

APPENDIX 1 – STANDARD DEFINITIONS

The following terms shall have the meaning stated below when used in the CHPSOP Rules or in the CHPSOP Contract:

1. **5x16 Hours** means 7:00 AM (EPT) to 11:00 PM (EPT) on Business Days.
2. **Access Rights** has the meaning given to it in Section 3.1(g) of the CHPSOP Rules.
3. **Actual UHO Percentage** or **AUHOP** has the meaning given to it in Section 2.7(b) of the CHPSOP Contract.
4. **Adjusted Contract Capacity** or **ACC** has the meaning given to it in Exhibit J of the CHPSOP Contract.
5. **Affiliate** means any Person that (i) Controls a Party; (ii) is Controlled by a Party; or (iii) is Controlled by the same Person that Controls a Party.
6. **Agreement** has the meaning given to it on the CHPSOP Contract Cover Page.
7. **Ancillary Service** has the meaning given to it in the IESO Market Rules.
8. **Annual Average Contract Capacity** or **AACC** means the simple average rounded to the nearest kW of the Season 1 Contract Capacity, the Season 2 Contract Capacity, the Season 3 Contract Capacity, and the Season 4 Contract Capacity, as the same may be amended from time to time in accordance with the terms of the CHPSOP Contract.
9. **Annual Operating Plan** has the meaning given to it in Section 14.3(a) of the CHPSOP Contract.
10. **Applicable Heat Rate** or **AHR** has the meaning given to it in Exhibit J of the CHPSOP Contract.
11. **Applicant** means a Person submitting an Application to participate in the CHPSOP Program.
12. **Applicant Related Person** means (i) any Person that, individually or with any other Person(s), Controls or is Controlled by the Applicant, or (ii) any Person that, with the Applicant, is Controlled by a third Person or Persons.
13. **Application** means an application submitted in response to the CHPSOP Program in respect of the construction, development and operation of a Project and all clarifications and additional information, documents and statements in respect thereof provided by an Applicant, or on behalf of an Applicant, and submitted to the OPA.
14. **Application Fee** has the meaning given to it in Section 3.1(a) of the CHPSOP Rules.
15. **Application Security** has the meaning given to it in Section 3.1(b) of the CHPSOP Rules.
16. **Arbitration Panel** has the meaning given to it in Exhibit D of the CHPSOP Contract.
17. **Arm's Length** means, with respect to two or more Persons, that such Persons are not related to each other within the meaning of subsections 251(2), (3), (3.1), (3.2), (4), (5) and (6) of the ITA or that such Persons, as a matter of fact, deal with each other at a particular time at arm's length.

18. ***Associated Relationship*** means the relationship between a meter at a Connection Point and a Market Participant (where such Market Participant is not the Metered Market Participant), as established by certain processes in the MV-Web.
19. ***Assumed Deemed Dispatch Payment*** means an amount equivalent to the Monthly Payment that would have been payable by the OPA to the Supplier or payable by the Supplier to the OPA in a given Settlement Month, as the case may be, if the Adjusted Contract Capacity of the Contract Facility had been imputed to operate in accordance with Exhibit J, for the Settlement Month.
20. ***Available Capacity*** has the meaning given to it in Section 2.2 of the CHPSOP Rules.
21. ***Availability*** has the meaning given to it in Exhibit E of the CHPSOP Contract.
22. ***Availability Check Test*** has the meaning given to in Section 14.8(b) of the CHPSOP Contract.
23. ***Availability Check Test Confirmation*** has the meaning given to in Section 14.8(d).
24. ***Availability Check Test Report*** has the meaning given to in Section 14.8(d).
25. ***Average Test Capacity*** has the meaning given to in Section 14.7(g) of the CHPSOP Contract.
26. ***Behind-the-Meter Facility*** means a CHP Generating Facility that is connected to an Electrical Host Facility such that Electricity Delivered by such CHP Generating Facility is recorded on the Electrical Host Facility's electricity meter or otherwise reduces the amount of Electricity the Electrical Host Facility draws from a Distribution System.
27. ***Biogas*** has the meaning given to it in Ontario Regulation 328/09, made under the *Electricity Act*, as published in *The Ontario Gazette* on September 26, 2009.
28. ***BTU*** means British thermal unit (HHV).
29. ***Business Day*** means any day that is not a Saturday, a Sunday, or a legal holiday in the Province of Ontario.
30. ***Capacity Check Test*** has the meaning given to in Section 14.7(a) of the CHPSOP Contract.
31. ***Capacity Confirmation*** has the meaning given to in Section 14.7(d) of the CHPSOP Contract.
32. ***Capacity Products*** means any products related to the rated, continuous load-carrying capability of a Facility to generate and Deliver Electricity at a given time.
33. ***Capacity Reduction Factor*** has the meaning given to it in Exhibit J of the CHPSOP Contract.
34. ***Cents*** or ¢ means hundredths of a Dollar.
35. ***CESOP Directive*** means the ministerial direction issued by the Ministry of Energy to the OPA on November 23, 2010, re "Combined Heat and Power".
36. ***CHP Generating Facility*** means an Electricity generating facility located in Ontario which generates Electricity and Useful Heat Output from natural gas and delivers that Electricity through a meter in accordance with all Laws and Regulations to a Distribution System or an Electrical Host Facility and delivers Useful Heat Output through a meter to one or more Host Facilities.

