

ADDENDUM No. 2
Dated August 29, 2006, to the
Ontario Power Authority's Request for Proposals for a
Generating Facility with a Summer Contract Capacity of 500 MW to 600 MW
Connected to the Area surrounding Trafalgar TS
(the "GTA West Trafalgar RFP")

In accordance with Section 5.4 of the GTA West Trafalgar RFP, this Addendum No. 2 contains amendments to the Final GTA West Trafalgar RFP posted on the OPA's Ontario Electricity RFP website on August 18, 2006.

Specifically, this Addendum No.2 contains the revised "clean" version of the Final GTA West Trafalgar RFP. A blackline copy, outlining changes to the August 18, 2006 version of the RFP, is also provided for the ease of reference.



Ontario Power Authority

FINAL

**REQUEST FOR PROPOSALS (RFP)
FOR A GENERATING FACILITY WITH A
SUMMER CONTRACT CAPACITY OF 500 MW TO 600 MW
CONNECTED TO THE AREA SURROUNDING TRAFALGAR TS**

(the “GTA West Trafalgar RFP”)

Request for Proposals No.: GTA-West-Trafalgar-RFP-2006

Final RFP Issued: July 14, 2006

Amended: August 29, 2006

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1. INTRODUCTION

1.1. Background

On June 15, 2005, the Ontario Minister of Energy directed the Ontario Power Authority (“**OPA**”) to commence several procurement processes, including one for up to 1,000 megawatts (MW) of generation in the Greater Toronto Area West of Toronto (the “**GTA West**”). This directive, as amended by the Ontario Minister of Energy on February 9, 2006 (which directive, as amended, referred to as the “**Ministerial Directive**”), noted that the GTA West was one of two priority electrical zones in the province of Ontario, referenced in the Request for Proposals for 2,500 MW of new clean generation and demand side projects issued by the Ministry of Energy on June 25, 2004, that require significant generation initiatives to address critical local and regional supply, reliability, and voltage support needs.

On November 21, 2005, the OPA issued a Request for Qualifications for up to 1,000 MW of generation in the Greater Toronto Area West of Toronto (the “**GTA West RFQ**”), which was intended as an initial step in determining the level of interest from developers in addressing local supply, reliability, and voltage support needs in the general vicinity of Trafalgar TS.

In addition, the OPA, together with the IESO, has conducted further analysis regarding the needs for new generation in GTA West in the general vicinity of Trafalgar TS which shows that, during the summer, only a maximum of 600 MW of new generation can presently be accommodated in the specific areas surrounding Trafalgar TS.

The OPA is therefore proceeding with this procurement process by inviting all Registered Participants, as determined pursuant to Sections 1.2 and 1.3, to participate in this Request for Proposals (the “**GTA West Trafalgar RFP**”) to select a single Proposal for a new gas-fired generation facility to be connected at one of the Required Connection Points surrounding Trafalgar TS more particularly described in Section 2.2.5.

1.2. Eligibility for the GTA West Trafalgar RFP

Those persons or entities determined by the OPA to be a “**Qualified Applicant**” pursuant to the GTA West RFQ are entitled, but not obligated, to become a Registered Participant pursuant to Section 1.3. Failure of the Registered Participant to be the Qualified Applicant, without the prior written consent of the OPA, shall result in disqualification of the Proposal.

The Proponent Team identified by the Proponent is to include, at a minimum, all Designated Members and all Designated Equity Providers identified in the Qualified Applicant’s RFQ Submission under the GTA West RFQ, and failure to include all such Designated Members and Designated Equity Providers on the Proponent Team, without the prior written consent of the OPA, shall result in disqualification of the Proposal.

In light of the foregoing, where the OPA's prior written consent is required in any of the circumstances set out above, a request is to be sent to the OPA as soon as possible by submitting an email to procurement.gtawest@powerauthority.on.ca.

1.3. Participation in the GTA West Trafalgar RFP

To become a Registered Participant, the completed registration form set out in Appendix C (the "**Registration Form**"), together with a non-refundable registration fee of \$10,000 in Canadian dollars plus GST by way of a certified cheque or a bank draft made out in favour of "Ontario Power Authority" (the "**Registration Fee**"), must be delivered to the OPA in accordance with the instructions below. Please note that the OPA's GST licence number is 854195039RT0001.

The Registration Form and Registration Fee should be delivered to the OPA at the following address before the deadline for registration as indicated in the Timetable in Section 5.1:

Ontario Power Authority
Richmond-Adelaide Centre
120 Adelaide Street West
Suite 1600
Toronto, Ontario
M5H 1T1

Attention: GTA West Trafalgar RFP

Courier and delivery personnel should be instructed to deliver the Registration Form and Registration Fee to the exact location specified above by the deadline for registration as indicated in the Timetable in Section 5.1. The OPA will not be responsible for late deliveries.

The Registration Fee shall not be refundable under any circumstances including, but not limited to, circumstances where a Registered Participant decides not to submit a Proposal for a proposed Contract Facility under the GTA West Trafalgar RFP.

Each Registered Participant will have the option to schedule two individual information sessions, as further set out in the Timetable in Section 5.1, each of which will have a maximum duration of one (1) hour, to discuss its proposed Contract Facility with representatives of the OPA's project team. The protocol and agenda will be set at the sole discretion of the OPA.

The purpose of these individual information sessions is to provide each Registered Participant with an opportunity to meet with the OPA project team and to discuss the GTA West Trafalgar RFP process and the form of Contract and, on a confidential basis, the technical elements of its proposed Contract Facility. For further clarity, the OPA will not render any opinion on the proposed Contract Facility and no discussion will be

permitted with respect to a Proponent's Economic Bid Statement or matters affecting price. In addition, no hand-outs or Contract Facility-related materials are to be left with the OPA at any individual information session.

The individual information sessions are being offered only to Registered Participants and only as an aid to understanding the GTA West Trafalgar RFP and the form of Contract. The Fairness Advisor will attend all individual information sessions, but there will be no verbatim recording of the individual information sessions. Interested parties are advised that the individual information sessions do not form part of the evaluation process and there will be no pre-approval or pre-vetting of any Proposal or of any proposed Contract Facility during such sessions. Registered Participants are also advised that the final GTA West Trafalgar RFP supersedes all discussions of any kind whatsoever between the OPA and Registered Participants.

At the conclusion of the individual information sessions and in the event that the OPA determines that a clarification of the requirements of the GTA West Trafalgar RFP or the form of Contract is required, the OPA will post such clarifications to the RFP Website and, as applicable, revise the terms of the GTA West Trafalgar RFP and the form of Contract. In addition, the Fairness Advisor will render a report on the conduct of these information sessions and such report will be posted to the RFP Website.

The OPA will be contacting the Registered Participants after the deadline for registration specified above to schedule the individual information sessions.

A Proponent must be: (1) a Registered Participant, (2) an entity that owns an interest of 50% or more in, or otherwise Controls, a Registered Participant, or (3) an entity of which a Registered Participant owns an interest of 50% or more or which a Registered Participant otherwise Controls.

1.4. Deliverables

The OPA is seeking to select a single Proposal for a new gas-fired generating facility with a Summer Contract Capacity of 500 MW to 600 MW to relieve Trafalgar TS in the GTA West by delivering firm and reliable supply to the IESO-Controlled Grid at a Required Connection Point.

The Proponent of the Proposal selected by the OPA under this GTA West Trafalgar RFP will be required to enter into the OPA's form of Contract for the provision of the Deliverables. In general, the Contract will require the Proponent to develop and construct the proposed Contract Facility, attain Commercial Operation by the proposed milestone date for Commercial Operation, and operate and maintain the proposed Contract Facility during the twenty (20) year Term in accordance with the provisions of the Contract.

A brief description of the Contract is set out in Appendix A. The final form of Contract is posted on the RFP Website, and Registered Participants are advised to review the Contract in its entirety for a detailed and

complete description of the parties' respective rights and obligations, and not simply those selected provisions that are summarized in this GTA West Trafalgar RFP.

Registered Participants should note that, as a result of the Ontario Energy Board's Natural Gas Electricity Interface Review ("NGEIR"), it is anticipated that Gas transportation, distribution, storage and balancing services will be modified to assist Gas-fired generators to more effectively manage their gas requirements within the IESO-Administered Markets. However, until NGEIR results in new or amended services and rates that are approved by the appropriate regulatory bodies, Proponents are facing uncertainties with respect to their Gas management costs.

In light of the foregoing, it is expected that except for any capital cost contributions relating to any pipeline capacity upgrades or connection costs, the Net Revenue Requirement submitted by Proponents as part of their respective Economic Bid Statements will not contain any costs, contingencies, compensation, or risk premiums associated with Gas transportation, distribution, storage and balancing services from Union Dawn to the proposed Facility's burner-tip (collectively, the "**Gas Delivery and Management Services**" or "**GD&M Services**"), while the OPA will address the effect of NGEIR on the Supplier by providing a mechanism in the Contract for the Supplier and the Buyer, after execution of the Contract and prior to the Gas Negotiation Deadline (as that term is defined in the Contract), either (i) to adjust the Net Revenue Requirement, or (ii) to provide compensation to the Supplier on a cost-of service basis and restrict the Supplier's procurement of Gas Delivery and Management Services, as more particularly set out in Exhibit S of the Contract.

1.5. Overview of Evaluation Process

The evaluation of Proposals received in response to this GTA West RFP will be conducted by the OPA in three distinct Stages ("**Stage 1**", "**Stage 2**", "**Stage 3**"). A Proposal must meet the requirements of each Stage in order to proceed to the next Stage. The three Stages are briefly described as follows:

Stage 1 – Mandatory Requirements: In Stage 1, each Proposal will pass or fail depending on whether the Proponent has demonstrated that each of the Mandatory Requirements have been met and that all of the documents, statements, and information required by Sections 2.1 to 2.8, inclusive have been submitted. Proposals that do not satisfy each of the Mandatory Requirements will not be evaluated further and will be disqualified. Each Proposal that passes Stage 1 will proceed to Stage 2.

