



ieso

Independent Electricity
System Operator

FEED-IN TARIFF MICROFIT CONTRACT

Version 2.1.1

Part 1 – Contract Details

The Independent Electricity System Operator (“IESO”) is offering the microFIT Program pursuant to Ministerial Direction issued pursuant to the *Electricity Act, 1998* (Ontario) in order to procure renewable generation capacity for the benefit of the Ontario integrated power system (as defined in the *Electricity Act, 1998* (Ontario)).

Supplier (defined in Section A below) successfully applied to the microFIT Program and Supplier has constructed and will operate the Facility (defined in Section B below) in compliance with this Contract and will supply electricity generated by the Facility into the LDC’s distribution system and will receive payment for such supply from the LDC.

This microFIT Contract is structured in two parts. Part 1 provides the details of Supplier and Supplier’s Facility. Part 2 contains the General Terms and Conditions of the Contract. These two parts together form the Contract between Supplier and IESO.

In consideration of the mutual promises and obligations stated in this Contract, IESO and Supplier hereby enter into, and agree to be bound by the terms and conditions contained in this Contract.

Each of IESO and Supplier confirms that this Contract was entered into electronically and that each has received a copy of and has reviewed this Contract, and that its representations and warranties contained in this Contract are true and correct.

All capitalized terms used in this Contract shall have the meaning defined in the attached Appendix A.

A. CONTRACT AND SUPPLIER INFORMATION

- (1) Reference Number: _____
- (2) Supplier (*full legal name(s)*): _____
- (3) Contract Commencement Date (*insert Contract Commencement Date as defined in the microFIT Rules*): _____
- (4) Contract End Date (*insert end date – 20/40 years from Contract Commencement Date pursuant to microFIT Rules*): _____
- (5) Supplier (*check one*):
 - is **not** the same legal entity as LDC, and Supplier and LDC have entered into a Micro-Embedded Generation Facility Connection Agreement (the “**Connection Agreement**”) with respect to the Facility.
 - is the same legal entity as LDC.
- (6) The name and generator account number the LDC associates with the Facility is:

Name:	
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LDC Generator Account Number:	
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- (7) The Contract Price is \$_____/kWh.
- (8) The Percentage Escalated is:_____ %. *(insert percentage escalated if applicable, if not insert N/A)*
- (9) The Base Date is: _____
- (10) Supplier Contact Information:

Contact Information for Supplier (not representative of Supplier):

Name of individual: _____

Supplier name: _____

Mailing address: _____

Email address: _____

Telephone number: _____

Subject: microFIT – [Reference Number]

- (11) Contact Information for representative of Supplier (if a different entity than Supplier):

Name of individual: _____

Company name: _____

Mailing address: _____

Email address: _____

Telephone number: _____

Subject: microFIT – [Reference Number]

B. FACILITY CHARACTERISTICS

The details of Supplier’s electrical generating facility (the “**Facility**”) are described below.

- (1) The Facility is connected directly or indirectly to the _____ (“**LDC**”) distribution system.
- (2) The Facility is located in Ontario at the following location:
(insert Property Identification Number and municipal address or if there is no municipal address or location, insert legal description for property)

PIN: _____

Address or , if no municipal address, legal description: _____

- (3) The Facility's Renewable Fuel is _____.
- (4) The Facility has a Nameplate Capacity of _____ kilowatts ("kW").
- (5) If the Facility's Renewable Fuel is solar photovoltaic (PV):
- (i) The inverter rating for the Facility is _____ kW (alternating current).
 - (ii) The solar array rating for the Facility is _____ kW (direct current).
 - (iii) The Facility is (*check one*):
 - i. a Rooftop Facility.
 - ii. **not** a Rooftop Facility.
- (6) The Facility is (*check one*):
- a Directly Connected Facility.
 - an Indirectly Connected Facility and is connected In Parallel.
- (7) If the Facility is an Indirectly Connected Facility, the Facility is (*check one*):
- not** connected to a battery back-up or supply system.
 - connected to a battery back-up or supply system in compliance with Appendix D-2.
- (8) The Facility is (*check one if applicable*):
- a wind Renewable Generating Facility with a Nameplate Capacity 3 kW or less.
 - a wind Renewable Generating Facility with a Nameplate Capacity greater than 3 kW.

C. DOCUMENTS INCLUDED; DEFINED TERMS

Part 1 and Part 2 and the following Appendices, which are specifically incorporated herein and made a part hereof together form and are referred to as this "**Contract**" (*check all that apply*):

- Part 2 – General Terms and Conditions
- Appendix A –Definitions
- Appendix B – Calculation of Indexed Contract Price (*use if Percentage Escalated applies*)
- Appendix C – Solar PV Schedule (*use if solar photovoltaic facility*)
- Appendix D-1 – Directly Connected Facility Schedule (*use if Directly Connected Facility*)
- Appendix D-2 – Indirectly Connected Facility Schedule (*use if Indirectly Connected Facility*)
- Appendix E – LDC Schedule (*use if LDC is Supplier*)



FEED-IN TARIFF MICROFIT CONTRACT
Version 2.1.1
Part 2 - General Terms and Conditions

1. TERM

This Contract shall commence as of the Contract Commencement Date and end on the Contract End Date (the “**Term**”).

