

YORK REGION NON -WIRES ALTERNATIVE DEMONSTRATION PROJECT
CONTRACT FOR ENERGY AND RESERVE SERVICES (AGGREGATORS)

CONTRACT COVER PAGE Applicable Version:

1. Contract Date: Click or tap here to enter text.
2. Registration Number: Click or tap here to enter text.
3. Participant details:
 - a. Legal name: Click or tap here to enter text.
 - b. Registered address: Click or tap here to enter text.
 - c. HST Number: Click or tap here to enter text.
4. Delegate details (primary):
 - a. Name: Click or tap here to enter text.
 - b. Registered Email: Click or tap here to enter text.
 - c. Mobile phone (registered for the purposes of the Contract): Click or tap here to enter text.
 - d. Title: Click or tap here to enter text.
5. Delegate details (secondary):
 - a. Name: Click or tap here to enter text.
 - b. Registered Email: Click or tap here to enter text.
 - c. Mobile phone (registered for the purposes of the Contract): Click or tap here to enter text.
 - d. Title: Click or tap here to enter text.
6. Aggregator DER details (the “Contracted DER”)
 - a. Permitted Resource category: Click or tap here to enter text.
 - b. DER Capacity: Click or tap here to enter text.
 - c. Local Capacity Obligation: Click or tap here to enter text.
 - d. Is the Local Reserve Obligation applicable? Yes
No
 - e. Local Reserve Obligation (if applicable) Click or tap here to enter text.

Exhibit F applies: Yes
No

**NON -WIRES ALTERNATIVE CONTRACT FOR ENERGY AND RESERVE SERVICES
(AGGREGATORS)**

THIS CONTRACT is entered into on the ____ day of _____ 202__ between Alectra and the Participant.

WHEREAS on September 14th, 2020 Alectra, as the acting DSO, and the IESO launched the Demonstration to explore how Distributed Energy Resources can be used as non-wires alternatives to meet local and province-wide electricity system needs;

AND WHEREAS the Participant has User Rights to the Contributor DERs comprising the Contracted DER, which Contracted DER cleared the Local Capacity Auction in accordance with the Rules and is obligated to provide during the Commitment Period: (i) energy services to meet local and province-wide electricity needs by participating in the Local Energy Auctions ~~during the Commitment Period, and (ii) if applicable, operating reserve services to exclusively meet local electricity needs by participating in the Local Reserve Auctions;~~

AND WHEREAS the Participant and the DSO wish to execute this Contract in order to formalize the contractual arrangements for the Participant to operate the Contracted DER during the Commitment Period on the terms and conditions set out herein;

NOW THEREFORE, in consideration of the mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

SCHEDULE 1 - GENERAL TERMS & CONDITIONS

TABLE OF CONTENTS

ARTICLE 1 – INTERPRETATION 8

1.1 Definitions 8

1.2 Headings and table of contents..... 8

1.3 Number..... 8

1.4 Currency..... 8

1.5 Time 8

1.6 Laws and regulations..... 8

1.7 Extended meaning..... 8

1.8 Invalidity or unenforceability of provisions 9

1.9 Exhibits..... 9

ARTICLE 2 – REPRESENTATIONS 10

2.1 Representations and Warranties of the Participant..... 10

2.2 Representations of the Participant regarding the Contracted DER and Contributor DERs 11

2.3 Covenants of the Participant..... 12

2.4 Representations of the DSO 13

ARTICLE 3 – OBLIGATIONS DURING THE FORWARD PERIOD..... 14

3.1 Completion Security..... 14

3.2 Supplemental Registration 14

3.3 Liquidated Damages..... 14

3.4 Submission of Bids/Offers ahead of Commitment Period 14

ARTICLE 4 – COMMITMENT PERIOD OBLIGATIONS..... 14

4.1 Local Capacity Obligation..... 14

4.2 Bid/Offer submissions..... 15

4.3	Standby Notices.....	15
4.4	Activation Notices.....	15
4.5	Obligation to Deliver Energy or Reduce Energy.....	15
4.6	Representations	16
4.7	Performance Exemptions	16
4.8	Non-performance.....	16
ARTICLE 5 – METERS AND SETTLEMENT		16
5.1	Meter Data.....	16
5.2	Payment obligations	16
5.3	Amount of Monthly Payment.....	17
5.4	Statement.....	17
5.5	Payment.....	17
5.6	Adjustment	17
ARTICLE 6 – OUTAGE MANAGEMENT		17
6.1	Planned Outages.....	17
6.2	Forced Outages.....	18
6.3	Failure to provide Notice.....	18
6.4	Updating of Bids/Offers	18
6.5	Payments during Outages.....	18
6.6	Record Keeping.....	19
ARTICLE 7 – TEST ACTIVATIONS.....		19
7.1	Test Activations.....	19
7.2	Outages and Force Majeure.....	19
7.3	Test Activation Payment	19
7.4	Failure to complete.....	19
ARTICLE 8 – CONTROL GROUP and CHANGES TO CONTRIBUTOR LIST.....		20

8.1	Control Group.....	20
8.2	Change Requests	20
8.3	Replacement Contributor DER Eligibility	20
8.4	Approval.....	20
8.5	Removal of Contributor DERs	20
ARTICLE 9 – CONTRACT OPERATION AND ADMINISTRATION		21
9.1	Participant Representative	21
9.2	Record retention	21
9.3	Audit rights.....	21
9.4	Inspection of the DER	21
9.5	Inspection not waiver	22
9.6	Notices.....	22
ARTICLE 10 – EVENTS OF DEFAULT.....		22
10.1	Participant Events of Default	22
10.2	Remedies of the DSO	24
10.3	Immediate termination	24
10.4	DSO Events of Default.....	24
10.5	Remedies of the Participant.....	24
10.6	Remedies non-exclusive.....	25
ARTICLE 11 – FORCE MAJEURE.....		25
11.1	Force Majeure event.....	25
11.2	Exclusions	26
11.3	COVID-19 pandemic	26
11.4	Invoking Force Majeure	26
11.5	Effect of invoking Force Majeure	27
ARTICLE 12 – TERM AND TERMINATION		28

12.1	Term	28
12.2	Termination	28
ARTICLE 13 – CONFIDENTIALITY		28
13.1	Confidential Information	28
13.2	Notice Preceding Compelled Disclosure.....	29
13.3	Return of Confidential Information.....	29
13.4	Injunctive and Other Relief	29
13.5	Privacy Legislation.....	30
ARTICLE 14 – INDEMNIFICATION AND LIABILITY.....		30
14.1	Indemnification	30
14.2	Defence of Claims	30
14.3	Limitations of liability.....	31
14.4	Liquidated damages.....	31
ARTICLE 15 – DISPUTE RESOLUTION		31
15.1	Informal dispute resolution	31
15.2	Arbitration	32
15.3	Appointment and Powers of Arbitrator	32
15.4	Arbitration Procedure	32
15.5	Arbitrator's Decision and Appeal	32
15.6	Preclusion of Actions	32
15.7	Class Arbitration.....	33
ARTICLE 16 – MISCELLANEOUS		33
16.1	Applicability of Rules	33
16.2	Entire agreement.....	33
16.3	Survival	34
16.4	Amendment, Waiver	34

16.5	Assignment.....	34
16.6	Successors and assigns	34
16.7	Further assurances	35
16.8	Severability.....	35
16.9	Governing law	35
16.10	Third party beneficiaries	35
16.11	Time of the essence	35
16.12	Preparation of agreement.....	35
16.13	Counterparts and electronic signatures.....	35

ARTICLE 1 – INTERPRETATION

1.1 Definitions

Capitalized terms shall have the meaning ascribed to them in *Exhibit A – Defined Terms* unless otherwise noted.

1.2 Headings and table of contents

The inclusion of headings and a table of contents in this Contract are for convenience of reference only and shall not affect the construction or interpretation of this Contract.

1.3 Number

In this Contract, unless the context otherwise requires, words importing the singular include the plural and vice versa.

1.4 Currency

Except where otherwise expressly provided, all amounts in this Contract are stated, and shall be paid, in the lawful currency of Canada.

1.5 Time

- (a) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by including the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.
- (b) Any reference to time in this Contract is a reference to the 24-hour clock and with reference to the Platform, shall be read to the millisecond (HH:MM:SS:mm).
- (c) Daylights savings will not be observed for the purposes of this Contract and references to time are in Eastern ~~Standard~~Daylight Time (~~EST~~EDT).

1.6 Laws and regulations

Unless otherwise expressly stipulated, any reference in this Contract to a statute or to a regulation, code or rule promulgated under a statute or to any provision of a statute, regulation, code or rule or to any other Laws shall be a reference to the statute, regulation, code, rule, provision or Laws as amended, re-enacted or replaced from time to time.

1.7 Extended meaning

- (a) ~~Any~~Unless otherwise stated, any reference to the DSO's discretion in this Contract shall mean the DSO's sole and absolute discretion, which discretion shall be exercised in good faith by the DSO.
- (b) Reference to the "Contracted DER" in this Contract refers to the Aggregator DER identified on the Cover Page.

- (c) Unless otherwise noted, any reference to a “Contributor DER” in this Contract refers to a Contributor DER that is on the Contributor List, whether as part of the Control Group or the Treatment Group.

1.8 ~~Invalidity or~~ unenforceability or inapplicability of provisions

- (a) ~~if any provision of this Contract is invalid or unenforceable then:~~ a provision is considered to be invalid or unenforceable, then the Party considering such provision to be invalid or unenforceable may propose, by notice in writing to the other Party, a replacement provision and the DSO and the Participant and, at the DSO’s discretion, those Other Participants that are required by the DSO to participate, shall engage in good faith negotiations to replace such provision with a valid and enforceable provision, the economic effect of which substantially reflects that of the invalid or unenforceable provision which it replaces;
- (b) ~~if~~ any index or price quotation referred to in this Contract ceases to be published, or if the basis therefor is changed materially, then the DSO and the Participant and, at the DSO’s discretion, all of those Other Participants that are required by the DSO to participate, shall engage in good faith negotiations to substitute an available replacement index or price quotation that most nearly, of those then publicly available, approximates the intent and purpose of the index or price quotation that has so ceased or changed and this Contract shall be amended as necessary to accommodate such replacement index or price quotation;
- (c) ~~if~~ a Party does not believe that a provision is invalid or unenforceable, or that the basis for an index or price quotation has changed materially, or ceases to be published, or if the negotiations set out in Section 1.9(a) or Section 1.9(b) are not successful and the Parties are unable to agree on all such issues and any amendments required to this Contract (the “**Replacement Provision(s)**”) within thirty (30) days after either the giving of the notice under Section 1.9(a) or the occurrence of the event in Section 1.9(b), then the Replacement Provision(s) shall be determined in accordance with Section ~~15.6~~14.6 (Class Arbitration); and
- (d) the terms of this Contract shall be amended either:
 - (i) by the agreement of the Parties, where no award of an Arbitrator has been made pursuant to Section 1.9(c); or
 - (ii) by the Arbitrator in accordance with Section 15.6 (Class Arbitration).

1.9 Exhibits

The following Exhibits are attached to and form part of this Contract:

- (a) Exhibit A – Defined Terms
- (b) Exhibit B – Form of Officer’s Certificate
- (c) Exhibit C – Settlement

- (d) Exhibit D – Demand Response Baseline
- (e) Exhibit E – Form of Notice of Disagreement
- (f) Exhibit F – Additional Terms (if applicable in the discretion of the DSO)

ARTICLE 2 – REPRESENTATIONS

2.1 Representations and Warranties of the Participant

The Participant represents and warrants to the DSO as follows, which representations and warranties are given as of the Contract Date and shall continue to be true at all times during the Term:

- (a) To the best of its knowledge and belief, having made all due inquiry into the applicable requirements the Participant satisfies the eligibility requirements set out in Section 2.3.1 of the Rules and the Participant is not ineligible under Section 2.3.2 of the Rules (where reference to the Registrant shall be deemed to be a reference to the Participant for the purposes of this Section 2.1(a)).
- (b) This Contract has been duly authorized, executed and delivered by the Participant and is a valid and binding obligation of the Participant enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other Laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (c) The execution and delivery of this Contract by the Participant and the consummation of the transactions contemplated by this Contract will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the termination, cancellation or acceleration of any material obligation of the Participant under:
 - (i) any contract or obligation to which the Participant is a party or by which it or its assets may be bound, except for such defaults or conflicts as to which requisite waivers or consents have been obtained;
 - (ii) the articles, by-laws or other constating documents or resolutions of the directors or shareholders of the Participant;
 - (iii) any judgment, decree, order or award of any Governmental Authority or arbitrator;
 - (iv) any licence, permit, approval, consent or authorization held by the Participant; or
 - (v) any Laws;that could have a Material Adverse Effect on the Participant.
- (d) There are no actions, suits, proceedings, judgments, rulings or orders by or before any Governmental Authority or arbitrator, or, to the knowledge of the Participant, threatened against the Participant or any Contributor, that could have a Material Adverse Effect on the Participant.

- (e) All requirements for the Participant to make any filing, declaration or registration with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to entering into this Contract have been satisfied.
- (f) The Participant and each Contributor is in compliance with all Laws, other than acts of noncompliance which, individually or in the aggregate, would not have a Material Adverse Effect on the Participant.
- (g) The Participant is not a non-resident of Canada for the purposes of the ITA.
- (h) With respect to each Contributor DER, after due inquiry, including inquiry made pursuant to any environmental assessment that may have been required as part of the permitting and approvals process for the Contributor DER by a Governmental Authority, the Participant is not aware of any opposition to the development or the operation of a Contributor DER (carried out in such a manner to allow the Participant meet its obligations under this Contract) from Indigenous governments or organizations.
- (i) The Participant, or any third party engaged by the Participant for the purposes of fulfilling the Participant's obligations under this Contract, has all of the requisite resources, skill, experience, and qualifications to participate effectively and perform its obligations under this Contract in a professional and workmanlike manner, in accordance with generally recognized industry standards for similar services.
- (j) The Participant has not directly or indirectly engaged or attempted to engage in conduct, alone or with another person, that the Participant knows, or ought reasonably to know:
 - (i) exploits any of the Local Energy [Auctions or Local Reserve](#) Auctions conducted during the Commitment Period, including by, without limitation, exploiting any gap or defect in the Rules or Contract;
 - (ii) circumvents any of the Rules or the Contract;
 - (iii) manipulates any of the Local Energy [Auctions or Local Reserve](#) Auctions, including by, without limitation, manipulating the determination of the Local Energy Price for an Activation Hour [or the Local Reserve Price for a Reserve Hour](#);
 - (iv) undermines through any means the ability of the DSO or the IESO to carry out its powers, duties or functions under Laws or the Rules; or
 - (v) interferes with the determination of a market price or dispatch outcome by competitive market forces.