- 37. **CHPSOP Contract** means the agreement entered into between a Supplier and the OPA in accordance with the CHPSOP Rules, comprised of the CHPSOP Contract Cover Page, the general terms and conditions, any applicable special terms and conditions, these Standard Definitions, and the other Exhibits that are attached, as amended, restated or replaced from time to time.
- 38. **CHPSOP Contract Cover Page** means the front pages of the CHPSOP Contract setting out specific features of the Contract Facility, including its Connection Point, Contract Capacity applicable for each Season, Gross Nameplate Capacity, and Minimum UHO Requirement.
- 39. **CHPSOP Program** means the Combined Heat and Power Standard Offer Program established by the OPA pursuant to the CHPSOP Rules and any prior or subsequent version of the CHPSOP Rules.
- 40. **CHPSOP Rules** means the rules governing the CHPSOP Program as may be amended from time to time.
- 41. **Claim** means a claim or cause of action in contract, in tort, under any Laws and Regulations, or otherwise.
- 42. **Commercial Operation** has the meaning given to it in Section 2.5(a) of the CHPSOP Contract.
- 43. **Commercial Operation Date** means the date on which Commercial Operation is first attained.
- 44. **Commercially Reasonable Efforts** means efforts which are designed to enable a Party, directly or indirectly, to satisfy a condition to, or otherwise assist in the consummation of, a transaction, activity or undertaking contemplated by the CHPSOP Rules or the CHPSOP Contract 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 transaction therein contemplated.
- 45. **Company Representative** has the meaning given to it in Section 14.1 of the CHPSOP Contract.
- 46. **Completion and Performance Security** means the financial security for the performance of the Supplier's obligations under the CHPSOP Contract that the Supplier must provide to and maintain with the OPA in accordance with Article 5 of the CHPSOP Contract.
- 47. **Confidential Information** means 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 a CHPSOP Contract, whether before or after its execution, including all new information derived at any time from any such confidential information, but excluding (a) publicly-available information, unless made public by the Receiving Party or its Representatives in a manner not permitted by the CHPSOP Contract; (b) information already known to the Receiving Party prior to being furnished by the Disclosing Party; (c) 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 (d) information that is independently developed by the Receiving Party.
- 48. **Confidentiality Undertaking** has the meaning given to it in Section 7.1(c) of the CHPSOP Contract.

49. **Connection Agreement** means the agreement or agreements required to be entered into between the applicable LDC and the Supplier (or if the Facility is a Behind-the-Meter Facility, between the applicable LDC and the Supplier or the Electrical Host Facility) with respect to the connection of the Facility (or the Electrical Host Facility, if applicable) to a Distribution System, in accordance with the Distribution System Code, and governing the terms and conditions of such connection.
50. **Connection Cost Agreement** has the meaning given to it in the Distribution System Code.
51. **Connection Costs** means those costs which are payable by the Supplier related to the capital contribution that an LDC may charge a generator to construct an expansion to connect a generation facility to a Distribution System as prescribed by the Distribution System Code.
52. **Connection Impact Assessment** means an assessment conducted by an LDC to determine the impact on a Distribution System of connecting the Facility to its Distribution System.
53. **Connection Point** means:
- (a) where the Facility is not a Behind-the-Meter Facility, the electrical connection point between the Facility and a Distribution System where Electricity is injected into a Distribution System, as more particularly described in the Connection Agreement; or
 - (b) where the Facility is a Behind-the-Meter Facility, the electrical connection point between the Facility and the Electrical Host Facility where Electricity is injected into the Electrical Host Facility's electrical system.
54. **Consumed REAs** has the meaning given to it in Section 2.11(c) of the CHPSOP Contract.
55. **Contingent Support Payment** or **CSP** means the positive amount, if any, by which the Total Monthly Fixed Capacity Payment exceeds the Imputed Net Revenue for a Settlement Month, expressed in Dollars and calculated in accordance with Exhibit J.
56. **Contract Capacity** or **CC** means that figure, expressed in MW, that shall be determined from time to time as follows: the Season 1 Contract Capacity, Season 2 Contract Capacity, Season 3 Contract Capacity, or Season 4 Contract Capacity, as applicable, and subject to adjustment as expressly provided in the CHPSOP Contract.
57. **Contract Date** means the effective date of the CHPSOP Contract, as set out therein.
58. **Contract Facility** means those elements of the Facility that are essential to or required in accordance with Good Engineering and Operating Practices for the generation of Electricity up to the Contract Capacity, the production of Related Products and the production and delivery of the associated Useful Heat Output. For greater certainty, the Contract Facility may include any heat recovery steam generators (including supplementary duct firing), but does not include any auxiliary back-up boilers or other equipment not essential to or required in accordance with Good Engineering and Operating Practices for generating Electricity up to the Contract Capacity and producing the associated Useful Heat Output from the generation of Electricity up to the Contract Capacity.
59. **Contract Facility Amendment** has the meaning given to it in Section 2.1(c) of the CHPSOP Contract.

- 60. **Contract Facility Amendment Application** has the meaning given to it in Section 6.5 of the CHPSOP Rules.
- 61. **Contract Year** means a 12 month period which begins on the Term Commencement Date or an anniversary thereof, during the Term.
- 62. **Contracted Facility Operation** means the deemed operation of the Contract Facility determined in accordance with Exhibit J to produce Electricity, Related Products, and Environmental Attributes, utilizing the Contract Capacity and the applicable parameters of the Virtual Power Plant, including the Applicable Heat Rate.
- 63. **Control** means, with respect to any Person at any time, (i) holding, whether directly or indirectly, as owner or other beneficiary (other than solely as the beneficiary of an unrealized security interest) securities or ownership interests of that Person carrying votes or ownership interests sufficient to elect or appoint 50% or more of the individuals who are responsible for the supervision or management of that Person, or (ii) the exercise of de facto control of that Person, whether direct or indirect and whether through the ownership of securities or ownership interests or by contract, trust or otherwise, and **Controlled by** has a corresponding meaning.
- 64. **CPI** or **Consumer Price Index** 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.
- 65. **Customer Impact Assessment** means a study conducted by a Transmitter to assess the impact of the connection of a Project on other users of the IESO-Controlled Grid.
- 66. **Day-Ahead Energy Forward Market** means a forward market, established under the IESO Market Rules or otherwise, for Electricity or for Electricity and Related Products for each hour of a given day, that clears the day before based upon submitted bids to buy and offers to sell, and shall include, for purposes of the CHPSOP Contract, such other mechanisms or amendments to the IESO Market Rules to enhance pre-dispatch scheduling and unit commitment of generators on a day-ahead basis.
- 67. **Deemed Delivered Electricity** or **DDE** has the meaning given to it in Section 2.7(b) of the CHPSOP Contract.
- 68. **Deemed Unavailability Period** has the meaning given to it in Section 14.8(e) of the CHPSOP Contract.
- 69. **Delivered** means, in relation to Electricity and certain Related Products, delivered to the Connection Point (which, for greater certainty, is net of Site-Specific Losses), and **Deliver** and **Delivering** have the corresponding meanings.
- 70. **Disclosing Party** means, with respect to Confidential Information, the Party and/or its Representatives providing or disclosing such Confidential Information and may be the OPA or the Supplier, as applicable.
- 71. **Discriminatory Action** has the meaning given to it in Section 12.1 of the CHPSOP Contract.
- 72. **Discriminatory Action Compensation** has the meaning given to it in Section 12.2 of the CHPSOP Contract.