Stage 2 – Rated Criteria: In Stage 2, each Proposal that passed Stage 1 will be awarded a Total Point Score, ranging from a minimum of zero (0) points up to a maximum of one hundred (100) points, based on the Evaluation Team's review of the information provided in the Proposal, including the responses to the Technical Questionnaire against the Rated Criteria set out in Sections 3.1 and 3.2 to assess the Proponent's resources as well as the maturity and quality of the proposed Contract Facility. Proposals that do not achieve a minimum Total Point Score of forty (40) points will be disqualified. All Proposals that are not disqualified in Stage 2 shall proceed to Stage 3.

Stage 3 – Economic Bid Evaluation: In Stage 3, each Proposal that passed Stage 2 will have its Economic Bid Statement opened and evaluated, as further described in Section 4, in order to determine its Evaluated Cost. Subject to the steps set out in Section 4, Proposals shall have their respective Evaluated Costs discounted by a factor that is proportional to the Total Point Score received in Stage 2 in order to determine the Proposal’s Adjusted Evaluated Cost. Subject to the approval of the OPA’s Board of Directors, the Proposal with the lowest Adjusted Evaluated Cost will be selected and the Proponent of such Proposal will be required to enter into the Contract in accordance with Section 5.14.

A table summarizing Stages 1, 2, and 3 is set out below:

STAGE IN EVALUATION PROCESS	MAXIMUM TOTAL POINT SCORE	MINIMUM REQUIREMENTS
Stage 1 - Mandatory Requirements	Pass/Fail	Pass
Stage 2 - Rated Criteria	Maximum Total Point Score: 100	Minimum Required Total Point Score: 40
Stage 3 - Economic Bid Evaluation	Selection based on the lowest Adjusted Evaluated Cost	

2. STAGE 1 - MANDATORY REQUIREMENTS

The documents and requirements set out in Sections 2.1 through 2.8 inclusive, together with all documents, information, and statements required therein, constitute the “**Mandatory Requirements**”, which are further set out below.

Proposals will be assessed and examined to ensure that they satisfy each of the Mandatory Requirements. Any Proposal that does not satisfy each of the Mandatory Requirements will not be evaluated further and will be disqualified.

The evaluation of the Proposal against the Mandatory Requirements will be conducted based on the statements, information, and documentation provided by the Proponent in the Proposal. Apart from the completion of any blanks, bullets or similar uncompleted information, a Proponent may not make amendments to the pre-printed wording of the forms of documents referred to in Sections 2.1 through 2.8 inclusive. Proponents are advised that some of the forms of the documents set out in Sections 2.1 through 2.8 inclusive will be made available on the RFP Website in a writeable PDF format following the deadline for Addenda. For greater certainty, amendments made to any such forms, whether on the face of such forms or contained elsewhere in the Proposal, may result in the disqualification of the Proposal.

Proponents are advised that all statements, information, and documentation submitted as part of the Proposal are subject to verification and enforcement in accordance with the terms of this GTA West Trafalgar RFP and the Contract. If such statements, information, or documentation are determined by the OPA to be incorrect or misleading, the OPA reserves the right in this GTA West Trafalgar RFP, among other things, to re-evaluate the Proposal’s compliance with the Mandatory Requirements in Stage 1, to revise the Total Point Score awarded to the Proposal in Stage 2, and/or to revise the Proposal’s Adjusted Evaluated Cost in Stage 3.

2.1. Proposal Submission Form (Appendix D)

The Proposal Submission Form is provided in Appendix D. The Proposal Submission Form includes a Mandatory Requirements checklist.

2.2. Technical Questionnaire and Mandatory Technical Requirements (Appendices G and K)

All technical and related information pertaining to the proposed Contract Facility must be provided by responding to the questions in the Technical Questionnaire set out in Appendix G and by providing supporting evidence, information, and documentation where indicated.

Proposals will be assessed and examined to ensure that they satisfy each of the “**Mandatory Technical Requirements**”, set out in Sections 2.2.1 to 2.2.14 inclusive. For greater certainty, the evaluation of the Proposal against each of the requirements set out in Sections 2.2.1 to 2.2.7 inclusive will be conducted based

on, and can be satisfied by, the Proponent's statements in the Technical Questionnaire and by providing supporting evidence, information, and documentation where indicated.

In addition, the requirements set out in Sections 2.2.8 to 2.2.14 inclusive shall be satisfied by the Proponent providing a declaration (the "**Mandatory Technical Requirements Declaration**") in the form attached as Appendix K confirming that the proposed Contract Facility will adhere to the requirements set out in Sections 2.2.8 to 2.2.14 inclusive.

A failure on the part of a Proponent to provide sufficient information and any of the requested items will constitute an incomplete response to the Technical Questionnaire and will result in disqualification of the Proposal. Furthermore, any Proposal that does not satisfy each of the following Mandatory Technical Requirements will not be evaluated further and will be disqualified.

The proposed Contract Facility:

2.2.1. must either be a new natural gas-fired "simple cycle" gas turbine (SCGT) generation facility or "combined cycle" gas turbine (CCGT) generation facility;

2.2.2. must be a single generating facility with a Summer Contract Capacity between 500 MW to 600 MW and a Winter Contract Capacity between 500 MW to 700 MW;

The maximum Contract Capacity limits for the two seasons were established to respect line loading limits on the Trafalgar to Richview circuits, especially under summer peak system conditions (at thirty (30) degrees Celsius) when no more than 600 MW can be accommodated. Proposed Contract Facilities that have an output capability greater than 600 MW in the summer may bid such excess capacity into the market if system conditions permit;

2.2.3. must not have a physical generator rating exceeding 800 MVA;

For greater certainty, this rating will be calculated as the sum of the nameplate ratings of all of the generators comprising the Contract Facility. In addition to its statement in the Technical Questionnaire, the Proponent must provide, for each generator, a generator capability curve and a technical data sheet;

2.2.4. must attain Commercial Operation on or before June 1, 2010;

To satisfy this requirement, the Proponent must identify a Commercial Operation Date on or before June 1, 2010 in its response to the Technical Questionnaire. In addition, in the Technical Questionnaire, the Proponent must also state the proposed milestone date for achieving Financial Closing, if applicable, which shall occur following Contract execution and prior to Commercial Operation;

2.2.5. must have a Connection Point located at one of the designated portions of the IESO-Controlled Grid set out below (with each of the designated portions being referred to as a “**Required Connection Point**”):

- the Hydro One 230 kV bus at Trafalgar TS;
- Hydro One circuits T36B, T37B, T38B **and** T39B between Trafalgar TS and Palermo TS;
or
- the radial section of Hydro One circuits T38B **and** T39B, **either** between Trafalgar TS and Halton TS, **or** between Trafalgar TS and Meadowvale TS.

In addition to providing its statement of the Connection Point in the Technical Questionnaire, the Proponent must also provide a single line diagram showing the Connection Point of the proposed Contract Facility, which will be reviewed by the Evaluation Team to verify the location of the proposed Connection Point;

2.2.6. must have a minimum Ramp Rate, over a single five minute interval, of at least “x” MW/minute, where “x” is a value equal to 4% of the Nameplate Capacity;

2.2.7. must have evidence of site control by having, at a minimum, an option to purchase, lease, licence or use the land for the site. Any such option must be exercisable by the Proponent for at least 180 days after the Proposal Submission Deadline. In any event, the Proponent must be able to exercise site control from no later than the proposed milestone date for Financial Closing to no sooner than the end of the Term. In addition to providing the Proponent’s statement confirming its control of the site, the Proponent must also provide supporting documentation of site control in the form of either (i) an executed copy of an agreement entitling the Proponent to an option to lease, licence or purchase the land for the site, (ii) registered title, lease or licence of the land for the site, or (iii) if the Contract Facility involves Crown resources, including Crown land for transmission, distribution and ancillary structures, written confirmation from the appropriate Ministry or Ministries that the Proponent has been granted the opportunity to pursue development approvals for the Contract Facility in the form of a “Site Release”.

Furthermore, the Proposal must state the address of the site and include a map or maps showing the location of the proposed site in relation to neighbouring roads and lands. The map shall be detailed enough to indicate key components of the proposed Contract Facility, including the proposed Connection Point. The map shall be utilized to confirm that the location of the site as set out on the map is consistent with the description of the lands set out in the documentation evidencing site control required in this section, as well as the requirements set out in Sections 2.2.5 and 2.2.13.

For greater certainty, Proponents are permitted to redact pricing and other proprietary information from the evidence of site control, as long as this information is not needed in order for the Evaluation Team to evaluate the evidence for purposes of this requirement.

As noted, the requirements set out below in Sections 2.2.8 to 2.2.14 inclusive shall be satisfied by the Proponent providing the Mandatory Technical Requirements Declaration (Appendix K), as part of its response to the Technical Questionnaire, confirming that the proposed Contract Facility will adhere to those requirements set out in Sections 2.2.8 to 2.2.14 inclusive. The requirements are that the proposed Contract Facility:

- 2.2.8. must be designed, constructed and operated in compliance with all relevant requirements of the IESO Market Rules, the OEB Transmission System Code, the OEB Distribution System Code and all other laws and regulations, as applicable. Without limiting the generality of the foregoing, and regarding the IESO Market Rules, the proposed Contract Facility:
- must have a connection arrangement (including sufficient breakers) that complies with the IESO’s document entitled “Summary of IESO Reliability Requirements for Major Generation Facilities” attached as Appendix N; and
 - must comply with Appendix 4.2 of the IESO Market Rules, and the excitation system performance of the proposed Contract Facility must be in accordance with the requirements for generating units rated 10 MVA or higher;
- 2.2.9. must be designed so that the 230 kV bus at the proposed Contract Facility can be operated either normally-closed or normally-open;
- 2.2.10. must not be an Upgrade of an Existing Generating Facility. For greater certainty, a Contract Facility that is an Expansion of an Existing Generating Facility is eligible under this GTA West Trafalgar RFP with respect to the Capacity relating to the Expansion;
- 2.2.11. must not have achieved commercial operation before June 15, 2005. For purposes of this requirement, commercial operation shall mean that the generation facility, either in a simple cycle or combined-cycle mode, commenced operation in compliance with all laws and regulations after the completion of construction, completion of connection and synchronization to the IESO-Controlled Grid and completion of all commissioning tests;
- 2.2.12. must not be an “intermittent” or “self-scheduling” generator, as each of those terms are defined in the IESO Market Rules;
- 2.2.13. must not result in the need for the construction, expansion or reinforcement of a transmission line in order to connect at a Required Connection Point, where an application for leave to construct,

expand or reinforce said transmission line is required under Section 92 of the *Ontario Energy Board Act*, 1998 (Ontario); and

Due to the critical reliability requirements for the Trafalgar TS and the OEB's Decision (RP-2005-0022), which states that the OEB "does not expect to decide any other bypass applications prior to the results of the NGEIR review", the Contract Facility:

- 2.2.14. must obtain gas distribution services from either Enbridge Gas Distribution Inc. or Union Gas Limited, and the Proponent must not construct, own, or operate the gas pipeline that serves the proposed Contract Facility.

