Proponent Team has discussed or communicated any information relating to its Proposal(s) with any other Proponent Team;
    - the Proponent:
        - is not a member of another Proponent Team;
        - has not coordinated its Proposal Price or any other aspect of any of its Proposal(s) with any other Proponent;
        - has no knowledge of the contents of the Proposal(s) submitted by any other Proponent; and

    - has kept and will continue to keep its Proposal(s) confidential until the Successful Proponents are publicly announced;

  - no member of its Proponent Core Team has entered into any agreement or arrangement with any member of another Proponent Core Team, which:

    - may result in any member of its Proponent Core Team controlling, directly or indirectly, more than 150.0 MW of RES Contract Capacity under two or more RES Contracts; or

    - may, directly or indirectly, affect the Proposal Price or any other aspect of the Proposal(s) submitted by the Proponent and/or such other Proponent Team.

  - no member of its Proponent Core Team has provided advice or assistance in the preparation of the Proposal(s) of any other Proponent; and

  - no member of its Proponent Team (other than the members of the Proponent Core Team) has provided any advice or assistance in the preparation of the Proposal(s) of any other Proponent. In the alternative, if such person has provided such advice or assistance to another Proponent Team, or if such person will be privy to information relevant to any other Proponent's Proposal(s), then the Proponent has taken and/or put in place, or caused to be taken and/or put in place, appropriate measures or protections to ensure that such person does not serve as a conduit for the exchange, sharing or comparison of information relating to any Proposal between multiple Proponent Teams.

Appendix I: Conflict of Interest Declaration

Each Proponent must provide a statutory declaration, in the form provided in Appendix I, declaring whether it has an actual or potential Conflict of Interest, and if so, the nature of such actual or potential Conflict of Interest. However, if, at the sole and absolute discretion of the Ministry, the Proponent is found to be in a Conflict of Interest, the Ministry may, in addition to any other remedies available at law or in equity, disqualify the Proposal submitted by the Proponent. The Proponent, by submitting the Proposal, warrants that to its best knowledge and belief no actual or potential Conflict of Interest exists with respect to the submission of the Proposal other than those disclosed in the Conflict of Interest Declaration. Where the Ministry discovers a Proponent's failure to disclose all actual or

potential Conflicts of Interest, the Ministry may disqualify the Proponent or terminate the RES Contract, if awarded to that Proponent in accordance with this Renewables RFP.

Appendix J: Tax Compliance Declaration

The Government of Ontario expects all suppliers to pay their provincial taxes on a timely basis. The Proponent must provide a Tax Compliance Declaration, in the form attached as Appendix J, confirming that the Proponent's provincial taxes are in good standing. The Ministry will forward to the Ontario Ministry of Finance a copy of each Proponent's signed Tax Compliance Declaration Form for verification. By signing this form, the Proponent is consenting to the release of such information from the Ministry to the Ministry of Finance and from the Ministry of Finance to the Ministry for this purpose. In the event that the Ministry of Finance finds that the Proponent is not in compliance with all of the tax statutes administered by the Ontario Ministry of Finance as required in the Tax Compliance Declaration, a Successful Proponent may be permitted to rectify any such non-compliance but must do so as a pre-condition to, and without delaying, the requirement for the Successful Proponent to execute the RES Contract within ten (10) Business Days of the date on which the Proponent is given the final RES Contract to sign.

Confidentiality Statement

Information provided by a Proponent is subject to, and may be released in accordance with, the provisions of the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31, as amended. The Proponent will clearly indicate in a separate confidentiality statement, in a form provided by the Proponent, any portion of the Proposal that contains proprietary or confidential information for which confidentiality is to be maintained by the Ministry and its technical advisors. Such portions of the Proposal will be clearly marked "Proprietary and Confidential" by the Proponent. In the event that no confidentiality statement is provided, the Proponent will be automatically deemed to certify to the Ministry that no portion of the Proposal contains proprietary or confidential information for which confidentiality is to be maintained by the Ministry or its technical advisors.

The confidentiality of any such information identified by the Proponent will be maintained by the Ministry and its technical advisors, except where an order by the Information and Privacy Commission, a court, or a tribunal requires the Ministry to do otherwise. Notwithstanding the foregoing, the Ministry shall not be required to maintain the confidentiality of any such information that:

- is or becomes generally available to the public without fault or breach on the part of the Ministry and its advisors of any duty of confidentiality owed by the Ministry and its advisors to the Proponent or to any third party;
- the Ministry and its advisors can demonstrate to have been rightfully obtained by the Ministry and its advisors, without any obligation of confidence, from a third party who had the right to transfer or disclose it to the Ministry and its advisors free of any obligation of confidence;
- the Ministry and its advisors can demonstrate to have been rightfully known by, or in the possession of, the Ministry and its advisors at the time of disclosure, free of any obligation of confidence when disclosed; or
- is independently developed by the Ministry and its advisors.

Proponents are advised that their Proposals will, as necessary, be disclosed on a confidential basis, to the Evaluation Team and the Ministry's advisers retained for the purpose of evaluating or participating in the evaluation of the Proposals.

L. CHANGES TO PROPONENT TEAM

Prospective Proponents are advised that no changes in the Proponent Team, or any lenders identified in the Proposal in connection with any source of financing and set forth by the Proponent in its response to question 1 of the Financial Questionnaire, shall be permitted between the Proposal Submission Deadline and the execution of the RES Contract without the prior written consent of the Ministry. Otherwise, the Proposal may be disqualified.

M. SELECTION OF SUCCESSFUL PROPONENTS

The Evaluation Team will make its recommendation to the Ministry and the Ministry will select the Successful Proponents, subject to the approval of the Management Board of Cabinet of the Government of Ontario. The Ministry will notify each Successful Proponent in writing of such selection, and each Successful Proponent will then be requested to execute the finalized RES Contract with OEFC (or if legislation is enacted, the OPA). Should a Successful Proponent fail to execute the finalized RES Contract within ten (10) Business Days of the date on which the Proponent is given the finalized RES Contract to execute, the Evaluation Team may recommend, and the Ministry may agree, that another Proponent be selected in its place. Once executed by the Successful Proponent, the RES Contract will be returned to OEFC (or if legislation is enacted, the OPA) for execution. Once all of the RES Contracts with Successful Proponents have been

executed by all Successful Proponents and OEFC (or if legislation is enacted, the OPA), there will be a public announcement of the Successful Proponents.

IV. GENERAL INFORMATION AND INSTRUCTIONS

A. TIMETABLE

The timetable with respect to the entire procurement process for this Renewables RFP is set out below. Following the deadline for the Submission of Proposals, the procurement process will proceed to the Evaluation of Proposals and the Finalization of RES Contracts. All dates shown are in 2004, except as otherwise set out below.

i. Submission of Proposals

Announcement of Renewables RFP	January 20
Release of RFQ	April 28
Release of draft RES Contract	May 11
Release of Renewables RFP and RES Contract	**June 24**
Prospective Proponents' Deadline for Questions	**July 21**
Deadline for Issuing Addenda to Renewables RFP	**August 4**
Proposal Submission Deadline	**August 25 at 3:00:00 p.m. (EDT)**

NB: The period for which Proposals must be irrevocable after the Proposal Submission Deadline is 180 days

ii. Evaluation of Proposals and Finalization of RES Contracts

Evaluation of Proposals and Finalization of RES Contracts	**by January 31, 2005**

The Ministry reserves the right to accelerate the date set out in this Section IV.A.iii upon notice to Proponents.

B. COMMUNICATION AFTER ISSUANCE OF RENEWABLES RFP

i. Access to and Questions on Renewables RFP

This Renewables RFP will be accessible through the section of the website www.ontarioelectricityrfp.ca dedicated to this Renewables RFP process. A notice relating to this Renewables RFP shall be posted on MERX™, the electronic tendering system used by the Province of Ontario, directing Prospective Proponents to the Renewables RFP website.

Prospective Proponents shall promptly examine all of the documents comprising this Renewables RFP and:

a. shall report any errors, omissions or ambiguities; and

b. may direct questions regarding how to respond to this Renewables RFP or seek additional information,

in writing, on or before the Deadline for Questions, through the section of the website www.ontarioelectricityrfp.ca dedicated to this Renewables RFP process. No such communications are to be directed to anyone or in any manner other than this website. All questions and answers will be posted on the section of the website www.ontarioelectricityrfp.ca dedicated to this Renewables RFP. The identity of any Prospective Proponent asking a particular question will not be revealed. The Ministry is under no obligation to provide additional information, but may do so at its sole discretion. It is the responsibility of the Prospective Proponents to seek clarification, by submitting questions through the section of the website www.ontarioelectricityrfp.ca dedicated to this Renewables RFP process, on any matter it considers to be unclear. The Ministry shall not be responsible for any misunderstanding on the part of the Prospective Proponents concerning the Renewables RFP or its process.

ii. Addenda to the Renewables RFP

This Renewables RFP may only be amended by addendum in accordance with this Section. If the Ministry, for any reason, determines that it is necessary to provide additional information relating to this Renewables RFP, such information will be communicated to all Prospective Proponents by an addendum which shall be delivered to Prospective Proponents by posting same on the section of the website www.ontarioelectricityrfp.ca dedicated to this Renewables RFP process, on or prior to the Deadline for Issuing Addenda for the Renewables RFP. Each addendum shall form an integral part of this Renewables RFP.

Each addendum may contain important information including significant changes to this Renewables RFP. Prospective Proponents are responsible for checking the aforementioned website as often as necessary to ensure that they obtain all addenda issued from time to time. In the Declaration attached as Appendix H, Proponents must confirm their receipt of all addenda to this Renewables RFP issued by the Ministry.

iii. Post-Deadline Addenda and Extension of Proposal Submission Deadline

If any addendum is issued after the Deadline for Issuing Addenda, the Ministry may at its discretion extend the Proposal Submission Deadline for a reasonable amount of time.

C. SUBMISSION OF PROPOSALS

Prospective Proponents are responsible for submitting Proposals at the location specified below on time and for assuring that the Proposals are complete.