73. ***Distribution System*** means a system connected to the IESO-Controlled Grid for distributing Electricity at voltages of 50 kilovolts or less, and includes any structures, equipment or other things used for that purpose, provided that a Distribution System shall be deemed not to include any equipment controlled by the IESO pursuant to the Distribution System Code.
74. ***Distribution System Code*** means the “Distribution System Code” established and approved by the OEB, which, among other things, establishes the obligations of an LDC with respect to the services and terms of service to be offered to customers and retailers and provides minimum technical operating standards for Distribution Systems.
75. ***Dollar*** or ***\$*** means Canadian dollars and cents, unless otherwise specifically set out to the contrary.
76. ***Duration of Term*** means the length of the Term in respect of a Eligible Existing CHP Facility, which is described in Section 3.3(c) of the CHPSOP Rules and set out on the CHPSOP Contract Cover Page.
77. ***Electrical Host Facility*** means a facility which is directly connected to a Distribution System, to which the Facility is connected at the Connection Point.
78. ***Electricity*** means electric energy, measured in MWh-electrical.
79. ***Electricity Act*** means the *Electricity Act, 1998* (Ontario).
80. ***Eligible Alternative Fuel*** means Renewable Biomass, Biogas and any Eligible Primary Energy Source.
81. ***Eligible Existing CHP Facility*** for the purpose of the CHPSOP Rules, has the meaning given to that term in Section 3.3 of the CHPSOP Rules, and means, the purposes of the CHPSOP Contract, a Facility that is the subject of a CHPSOP Contract for which the CHPSOP Contract Cover Page indicates that the Facility is an Eligible Existing CHP Facility.
82. ***Eligible Primary Energy Source*** has the meaning given to it in the ERSOP Program.
83. ***Embedded Retail Generator*** has the meaning given to it in the Retail Settlement Code.
84. ***Emission Reduction Credits*** means the credits associated with the avoidance or reduction of emissions below the lower of actual historical emissions or regulatory limits, including “emission reduction credits” as defined in O. Reg. 397/01 made under the *Environmental Protection Act* (Ontario) or such other regulations as may be promulgated under the *Environmental Protection Act* (Ontario) or any currently applicable or future Laws and Regulations.
85. ***Energy Recovery Facility*** means an Electricity generating facility located in Ontario which utilizes an Eligible Primary Energy Source as its Primary Fuel and only supplements it with an Eligible Supplementary Fuel (as defined in the ERSOP Rules), and delivers that Electricity through a meter in accordance with all Laws and Regulations to a Distribution System or an Electrical Host Facility.
86. ***Environmental Attributes*** means the interests or rights arising out of attributes or characteristics relating to the environmental impacts associated with a CHP Generating Facility or the output of a CHP Generating 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, emission reduction allowance or other proprietary or contractual right, whether or not tradable, resulting from the actual or assumed displacement of emissions by the production of Electricity from the Facility as a result of the utilization of renewable energy technology;
- (b) rights to any fungible or non-fungible attributes or entitlements relating to environmental impacts, whether arising from the Facility itself, from the interaction of the Facility with the IESO-Controlled Grid, a Distribution System, the Host Facility or the Electrical Host Facility, or because of Laws and Regulations or voluntary programs established by Governmental Authorities;
- (c) any and all rights, title and interest relating to the nature of an energy source (including a Renewable Fuel) as may be defined and awarded through Laws and Regulations or voluntary programs, including all Emission Reduction Credits; and
- (d) all revenues, entitlements, benefits, and other proceeds arising from or related to the foregoing which may be available in connection with the Facility,

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” as used in the CHPSOP Contract 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 production of Electricity or Related Products from the Facility.

- 87. **EPT** means Eastern Prevailing Time.
- 88. **ERSOP** or **ERSOP Program** means the Energy Recovery Standard Offer Program established by the OPA pursuant to the ERSOP Rules and any prior or subsequent version of the ERSOP Rules.
- 89. **ERSOP Project** means an Energy Recovery Facility or a proposed Energy Recovery Facility, described in an application under the ERSOP Program.
- 90. **ERSOP Rules** means the rules governing the ERSOP Program as may be amended from time to time.
- 91. **EST** means Eastern Standard Time.
- 92. **Event of Default** means an event of default by the Supplier or the OPA.
- 93. **Facility** means all equipment, property and facilities comprising the CHP Generating Facility, as described the Application (for the purpose of the CHPSOP Rules) and as described on the CHPSOP Contract Cover Page (for the purpose of the CHPSOP Contract), with any modifications thereto approved by the OPA, and includes, for greater certainty, all equipment, property and facilities necessary to operate the CHP Generating Facility to produce and deliver (i) Electricity to the point at which the Facility’s revenue-quality meter records the net Electricity delivered and (ii) Useful Heat Output to the Host Facilities.
- 94. **Facility GHG Credits** has the meaning given to it in Section 2.11(f) of the CHPSOP Contract.
- 95. **Final Capacity Check Test** has the meaning given to in Section 14.7(g) of the CHPSOP Contract.