2. PRICING PROVISIONS AND PAYMENT

2.1. Indexed Contract Price. The Indexed Contract Price in respect of any hour of electricity generation is:

2.1.1. where the Percentage Escalated does not apply, an amount equal to the Contract Price; and

2.1.2. where the Percentage Escalated applies, an amount equal to the Indexed Contract Price determined in accordance with Appendix B.

2.2. Payment. Once this Contract has been fully executed, the LDC will pay Supplier the Indexed Contract Price for the electricity generated by the Facility and successfully injected into LDC’s distribution system, as described in this Section (the “**Generation Payments**”).

2.2.1. Generation Payments shall be settled periodically and on a schedule consistent with the monthly, bimonthly, quarterly or other periodic billing cycle of LDC (the “**Settlement Period**”) and otherwise in accordance with the Connection Agreement and the provisions of the Retail Settlement Code, provided that if the Term begins on a day other than the first day of the Settlement Period, the initial payment may be deferred and incorporated with that of the first full Settlement Period following the commencement of the Term. All settlement documentation, requirements and details, including the date that any Generation Payment is due and the statement of amounts owing shall be governed by the applicable LDC.

2.2.2. IESO may, on not less than 30 days’ prior notice to Supplier, implement alternative settlement mechanics to those set out in this Section 2.2.

3. ENVIRONMENTAL ATTRIBUTES

3.1. Transfer. Supplier hereby transfers and assigns to, or to the extent transfer or assignment is not permitted, holds in trust for, IESO who thereafter shall retain, all rights, title, and interest in all Environmental Attributes associated with the Facility.

3.2. Action to Transfer. Supplier shall from time to time during the Term, upon written direction of IESO, take all such actions and do all such things necessary to effect the transfer and assignment to, or holding in trust for, IESO, all rights, title, and interest in all Environmental Attributes as set out in Section 3.1.

3.3. Action to Register. Supplier shall from time to time during the Term, upon written direction of IESO, take all such actions and do all such things necessary to certify, obtain, qualify, and register with the relevant authorities or agencies Environmental Attributes that are created and allocated or credited with respect to the Facility pursuant to Laws and Regulations from time to

time (collectively, the “**Regulatory Environmental Attributes**”) for the purposes of transferring such Regulatory Environmental Attributes to IESO in accordance with Section 3.1.

- 3.4. Cost Reimbursement. Supplier shall be entitled to reimbursement of the cost of complying with a direction under Section 3.2 or Section 3.3, provided that IESO approves such cost in writing prior to the cost being incurred by Supplier. Supplier shall not be required to incur any material cost associated with complying with a direction under Section 3.2 or Section 3.3 where Supplier has sought approval from IESO for such cost and IESO has not approved same.

4. REPRESENTATIONS AND WARRANTIES

Supplier represents and warrants to IESO as follows and acknowledges that IESO is relying on such representations and warranties in entering into this Contract:

4.1. Connection.

- 4.1.1. The information specified in Part 1, Section A(5) is true and correct in all respects.
- 4.1.2. No Connection Impact Assessment was required with respect to the Facility.
- 4.1.3. The Facility was physically connected to the LDC’s distribution system with suitable metering configurations appropriate for the calculation of Generation Payments on or before the Contract Commencement Date.

4.2. Facility Characteristics.

- 4.2.1. The Facility meets all Project Eligibility Requirements.
- 4.2.2. The information specified in Part 1, Section B is true and correct in all respects.
- 4.2.3. The Facility has not been separated or split from other projects that have, or are applying to have, a contract under the microFIT Program or the FIT Program.

4.3. Metering.

- 4.3.1. The Facility’s meter is exclusive to the Facility.
- 4.3.2. The Facility’s meter is a bi-directional, two channel meter.
- 4.3.3. The Facility’s meter is owned and operated by LDC.

4.4. Necessary Rights and Compliance.

- 4.4.1. Supplier has all necessary rights to construct and operate the Facility or to cause the Facility to be constructed and operated.
- 4.4.2. Supplier has all necessary rights to enter into, and perform its obligations under, this Contract.
- 4.4.3. Supplier has complied with all applicable Laws and Regulations.
- 4.4.4. The Facility has obtained a Renewable Energy Approval, if applicable.
- 4.4.5. All statements, specifications, data, confirmations, and information that have been set out in the Application are complete, true and accurate in all material respects and are hereby restated and reaffirmed by Supplier as representations made to IESO on the date hereof and there is no material information omitted from the Application which makes the information in the Application misleading or inaccurate.

4.5. Supplier Eligibility.

- 4.5.1 Supplier was, at the time of the Application, and continues to be as of the Contract Commencement Date and the date this Agreement is executed, an Eligible Participant.
- 4.5.2 If Supplier is an Individual or Farmer (as each of these terms is defined in the Eligible Participant Schedule) Supplier does not have a contract with IESO for any other project under the microFIT Program.
- 4.5.3 Supplier is the same person or entity as the person or entity that maintains the generator account for the Facility and is the same person or entity that executed the Connection Agreement.