2.2 Representations and warranties of the Participant regarding the Contracted DER and Contributor DERs

The Participant represents and warrants to the DSO as follows, which representations and warranties shall be effective as of the date the Supplemental Registration is completed or the Contract Date, whichever is later, and which representations and warranties, once effective, shall be true and correct for the Term:

- (a) The information contained on the Cover Page is true and correct.
- (b) To the best of its knowledge and belief, having made all due inquiry into the applicable requirements, the Contracted DER satisfies the eligibility requirements set out in Section 2.4.1(b) of the Rules.
- (c) To the best of its knowledge and belief, having made all due inquiry into the applicable requirements, each Contributor DER satisfies the eligibility requirements set out in Section 2.4.1(a) of the Rules and each Contributor DER is not ineligible under Section 2.4.2 of the Rules.
- (d) The DER Capacity of the Contracted DER is greater than or equal to: (i) the Local Capacity Obligation assigned to it and, (ii) if applicable, the Local Reserve Obligation assigned to it.
- (d) It has User Rights to each Contributor DER.
- (e) With respect to a Contracted DER that is one of the following Permitted Resource categories only: Demand Response Resource (C&I), ~~Gas-fired~~Thermal Generation Resource or a Storage Resource, each Contributor DER has been designed and built using Good Engineering & Operating Practices and meets all relevant requirements of the Distribution System Code, the Connection Contract (if applicable) and all other Laws, and further, that the Contracted DER has been designed, engineered and constructed such that it can operate in accordance with the requirements of this Contract.
- (f) Each Contributor has made all reasonable inquiries into requirements to obtain any applicable approvals, including environmental assessments, required for its Contributor DER pursuant to all Laws.
- (g) All statements, specifications, data, confirmations, and information that have been set out in the Registration and Capacity Offer are complete and accurate in all material respects and are hereby restated and reaffirmed by the Participant as representations made to the DSO hereunder and there is no material information omitted from the Registration or the Capacity Offer which makes the information in the Registration or Capacity Offer misleading or inaccurate.

2.3 Covenants of the Participant

The Participant covenants as follows:

- (a) It shall, ~~within five (5) Business Days of completion of the Supplemental Registration via the Platform, and~~ no later than five (5) Business Days of the last day of the Supplemental Registration Period, provide an officer's certificate in the form attached hereto as *Exhibit B – Form of Officer's Certificate* attesting to the accuracy and completeness of the representations contained in Section 2.1 and Section 2.2 above as of the date of the aforementioned certificate.
- (b) The Participant hereby agrees to be bound by and to comply with all of the provisions of the Rules so far as they are applicable to the Participant, including without limiting the generality of the foregoing, the provisions of Sections 6, 7, 8, 9, 10 and 11 of the Rules.

- (c) Except in accordance with Article 8 (Control Group and changes to Contributor List), the Participant shall at no time following the submission of the Supplemental Registration, modify, vary, or amend in any material respect any of the features or specifications of the Contracted DER, or any aspect of the Contracted DER such that the information provided in the Registration or the Cover Page is no longer correct or complete, without obtaining the prior written consent of the DSO, which consent may be withheld by the DSO in its discretion.
- (d) In the event any Contributor has entered into an agreement with an electricity retailer with respect to its Contributor DER, such Contributor shall have obtained from the electricity retailer a duly executed Electricity Retailer Waiver in respect of the Contributor DER and the Participant shall have delivered a copy of such waiver to the DSO.
- (e) During the Term, the Participant is responsible for monitoring, reading and, where required, responding to, all Notices sent by the DSO in accordance with Section [9.68.6](#) (Notices) hereunder and the Participant agrees that it shall access the Platform as reasonably required in order to meet such obligation and under no circumstances will the DSO be responsible for a failure by the Participant to monitor, read and respond to Notices successfully sent by the DSO in accordance with Section [9.68.6](#) (Notices).
- (f) The Participant shall obtain and maintain insurance during the Term covering such risks and in such amount as a prudent operator would maintain; and to provide evidence thereof to the DSO upon request; and to indemnify, defend and hold the DSO harmless in respect of any failure by it to do so.
- (g) The Participant shall assume all risk, liability and obligation and indemnify, defend and hold harmless the Indemnitees in respect of all actions, causes of action, suits, proceedings, claims, demands, losses, damages, penalties, fines, costs, obligations and liabilities arising out of a discharge of any contaminant into the natural environment at or related to each Contributor DER and any fines or orders of any kind that may be levied or made in connection therewith pursuant to the *Environmental Protection Act* (Ontario), the *Water Resources Act* (Ontario), or the *Dangerous Goods Transportation Act* (Ontario), or other similar legislation whether federal or provincial except to the degree that such discharge shall have been due to the negligence of the Indemnitees.
- (h) The Participant shall comply, in all material respects, with all Laws required to perform or comply with its obligations under this Contract, and the Participant shall take all Commercially Reasonable Efforts to ensure that each Contributor complies, in all material respects, with all Laws required to perform the obligations of Contributor DERs under this Contract.

2.4 Representations of the DSO

The DSO represents to the Participant and acknowledges that the Participant is relying on such representations in entering into this Contract, that this Contract has been duly authorized, executed and delivered by the DSO and is a valid legal and binding obligation of the DSO enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

ARTICLE 3 – OBLIGATIONS DURING THE FORWARD PERIOD

3.1 Completion Security

- (a) In the event the Participant has not completed the Supplemental Registration for the Contracted DER prior to the Contract Date, the Participant shall post the Completion Security as of the Contract Date, which Completion Security shall be maintained as security for the performance of the Participant's obligations under this Contract with respect to completion of the Supplemental Registration for the Contracted DER.
- (b) If required in accordance with Section 3.1(a), the Participant acknowledges and agrees that the Auction Deposit for the Contracted DER will be exchanged for the Completion Security and consents to the retention of such funds by the DSO in order to fulfill its obligation to provide the Completion Security, and the DSO accepts and acknowledges such exchange as the valid performance by the Participant of its obligation to provide Completion Security.
- (c) Any interest earned by the DSO on any Completion Security provided to the DSO shall be for the account of the DSO and the Participant shall not have any right to such interest.

3.2 Supplemental Registration

The Participant acknowledges and agrees that, in the event the Supplemental Registration is not completed as of the Contract Date, it will complete the Supplemental Registration for the Contracted DER within the Supplemental Registration Period, and that failure to complete the Supplemental Registration by such date will be considered a Participant Default and may result in the termination of this Contract.

3.3 Liquidated Damages

In the event a Participant fails to complete the Supplemental Registration for the Contracted DER within the Supplemental Registration Period or, following submission of the Supplemental Registration, the DSO determines that the Contracted DER fails to meet the eligibility criteria set out in Section 2.4.1(b) of the Rules, the Contributor DER fails to meet the eligibility criteria set out in Section 2.4.1(a) of the Rules or is ineligible under Section 2.4.2 of the Rules, all as determined by the DSO in its discretion, the Participant shall pay to the DSO as liquidated damages and not as penalty, a sum of money equal to the Completion Security.

3.4 Submission of Bids/Offers ahead of Commitment Period

Participants may, but shall not be obligated to, submit their Bids/Offers for the Contracted DER for the first Local Energy [Auction and Local Reserve](#) Auction as of the Bid/Offer Submission Start Date, and may submit or amend such Bids/Offers at any time up to and during the Commitment Period except during the hours of 09:00 ~~EST~~[EDT](#) to 10:00 ~~EST~~[EDT](#) of a Standby Day.

ARTICLE 4 – COMMITMENT PERIOD OBLIGATIONS

4.1 Local Capacity Obligation [and Local Reserve Obligation](#)

- (a) The Parties acknowledge that, prior to the Commitment Period, the Participant shall not have an obligation to be available to provide ~~capacity~~ [Local Capacity or Reserve](#) or cause

the Contracted DER to Reduce Energy (in the event the Contracted DER is a Demand Response Resource) or Deliver Energy (in the event the Contracted DER is a ~~Gas-fired~~Thermal Resource or a Storage Resource).

- (b) As of the Commitment Period Start Time, the Contracted DER shall be available to meet its Local Capacity Obligation and if applicable, Local Reserve Obligation.
- (c) The Participant will, prior to the Commitment Period Start Time and for the remainder of the Commitment Period unless otherwise exempt pursuant to the terms of this Contract, have registered, for each hour of the Availability Window, (i) a Bid or Offer (Energy) for the Contracted DER in the Local Energy Auction ~~for each hour of the Availability Window, and (ii) if the Local Reserve Obligation is applicable, an Offer (Reserve) in the Local Reserve Auction~~. Such Bids/Offeres shall remain applicable to each subsequent Availability Window as standing Bids/Offeres until amended by the Participant in accordance with Section ~~4.2~~6.6 (Bid/Offer Submission) of the Rules.

4.2 Bid/Offer submissions

All Bids/Offeres shall be in the form prescribed by Section 6.4 (Bid/Offer Format) of the Rules and must comply with the parameters prescribed by the Platform.

4.3 Standby Notices

The DSO may issue a Standby Notice to the Participant on a Standby Day in accordance with Appendix E (Activation ~~& DLMP Mechanism~~and Scheduling) of the Rules.

4.4 Activation Notices & Reserve Notices

- (a) Following the issuance of a Standby Notice (other than a Standby Notice issued solely with respect to a Test Activation or a Test Deployment) to the Participant, an Activation Notice or a Reserve Notice or both, may, in accordance with Appendix E (Activation ~~& DLMP Mechanism~~and Scheduling) of the Rules, be issued for the Contracted DER, which Activation Notice or Reserve Notice will indicate the Quantity Activated for each DER Activation Hour or the Quantity Reserved for each DER Reserve Hour, respectively.
- (b) Up to a maximum of one (1) Activation Notice and one (1) Reserve Notice may be issued in accordance with this Section 4.4 during an Activation Day for the Contracted DER for a minimum of one (1) DER Activation Hour ~~for a maximum of four or one (4) consecutive~~DER Reserve Hour, provided however that under no circumstances shall the total aggregate of the DER Reserve Hours and DER Activation Hours exceed four (4) hours in a single Availability Window.
- (c) The total number of aggregate Activation Notices and Reserve Notices issued to a Participant during the Commitment Period, which for clarity, exclude Test Activation Notices and Test Deployment Notices, shall not exceed ten (10), and the total aggregate DER Activation Hours and DER Reserve Hours for the Contracted DER shall not exceed forty (40) hours for the Commitment Period.

4.5 **Obligation to Deliver ~~Energy~~ or Reduce Energy**

Subject to Section ~~4.7~~4.8 (Performance Exemptions), the Participant is obligated to cause the Contracted DER to Deliver Energy or Reduce Energy, as applicable, in accordance with any Activation Notice that is issued by the DSO via the Platform for the Contracted DER, which Activation Notice shall be time stamped upon issuance.

4.6 **Obligation to Deliver or Reduce Energy during a Contingency**

- (a) In the event of a Contingency on an Activation Day, provided the Participant has received a Reserve Notice, the DSO may use the Platform to issue a Deployment Notice to the Participant for one or more consecutive Deployment Intervals.
- (b) The Deployment Notice may be issued at any time prior to or during a Reserve Hour and will indicate the Quantity Deployed for each Deployment Interval, as determined by the DSO in accordance with Section 6.7(c) of the Rules.
- (c) Upon receipt of the Deployment Notice, the Participant is obligated to cause the Contracted DER to Deliver or Reduce Energy, as applicable, during the applicable Deployment Interval in accordance with the Deployment Notice.

4.7 **~~4.6~~ Representations**

Subject to Section 4.4(c), the DSO makes no representations whatsoever as to the number or extent of any Standby Notices ~~or~~, Activation Notices or Reserve Notices that may be issued to the Participant with respect to the Contracted DER within the Commitment Period, or as to whether the aggregate maximum of ten (10) Activation Notices and Reserve Notices will be issued by the DSO for the Contracted DER within the Commitment Period.

4.8 **~~4.7~~ Performance Exemptions**

Notwithstanding Section 4.5 (Obligation to Deliver ~~Energy~~ or Reduce Energy) and Section 4.6 (Obligation to Deliver or Reduce Energy during a Contingency), the Participant shall be exempt from activating the Contracted DER to comply with an Activation Notice or Deployment Notice under either of the following circumstances (each a “**Performance Exemption**”):

- (a) the Activation Notice, the Reserve Notice or the Deployment Notice issued, as applicable, is an Invalid ~~Activation~~ Notice;
- (b) a Forced Outage in which, due to the severity and suddenness of the events leading to the Forced Outage, the Participant was not able to submit an Outage Notice prior to the start of the Forced Outage, provided however that in the event the Participant fails to submit an Outage Notice via the Platform within twenty-four (24) hours of the start of the Forced Outage, this exemption shall not be available to the Participant,

provided however that the DSO retains the discretion, acting reasonably, to determine whether a Performance Exemption is available to the Participant.

4.9 ~~4.8~~ Non-performance

Except for non-performance due to an Invalid ~~Activation~~ Notice referenced in Section ~~4.7~~4.8(a) above, in the event the Participant fails to comply with an Activation Notice, Reserve Notice or a Deployment Notice, as applicable, including due to circumstances that constitute a Performance Exemption, the Participant shall be subject to the Availability Charge and the Dispatch Charge. Test Activations and Test Deployments carried out during an event that qualifies as a Performance Exemption will not be subject to the Capacity Charge. For clarity, Non-performance Charges shall not apply to non-performance due to an Invalid ~~Activation~~ Notice.

ARTICLE 5 – METERS AND SETTLEMENT

5.1 Meter Data

The Participant hereby consents to the DSO accessing the Meter remotely or having one of its Representatives attend the Site to access the Meter during the Commitment Period for the purposes of settlement and calculating the Monthly Payment.

5.2 Payment obligations

- (a) During the Commitment Period, and provided that a Participant Default has not occurred and is continuing, the Monthly Payment shall begin to accrue and be payable in accordance with Section 4.1 (Local Capacity Obligation and Local Reserve Obligation), Section 4.5 (Obligation to Deliver Energy or Reduce Energy) and Section 4.6 (Obligation to Deliver or Reduce Energy during a Contingency) less any Non-performance Charges.
- (b) The Participant shall have no entitlement under this Contract to receive compensation for energy services or local reserve provided prior to the Commitment Period Start Time or following the Commitment Period End Time.

5.3 Amount of Monthly Payment

The Monthly Payment, provided such amount is greater than zero, shall be owed by the DSO to the Participant for the Contracted DER and calculated in accordance with *Exhibit C - Settlement*, and in the case of a Contracted DER that is a Demand Response Resource, both *Exhibit C - Settlement* and *Exhibit D – Demand Response Baseline* and under no circumstances shall the Monthly Payment be less than zero dollars, notwithstanding the application of any Non-Performance Charges applied in accordance with the terms herein.

5.4 Statement

The DSO shall prepare and deliver a settlement statement (the “**Statement**”) to the Participant within ten (10) Business Days after the end of each calendar month during the Commitment Period that is the subject of the Statement (the “**Settlement Month**”), setting out the basis for, and the components of, the Monthly Payment with respect to the Settlement Month. The Statement may be delivered by the DSO to the Participant by email or courier and shall include the DER ID.

5.5 Payment

The DSO shall remit to the Participant full payment in respect of the Statement no later than twenty (20) Business Days after the end of the Settlement Month to which the Statement relates, which payment shall be made by electronic funds transfer to the Registered Bank Account or as otherwise agreed by the Parties.