2.3. **Executive Summary**

Proponents must provide an Executive Summary, which is not to exceed four (4) pages and which shall encapsulate information about (1) the proposed Contract Facility and (2) the Proponent Team. The Executive Summary should include, but need not be limited to, the following:

Part 1: Proposed Contract Facility:

- a description of the proposed configuration of the Contract Facility, the technology or technologies and major equipments to be used, the ratings of the gas and steam turbines (if applicable), the steam cycle cooling technology (if applicable), fuel capabilities, and the footprint (including stack heights and any additional physical features) of the proposed Contract Facility; and
- a description of the location of the proposed Contract Facility.

Part 2: Proponent Team:

- a description and a schematic representation of the organizational structure outlining ownership and contractual links among all entities and/or individuals involved in the development, construction, financing and operation of the proposed Contract Facility, which is to include all of the "Designated Employees" and "Designated Equity Providers" identified in the Qualified Applicant's RFQ Submission under the GTA West RFQ; and
- a summary of the business arrangements for the development, construction and operation of the proposed Contract Facility.

2.4. **Financial Questionnaire (Appendix F)**

Financial information pertaining to the development of the proposed Contract Facility must be provided by responding to the Financial Questionnaire set out in Appendix F.

The Proponent must provide, with respect to each Designated Equity Provider identified in the RFQ Submission, each of the following documents:

- a Firm Commitment that the Designated Equity Provider(s) will commit to contributing at least 30% of the Total Project Costs as equity, including cost overrun support, and that such equity contribution will be available to the Proponent upon execution of the Contract in the event that the Proponent becomes the Selected Proponent; and
- a confirmation of an officer of such Designated Equity Provider(s), either:
 - by providing a certificate to the best of his or her knowledge; or
 - if the Designated Equity Provider has shares or units of ownership that are listed on a recognized stock exchange, by providing a copy of a public update by the Designated Equity Provider within sixty (60) days of its most recently completed fiscal quarter as to the Designated Equity Provider's financial condition,

stating that, since the date of the financial statements of the Designated Equity Provider provided in the RFQ Submission, no facts or circumstances have arisen that are reasonably expected to materially adversely affect the Designated Equity Provider's financial condition as set out in such financial statements. For purposes of this requirement, facts and circumstances that, estimated reasonably and in accordance with GAAP, result in a reduction in the Tangible Net Worth of the Designated Equity Provider below the minimum required by the GTA West RFQ or by more than 10% from the amount set out in the RFQ Submission shall be deemed to "materially adversely affect" the Designated Equity Provider's financial condition.

For greater certainty, OPA reserves the right, at its option, to disqualify in its entirety a Proposal that contains a commitment from any Designated Equity Provider that is conditional on amending the form of Contract to be executed by the Selected Proponent other than in a manner that is expressly permitted by the Contract.

As part of its responses to the Financial Questionnaire, the Proponent must also provide information with respect to the Total Project Costs for the proposed Contract Facility, including a breakdown of such costs by Hard Costs, Soft Costs, and Financing Costs, which will be reviewed by the Evaluation Team solely for the purposes of this Section, as well as in accordance with Section 4.3.

Furthermore, the Proponent should include in the Financial Questionnaire a financial plan description, outlining the legal form of the entity or entities that constitute the Proponent and that are to develop, finance (or arrange financing), own and operate the proposed Contract Facility, the relationship between all the members of the Proponent Core Team, the Proponent Team and sources of current and future financing or credit support for the proposed Contract Facility, including the names of all sources of financing required, the characterization of each source as either equity, debt or other (i.e., neither debt nor equity) and cost overrun support, if any. For greater

certainty, loans from affiliated entities, project partners and loans that are subordinated to the primary or senior project financing should be reported as equity.

2.5. Proposal Security (Appendices H and I)

Proposal Security must be payable to and in favour of the “Ontario Power Authority” in the amount of \$1,000,000 in Canadian dollars. The Proposal Security must be in the form of:

- a certified cheque or a bank draft issued by a financial institution listed in either Schedule I or II of the *Bank Act* (Canada); or
- an irrevocable and unconditional standby letter of credit issued by a financial institution listed in either Schedule I or II of the *Bank Act* (Canada), or such other financial institution having a minimum credit rating of (i) A- with S&P, (ii) A3 with Moody’s, (iii) A low with DBRS, or (iv) A with Fitch IBCA, in the form attached as Appendix H; or
- a bid bond issued by a surety with a financial strength rating of A- or higher by A.M. Best in financial size category VIII or higher, in the form attached as Appendix I.

Failure to tender the Proposal Security in respect of a Proposal in the form required may result in the disqualification of the Proposal.

The Proposal Submission Form contains the Proponent’s agreement that the OPA may draw upon the Proposal Security if the Proponent, having become the Selected Proponent, exhibits one or more of the following:

- fails to deliver the Initial Completion and Performance Security within the timelines required under this GTA West Trafalgar RFP;
- fails to sign and deliver the Contract within the timelines required under this GTA West Trafalgar RFP;
- makes material misrepresentations in the Proposal; or
- is in breach or default of this GTA West Trafalgar RFP.

Proposal Security will be returned to Proponents in accordance with Section 5.13.

2.6. Economic Bid Statement (Appendix E)

Each Proponent must submit one (1) completed Economic Bid Statement, in the form set out in Appendix E, in a separate, sealed, opaque envelope marked “Economic Bid Statement” followed by the name of the Proponent and the name of the proposed Contract Facility.

Proponents are required to submit, as part of their Economic Bid Statements, a Net Revenue Requirement (NRR) stated in Dollars per MW-month and exclusive of applicable GST and PST, together with the percentage of the NRR to be indexed to the Specified Index, as well as their respective O&M Costs, Start-Up Cost, the Winter Contract

Capacity, the Summer Contract Capacity, the Annual Average Contract Capacity, the Winter Contract Heat Rate and the Summer Contract Heat Rate.

The values to be set out in the Economic Bid Statement must be entered precisely in numeric form using the format provided in Appendix E without further information, condition or qualification whatsoever. Proponents are advised that any deviation from the required format of the Economic Bid Statement whatsoever, including, but not limited to, the provision of a price range, conditional price, qualified price, or an incomplete price, a range of values, conditional values, qualified values or incomplete values, will result in the disqualification of the Proposal. Further, disclosure by the Proponent or any member of the Proponent Team of any of the elements of the Economic Bid Statement (other than the Contract Capacities) elsewhere in the Proposal or otherwise shall result in disqualification of the Proposal.

Proponents should note that errors contained in a Proponent's Economic Bid Statement are the sole responsibility of the Proponent and that the OPA will be unable to communicate any perceived error to a Proponent.

Proponents should note that the NRR provided in the Economic Bid Statement is to be stated in Dollars in the COD Year applicable to that particular Proposal. In the second and succeeding years of the Term, the specified portion of the NRR will be indexed to the Specified Index and applied pursuant to the terms and conditions of the Contract.

Furthermore, as outlined in Section 1.4, the NRR shall exclude the costs associated with gas transportation, distribution, storage and balancing services from Union Dawn to the proposed Contract Facility's burner-tip.

2.7. Gas Management Overview (Appendix P)

Proponents must provide a Gas Management Overview in a separate, sealed, opaque envelope marked "Gas Management Overview" followed by the name of the Proponent and the name of the proposed Contract Facility. The information contained therein will not be reviewed by the Evaluation Team, but may, in the OPA's sole and absolute discretion, be used as a basis for the adjustment to the Net Revenue Requirement or other compensation in accordance with Section 1.4 of this RFP and as further outlined in Exhibit S of the Contract.

The Gas Management Overview must include comprehensive and detailed information with respect to those GD&M Services (including, without limitation, any new or amended GD&M Services resulting from the NGEIR Process) that are required to operate the Contract Facility during the Term in accordance with the Contract. For greater certainty, the Gas Delivery and Management Services shall not include any capital cost contributions for any pipeline capacity or connection costs. Furthermore, the information and assumptions around the Gas Delivery and Management Services shall be in accordance with the RFP, namely Section 2.2.14, as well as Exhibit S in the Contract.

Proponents shall also include in the Gas Management Overview specifics as to their requirements and assumptions with respect to the type of services, tariffs, volumes and any other items with respect to those GD&M Services (including, without limitation, any new or amended GD&M Services resulting from the NGEIR Process) that are

required to operate the Contract Facility during the Term in accordance with the Contract. In particular, Proponents shall include assumptions and information with respect to the demand, capacity factor, assumed gas price, fixed and variable charges, as well as risk and forecasting assumptions for the Term of the Contract. Furthermore, the Gas Management Overview shall include a cost breakdown for the transportation, distribution, storage and balancing services from Union Dawn to the proposed Facility's burner-tip on a \$/MW-month basis based upon the present gas market at the time of Proposal submission. Proponents shall also provide information as to how different outcomes in the NGEIR process could potentially affect and change the assumptions and costs, including to the costs identified on a \$/MW-month basis.

The Gas Management Overview shall contain sufficient detailed information, as per the information requested herein and as set out in Appendix P. At the discretion of the OPA, failure to provide such sufficient detailed information may result in the disqualification of the Proposal in Stage 3.

2.8. **Additional Declarations (Appendices L and M) and Confidentiality Statement**

As part of its Proposal, each Proponent must complete, sign and submit the declarations described below in the forms set forth in Appendices L and M, and may submit a Confidentiality Statement, as described below, if applicable. The pre-printed wording of the declarations may not be altered, as noted in the introduction in Section 2. Registered Participants are reminded that the onus is solely on the Proponent to conduct all investigations and verifications necessary, including any investigations required of any member(s) of its Proponent Team, in order to confirm that each of the statements set out in the declarations can be made.