5. COVENANTS

Supplier covenants that throughout the Term:

5.1. Facility Characteristics

- 5.1.1. Supplier shall not do anything nor omit to do anything that would cause the information specified in Part 1, Sections A(5), A(6), B(1), B(2), B(3), B(6), B(7) and B(8) to be untrue or incorrect in any respect.
- 5.1.2. Supplier shall notify IESO promptly of any change to the information contained in Part 1, Section A(11).
- 5.1.3. Supplier shall not modify the Facility to increase the Nameplate Capacity stated in Part 1, Section B(4). In no event shall the Nameplate Capacity of the Facility exceed 10 kW.
- 5.1.4. If the Facility's Renewable Fuel is solar photovoltaic (PV), Supplier shall not modify the inverter rating for the Facility or the solar array rating for the Facility from the ratings stated in Part 1, Section B(5), and shall not change the character of the Facility as stated in Part 1, Section B(5)(iii).

5.2. Metering.

- 5.2.1. The Facility's meter will, at all times, be exclusive to the Facility.
- 5.2.2. The Facility's meter will, at all times, be owned and operated by LDC.

5.3. Eligibility.

- 5.3.1. Supplier will, at all times, be an Eligible Participant.

6. GENERAL CONDITIONS

- 6.1. Access Rights. IESO, its authorized service providers, agents, employees and inspectors shall have the right to inspect the Facility during normal business hours and for any purposes reasonably connected with this Contract, including for the purpose of performing audits to assess compliance with this Contract, or the exercise of any and all rights secured to IESO by Laws and Regulations. Supplier shall ensure that IESO can exercise these access rights where Supplier does not own the property where the Facility is located.
- 6.2. Electricity. In no event shall Supplier have the right to, and Supplier shall not, procure or substitute electricity from sources other than the Facility for sale or delivery pursuant to this Contract.

6.3. Meter and Meter Data.

6.3.1. Supplier shall provide, and shall use reasonable efforts to cause LDC to provide, IESO and its authorized service providers, agents (and service provider's and agent's employees) and inspectors with access to the Facility's meter for the purpose of reading, recording and downloading data, all upon not less than two days' advance notice from IESO to Supplier or LDC, as applicable.

6.3.2. Supplier acknowledges that it has irrevocably authorized LDC to release to IESO any information or data relating to the Facility which may be required by IESO for the purposes of administering this Contract. Supplier shall recognize and maintain IESO's rights in this regard, and shall provide similar authorizations to government agencies, settlement agents and third parties, where requested by IESO.

6.4. Freedom of Information. Supplier acknowledges that IESO is subject to the Ontario *Freedom of Information and Protection of Privacy Act*, R.S.O. 1993, c. F.31 ("**FIPPA**") and that any information supplied by Supplier to or held about Supplier by IESO may be subject to disclosure by IESO in accordance with the requirements of FIPPA.

6.5. Collection of Information. To ensure the integrity and proper operation and management of the microFIT Program, IESO, LDC and the Ministry of Energy, and certain other Ontario government ministries require certain information about the Supplier and the Facility. In addition, IESO, LDC and Ontario government ministries may need to obtain certain information, such as property identification information, property zoning or other land use information, GST number, and information to establish that the Supplier is an Eligible Participant from third parties to confirm information provided by Supplier and to otherwise ensure the integrity of the microFIT Program and compliance with the terms of the Contract. IESO, LDC and Ontario government ministries may disclose information collected from Supplier or third parties to each other and may collect information from one another for the purpose of the proper operation and management of the microFIT Program or the management of the Contract.

Disclosure of Information. IESO may disclose to LDC and the Ministry of Energy, and certain other Ontario government ministries, certain information that is contained in the Application or in the Contract, including without limitation, Supplier's name, facility location, microFIT Program eligibility characteristics, Supplier's electricity generation, pricing and payments. This information that will be shared will be limited to that which IESO reasonably believes to be necessary to ensure proper management and the integrity of the microFIT Program, including without limitation, using the information to generate microFIT Program analysis, assessments, reporting, administrative, operational or planning purposes or for purposes of public awareness of the microFIT Program or similar programs for alternative electricity generation, electricity conservation or electricity generating technology, use or operations. In addition, to facilitate proper municipal and land use planning, the IESO and LDC may disclose details of the Application and Facility including the Reference Number, the Facility's location, type of Renewable Fuel, and project size to the municipality in which the project is located, or if the project is located on "reserve lands" or "special reserves" as set out in the Indian Act (Canada) to the "band council" for such reserve in which the Facility is situated.

Consent. Supplier acknowledges the collection, use and disclosure/sharing of information described in this section, and Supplier consents to such collection, use and disclosure/sharing of information as described in this Section (together with the terms set out in IESO's Privacy Policy which can be accessed on the Website). Supplier waives any claim, defence or other action against IESO, LDC, the Government of Ontario (and all of the Ministries therein) as well as the municipality to which the information is shared, as a result of or related to the collection, use and/or disclosure and sharing of such information as provided in this Section or as otherwise set forth in IESO's Privacy Policy.