96. **FIPPA** means the *Freedom of Information and Protection of Privacy Act* (Ontario).
97. **FIPPA Records** has the meaning given to it in Section 7.5 of the CHPSOP Contract.
98. **Force Majeure** has the meaning given to it in Section 10.3 of the CHPSOP Contract.
99. **Further Capacity Check Test** has the meaning given to in Section 14.7(f) of the CHPSOP Contract.
100. **Future Contract Related Products** means all Related Products that relate to the Facility and that were not capable of being traded or sold by the Supplier in the IESO-Administered Markets or other markets on or before the Contract Date.
101. **Gas Price** has the meaning given to it in Exhibit J of the CHPSOP Contract.
102. **Gas Price (DA)** means the “day-ahead” price of natural gas applicable for day “d”, determined in accordance with the Gas Price Index, and converted from US dollars per MMBTU into Dollars per MMBTU as follows: the Gas Price (DA) applicable during each day “d”, which is posted on the Gas Price Index on day “d-1” (which for purposes of the Gas Price Index shall be the last Business Day prior to day “d”) will be converted from US dollars to Dollars utilizing the Bank of Canada noon spot exchange rate between US dollars and Dollars on day “d-1”.
103. **Gas Price Index** means the Union Dawn Daily Spot Gas Price Index (day ahead) administered by NGx.
104. **GHG Amendment Principles** has the meaning given to it in Section 2.11(e) of the CHPSOP Contract.
105. **GHG Emissions Credits** has the meaning given to it in Section 2.11(e) of the CHPSOP Contract.
106. **GHG Laws and Regulations** has the meaning given to it in Section 2.11(e) of the CHPSOP Contract.
107. **Good Engineering and Operating Practices** means 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 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 and Regulations. Good Engineering and 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. Without limiting the generality of the foregoing and in respect of the operation of the Facility, Good Engineering and Operating Practices include taking reasonable steps to ensure that:
- (a) adequate materials, resources and supplies, including fuel, are available to meet the Facility’s needs under reasonable conditions and reasonably anticipated abnormal conditions;
 - (b) sufficient operating personnel are available and are adequately experienced and trained to operate the Facility properly, efficiently and taking into account manufacturers’

guidelines and specifications and are capable of responding to reasonably anticipated abnormal conditions;

- (c) preventative, routine and non-routine maintenance and repairs are performed on a basis that ensures reliable long-term and safe operation and taking into account manufacturers' recommendations and are performed by knowledgeable, trained and experienced personnel utilizing proper equipment, tools and procedures; and
- (d) appropriate monitoring and testing is done to ensure equipment is functioning as designed and to provide assurance that equipment will function properly under both normal and reasonably anticipated abnormal conditions.

- 108. ***Government of Canada*** means Her Majesty the Queen in right of Canada.
- 109. ***Government of Ontario*** means Her Majesty the Queen in right of Ontario.
- 110. ***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 IESO, the OEB, the Electrical Safety Authority, and any Person acting under the authority of any Governmental Authority, but excluding the OPA.
- 111. ***Greenhouse Gas*** means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.
- 112. ***Gross Nameplate Capacity*** means the manufacturer's total installed rated capacity of the generating equipment to generate Electricity.
- 113. ***Host Developed Project*** means a Project or Facility where the owner(s) of all Host Facilities are not at Arm's Length to the Applicant or Supplier, as applicable.
- 114. ***Host Facility*** means the facility or facilities that directly utilize(s) the Useful Heat Output generated by the Facility.
- 115. ***Host Facility Force Majeure*** means any act, event, cause or condition that (i) is beyond the Host Facility's owner's reasonable control, (ii) causes an unplanned outage of the Host Facility that completely prevents the Host Facility from receiving any Useful Heat Output generated by the Facility, (iii) results from an equipment failure or other Host Facility shutdown that could not reasonably have been anticipated by the owner of the Host Facility and (iv) was not caused by the Host Facility's owner and could not have been prevented by the Host Facility's owner exercising commercially reasonable efforts to prevent.
- 116. ***Hourly Ontario Energy Price* or *HOEP*** has the meaning given to it by the IESO Market Rules or shall mean any replacement thereof or successor thereto.
- 117. ***HST*** means the harmonized sales tax exigible pursuant to the *Excise Tax Act* (Canada), or any successor thereto.
- 118. ***IE Certificate*** means a certificate addressed to the OPA from an Independent Engineer, procured by the Supplier and at the Supplier's sole expense, that complies with the requirements of Section 2.5 of the CHPSOP Contract.

- 119. ***IESO*** means the Independent Electricity System Operator of Ontario established under Part II of the Electricity Act or its successor.
- 120. ***IESO-Administered Markets*** has the meaning given to it by the IESO Market Rules.
- 121. ***IESO-Controlled Grid*** has the meaning given to it by the IESO Market Rules.
- 122. ***IESO Market Rules*** means the rules made under Section 32 of the Electricity Act, together with all market manuals, policies, and guidelines issued by the IESO, as may be amended from time to time.
- 123. ***Impact Assessment*** means a Connection Impact Assessment, a System Impact Assessment or a Customer Impact Assessment, as applicable.
- 124. ***Impact Assessment Priority Start Time*** means the date and time set out on the CHPSOP Contract Cover Page, before which a Supplier (other than in respect of an Eligible Existing CHP Facility) shall not apply for any Impact Assessment.
- 125. ***Impact Assessment Priority Stop Time*** means, with respect to an Agreement, the date and time set out on the CHPSOP Contract Cover Page of such Agreement, before which the OPA shall use best efforts not to issue an Impact Assessment Priority Start Time to a Supplier that is offered a CHPSOP Contract after such Agreement was offered.
- 126. ***Imputed Gross Energy Market Revenue*** or ***IGEMR*** is the total gross revenue deemed to be earned by the Supplier for the Facility for a Settlement Month, as calculated in accordance with Exhibit J.
- 127. ***Imputed Net Revenue*** or ***INR*** means, for a Settlement Month, the Imputed Gross Energy Market Revenue less the Imputed Variable Energy Cost, as calculated in accordance with Exhibit J.
- 128. ***Imputed Production*** or ***IP*** means, for a specified period within the Term, the aggregate amount of Electricity, expressed in MWh, deemed to be produced by the Facility in accordance with Exhibit J.
- 129. ***Imputed Production Hour*** or ***IPH*** has the meaning given to it in Exhibit J to the CHPSOP Contract.
- 130. ***Imputed Production Interval*** or ***IPi*** has the meaning given to it in Exhibit J to the CHPSOP Contract.
- 131. ***Imputed Shut-Down Hour*** has the meaning given to it in Exhibit J to the CHPSOP Contract.
- 132. ***Imputed Start-up*** or ***ISU*** has the meaning given to it in Exhibit J to the CHPSOP Contract.
- 133. ***Imputed Start-up Hour*** has the meaning given to it in Exhibit J to the CHPSOP Contract.
- 134. ***Imputed Variable Energy Cost*** or ***IVeC*** means the total Variable Energy Cost and Start-Up Cost in relation to the Imputed Production as calculated in accordance with Exhibit J.
- 135. ***In-Service Date*** means, with respect to an Eligible Existing CHP Facility, the date described in Section 3.3 of the CHPSOP Rules and, with respect to an Eligible Existing CHP Facility under the CHPSOP Contract, the “In-Service Date” set out on the CHPSOP Contract Cover Page.