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

All completed declarations, statements and forms must be signed by a director, officer or other person who has the authority to bind the Proponent. Proponents are advised that if, in the sole and absolute determination of the OPA, any matter declared in the following declarations is not materially true and correct, then the Proposal may be invalidated, and the OPA may, in addition to any other remedies available at law or in equity, draw upon the Proposal Security. In instances where the Proposal is not invalidated and the Proposal Security is not drawn upon, notwithstanding a discrepancy or inconsistency between the declarations described below and the declarations enclosed with the Proponent's Proposal, the wording of the declarations below shall be deemed to prevail and the wording in the declarations enclosed with the Proponent's Proposal shall be deemed to have been amended accordingly.

2.8.1. **Appendix L: Statutory Declaration regarding Proposal and Non-Collusion**

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

(a) Proposal Validity and Proposal Security

The Proponent must declare (i) that the Proposal is valid and all statements, specifications, data, confirmations and other information set out in the Proposal are accurate; (ii) that the Proposal will remain irrevocable and open for acceptance for a period of ninety (90) days from the Proposal Submission Deadline; (iii) that the Proponent agrees to be bound by the terms of the Contract, including any security that may be required under the Contract; and (iv) that the Proponent, its proposed Contract Facility or any member of the Proponent Team is not the subject of any bona fide legal proceedings, investigation or regulatory hearings that could materially impact the financial condition of the Proponent or any of the entities involved in financing and operations for the proposed Contract Facility. Moreover, the declaration shall certify that the Proponent agrees that the OPA may draw upon the Proposal Security if the Proponent, having become the Selected Proponent, fails to sign and deliver the Contract or fails to deliver the Initial Completion and Performance Security within the time required under this GTA West Trafalgar RFP, or makes or has made a material misrepresentation in the Proposal, or is in breach or default of this GTA West Trafalgar RFP.

(b) Non-Collusion Declaration

The Proponent must declare that:

- (i) no person, firm or corporation, nor any person representing the Proponent and/or participating in the submission of the Proposal, has directly or indirectly entered into any discussion, communication, agreement or arrangement with any other Proponent, whereby the Proponent, in order to induce acceptance of the Proposal by the OPA, has paid or is to pay or provide to any other Proponent anything of value, and that the Proponent has not, directly or indirectly entered into any discussion, communication, arrangement or agreement with any other Proponent or Proponents that could have the effect of reducing competition in respect of the subject matter of this GTA West Trafalgar RFP;
- (ii) in preparing its Proposal(s), only specified individuals were involved in determining pricing of its Proposal(s) (whether as a member of its Proponent Team or otherwise), no other individuals were so involved and such individuals were not involved in determining pricing of a Proposal of Another Proponent Team;
- (iii) the Proponent:

- has not coordinated its Economic Bid Statement or any other aspect of its Proposal(s) with Another Proponent Team; and
 - has kept and will continue to keep its Proposal(s) confidential until the Selected Proponent is publicly announced;
- (iv) no member of its Proponent Core Team has entered into any agreement or arrangement with any member of Another Proponent Core Team, which may, directly or indirectly, affect the Economic Bid Statement or any other aspect of the Proposal(s) submitted by the Proponent and/or Another Proponent Team; and
- (v) neither the Proponent nor any member of its Proponent Core Team has engaged in any Prohibited Conduct.

2.8.2. **Appendix M: Conflict of Interest Declaration**

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

2.8.3. **Confidentiality Statement**

Information provided by a Proponent is subject to, and may be released in accordance with, the provisions of the *Freedom of Information and Protection of Privacy Act* (Ontario). The Proponent will clearly indicate in a separate confidentiality statement, in a form provided by the Proponent, any portion of the Proposal that contains proprietary or confidential information for which confidentiality is to be maintained by the OPA and the Evaluation Team. Such portions of the Proposal will be clearly marked "Proprietary and Confidential" by the Proponent. In the event that no confidentiality statement is provided, the Proponent will be automatically deemed to certify to the OPA that no portion of the Proposal contains proprietary or confidential information for which confidentiality is to be maintained by the OPA or the Evaluation Team.

The confidentiality of any such information identified by the Proponent will be maintained by the OPA and the Evaluation Team, except where an order by the Information and Privacy Commission, a court

or a tribunal requires the OPA to do otherwise. Notwithstanding the foregoing, the OPA shall not be required to maintain the confidentiality of any such information that:

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

Proponents are advised that their Proposals will, as necessary, be disclosed on a confidential basis, to the Government of Ontario, the OPA's Fairness Advisor, the OPA's counsel and other advisors retained for the purpose of evaluating, or participating in the evaluation of, the Proposals and/or this GTA West Trafalgar RFP process.

3. STAGE 2 - RATED CRITERIA

In Stage 2, for each Proposal that passed Stage 1, the information provided in the Proposal, including responses to the Technical Questionnaire and the Financial Questionnaire, will be reviewed against the Rated Criteria set out in Sections 3.1 and 3.2 to assess the Proponent's resources as well as the maturity and quality of the proposed Contract Facility. Each Proposal evaluated in Stage 2 will be awarded a Total Point Score (being the sum of the points awarded by the Evaluation Team to the Proposal in each of Sections 3.1 and 3.2) which will range from a minimum of zero (0) points up to a maximum of one hundred (100) points. In order to proceed to Stage 3, a Proposal must achieve a minimum Total Point Score of forty (40) points; otherwise the Proposal will be disqualified.

An overview of the Rated Criteria and associated maximum point scores are provided in the table below.

Section	Overview of Rated Criteria	Maximum Point Scores	Minimum Required Point Scores
3.1	Contract Facility	55	No minimums
3.1.1	Proposed Milestone Date for Commercial Operation	2	
3.1.2	Environmental Assessment	20	
3.1.3	Municipal Land Use Approvals - Official Plan and Zoning	20	
3.1.4	EPC Arrangements	13	
3.2	Risk Mitigation	45	No minimums
3.2.1	Technology and Generation Facility	5	
3.2.2	Fuel Supply	5	
3.2.3	Water Supply	5	
3.2.4	Other Permits and Approvals	5	
3.2.5	Community Outreach	20	
3.2.6	Other Risks	5	
	TOTAL	100	40

Proponents are advised that the responses to the Technical Questionnaire and the Financial Questionnaire for each Proposal should contain sufficient detailed information allowing the OPA to evaluate the merits of both the Proponent and the proposed Contract Facility. For greater certainty, the onus is on the Proponent to demonstrate its resources and abilities to develop, construct and operate the proposed Contract Facility, as well as present the work that has already been done on the proposed Contract Facility. Proponents are encouraged, where possible, to provide additional information and supporting evidence to substantiate their statements which address the Rated Criteria, even if this additional information is not specifically requested in this GTA West Trafalgar RFP. Failure to provide

sufficient detailed information or supporting statements or documentation may lead to zero (0) points being awarded with respect to any criterion or sub-criterion in Sections 3.1 and 3.2, as applicable.

3.1. Contract Facility (Maximum 55 Points)

This criterion rates the proposed Contract Facility in terms of its quality, including technical and operational features, as well as its maturity to ensure that a sufficient amount of work has gone into the proposed Contract Facility such that there is a reasonable degree of likelihood that the proposed Contract Facility will achieve Commercial Operation by the proposed milestone date for Commercial Operation.

The maximum score of fifty-five (55) points available under this Section 3.1 will be calculated based on the combined scores of the following four sub-criteria which are summarized in the table below and described in further detail in their respective Sections.

Section	Contract Facility – Sub-Criterion	Maximum Point Scores
3.1.1	Proposed Milestone Date for Commercial Operation	2
3.1.2	Environmental Assessment	20
3.1.3	Municipal Land Use Approvals - Official Plan and Zoning	20
3.1.4	EPC Arrangements	13

3.1.1. Proposed Milestone Date for Commercial Operation

This sub-criterion will have a maximum of two (2) points, which will be awarded for Contract Facilities with a proposed milestone date for Commercial Operation of June 1, 2009 or earlier. One (1) point will be awarded for proposed milestone dates for Commercial Operation after June 1, 2009 and before June 1, 2010.

3.1.2. Environmental Assessment

This sub-criterion will have a maximum of twenty (20) points, and will be awarded based upon the status of the Proponent's progress in the Environmental Assessment process.

Proponents shall state the category to which the proposed Contract Facility belongs for purposes of the Ontario Ministry of the Environment's "Guide to Environmental Assessment Requirements for Electricity Projects" dated March 2001, as referred to in O. Reg. 116/01 to the *Environmental Assessment Act* (Ontario) entitled "Electricity Projects" (the "**Environmental Assessment Guide**"), and submit any supporting documentation evidencing their classification and status within such category.

Points will be allocated depending on the status of the Proponent's progress in any Environmental Assessment process required pursuant to the appropriate category of the Environmental Assessment Guide referred to above.

Highest points will be allocated for a proposed Contract Facility for which:

- no permits or approvals are required, or
- all required permits or approvals have been obtained, or
- the Minister of the Environment or the Director of the Environmental Assessment and Approvals Board has granted approval for the proposed Contract Facility, or
- a notice of completion has been filed and the final environmental screening report has been submitted to the Ministry of the Environment.

Medium-high points will be allocated for a proposed Contract Facility for which:

- a draft environmental screening report has been submitted to Ministry of the Environment.

Medium points will be allocated for a proposed Contract Facility for which:

- all public consultations have been completed, and
- an environmental screening report is being drafted and the Proponent is working with the local community.

Medium-low points will be allocated for a proposed Contract Facility for which:

- all public consultations have been completed.

Low points will be allocated for a proposed Contract Facility for which:

- the process of conducting public consultation/open houses has commenced and is underway.

Lowest points will be allocated for a proposed Contract Facility for which:

- a notice of commencement has been published, or
- the Proponent has commenced work internally on the environmental assessment process, such as retaining expert advice, but has not filed a notice of commencement.

Zero (0) points will be awarded if a Proponent has not yet commenced any work on the Environmental Assessment process.