All Proposals must be received no later than 3:00:00 PM (EDT), on August 25, 2004 at the following address:

Shared Services Bureau
Strategic Procurement Branch
Tenders Office
56 Wellesley St. West, 2nd Floor
Toronto, ON M5S 2S3

Attention: Renewables RFP

The postal code is to aid in identifying the building only. The onus remains solely with Prospective Proponents to instruct courier and delivery personnel to deliver Proposal submissions to the exact floor location specified above by the Proposal Submission Deadline. Prospective Proponents assume sole responsibility for late deliveries if these instructions are not strictly adhered to.

The required elements of each Proposal are set out in Section III.A. A Prospective Proponent must submit one (1) original copy of the Proposal including the Proposal Security, all of which is prominently marked “Original Copy”. The Prospective Proponent should also submit eleven (11) additional collated copies of all elements of the Proposal, excluding the Proposal Price Statement and the Proposal Security. In addition, and for reproduction purposes, the Prospective Proponent should provide one unbound copy of the Proposal or an electronic copy of the Proposal (in Microsoft Word from the Microsoft Office Suite 97 or later, or Adobe Acrobat 4.0 or higher) excluding only the Proposal Price Statement and the Proposal Security. The entire Proposal, including the original, the specified copies (including the unbound copy or the electronic copy), and the Proposal Price Statement in a separate envelope as specified in Section III.I, should be submitted in a sealed package. Only one Proposal shall be submitted per sealed package.

On the outside of the sealed package, using the Proposal return label attached at Appendix K, Proposals should be prominently marked with the Renewables RFP title and number as set out on the cover page of this Renewables RFP, with the full legal name of

the Prospective Proponent and its return address. If the full legal name of the Prospective Proponent is not the same as the name of the Proponent set out in the Statement of Qualifications, then the Prospective Proponent should also provide, in the space provided on the Proposal Return Label, the name of the Proponent as set out in the Statement of Qualifications. To the extent that the failure to affix the specified Proposal return label to the submission envelope or package results in the Proposal arriving late at the Tenders Office, the Proposal shall be deemed late, disqualified and returned unopened to the Prospective Proponent.

For greater certainty, Proposals received after the Proposal Submission Deadline, at any other location than the address set out above, by fax, in electronic form (except for an electronic copy of a Proposal received for reproduction purposes as set out above), or in any other manner than as prescribed, shall be disqualified and shall be returned unopened. Proposals will be time-stamped when received at the address given above, and the time stamp of the Shared Services Bureau at the delivery location shall be absolutely determinative as to the time of receipt of the Proposal.

All content of the Proposal must be in English only, and should be typed or printed neatly in black ink on both sides of 8.5 x 11 inch paper, and all pages should be numbered. The Proposal introduction, together with the answers to the Technical and Financial Questionnaires, as well as the signed and completed Statutory Declaration, Confidentiality Statement, and Tax Compliance Declaration can be bound or stapled (except for the requirement for one unbound copy as noted above). The content of web sites or other external documents referred to but not included in the Proposal will not be considered to form part of the Proposal.

Except where expressly set out to the contrary in this Renewables RFP, all Proposals shall become the property of the Ministry and shall not be returned to the Proponent.

i. Proponents to Follow Instructions

Proponents should structure their Proposals in accordance with the instructions in the Renewables RFP. Where information is requested in the Renewables RFP, any response made in a Proposal should reference the applicable section numbers of the Renewables RFP where such request is made.

ii. Amending or Withdrawing Proposals Prior to Proposal Submission Deadline

At any time prior to the Proposal Submission Deadline, a Proponent may amend or withdraw a submitted Proposal. The right of Proponents to amend or withdraw includes

amendments or withdrawals wholly initiated by Proponents and amendments or withdrawals in response to subsequent information provided by addenda to this Renewables RFP.

Any amendment should clearly indicate what part of the Proposal the amendment is intending to replace.

Any amendment or notice of withdrawal must be submitted in the same manner as prescribed in this Renewables RFP for the submission of Proposals. Any amendment or notice of withdrawal submitted by any other method will not be accepted and shall be ignored.

iii. Renewables RFP Incorporated into Proposal

All of the provisions of the Renewables RFP are deemed to be accepted by each Proponent and incorporated into each Proponent's Proposal.

iv. Confidential Information of Ministry

All information provided by or obtained from the Ministry in any form in connection with the Renewables RFP, either before and after the issuance of the Renewables RFP (including, without limitation, any passwords that may be provided to Prospective Proponents in order to access any restricted portion of the Renewables RFP website www.ontarioelectricityrfp.ca):

a. is the sole property of the Ministry and must be treated as confidential;

b. is not to be used for any purpose other than replying to the Renewables RFP and the performance of the RES Contract;

c. must not be disclosed without prior written authorization from the Ministry; and

d. shall be returned by the Proponents to the Ministry immediately upon the request of the Ministry.

v. Irrevocability

Subject to the provisions of Section IV.C.ii, Proposals shall remain irrevocable in the form submitted by the Proponent for a period of one hundred and eighty (180) days from the deadline for Submission of Proposals.

D. MINISTRY MAY SEEK CLARIFICATION AND INCORPORATE RESPONSE INTO PROPOSAL

The Ministry reserves the right to seek clarification of Proposals after the Proposal Submission Deadline. The Proponent shall be required to provide such clarification in writing as and when requested by the Ministry, or else the Proposal may be disqualified. The response received by the Ministry from a Proponent shall, if accepted by the Ministry, form an integral part of that Proponent's Proposal. In the event that the Ministry receives information at any stage of the evaluation process which results in earlier information provided by the Proponent being deemed by the Ministry to be inaccurate, incomplete or misleading, the Ministry reserves the right to revisit the Proponent's compliance with the minimum mandatory technical and financial requirements set out in Section III.

E. CANCELLATION OR RETURN OF PROPOSAL SECURITY

For those Proponents whose Proposal fails the completeness evaluation described in Section III.C.1 (Stage 1) or the evaluation of minimum mandatory technical and financial requirements described in Section III.C.2 (Stage 2), Proposal Securities will be cancelled or returned within ten (10) Business Days of the Proponent being notified that it has failed to progress in the evaluation process. For Proponents whose Proposals pass the minimum mandatory technical and financial requirements described in Section III.C.2 (Stage 2) but are not selected as Successful Proponents, Proposal Securities will be cancelled or returned within ten (10) Business Days of the public announcement of the Successful Proponents. For Successful Proponents, Proposal Securities will be cancelled or returned following execution of the RES Contract and delivery of the Completion and Performance Security due under the terms of the RES Contract by the Successful Proponent.

F. CONTRACT ARRANGEMENTS

i. Finalizing and Signing the RES Contract

After the Proposal Price evaluation described in Section III.C.3 (Stage 3), those Proponents that are selected will be advised that they are Successful Proponents and will be invited to finalize the RES Contract with OEFC (or the OPA, if appropriate legislation is enacted).

Prospective Proponents are advised that the terms and conditions set out in the RES Contract are not subject to negotiation; rather, the finalization of the RES Contract shall be limited only to the completion of any blanks, bullets, or similar uncompleted information,

and the attachment of any Exhibits, that is required in order to tailor the RES Contract to the particular Renewable Generating Facility and, subject to the agreement of the Supplier, to address any provisions rendered inapplicable as a result of the *Electricity Restructuring Act, 2004* and any regulation thereunder. Should a Successful Proponent fail to sign the finalized RES Contract within ten (10) Business Days after request by the Ministry, then Ontario Electricity Financial Corporation, as directed by the Ministry, may draw on the Proposal Security provided by the Proponent with its Proposal, and the Ministry may, subject to the approval of the Management Board of Cabinet of the Government of Ontario, select an alternative Successful Proponent.

Upon execution of a RES Contract, the Proposal Security will be replaced by the Completion and Performance Security to be posted under the executed RES Contract. The Completion and Performance Security shall be in the amount of $33,000 per MW of RES Contract Capacity, which amount shall be lowered to $20,000 per MW of RES Contract Capacity after the Commercial Operation Date.

Prospective Proponents are advised to review the RES Contract for a complete description of the contract arrangements, selected portions of which have been summarized in Section V.

G. GENERAL TERMS

i. Liability for Expenses Incurred by Proponent

Each Proposal will be prepared at the sole cost and expense of the Proponent. Proponents will bear all costs and expenses in connection with their Proposal, including, without limitation, any costs incurred in the review of this Renewables RFP and any expert advice required in responding to this Renewables RFP. The Ministry and its technical advisors shall not be liable to pay any Proponent costs under any circumstances. In particular, the Ministry will not reimburse the Proponent in any manner whatsoever in the event of rejection of any or all Proposals or submissions, or in the event of the cancellation of this Renewables RFP. By submitting a Proposal in response to this Renewables RFP, the Proponent irrevocably and unconditionally waives any claims against the Ministry and its technical advisors relating to the Proponent's costs.

ii. Reserved Rights of the Ministry

The Ministry reserves the right to:

a. make public the names of any or all Proponents and members of Proponent Teams;

b. request written clarification of a Proposal from any Proponent and incorporate a Proponent's response to that request into the Proponent's Proposal;

c. waive formalities and accept Proposals which substantially comply with the requirements of this Renewables RFP;

d. verify with any Proponent or with a third party any information set out in a Proposal;

e. reject any, all, or portions of the Proposals received for being incomplete or for failure to meet any criteria set forth in this Renewables RFP.

f. check references other than those provided by any Proponent;

g. disqualify any Proponent whose Proposal contains material misrepresentations or any other materially inaccurate or misleading information;

h. disqualify any Proponent or the Proposal of any Proponent who has engaged in conduct prohibited by this Renewables RFP;

i. make changes, including substantial changes, to this Renewables RFP provided that those changes are issued by way of addenda in the manner set out in this Renewables RFP;

j. cancel this Renewables RFP process at any stage;

k. cancel this Renewables RFP process at any stage and issue a new request for proposals for the same or similar deliverables;

l. accept any Proposal in whole or in part;

m. discuss with any Proponent different or additional terms to those contemplated in this Renewables RFP or in any Proponent's Proposal;

n. if a single Proposal is received, reject the Proposal of the sole Proponent and cancel this Renewables RFP process or enter into direct negotiations with the sole Proponent; or,

o. reject any or all Proposals in its absolute discretion;

and these reserved rights are in addition to any other express rights or any other rights which may be implied in the circumstances and the Ministry shall not be liable for any expenses, costs, losses or any direct or indirect damages incurred or suffered by any

Proponent or any third party resulting from the Ministry exercising any of its express or implied rights under this Renewables RFP.