136. **including** means including (or includes) without limitation.
137. **Increased UHO Commitment** has the meaning given to it in Section 9.1 of the CHPSOP Rules.
138. **Indemnitees** has the meaning given to it in Section 13.3 of the CHPSOP Contract.
139. **Indemnifiable Loss** has the meaning given to in Section 13.3 of the CHPSOP Contract.
140. **Independent Engineer** is an engineer that is (i) a Professional Engineer duly qualified and licensed to practise engineering in the Province of Ontario; and (ii) employed by an independent engineering firm which holds a certificate of authorization issued by Professional Engineers Ontario that is not affiliated with or directly or indirectly Controlled by the Supplier; that does not have a vested interest in the design, engineering, procurement, construction, metering and/or testing of the Facility; and that has not been engaged by any lender or prospective lender for the Facility.
141. **Insolvency Legislation** means the *Bankruptcy and Insolvency Act* (Canada), the *Winding Up and Restructuring Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada) or any analogous 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).
142. **Interest Rate** means the annual rate of interest established by the Royal Bank of Canada or its successor, from time to time, as the interest rate it will charge for demand loans in Dollars to its commercial customers in Canada and which it designates as its "prime rate" based on a year of 365 or 366 days, as applicable. Any change in such prime rate shall be effective automatically on the date such change is announced by the Royal Bank of Canada.
143. **ITA** means the *Income Tax Act* (Canada).
144. **kW** means kilowatt and **kWh** means kilowatt-hour.
145. **Launch Application** has the meaning given to it in Section 9.1 of the CHPSOP Rules.
146. **Launch Period** has the meaning given to it in Section 5.1 of the CHPSOP Rules.
147. **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 OEB; 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 the Supplier.
148. **LDC** means the owner or operator of a Distribution System who is licensed by the OEB as an “electricity distributor”.
149. **LDC Connection Costs** means those Connection Costs associated with those modifications to LDC-owned facilities required to connect the Facility to a Distribution System that only the LDC can perform, and that are payable by the Supplier to the LDC as required by the Distribution System Code.
150. **LDC Portal** means a secure web site maintained by an LDC, either directly or indirectly, that provides a point-of-access for specific authorized users to a facility’s or site’s specific data, such as meter data, or such similar processes and/or application that may be implemented in conjunction with the “Smart Meter Initiative” for the presentment of meter data; and includes any systems or applications that may replace, supplement or succeed any such existing systems or applications.
151. **Locational Marginal Pricing** or **LMP** means the form of pricing of Electricity, as determined and modified by the IESO from time to time, to be considered and implemented by the IESO, if at all, based upon a non-uniform, real-time, price of Electricity at each point, node, zone or other price reference location on the IESO-Controlled Grid and having the effect that such real-time prices reflect the costs of transmission congestion.
152. **Market Participant** has the meaning given to it by the IESO Market Rules.
153. **Market Settlement Charges** means all market settlement amounts and charges described in Chapter 9 of the IESO Market Rules.
154. **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 the CHPSOP Contract or CHPSOP Program.
155. **Measured Electricity** means, with respect to a given hour, the generator output of the Contract Facility in MWh-electrical at the Connection Point for such hour:
- (a) as measured in accordance with the Metering Plan and Test Protocol, as applicable, net of any Station Service Loads and transformer losses, and up to a maximum of Contract Capacity multiplied by one hour; and
 - (b) as adjusted in accordance with the Test Protocol if during a Capacity Check Test the measured Useful Heat Output is less than the Minimum UHO Requirement.
156. **Metered Market Participant** has the meaning given to that term by the IESO Market Rules.
157. **Metering Plan** means a report that is provided by the Supplier to the OPA in the Prescribed Form that (a) verifies that the revenue-quality interval meters conform with Laws and Regulations administered by Measurement Canada with respect to such meter(s), and (b) provides all required information and equipment specifications needed to permit the OPA to remotely access, verify, estimate and edit for calculation purposes and/or total revenue meter readings in order to accurately determine the output of the Contract Facility net of any Station Service Loads and to calculate energy attributable to Useful Heat Output generated by the Contract Facility, and which

is updated promptly, and, in any event, within 10 Business Days after any change to the metering installation occurs.

- 158. **Milestone Date for Commercial Operation** means the date set out on the CHPSOP Contract Cover Page, by which the Facility is required to attain Commercial Operation.
- 159. **Minimum UHO Requirement** or **MUHOR** means the minimum amount of Useful Heat Output the Contract Facility is required to provide. For the purpose of the CHPSOP Rules, the Minimum UHO Requirement is determined in accordance with Sections 3.2, 6.5 and 9.1 the CHPSOP Rules. For the purpose of the CHPSOP Contract, the Minimum UHO Requirement is as set out on the CHPSOP Contract Cover Page.
- 160. **MMBTU** means one million BTUs (higher heating value).
- 161. **Monthly Payment** has the meaning given to it in Section 3.1(b) of the CHPSOP Contract.
- 162. **MVPortal** or **MV-Web** means the internet-based communications interface application for Market Participants supplied by the IESO that allows Market Participants to access physical and financial data for the IESO-Administered Markets, and includes any systems or applications that may replace, supplement or succeed MVPortal or MV-Web.
- 163. **MW** means megawatt.
- 164. **MWh** means megawatt-hour.
- 165. **MWh_e** means megawatt-hour-electrical.
- 166. **MWh_t** means megawatt-hour-thermal.
- 167. **Network Upgrade Costs** means those costs related to Network Upgrades. For greater certainty, Network Upgrade Costs shall not include Connection Costs.
- 168. **Network Upgrades** means all additions, improvements and upgrades to the network facilities, as defined by the Distribution System Code and Transmission System Code, for the connection of the Facility to a Distribution System or Transmission System, as more particularly specified pursuant to the System Impact Assessment, Customer Impact Assessment, Connection Impact Assessment, Distribution System Code and Transmission System Code for generator connections.
- 169. **New Agreement** means a new agreement substantially in the form of the CHPSOP Contract and for the then balance of the Term (had the CHPSOP Contract not been terminated early), which may be entered into with a Secured Lender who is at Arm's Length with the Supplier or with a Person identified by such Secured Lender following an event of default under the Secured Lender's Security Agreement.
- 170. **New CHP Facility** means, for the purpose of the CHPSOP Rules, a Facility which has not generated electricity on or before the date of the Application; and for the purposes of the CHPSOP Contract, means a Facility that is the subject of a CHPSOP Contract for which the CHPSOP Contract Cover Page indicates that the Facility is a New CHP Facility.
- 171. **NGx** means the Natural Gas Exchange of the TMX Group Inc., or its successor.