- 6.6. Statement Copies. Supplier shall, at the request of IESO, provide IESO with copies of all settlement statements, invoices and all other correspondence between Supplier and LDC relating to the Facility or any Generation Payment and authorizes IESO to request the same from LDC. Supplier shall, at the request of IESO, provide to IESO or its authorized representative, documents or information to enable the IESO to comply with Laws and Regulations and to substantiate the accuracy of any or all of the representations and warranties contained in this Contract or to verify Supplier's compliance with any or all covenants contained in this Contract, and at IESO's election, permit IESO to retain copies of such documents or information.
- 6.7. Supplier Verification and use of a Representative. Supplier acknowledges and agrees that IESO may require Supplier to provide instructions, requests or decisions in order to terminate, amend or assign (in accordance with Section 8, Section 9 and Section 10, respectively) this Contract notwithstanding any powers of attorney or authorizations authorizing a representative of Supplier to act on its behalf. IESO may require verification of the identity of Supplier for the purposes of acknowledging agreement to amendments, assignments or any other matter relating to this Contract. IF SUPPLIER HAS DESIGNATED A REPRESENTATIVE IN PART 1, SECTION A(11) THAT IS DIFFERENT THAN SUPPLIER, SUPPLIER ACKNOWLEDGES THAT SUPPLIER REMAINS LIABLE TO IESO FOR ALL REPRESENTATIONS, WARRANTIES, OBLIGATIONS, COVENANTS AND LIABILITIES UNDER THIS CONTRACT AND THAT SUCH REPRESENTATIVE IS DULY AUTHORIZED TO ACT ON BEHALF OF SUPPLIER AND THAT IESO MAY CONSULT AND DISCUSS THIS CONTRACT WITH SUCH REPRESENTATIVE AND MAY RELY ON THE INSTRUCTIONS, REQUESTS AND DECISIONS OF SUCH REPRESENTATIVE, PROVIDED SAME ARE IN WRITING SIGNED BY THE REPRESENTATIVE, AND SUCH ACTS OF THE REPRESENTATIVE SHALL BE BINDING ON SUPPLIER AS TO ALL MATTERS PERTAINING TO THIS CONTRACT OTHER THAN AND NOT INCLUDING THE POWER OR AUTHORITY TO TERMINATE, AMEND OR ASSIGN THIS CONTRACT.

7. NOTICES

- 7.1. Address for Notice. All notices and communication pertaining to this Contract shall be in writing and shall be transmitted via email to the other Party as follows:

If to IESO: **microFIT.Contract@ieso.ca**
 Subject: microFIT – [Reference Number]

If to Supplier: **To Supplier Contact information in Part 1, Section A(10)**

IESO is under no obligation to provide notices to the representative of Supplier listed in Part 1, Section A(11).

- 7.2. Change of Contact Information. Either Party may, by written notice to the other, change its contact information for notices and communication.
- 7.3. Timing of Notice. Notice or communication delivered or transmitted as provided above shall be deemed to have been given and received on the day it is transmitted (if by e-mail or facsimile) or received (if by courier or hand delivery), provided that it is transmitted or received on a Business Day prior to 5:00 p.m. local time in the place of receipt. Otherwise such notice shall be deemed to have been given and received on the next following Business Day.

8. TERMINATION

- 8.1. On Notice. Supplier may terminate this Contract on 30 days' prior written notice to IESO.

- 8.2. For Breach. IESO may terminate this Contract if Supplier breaches any term of this Contract and fails to correct such breach within 10 Business Days of receiving notice of such breach by IESO or if any representation or warranty made by Supplier is untrue.
- 8.3. Automatic. This Contract will terminate automatically upon, and contemporaneously with, the termination of the Connection Agreement. Supplier will notify IESO immediately upon the termination of the Connection Agreement.

9. AMENDMENT

No amendment to or modification of this Contract shall be enforceable unless reduced to writing and each Party has evidenced agreement with such amendment or modification.

10. ASSIGNMENT

Supplier may not, under any circumstances, assign anything less than all of its rights and obligations under this Contract. Supplier may assign all, but not less than all, of its rights and obligations under this Contract to an Eligible Participant provided Supplier has the prior written consent of IESO, such consent not to be unreasonably withheld. IESO shall have the right to assign its rights and obligations under this Contract without the consent of Supplier.

11. 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 in the Province of Ontario.

12. DISPUTE RESOLUTION

If any dispute or controversy shall occur between the Parties relating to the interpretation or implementation of any of the provisions of this Contract, both Parties shall use good faith efforts to resolve the dispute amicably prior to any other legal actions being taken by either Party.

If the Parties are unable to resolve the dispute after 90 days from the initial meeting, such dispute may be resolved by arbitration if agreed by the Parties. If the Parties agree to resolving the dispute by arbitration, such arbitration shall, to the extent permitted at law, be conducted in accordance with the following provisions.

The Arbitration shall be conducted by a single arbitrator (the “**Arbitrator**”). The Arbitrator shall be appointed by agreement of the Parties or, in the absence of an agreement within a reasonable period of time, such Arbitrator shall be appointed by a Judge of the Ontario Superior Court of Justice sitting in the Judicial District of Toronto Region, upon the application of any of the Parties and a Judge of the Ontario Superior Court of Justice sitting in the Judicial District of Toronto Region shall be entitled to act as such Arbitrator, if he or she so desires. The arbitration shall be held in the City of Toronto. The procedure to be followed shall be agreed by the Parties or, in default of agreement, determined by the Arbitrator. The arbitration shall proceed in accordance with the provisions of the *Arbitrations Act, 1991* (Ontario). The Arbitrator shall have the power to proceed with the arbitration and to deliver his or her award notwithstanding the default by any Party in respect of any procedural order made by the Arbitrator. The decision arrived at by the Arbitrator shall, to the extent permitted at law, be final and binding subject to the right of a Party to appeal on a question of fact or an issue of law, or mixed fact and law. Judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction.