By submitting its Proposal, the Proponent, on its own behalf and on behalf of each member of the Proponent Team, authorizes the collection by the Ministry of the information set out under (d) and (f) in the manner contemplated in those subparagraphs.

The Ministry, in addition to any other remedies it may have in law or in equity, shall have the right to: (i) draw upon the entire amount of the Proposal Security if the Proponent is found to have made any material misrepresentation in its Proposal or if the Proponent, having become a Successful Proponent, fails to sign the RES Contract within ten (10) Business Days of the date on which the Proponent is given the final RES Contract to sign, and/or (ii) rescind any RES Contract entered into with a Successful Proponent in the event that the Ministry, in its sole discretion, determines that the Proponent made a material misrepresentation or submitted any materially inaccurate or incomplete information in its Proposal.

iii. Governing Law of the Renewables RFP Process

This Renewables RFP process shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

iv. No Fettering

Proponents are advised that no provision of this Renewables RFP is intended to operate, nor shall any provision have the effect of operating, in any way so as to interfere with or otherwise fetter the rights of the Government of Ontario in the exercise of its legislative powers.

v. Notification to Other Proponents of Outcome of Procurement Process

Once all Successful Proponents have executed their respective RES Contracts with OEFC (or the OPA, if created), then all unsuccessful Proponents will be notified by the Ministry in writing of the outcome of this Renewables RFP procurement process and the award of the RES Contracts to the Successful Proponents.

vi. Debriefing

Proponents who were not Successful Proponents may request a debriefing after receipt of a notification of award to Successful Proponents. All requests must be in writing through the Renewables RFP website www.ontarioelectricityrfp.ca, and must be made within thirty (30) days of the notification of Successful Proponents. The intent of the debriefing

information session is to aid the Proponent in presenting a better proposal in subsequent procurement opportunities. Any debriefing provided is not for the purpose of providing an opportunity to challenge the Renewables RFP procurement process.

vii. Prohibited Proponent Communications

The Ministry may, in its sole and absolute discretion, without any liability, cost or penalty, and in addition to any other remedies available at law, revoke the Proponent's status as a Proponent or Prospective Proponent and reject any potential or actual Proposal submitted by the Proponent, if any Proponent (and Prospective Proponent who has not submitted a Proposal) or any of their respective employees, agents, contractors or representatives:

- discusses the Renewables RFP, any Proposal, or the RES Contract with any agent or representative of the Ministry, any member of the Evaluation Team, any expert or other adviser assisting the Evaluation Team, any staff or employee of the Ministry's offices, any staff of the Premier of Ontario's office or Cabinet office of the Government of Ontario, and any members of the Cabinet of the Government of Ontario or their staff; or

- directly or indirectly communicates with the media in relation to the Renewables RFP, any Proposal, or the RES Contract without first obtaining the written permission of the Ministry, pursuant to a request made through the section of the website www.ontarioelectricityrfp.ca dedicated to this Renewables RFP process.

The Proponent shall not engage in any Conflict of Interest communications or in any communications that would violate the prohibition against collusion set forth in Section III.K, and should take note of the Conflict of Interest and anti-collusion provisions contained in this Renewables RFP.

V. DESCRIPTION OF THE RES CONTRACT

A. STRUCTURE

As stated in Section II.D, a Successful Proponent will sign a RES Contract, pursuant to which the Successful Proponent is the "Supplier" and OEFC (or the OPA, if appropriate legislation is enacted) is the "Buyer". The RES Contract shall take effect from the date it is signed by both parties and shall expire twenty (20) years after the Commercial Operation Date.

The RES Contract requires the Supplier to design, build, operate and maintain the Renewable Generating Facility as outlined in its Proposal, using good engineering and operating practices and in compliance with the Market Rules and applicable laws and regulations. The RES Contract shall require that all materials and equipment installed in a new Renewable Generating Facility must be new and not previously used. For an existing Renewable Generating Facility which is being expanded or upgraded, all materials and equipment installed as part of the expansion or upgrade must be new and not previously used. The Renewable Generating Facility is to attain Commercial Operation no later than December 31, 2007. Proponents are solely responsible for meeting federal, provincial and municipal permits, licences and approvals that are currently, or become in the future, required for the development, construction and operation of the project and the delivery of energy or for the delivery of any Related Products.

Subject to the annual energy cap set forth in the RES Contract, the Supplier shall offer the energy output from the Renewable Generating Facility and all Related Products to the IMO-Administered Markets for the benefit, and the account, of the Buyer. The Buyer will be the “metered market participant” under the Market Rules for the energy and Related Products. If the Renewable Generating Facility is dispatchable, then dispatch will be in accordance with the Market Rules. During the Term, all rights of ownership of energy output and Related Products belong to the Buyer, and no other off-takers shall have any rights to the energy or the Related Products of the Renewable Generating Facility. The Supplier is responsible to deliver all energy and Related Products to the Delivery Point. The Supplier will be required to bid energy and Related Products into the IMO-Administered Markets as a “price-taker”, bidding between minus One Dollar (-$1.00) per MWh and its variable cost. Dispatchable Suppliers may bid more than their variable cost to use their bids as a way to achieve the uses of energy limited resources in the most efficient manner.

In the future, it is possible the Renewable Generating Facility will be eligible to produce certain Related Products for which there is no market currently, such as capacity and Environmental Attributes. At the request of the Buyer, the Supplier will supply all such Related Products to the Buyer or for the benefit of the Buyer; to the extent such Related Products result in incremental costs to the Supplier, the Buyer will separately compensate the Supplier for such incremental costs to the extent that they are verifiable and reasonable.

The Buyer will be responsible under the RES Contract for paying the Supplier the Proposal Price for all energy delivered to the Delivery Point, plus any Performance Incentive Payment and sharing of revenues associated with the supply of Operating Reserves that is

due, and all other payments due to the Supplier under the RES Contract, through appropriate settlement mechanisms.

In the event that the Nameplate Capacity is greater than the RES Contract Capacity and the energy for which the Buyer would pay the Proposal Price is not separately metered from the balance of the energy generated by the Nameplate Capacity, the total energy for which the Buyer would pay the Proposal Price, subject to the maximum set out in the RES Contract, will be determined by multiplying the total energy delivered to the Delivery Point flowing from the Nameplate Capacity by a fraction, the numerator of which is the RES Contract Capacity and the denominator of which is the Nameplate Capacity.

B. COUNTERPARTY

It is anticipated that if appropriate legislation is enacted, the OPA will be the counterparty to the Successful Proponent under the RES Contract. If, however, the OPA has not been created at the time the RES Contracts are to be executed, the counterparty to the RES Contracts will be Ontario Electricity Financial Corporation ("OEFC"). OEFC will retain the unilateral right to transfer the RES Contracts to the OPA, should legislation be enacted to establish the OPA. Notwithstanding the execution of the RES Contracts by OEFC, it is intended that the costs of the RES Contracts be recovered from all electricity consumers through appropriate settlement mechanisms. If the OPA is not created or legislation is not enacted to provide for the OPA to recover the costs of the RES Contracts from all electricity consumers, the costs of the RES Contracts will be paid from the general revenues of OEFC.

C. PAYMENTS

The payments to the Supplier in a given month would be as follows:

- the Supplier receives its Proposal Price in Canadian Dollars per MWh multiplied by the total energy delivered (below the annual energy cap set forth in the RES Contract) to the Delivery Point in MWh. Moreover, 15% of the Proposal Price shall be indexed to the percentage increase or decrease (if any) between the Consumer Price Index effective as of January 1 of each year during the Term and the Consumer Price Index effective as of January 1 of the prior year, with the exception of the first year of the Term where the percentage increase or decrease (if any) as calculated above shall then be prorated by the ratio of the number of days from the Commercial Operation Date to and including December 31 of the year that the Commercial Operation Date occurs, divided by 365. The Proposal

Price shall be adjusted accordingly on January 1 of each calendar year during the Term; plus

- 25% of Related Product revenues from Operating Reserves bid and supplied to the market (subject to a maximum market clearing price for Operating Reserve equal to $30.00 per MW per hour); plus

- a Performance Incentive Payment, which is intended to provide an incentive for the Supplier to deliver energy when most needed by the market and is calculated on the basis of the production-weighted average price and the time-average price in a given month. The production-weighted average price is the market price in each hour of the month weighted by the Contract Energy (as that term is defined in the RES Contract) delivered by the Supplier in that hour divided by total Contract Energy delivered by the Supplier in that month. The time-average price is the simple average of the market price for each hour for the month. If the production-weighted average price is less than or equal to the time-average price, the Performance Incentive Payment is zero. If the production-weighted average price is greater than the time-average price, the Performance Incentive Payment is 25% of the difference between the production-weighted average price and the time-average price in a given month times the total Contract Energy delivered by the Supplier for that month. For the purposes of these calculations, if the market clearing price in any hour exceeds $150.00/MWh, the price used in the calculation of the Performance Incentive Payment will be $150.00/MWh. Notwithstanding the foregoing, once the Contract Energy has reached the maximum annual amount of energy that the Buyer has agreed to purchase under the RES Contract for the Proposal Price, then no further Performance Incentive Payments in relation to electricity delivered above such maximum amount will be payable; plus

- reasonable and verifiable incremental costs incurred by the Supplier in excess of the cost of production of energy in relation to any Related Products (excluding Operating Reserve for which the Supplier is separately compensated for noted above) that relate to the RES Contract Capacity.

In addition to the foregoing, for any energy supplied in excess of the cap set out in the RES Contract, the Supplier will receive 50% of the gross profit from the sales of such energy, as more particularly described in Article 4 of the RES Contract. Also, a Supplier who is a load facility under the Market Rules shall be solely responsible for all charges

(net of any applicable credits) in relation to electricity consumed by it in order to operate the facility in accordance with the RES Contract.