172. **Non-Seasonal UHO Facility** means a Facility with Useful Heat Output demands that are relatively consistent year-round, as elected in the CHPSOP Application and indicated on the CHPSOP Contract Cover Page.
173. **Non-Seasonal VPP Heat Rate** means the heat rate applicable to a Non-Seasonal UHO Facility, as set out in Exhibit B to the CHPSOP Contract. For greater certainty, the Non-Seasonal VPP Heat Rate shall be the same for all months in the year.
174. **OEB** means the Ontario Energy Board or its successor.
175. **OETP Attributes** has the meaning given to it in Section 2.11(b) of the CHPSOP Contract.
176. **Off-Take Agreement** has the meaning given to it in Section 3.2(b) of the CHPSOP Rules.
177. **Offer Notice** has the meaning given to it in Section 6.1(a) of the CHPSOP Rules.
178. **Ontario Emissions Trading Program** or **OETP** means the Ontario Emissions Trading Program operating under Regulation 397/01 of the *Environmental Protection Act* (Ontario) or any successor program or mechanism implemented in Ontario pursuant to Laws and Regulations to the extent that such program or mechanism covers the same types of air emissions that were the subject of the OETP as of the date of the execution of this Agreement.
179. **OPA** means the Ontario Power Authority and its successors and assigns.
180. **OPA Event of Default** has the meaning given to it in Section 9.3 of the CHPSOP Contract.
181. **OPA Statement** has the meaning given to it in Section 11.2(g) of the CHPSOP Contract.
182. **Other Suppliers** means all of the other suppliers that have a CHPSOP Contract or other bilateral arrangements with the OPA similar in nature to the CHPSOP Contract.
183. **Outage** means the removal of equipment from service, unavailability for connection of equipment or temporary de-rating, restriction of use or reduction in performance of equipment for any reason, including to permit the performance of inspections, tests, repairs or maintenance on equipment, which results in a partial or total interruption in the ability of the Contract Facility to make the Contract Capacity available and Deliver the Electricity from the Contract Facility.
184. **Outage Hours** means the duration, expressed in hours, of any Outages.
185. **Party** means, (a) with respect to the CHPSOP Contract, any one of the Supplier and the OPA, and the OPA and the Supplier are collectively referred to as the **Parties**; and (b) with respect to the CHPSOP Rules, any one of the Applicant and the OPA, and the OPA and the Applicant are collectively referred to as the **Parties**.
186. **Payment Date** has the meaning given to it in Section 4.3 of the CHPSOP Contract.
187. **Person** means a natural person, firm, trust, partnership, limited partnership, company or corporation (with or without share capital), joint venture, sole proprietorship, Governmental Authority or other entity of any kind.
188. **Planned Outage** means an Outage which is planned and intentional and has been disclosed to the OPA pursuant to Section 14.3(a)(i) or (iii) of the CHPSOP Contract.

189. ***Pre-Dispatch Price*** means the pre-dispatch price for Electricity, being the hourly price determined from the “Pre-Dispatch Schedule” for a specified number of hours in advance of clearing of the “Real-Time Market”, as determined by the IESO-Administered Markets.
190. ***Prescribed Dispatch Facility*** means, respect to the CHPSOP Rules, a Project with an Annual Average Contract Capacity less than one MW, and means, with respect to the CHPSOP Contract, a Facility for which the CHPSOP Contract Cover Page indicates that such Facility is a Prescribed Dispatch Facility.
191. ***Prescribed Dispatch*** means the mode of determining Imputed Production for Prescribed Dispatch Facilities set out in Exhibit G.
192. ***Prescribed Dispatch Order*** means a prescribed dispatch order issued by the OPA and posted on the Website, in accordance with Exhibit G.
193. ***Prescribed Form*** means, in relation to a form, the latest version of the corresponding form appearing on the Website, as may be amended or replaced by the OPA from time to time and without notice to the Supplier.
194. ***Prescribed Shut-Down Hour*** is the last hour of a Prescribed Dispatch Interval, as set out in a Prescribed Dispatch Order.
195. ***Prescribed Start-Up Hour*** is the first hour of a Prescribed Dispatch Interval, as set out in a Prescribed Dispatch Order.
196. ***Price Evolution Event*** has the meaning given to it in Section 1.8 of the CHPSOP Contract.
197. ***Price Unavailability Event*** has the meaning given to it in Section 1.9 of the CHPSOP Contract.
198. ***Primary Fuel*** means a fuel which is used by the Contract Facility for the production of 95% or more of the Electricity generated by such Facility, as averaged over a Contract Year.
199. ***Prior Contract*** has the meaning given to it in Section 2.1(a)(vii) of the CHPSOP Rules.
200. ***Project*** means a CHP Generating Facility or a proposed CHP Generating Facility, described in an Application.
201. ***Property*** means the lands encompassed by the legal description of the Site and includes any lands adjacent to the lands set out in the legal description of the Site which are owned by an Affiliate of, or the same Person as, any Person who owns any of the lands encompassed by the legal description of the Site.
202. ***Reapplication*** has the meaning set out in Section 5.2 of the CHPSOP Rules.
203. ***Receiving Party*** means, with respect to Confidential Information, the Party receiving Confidential Information and may be the OPA or the Supplier, as applicable.
204. ***Registered Facility*** has the meaning given to it in the IESO Market Rules.
205. ***Regulatory Environmental Attributes*** has the meaning given to it in Section 2.11(a) of the CHPSOP Contract.