5.6 Adjustment

- (a) Each Statement shall be subject to adjustment for errors in arithmetic, computation, or other errors, raised by a Party during the period of one (1) year following the date the Statement was issued. If there are no complaints raised, or if any complaints raised in the time period have been resolved, such Statement shall be final and subject to no further adjustment after the expiration of such period.
- (b) Notwithstanding the foregoing, the determination by the DSO ~~of any information~~ shall be final and binding on the Parties, and without limiting the generality of the foregoing, if a Statement contains an error in the data or information issued by the DSO which the DSO has requested be corrected, then the one (1) year limit set forth in Section 5.6(a) shall not apply to the correction of such error or the DSO's ability to readjust the Statement.

ARTICLE 6 – OUTAGE MANAGEMENT

6.1 Planned Outages

The Participant shall notify the DSO of any Planned Outages by submitting an Outage Notice via the Platform no later than the Bid/Offer Submission Start Date.

6.2 Forced Outages

- (a) The Participant shall notify the DSO of a Forced Outage by submitting an Outage Notice via the Platform not less than forty-eight (48) hours prior to the start of the Forced Outage, and in the event the severity or urgency of the events leading to the Forced Outage prevents the Participant from submitting an Outage Notice prior to the start of the Forced Outage, the Participant shall submit an Outage Notice as soon as possible thereafter, and no later than twenty-four (24) hours following the start of the Forced Outage.
- (b) In addition to the Outage Notice submitted in Section 6.2(a) above, the Participant must, if requested by the DSO, submit Additional Information regarding the events leading to the Forced Outage by email to the DSO within five (5) Business Days of such request.
- (c) Following the termination of the Forced Outage, the Participant must immediately, and no later than twenty-four (24) hours following the termination of the Forced Outage, update the Outage Notice via the Platform confirming the time that the Forced Outage terminated, and notwithstanding any updated Outage Notice the Participant acknowledges that the Contracted DER will only be considered for activation for Energy services or, provided the Contracted DER has a Local Reserve Obligation, be considered to be scheduled or deployed for Reserve services, once the Bids/Offers for the Contracted DER have been updated by the Participant following the termination of the Forced Outage.

6.3 Failure to provide Notice

Failure by the Participant to provide notice of Planned Outages in accordance with Section 6.1(a) or Forced Outages in accordance with Section 6.2(a) shall be a Participant Default and in addition to the rights and remedies of the DSO herein, the DSO may, in its discretion, prohibit the Participant or its Affiliate(s) from participating in the next local capacity auction being held as part of the Demonstration.

6.4 Updating of Bids/Offers

- (a) The Participant acknowledges that upon submission of an Outage Notice, the Bids/Offers for the Contracted DER shall be updated automatically by the Platform to reflect that the entirety of the Contracted DER is unavailable during the period of the Planned Outage or the Forced Outage indicated on the Outage Notice.
- (b) In the event the Contracted DER is only experiencing a partial Outage, the Participant is required to update the Bids/Offers for the Contracted DER to reflect the partial Outage, failing which the entirety of the Contracted DER's capacity will be subject to the Availability Charge and no portion of the Contracted DER will be activated during the Planned Outage or Forced Outage.
- (c) Only Bids/Offers that are updated prior to 09:00 ~~EST~~EDT on a Business Day will be updated for that Business Day, and all Bids/Offers that are updated after 09:00 ~~EST~~EDT will be effective only for the following Business Day.

6.5 Payments during Outages

- (a) Subject to Section 6.5(b), during a Planned Outage or a Forced Outage, that portion of the Contracted DER that is experiencing the Outage will be subject to the Availability Charge ~~Charges~~ Charges for each of Local Capacity and Reserve, which ~~charge~~ charges shall be applied for the duration of the Planned Outage or the Forced Outage, as applicable, and in the event the Participant fails to submit an Outage Notice within the prescribed timelines, the Participant may be subject to the Dispatch Charge or the Capacity Charge, or both in the event the Contracted DER is activated.
- (b) In the event the Contracted DER experiences a Forced Outage caused due to an event of Force Majeure, Article 11 (Force Majeure) shall apply.
- (c) In the event the Participant disputes some or all of the Non-performance Charges incurred due to a Forced Outage, the Participant may request an adjustment to such Non-performance Charges using the process outlined in *Exhibit E – Form of Notice of Disagreement* and the DSO may, in its discretion, waive the Dispatch Charge or the Capacity Charge or both.

6.6 Record Keeping

In addition to the records required to be kept by the Parties in accordance with Section 9.2 (Record Retention) herein, the Participant must maintain as part of their records the information required in Section 6.9.2 of the Rules in all instances where the Contracted DER experienced a reduction in capacity in an amount equal to or greater than 15% of the Contracted DER's Local Capacity Obligation or its Local Reserve Obligation.

ARTICLE 7 – TEST ACTIVATIONS AND TEST DEPLOYMENTS

7.1 Test Activations

The DSO may, in its discretion, carry out a maximum of two (2) Test Activations and, if the Local Reserve Obligation is applicable, two (2) Test Deployments on the Contracted DER during the Availability Window of an Activation Day in accordance with Section 6.10 (Test Activations and Test Deployments) of the Rules.

7.2 Outages and Force Majeure

During (i) an event of Force Majeure, or (ii) a Planned Outage or a Forced Outage for which the DSO has received an Outage Notice in accordance with the prescribed timelines; the Test Activation or Test Deployment shall only apply to that portion of the Contracted DER that is available, and in the event no portion of the Contracted DER is available, no Test Activation or Test Deployment shall be issued by the DSO for the Contracted DER.

7.3 Test Activation Payment and Test Deployment Payments

The Participant shall be entitled to Test Activation Payments and Test Deployment Payments as applicable, calculated in accordance with *Exhibit C – Settlement*, for valid Test Activations and Test Deployments conducted on the Contracted DER by the DSO during the Commitment Period.

7.4 Failure to complete

- (a) In the event the Contracted DER fails to successfully complete the first Test Activation, the Capacity Charge shall be applicable, and the DSO may, in its discretion, carry out a second Test Activation at any time prior to the Commitment Period End Date.
- (b) Failure to successfully complete the second Test Activation is a Participant Default and may result in the immediate termination of this Contract.
- (c) In the event the Contracted DER fails to successfully complete the first Test Deployment, the Capacity Charge shall be applicable for that month, and the DSO may, in its discretion, carry out a second Test Deployment at any time prior to the Commitment Period End Date.
- (d) In the event the Contracted DER fails to successfully complete the second Test Deployment, the Capacity Charge shall be applicable for that month and as of the date and time that the Contracted DER failed the Test Deployment and for the remainder of the Commitment Period:
 - (i) Notwithstanding the content of the Cover Page, the Contracted DER will no longer be considered Reserve-Capable, the Local Reserve Obligation will no longer be applicable, and all Offers (Reserve) shall be disabled on the Platform; and the Availability Payment will be calculated on the basis of the Local Capacity Clearing Price instead of the Local Reserve Clearing Price.
 - (ii) Subject to meeting all other requirements hereunder and the Rules, the Contracted DER shall continue to be eligible to participate in the Local Energy Auctions in respect of its Local Capacity Obligation.

ARTICLE 8 – CONTROL GROUP and CHANGES TO CONTRIBUTOR LIST

8.1 Control Group

For a Contracted DER that is a Demand Response Resource (Residential), the Participant shall, no later than fourteen (14) Business Days prior to the first of each month in the Commitment Period, identify the Control Group in accordance with *Exhibit D – Demand Response Baseline*.

8.2 Change Requests

The Participant may submit a Change Request to remove an existing Contributor DER from the Contributor List and replace it with one or more new Contributor DERs (each, a “**Replacement DER**”) in accordance with Section 8 (Changes to Contributor DERs) of the Rules.

8.3 Replacement Contributor DER Eligibility

The DSO shall only approve Changes Requests provided the following conditions are met:

- (a) The Replacement DER(s) and the existing Contributor DER must be identical in all aspects, including the Permitted Resource category and the DER Capacity, and in the case of more than one Replacement DER, the aggregated DER Capacity, but excepting the Meter and Connection Point.
- (b) Any Replacement DER must meet the eligibility requirements of Section 2.4.1(a) of the Rules and must not be ineligible under Section 2.4.2 of the Rules.
- (c) In the event any Contributor that owns the Replacement DER has entered into an agreement with an electricity retailer with respect to the Replacement DER, such Contributor shall have obtained from the electricity retailer a duly executed Electricity Retailer Waiver in respect of the Replacement DER and the Participant shall have delivered a copy of such waiver to the DSO.

8.4 Approval

The DSO may in its discretion, approve a Change Request for a Replacement DER that meets the criteria in Section 8.2 above, and any approved Change Request will be effective the first day of the month following the month in which the Change Request was submitted.

8.5 Removal of Contributor DERs

The Participant may remove a Contributor DER from the Contributor List by de-registering it using the Platform at any time following Supplemental Registration without the consent of the DSO provided that, in doing so, the Participant shall continue to meet its obligations under the Contract including but not limited to the requirement that the DER Capacity of the Contracted DER be greater than or equal to its assigned Local Capacity Obligation and any obligations with respect to the minimum number of Contributor DERs in the Control Group as outlined in *Exhibit D – Demand Response Baseline*.

ARTICLE 9 – CONTRACT OPERATION AND ADMINISTRATION

9.1 Participant Representative

The Participant shall appoint two delegates (each a "**Delegate**") during the Registration process, each who shall be duly authorized to act on behalf of the Participant, and with whom the DSO may consult at all reasonable times, and whose instructions, requests, and decisions, provided the same are in writing and sent from the Registered Email by the Delegate or submitted via the Platform, shall be binding on the Participant as to all matters pertaining to this Contract. A Delegate shall not have the power or authority to amend this Contract. The Participant shall notify the DSO in writing of any change in the identity of a Delegate or a Delegate's contact information within one (1) Business Day of such change taking effect by updating the Participant's information on the Platform.

9.2 Record retention

The Participant and the DSO shall both keep complete and accurate records and all other data required by either of them for the purpose of proper administration of this Contract, including that which is necessary to support the information contained in and with respect to each Monthly Payment and Statement. All such records shall be maintained as required by applicable Laws but for no less than for seven (7) years after the creation of the record or data.

9.3 Audit rights

The DSO reserves the right for it, or any of its Representatives, to verify and audit all technical, financial, and operational data and systems of the Contracted DER, the Participant, the Contributor and the Contributor DERs and any other Person as required by the DSO in connection with such verification and audit. Such verification and audit methodologies will be determined by the DSO or its Representatives and may include the verification and audit of real-time, and baseline measurements for Demand Response Resources as well as visits or inspections to the Site, as required by the DSO in connection with such verification and audit.

9.4 Inspection of the DER

The DSO and its Representatives shall, at all times upon two (2) Business Days prior notice, at any time after the Contract Date, have access to each Contributor DER and every part thereof, and all relevant records during regular business hours and the Participant shall, and shall cause the Contributor and all personnel operating and managing the Contributor DER, to furnish the DSO or its Representatives with all reasonable assistance in inspecting the Contributor DER (including the right to be provided with copies of any and all written records and downloads of any and all electronic records as reasonably required) for the purpose of ascertaining compliance with this Contract; provided that such access and assistance shall be carried out in accordance with and subject to the reasonable safety and security requirements of the Participant and the relevant Contributor and all personnel operating and managing the Contributor DER, as applicable, and shall minimize any interference with the operation of the Contributor DER. The Participant shall ensure that any confidentiality agreements or arrangements between it and any third party (including the Contributor, any subcontractor, supplier or other supplier of goods or services to the Participant) shall not have the effect of preventing, impairing or delaying any disclosure or access to or by the DSO or any of its Representatives as contemplated in this Section 9.4.

9.5 Inspection not waiver

Failure by the DSO to inspect a Contributor DER or any part thereof under Section 9.4 (Inspection of DER), or to exercise its audit rights under Section 9.3 (Audit Rights), shall not constitute a waiver of any of the rights of the DSO hereunder. An inspection or audit not followed by a notice of a Participant Default shall not constitute or be deemed to constitute a waiver of any Participant Default, nor shall it constitute or be deemed to constitute an acknowledgement that there has been or will be compliance by the Participant with this Contract. In no event will any inspection or audit by the DSO hereunder be a representation that there has been compliance with Laws.

9.6 Notices

- (a) All Notices shall be sent to the Participant using the contact information that was provided in the Registration, and the Participant acknowledges and agrees that it is wholly responsible for keeping its contact information up to date on the Platform and monitoring and responding to Notices, and the DSO shall not be liable to the Participant in the event the Participant fails to update its contact information, fails to take any necessary action, or fails to respond to a Notice delivered by the DSO hereunder.
- (b) All Notices shall be sent to the DSO using the DSO Coordinates.
- (c) Unless otherwise stated, the DSO shall provide all Notices to the Participant via the Platform or to the Registered Email, and the Participant shall provide Notices to the DSO via the Platform where required or, unless otherwise stated, by email.
- (d) The Parties acknowledge and agree that the sending and receipt of Notices will be deemed to be simultaneous absent any disruption in telecommunication services or the malfunctioning of the Platform, or both.
- (e) Notwithstanding the foregoing:
 - (i) the Participant shall provide Notices pertaining to a Forced Outage first by telephone and followed up with a written Notice by email; and
 - (ii) Notices pertaining to a DSO Default or a Participant Default shall be provided to the defaulting Party by the non-defaulting Party by registered mail.

ARTICLE 10 – EVENTS OF DEFAULT

10.1 Participant Events of Default

Each of the following will constitute an event of default by the Participant (each, a "**Participant Default**"):

- (a) The Participant fails to perform any covenant or obligation set forth in this Contract (except to the extent constituting a separate Participant Default) if such failure is not remedied within fifteen (15) days after written notice of such failure from the DSO.
- (b) The Participant fails to complete the Supplemental Registration within the Supplemental Registration Period.