Supplier acknowledges that any concerns and/or issues Supplier may have resulting from this Contract or the microFIT Program may be shared by other suppliers to IESO pursuant to the microFIT Program. Supplier acknowledges that should concerns and/or issues raised by Supplier under this Contract (or the microFIT Program) be similar to the issues raised by other suppliers under the microFIT Program, there would be great efficiencies, in both response time and resources, by IESO handling similar issues in a combined and joined manner. As such, Supplier agrees that IESO shall be permitted to join, combine and otherwise consolidate into one, the response (through the dispute resolution mechanism or otherwise) and overall handling of all complaints, issues and/or claims by suppliers arising under this Contract or similar contracts or otherwise pursuant to the microFIT Program that are of a sufficiently similar nature that the

joining of such complaints or disputes may result in time and/or cost efficiencies, as reasonably determined by IESO.

Notwithstanding the foregoing, the foregoing dispute resolution process shall not be required as a prerequisite for any claim for injunctive or declaratory relief.

13. LDC FAILURE TO PAY

IESO guarantees the payment by LDC to Supplier of the Generation Payments that are payable and remain unpaid under or pursuant to the Connection Agreement and the provisions of the Retail Settlement Code. Supplier shall exhaust its recourse against LDC before being entitled to payment from the IESO under this guarantee.

14. SUPPLIERS COMPOSED OF MULTIPLE ENTITIES

- 14.1. Joint and Several Liability. Other than in the case of an Ontario limited partnership, if Supplier is not a single legal entity (which for certainty include natural persons), then all such entities that constitute Supplier shall be jointly and severally liable to IESO for all representations, warranties, obligations, covenants and liabilities of Supplier hereunder.
- 14.2. Removal of Person forming Supplier. If Supplier is composed of more than one natural person, one or more of the natural persons may be removed as a Party to this Contract provided Supplier is not in breach of this Contract and provided that at least one natural person composing the Supplier remains a Party to this Contract. Supplier shall provide notice to IESO of such change using the procedures prescribed by the IESO. Until IESO receives notice of such change from all such persons composing the Supplier following the prescribed procedures, with all supporting documentation and evidence specified by the IESO, all natural persons forming the Supplier will remain jointly and severally responsible to IESO as described in Section 14.1, and IESO will require each such natural person to agree to matters relating to Supplier and this Contract. For certainty, if Supplier is composed of more than one entity that are not natural persons, any change in the composition of Supplier shall require the prior written consent of IESO, which consent will not be unreasonably withheld.

APPENDIX A DEFINITIONS

“**Abut**” means in respect of two or more properties, properties that have a common border or boundary or are only separated from such common border or boundary by a right-of-way (other than a right-of-way in respect of which the owner, lessee, occupant or resident of one of such properties has a property interest) having a width, at any point, of not greater than 15 metres. For greater certainty, properties separated by “highways” (as defined in the *Highway Traffic Act*, R.S.O. 1990, c. H.8) or “railways” (as defined in the *Canada Transportation Act* S.C. 1996, c.10) do not Abut.

“**Application**” means the application submitted by Supplier resulting in this Contract, together with all clarifications, additional information, documents and statements in respect thereof provided by Supplier and accepted by IESO.

“**Base Date**” is the date in Part 1, Section A(9) and means the effective date, specified as the “Base Date”, of the FIT Price Schedule used to determine the Contract Price.

“**Biogas**” has the meaning given to it in Ontario Regulation 328/09, made under the *Electricity Act, 1998* (Ontario), as published in The Ontario Gazette on September 26, 2009, but does not include landfill gas.

“**Business Day**” means any day that is not a Saturday, a Sunday or a legal holiday in the Province of Ontario.

“**Connection Agreement**” has the meaning given to it in Part 1, Section A(5).

“**Connection Impact Assessment**” means an assessment conducted by the LDC to determine the impact on the distribution system of connecting the Facility to its distribution system.

“**Connection Point**” means the Facility’s point of interconnection with the LDC distribution system.

“**Contract**” has the meaning given to it in Part 1, Section C.

“**Contract Commencement Date**” is the date in Part 1, Section A(3).

“**Contract End Date**” is the date in Part 1, Section A(4).

“**Contract Price**” is the price per kWh in Part 1, Section A(7).

“**CPI**” means the consumer price index for “All Items” published or established by Statistics Canada (or its successor) for any relevant calendar month in relation to the Province of Ontario.

“**Deemed Single Property**” means:

- (a) a property that has its own Property Identification Number or other legal description that is not a property described in (b), (c) or (d);
- (b) all properties that have separate Property Identification Numbers or other legal descriptions, that Abut each other and that:
 - (i) have the same owner or the owner of one leases the other, or
 - (ii) may not be separately conveyed pursuant to Sections 50(3)(a), 50(3)(b), 50(3)(f), or 50(5)(a) of the *Planning Act* (Ontario);
- (c) leased lands located on provincial or federal Crown lands and lands Abutting such first lands that are leased by the same person or entity; or
- (d) lands located on “reserve lands” or “special reserves”, as set out in the Indian Act (Canada), where the permission to use such lands is granted by way of a single resolution of the

applicable band council and any lands Abutting such first lands where the same person or entity that holds the permission to use the first lands also holds the permission to use the Abutting lands.

“Directly Connected Facility” means a Facility which is connected to the LDC distribution system in an arrangement that is independent of any associated load or associated premises.

“Distribution System Code” means the “Distribution System Code” established and approved by the Ontario Energy Board as amended or replaced from time to time.