206. **Related Products** means all Capacity Products, Ancillary Services, transmission rights and any other products or services that may be provided by the Facility from time to time, excluding Environmental Attributes produced by the Facility, that may be traded or sold in the IESO-Administered Markets or other markets, or otherwise sold, and which shall be deemed to include products and services for which no market may exist, such as capacity reserves, but does not include steam, hot water, or chilled water.
207. **Renewable Biomass** has the meaning given to “biomass” in Ontario Regulation 328/09, made under the *Electricity Act*, as published in *The Ontario Gazette* on September 26, 2009
208. **Replacement Price** has the meaning given to it in Section 1.7(a) of the CHPSOP Contract, as applicable.
209. **Replacement Provision(s)** has the meaning given to it in Section 1.7(a), 1.8, 1.9, 1.10 or 2.11 of the CHPSOP Contract, as applicable.
210. **Representatives** means a Party’s directors, officers, shareholders, employees, auditors, consultants, advisors (including economic and legal advisors), contractors and agents and those of its Affiliates and the agents and advisors of such Persons, and in respect of the OPA, includes any LDC. Prior to any assignment by the OPA, this definition shall also include the Government of Ontario, the Legislative Assembly of Ontario, the IESO and their respective directors, officers, shareholders, employees, auditors, consultants, advisors (including economic and legal advisors), contractors and agents.
211. **Retail Settlement Code** means the code established and approved by the OEB, governing the determination of financial settlement costs for electricity retailers, consumers, distributors and generators.
212. **Revenue Sharing Payment** or **RSP** means the positive amount, if any, by which the Imputed Net Revenue exceeds the Total Monthly Fixed Capacity Payment, expressed in Dollars, and calculated in accordance with Exhibit J.
213. **Season** means, as applicable, Season 1, Season 2, Season 3 or Season 4.
214. **Season 1** means that portion of each Contract Year that begins at the beginning of the hour ending 01:00 (EST) on December 1 and ending at 24:00 (EST) on the last day of February of each Contract Year.
215. **Season 1 Contract Capacity** means the amount of electricity generating capacity (in MW) net of Station Service Loads applicable for Season 1, as specified in an Application and set out on the CHPSOP Contract Cover Page, which is subject to verification in accordance with the terms of the CHPSOP Contract, and which does not in any case exceed the Gross Nameplate Capacity of the Contract Facility.
216. **Season 1 VPP Heat Rate** means the heat rate applicable to Season 1 for a Seasonal UHO Facility, as set out in Exhibit B to the CHPSOP Contract.
217. **Season 2** means that portion of each Contract Year that begins at the beginning of the hour ending 01:00 (EST) on March 1 and ending at 24:00 (EST) on May 31 of each Contract Year.
218. **Season 2 Contract Capacity** means the amount of electricity generating capacity (in MW) net of Station Service Loads applicable for Season 2, as specified in an Application and set out on the CHPSOP Contract Cover Page, which is subject to verification in accordance with the terms of

- the CHPSOP Contract, and which does not in any case exceed the Gross Nameplate Capacity of the Contract Facility.
219. **Season 2 VPP Heat Rate** means the heat rate applicable to Season 2 for a Seasonal UHO Facility, as set out in Exhibit B to the CHPSOP Contract.
220. **Season 3** means that portion of each Contract Year that begins at the beginning of the hour ending 01:00 (EST) on June 1 and ending at 24:00 (EST) on August 31 of each Contract Year.
221. **Season 3 Contract Capacity** means the amount of electricity generating capacity (in MW) net of Station Service Loads applicable for Season 3, as specified in an Application and set out on the CHPSOP Contract Cover Page, which is subject to verification in accordance with the terms of the CHPSOP Contract, and which does not in any case exceed the Gross Nameplate Capacity of the Contract Facility.
222. **Season 3 VPP Heat Rate** means the heat rate applicable to Season 3 for a Seasonal UHO Facility, as set out in Exhibit B to the CHPSOP Contract.
223. **Season 4** means that portion of each Contract Year that begins at the beginning of the hour ending 01:00 (EST) on September 1 and ending at 24:00 (EST) on November 30 of each Contract Year.
224. **Season 4 Contract Capacity** means the amount of electricity generating capacity (in MW) net of Station Service Loads applicable for Season 4, as specified in an Application and set out on the CHPSOP Contract Cover Page, which is subject to verification in accordance with the terms of the CHPSOP Contract, and which does not in any case exceed the Gross Nameplate Capacity of the Contract Facility.
225. **Season 4 VPP Heat Rate** means the heat rate applicable to Season 4 for a Seasonal UHO Facility, as set out in Exhibit B to the CHPSOP Contract.
226. **Seasonal UHO Facility** means a Facility with Useful Heat Output demands that vary seasonally, as elected in the CHPSOP Application and indicated on the CHPSOP Contract Cover Page.
227. **Secured Lender** means the lender(s) under a Secured Lender's Security Agreement.
228. **Secured Lender's Security Agreement** means an agreement or instrument, including a deed of trust or similar instrument securing bonds or debentures, containing a charge, mortgage, pledge, security interest, assignment, sublease, deed of trust or similar instrument with respect to all or any part of the Supplier's Interest granted by the Supplier that is security for any indebtedness, liability or obligation of the Supplier, together with any amendment, change, supplement, restatement, extension, renewal or modification thereof.
229. **Senior Conference** has the meaning given to it in Section 15.1 of the CHPSOP Contract.
230. **Settlement Month** has the meaning given to it in Section 4.2 of the CHPSOP Contract.
231. **Site** means the real property on, over, in or under which the Facility is, or is to be, situated, as such property is identified in the Application and in the CHPSOP Contract.
232. **Site-Specific Losses** means Electricity losses due to line resistance, the operation of transformers and switches, and other associated losses of Electricity generated by the Facility which may occur as a result of the difference between the location of the meter and the Connection Point, as

determined pursuant to loss factors applied in accordance with the Retail Settlement Code and other applicable regulatory instruments.