- (c) The Participant or the Contracted DER or a Contributor DER fails to satisfy, or ceases to satisfy, the eligibility and other requirements set out in Section 2.3.1 and Section 2.4.1 of the Rules respectively, and none of the Participant, the Contracted DER or a Contributor DER are ineligible under Section 2.3.2 and 2.4.2 of the Rules respectively, and such failure or cessation is not remedied within fifteen (15) days after written notice of such failure from the DSO.
- (d) The Contracted DER is modified or altered (including the removal of one or more Contributor DERs) such that its DER Capacity is less than the Local Capacity Obligation assigned to it and such event is not remedied within fifteen (15) days after written notice of such event from the DSO.
- (e) The Participant or a Contributor fails or ceases to hold a valid licence, permit, certificate, registration, authorization, consent or approval issued by a Governmental Authority where such failure or cessation results in a Material Adverse Effect on the Participant and is not remedied within fifteen (15) days after such event.
- (f) The Participant commits any act of fraud in relation to its Registration, the DSO, this Contract, the Contracted DER or a Contributor DER.
- (g) Any representation made by the Participant in this Contract is not true or correct in any material respect when made, or any continuing representation is not true or correct, and in either case, if capable of cure, is not made true or correct in all material respects within fifteen (15) days after receipt by the Participant of written notice of such fact from the DSO.
- (h) The Participant breaches any of the covenants it has made pursuant to Section 2.3 (Covenants of the Participant).
- (i) An effective resolution is passed or documents are filed in an office of public record in respect of, or a judgment or order is issued by a court of competent jurisdiction ordering, the dissolution, termination of existence, liquidation or winding up of the Participant, unless such filed documents are immediately revoked or otherwise rendered inapplicable.
- (j) The Participant amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another Person.
- (k) By decree, judgment or order of a Governmental Authority, the Participant is adjudicated bankrupt or insolvent or any substantial part of the Participant's property is sequestered, and such decree continues undischarged and un-stayed for a period of thirty (30) Business Days after the entry thereof. A petition, proceeding or filing is made against the Participant seeking to have the Participant declared bankrupt or insolvent, or seeking adjustment or composition of any of their respective debts pursuant to the provisions of any Insolvency Legislation, and such petition, proceeding or filing is not dismissed or withdrawn within thirty (30) Business Days.
- (l) The Participant dissolves, winds up or liquidates, or makes an assignment for the benefit of its creditors generally under any Insolvency Legislation or consents to the appointment of a receiver, manager, receiver-manager, monitor, trustee in bankruptcy, or liquidator for all or part of its property or files a petition or proposal to declare bankruptcy or to reorganize

pursuant to the provision of any Insolvency Legislation.

- (m) Other than an amendment or modification to the Contracted DER outlined in Section 10.1(c) above, the Participant has made an amendment to the Contracted DER that has not first been consented to by the DSO in accordance with Section 2.3(c).
- (n) The Participant assigns this Contract to another Person without the consent of the DSO pursuant to Section 16.5 (Assignment).

10.2 Remedies of the DSO

In addition to all other rights and remedies it may have under this Contract, and all other rights and remedies it may have at law and/or in equity, if any Participant Default occurs and is continuing, then upon written notice to the Participant, the DSO may, but shall not be obliged to:

- (a) suspend any or all Monthly Payments owing to the Participant until such Participant Default has been remedied to the satisfaction of the DSO, in its sole discretion; and/or
- (b) following the expiry of any cure period, terminate this Contract,

and in the event the DSO does not pursue either such remedy, Section 9.5 (Inspection not waiver) shall apply.

10.3 Immediate termination

Notwithstanding Section 10.2 (Remedies of the DSO):

- (a) upon the occurrence of a Participant Default referred to in Section 10.1(f), (i), (j) or (l), this Contract shall automatically terminate without notice, act or formality, effective immediately before the occurrence of such Participant Default;
- (b) upon the occurrence of a Participant Default referred to in Section 3.2 (Supplemental Registration), Section 7.4 (Failure to complete) or in Section 10.1(b), (h), (m) or (n) the DSO may, in its discretion, terminate this Contract without notice, act or formality, effective immediately.

10.4 DSO Events of Default

If the DSO fails to make any payment required under this Contract when due, and such failure is not remedied within fifteen (15) days after written notice of such failure from the Participant, then such failure shall constitute an event of default by the DSO (a "**DSO Default**").

10.5 Remedies of the Participant

If any DSO Default occurs and is continuing, then, upon written notice to the DSO, the Participant may terminate this Contract effective as of the date such written notice is given. Notwithstanding the foregoing, the DSO shall be responsible for payment of amounts accruing under this Contract only up to and including the date such written notice under Section 10.4 (DSO Events of Default) is received by the DSO.

10.6 Remedies non-exclusive

The termination of this Contract by either Party and the payment of all amounts then due and owing to the other Party as expressly provided in this Contract shall not limit, waive or extinguish in any way the recourse of either Party to any remedies available to it in relation to such termination at law, in equity or otherwise, nor shall such termination affect any rights that the Indemnitees may have pursuant to any indemnity given under this Contract.

ARTICLE 11 – FORCE MAJEURE

11.1 Force Majeure event

Subject to the exclusions described in Sections 11.2 (Exclusions) and 11.3 (COVID-19 pandemic), "**Force Majeure**" means any act, event, cause or condition that prevents a Party from performing its obligations (other than payment obligations) hereunder, but only if and to the extent such event or circumstance could not reasonably have been anticipated as at the Contract Date and is beyond the affected Party's reasonable control, and shall include:

- (a) acts of God, including extreme wind, ice, lightning or other storms, earthquakes, tornadoes, hurricanes, cyclones, landslides, drought, floods and washouts;
- (b) fires or explosions;
- (c) local, regional or national states of emergency;
- (d) strikes and other labour disputes (other than legal strikes or labour disputes by employees of such Party, or a third party contractor of such Party, unless, in either such case such strikes or other labour disputes are the result or part of a general industry strike or labour dispute);
- (e) delays or disruptions in fuel supply resulting from a Force Majeure event (whether such event is in respect of a Party or a third party);
- (f) civil disobedience or disturbances, war (whether declared or not), acts of sabotage, blockades, insurrections, terrorism, revolution, riots, pandemics or epidemics;
- (g) an order, judgment, legislation, ruling or direction by Governmental Authorities restraining a Party, provided that, in the event such order, judgment or ruling pertains to the affected Party and is not of general application, the affected Party has not applied for or assisted in the application for and has used Commercially Reasonable Efforts to oppose said order, judgment, legislation, ruling or direction;
- (h) a planned or unplanned Outage affecting all or part of the DSO's Distribution System; and
- (i) a Forced Outage affecting the Contracted DER (including one or more Contributor DERs) that results directly from, or is scheduled or planned directly as a consequence of, an event of Force Majeure.

11.2 Exclusions

No act, event, cause or condition shall be considered to be an event of Force Majeure:

- (a) a Planned Outage or a Forced Outage, but excluding a Forced Outage described in Section 11.1(i);
- (b) if and to the extent the Party seeking to invoke Force Majeure has caused or contributed to the applicable act, event, cause or condition by its fault or negligence or has failed to use Commercially Reasonable Efforts to prevent or remedy such act, event, cause or condition (which Commercially Reasonable Efforts shall, with respect to COVID-19, include implementing the recommended health and safety guidelines issued by a Governmental Authority having jurisdiction over the Participant to prevent the spread of the COVID-19 among its Representatives while at any Site or at the Participant's place of business), and, so far as possible and within a reasonable time period, remove it (except in the case of strikes, lockouts and other labour disturbances, the settlement of which shall be wholly within the discretion of the Party involved);
- (c) if the act, event, cause or condition is the result of a breach, by the Party seeking to invoke Force Majeure, of a permit or approval issued by a Governmental Authority or of any applicable Laws;
- (d) if the act, event, cause or condition was caused by a lack of funds or other financial cause;
or
- (e) if the act, event, cause or condition is the result of a breach or alleged breach of contract or other obligation between the Party seeking to invoke Force Majeure and any Person (other than the other Party), regardless of whether such breach or alleged breach was caused by the Party seeking to invoke Force Majeure or was caused by such other Person.

11.3 COVID-19 pandemic

Notwithstanding Section 11.1(f) (Force Majeure event), the Parties agree that the COVID-19 pandemic does not constitute Force Majeure for the purposes of this Contract, provided however that an order, judgment, legislation, ruling or direction by a Governmental Authority directly related to COVID-19, which effect is to restrain a Party, including but not limited to the operation of the Contributor DERs, constitutes Force Majeure for the purposes of this Contract.

11.4 Invoking Force Majeure

- (a) A Party shall be deemed to have invoked Force Majeure with effect from the commencement of the event or circumstances constituting Force Majeure when that Party gives to the other Party prompt Notice in accordance with Article 9 (Notices), provided that such Notice shall be given within five (5) Business Days of the later of (i) the commencement of the event or circumstances constituting Force Majeure or (ii) the date that the Party invoking Force Majeure knew or ought to have known that the event or circumstances constituting Force Majeure could have a Material Adverse Effect on the development or operation of the Contracted DER. If the effect of the Force Majeure and full particulars of the cause thereof cannot be reasonably determined within such five (5) Business Day period, the Party invoking Force Majeure shall be allowed a further ten (10)

Business Days (or such longer period as the Parties may agree in writing) to provide such full particulars in substantially the prescribed form to the other Party.

- (b) The Party invoking Force Majeure shall use Commercially Reasonable Efforts to remedy the situation and remove, so far as possible and with reasonable dispatch, the Force Majeure, but settlement of strikes, lockouts and other labour disturbances shall be wholly within the discretion of the Party involved. Upon the request of the DSO, the Participant shall: (i) provide to the DSO information and documentation confirming to the satisfaction of the DSO, acting reasonably, that such Commercially Reasonable Efforts were used, and (ii) represent and warrant that such information and documentation are true, complete and accurate in all material respects and that no material information is omitted that would make such information or documentation misleading or inaccurate.
- (c) The Party invoking Force Majeure shall give prompt written notice of the termination of the event of Force Majeure, provided that such notice shall be given within three (3) Business Days of the termination of the event or circumstances constituting Force Majeure.
- (d) The Participant is required to update the Bids/Offers for the Contracted DER to reflect an event of Force Majeure as soon as possible after the start of the Force Majeure event and no later than twenty-four (24) hours following the start of the Force Majeure event.

11.5 Effect of invoking Force Majeure

- (a) If either Party is unable to satisfy any of its obligations hereunder due to Force Majeure, provided that the Party makes Commercially Reasonable Efforts to avoid, or if unavoidable, to correct the reason for such delay or failure and gives the other Party prompt notice of such delay or failure, then such Party shall be excused and relieved from its obligation to satisfy such obligation and its failure to do so will not constitute an event of default, provided however that a Party shall not be relieved from its obligation to make a payment of any amounts that were due and owing before the occurrence of the Force Majeure or that otherwise may become due and payable during any period of Force Majeure.
- (b) In the event the Participant fails to complete the Supplemental Registration by the end of the Supplemental Registration Period due to Force Majeure:
 - (i) the Participant will have an additional period of time equal to the duration of the Force Majeure event to complete the Supplemental Registration; and
 - (ii) in the event the Supplemental Registration is completed on a date that falls within the Commitment Period, the Participant will only receive Availability Payments following such date and in accordance with the terms herein.
- (c) Notwithstanding any Planned Outages or Forced Outages (unrelated to Force Majeure), the Participant will not be subject to Non-performance Charges during an event of Force Majeure that occurs and is continuing during the Commitment Period regardless of which Party declared Force Majeure and provided the Supplemental Registration for the Contracted DER was successfully completed prior to the start of the Force Majeure event.
- (d) Notwithstanding any other provision of this Contract, an event of Force Majeure that

occurs following the Supplemental Registration Period shall not serve to extend the Term.

ARTICLE 12 – TERM AND TERMINATION

12.1 Term

This Contract shall become effective upon the date hereof and shall expire at 24:00 hours (EST) on the last day of the Commitment Period (with such period between and including the Contract Date and the expiry date being the "**Term**"), subject to earlier termination in accordance with the terms of this Contract.

12.2 Termination

Subject to Section 14.3(c), in addition to the termination rights of the Parties for a Participant Default or DSO Default, this Contract may be terminated by the DSO in the event the Demonstration is cancelled by the Demonstration Sponsors, or, for reasons that are beyond the control of the DSO, the Platform ceases to operate in a manner such that the Local Energy Auctions can be executed fairly and accurately, and in each such circumstance, the DSO shall be relieved of its obligations hereunder.

ARTICLE 13 – CONFIDENTIALITY

13.1 Confidential Information

From the date of this Contract and following the expiry of the Term, each of the Parties shall keep confidential and secure and shall not disclose Confidential Information except as follows:

- (a) The Receiving Party may disclose Confidential Information to its Representatives who need to know Confidential Information for the purpose of assisting the Receiving Party in complying with its obligations under this Contract. On each copy made by the Receiving Party, the Receiving Party must reproduce all notices which appear on the original. The Receiving Party shall inform its Representatives of the confidentiality of Confidential Information and shall be responsible for any breach of this Article 13 (Confidentiality) by any of its Representatives.
- (b) If the Receiving Party or any of its Representatives are requested or required to disclose any Confidential Information in connection with litigation or any regulatory proceeding or investigation, or pursuant to any applicable law, order, regulation or ruling, the Receiving Party shall promptly notify the Disclosing Party. Unless the Disclosing Party obtains a protective order, the Receiving Party and its Representatives may disclose such portion of the Confidential Information to the Party seeking disclosure as is required by law or regulation in accordance with Section 13.2 (Notice Preceding Compelled Disclosure).
- (c) Where the Participant is the Receiving Party, the Participant may disclose Confidential Information to any lender, prospective lender or investor and its advisors, to the extent necessary, for securing financing for the participation in the Demonstration as an Aggregator, provided that any such lender, prospective lender or investor has been informed of the Participant's confidentiality obligations hereunder and such lender, prospective lender or investor has covenanted in favour of the DSO to hold such Confidential Information confidential on terms substantially similar to this Article 13 (Confidentiality).

- (d) Notwithstanding the foregoing, the Participant consents to the disclosure from time to time:
 - (i) of the name of the Participant to the public;
 - (ii) of any information received by the DSO in respect of this Contract for such purposes as the DSO may determine from time to time in relation to the Demonstration, to the DSO's Representatives, the IESO, NRCan, the OEB and the Ministry of Energy ~~and Northern Development and Mines~~ (Ontario), on a confidential basis; and
 - (iii) of aggregate data relating to the Demonstration to the public.

13.2 Notice Preceding Compelled Disclosure

If the Receiving Party or any of its Representatives are requested or required to disclose any Confidential Information, the Receiving Party shall promptly notify the Disclosing Party of such request or requirement so that the Disclosing Party may seek an appropriate protective order or waive compliance with this Contract. If, in the absence of a protective order or the receipt of a waiver hereunder, the Receiving Party or its Representatives are compelled to disclose the Confidential Information, the Receiving Party and its Representatives may disclose only such of the Confidential Information to the party compelling disclosure as is required by law and, in connection with such compelled disclosure, the Receiving Party and its Representatives shall use their reasonable efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such portion of the Confidential Information as is disclosed.

13.3 Return of Confidential Information

Upon written request by the Disclosing Party, Confidential Information provided by the Disclosing Party in printed paper format, together with all copies or other reproductions in whole or in part of such Confidential Information, will be returned to the Disclosing Party and Confidential Information transmitted by the Disclosing Party in electronic format, including via the Platform, will be deleted from the emails, databases and directories of the Receiving Party's and its Representatives' computers; provided, however, (i) any Confidential Information which cannot through reasonable efforts be returned to the Disclosing Party or deleted from the emails, databases and directories of the Receiving Party's and its Representatives' computers, as the case may be, will be held by the Receiving Party and kept subject to the terms of this Section 13.3 or destroyed at the Receiving Party's option, and (ii) the Receiving Party may keep records of such Confidential Information as required pursuant to, its record retention policy, and in the event the DSO is the Receiving Party, its obligations to the IESO, and such records shall continue to be subject to the confidentiality obligations herein.