In computing the Performance Incentive Payment and the Supplier's share of Operating Reserve revenues, a cap on the hourly prices used in these calculations has been specified. The purposes of these payments are to provide a sufficient incentive for the Supplier to optimize the use of energy and to provide Operating Reserves to the market. It is expected that basic compensation for development and operation of the facility will come from the payment of the Proposal Price, as indexed annually, under the RES Contract, with the Proponent factoring into its Proposal Price an allowance for incentive revenue it can reasonably predict. The caps on market clearing prices have been specified so that these incentive payments will be sufficient to encourage optimal scheduling of the facility by the Supplier, but will not provide the Supplier with windfalls that may occur from rare and unpredictable price spikes that would not be accounted for in formulating Proposal Prices.

For a more detailed and complete description of the type and calculation of all of the payments to the Supplier for the energy and Related Products, the Prospective Proponent is advised to review Appendix A of this Renewables RFP and Articles 3 and 4 of the RES Contract.

The total payments under the RES Contract are to cover all of the Successful Proponent's costs associated with its facility for the entire duration of the RES Contract, including without limitation all development (including obtaining required permits and approvals), construction, financing, operations, maintenance and capital improvement costs for the project, including those related to connecting to the IMO-controlled grid or to a local distribution system, as applicable. It is also expected that Prospective Proponents will take account of the expected value of the additional Operating Reserves revenue, Performance Incentive Payments, and indexing of a portion of the Proposal Price, when determining the Proposal Price which is submitted in their Proposals.

However, Prospective Proponents are advised that the transmission and distribution capital expenditures set out above are regulated by and subject to the jurisdiction of the OEB, and in the event that the OEB orders that transmitters or distributors instead of generators pay any or all of such expenditures, the Proposal Price will be adjusted in accordance with the terms of the RES Contract.

Appendix A provides an example of a payment amount calculation.

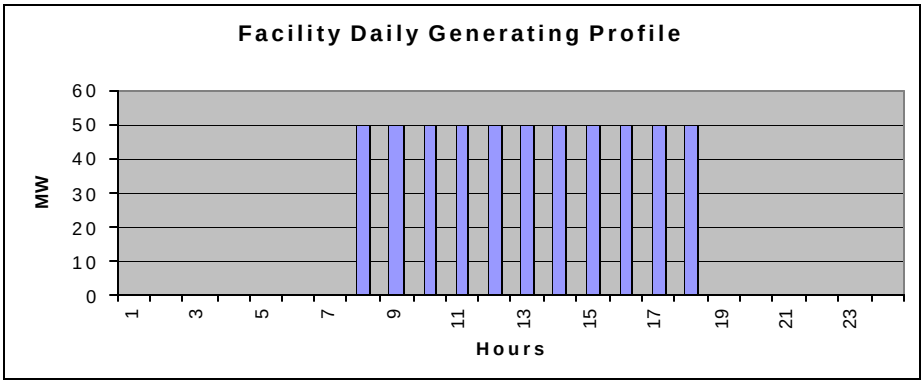
APPENDIX A: EXAMPLE OF PAYMENTS

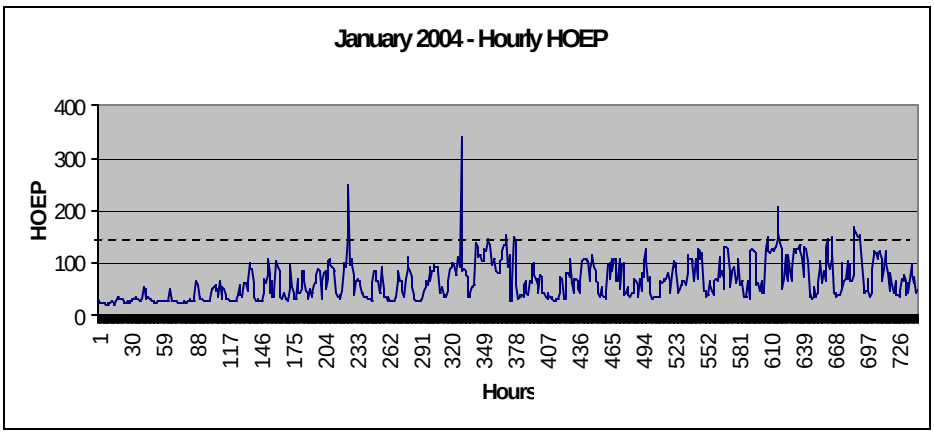
An example of the Supplier's resulting payments under the RES Contract is provided below.

Suppose that a Supplier bids $50.00/MWh in its Proposal. For simplicity, we will consider an example where the plant delivers 50 MW for each of hours 8 though 18 (profile shown in **Figure 1**). To derive the Performance Incentive Payment portion of the Supplier's energy revenue, we must calculate the time-weighted and production-weighted energy price averages.

To calculate the time-weighted price average for January 2004, we need only the hourly prices from January 2004 (available from the IMO website: www.theIMO.com) as shown in the second chart in **Figure 1** and the total number of hours in the month (744). Notice the dashed line in the second chart in **Figure 1**, which indicates that all energy prices above the $150.00/MWh maximum will be capped at $150.00 for the purpose of calculating both the time-weighted and production-weighted average prices. Using this methodology and based on the January, 2004 data, the time-weighted average price is $65.66 /MWh. This is calculated by dividing the sum of Hourly Ontario Energy Prices (HOEP) by the number of hours in the month, which equals $65.66 /MWh. **Figure 2** provides the individual components of this calculation.

Figure 1. Energy Production and Hourly Prices





The production-weighted average is calculated as the sum of the hourly energy revenues for the Supplier, calculated as each HOEP times the associated MWs delivered to the Delivery Point in that hour, divided by the total energy production in the month for the Supplier. In this example, the production weighted average is $75.85/MWh. **Figure 2** provides the components of this calculation.

The difference between the production-weighted average and the time-weighted average is $10.19/MWh. According to the RES Contract, the Performance Incentive Payment would provide the Supplier 25 percent of this difference. Thus, the Performance Incentive Payment is 25 percent times $10.19/MWh or $2.55/MWh. Since the Supplier's Proposal Price is $50.00/MWh, the Supplier's actual payment price is $52.55/MWh. **Figure 2** demonstrates how the Supplier's actual payment price is used to calculate its energy revenues. This calculation is simply the payment price times the total MWhs delivered. In this case,

$52.55/MWh x 17,050 MWhs (11 hours a day times 31 days in the month times 50 MWhs) equals $895,936.

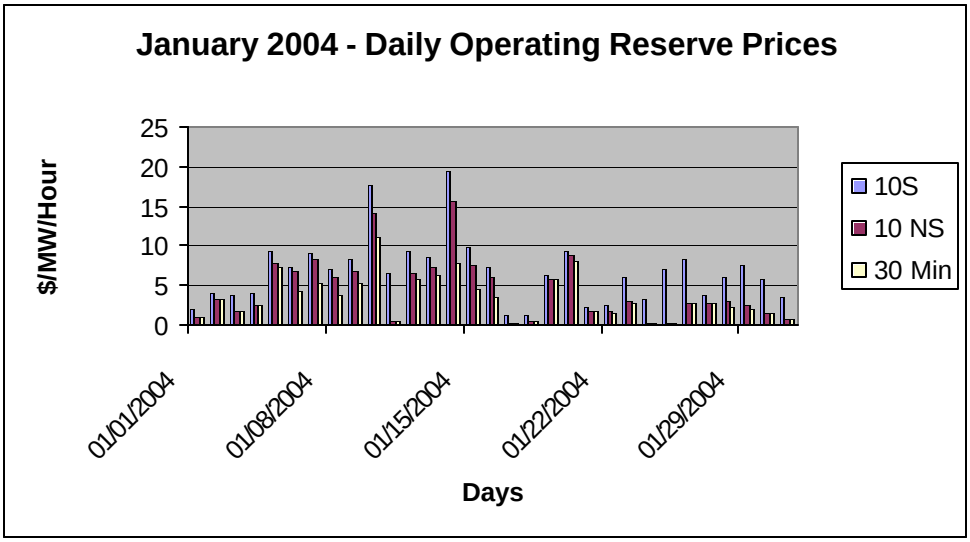
Figure 2 also shows how the Supplier's total revenues for the month are derived by adding its share of Related Products revenues from Operating Reserves to the energy revenues calculated above. According to the RES Contract, the Supplier is entitled to 25 percent of the Related Products revenues from Operating Reserves provided. In this example, the total Related Products revenues are assumed to be derived from 5 MW of 10 minute Non-Spinning Operating Reserve provided to the market by the Supplier in all hours of the month. Using January 2004 as an example (available from www.theIMO.com), the average daily price for this class of Operating Reserve is approximately $4.45/MW/Hour. (See **Figure 3.**) This amounts to a total Operating Reserve revenue for the Supplier of approximately $16,549 for the month. The Supplier's share of Related Products revenue from Operating Reserves is therefore approximately $4,137 for the month and the Supplier's total revenues for the month are $895,936 plus $4,137 or $900,073.[1]

Figure 2. Supplier's Total Monthly Revenues

Supplier's Proposal Price ($/MWh)	**$**	**50.00**
Total Hours in Month		744
Sum of HOEP with $150 cap	$	48,850.60
Time-Weighted Avg.	**$**	**65.66**
Total MWhs Delivered		17,050
Sum of (MWhs Delivered x HOEP with $150 cap)	$	1,293,236
Production-Weighted Avg.	**$**	**75.85**
Production-Wt. Avg. - Time-Wt. Avg.	$	10.19
Performance Incentive Payment (per MWh)	$	2.55
Supplier's payment price (per MWh)	**$**	**52.55**
Supplier's Energy Revenues	**$**	**895,936**
Total Revenues of Related Products	$	16,549
Supplier's Share of Related Products Revs	$	4,137
Total Revenues for Supplier	**$**	**900,073**

[1] The difference between the sum of $895,936 plus $4,137 and $900,073 is due to rounding.