“Eligible Participant” has the meaning given to it in the Eligible Participant Schedule.

“Eligible Participant Schedule” means the schedule that defines persons and entities who are eligible to submit an Application and who are eligible to be Suppliers, as amended from time to time by the IESO in its sole discretion.

“Environmental Attributes” means the interests or rights arising out of attributes or characteristics relating to the environmental impacts associated with the Facility, now or in the future, and the right to quantify and register these with competent authorities, including: (a) all right, title, interest and benefit in and to any renewable energy certificate, credit, reduction right, offset, allocated pollution right, allowance, emission reduction allowance or allowance set aside or other proprietary or contractual right, whether or not tradable; (b) rights to any fungible or non-fungible attributes or entitlements relating to environmental impacts, however arising; (c) any and all rights, title and interest relating to the nature of an energy source as may be defined and awarded through applicable laws and regulations or voluntary programs; and (d) all revenues, entitlements, benefits, and other proceeds arising from or related to the foregoing. For greater certainty, in the event that any governmental or non-governmental agency, whether provincial, federal, national or international in scope or authority, creates or sanctions a registry, trading system, credit, offset or other program relating to Environmental Attributes or their equivalent, the term “Environmental Attributes” shall include the rights or benefits created or sanctioned under any such program or programs to the extent available as a result of, or arising from the Facility.

“Existing Generation Facility” means an electricity generating facility that is located on the same property as the Facility and which is connected to the LDC distribution system.

“Facility” has the meaning given to it in Part 1, Section B.

“FIT Price Schedule” means the schedule of prices established by IESO from time to time, in its sole discretion, that will be used to determine the Contract Price for a microFIT Contract, differentiated by Renewable Fuel, capacity and other factors as determined by IESO.

“FIT Program” means the “FIT Program” established by the IESO pursuant to the FIT Rules and any prior or subsequent version of the FIT Rules published by the IESO.

“FIT Program Facility” means any Renewable Generating Facility that is the subject of a contract or an application pursuant to the FIT Program.

“Generation Payment” has meaning given to it in Part 2, Section 2.2.

“Governmental Authority” means any federal, provincial, or municipal government, parliament or legislature, or any regulatory authority, agency, tribunal, commission, board or department of any such government, parliament or legislature, or any court or other law, regulation or rule-making entity, having jurisdiction in the relevant circumstances, including the Ontario Energy Board and the Electrical Safety Authority.

“Indexed Contract Price” has the meaning given to it in Part 2, Section 2.1.

“Indirectly Connected Facility” means a Facility which is connected to the LDC distribution system in an arrangement which is associated with a load customer or premises but for certainty is not between the load customer meter and the load customer.

“In Parallel” has the meaning given to it in Appendix D-2, Section 1.

“**ITA**” means the *Income Tax Act* (Canada).

“**kWh**” means kilowatt-hour.

“**Laws and Regulations**” means:

- (a) applicable federal, provincial or municipal laws, orders-in-council, by-laws, codes, rules, policies, regulations and statutes;
- (b) applicable orders, decisions, codes, judgments, injunctions, decrees, awards and writs of any court, tribunal, arbitrator, Governmental Authority or other person having jurisdiction;
- (c) applicable rulings and conditions of any licence, permit, certificate, registration, authorization, consent and approval issued by a Governmental Authority;
- (d) any requirements under or prescribed by applicable common law; and
- (e) the Retail Settlement Code and the Distribution System Code.

“**LDC**” is your local electricity distribution company which is the company named in Part 1, Section B(1).

“**microFIT Rules**” means the rules governing the microFIT Program as may be amended in accordance with its terms, from time to time.

“**microFIT Program**” means the “microFIT Program” established by IESO pursuant to the microFIT Rules and any prior or subsequent version of the microFIT Rules.

“**Nameplate Capacity**” means the manufacturer’s total installed rated capacity of the Facility to generate electricity and, in the case of a solar (PV) Facility, means the lesser of (i) the manufacturer’s total installed rated capacity of the solar panels, and (ii) the manufacturer’s specified maximum power output of the inverter(s), neither of which may be greater than 10 kW.

“**Party**” means either IESO or Supplier and “Parties” refers jointly to both IESO and Supplier.

“**Percentage Escalated**” means the percentage (specified in Part 1, Section A(8)) of the Contract Price that escalates on the basis of increases in CPI.

“**Project Eligibility Requirements**” means that the project must:

- (a) be a Renewable Generating Facility, which uses a Renewable Fuel that is included in the FIT Price Schedule;
- (b) be located in the Province of Ontario;
- (c) not be an IESO contracted facility that has reached commercial operation or have been an IESO contracted facility that had previously achieved commercial operation;
- (d) have a maximum Nameplate Capacity of 10 kW;
- (e) not be located on a Deemed Single Property on which there is Nameplate Capacity greater than 10 kW per Renewable Fuel (for this requirement, a Rooftop Facility and a solar photovoltaic (PV) project that is not a Rooftop Facility will be considered to use different Renewable Fuels);
- (f) be connected, directly or In Parallel, to an LDC distribution system, which distribution system is connected to the IESO Controlled Grid;