13.4 Injunctive and Other Relief

The Receiving Party acknowledges that the breach of any provisions of this Article 13 may cause irreparable harm to the Disclosing Party or to any third party to whom the Disclosing Party owes a duty of confidence, and that the injury to the Disclosing Party or to any third party may be difficult to calculate and inadequately compensable in damages. The Receiving Party agrees that the Disclosing Party is entitled to obtain injunctive relief (without proving any damage sustained by it or by any third party) or any other right or remedy against any actual or potential breach of the provisions of this Article 13.

13.5 Privacy Legislation

The Participant and the DSO acknowledge and agree that the DSO, the IESO and NRCan, as sponsors of the Demonstration, and their respective Representatives are subject to the Privacy Legislation, and that the Privacy Legislation applies to and governs all recorded information in any form or medium that is provided by the DSO, the IESO, NRCan or its respective Representatives to the Participant, or provided by the Participant to the DSO or its Representatives for the purposes of this Contract, or created by the Participant in the performance of this Contract, and that is in the custody or control of the DSO (the "**Privacy Legislation Records**"), and may require the disclosure of such the Privacy Legislation Records to third parties. To the extent that the DSO, the IESO or NRCan must comply with disclosure obligations under the Privacy Legislation, the Participant agrees:

- (a) to keep the Privacy Legislation Records in its possession secure;
- (b) to provide the Privacy Legislation Records to the DSO within seven (7) calendar days of being directed to do so by the DSO for any reason under the Privacy Legislation, including an access request or privacy issue; and
- (c) to implement other specific security measures that in the reasonable opinion of the DSO would improve the adequacy and effectiveness of the Participant's measures to ensure, for the purposes of the Privacy Legislation, the security and integrity of the Privacy Legislation Records held in the Participant's possession.

ARTICLE 14 – INDEMNIFICATION AND LIABILITY

14.1 Indemnification

In addition to the indemnities provided by the Participant in Section 2.3(f) and Section 2.3(g), the Participant shall indemnify and defend the Indemnitees harmless from and against any and all Claims, demands, suits, losses, damages, liabilities, penalties, obligations, payments, costs and expenses and accrued interest thereon (including reasonable legal fees in connection therewith) (each, an "**Indemnifiable Loss**") asserted against or suffered by the Indemnitees or any of them relating to, in connection with, resulting from, or arising out of (i) any occurrence or event relating to the Contracted DER or any of the Contributor DERs, howsoever occurring, and including any occurrence or event arising in connection with the operation of the Contracted DER and any of the Contributor DERs and any Standby Notice(s) and/or Activation Notice(s) issued by or on behalf of the DSO under this Contract, and (ii) any breach by the Participant of any representations, warranties or covenants contained in this Contract.

14.2 Defence of Claims

- (a) Promptly after receipt by the Indemnitees of any third party Claim or notice of the commencement of any action, administrative or legal proceeding, or investigation as to which the indemnity provided for in Sections 2.3(f) and Section 2.3(g) and 14.1 may apply, the DSO shall notify the Participant in writing of such fact. The Participant shall assume the defence thereof with counsel designated by the Participant and satisfactory to the affected Indemnitees, acting reasonably; provided, however, that, if the defendants in any such action include both the Indemnitees and the Participant and the Indemnitees shall have reasonably concluded that there may be legal defences available to them which are different from or additional to, or inconsistent with, those available to the Participant, the Indemnitees shall have the right to select separate counsel satisfactory to the Participant

acting reasonably (at no additional cost to the Indemnitees) to participate in the defence of such action on behalf of the Indemnitees. The Participant shall promptly confirm that it is assuming the defence of the Indemnitees by providing written notice to the DSO. Such notice shall be provided no later than five (5) Business Days prior to the deadline for responding to any Claim relating to any Indemnifiable Loss.

- (b) Should any of the Indemnitees be entitled to indemnification under Section 14.1 as a result of a Claim by a third party, and the Participant fails to assume the defence of such Claim (which failure shall be assumed if the Participant fails to provide the notice prescribed by Section 14.2(a)), the Indemnitees shall, at the expense of the Participant, contest (or, with the prior written consent of the Participant, settle) such Claim, provided that no such contest need be made and settlement or full payment of any such Claim may be made without consent of the Participant (with the Participant remaining obligated to indemnify and defend the Indemnitees under Section 14.1), if, in the written opinion of an independent third party counsel chosen by the DSO, such Claim is meritorious.

14.3 Limitations of liability

Notwithstanding anything contained herein to the contrary:

- (a) neither Party will be liable under this Contract or under any cause of action relating to the subject matter of this Contract for any special, indirect, incidental, punitive, exemplary or consequential damages, including loss of profits, loss of use of any property or Claims of customers or contractors of the Parties for any such damages;
- (b) subject to Section 12.2 (Termination), the DSO shall not be liable under this Contract or under any cause of action relating to the complete or partial shutdown of the Platform for any reason during the Term; and
- (c) The DSO shall not be liable under this Contract or under any cause of action relating to a failure to meet its obligations under this Contract due to the discontinuance of funding by the Demonstration Sponsors of the Demonstration.

14.4 Liquidated damages

The Participant acknowledges and agrees that it would be difficult and impracticable to determine precisely the amount of actual damages that would be suffered by the DSO as result of a failure by the Participant to meet its obligations under this Contract. The Participant further acknowledges and agrees that the liquidated damages set forth in this Contract are a fair and reasonable approximation of the amount of actual damages that would be suffered by the DSO as a result of a failure by the Participant to meet its obligations under this Contract, and does not constitute a penalty.

ARTICLE 15 – DISPUTE RESOLUTION

15.1 Informal dispute resolution

If either Party considers that any dispute has arisen under or in connection with this Contract that the Parties cannot resolve, then such Party may deliver a notice to the other Party describing the nature and the particulars of such dispute. Within twenty (20) Business Days following delivery of such notice to the other Party, a senior executive of the Participant shall meet with a manager of the DSO, either in person or by

telephone (the “**Senior Conference**”), to attempt to resolve the dispute. Each Party shall be prepared to propose a solution to the dispute. If, following the Senior Conference, the dispute is not resolved, the dispute shall be settled by arbitration pursuant to this Article 15.

15.2 Arbitration

Subject to Laws and in accordance with the provisions of this Article, any and all differences, disputes, claims or controversies arising out of or in any way connected with this Contract, whether arising before or after the expiration or termination of this Contract, (including any dispute as to whether an issue is arbitrable) shall be resolved by arbitration before a single arbitrator (the "**Arbitrator**") pursuant to the Arbitration Act and otherwise in accordance with the laws of the Province of Ontario.

15.3 Appointment and Powers of Arbitrator

A Party desiring arbitration hereunder shall give written notice of arbitration to the other Party containing a concise description of the matter submitted for arbitration ("**Notice of Arbitration**"). If the Parties fail to jointly appoint an Arbitrator within twenty (20) days thereafter, an Arbitrator shall be designated by a judge of the Ontario Superior Court of Justice upon application by either Party. The Arbitrator may determine all questions of law, fact and jurisdiction with respect to the dispute or the arbitration (including questions as to whether a dispute is arbitrable) and all matters of procedure relating to the arbitration. The Arbitrator may grant legal and equitable relief (including injunctive relief), award costs (including legal fees and the costs of the arbitration), and award interest.

15.4 Arbitration Procedure

The arbitration shall be conducted in English in the City of Toronto at such place therein and time as the Arbitrator may fix and, failing agreement thereto by the Parties, in accordance with such procedures as the Arbitrator shall determine, in accordance with the principles of natural justice. The arbitration and all matters arising directly or indirectly therefrom shall be kept strictly confidential by the Parties and shall not be disclosed to any third party except as may be compelled by law.

15.5 Arbitrator's Decision and Appeal

The Arbitrator's written decision shall be delivered to each of the Parties within sixty (60) days following the conclusion of the arbitration hearing. The costs of any arbitration hereunder shall be borne by the Parties in the manner specified by the Arbitrator in his or her decision. The decision of the Arbitrator shall be final and binding upon the Parties in respect of all matters relating to the arbitration, the conduct of the Parties during the proceedings and the final determination of the issues in the arbitration. There shall be no appeal from the decision of the Arbitrator to any court, except on the grounds that the conduct of the Arbitrator, or the decision itself, violated the provisions of the Arbitration Act, or solely on a question of law as provided for in the Arbitration Act. Judgment upon any award rendered by the Arbitrator may be entered in any court having jurisdiction thereof.

15.6 Preclusion of Actions

Submission to arbitration under this Section is intended by the Parties to preclude any action in matters which may be arbitrated hereunder, save and except for enforcement of any arbitral award hereunder.

15.7 Class Arbitration

Notwithstanding anything contained in Section 15.2 to, and including, Section 15.6, if in the sole opinion of the DSO, a matter which has been or is to be referred to arbitration under the Arbitration Act under this Contract then the DSO may, by issuing a Notice of Arbitration to the Participant and the Other Participants (referred to collectively as the “**Participant Class**”), require that the Participant Class participate by way of a mandatory multi-party arbitration in the issues set out in the said Notice of Arbitration before one Arbitrator in one arbitral hearing whose decision(s) will bind the DSO and the Participant Class served with such notice, whether or not they participated in such arbitration, subject to the following:

- (a) This mandatory multiparty arbitration between DSO and the Participant Class shall be conducted in accordance with this Article 15 subject only to such changes as may be necessary to deal with the fact this is to be a multi-party arbitration or as may be directed by the Arbitrator then appointed.
- (b) If the matter in dispute relates to the alleged invalidity, inapplicability or unenforceability of any provision of this Contract or the disappearance or inability to calculate or determine any index, price or other quantum referred to in this Contract (each, an “**Invalid Provision**”), then the DSO shall, acting in good faith, propose Replacement Provision(s) to the Arbitrator, which the Arbitrator may choose to accept as a valid, applicable and enforceable replacement for the Invalid Provision(s) in question, or reject the proposed Replacement Provisions, in which case the Arbitrator shall provide the Replacement Provisions, the economic effect of which comes as close as possible to that of the Invalid Provision.
- (c) The terms of this Contract shall be deemed to be amended by the award of the Arbitrator from and after such date as may be determined by the Arbitrator.

ARTICLE 16 – MISCELLANEOUS

16.1 Applicability of Rules

In the event of any conflict or inconsistency with the Rules and the terms of this Contract, this Contract shall govern to the extent of such conflict or inconsistency. The Participant acknowledges and agrees that the Rules may be amended by the DSO from time to time in accordance with the Rules.

16.2 Entire agreement

The Rules, the Platform User Agreement, the Cover Page, Schedule 1 - Terms & Conditions and all Exhibits entered into from time to time during the Term, all as may be amended from time to time, together constitute the entire agreement between the Parties pertaining to the subject matter of this Contract and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties concerning the subject matter of this Contract and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Contract except as specifically set forth in this Contract and any documents required to be delivered pursuant to this Contract. In the event of any conflict or inconsistency between the documents comprising the entire agreement between the Parties, any conflict or inconsistency shall be resolved in accordance with the following hierarchy:

- (i) Schedule 1 – Terms & Conditions;
- (ii) Cover Page;
- (iii) Rules;
- (iv) Platform User Agreement.

16.3 Survival

The provisions of Article 5 (Settlement) (which Article shall, with the exception of Section 5.6 (Adjustment), expire following the final settlement of all undisputed amounts between the Parties following the end of the Commitment Period), Article 13 (Confidentiality), Article 14 (Indemnification and Liability), Article 15 (Dispute Resolution) and Sections 5.6 (Adjustment), 9.2 (Record Retention), 9.3 (Audit Rights), 9.4 (Inspection of DER), 10.6 (Remedies non-exclusive), 14.4 (Liquidated Damages) and 16.9 (Governing Law) shall survive the expiration of the Term or earlier termination of this Contract. The expiration of the Term or termination of this Contract shall not affect or prejudice any rights or obligations that have accrued or arisen under this Contract prior to the time of expiration or termination and such rights and obligations shall survive the expiration of the Term or the termination of this Contract for a period of time equal to the applicable statute of limitations.

16.4 Amendment, Waiver

Except as expressly provided in this Contract, no amendment or waiver of any provision of this Contract shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any provision of this Contract shall constitute a waiver of any other provision nor shall it constitute a continuing waiver or operate as a waiver of, or estoppel with respect to, any subsequent failure to comply, unless otherwise expressly provided.

16.5 Assignment

- (a) The Participant may not assign this Contract nor any of the rights, interests or obligations assigned to it under this Contract to another party without the consent of the DSO in writing, acting in its discretion and any new party shall enter into an assumption agreement, acceptable to the DSO.
- (b) The DSO may assign this Contract without consent to any Person, provided that prior written notice of such assignment and the identity and contact information of the assignee have been provided to the Participant. Upon any such assignment, the DSO shall remain liable for any obligations of the assignee under this Contract in the event of default by such assignee under this Contract, provided that notice of such default by the assignee has been delivered to the DSO by the Participant and the DSO has been given a reasonable opportunity to cure such default following the receipt of such notice, if curable.

16.6 Successors and assigns

All of the covenants and agreements in this Contract shall be binding upon the Parties and their respective successors and permitted assigns and shall enure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

16.7 Further assurances

Each of the Parties shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Contract.

16.8 Severability

If any term or provision of this Contract is found to be invalid, illegal or unenforceable in accordance with Article 15 (Dispute Resolution), such invalidity, illegality or unenforceability shall not affect any other term or provision of this Contract, or invalidate or render unenforceable such term or provision. Upon a determination that any term or provision is invalid, illegal or unenforceable pursuant to a decision rendered in accordance with Section 15.9 (Class Arbitration), such decision shall govern.

16.9 Governing law

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

16.10 Third party beneficiaries

The Parties do not confer any legal, equitable or other rights or remedies of any nature whatsoever under or by reason of this Contract upon any Person other than the Parties and their respective successors and permitted assigns, the IESO and NRCan.

16.11 Time of the essence

Time is of the essence in the performance of the Parties' respective obligations under this Contract.

16.12 Preparation of agreement

The Parties expressly agree that any doubt or ambiguity in the meaning, application, or enforceability of any term or provision of this Contract shall not be construed or interpreted against the DSO or in favour of the Participant when interpreting such term or provision by virtue of the fact that this Contract was prepared by the DSO.

16.13 Counterparts and electronic signatures

This Contract may be executed in two or more counterparts, and all such counterparts shall together constitute one and the same Contract, and it shall not be necessary in making proof of the contents of this Contract to produce or account for more than one such counterpart.

[Remainder of the page left intentionally blank.]

DATED as of the date on the Contract Cover Page.

[PARTICIPANT]

Name:
Title:
I have the authority to bind the Participant.

Name:
Title:
I have the authority to bind the Participant.

ALECTRA UTILITIES CORPORATION

Name:
Title:
I have the authority to bind the corporation.

Name:
Title:
I have the authority to bind the corporation.

EXHIBIT A – DEFINED TERMS

These defined terms apply to the Contract for Energy Services (Direct Participant) and the Contract for Energy Services (Aggregator). Section references are with respect to the Contract unless otherwise stated.