Proponents should submit a description of the work already undertaken and provide any supporting documentation evidencing their status. Furthermore, Proponents should include a timeline and a description of the major milestones necessary to complete the applicable Environmental Assessment process.

3.1.3. Municipal Land Use Approvals - Official Plan and Zoning

This sub-criterion will have a maximum of twenty (**20**) points and is divided into two sub-criteria, which assess (a) the site status regarding existing land use approvals, with a maximum of fifteen (**15**) points and (b) the steps taken to obtain the appropriate land use approvals or amendments such as: official plan amendment, where applicable secondary plan amendment and zoning by-law amendment for the proposed Contract Facility with the local municipality and, where applicable, the regional municipality, with a maximum of five (**5**) points.

(a) Status of site regarding land use approvals (**15** points)

Highest points will be allocated for a proposed Contract Facility with a site that:

- conforms with all regional and/or local official plan, secondary plan (where applicable) and zoning by-law(s) that permit for the development of the proposed Contract Facility.

High points will be allocated for a proposed Contract Facility with a site that:

- has all regional and/or local official plan or secondary plan designation(s) (where applicable), but requires only minor variances to the zoning by-law amendment to allow for the development and operation of the proposed Contract Facility.

Medium-high points will be allocated for a proposed Contract Facility with a site that:

- has all regional and/or local official plan and secondary plan (where applicable) designation(s), but requires a zoning by-law amendment to allow for the development and operation of the proposed Contract Facility.

Medium points will be allocated for a proposed Contract Facility with a site that:

- has zoning approvals, but no regional and/or local official plan or secondary plan designation(s) (where applicable) to allow for the development and operation of the proposed Contract Facility.

Lowest points will be allocated for a proposed Contract Facility with a site that:

- has neither regional and/or local official plan and secondary plan (where applicable) designation(s) or zoning approvals to allow for the development and operation of the proposed Contract Facility.

(b) Progress in obtaining applicable amendments (5 points)

Highest points will be allocated for Proponents who:

- does not require any amendments to any official plan or the zoning by-law.

High points will be allocated for Proponents who:

- has submitted a complete application to the required municipal approval authorities to obtain applicable amendments to the official plan(s) and/or the zoning by-law(s).

Medium points will be allocated for Proponents who:

- has undertaken preliminary consultation with the required municipal approval authorities but has not submitted a complete application to the required municipal approval authorities to obtain the applicable amendments to the official plan(s) and/or the zoning by-law(s).

Zero (0) points will be allocated for Proponents who:

- has not consulted with the required municipal approval authorities to obtain the applicable amendments to the official plan(s) and/or the zoning by-law(s).

Proponents should submit any supporting documentation, including, but not limited to:

- excerpts from the applicable regional and/or local municipal official plan, secondary plans (where applicable) and zoning by-laws and elaborate on the current official plan designation and zoning that applies to the subject lands for the Contract Facility;
- a description of the extent to which the proposed Contract Facility does not conform to the regional and/or local official plan or zoning by-law and what steps, if any, have been taken to amend the regional and/or local official plan, and zoning by-law to permit the development, construction and operation of the Contract Facility and state the expected time frame for receiving each of such approvals;
- an indication of whether any variances will be needed to accommodate the physical features of the Contract Facility, such as the stack height or foot print for example, and clearly indicate whether these would be considered minor variances; and

- a description of the processes involving the local municipality and, where applicable, the regional municipality, to obtain appropriate regional and/or local official plan amendments, including secondary plan amendments, where applicable, zoning by-law amendments, and any minor variances required in order to ensure development of the proposed Contract Facility on the subject lands.

In addition, as supporting evidence, the Proponent should provide a letter, or letters, from each of the local municipality and, where applicable, the regional municipality, outlining conformity with the regional and/or local official plan, secondary plan (where applicable) and zoning by-laws and stating whether the proposed Contract Facility requires:

- an amendment to the regional and/or local official plan, including a secondary plan amendment (where applicable);
- a zoning by-law amendment; and/or
- any variances to accommodate any and all physical features of the proposed Contract Facility and clearly indicate whether these would be considered minor variances.

Proponents are reminded that, as with the other Rated Criteria, failure to provide sufficient detailed information or supporting statements or documentation, which in this case shall include a letter from each applicable municipality, may result in zero (0) points being awarded.

3.1.4. EPC Arrangements

This sub-criterion will have a maximum of **13** points and will assess the degree to which the Proponent has made progress in obtaining pricing commitment(s) from an EPC contractor, or other external contractors, in respect of the engineering, procurement, and construction of the proposed Contract Facility. For greater certainty, this criterion assesses the level of pricing commitment from an EPC or other external contractor, and not the technical aspects of an EPC contract or other type of agreement.

Highest points will be allocated for a Proponent who has:

- an executed EPC contract with a firm pricing commitment, but such contract may be conditional upon the Proponent being awarded and entering into the Contract pursuant to the GTA West Trafalgar RFP.

High points will be allocated for a Proponent who has:

- an option to execute a finalized EPC Contract with a firm pricing commitment.

Medium-high points will be allocated for a Proponent who has:

- a firm pricing commitment (such as a binding price quotation, for example) from an EPC contractor, but without a signed EPC contract.

Medium points will be allocated for a Proponent who has:

- a soft pricing commitment (such as a non-binding or indicative price quotation, for example) from an EPC contractor.

Lowest points will be allocated for a Proponent who has:

- not identified an EPC Contractor; or
- no pricing commitment from an EPC Contractor with respect to the proposed Contract Facility.

In order to evidence the Proponent's classification in any of the first three categories above, the Proponent should provide a letter from the EPC contractor stating whether it has executed an EPC contract with the Proponent or provided a firm or soft pricing commitment, as applicable. If no letter is provided, it will be assumed by the Evaluation Team that no EPC contractor has been identified or has provided either a firm pricing commitment or soft pricing commitment with respect to the proposed Contract Facility, and minimum points, including zero (0) points, may be awarded.

3.2. Risk Mitigation (Maximum 45 points)

The criterion set out in this Section 3.2 rates the proposed Contract Facility in terms of the Proponent's mitigation of specific elements of risk that are not covered in the other Rated Criteria described in Section 3.1 and that relate to the proposed Contract Facility being developed successfully and on time.

The Proponent should provide a statement setting out all risks associated with the successful and timely development of the Contract Facility (the "**Statement of Risks**"). Where specific risks are addressed elsewhere in a Proposal, the Statement of Risks should include appropriate references to identify where these risks are addressed, such that the Statement of Risks comprises a comprehensive list of all risks pertaining to timely and successful development of the Contract Facility. The Statement of Risks should be accompanied by a description of actions and measures on the part of the Proponent to mitigate against such risks and all supporting materials as may be required to assure the OPA that, if selected, the proposed Contract Facility will be developed in accordance with the Proposal and achieve Commercial Operation by the proposed milestone date for Commercial Operation.

For this criterion, each Proposal will be assessed according to its Statement of Risks and any applicable supporting documentation, and those Proposals determined to face an overall low level of risk, which may be as a result of the Proponent’s demonstration of significant risk mitigation actions or measures associated with the proposed Contract Facility, will be awarded higher points than those that face a high level of risk.

For greater certainty, Proponents will not be penalized for providing a comprehensive and detailed list that includes a description of the risks that are pertinent to their project and addresses how these risks are being mitigated. The intent is that a comprehensive Statement of Risks will be considered favourable, as it demonstrates the experience and understanding with respect to successfully developing a project. And as stated previously, failure to provide sufficient detailed information or supporting statements or documentation may result in zero (0) points being awarded.

This Risk Mitigation criterion consists of six (6) sub-criteria, which are described in further detail in Sections 3.2.1 to 3.2.6 below. Proponents should address each of the points identified in the respective sub-criteria, as to whether or not, and why (or why not) it is relevant to the proposed Contract Facility. Furthermore, Proponents should also include and describe any other risks facing the proposed Contract Facility that are not listed in any of the sub-criteria below.

The maximum score of forty-five (45) points will be calculated based on the combined scores of the following sub-criteria:

Section	Risk Mitigation – Sub-Criterion	Maximum Point Scores
3.2.1	Technology and Generation Facility	5
3.2.2	Fuel Supply	5
3.2.3	Water Supply	5
3.2.4	Other Permits and Approvals	5
3.2.5	Community Outreach	20
3.2.6	Other Risks	5

3.2.1. Technology and Generation Facility

This sub-criterion will have a maximum of 5 points and will assess risks, and risk mitigation strategy, associated with the proposed Contract Facility’s electricity generation technology and major equipment, the generation technology manufacturer’s experience with the generation technology and major equipment, and the proposed Contract Facility configuration. In particular,

in its Statement of Risks, the Proponent should address, without limitation, the following points, as applicable:

- Performance of the proposed generation technology and major equipment and any associated risks, as well as strategies to mitigate these risks
- Number of installations and cumulative operating hours using the generation manufacturer's technology and major equipment
- Number of years the proposed manufacturer's generation technology and major equipment has been commercially employed
- Any other risks associated with the technology or major equipment of the Contract Facility

Higher points will be awarded for proposed Contract Facilities using proven technology and major equipment (i.e., those with a greater number of existing commercial installations and those with a proven length in service), and that demonstrate mitigated technology risks. Lower points will be allocated for proposed Contract Facilities with unproven technology and major equipment that have less commercial operating experience and/or do not provide a comprehensive technology risk mitigation plan.

3.2.2. Fuel Supply

This sub-criterion will have a maximum of five (5) points and will assess risks, and risk mitigation strategy, associated with obtaining fuel supply and the status of the fuel supply arrangements. In its Statement of Risks, the Proponents should address, without limitation, the following points, as applicable:

- risks associated with securing adequate fuel supply for the Term of Contract and/or being able to secure fuel management, transportation, storage and balancing services for the Term of the Contract;
- risks associated with developing the necessary infrastructure that will need to be constructed in order to supply fuel to the Contract Facility, including providing an estimate of the cost as well as the entities/individuals involved in constructing and installing such infrastructure;

- risks associated with any major approvals, permits or consents that are expected to be required from any party to proceed, develop, construct, and operate the necessary infrastructure; and
- Proponents should state whether the proposed Contract Facility is in the Enbridge or Union Gas franchise area and provide a letter from the entity or entities responsible for providing and transporting natural gas, confirming whether and to what extent the fuel supply or gas transportation arrangements to the Contract Facility are firm and in place.