- (g) have separate metering suitable for microFIT Program data collection and settlement purposes;
- (h) for a project that is (i) a wind Renewable Generating Facility that has a Nameplate Capacity of 3 kW or less, or (ii) a solar photovoltaic (PV) project that is not a Rooftop Facility:
 - (A) not be located on a property on which residential use is a Lawfully Permitted Use; and
 - (B) not be located on a property that Abuts another property on which residential use is a Lawfully Permitted Use;

however, for property where the Lawfully Permitted Use is agricultural, a project that is (i) a wind Renewable Generating Facility that has a Nameplate Capacity of 3 kW or less, or (ii) is a solar photovoltaic (PV) project that is not a Rooftop Facility is permitted on such property or property that Abuts such property if residential use is permitted as ancillary to the agricultural use; and

- (i) if a solar photovoltaic (PV) project that is not a Rooftop Facility is located on a property on which commercial use or industrial use is a Lawfully Permitted Use, the Facility must not be the main or primary use for which the property is used.

“Property Identification Number” means the property identifier assigned to a property in accordance with the *Registry Act*, R.S.O. 1990, c. R.20, s. 21(2) or in accordance with the *Land Titles Act* R.S.O. 1990, c. L. 5, s. 141(2).

“Regulatory Environmental Attributes” has meaning given to it in Part 2, Section 3.3.

“Renewable Biomass” has the meaning given to “biomass” in Ontario Regulation 328/09, made under the *Electricity Act, 1998* (Ontario), as published in The Ontario Gazette on September 26, 2009, but may also include supplementary non-renewable fuels other than coal used for start up, combustion, stabilization and low combustion zone temperatures, which shall be no more than ten percent (10%) of the total fuel heat input in any calendar year for electricity generation units with a gross nameplate capacity of 500 kW or less.

“Renewable Energy Approval” means an approval issued by the Ontario Ministry of the Environment under Section 47.3 of the *Environmental Protection Act* (Ontario).

“Renewable Generating Facility” means an electricity-generating facility that generates electricity exclusively from a Renewable Fuel.

“Renewable Fuel” means wind, solar photovoltaic (PV), Renewable Biomass, Biogas, landfill gas or waterpower.

“Retail Settlement Code” means the “Retail Settlement Code” established and approved by the Ontario Energy Board as amended or replaced from time to time.

“Rooftop Facility” has the meaning given to it in Appendix C, Section 1.

“Settlement Period” has the meaning given to it in Part 2, Section 2.2.1.

“Settlement Price” means the price at which electricity sales pursuant to this Contract will be settled.

“Term” has the meaning provided in Part 2, Section 1.

“Website” means the IESO’s Renewable Energy Feed-In Tariff Program website at [“http://microfit.powerauthority.on.ca”](http://microfit.powerauthority.on.ca) or such other website as the IESO shall designate from time to time.

APPENDIX B

CALCULATION OF INDEXED CONTRACT PRICE

From the Contract Commencement Date until the first April 30th following the Contract Commencement Date (the “**First Price Period**”), the “**Indexed Contract Price**” is the Contract Price. For each Indexed Pricing Period “y”^(a), the “Indexed Contract Price” shall be the greater of the Indexed Contract Price in the preceding Indexed Pricing Period, “y-1”^(b), and the following calculation:

$$CP_y = (1 - PE) \times (CP) + PE \times \left(CP \times \frac{CPI_y}{CPI_{BD}} \right)$$

where:

CP_y = Indexed Contract Price applicable in Indexed Pricing Period “y”

CP = Contract Price

CPI_{BD} = the CPI applicable to the month in which the Base Date occurs

CPI_y = the CPI for the month of December immediately preceding the commencement of Indexed Pricing Period “y”

PE = the Percentage Escalated expressed as a decimal figure

^(a) Indexed Pricing Period “y” is any twelve month period commencing May 1 in each year and ending on April 30 in the following year. The first Indexed Pricing Period “y” begins on the May 1 following the First Price Period.

^(b) For the purposes of calculating the Indexed Contract Price for the first Indexed Pricing Period, commencing May 1 following the First Price Period, the Indexed Contract Price in the preceding First Price Period, “y-1” will be the Contract Price.

APPENDIX C

SOLAR PHOTOVOLTAIC SCHEDULE

ADDITIONAL DEFINED TERMS

“**Existing Building**” means a building that (a) was in existence and completely constructed on the date that the Applicant first submitted its Application, or (b) in respect of which the IESO has issued a written confirmation that the building will be deemed an Existing Building for the purposes of the definition of Rooftop Facility.

“**Rooftop Facility**” means a solar (PV) Renewable Generating Facility that is integrated into or forms part of the wall facing, roof, cover, or other architectural element that forms part of a permanent Existing Building that has been designed to be used for the purpose of providing enclosure, shelter or protection to people or property, provided that one of its main purposes is not to support a solar power installation or to provide shelter from the sun. An Existing Building will be considered to have a main purpose of supporting a solar power installation or providing shelter from the sun where the building or part of that building would not reasonably have been constructed in the absence of the solar (PV) Renewable Generating Facility.

APPENDIX D -1

DIRECTLY CONNECTED FACILITY SCHEDULE

1. REPRESENTATIONS AND WARRANTES

Supplier represents and warrants to IESO as follows and acknowledges that IESO is relying on such representation and warranty in entering into this Contract.