TERM	DEFINITION
Activation Day	Has the meaning ascribed to it in the Rules.
Activation Hour	Has the meaning ascribed to it in the Rules.
Activation Notice	Has the meaning ascribed to it in the Rules.
Actual Consumption	Has the meaning given to it in <i>Exhibit D – Demand Response Baseline</i> .
Additional Information	Has the meaning ascribed to it in the Rules, and all Additional Information shall be submitted to the DSO in accordance with Section 11.1(a) of the Rules.
Affiliate	Has the meaning ascribed to it in the Rules.
Aggregator	Has the meaning ascribed to it in the Rules.
<u>Alectra</u>	<u>Has the meaning ascribed to it in the Rules.</u>
Aggregator DER	The DER that is subject of the Contract, which consists of two or more Contributor DERs of the same Permitted Resource category and which DER is described on the Cover Page.
<u>Alectra</u>	<u>Has the meaning ascribed to it in the Rules.</u>
Arbitration Act	The <i>Arbitration Act, 1991</i> , S.O. 1991, c. 17.
Arbitrator	Has the meaning given to it in Section 15.2.
Auction Deposit	Has the meaning ascribed to it in the Rules.
Availability Charge	Has the meaning ascribed to it in the Rules.
Availability Payment	Has the meaning ascribed to it in the Rules.
Availability Window	Has the meaning ascribed to it in the Rules.
Bid	Has the meaning ascribed to it in the Rules.
Bid/Offer	Has the meaning ascribed to it in the Rules.
Bid/Offer Submission Start Date	Has the meaning ascribed to it in the Rules.

TERM	DEFINITION
Business Day	Has the meaning ascribed to it in the Rules.
Capacity Charge	Has the meaning ascribed to it in the Rules.
Capacity Offer	Has the meaning ascribed to it in the Rules.
Change Request	Has the meaning ascribed to it in the Rules.
Claim	A complaint , claim or cause of action in contract, in tort, under any Laws or otherwise.
Commercially Reasonable Efforts	Efforts which are reasonably within the contemplation of the Parties as of the Contract Date, which are designed to enable a Party, directly or indirectly, to satisfy a condition to, or otherwise assist in the consummation of, the transactions contemplated by this Contract or the Rules and which do not require the performing Party to expend any funds or assume liabilities other than expenditures and liabilities which are reasonable in nature and amount in the context of the transactions contemplated by this Contract or the Rules.
Commitment Period	Has the meaning ascribed to it in the Rules.
Commitment Period End Date	Has the meaning ascribed to it in the Rules.
Commitment Period End Time	11:59 hours on the last day of the Commitment Period, which day is set out in the Pre-Auction Report.
Commitment Period Start Date	Has the meaning ascribed to it in the Rules.
Commitment Period Start Time	01:00 hours on the first day of the Commitment Period, which day is set out in the Pre-Auction Report.
Completion Security	Has the meaning ascribed to it in the Rules.
Confidential Information	All information that has been identified as confidential and which is furnished or disclosed by the Disclosing Party and its Representatives to the Receiving Party and its Representatives in connection with the Contract including all new information derived at any time from any such confidential information, but excluding (i) publicly-available information unless made public by the Receiving Party or its Representatives in a manner not permitted by this Contract; (ii) information already known to the Receiving Party prior to being furnished by the Disclosing Party; (iii) information disclosed to the Receiving Party from a source other than the Disclosing Party or its Representative if such source is not subject to any agreement with the Disclosing Party prohibiting such disclosure to the Receiving Party; and (iv) information that is independently developed by the Receiving Party.
Connection Contract	The contract entered into between Alectra and the Participant with respect to the connection of the Contracted DER to Alectra's Distribution System.

TERM	DEFINITION
Connection Points	Has the meaning ascribed to it in the Rules.
Contract Date	The date the Contract was accepted by the Participant, as set out in the Cover Page, and which date serves as the effective date of the Contract.
Contracted DER	The DER described in the Cover Page that is the subject of the Contract, and which DER may be an Aggregator DER, a Direct DER or a Future DER, as applicable.
Contributor	Has the meaning ascribed to it in the Rules.
Contributor DER	A DER that is owned by a Contributor.
Contributor List	Has the meaning ascribed to it in the Rules.
Control Group	Has the meaning ascribed to it in the Rules.
Control Group DER	Has the meaning ascribed to it in the Rules.
Cover Page	The cover page of the Contract which sets out the particulars of the Participant, the Contracted DER and the applicable version of the Rules, among other things.
COVID-19	A new virus linked to the same family of viruses as Severe Acute Respiratory Syndrome (SARS) and some types of common cold, also referred to as the 2019 novel coronavirus' or '2019-nCoV', which virus originated in Wuhan, China and was declared a pandemic by the World Health Organization on March 11, 2020.
Delegate	Has the meaning given to it in Section 9.1 and is the individual identified on the Cover Page under "Delegate details", as amended from time to time in accordance with the terms of the Contract.
Deliver	Has the meaning ascribed to it in the Rules.
Demand Response Resource	Has the meaning ascribed to it in the Rules.
Demand Response Resource (C&I)	Has the meaning ascribed to it in the Rules.
Demand Response Resource (Residential)	Has the meaning ascribed to it in the Rules.
Demonstration	Has the meaning ascribed to it in the Rules.
Demonstration Sponsors	The IESO and NRCAN, or either one of them.
DER (Distributed Energy Resource)	Has the meaning ascribed to it in the Rules.

TERM	DEFINITION
DER Activation Hour(s)	An Activation Hour during the Availability Window for which the Contracted DER is required to Deliver Energy or Reduce Energy, as the case may be, which hour is identified in the Activation Notice and which shall not be less than one hour.
DER Capacity	Has the meaning ascribed to it in the Rules.
<u>DER ID</u>	<u>Has the meaning ascribed to it in the Rules.</u>
<u>DER Reserve Hour</u>	<u>A Reserve Hour during the Availability Window for which the Contracted DER is required to provide Reserve, which hour is identified in the Reserve Notice and which shall not be less than one hour.</u>
Direct Participant	Has the meaning ascribed to it in the Rules.
Disclosing Party	With respect to Confidential Information, the Party providing or disclosing such Confidential Information and may be the DSO or the Participant, as applicable.
Dispatch Charge	Has the meaning ascribed to it in the Rules.
Distribution System	Has the meaning ascribed to it in the Rules.
<u>Distribution System Code</u>	<u>Has the meaning ascribed to it in the Rules.</u>
DR (C&I) Baseline	Has the meaning given to it in <i>Exhibit D – Demand Response Baseline</i> .
DR Residential Baseline	Has the meaning given to it in <i>Exhibit D – Demand Response Baseline</i> .
DSO or “Distribution System Operator”	Alectra Utilities Corporation, acting in such role exclusively for the purposes of the Demonstration.
DSO Coordinates	Has the meaning ascribed to it in the Rules.
DSO Default	Has the meaning given to it in Section 10.4.
Electricity	Has the meaning ascribed to it in the Rules.
Electricity Retailer Waiver	A waiver agreement entered into between the Participant and a licenced electricity retailer substantially in the form of waiver attached as Appendix B to the Rules.
Eligible Capacity	Has the meaning ascribed to it in the Rules.
Energy	Has the meaning ascribed to it in the Rules.
Force Majeure	Has the meaning ascribed to it in Section 11.1.
Forced Outage	Has the meaning ascribed to it in the Rules.

TERM	DEFINITION
Forward Period	Has the meaning ascribed to it in the Rules.
Gas-fired Resource	Has the meaning ascribed to it in the Rules.
Good Engineering & Operating Practices	Any of the practices, methods and activities adopted by a significant portion of the North American electric utility industry as good practices applicable to the design, building, and operation of demand response, storage facilities and generating facilities of similar type, size and capacity or any of the practices, methods or activities which, in the exercise of skill, diligence, prudence, foresight and reasonable judgement by a prudent generator of Electricity in light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition and Laws. Good Engineering & Operating Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of all others, but rather are intended to delineate acceptable practices, methods, or acts generally accepted in the North American electric utility industry.
Governmental Authority	Has the meaning ascribed to it in the Rules.
IESO	Has the meaning ascribed to it in the Rules.
Indemnifiable Loss	Has the meaning ascribed to it in Section 14.1.
Indemnitees	The DSO, the IESO, NRCan their respective Affiliates, and each of the foregoing Persons' respective directors, officers, employees, shareholders, advisors and agents (including contractors and their employees).
Insolvency Legislation	Means the <i>Bankruptcy and Insolvency Act (Canada)</i> , the <i>Winding Up and Restructuring Act (Canada)</i> and the <i>Companies' Creditors Arrangement Act (Canada)</i> or any successor legislation, and the bankruptcy, insolvency, creditor protection or similar laws of any other jurisdiction (regardless of the jurisdiction of such application or competence of such law).
Invalid Activation -Notice	<p><u>Means</u></p> <p><u>(1)</u> An Activation Notice <u>or Reserve Notice, as applicable</u>, that is any of the following:</p> <p>(i) Issued less than two hours in advance of the first DER Activation Hour <u>or the DER Reserve Hour, as applicable</u>, for the Contracted DER;</p> <p>(ii) Incomplete such that the Participant cannot determine, acting reasonably, when to activate <u>or schedule</u> the Contracted DER or the Quantity Activated <u>or Quantity Reserved</u>, or both;</p> <p><u>Or;</u></p> <p><u>(2)</u> <u>a</u></p>

TERM	DEFINITION
	<p><u>Deployment Notice that is any of the following:</u></p> <p>(i) <u>issued less than 30 minutes in advance of the first Deployment Interval for the Contracted DER;</u></p> <p>(ii) <u>incomplete such that the Participant cannot determine, acting reasonably, when to deploy the Contracted DER or the Quantity Deployed.</u></p>
Invalid Provision	Has the meaning given to it in Section 15.7(b).
ITA	The federal <i>Income Tax Act</i> , R.S.C. chap. 1, 5 th Supplement.
kW	Kilowatts.
kWh	Kilowatt-hours.
Laws	Has the meaning ascribed to it in the Rules.
<u>Local Capacity</u>	<u>Means the capacity (kW) provided by the Contracted DER for the purposes of meeting the Local Capacity Requirement.</u>
Local Capacity Auction	Has the meaning ascribed to it in the Rules.
Local Capacity Obligation	The capacity <u>Local Capacity</u> (kW) that the Contracted DER is required to provide during the Commitment Period, which amount was assigned to the Contracted DER by the DSO following the Local Capacity Auction and is stated on the Cover Page.
Local Energy Auction(s)	Has the meaning ascribed to it in the Rules.
<u>Local Energy Price</u>	<u>Has the meaning ascribed to it in the Rules.</u>
<u>Local Reserve Auction(s)</u>	<u>Has the meaning ascribed to it in the Rules.</u>
<u>Local Reserve Obligation</u>	<u>The Reserve that the Contracted DER is required to provide during the Commitment Period, which amount was assigned to the Contracted DER by the DSO following the Local Capacity Auction, as stated on the Cover Page. Whether or not the Local Reserve Obligation is applicable to a particular Contracted DER is also stated on the Cover Page.</u>
Local Energy <u>Reserve</u> Price	Has the meaning ascribed to it in the Rules.
Material Adverse Effect	Means any change (or changes taken together) in, or effect on, the affected Party that materially and adversely affects the ability of such Party to perform its obligations under this Contract or the Demonstration.
Measurement Canada	Has the meaning ascribed to it in the Rules.
Meter	Means the revenue-quality meter connected to the Contracted DER and the

TERM	DEFINITION
	Distribution System and approved and verified by Measurement Canada and the DSO as usable for billing purposes on an hourly or sub-hourly basis.
Monthly Payment	Has the meaning ascribed to it in the Rules.
Non-performance Charges	Means the Availability Charge, the Capacity Charge, and the Dispatch Charge, or any one of them.
Notice of Arbitration	Has the meaning given to it in Section 15.3.
NRCan	Has the meaning ascribed to it in the Rules.
OEB	Has the meaning ascribed to it in the Rules.
Offer (Energy)	Has the meaning ascribed to it in the Rules.
Offer (Reserve)	Has the meaning ascribed to it in the Rules.
Other Participants	All of the other Persons that have entered into either a Contract for Energy Services (Direct Participant) or a Contract for Energy Services (Aggregators) with the DSO for the Commitment Period.
Outage	Has the meaning ascribed to it in the Rules.
Outage Notice	The notice required to be provided to the DSO by the Participant in the event the Contracted DER experiences a Planned Outage or Forced Outage, which notice shall be submitted via the Platform and shall include the following information: <ol style="list-style-type: none"> 1) Time of Outage 2) Available DER Capacity during Outage 3) Adjusted Bids/Offers for Contracted DER during Outage 4) Details surrounding cause of Outage
Participant	The Person that is Party to the Contract with the DSO and identified as such on the Cover Page.
Participant Class	Has the meaning given to it in Section 15.7.
Participant Default	Has the meaning given to it in Section 10.1.
Party	The DSO or the Participant, as applicable, and “Parties” refers to both of them.
Performance Exemption	Has the meaning given to it in Section 4.7.
Permitted Resource	Has the meaning ascribed to it in the Rules.

TERM	DEFINITION
Person	Has the meaning ascribed to it in the Rules.
Planned Outage	Has the meaning ascribed to it in the Rules.
Platform	Has the meaning ascribed to it in the Rules.
Platform User Agreement	The terms and conditions governing the usage of the Platform by the Parties for the purposes of the Demonstration, and which terms and conditions must be accepted by the Participant in order to access the Platform.
Privacy Act	Means the federal <i>Privacy Act</i> , R.S.C., 1985, c. P-21, as amended from time to time, and any regulations made pursuant to such act.
Privacy Legislation	Refers to the Privacy Act as applicable to NRCan, MFIPPA as applicable to the DSO, and FIPPA as applicable to the IESO.
Privacy Legislation Records	Has the meaning ascribed to it in Section 13.5.
Quantity Activated	Has the meaning ascribed to it in the Rules.
Quantity Delivered/Reduced	Has the meaning ascribed to it in the Rules.
<u>Quantity Deployed</u>	<u>Has the meaning ascribed to it in the Rules.</u>
Quantity Reduced	Has the meaning ascribed to it in the Rules.
<u>Quantity Reserved</u>	<u>Has the meaning ascribed to it in the Rules.</u>
Receiving Party	With respect to Confidential Information, the Party receiving Confidential Information and may be the DSO or the Participant, as applicable.
Reduce	Has the meaning ascribed to it in the Rules.
Registered Bank Account	Has the meaning ascribed to it in the Rules.
Registered Email	The email address that is registered by the Participant for the purposes of the Contract and which is identified on the Cover Page under “Registered Email”, which email address may be amended from time to time in accordance with the Contract.
Registrant	Has the meaning ascribed to it in the Rules.
Registration	Has the meaning ascribed to it in the Rules.
Replacement DER	Has the meaning given to it in Section 8.2.
Replacement Provision	Has the meaning given to it in Section 1.8.