Higher points will be awarded for Proponents who have secured or undertaken work to secure fuel supply, transportation, storage, management and balancing services, as applicable, as well as demonstrate risk mitigation measures or strategies associated with their provision.

3.2.3. Water Supply

This sub-criterion has a maximum of **5** points and will assess whether the proposed Contract Facility can be provided with the required water and waste water services in order to achieve Commercial Operation by the proposed milestone date for Commercial Operation. As such, in its Statement of Risks, the Proponent should address the following issues:

- water and waste water requirements for the development and construction of the proposed Contract Facility;
- cooling requirements and technology for the proposed Contract Facility;
- water and waste water requirements for the operation of the proposed Contract Facility, in particular for the cooling cycle, if applicable;
- arrangements / plans and associated milestones for obtaining all necessary permits and approvals to meet the water and waste water requirements of the proposed Contract Facility by the proposed milestone date for Commercial Operation;
- risks associated with obtaining water and waste water services from the local municipality, and where applicable, the regional municipality and how risks are being mitigated; and
- risks associated with obtaining water and waste water services through an alternative arrangement and how risks are being mitigated.

Highest points will be awarded to Proponents who:

- can provide evidence that all of the proposed Contract Facility’s water and waste water requirements can be met and that the proposed milestone date for Commercial Operation will be achieved, as well as provide a clear risk mitigation strategy; and
- can demonstrate arrangements with the local and regional municipalities with respect to obtaining water and waste water services, if required and applicable.

Medium-high points will be awarded to Proponents who:

- are in the process of making arrangements with the local and regional municipalities to obtain water and waste water services, and
- have a comprehensive plan outlining how to mitigate risks associated with obtaining such water and waste water services and can meet the proposed milestone date for Commercial Operation.

Medium points will be awarded to Proponents who:

- are in the process of making alternative arrangements to provide required water and waste water services, and
- have a comprehensive plan outlining how to mitigate risks associated with obtaining such water and waste water services and can meet the proposed milestone date for Commercial Operation.

Lowest points will be awarded to Proponents who:

- have not worked with the local and regional municipalities to make arrangements with respect to water and waste water services, or do not have alternative arrangements to provide such services; and
- do not have a comprehensive plan clearly outlining how to mitigate any risks associated with obtaining water and waste water services.

In addition to the information contained in the Statement of Risks, Proponents shall provide supporting documentation, including a letter, or letters, from each of the local municipality and, where applicable, the regional municipality, outlining if and how the proposed Contract Facility’s water and waste water requirements will be met, what approvals are required, associated milestones for obtaining such approvals and such water and waste water services, as well as any concerns regarding the proposed Contract Facility’s water and waste water requirements that the municipality may have as they relate to the proposed Contract Facility.

3.2.4. Other Permits and Approvals

This sub-criterion will have a maximum of five (5) points and will assess the risk mitigation plan developed by the Proponent for obtaining all other applicable federal, provincial, regional and municipal approvals, permits and certificates needed to develop, construct and operate the proposed Contract Facility, other than those contemplated in Sections 3.1.2 and 3.1.3 above.

Proponents should provide a comprehensive list and description and associated risks with respect to obtaining any federal, provincial, regional and municipal permits, approvals and certificates, other than those contemplated in Sections 3.1.2 and 3.1.3 above that are required for the development, construction and operation of the proposed Contract Facility and indicate the anticipated timelines for obtaining these permits, approvals and certificates. The list shall include, but not be limited to, applicable permits, approvals and certificates relating to the following matters:

- Certificates of Approval from the Ontario Ministry of the Environment for:
 - air and noise
 - industrial sewage
 - waste disposal
- Site plan approval and agreement including water supply connection from the municipality
- Building permits

In addition, the Proponent should submit a detailed explanation of the current status, and written evidence where applicable, of any applications made or other similar information for such permits, approvals, or certificates (such as, for example, filed documents or applications). Where permits, approvals, or certificates have been received, the Proponent should confirm, with respect to each such permit, approval, or certificate, the extent to which it does or does not cover the entire proposed Contract Facility.

Highest points will be awarded for Proponents who have obtained or applied for such approvals, permits or certificates. Furthermore, high points will be awarded for Proponents who have undertaken work to prepare for obtaining any applicable permits, approvals and certificates, as well as demonstrate comprehensive risk mitigation measures and strategies.

Lower points will be awarded to Proponents who have not undertaken any work or who do not show risk mitigation strategies regarding obtaining any applicable permits, approvals and certificates.

3.2.5. Community Outreach

This sub-criterion, with a maximum of twenty (**20**) points, evaluates (a) the work that the Proponent has undertaken and will undertake in engaging the local community and in addressing their concerns and (b) the Proponent's experience in successfully dealing with local communities for similar projects. As such, these two aspects will be evaluated separately in two sub-criteria, as further described below.

(a) Community Engagement

This sub-criterion, which has a maximum of ten (**10**) points, will assess the level of work the Proponent has undertaken and will continue to undertake in engaging the local community and in addressing their concerns.

The Proponent should include in its Statement of Risks a description of the level of contact with:

- officials from the local municipality and, if applicable, the regional municipality, with respect to the proposed Contract Facility. Proponents should describe and submit evidence as to whether the Proponent has received any form of support for the proposed Contract Facility from local or regional municipalities. In addition, the Proponent shall provide a contact at the local municipality and, if applicable, the regional municipality, including the name, title, phone number and email address, whom the OPA may contact to confirm such support for the proposed Contract Facility; and
- the local neighbours and the local community at large, as well as any local/community/regional groups and any other relevant community stakeholders.

Furthermore, the Proponent should indicate:

- the concerns and interests of the relevant local/community/regional groups or community stakeholders;
- the principal entities that may oppose, or may be expected to oppose, the development of the proposed Contract Facility;
- the risks of community concerns and opposition to the proposed Contract Facility in its efforts to procure required permits, approvals, and certificates and meet the proposed milestone date for Commercial Operation;

- what efforts the Proponent has taken, and is intending to take, in order to address concerns of the local community and to mitigate the risk of opposition to the proposed Contract Facility in procuring required permits, approvals, and certificates; and
- the proposed Contract Facility’s proximity to any residential neighbourhoods or significant environmental features that might represent a competing land use and/or sensitive land uses.

The Proponent should also include information with respect to their plan/strategy to continue efforts to engage the local community.

Proponents are encouraged to provide supporting evidence, such as letters from the local municipality, local municipal councillor(s), local community groups and/or stakeholders, as applicable.

Higher points will be awarded to Proponents who have undertaken substantial work to identify key local stakeholders and their concerns and interests and to engage them in a constructive dialogue to address their concerns, and who have developed a comprehensive plan to continue the stakeholding efforts and to address their concerns or otherwise mitigate risks of opposition.

Lower points will be awarded to Proponents with a lesser degree of understanding of the interests and concerns of key stakeholders and less engagement of the local community.

(b) Experience

This sub-criterion, which has a maximum of ten (10) points, will assess the Proponent Team’s experience in dealing with local communities and in addressing their concerns.

The Proponent should outline its experience in dealing with and engaging local communities and responding to key stakeholder concerns with respect to the proposed Contract Facility or similar project(s) inside or outside Ontario, with similar community issues. As such, Proponents are encouraged to describe and provide information with respect to other projects, as well as the experiences and lessons learned.

Higher points will be awarded to Proponents who have extensive experience in dealing with local communities and in addressing their concerns on similar projects with similar community issues.

Lower points will be awarded to Proponents who do not have extensive experience in dealing with local communities with respect to similar projects.

3.2.6. Other Risks

This sub-criterion will have a maximum of five (5) points and will assess any other risks that may impact the proposed Contract Facility being developed in accordance with the Proposal and meet the proposed milestone date for Commercial Operation. Proponents should address the following non-exhaustive list of other potential risks. For greater certainty, Proponents are not limited to the following specific lists and may address other risks that impact their proposed Contract Facility:

- risks associated with procuring all required easements
- risks associated with ability to access adequate roadways, municipal property and other critical infrastructure required for the construction and operation of the proposed Contract Facility
- risks associated with the Proponent's failure to have achieved all necessary internal approvals prior to the Proposal Submission Deadline
- risk that members of the Proponent Team will not continue to be involved in the Contract Facility in the roles indicated in the Proposal
- risks of any litigation or similar proceeding that may have a material adverse effect on the ability of the Contract Facility to proceed

Higher points will be awarded for Proponents that have identified plans to mitigate these other risks from impacting on the successful and timely development of the proposed Contract Facility.

Lower points will be awarded to Proponents who do not have identified plans with respect to these other risks impacting the proposed Contract Facility.

4. STAGE 3 - ECONOMIC BID EVALUATION

4.1. Overview

All Proposals that have passed Stages 1 and 2 will have their respective Economic Bid Statements opened and will undergo the “**Economic Bid Evaluation**” with the exception of those Proposals whose Economic Bid Statement does not comply with the requirements in Section 2.6.

The evaluation is comprised of the following four steps:

- Step 1: Calculation of the Evaluated Cost
- Step 2: Determination of any Outlier Proposals
- Step 3: Calculation of the Adjusted Evaluated Cost
- Step 4: Selection of the Proposal with the lowest Adjusted Evaluated Cost

4.2. Step 1: Calculation of the Evaluated Cost

The “**Evaluated Cost**” is calculated in Stage 3, the Economic Bid Evaluation, to assess the economic competitiveness of each Proposal. The Economic Bid Evaluation model, which is available to the public and posted on the RFP Website, will be used to calculate the Evaluated Cost of each Proposal. The Economic Bid Evaluation model will also aid Proponents in preparing their Economic Bid Statements, on the understanding, however, that the data and spreadsheets in such model are provided solely for the convenience of Proponents in preparing Proposals under the GTA West Trafalgar RFP. The OPA and its directors, officers, employees, advisors, and agents, as the case may be, assume no responsibility whatsoever, and expressly disclaim any liability, for the contents of such model (including the data and formula it contains and the results produced therefrom) or the manner in which this section or the contents of the documents and spreadsheets or the results produced are used by Proponents. Proponents are reminded that the calculations are determined solely for purposes of conducting the Economic Bid Evaluation and the information provided for any Prospective Model Year is not intended to be a forecast by the OPA or its advisors.