Figure 3. Daily Operating Reserve Revenues



Note: Prospective Proponents are advised that all figures and calculations used to determine the monthly payment to the Supplier in this Appendix A are for example purposes only, and Prospective Proponents are directed to Section 3.4 of the RES Contract for the complete calculation of the Monthly Payment (as that term is defined in the RES Contract).

APPENDIX B: GLOSSARY OF TERMS

The definitions of those capitalized terms and acronyms utilized in this Renewables RFP, unless otherwise stated to be definitions contained in the RES Contract, are provided below.

TERM OR ACRONYM	DEFINITION
Ancillary Services	Means any services necessary to maintain the reliability of the IMO-controlled grid, including but not limited to frequency control, voltage control, reactive power and Operating Reserve, as defined in the Market Rules.
Bio-fuel	Means a liquid fuel or product made solely from Biomass and includes without limitation ethanol and bio-diesel.
Bio-gas	Means a gaseous fuel or product made solely from Biomass.
Biomass	Means organic matter that is derived from a plant and available on a renewable basis, including organic matter derived from dedicated energy crops, dedicated trees, agricultural food and feed crops, and waste organic material from harvesting or processing agricultural products, forestry products and sewage, provided that: (i) waste organic material shall contain no treated by-products of manufacturing processes (e.g. treated chipwood, plywood, painted or varnished wood, pressure treated lumber, or wood contaminated with plastics or metals); and (ii) supplementary non-renewable fuels used for start up, combustion stabilization and low combustion zone temperatures shall be no more than 3.00% of the total fuel heat input.
Business Day	Means a day, other than a Saturday or Sunday or statutory holiday in the Province of Ontario or any other day on which banking institutions in Toronto, Ontario are not open for the transaction of business.
Buyer	Means OEFC (or the OPA, if created), for purposes of the RES Contract.
Commercial Operation	Means the operation of the Renewable Generating Facility in full compliance with all laws and regulations after the completion of construction, completion of connection and synchronization to the IMO-controlled grid or a local distribution system, and completion of all commissioning tests.
Commercial Operation Date	Means the date on which Commercial Operation is first attained.

Completion and Performance Security	Means the financial security that the Successful Proponent is required to provide to the Buyer upon the execution of the RES Contract as additional assurance that the Successful Proponent will meet the project milestone for Commercial Operation of the Renewable Generating Facility as specified in its Proposal, and will operate and maintain the Renewable Generating Facility over the Term in accordance with the RES Contract, in the amount and form as described in Sections 6.1 and 6.2 of the RES Contract, respectively.
Conflict of Interest	Includes, but is not limited to, any situation or circumstance where in relation to the Renewables RFP process, the Proponent has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to (i) having or having access to information in the preparation of its Proposal that is confidential to the Government of Ontario and not available to other Proponents; (ii) communicating with any official or representative of the Government of Ontario or members of the Evaluation Team with a view to influencing preferred treatment in the Renewables RFP process; or (iii) engaging in conduct that compromises or could be seen to compromise the integrity of the open and competitive Renewables RFP process and render that process non-competitive and unfair.
Consumer Price Index	Means the consumer price index for All Items published or established by Statistics Canada or its successors in relation to the Province of Ontario.
Controlled or Controls	Means the direct or indirect ownership by a person of more than fifty percent (50%) of the outstanding capital stock or other equity or ownership interests having ordinary voting rights, or votes carried by such securities or ownership interests as are sufficient to elect a majority of the board of directors or equivalent entity governing management and affairs.
DBRS	Means Dominion Bond Rating Service Limited or its successors.
Delivery Point	Means a uniquely identified reference point determined in accordance with the Market Rules and used for settlement purposes in the real-time markets.
Eligible Project	Means a Renewable Generating Facility which meets the criteria set forth in Section III.D.1.
Environmental Attributes	Means environmental attributes of the electricity associated with a Renewable Generating Facility having low environmental impact, and includes, without limitation, emission reduction credits and rights to any fungible or non-fungible attributes, and any and all ownership rights relating to the nature of the energy source as may be defined and awarded through applicable legislation or voluntary programs, but shall exclude the Government of Canada's Wind Power Production Incentive (WPPI) which may be available in connection with the Renewable Generating Facility.

Evaluation Team	Means, collectively, the Ministry's personnel and its technical advisors.
Financial Questionnaire	Means the form of questionnaire set out in Appendix D.
Fitch IBCA	Means Fitch IBCA, Duff & Phelps, a division of Fitch Inc., or its successors.
IMO	Means the Independent Electricity Market Operator established under Part II of the *Electricity Act, 1998* of Ontario, or its successor.
IMO-Administered Markets	Has the meaning ascribed to it by the Market Rules.
Investment Grade Credit Rating	Means a minimum credit rating of (i) BBB– with S&P, (ii) Baa3 with Moody's, (iii) BBB low with DBRS, or (iv) BBB- with Fitch IBCA, if applicable.
Market Rules	Means the rules governing the IMO-controlled grid and establishing and governing the IMO-Administered Markets, as amended or replaced from time to time.
Ministry	Means the Ministry of Energy of the Government of Ontario.
Moody's	Means Moody's Investors Service, Inc. or its successor.
Nameplate Capacity	Means the rated capacity of the Renewable Generating Facility that is separately metered under one meter and includes the RES Contract Capacity.
OEB	Means the Ontario Energy Board.
OEFC	Means Ontario Electricity Financial Corporation.
OPA	Means the Ontario Power Authority.
Operating Reserves	Means generation capacity which can be called upon on short notice by the IMO to replace scheduled energy supply which is unavailable as a result of an unexpected outage or to augment scheduled energy as a result of unexpected demand or other contingencies.
Performance Incentive Payment	Means the incentive payment described in Section V.C.
Proponent	Means an entity or person that submits one or more Proposals in response to the Renewables RFP.
Proponent Core Team	Means, collectively, a Proponent and any member of its Proponent Team which is not at Arm's Length (as that term is defined in the RES Contract) to the Proponent.
Proponent Team	Means, collectively, a Proponent and all entities and persons (including, without limitation, equity providers named in the Proposal) involved in the preparation of the Proponent's Proposal(s) for the Renewables RFP and/or required by the Proponent to successfully implement its Proposal(s) for the Renewables RFP and to comply with the RES Contract(s). For greater certainty, members of the Proponent Team shall include the Proponent's Core Team, the Proponent's technical, financial and legal advisors, and any other person otherwise assisting the Proponent in the preparation of its Proposal(s), but shall not include any lenders or any technical or legal advisors to lenders.
Proposal	Means a submission described in Section III.A.

Proposal Price	Means the price set out by a Proponent in connection with its supply of energy and Related Products (other than Operating Reserves) to the IMO-Administered Markets, and stated as a single $/MWh amount in accordance with the Renewables RFP as described in Section III.I.
Proposal Price Statement	Means the form of statement set out in Appendix E.
Proposal Security	Means the financial security submitted with the Proposal as described in Section III.J.
Proposal Submission Deadline	Means August 25, 2004 at 3:00:00 p.m. (EDT).
Prospective Proponent	Means an entity or person that submitted a Statement of Qualifications in accordance with the RFQ.
Related Products	Means all capacity products, Ancillary Services, transmission rights and Environmental Attributes that may be traded in the IMO-Administered Markets or other markets.
Renewable Generating Facility	Means a facility that generates electricity from one or more of the following sources: wind, solar, Biomass, Bio-gas, Bio-fuel, landfill gas, or water.
Renewables RFP	Means this Renewables RFP, and any addenda to it.
RES Contract	Means the renewable energy supply contract between the Successful Proponent and OEFC (or the OPA, if appropriate legislation is enacted).
RES Contract Capacity	Means that portion of the Nameplate Capacity from which energy and Related Products are purchased pursuant to the terms RES Contract.
RFQ	Means the Request for Qualifications issued by the Ministry on April 28, 2004 with respect to the supply of approximately 300 MW of renewable energy, and all addenda to it.
S&P	Means the Standard and Poors Rating Group (a division of McGraw-Hill Inc.) or its successors.
Statement of Qualifications	Means the form attached as Appendix A to the RFQ which has been completed and delivered by an interested party to the Ministry in accordance with the RFQ.
Successful Proponent	Means a Proponent whose Proposal(s) has been selected and accepted by the Ministry, in accordance with the Renewables RFP.
Supplier	Means a Successful Proponent, for purposes of the RES Contract.
Tangible Net Worth	Means, with respect to an entity, the excess of (i) the net book value of all assets (other than all items of indebtedness, obligation or liability due from affiliates, including stockholders, and intangible assets) of the entity after all appropriate deductions (including, without limitation, reserves for doubtful receivables, obsolescence, depreciation, and amortization), all as determined in accordance with generally accepted accounting principles in Canada, over (ii) all debt of the entity.
Technical Questionnaire	Means the form of questionnaire set out in Appendix C.

Term	Means the period of time commencing upon the later of the Commercial Operation Date and the date of the RES Contract, and expiring 20 years thereafter.

APPENDIX C: TECHNICAL QUESTIONNAIRE

1. Project Information

a. Project Name_____

b. Proponent Name_____

c. Source or fuel consumed by facility

i. ☐ Wind

ii. ☐ Solar

iii. ☐ Biomass

iv. ☐ Bio-gas

v. ☐ Bio-fuel

vi. ☐ Landfill gas

vii. ☐ Water

d. Expected (or Actual) Commercial Operation Date (mm/dd/yyyy)_____

e. RES Contract Capacity in MW_____

f. Type of Facility (choose one)

i. ☐ The facility is a new Renewable Generating Facility; or

ii. ☐ The facility is an expansion or upgrade of an existing Renewable Generation Facility which provides incremental energy and additional capacity above and beyond that which would otherwise have been provided by the existing Renewable Generating Facility. If so,

1. Name, and briefly describe, the existing Renewable Generating Facility.
_____
_____
_____

2. Confirm whether the Proponent for the upgrade or expansion is also the operator of the balance of the existing Renewable Generating Facility.

a. ☐ Yes; or

b. ☐ No. If no, name the operator of the balance of the existing of the existing Renewable Operating Facility. _____

g. State whether the electricity output related to the RES Contract defined as the "Total Contract Energy" in the RES Contract, will be metered separately from the Facility Energy (as that term is defined in the RES Contract):

i. ☐ Yes; or

ii. ☐ No. If no, provide Nameplate Capacity in MW_____

h. Proposed Point of Connection (per section III.E.5):

_____
_____
_____
_____

i. ☐ A list of the full names of all entities and persons comprising the Proponent Team, and all lenders, is enclosed. In addition, the list must identify those entities and persons of the Proponent Team who are members of the Proponent Core Team.