- 233. ***Special Terms and Conditions*** means the any terms and conditions that amend, supplement or delete any of the standard terms and conditions forming part of the CHPSOP Contract, which are incorporated into a CHPSOP Contract in Section 21 of the CHPSOP Contract Cover Page.
- 234. ***Standard Definitions*** means these definitions which are applicable and appended to the CHPSOP Rules and the CHPSOP Contract.
- 235. ***Start-up Costs*** or ***SUC_d*** has the meaning given to it in Exhibit J to the CHPSOP Contract.
- 236. ***Start-up Gas*** or ***SUG*** means the number of MMBTU per MW per start-up, as set out in Exhibit B to the CHPSOP Contract.
- 237. ***Statement*** has the meaning given to it in Section 4.2 of the CHPSOP Contract.
- 238. ***Station Service Loads*** means the Electricity used for excitation and on-site maintenance and operation of power generation facilities, including auxiliary facilities, but excludes energy consumed in association with activities which could be ceased or moved to other locations without impeding the normal and safe operation of the Contract Facility.
- 239. ***Supplier*** means the Person identified as the supplier on the CHPSOP Contract Cover Page, and, as applicable, its heirs, estate trustees, personal and legal representatives, successors and permitted assigns.
- 240. ***Supplier Event of Default*** has the meaning given to it in Section 9.1 of the CHPSOP Contract.
- 241. ***Supplier's Interest*** means the right, title and interest of the Supplier in or to the Facility and the CHPSOP Contract or any benefit or advantage of any of the foregoing.
- 242. ***Supplier's Network Upgrade Costs*** means those Network Upgrade Costs that are payable by the Supplier to the Transmitter as required by the Transmission System Code.
- 243. ***System Impact Assessment*** means a study conducted by the IESO pursuant to Section 6.1.5 of Chapter 4 of the IESO Market Rules, to assess the impact of a new connection of a Facility or of the modification of an existing connection of a Facility on the performance of the IESO-Controlled Grid and the reliability of the integrated power system.
- 244. ***Taxes*** means all ad valorem, property, occupation, severance, production, governmental charges, utility, gross production, gross receipts, HST, value-added, sales, stamp, use, excise, levies, countervailing, anti-dumping and special import measures, imposts, duties including customs' duties, fees, withholdings, assessments, premiums, deductions, taxes based on profits, net income or net worth and any other taxes or charges whatsoever, whether directly or indirectly imposed, assessed, levied or collected by any Governmental Authority, together with interest thereon and penalties with respect thereto.
- 245. ***Term*** has the meaning given to it in Section 8.1(b) or 8.2(b), as applicable, of the CHPSOP Contract.
- 246. ***Term Commencement Date*** has the meaning given to it in Section 2.5 or 8.1 of the CHPSOP Contract, as applicable.

247. **Termination Date** means the date on which the CHPSOP Contract terminates as a result of an early termination of the CHPSOP Contract in accordance with its provisions.
248. **Test Protocol** has the meaning given to in Section 14.7(a) of the CHPSOP Contract.
249. **Time Stamp** means the official record of the date and time that an Application is received as established pursuant to Sections 4.1(a) of the CHPSOP Rules or the official record of the date and time that an application in respect of an ERSOP project is received as established pursuant to the ERSOP Program.
250. **Total Monthly Fixed Capacity Payment** or **TMFCP** means the total fixed capacity payment applicable to the Facility for a Settlement Month, expressed in Dollars, and calculated in accordance with Exhibit J.
251. **Transmission System** means a system for conveying Electricity at voltages of more than 50 kilovolts and includes any structures, equipment or other things used for that purpose.
252. **Transmission System Code** means the “Transmission System Code” established and approved by the OEB, which, among other things, establishes the obligations of a Transmitter with respect to the services and terms of service to be offered to customers and retailers and provides minimum technical operating standards for the IESO-Controlled Grid.
253. **Transmitter** means a Person licensed as a “transmitter” by the OEB in connection with a Transmission System.
254. **Transmitter Connection Costs** means those Connection Costs associated with those modifications to Transmitter-owned facilities required to connect the Facility to a Transmission System that only the Transmitter can perform, and that are payable by the Supplier to the Transmitter as required by the Transmission System Code.
255. **UHO 5-Year Shortfall Percentage** or **UHO5SP** has the meaning given to it in Exhibit J of the CHPSOP Contract.
256. **UHO Shortfall Percentage** or **UHOSP** has the meaning given to it in Exhibit J of the CHPSOP Contract.
257. **UHO Capacity Reduction Factor** or **UHOCRF** has the meaning given to it in Exhibit J of the CHPSOP Contract.
258. **UHO Remediation Plan** has the meaning given to it in Section 2.7(c) of the CHPSOP Contract.
259. **UHO Report** has the meaning given to it in Section 2.7(b) of the CHPSOP Contract.
260. **Useful Heat Output** or **UHO** means thermal energy (expressed in MWh-thermal) produced by the Contract Facility and used for a gainful commercial or industrial purpose such as district energy, manufacturing, mining, chemical or other industrial process as approved by the OPA, where such use (a) avoids or reduces the use of fuel to produce thermal energy in an alternate process; and (b) is not a use within the Facility combined heat and power cycle for gas turbine injection, inlet conditioning, fuel heating, or other similar purpose or otherwise for generating Electricity; and (c) is not applied outside the Facility combined heat and power cycle for purposes such as heating rivers, lakes or the atmosphere. For greater certainty, gainful commercial or industrial purpose does not include the use of the thermal energy for generating Electricity. For

greater certainty, Useful Heat Output does not include thermal energy produced by auxiliary boilers or utilized to preserve readiness of auxiliary boilers.

- 261. **Useful Heat Output Plan**, in respect of the CHPSOP Rules, has the meaning given to it in Section 3.2(a) of the CHPSOP Rules, and in respect of the CHPSOP Contract, means the “Useful Heat Output Plan” attached as Exhibit A to the CHPSOP Contract, as may be amended in accordance with the terms of the CHPSOP Contract.
- 262. **Variable Energy Cost** or **VEC** means the amount of variable energy cost calculated on a daily basis in accordance with Exhibit J.
- 263. **Variable O&M/Gas Distribution Charge** or **O&M** is the Variable Operating & Maintenance and Gas Distribution Charge for the VPP, as set out in Exhibit B to the CHPSOP Contract.
- 264. **Virtual Power Plant** or **VPP** means the theoretical CHP Generating Facility that is used to determine the Imputed Net Revenue applicable for each Settlement Month.
- 265. **Virtual Power Plant Parameters** or **VPP Parameters** means those features of the Virtual Power Plant specified in Exhibit B of the CHPSOP Contract.
- 266. **Website** means the OPA’s CHPSOP Program website at “<http://www.powerauthority.on.ca/combined-heat-power-standard-offer-program-chpsop>” or such other website as the OPA shall designate from time to time.