The calculation of the Evaluated Cost is described in greater detail in Sections 4.2.1 to 4.2.5 below, and involves the calculation of:

- the Annual Fixed Capacity Payment and the Indexed Annual Fixed Capacity Payments;
- the Estimated Net Revenues for each Prospective Model Year;
- the Annual Evaluated Costs for each Prospective Model Year;
- the net present value of all Annual Evaluated Costs; and
- the Evaluated Cost.

4.2.1. Calculation of the Annual Fixed Capacity Payment and the Indexed Annual Fixed Capacity Payments

In order to compare the relative costs of Proposals for the purposes of the Economic Bid Evaluation, the NRR for each Proposal will be used to create a series of indexed fixed capacity payments for each of the twenty (20) years of its particular Term using the following methodology:

(a) Calculation of the Annual Fixed Capacity Payment for the first year of the Term

The Annual Fixed Capacity Payment for the first year of the twenty (20) year Term, expressed in \$/year, will be the sum of the NRR multiplied by the Contract Capacity for each month during a twelve (12) month period and as expressed by the formula below:

$$\text{Annual Fixed Capacity Payment} = 12 * \text{Annual Average Contract Capacity} * \text{NRR}$$

For greater certainty, as per the Economic Bid Statement, the NRR is to be stated in Dollars for the first year of the Term for that particular Proposal; as such, the NRR will not include any indexation for the first year of the Term.

(b) Calculation of the Indexed Annual Fixed Capacity Payment for each of the remaining 19 years of the Term

For each of the remaining nineteen (19) years of the Term, the Annual Fixed Capacity Payment, expressed in \$/year, will be adjusted for inflation. As per the information outlined in the Economic Bid Statement, the specified portion of the NRR (the “**Net Revenue Requirement Indexing Factor**”) will be indexed to the Specified Index to account for inflation. For the sole purposes of the evaluation, the value of the index is 2% and referred to as the “**Specified Forecast Index**”. The Annual Fixed Capacity Payments for years two (2) to twenty (20) of the Term, which have been adjusted for inflation, are each referred to as an “**Indexed Annual Fixed Capacity Payment**”.

The nineteen Indexed Annual Fixed Capacity Payments plus the Annual Fixed Capacity Payment for the first year are collectively referred to as the “**Indexed Annual Fixed Capacity Payments**”.

4.2.2. Calculation of the Estimated Net Revenues for each Prospective Model Year

The “**Estimated Net Revenues**” are calculated as the Estimated Gross Energy Market Revenues less the Estimated Energy Costs plus the Estimated Negative Interval Net Revenue Recapture for each year of the Term. In turn, the values of the Estimated Gross Energy Market Revenues, the

Estimated Negative Interval Net Revenue Recapture and the Estimated Energy Costs for each year of the Term are determined by running the Economic Bid Evaluation model using the methodologies set out below and assuming certain market data for each year of the Term (with each such year referred to as a “**Prospective Model Year**”).

The following market data for each hour of a typical week in each month of the Prospective Model Years will be used in conducting the Economic Bid Evaluation and is available in the Economic Bid Evaluation model, which is posted on the RFP Website:

- the relevant one, two and three hour ahead pre-dispatch data for each hour of a typical week in each month of the Prospective Model Years
- HOEP for each hour of a typical week in each month of the Prospective Model Years
- the Gas Price
- the Specified Forecast Index of 2%

(a) Calculation of the Estimated Gross Energy Market Revenue

The calculation of “**Estimated Gross Energy Market Revenue**” for purposes of the Economic Bid Evaluation will use the methodology used for Deemed Dispatch in the Contract for the Prospective Model Years. The methodology will deem operation based on data within the Prospective Model Years. Please refer to the Contract for further information regarding the deemed operation methodology.

(b) Calculation of the Estimated Energy Costs

The calculation of “**Estimated Energy Costs**” for purposes of the Economic Bid Evaluation will use the methodology used for Deemed Dispatch in the Contract for the Prospective Model Years, and using:

- the Winter Contract Heat Rate and Summer Contract Heat Rate provided by the Proponent in the Economic Bid Statement, which will be directly applied to the prospective natural gas prices contained within the Prospective Model Years;
- O&M Costs, as set out in the Economic Bid Statement and adjusted by the Specified Forecast Index; and
- Start-Up Cost as applicable to the imputed operation, and which will be limited to no more than one (1) imputed start-up per day.

(c) Calculation of the Estimated Negative Interval Net Revenue Recapture

The calculation of the “**Estimated Negative Interval Net Revenue Recapture**” (ENINRR) for purposes of the Economic Bid Evaluation will use the methodology used for Deemed Dispatch in the Contract. The NINRR is as defined in Exhibit J of the Contract. Refer to the Contract for further information.

(d) Calculation of the Estimated Net Revenues

The “**Estimated Net Revenues**” are calculated as the Estimated Gross Energy Market Revenues less the Estimated Energy Costs, plus the Estimated Negative Interval Net Revenue Recapture for each year of the Term.

4.2.3. Calculation of the Annual Evaluated Costs for each Prospective Model Year

The “**Annual Evaluated Costs**” are calculated as the Indexed Annual Fixed Capacity Payments less the Estimated Net Revenues, for each year of the Term. The Annual Evaluated Cost in any given year of the Term would be a payment to the Supplier (if positive), or a payment to the OPA (if negative), as the case may be.

4.2.4. Calculation of the net present value of all Annual Evaluated Costs

- (a) The Annual Evaluated Costs for each year of the Term will each be converted to a net present value as of the mid-point of the first year of the Term using a real discount rate of 5%, adjusted to a nominal discount rate of 7% after taking an assumed inflation rate of 2% into account. The net present value of all Annual Evaluated Costs over the Term of twenty (20) years (the “Term NPV”) will be the sum of the net present values determined above for each year of the Term.
- (b) For the sole purposes of the evaluation, each Proposal that has a proposed Connection Point located directly at the Hydro One 230 kV bus at Trafalgar TS will have its Term NPV, as determined pursuant to Section 4.2.4(a), automatically increased by the amount of \$8 million. Proponents are advised that such increase is a result of the higher Transmitter Connection Costs compared to any other Required Connection Point.

4.2.5. Calculation of the Evaluated Cost

The “**Evaluated Cost**”, expressed in \$/MW, is an amount equal to the Term NPV divided by the Annual Average Contract Capacity. For greater certainty, the Evaluated Cost represents the total out of market value, expressed in Dollars per MW, as of the first year of the Term of the Contract for that particular Contract Facility.

4.3. **Step 2: Determination of any Outlier Proposals**

In this step, the OPA will calculate the weighted average Evaluated Cost for all Proposals not rejected in Stages 1, 2 or 3 (the “**Weighted Average Evaluated Cost**”), based on the Annual Average Contract Capacity and the Evaluated Cost for each Proposal in the Economic Bid Evaluation.

The OPA will then determine which, if any, of the Proposals is materially higher or lower than the Weighted Average Evaluated Cost (the “**Outlier Proposal**”). The OPA will then consider whether any of these Outlier Proposals have justifiable cost differences based on the information provided in the respective Proposal and in the breakdown of the Total Project Costs (as submitted in accordance with the Financial Plan in Section 2.4) and differences in the proposed Contract Facility’s technology, generation equipment or other unique features. If the OPA determines that the cost differences of any of the Outlier Proposals cannot be rationalised, the OPA may in its sole and absolute discretion disqualify such Proposal.

4.4. **Step 3: Calculation of the Adjusted Evaluated Cost**

Proposals that are not disqualified in Step 2 shall then have their respective Evaluated Cost discounted by a factor that is directly proportional to its Total Point Score received in Stage 2, in order to determine the Proposal’s Adjusted Evaluated Cost.

The “**Adjusted Evaluated Cost**” of a Proposal, for purposes of the Economic Bid Evaluation, is calculated as the product of (a) the Evaluated Cost, and (b) one minus the Discount Factor, as per the formula below:

$$\text{Adjusted Evaluated Cost} = \text{Evaluated Cost} * (1 - x)$$

Where “x” is the “**Discount Factor**” equivalent to either:

- if the Proposal’s Total Point Score is equal to or less than fifty (50), the Discount Factor will be zero (0); or
- if the Proposal’s Total Point Score is greater than fifty (50), the Discount Factor is calculated as follows:

$$x = (\text{Total Point Score} - 50) * 0.004$$

For example, if a Proposal received 100 out of 100 points in Stage 2, then the Discount Factor for that Proposal would be 0.200, if a Proposal received 75 out of 100 points in Stage 2, then the Discount Factor for that Proposal would be 0.100.

4.5. **Step 4: Selection of the Proposal with the Lowest Adjusted Evaluated Cost**

Subject to the approval of the OPA's Board of Directors, the Proposal with the lowest Adjusted Evaluated Cost will be selected and the Proponent of such Proposal will be required to enter into the Contract in accordance with Section 5.15.

Addendum No. 2 – Aug. 29, 2006

5. TERMS AND CONDITIONS

5.1. Timetable

The Timetable with respect to the entire procurement process for this GTA West Trafalgar RFP is set out below.

Release of draft GTA West Trafalgar RFP	April 28
Release of draft Economic Bid Evaluation Model	May 12
Release of draft Contract	May 15
Deadline for registration as a Registered Participant	May 24 at 3:00:00 pm (EDT)
Question and Comment Period I	May 29 – June 23
Individual Information Session I	June 5-16
Release of final GTA West Trafalgar RFP and Contract	July 14
Individual Information Session II	July 24 – 28
Question and Comment Period II	July 10 – August 30
Deadline for Issuing Addenda to the GTA West Trafalgar RFP and Contract	September 1
Proposal Submission Deadline	September 27 at 3:00:00 p.m. (EDT)
Evaluation of Proposals	October
Notification of Results	November 15
Submission of Initial Completion and Performance Security and Execution of Contract	November

All dates are in 2006, unless otherwise noted. The OPA reserves the right to accelerate and postpone the dates set out above. The acceleration or postponement of any date prior to the Proposal Submission Deadline shall be made by way of a notice published on the RFP Website. The acceleration or postponement of any date following the Proposal Submission Deadline shall be made by way of notice to Proponents only.