2. Additional Project Eligibility

Indicate by checking the boxes whether the following criteria are satisfied:

a. ☐ Project located in the province of Ontario.

b. ☐ RES Contract Capacity from 0.5 MW to 100.0 MW, inclusive.

c. ☐ Project supplies energy to the IMO-Administered Markets through a connection to the IMO-controlled grid or local distribution system.

d. ☐ Project had not attained Commercial Operation before January 20, 2004 but will attain Commercial Operation no later than December 31, 2007.

3. Total RES Contract Capacities

Indicate by checking the box if the following criteria is satisfied:

a. ☐ The combined RES Contract Capacities of all Proposals submitted in response to this Renewables RFP by Proponents that are Controlled by any member of a Proponent Core Team is less than or equal to 150.0 MW.

b. ☐ The lands of the proposed facility site is located at a distance of at least one (1) kilometer from the lands of any other facility or facilities proposed by the same Proponent or another Proponent Controlled by any member of the Proponent Core Team under this Renewables RFP, where the combined RES Contract Capacities set out in the Proposals for all such proposed facilities exceeds 100.0 MW. For the purposes of this statement, the distance between lands of the proposed facilities shall be calculated along the straight-line path between the

closest points of the boundaries of the lands of the proposed facilities to each other, and lands over which a proposed facility enjoys an easement shall be considered to be the lands of that proposed facility.

4. Description of the site and location

a. A map showing the location of the project site in relation to neighboring roads and lands, drawn to a scale of no less than 1:10,000 and no greater than 1:100,000, and having a size of at least 6 inches by 6 inches.

☐ Document(s) enclosed.

b. A plan of survey or its equivalent delineating the boundaries of the lands for the site, including any easements appurtenant to such lands.

☐ Document(s) enclosed.

c. A description of the project site and a diagram, clearly indicating anticipated placement of key facilities (for example, if a wind facility, show anticipated placement of wind turbines).

☐ Document(s) enclosed.

5. Control of Site

a. In accordance with the requirements set out in Sections III.D.4 and III.E.2.d, provide a copy of one of the following:

i. ☐ Registered transfer, lease, licence, or other agreement permitting the use of the land for the site is enclosed.

ii. ☐ Written agreement to purchase the land for the site is enclosed.

iii. ☐ Written agreement entitling the Proponent to an option to purchase, lease, licence, or use the land for the site, is enclosed.

b. Proponents must identify whether their proposed project involves Crown resources, including Crown land for transmission, distribution and ancillary structures. If so, Proponents must provide written confirmation from the Ministry of Natural Resources that the Proponents have been granted the opportunity to pursue development approvals for a renewable energy project in the form of a “Site Release” or, in the case of a wind facility, a “Land Use Permit and Option Agreement”.

i. ☐ Proposed project involves Crown resources.

1. ☐ Written confirmation from the Ministry of Natural Resources is enclosed.

a. ☐ Site release is enclosed.

b. ☐ Land Use Permit and Option Agreement is enclosed.

6. Estimates of expected energy output of the Renewable Generating Facility

a. ☐ Estimate of the energy output of the facility (in MWh) and a description of how those estimates were made are enclosed.

i. If the proposed facility is a wind facility, the following information on wind resource data must also be included:

1. ☐ List and summarize any studies available to the Proponent that were conducted to collect wind data, including the dates of the studies, the time period covered.

2. Number of wind turbines_____

Capacity of each turbine (MW)_____

3. Estimate of the expected annual energy output (in MWh)_____

4. Estimates of the expected hourly energy output for an average day in each month (in MWh)

Month	Avg. Hourly Output (MWh)		Month	Avg. Hourly Output (MWh)
January			July	
February			August	
March			September	
April			October	
May			November	
June			December	

5. ☐ Wind data that supports the estimates of energy delivered and an explanation of the method used to develop these estimates.

ii. If the proposed facility is a water power facility, the following information must also be included:

1. ☐ Water flow data used in developing the resource's estimate of expected hourly generation for an average day of each month, specifying the location at which the measurements were taken to collect such data.

2. ☐ Information on minimum, maximum, and expected average head.

3. Estimate of the expected annual energy output (in MWh)_____

4. Estimates of the expected hourly energy output for an average day in each month (in MWh)

Month	Avg. Hourly Output (MWh)		Month	Avg. Hourly Output (MWh)
January			July	
February			August	
March			September	
April			October	
May			November	
June			December	

5. ☐ An explanation of the methodology used to translate expected head and flow rate into the resource's estimates of energy delivered.

iii. If the proposed renewable project is for Biomass, Bio-fuel, Bio-gas or landfill gas, the following information must also be included:

1. ☐ Description of the fuel source(s) and describe how such sources are available on a renewable basis. If multiple fuel sources are used, provide percentage of generation associated with each fuel type.

2. ☐ Description of how each fuel will be extracted or obtained, the amount to be used.

3. ☐ For projects operating on landfill gas only, list and summarize any studies conducted to measure the fuel source including the dates of the studies, the time period and the forecast period covered, if any.

4. Estimate of the expected annual energy output (in MWh)_____

5. Estimates of the expected hourly energy output for an average day in each month (in MWh)

Month	Avg. Hourly Output (MWh)		Month	Avg. Hourly Output (MWh)
January			July	
February			August	
March			September	
April			October	
May			November	
June			December	

6. ☐ An explanation of the methodology used to determine the estimates of the energy delivered.

iv. If the proposed renewable project is solar, the following information must be included:

1. ☐ Description of the system details and the estimated useful life of the significant plant components, and the expected capacity factor degradation over the term of the RES Contract, if applicable.

2. Estimate of expected annual energy output (in MWh)_____

3. Estimates of the expected hourly energy output for an average day in each month (in MWh)

Month	Avg. Hourly Output (MWh)		Month	Avg. Hourly Output (MWh)
January			July	
February			August	
March			September	
April			October	
May			November	
June			December	

4. ☐ An explanation of the methodology used to determine the estimates of the energy delivered.

7. Evidence of progress toward all approvals and permits

a. Proponents must have notified the relevant local municipality (or municipalities) or planning authority (or planning authorities) of their project in writing.

i. ☐ Written notification delivered to the relevant local municipality (or municipalities) or planning authority (or planning authorities) of the Proponent's project is enclosed.

b. With respect to the impact of projects on the electricity system, Proponents must have initiated the appropriate assessments, and must provide the associated documentation. Specifically, details of the required assessments are described in Section III.E.7.b. In relation to these requirements, Proponents are required to submit the following, if required by the aforementioned specifications in connection with the facility:

System Impact Assessment (by the IMO)

i. ☐ An executed copy of the System Impact Assessment (SIA) Agreement between the Proponent and the IMO for the proposed project is enclosed.

ii. ☐ An executed copy of a Non-Disclosure Agreement between the IMO and the consultant retained by the Proponent to perform system impact assessment studies.

iii. ☐ A copy of the Scope of Study developed by the IMO which specifies the system impact studies to be performed by the Proponent's consultant.

Customer Impact Assessment (by the Transmitter)

i. ☐ An executed copy of a "Preliminary Study Agreement" between the Proponent and the transmitter for the "Preliminary Customer Impact Assessment" for the proposed project.

ii. ☐ A copy of the completed application form accepted by the transmitter as complete for a "Preliminary Customer Impact Assessment".

iii. ☐ A copy of the Scope of the Study, identifying transmitter's requirements for the "Preliminary Customer Impact Assessment", specified by the transmitter and added to the IMO's Scope of the Study.

Connection Impact Assessment (by the distributor)

i. ☐ An executed copy of the "Preliminary Study Agreement" between the Proponent and the distributor for the proposed project.

ii. ☐ A copy of the completed application form accepted by the distributor as complete for a "Preliminary Connection Impact Assessment".

8. Costs for certain additions or modifications to the transmission and distribution system

Pursuant to Section III.E.7.c, Proponents are to provide the following information:

a. ☐ Estimate of the costs for improvements or modifications to the existing facilities of the relevant transmitter is enclosed.

i. Description of cost estimate:

_____
_____
_____
_____
_____
_____
_____

b. ☐ Estimate of the costs for improvements or modifications to the existing facilities of the relevant distributor is enclosed.

i. Description of cost estimate:

_____
_____
_____
_____
_____
_____
_____

c. ☐ Estimate of the costs for any new dedicated radial facilities that may be required is enclosed.

i. Description of cost estimate:

_____
_____
_____
_____
_____
_____
_____

9. Documentation relating to environmental assessments

Pursuant to Sections III.D.5 and III.E.8, Proponents are to provide the following information:

a. Classification of proposed project according to the Ontario Ministry of the Environment's "Guide to Environmental Assessment Requirements for Electricity Projects" dated March 2001 as referred to in O. Reg. 116/01 to the *Environmental Assessment Act* (Ontario) entitled "Electricity Projects". Choose one of the following:

i. ☐ Category A

ii. ☐ Category B

iii. ☐ Category C

b. ☐ If the project is within Category B, a copy of the "Notice of Commencement of a Screening" that has been prepared and published, is enclosed.

c. ☐ If the project is within Category C, a copy of the "Terms of Reference" submitted to the Ministry of Environment is enclosed.

10. Schedule of major project milestones

MILESTONE EVENT	MILESTONE DATE (mm/dd/yyyy)
Obtaining Project and Site Approvals, and Permitting	
Completion of Connection assessments (including receipt of approvals from the IMO, the transmitter, and distributor, as applicable.)	
Financial Closing	
Equipment Order	
Equipment Delivered	
Commencement of Construction	
Completion of Construction	
Connection of facility to the transmission or distribution system	
Commercial Operation	

11. Evidence of Proponent Team's prior experience

Proponents must describe the experience (as defined in Section III.E.10) that members of its Proponent Team collectively have in each of the planning, development, construction, and operating functions in relation to at least one (1) generating facility, other than the proposed Renewable Generating Facility, which entered into commercial operation, by filling in the following table for each of the following areas of experience: Planning, Development, Constructing, and Operating.