TERM	DEFINITION
Representative	With respect to a Party, such Party's directors, officers, employees, general partners, agents and consultants (including legal advisors, financial advisors, accountants and advisors performing audit or inspection services) and with respect to the DSO only, includes its shareholder, and those individuals at Util-Assist Ltd. that are providing services with respect to the Demonstration.
<u>Reserve</u>	<u>Has the meaning ascribed to it in the Rules.</u>
<u>Reserve-Capable</u>	<u>Has the meaning ascribed to it in the Rules.</u>
<u>Reserve Hour</u>	<u>Has the meaning ascribed to it in the Rules.</u>
<u>Reserve Notice</u>	<u>Has the meaning ascribed to it in the Rules.</u>
Revenue Guarantee	The revenue guarantee (\$/kW-day), which will be set at the capacity auction clearing price of the IESO Capacity Auction taking place in the fourth quarter of 2020 <u>2021</u> , and in the event such auction does not take place or takes place following the start of the Commitment Period, the revenue guarantee will be set by the DSO in its discretion prior to the start of the Commitment Period.
Rules	The rules governing the Demonstration as amended from time to time and, with respect to the Contract, the applicable version of the Rules shall be as set out on the Cover Page.
Senior Conference	Has the meaning given to it in Section 15.1.
Settlement Month	Has the meaning given to it in Section 5.4.
Site	Has the meaning ascribed to it in the Rules.
Standby Day	Has the meaning ascribed to it in the Rules.
Standby Notice	Has the meaning given to it in the Rules.
Statement	The statement issued by the DSO for a Settlement Period for the Contracted DER that sets out the Quantity Delivered/Reduced in each Confirmed Activation Hour, the DLMP for each such hour, the Monthly Payment including any Non-performance Charges, and applicable taxes.
Storage Resource	Has the meaning ascribed to it in the Rules.
Suitable Business Days	Has the meaning given to it in <i>Exhibit D – Demand Response Baseline</i> .
Supplemental Registration	Has the meaning ascribed to it in the Rules, except that the reference to

TERM	DEFINITION
	Registrant shall be a reference to the Participant.
Supplemental Registration Period	Has the meaning ascribed to it in the Rules.
Term	Has the meaning given to it in Section 12.1.
Test Activation	Has the meaning ascribed to it in the Rules.
Test Activation Hour	Has the meaning ascribed to it in the Rules.
Test Activation Payments	Has the meaning ascribed to it in the Rules.
<u>Test Deployment</u>	<u>Has the meaning ascribed to it in the Rules.</u>
<u>Test Deployment Notice</u>	<u>Has the meaning ascribed to it in the Rules.</u>
<u>Test Deployment Payment</u>	<u>Has the meaning ascribed to it in the Rules.</u>
<u>Test Payments</u>	<u>Means collectively, the Test Deployment Payments and the Test Activation Payments.</u>
<u>Thermal Resource</u>	<u>Has the meaning ascribed to it in the Rules.</u>
Treatment Group	Has the meaning ascribed to it in the Rules.
User Rights	Has the meaning ascribed to it in the Rules.

EXHIBIT B – FORM OF OFFICER’S CERTIFICATE

OFFICER’S CERTIFICATE

TO: Alectra Utilities Corporation (the "DSO")
FROM: [Enter Participant legal name] (the “Participant”)
DATED: [●] (the “Certificate Date”)
RE: Supplemental Registration for the Contracted DER with DER ID# [●]

This certificate is delivered pursuant to Section 2.3(a) of the Contract for Energy Services (Direct Participant) (the "**Contract**") dated [●] between the DSO and the Participant. Capitalized terms used and not defined in this certificate have the meanings given to them in the Contract.

I, [Name of Officer], [Title within Participant] of the Participant, hereby certify for and on behalf of the Participant and not in my personal capacity and without personal liability that:

1. I have full and complete knowledge of the business and affairs of the Participant with respect to the matters herein set forth.
2. I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to make these statements, and I have furnished this certificate with the intent that it may be relied upon by the addressees as a basis for the consummation of the transactions contemplated by the Contract.
3. All of the representations and warranties of the Participant made in or pursuant to Section 2.1 and Section 2.2 of the Contract are true and correct as of the Certificate Date with the same effect as if made at and as of the Certificate Date; and
4. The Participant has complied with and performed all of the obligations, covenants and agreements under the Contract to be complied with or performed by the Participant on or before the Certificate Date.

THIS CERTIFICATE is executed by the undersigned as of the Certificate Date.

[Participant name]

Name:
Title:
*I have the authority to bind the
[corporation/partnership/other]*

EXHIBIT C – SETTLEMENT JNTD: SUBJECT TO FURTHER REVISIONS

1. Monthly Payment

Equation (“Eq.”) 1 sets out the calculation for the Monthly Payment (\$) in month “m” of the Commitment Period.

$$MP_m = \max (AP_m + DLMP_m + TAP_m - AC_m - CC_m - DC_m, 0) \tag{1}$$

$$MP_m = \max (AP_m + DLMP_m + LRSP_m + LRDP_m + TP_m - AC_m - CC_m - DC_m, 0)$$

Where

AP_m	is the Availability Payment (\$) applicable to month “m”
$DLMP_m$	is the Distribution Locational Marginal Price payment (<u>the “DLMP Payment”</u>) (\$) applicable to month “m” as set out in Eq. <u>35</u>
TAP_m	is the Test Activation payments <u>Payments</u> (\$) applicable to month “m” as set out in Eq. <u>411</u>
AC_m	is the Availability Charge (\$) applicable to month “m” as set out in Eq. <u>512</u>
CC_m	is the Capacity Charge (\$) applicable to month “m” as set out in Eq. <u>615</u>
DC_m	is the Dispatch Charge (\$) applicable to month “m” as set out in Eq. <u>716</u>

2. Availability Payment

Eq. 2 sets out the calculation for the Availability Payment (\$) applicable to month “m”.

$$AP_m = LCO \times \sum_{h=1}^n \max (CACP, RG) \tag{2}$$

$$AP_m = AP_{LCO} + AP_{LRO}$$

Where

AP_{LCO}	is the Availability Payment associated with the Local Capacity Obligation as set out in Eq. <u>3</u>
AP_{LRO}	is the Availability Payment associated with the Local Reserve Obligation as set out in Eq. <u>4</u>

Eq. 3 sets out the calculation for the Availability Payment (\$) applicable to month “m” associated with the Local Capacity Obligation.

$$AP_{LCO} = LCO \times \sum_{h=1}^n \max (CACP_{LCO}, RG) \tag{3}$$

Where

LCO	is the Local Capacity Obligation (kW) for the <u>Contracted DER for the</u> Commitment Period
CACP <u>CACP_{LCO}</u>	is the hourly capacity auction -clearing price (\$/kW-hour), which is calculated by dividing the Local Capacity <u>Clearing Price</u> (\$/kW-day) <u>determined in the Local Capacity Auction (as described in Section 5 of the Rules)</u> by the number of hours in an Availability Window in one Business Day
RG	is the hourly revenue guarantee (\$/kW-hour), which is calculated by dividing the Revenue Guarantee, as such term in defined in <i>Exhibit A – Defined Terms</i> , by the number of hours in an Availability Window in one Business Day
n	is the number of hours of the Availability Window in one Business Day multiplied by the number of Business days in month “m”
h	is an hour within the Availability Windows in month “m”

Eq. 4 sets out the calculation for the Availability Payment (\$) applicable to month “m” for Contracted DERs with a Local Reserve Obligation.

$$AP_{LRO} = LRO \times \sum_{h=1}^n \max(CACP_{LRO, RG}) - \max(CACP_{LCO, RG}) \quad (4)$$

Where

<u>LRO</u>	<u>is the Local Reserve Obligation (kW) for the Contracted DER for the Commitment Period</u>
<u>CACP_{LRO}</u>	<u>is the hourly reserve clearing price (\$/kW-hour), which is calculated by dividing the Local Reserve Clearing Price (\$/kW-day) determined in the Local Capacity Auction (as described in Section 5 of the Rules) by the number of hours in an Availability Window in one Business Day</u>

3. DLMP Payment

Eq. 35 sets out the calculation for the DLMP payment (\$) applicable to the month “m”.

$$DLMP_m = \sum_{h=1}^n \min(QDR_h, LCO) \times \max(DLMP_h - HOEP_h, 0) \times AH_{Flag} \quad (3) \quad (5)$$

Where

<u>QDR_h</u>	<u>is the Quantity Delivered/Reduced (kWh) in hour “h”</u>
<u>DLMP_h</u>	<u>is the Local Energy Price (\$/kWh) applicable to hour “h” as determined in accordance with</u>

	<i>Appendix E – Activation & DLMP Mechanism – Local Energy Auction Clearing & Price</i> of the Rules for the Demonstration Area or Zone in which the Contracted DER is located, if Zones are applicable
HOEP _h	is the Hourly Ontario Energy Price (\$/kWh)
AH _{Flag}	is the Activation Hour flag for hour “h”, which is set at 1 for Activation Hours and is set at 0 otherwise

4

4. Local Reserve Payment

Eq. 6 sets out the calculation for the Local Reserve Payment (\$) applicable to the month “m”.

$$LRP_m = \sum_{h=1}^n LRS_h \times LRP_h \times SCH_{flag} \quad (6)$$

Where

<u>LRS_h</u>	is the Quantity Reserved (kW) in hour “h”
<u>LRP_h</u>	is the Local Reserve Price (\$/kW) applicable to hour “h” as determined in accordance with <i>Appendix E – Local Energy Auction Clearing & Price</i> of the Rules for the Demonstration Area
<u>SCH_{flag}</u>	is the Schedule Hour flag for hour “h”, which is set at 1 for Reserve Hours and is set at 0 otherwise

5. Deployment Payment

Eq. 7 sets out the calculation for the Deployment Payment (\$) applicable to the month “m” for Thermal Resource, Storage Resource or Demand Response Resource (C&I).

$$DP_m = \sum_{i=1}^{nDI} \min(QDR_{5min}, LCO \times \frac{1}{12} \text{hour}) \times (\max(DLMP_h, POB_h) - HOEP_h) \quad (7)$$

Where

<u>QDR_{5min}</u>	is the Quantity Delivered/Reduced (kWh) in a 5-minute Deployment Interval
<u>POB_h</u>	is the Price Offered/Bid (\$/kWh) for Energy as submitted by the Participant for the Contracted DER applicable to hour “h” within which the Deployment Interval takes place
<u>nDI</u>	is the total number of Deployment Intervals in month “m”

6. Test Activation Payment

Eq. 48 sets out the calculation for the ~~Test~~ Activation ~~payment~~ Test Payment (\$) for Test Activations applicable to the month “m”.

$$TAP_m = \sum_{h=1}^n \min(QDR_h, LCO) \times TAR \times TA_{Flag} \quad (8)$$

Where

TA_{Flag}	is the Test Activation flag for hour “h”, which is set at 1 for Test Activation Hours and is set at 0 otherwise
-------------	---

7. Test Reserve Payments and Test Deployment Payments

Eq. 9 sets out the calculation for the Test Reserve Payment (\$) applicable to the month “m” for Testing Scheduling of Local Reserve.

$$TRP_m = \sum_{h=1}^n TQR_h \times LRTP_h \times TSCH_{flag} \quad (9)$$

Where

TQR_h	is the Quantity Reserved (kW) for the purposes of the Test Deployment in hour “h”
$TAP_m = \sum_{h=1}^n \min(QDR_h, LCO) \times TAPR \times TA_{Flag}$	(4)
$TAPR$	is the Local Reserve test activation rate price (\$/kW), which is set at \$0.25/0.03/kWh/kW
$LRTP_h$	
TA_{Flag}	is the Test Activation Schedule Hour flag for hour “h”, which is set at 1 for Test Activation Reserve Hours and is set at 0 otherwise
$TSCH_{flag}$	

5

Eq. 10 sets out the calculation for the Test Deployment Payment (\$) applicable to the month “m” for Test Deployment of Local Reserve for Thermal Resource, Storage Resource or Demand Response Resource (C&D).

$$TDP_m = \sum_{i=1}^{nTDI} \min(QDR_{5min}, LCO \times \frac{1}{12} \text{hour}) \times \max(LRTDP - HOEP_h, 0) \quad (10)$$

Where

TDR	is the Test Deployment rate, which is set at \$0.25/kWh
$nTDI$	is the total number of Test Deployment Intervals in month “m”

Eq. 11 sets out the calculation for the Test Payments applicable to month “m”.

$$TP_m = TAP_m + TRP_m + TDP_m$$

8. Availability Charge

The Participant will incur the Availability Charge for each hour during the Availability Window in which the Participant submits a Bid/Offer for the Contracted DER for which the capacity ~~in any of the sum of all~~ submitted Energy price-quantity ~~pair~~ pairs is less than the ~~assigned~~-Local Capacity Obligation for the Contracted DER. For Contracted DER that have a Local Reserve Obligation as well, the Availability Charge will additionally apply to any hour during the Availability Window in which the Participant submits a Bid/Offer with Local Reserve price-quantity pairs that do not sum to its Local Reserve Obligation. The Availability Charge is a partial charge such that it shall only apply to that portion of the Local Capacity Obligation and/or Local Reserve Obligation that was not provided by the Contracted DER.