1.1 The Facility is not connected to a battery back-up or supply system.

2. COVENANTS

Supplier covenants that throughout the Term:

2.1 The Facility will, at all times, be a Directly Connected Facility.

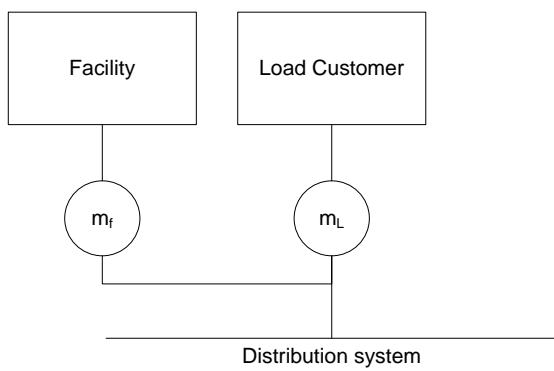
2.2 The Facility will not, at any time, be connected to a battery back-up or supply system.

APPENDIX D -2

INDIRECTLY CONNECTED FACILITY SCHEDULE

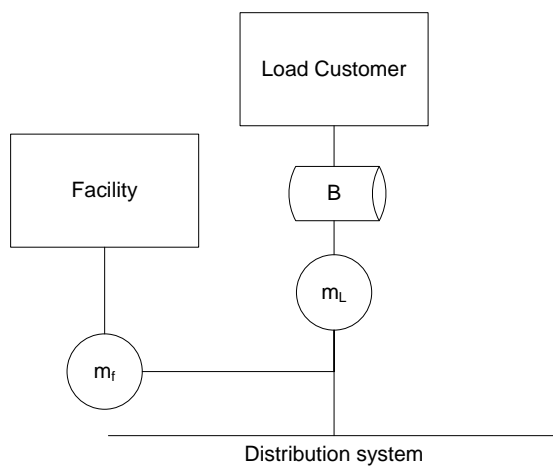
1. ADDITIONAL DEFINED TERMS

“**In Parallel**” means the meter for the Facility is located between the meter for the associated load customer and the distribution system, (and for certainty is not between the meter for the load customer and the load customer), as follows:



2. PERMITTED BATTERY BACK-UP CONFIGURATION

If the Facility is connected to a battery back-up or supply system the back-up or supply system may only be located between the load customer and the load meter of such load customer. For greater certainty, the following is the acceptable battery configuration for In Parallel metered Facility:



APPENDIX E

LDC SUPPLIER SCHEDULE

1. ADDITIONAL DEFINED TERMS

“**IESO**” means the Independent Electricity System Operator of Ontario established under Part II of the Electricity Act or its successor.

“**IESO Market Rules**” means the rules made under Section 32 of the *Electricity Act, 1998* (Ontario), together with all market manuals, policies, and guidelines issued by the IESO, as may be amended from time to time.

“**Transmission System Code**” means the “Transmission System Code” established and approved by the Ontario Energy Board as amended or replaced from time to time.

2. REPRESENTATIONS AND WARRANTIES

Supplier represents and warrants to IESO as follows and acknowledges that IESO is relying on such representations and warranties in entering into this Contract.

2.1 Supplier is a distributor as defined in the Distribution System Code and was incorporated pursuant to section 142 of the *Electricity Act, 1998* (Ontario).

2.2 Supplier is a market participant as defined in the IESO Market Rules.

3. ADDITIONAL TERMS AND CONDITIONS

3.1 The definition of “Laws and Regulations” contained in Appendix A of the Contract is replaced for the purposes of the Contract with the following definition:

“**Laws and Regulations**” means:

- (a) applicable federal, provincial or municipal laws, orders-in-council, by-laws, codes, rules, policies, regulations and statutes;
- (b) applicable orders, decisions, codes, judgments, injunctions, decrees, awards and writs of any court, tribunal, arbitrator, Governmental Authority or other Person having jurisdiction;
- (c) applicable rulings and conditions of any licence, permit, certificate, registration, authorization, consent and approval issued by a Governmental Authority;
- (d) any requirements under or prescribed by applicable common law;
- (e) the Retail Settlement Code, the Distribution System Code, the Transmission System Code and any other codes issued by the Ontario Energy Board; and
- (f) the IESO Market Rules, as well as any manuals or interpretation bulletins issued by the IESO from time to time that are binding on Supplier.

3.2 Section 2.2.1 of Part 2 of the Contract shall not apply. Supplier and IESO agree that Generation Payments shall be settled through the IESO or as otherwise agreed in writing between the Parties.

3.3 Section 8.3 of Part 2 of the Contract does not apply. Supplier shall notify IESO immediately if the Facility is permanently disconnected. If the Facility is disconnected for more than 20 continuous Business Days it shall be deemed to be permanently disconnected.

- 3.4 Supplier shall provide IESO and its authorized service providers, agents, employees and inspectors with access to the Facility's meter for the purpose of reading, recording and downloading data, all upon not less than two days advance notice from IESO to Supplier.
- 3.5 Supplier will release to IESO any information or data relating to the Facility which may be required by IESO for the purposes of administering the Contract. Supplier shall, where requested by IESO, irrevocably authorize agencies, and third parties to release to IESO any information or data relating to the Facility which may be required by IESO for the purposes of administering the Contract.
- 3.6 Section 6.6 of Part 2 of the Contract does not apply. Supplier shall, at the request of IESO, provide IESO with all copies of settlement statements, invoices, records and documents relating to the Facility or any Generation Payment made in respect thereof or pursuant hereto.