Name of member of Proponent Team:
Area of Experience:
Name of generating facility relating to said Experience:
Length of Experience:
Description of Experience:

APPENDIX D: FINANCIAL QUESTIONNAIRE

1. Complete description of the financing plan of the project

a. Using the table below for each source of financing, funding or credit support, set out all sources of current and future financing, funding or credit support for the project, including the names of all sources and amounts of debt, equity and other funds. Loans from affiliated entities, project partners, and loans that are subordinated to the primary or senior project financing should be reported as equity.

Name of Entity providing Financing:
Type of Financing [i.e. equity, debt, or other (if other, describe source)]:
Amount of Funds to be Provided:

b. State the total amount of financing provided from each of equity, debt, and other sources, and the total amount of financing for the project, based on the information set out in question 1.a. above.

_____
_____
_____
_____

2. If, and to the extent that, equity is a source of financing for the proposed project, the Proponent shall provide a commitment letter from each equity provider stating its agreement in principle to put its equity in place by the milestone date for financial closing, and the amounts of its equity contribution. In the event that the equity structure of the Proponent is in place, the Proponent must submit a letter from each equity provider confirming that its equity is in place and the amount of its equity contribution.

i. ☐ Commitment letters from equity providers proposing to provide equity and letters from actual equity providers are enclosed.

3. If, and to the extent that, equity is a source of financing of the proposed project, then:

a. Check one of the following:

i. ☐ For projects of 4.0 MW or less of RES Contract Capacity, one or more equity provider(s) accounting for 35% or more of total project equity each has a Tangible Net Worth of at least $2,000,000; or

ii. ☐ For projects of more than 4.0 MW of RES Contract Capacity, one or more equity provider(s) accounting for 35% or more of total project equity each has a Tangible Net Worth of at least $500,000/MW of RES Contract Capacity.

b. Provide the following information:

i. Name of all equity provider(s) accounting for 35% or more of total project equity and having a Tangible Net Worth which satisfies the applicable criteria set out in questions 3.a.i and 3.a.ii of this Financial Questionnaire.
_____

ii. For each such equity provider named in question 3.b.i. of this Financial Questionnaire, list:

(A) Percentage of total project equity held:_____

(B) Tangible Net Worth of equity provider (in $):_____

(C) If the equity provider has an Investment Grade Credit Rating, provide all available credit ratings which satisfy the minimum Investment Grade Credit Rating requirement from the following agencies: Standard and Poors Rating Services (S&P), Moody's Investors Services Inc. (Moody's), Dominion Bond Rating Service Limited (DBRS), and Fitch IBCA if applicable: _____
_____
_____. If the equity provider does not have an Investment Grade Credit Rating, then provide one of the following:

i. ☐ A confirmation letter from a financial institution evidencing the financial ability of such equity provider to fund its equity contribution; or

ii. ☐ Audited annual reports or financial statements of the equity provider relating to its cash flow from operations for the past three (3) years. If audited annual reports or financial statements are not available, then an officer of the equity provider must confirm, to the best of his or her knowledge, that such financial statements present fairly, in all material respects, the financial position of the equity provider in conformity with generally accepted accounting principles in Canada or the United States. Also, an officer of the equity provider must confirm, to the best of his or her knowledge, that there are no facts or circumstances that would materially adversely affect the equity provider's operating revenues from cash flow as set out in the annual reports or financial statements described above.

4. If, and to the extent that, the financing plan specifies that debt is a source of financing, provide a commitment letter from each lender stating its agreement in principle to provide the necessary debt financing for the project by the milestone date for financial closing, and the amount of its proposed loan.

i. ☐ Commitment letters for all lenders enclosed.

ii. For each lender, describe lender type, and list credit rating if requested below:

(A) ☐ Financial institution listed in Schedule I or II of the *Bank Act* (Canada)

(B) ☐ For a financial institution not listed in Schedule I or II of the *Bank Act* (Canada), list credit rating of such lender _____

(C) ☐ If lender is not a financial institution, list credit rating of such lender _____

5. If, and to the extent that, the financing plan specifies that a source of financing for the proposed project other than equity, provide a commitment letter from each such source of financing stating its agreement in principle to provide such financing by the milestone date for financial closing, and the amount of its proposed financial contribution.

i. ☐ Commitment letters from all sources of non-debt or equity financing are enclosed.

APPENDIX E: PROPOSAL PRICE STATEMENT

This Proposal Price Statement is to declare the Proponent's Proposal Price. Proponents must submit their Proposal Price in a separate, sealed, opaque envelope as described in Section III.I of the Renewables RFP. It will only be unsealed and viewed if the Proponent's Proposal is determined to be complete (Stage 1) and meets the technical and financial requirements (Stage 2).

A Proposal Price is a price expressed in Canadian Dollars per MWh that includes, without limitation, the cost of energy from the Renewable Generating Facility and all development (including obtaining required permits and approvals), construction, financing, operations, maintenance and capital improvement costs for the project, including those related to connecting the facility to the IMO-controlled grid or to a local distribution system, as applicable. The Proposal Price shall be exclusive of applicable GST and PST payable by the Buyer in respect of the energy and Related Products purchased under the RES Contract.

The Proposal Price must be entered precisely in numeric form using all of the boxes provided below without further information, condition, or qualification whatsoever in the Proposal. **Prospective Proponents are advised that any deviation from this required format whatsoever, including the provision of a price range, conditional price, qualified price, or an incomplete price, shall result in disqualification of the Proposal**.

Proposal Price: $□□□.□□/MWh

APPENDIX F: PROPOSAL SECURITY (LETTER OF CREDIT FORM)

DATE OF ISSUE:	**[Insert Date]**
APPLICANT:	**[Insert Proponent's Name]**
BENEFICIARY:	Ontario Electricity Financial Corporation (or, Ontario Power Authority, if created)
AMOUNT:	●
EXPIRY DATE:	**[Insert Expiry Date, being a minimum of six (6) months after the Proposal Submission Deadline]**
EXPIRY PLACE:	Counters of the issuing financial institution
CREDIT RATING:	**[Insert credit rating only if the issuer is not a financial institution listed in either Schedule I or II of the *Bank Act*]**
TYPE:	Irrevocable and Unconditional Standby Letter Of Credit
	Number:

We hereby authorize you to draw on **[insert name of Bank and Bank's address]** in respect of irrevocable and unconditional standby letter of credit No. ● (the "Credit"), for the account of the Applicant up to an aggregate amount of $? (Canadian dollars) available by your drafts at sight, accompanied by the Beneficiary's signed certificate stating that:

> "[The Applicant has made a material misrepresentation in the Proposal,] or [the Applicant, whose Proposal has been selected and accepted by the Beneficiary, has failed to sign the RES Contract within ten (10) Business Days of the date on which the Applicant was given the final RES Contract to sign,] and therefore the Beneficiary is entitled to draw upon the Credit in the amount of the draft attached hereto." [as applicable]

Drafts drawn hereunder must bear the clause "Drawn under irrevocable and unconditional Standby Letter of Credit No. **[insert number]** issued by **[the bank]** dated **[insert date]**".

This Credit is issued in connection with the Request for Proposals for 300 MW of Renewable Energy issued by the Ministry of Energy (Ontario) dated June 24, 2004 (the "Renewables RFP") and the Proposal dated **[insert date of proposal]** submitted by the Applicant in response thereto (the "Proposal").

We engage with you that all drafts drawn under, and in compliance with the terms of this Credit will be duly honored, if presented at the counters of **[insert the bank and bank's address**] at or before 5:00 p.m. (**EST)** on **[insert the expiry date]**.

It is a condition of this Credit that if there should be an interruption of the issuing bank's business upon the expiry date, arising out of any of the circumstances provided for in Article 17 of to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, this Credit shall automatically be extended to the first following day on which the issuing bank resumes business. This Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500. This Credit shall be governed by and construed in accordance with the laws of the Province of Ontario, without regard to principles of conflict of laws. The place of jurisdiction shall be the Courts of the Province of Ontario.

[BANK OR QUALIFIED FINANCIAL INSTITUTION]

By: _____

Authorized Signatory

APPENDIX G: PROPOSAL SECURITY (BID BOND FORM)

BID BOND

Bond No.: ●

Bond Amount: $(●)

[Insert Proponent's name] as Principal, hereinafter called the Principal, and **[insert Surety's name]** a corporation created and existing under the laws of **[insert originating jurisdiction]** and duly authorized to transact the business of Suretyship in the Province of Ontario as Surety, hereinafter called the Surety, are held and firmly bound unto Ontario Electricity Financial Corporation [or the Ontario Power Authority, if created] as Obligee, hereinafter called the Obligee, in the amount of ●/100.00 Dollars ($●) of lawful money of Canada, for the payment of which sum the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has submitted a written proposal to the Obligee dated the **[insert date of Proposal]**, hereinafter called the Proposal, for the development and operation of a renewable generating facility in the Province of Ontario to generate and supply electricity, in response to a Request for Proposals for 300 MW of Renewable Energy issued by the Ministry of Energy (Ontario) dated June 24, 2004 as amended, hereinafter called the Renewables RFP.

> The condition of this obligation is that the Principal has made a material misrepresentation in its Proposal, or the Principal, whose Proposal has been selected and accepted by the Obligee, has failed to sign the RES Contract (as that term is defined in the Proposal) within ten (10) Business Days of the date on which the Principal was given the final RES Contract to sign, in which case the Principal and the Surety will pay unto the Obligee the entire amount of the Bid Bond; otherwise, this obligation shall be null and void.

The Principal and the Surety shall not be liable for a greater sum than the Bond Amount.

Any suit under this Bond must be instituted before the expiration of twelve (12) months from the date of this Bond.

No right of action shall accrue hereunder to or for the use of any person or corporation other than the Obligee named herein, or the successors or assigns of the Obligee.