Eq. 512 sets out the calculation for the Availability Charge (\$) applicable to the month “m”.

$$AC_m = \sum_{h=1}^{nAC} \max(LCO - QOB_h, 0) \times \max(CACP, RG) \times NPF \quad (5)12$$

$$AC_m = AC_{LCO} + AC_{LRO}$$

Where

AC_{LCO}	is the Availability Charge associated with the Local Capacity Obligation as set out in Eq. 3
AC_{LRO}	is the Availability Charge associated with the Local Reserve Obligation as set out in Eq. 4

Eq. 13 sets out the calculation for the Availability Charge for the Contracted DER if it fails to meet its Local Capacity Obligation.

$$AP_{LCO} = \sum_{h=1}^{nAC} \max(LCO - EQOB_h, 0) \times \max(CACP_{LCO}, RG) \times NPF$$

QOB_h $EQOB_h$	is the Quantity <u>Energy</u> Offered or Bid (kWh) in hour “h” and is calculated as the sum of the quantities of the Bids/Offeres (<u>Energy</u>) submitted in the form of price -quantity pairs <u>for Energy</u>
nAC	is the number of Activation Hours in month “m” where the Availability Charge <u>associated with the Local Capacity Obligation</u> is applicable
h	is an hour within the Availability Windows in month “m”
NPF	is the non-performance factor and is set at 1 for the Demonstration

Eq. 14 sets out the calculation for the Availability Charge for the Contracted DER if it fails to meet its Local Reserve Obligation, if applicable.

$$AP_{LRO} = \sum_{h=1}^{nAC} \max(LRO - RQOB_h, 0) \times \max(CACP_{LRO, RG}) \times NPF \quad (14)$$

$RQOB_h$	is the Reserve Offered or Bid (kWh) in hour “h” and is calculated as the sum of the quantities of the Bids/Offers (Reserve) submitted in the form of price-quantity pairs flagged as Reserve-Capable
nAC	is the number of Activation Hours in month “m” where the Availability Charge associated with the Local Reserve Obligation is applicable

9. Capacity Charge

The Participant will incur a Capacity Charge in the event the Contracted DER fails a Test Activation [for Energy or a Test Deployment for Local Reserve](#). A twenty percent (20%) dead band of the Quantity Activated [or Quantity Deployed](#) will be used in the assessment. ~~Specifically, for~~

[For](#) a Contracted DER that is a ~~Gas-fired~~ [Thermal](#) Resource, Storage Resource or Demand Response Resource (C&I), the Contracted DER is deemed to have failed a Test Activation [for Energy](#) if the following condition is true on average for the 5-minute intervals ~~“i”~~ within a Test Activation :

$$\text{average}(QDR_i) < 80\% \times \frac{\text{average}(QA_h)}{12}$$

$$\text{average}(QDR_{5min}) < 80\% \times \frac{\text{average}(QA_h)}{12}$$

Where

QA_h	is the Quantity Activated for hour “h”
QDR_i QDR_{5min}	is the Quantity Delivered/Reduced (kWh) in a 5-minute interval “i” in a Test Activation Hour

For a Demand Response Resource (Residential), the Contracted DER is deemed to have failed a Test Activation [of Energy](#) if the following condition is true on average for the hours within a Test Activation:

$$\text{average}(QR_h) < 80\% \times \text{average}(QA_h)$$

$$\text{average}(QR_h) < 80\% \times \text{average}(QA_h)$$

Where

QR_h	is the Quantity Reduced (kWh) in hour “h” and is calculated in accordance with <i>Exhibit D – Demand Response Baseline</i>
--------	--

For a Contracted DER that is a Thermal Resource, Storage Resource or Demand Response Resource (C&I), the Contracted DER is deemed to have failed a Test Deployment for Reserve if the following condition is true for any 5-minute intervals within a Test Deployment:

$$QDR_{5min} < 80\% \times QD_{5min}$$

Where

QD_{5min}	is the Quantity Deployed for a 5-minute interval
QDR_{5min}	is the Quantity Delivered/Reduced (kWh) in a 5-minute interval during a Test Deployment

Eq. 6.15 sets out the calculation for the Capacity Charge (\$) applicable to the month “m”.

$$CC_m = AP_m \tag{6.15}$$

Where

AP_m	Is the Availability Payment in month ‘m’
--------	--

7.10. Dispatch Charge

The Participant will incur a Dispatch Charge for each Activation Hour for Energy or each hour with one or more Deployment Intervals for Local Reserve in which the Contracted DER fails to provide the required Quantity Reduced/Delivered within a fifteen percent (15%) dead band of the Quantity Activated or Quantity Deployed.

The Dispatch Charge applies to ~~a Contracted DER that is a Gas-fired Resource~~ Thermal Resources, Storage ~~Resource~~ Resources or Demand Response ~~Resource~~ Resources (C&I) (but does ~~not apply~~ not apply to a Contracted DER that is a Demand Response Resource (Residential)-

~~Specifically, the charge applies~~ if the following condition is true for any 5-minute interval ~~“i” in an~~ within the Activation Hour:

$$QDR_i < 85\% \times \frac{QA_h}{12}$$

$$QDR_{5min} < 85\% \times \frac{QA_h}{12}$$

The Dispatch Charge applies to Thermal Resources, Storage Resources or Demand Response Resources (C&I) for an hour in the Availability Window if the following condition is true for any of the Deployment Intervals in the hour:

$$QDR_{5min} < 85\% \times QD_{5min}$$

Eq. 16 sets out the calculation for the Dispatch Charge (\$) applicable to the month “m”.

$$DC_m = DC_{LCO} + DC_{LRO}$$

Where

QDR_i	is the Quantity Delivered/Reduced (kWh) in a 5-minute interval “i” in an Activation Hour
---------	--

--	--

Eq. 717 sets out the calculation for the Dispatch Charge (\$) applicable to the month “m” associated with the Local Capacity Obligation.

$$DC_{LCO} = \sum_{h=1}^{nDC} EQOB_h \times \max(CACP_{LCO}, RG) \times NPF$$

Where

nDC	is the number of Activation Hours in month “m” where the Dispatch Charge is applicable
-------	--

Eq. 18 sets out the calculation for the Dispatch Charge associated with the Local Reserve Obligation.

$$DC_m = \sum_{h=1}^{nDC} QOB_h \times \max(CACP, RG) \times NPF \quad \text{⊕(18)}$$

$$DC_{LRO} = \sum_{h=1}^{nDC} RQOB_h \times \max(CACP_{LRO}, RG) \times NPF$$

Where

nDC	is the number of Activation Hours hours “h” in month “m” with Deployment Intervals for Local Reserve where the Dispatch Charge is applicable
-------	---

EXHIBIT D – DEMAND RESPONSE BASELINING

Due to how Demand Response Resources participate in the Local Energy Auctions, baselines are required to determine settlements for each Demand Response Resource activated to provide Demand Response Capacity. A baseline is an approximation of a Demand Response Resource’s consumption profile that is used to estimate what the Contracted DER would have been consuming had an activation not taken place.

For Demand Response Resources (C&I), baselines are determined using historical measurement data that meets the criteria of suitable Business Days.

For Demand Response Resources (Residential), baselines are determined using measurement data from the Control Group (defined below).

The DSO will calculate baselines for each Activation Hour. Baselines are used in the assessment of Capacity Charges and Dispatch Charges.

Baseline Methodology for Demand Response Resources (C&I)

Quantity Reduced for Contracted DERs that are Demand Response Resources (C&I) shall be calculated as follows:

$$Quantity\ Reduced_h = \max(DR\ C\&I\ Baseline_h - Actual\ Consumption_h, 0)$$

And on an interval basis as follows:

$$Quantity\ Reduced_i = \max(DR\ C\&I\ Baseline_i - Actual\ Consumption, 0)_i$$

Where:

“Actual Consumption” is the measurement data for the hour or the interval.

“DR C&I Baseline” is the baseline calculation for the hour or the interval and is calculated as described below.

Baseline Calculation: For each Activation Hour for the Contracted DER, the baseline (the “**DR C&I Baseline**”) shall be calculated as follows:

$$DR\ C\&I\ Baseline_h = Standard\ Baseline_h \times In\text{-}Day\ Adjustment\ Factor$$

and for an interval basis as follows:

$$DR\ C\&I\ Baseline_i = DR\ C\&I\ Baseline_h / 12$$

Where:

- “h” is an Activation Hour.
- “i” is an interval within the hour “h”.
- “Standard Baseline” is one of two components of the DR C&I Baseline and is calculated as described below.
- “In-Day Adjustment Factor” is one of two components of the DR C&I Baseline and is calculated as described below.

Standard Baseline: The standard baseline is the average of the highest fifteen (15) measurement data values for the same hour that was activated in the last twenty (20) Suitable Business Days prior to the activation.

Suitable Business Days: “**Suitable Business Days**” are any Business Days where a Demand Response Resource (C&I):

- Has placed at least one Bid for at least one hour within the Availability Window for the day; and
- Was **not** activated pursuant to an Activation Notice.

Business Days prior to the Commitment Period Start Date shall be deemed as suitable Business Days, irrespective of the aforementioned definition of suitable business days. For example, when settling the month of May and assuming the Demand Response Resource (C&I) was registered to participate as of May 1st, then, all Business Days in April and a portion of the Business Days in March will be deemed Suitable Business Days.

The Demand Response Resource (C&I) baseline calculation below uses the last twenty (20) Suitable Business Days from a range of Business Days that go back to a maximum of thirty-five (35) Business Days prior to the day in which the Demand Response Resource (C&I) was activated. If less than twenty (20) Suitable Business Days are available, the DSO will use all available Suitable Business Days within the maximum of thirty-five (35) Business Days to calculate the baseline.

In-Day Adjustment Factor:

The in-day adjustment factor is calculated as follows:

$$\text{In-Day Adjustment Factor} = A \div B$$

Where:

- “A” is the average actual consumption [of the Contracted DER] during the adjustment window hours on the actual Activation Day.
- “B” is the average actual consumption [of the Contracted DER] during the adjustment window hours in the past highest fifteen (15) of twenty (20) Suitable Business Days prior to the Activation Day.

The adjustment window is the three (3) hour window occurring one (1) hour before an Activation Hour. The in-day adjustment factor can only be as low as 0.8 and as high as 1.2. For greater clarity, the in-day adjustment factor will be rounded either up or down if calculated as being less than 0.8 or greater than 1.2, respectively.

Baseline Methodology for Demand Response Resources (Residential):

Quantity Reduced for Demand Response Resources (Residential) shall be calculated as follows:

$$Quantity\ Reduced_h = \max ((Adjusted\ Control\ Group\ Load_h - Treatment\ Group\ Load_h) \times Number\ of\ Contributor\ DERs\ in\ Treatment\ Group_m, 0)$$

Where:

- “Treatment Group Load_h” is the actual consumption per Contributor DER within the Treatment Group for an Activation Hour ‘h’. For further clarity, it is the summation of the measurement data for all the Contributor DERs in the Treatment Group for the Activation Hour divided by the number of Contributor DERs in the Treatment Group for the month.
- “Adjusted Control Group Load_h” is the actual consumption per Contributor DER within the Control Group adjusted by the Same-Day Adjustment. It is calculated as described below.

Baseline Calculation: For each Activation Hour for the Contracted DER , the residential baseline (the “**DR Residential Baseline**”) shall be calculated as follows:

$$Adjusted\ Control\ Group\ Load_h = (Total\ Consumption_h / Number\ of\ Control\ Group\ DERs_m) \times Same\text{-}Day\ Adjustment$$

Where:

- “h” is an Activation Hour.
- “m” is the month in which the activation event takes place.
- “Total Consumption” is the measurement data for the Control Group for the Activation Hour.
- “Same-Day Adjustment” is calculated as described below.

Same-Day Adjustment:

$$Same\ Day\ Adjustment = C \div D$$

Where:

- “C” is the average actual consumption of the Contracted DER during the adjustment window hours on the Activation Day for the Control Group divided by the number of Control Group DERs.
- “D” is the average actual consumption during the adjustment window hours on the Activation Day for the Control Group divided by the number of Control Group DERs.

“adjustment window” is the three (3) hour window occurring one (1) hour before an Activation Hour.

Control Group:

A randomized controlled (RC) baseline methodology is used where two groups of Contributor DERs are established, as follows:

- A randomized “**Control Group**”, which serves as a proxy for baseline consumption. The Contributor DERs that make up the Control Group (each a “**Control Group DER**”) are randomly selected from the Contributor List using a process of selection in which each Contributor DER that is on the Contributor List has an equal probability of being selected as a Control Group DER each month of the Commitment Period, as described below under the heading “Control Group Identification”.
- A “**Treatment Group**”, which is comprised of the Contributor DERs that are not part of the Control Group and comprise the Contracted DER and therefore may be activated during the Local Energy Auction in accordance with an Activation Notice to Reduce their Energy;

The RC evaluates the consumption difference between the Treatment Group and the Control Group to determine the Quantity Reduced of the Contracted DER.

Control Group Identification:

By no later than fourteen (14) Business Days prior to the first day of a each month in the Commitment Period, the Participant will be required to use the Platform to flag the Control Group DERs that will be used for the upcoming month. The Participant is required to use a random process to identify a new set of Control Group DERs such that there is an equal probability among Contributor DERs that are on the Contributor List to be selected as a Control Group DER. The size of the Control Group will depend on the Local Capacity Obligation of the Contracted DER as indicated in the following table.

Local Capacity Obligation (kW) of the Contracted DER	Minimum Control Group size (number of Control Group DERs)
100 – 240	150
250 – 490	200
500 – 740	250
750 – 990	300
≥ 1000	350

EXHIBIT E – FORM OF NOTICE OF DISAGREEMENT

Notice of Disagreement



The Notice of Disagreement (NOD) may only pertain to one item/issue for a single DER. NODs that describe more than one issue/item or list more than one DER will not be considered. The NOD shall contain the proposed solution and supporting documentation. Supporting documentation, if any, should be included as attachments to this NOD.

Participant Information (must match information on Registration)

BUSINESS NAME	NAME OF DELEGATE
BUSINESS ADDRESS OF PARTICIPANT	EMAIL
	PHONE
ACCOUNT NUMBER	ACCOUNT ADDRESS
CHECK ONE: <input type="checkbox"/> DIRECT PARTICIPANT <input type="checkbox"/> AGGREGATOR	CHECK ONE: <input type="checkbox"/> PLANNED OUTAGE <input type="checkbox"/> FORCED OUTAGE
FOR IESO MARKET PARTICIPANTS ONLY	
HAVE YOU SUBMITTED A METER TROUBLE REPORT (Y/N) <input type="checkbox"/> YES <input type="checkbox"/> NO	NAME OF METER SERVICE PROVIDER

DER Information

CHECK ONE: <input type="checkbox"/> Demand Response Resource <input type="checkbox"/> Gas-Fired <u>Thermal</u> Resource <input type="checkbox"/> Storage Resource <input type="checkbox"/> Residential <input type="checkbox"/> Commercial & Industrial		
ELIGIBLE CAPACITY (KW)	METER NUMBER (DIRECT DERS)	MUNICIPAL ADDRESS OF DER (DIRECT DERS)

BILLING PERIOD IN QUESTION	METER LOCATION (IF DIFFERENT THAN ACCOUNT ADDRESS)	CURRENT READING (KW)
----------------------------	--	----------------------

Outage Information

DATE OF OUTAGE (YYYY-MM-DD)	TIME OF OUTAGE (HH:MM:SS – 24H)	CAPACITY OFFLINE DURING OUTAGE (KW)
BIDS/OFFERS REMOVED DURING OUTAGE (Y/N)	NON-PERFORMANCE CHARGES ASSESSED (\$) (INCLUDE DATE, TIME AND AMOUNT)	

Description of Disagreement

DESCRIPTION

Action Required

DESCRIPTION

Resolution (to be filled by the DSO)

DESCRIPTION

Submitted

NAME:	<input type="checkbox"/> I have the authority to bind the Participant	DATE (YYYY-MM-DD)
-------	---	-------------------

Contact Information

Alectra Utilities
 161 Cityview Blvd
 Vaughan, ON L4H 0A9
www.Alectra.com

SUBMIT THIS FORM AND ANY SUPPORTING DOCUMENTATION BY EMAIL TO:
NWADemo@alectrautilities.com

EXHIBIT F – ADDITIONAL TERMS

(If applicable)

Document comparison by Workshare Compare on July 7, 2021 9:40:44 AM

Input:	
Document 1 ID	file://C:\Users\kannis\Desktop\NWA Demonstration - Contract for Energy Services (AGGREGATORS)(115545661.7).docx
Description	NWA Demonstration - Contract for Energy Services (AGGREGATORS)(115545661.7)
Document 2 ID	iManage://blg-mobility.imatege.work/DOCUMENTS/123029553/4
Description	#123029553v4<blg-mobility.imatege.work> - NWA Demonstration - Contract for Energy & OR Services (AGGREGATORS)
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	170
Deletions	53
Moved from	3
Moved to	3
Style changes	0
Format changes	0

Total changes	229
---------------	-----