The Surety confirms that as of the date of this Bond, it has a financial strength rating of A- or higher by A.M. Best in financial size category VIII or higher.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond this ● day of ●, 2004.

[PRINCIPAL]

By: _____

Name: ●

Title: ●

I have the authority to bind the Principal.

[SURETY]

By: _____

Name: ●

Title: ●

I have the authority to bind the Surety.

APPENDIX H: STATUTORY DECLARATION

PROVINCE OF ONTARIO **TO WIT**	**IN THE MATTER OF** a proposal dated ● , 2004 to which this Declaration forms an integral part (the "**Proposal**") prepared by ● (the "**Proponent**"), and submitted in response to a Request for Proposals issued by the Ontario Ministry of Energy dated June 24, 2004 regarding the supply of approximately 300 MW of energy from renewable sources (the "**Renewables RFP**")

I, ●

OF THE ●

IN THE ●

SOLEMNLY DECLARE THAT

1. I am the ● of the Proponent and as such, have knowledge of the matters declared below, and am duly authorized by the Proponent to execute this declaration. All capitalized terms used in this declaration, unless otherwise stated, have the meanings ascribed to them in the Renewables RFP.

PROPOSAL VALIDITY AND PROPOSAL SECURITY

2. All statements, specifications, data, confirmations, and information that have been set out in the Proposal, including, without limitation, the Technical and Financial Questionnaires, are complete and accurate in all material respects.

3. The Proposal is valid, irrevocable, and open for acceptance, until 5:00 P.M. (EST) on the one hundred and eightieth (180th) day after the Proposal Submission Deadline.

4. The Proponent has consented, pursuant to subsection 17(3) of the *Freedom of Information and Protection of Privacy Act* (Ontario), to the disclosure, on a confidential basis, of the Proposal by the Ministry to the Evaluation Team and the Ministry's other advisers retained for the purpose of evaluating or participating in the evaluation of the Proposal.

5. The Proponent has received and reviewed the Renewables RFP issued by the Ministry, together with any and all addenda thereto either posted on the www.ontarioelectricityrfp.ca website or mailed to the Proponent from time to time, up to and including the Deadline for Issuing Addenda on August 4, 2004.

6. The Proponent has received and reviewed the final RES Contract issued by the Ministry, together with any and all addenda thereto either posted on the www.ontarioelectricityrfp.ca website or mailed to the Proponent from time to time, up to and including the Deadline for Issuing Addenda on August 4, 2004, and has agreed to be bound by the terms of the RES Contract, including the requirement to provide the Completion and Performance Security.

7. Neither the Proponent, the proposed Renewable Generating Facility described in the Proposal, nor any member of the Proponent Team is the subject of any bona fide legal proceedings, investigation or regulatory hearings that could materially impact the financial condition of the Proponent or any of the entities involved in financing and operations for the proposed Renewable Generating Facility.

8. The Proponent has agreed that Ontario Electricity Financial Corporation (or the Ontario Power Authority, if created), as directed by the Ministry, shall be able to draw upon the full amount of the Proposal Security if the Proposal contains any material misrepresentation and/or if the Proponent, having become a Successful Proponent fails to sign the RES Contract within ten (10) Business Days of the date on which the Proponent is given the finalized RES Contract to sign.

ANTI-COLLUSION

9. In preparing the Proposal, no member of its Proponent Team has discussed or communicated any information relating to its Proposal with any other Proponent Team.

10. The Proponent:

    a. is not a member of another Proponent Team;

    b. has not coordinated its Proposal Price or any other aspect of any of the Proposal with any other Proponent;

    c. has no knowledge of the contents of a Proposal submitted by any other Proponent; and

    d. has kept and will continue to keep the Proposal confidential until the Successful Proponents are publicly announced.

11. No member of the Proponent Core Team has entered into any agreement or arrangement with any member of another Proponent Core Team, which:

    a. may result in any member of its Proponent Core Team controlling, directly or indirectly, more than 150.0 MW of RES Contract Capacity under two or more RES Contracts; and/or

b. may, directly or indirectly, affect the Proposal Price or any other aspect of the Proposal(s) submitted by the Proponent and/or such other Proponent Team.

12. No member of the Proponent Core Team has provided advice or assistance in the preparation of the Proposal(s) of any other Proponent.

13. No member of the Proponent Team who is not a member of the Proponent Core Team has provided any advice or assistance in the preparation of the Proposal(s) of any other Proponent. In the alternative, if such person has provided such advice or assistance to another Proponent Team, or if such person will be privy to information relevant to any other Proponent's Proposal(s), the Proponent has taken and/or put in place (or caused to be taken and/or put into place) appropriate measures or protections to ensure that such person does not serve as a conduit for the exchange, sharing or comparison of information relating to any Proposal between multiple Proponent Teams.

14. Only one Proposal has been entered by this Proponent for this project.

AND I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the ● of ●, in the [County/Region] of ●, on ●.	
_____	_____
Commissioner for taking affidavits	Name

APPENDIX I: CONFLICT OF INTEREST DECLARATION

PROVINCE OF ONTARIO **TO WIT**	**IN THE MATTER OF** a proposal dated ● , 2004 to which this Declaration forms an integral part (the "**Proposal**") prepared by ● (the "**Proponent**"), and submitted in response to a Request for Proposals issued by the Ontario Ministry of Energy dated June 24, 2004 regarding the supply of approximately 300 MW of energy from renewable sources (the "**Renewables RFP**")

I, ●

OF THE ●

IN THE ●

SOLEMNLY DECLARE THAT

1. I am the ● of the Proponent and as such, have knowledge of the matters declared below, and am duly authorized by the Proponent to execute this declaration. All capitalized terms used in this declaration, unless otherwise stated, have the meanings ascribed to them in the Renewables RFP.

2. There is not nor was there any actual or potential Conflict of Interest relating to the preparation of the Proposal.

[Note to Proponent: or if applicable, replace that portion of paragraph 2 above with the following:]

The following is a list of actual or potential Conflicts of Interest relating to the preparation of the Proposal or the performance of the contractual obligations contemplated in the Renewables RFP:

_____

_____

_____

_____

In submitting the Proposal, I have/have no **[Note to Proponent: strike out the inapplicable portion]** knowledge of or ability to avail ourselves of confidential information of the Crown in right of Ontario (other than confidential information which may have been disclosed by the Ministry to the Proponents in the normal course of the Renewables RFP) which is relevant to the Renewables RFP or the Proposal.

3. The following individuals, as employees, advisors, or in any other capacity (a) participated in the preparation of the Proposal; **AND** (b) were employees of the Ontario Public Service ("OPS") and have ceased that employment since April 23, 1997:

Name of Individual:
Job Classification (of last position with OPS):
Ministry/Agency (where last employed with OPS):
Last Date of Employment with OPS:
Name of Last Supervisor with OPS:
Brief Description of Individual's Job Functions (at last position with OPS):
Brief Description of Nature of Individual's Participation in Preparation of Proposal:

(Repeat above for each identified individual)

4. The Proponent has agreed that, upon request by the Ministry, the Proponent shall provide the Ministry with a Conflict of Interest Declaration from each individual identified in paragraph 3 above in the form prescribed by the Ministry.

AND I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the ● of ●, in the [County/Region] of ●, on ●.

_____
Commissioner for taking affidavits

_____
Name

APPENDIX J: TAX COMPLIANCE DECLARATION

The Government of Ontario expects Proponents to pay their provincial taxes on a timely basis. In this regard, Proponents are advised that the Government of Ontario requires a declaration from the Proponent that the Proponent's provincial taxes are in good standing.

In order to be considered for an award of an RES Contract, the Proponent must submit the following tax compliance status statement and the following consent to disclosure:

Declaration

The Proponent hereby certifies that _____

(legal name of Proponent)

at the time of submitting its Proposal is in compliance with all of the tax statutes administered by the Ministry of Finance for Ontario and that, in particular, all returns required to be filed under all provincial tax statutes have been filed and all taxes due and payable under those statutes have been paid or satisfactory arrangements for their payment have been made and maintained.

Consent to Disclosure

The Proponent consents to the Ministry of Energy releasing the taxpayer information described in this Declaration to the Ministry of Finance as necessary for the purpose of verifying that the Proponent is in compliance with all of the tax statutes administered by the Ministry of Finance.

Dated at this day of 2004.

[Proponent]

_____

Per: (authorized signing officer)

_____

(Print Name)

_____

(Title)

_____

(Phone Number) (Fax Number)

APPENDIX K: PROPOSAL RETURN LABEL

AFFIX THIS LABEL TO YOUR PROPOSAL SUBMISSION PACKAGE ENVELOPE

Prospective Proponent to complete the following:
(Full Legal Name and Address)

NAME _____

RFP No. SSB-065230

(In addition, set out name of Proponent named in the Statement of Qualifications, if different from the above)

NAME _____

ADDRESS _____

_____

PROPOSAL SUBMISSION DEADLINE:
Date: August 25, 2004
Time: 3:00:00 pm (EDT)

CONTACT _____

PHONE NO. _____

FAX NO. _____

E-MAIL ADDRESS _____

Shared Services Bureau
Strategic Procurement Branch
Tenders Office
56 Wellesley St. West, 2nd Floor
Toronto, Ontario, M5S 2S3

Attention: Renewables RFP

I. IMPORTANT INSTRUCTIONS

Proposals must be submitted in a sealed package(s) to the address indicated on the Proposal Return Label between the hours of 9:00 a.m. and 5:00 p.m. (EDT), Monday through Friday (excluding Statutory Holidays), AND NO LATER THAN THE PROPOSAL SUBMISSION DEADLINE NOTED ABOVE.

The Shared Services Bureau/Ministry of Energy does not accept responsibility for Proposal submissions directed to any location other than the Shared Services Bureau address indicated on the label above.

Failure to affix this Label to your submission envelope/ package may also result in submissions not being recognized as Proposals. This could result in your Proposal arriving late at the Tenders Office and will be deemed late, disqualified and returned to the Prospective Proponent.

Proposals received by Fax or any other kind of electronic transmission will be rejected.