5.2. Communications

This GTA West Trafalgar RFP and Contract, and all addenda relating thereto, will be public and accessible via the RFP Website. Proponents shall promptly examine all such documentation and:

- report any errors, omissions or ambiguities; and
- send any questions they may have regarding this GTA West Trafalgar RFP and Contract,

through the RFP Website, in writing, on or before the end of the Question and Comment Periods noted in the timetable in Section 5.1. No such communications are to be directed to any person or in any manner other than through the RFP Website. Only Proponent Team members designated by the Registered Participant will be able to ask questions through the RFP Website; however, all questions, comments and responses will be posted publicly on the RFP Website without revealing the identity of the member. It is the responsibility of any Registered Participant to seek clarification by submitting questions or comments on any matter that it considers to be unclear. The OPA shall not be responsible for any misunderstanding on the part of any Registered Participant or Proponent concerning any aspect of this GTA West Trafalgar RFP and Contract.

The questions, comments and responses that will be posted on the RFP Website are for information purposes only and do not form part of the GTA West Trafalgar RFP or the Contract.

In addition, a Registered Participant or Proponent may contact the OPA at any time during this procurement process in connection with a procedural matter related to the Proposal by sending an email to procurement.gtawest@powerauthority.on.ca. This email account will be monitored by representatives of the OPA who will acknowledge receipt of each email within a reasonable time after it has been received, and who may respond to any such inquiry and/or make such email and its response public by posting them on the RFP Website without revealing the identity of the person making such inquiry.

Proponents are advised that a failure on the part of a Proponent to restrict its communication with the OPA to the communications channels prescribed in this GTA West Trafalgar RFP may lead to a disqualification of their Proposal(s).

5.3. Prohibited Communications

Registered Participants and Proponents shall not contact or make any attempt to contact any OPA representative or provincial government employee or representative or any other Registered Participant or other Proponent, with respect to the Registered Participant's or the Proponent's Proposal(s), the Contract, or the GTA West Trafalgar RFP process, at any time during the GTA West Trafalgar RFP process, except through the channels expressly prescribed in this GTA West Trafalgar RFP.

Without limiting the generality of the foregoing, Registered Participants and Proponents shall not contact or attempt to contact:

- any member of the Evaluation Team;
- any expert or advisor assisting the Evaluation Team;
- any staff of the OPA or members of the OPA's Board of Directors;
- any staff of the Premier of Ontario's Office or the Ontario Cabinet Office;
- any member of the Legislative Assembly of Ontario or his or her staff or advisors; and
- any members of Provincial Cabinet or their staff or advisors,

on matters related to their Proposals, the Contract, the GTA West Trafalgar RFP process at any time during the GTA West Trafalgar RFP process, except through the channels expressly prescribed in this GTA West Trafalgar RFP.

The OPA may, in its sole and absolute discretion, without any liability, cost or penalty, and in addition to any other remedies available to it at law, revoke a Registered Participant's or Proponent's status as a Registered Participant or Proponent (without any refund of the Registration Fee) and reject any Proposal proposed to be submitted or actually submitted by a Registered Participant or Proponent, as the case may be, if any Registered Participant or Proponent or any of their respective employees, agents, contractors or representatives discusses or attempts to discuss this GTA West Trafalgar RFP, any Proposal or the terms of the Contract with any of the foregoing, except through the channels expressly prescribed in this GTA West Trafalgar RFP.

No Proponent, or any of their respective employees, agents, contractors or representatives, shall directly or indirectly communicate with the media in relation to this GTA West Trafalgar RFP, any Proposal, and the Contract without first obtaining the written permission of the OPA pursuant to a request made to procurement.GTAWest@powerauthority.on.ca. This email address may also be used to ask specific communication-related questions.

For greater certainty, the prohibition on communications set out above shall not prohibit a Registered Participant, Proponent, or Selected Proponent from publishing any notice that is required in connection with regulatory processes relating to the development of the proposed Contract Facility.

No Proponent shall engage in any Conflict of Interest communications or in any communications that would violate the prohibition against collusion set forth in the Statutory Declaration.

5.4. **Addenda to this GTA West Trafalgar RFP**

This GTA West Trafalgar RFP may be amended only by addendum in accordance with this Section. If the OPA, for any reason, determines that it is necessary to provide additional information relating to this GTA West Trafalgar RFP, such information will be communicated by posting such addendum on the RFP Website on or prior to the deadline for issuing Addenda to this GTA West Trafalgar RFP and Contract as set out in the Timetable. Each addendum will be deemed to form an integral part of this GTA West Trafalgar RFP.

Each addendum may contain important information including significant changes to this GTA West Trafalgar RFP, and Registered Participants and Proponents are responsible for visiting the RFP Website as often as is necessary to ensure that they obtain all of the addenda to this GTA West Trafalgar RFP and other notices issued by the OPA from time to time. Proponents must confirm their receipt of all of the addenda issued by the OPA in the Proposal Submission Form attached as Appendix D.

5.4.1. **Post-Deadline Addenda and Extension of Proposal Submission Deadline**

If any addendum is issued after the deadline for issuing Addenda to this GTA West RFP and Contract as set out in the Timetable, the OPA may at its discretion extend the Proposal Submission Deadline for a reasonable amount of time having regard to the circumstances.

5.5. **Barred Submissions**

Registered Participants are advised that, if any Proponent or any member of a Proponent Team is or has been in default under any Clean Energy Supply (CES) Contract, Renewable Energy Supply (RES) Contract, Renewable Energy Supply II (RES II) Contract, Demand Response (DR) Contract, York Region DR Contract, CHP Contract, CHP PPA or any other bilateral agreement with the OPA, or where the OPA alleges or has alleged a breach under any of such contracts, or if the Proponent or any member of the Proponent Team has commenced or threatened to commence legal proceedings against the OPA in respect of any of the foregoing contracts or agreements or in respect of any other project, and such matter is unresolved, such Proponent shall not be permitted to participate as a Proponent under the GTA West Trafalgar RFP, and in the OPA's sole and absolute discretion, any Proposal received by the OPA from such Proponent may be disqualified.

5.6. **Submission of Proposals**

5.6.1. **General Information**

Registered Participants are responsible for submitting Proposals on time at the location specified below and for ensuring that the Proposals are complete in every respect. Registered Participants should note that a Proponent's entire Proposal must be submitted by the Proposal Submission Deadline.

5.6.2. Submission Requirements

To be considered, a Proposal must be received no later than the Proposal Submission Deadline at the following address:

**BNY Trust Company of Canada
4 King Street West, Suite 1101
Toronto, Ontario
M5H 1B6
Attn: Ontario Power Authority – GTA West Trafalgar RFP**

The onus remains solely with the Proponent to instruct courier and delivery personnel to deliver its Proposal to the exact location specified above by the Proposal Submission Deadline. The OPA will not be responsible for late deliveries.

A Proponent must submit one (1) original hard copy of its Proposal prominently marked “Original Copy”, and ten (10) additional collated copies of its Proposal and one (1) electronic version of the Proposal provided on a CD ROM. All copies including the electronic version must include every document in the Proposal and in addition the electronic version must be electronically searchable.

The Proponent must also submit one (1) original hard copy of its Proposal Security, which should be contained in a separate envelope marked “Proposal Security”, and one (1) original hard copy of its Economic Bid Statement, which should be contained in a separate envelope marked “Economic Bid Statement”. The entire Proposal, together with the Proposal Security and the Economic Bid Statement, should be contained in a sealed package.

On the outside of the sealed package, using the Proposal Return Label attached at Appendix J, the word ‘Proposal’ should be prominently marked with the ‘GTA West Trafalgar RFP’ title as set out on the cover page of this GTA West Trafalgar RFP, with the full legal name of the Proponent and its return address. To the extent that the failure to affix the specified label to the submission envelope or package results in the Proposal arriving late at the OPA, the Proposal will be disqualified and returned unopened to the interested party.

The Proposal must be in English only, and should be typed or printed neatly in black ink on both sides of 8.5 x 11 inch paper, and all pages should be numbered sequentially. Proposals should be collated and organized in a user-friendly manner, containing detailed responses and referencing any attached substantiating documentation.

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

5.6.3. Proponents to Follow Instructions

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

5.6.4. Amending or Withdrawing Proposals

At any time prior to the Proposal Submission Deadline, a Proponent may amend or withdraw a submitted Proposal. The right of Proponents to amend or withdraw prior to the Proposal Submission Deadline includes amendments or withdrawals wholly initiated by Proponents and amendments or withdrawals in response to subsequent information provided by addenda to this GTA West Trafalgar RFP. Any amendment to a Proposal made prior to the Proposal Submission Deadline should clearly indicate what part of the Proposal the amendment is intending to affect or replace.

After the Proposal Submission Deadline, a Proponent shall not be able to amend its Proposal, although the Evaluation Team may request further clarification, information, statements or documentation pursuant to Section 5.23.1. A Proponent is not entitled to withdraw a Proposal after the Proposal Submission Deadline.

5.6.5. Confidential Information of OPA

All information provided by or obtained from the OPA in any form in connection with this GTA West Trafalgar RFP, either before and after the issuance of this GTA West Trafalgar RFP, is the sole property of the OPA and must be treated as confidential, and:

- is not to be used for any purpose other than replying to this GTA West Trafalgar RFP and the performance by the Proponent under the Contract;
- must not be disclosed without the prior written authorization of the OPA; and
- shall be returned by the Proponent to the OPA immediately upon the request of the OPA.

5.6.6. Confidential Information of the Proponent

Information provided by a Proponent is subject to, and may be released in accordance with, the provisions of the *Freedom of Information and Protection of Privacy Act* (Ontario). At the option of the Proponent, the Proponent will clearly indicate in a separate Confidentiality Statement, in a form provided by the Proponent, those portions of the Proposal that contain proprietary or confidential information for which confidentiality is to be maintained by the OPA and the Evaluation Team. Such portions of the Proposal will be clearly marked "Proprietary and

Confidential” by the Proponent. In the event that no Confidentiality Statement is provided, the Proponent will be automatically deemed, by submission of the Proposal, to certify to the OPA that no portion of the Proposal contains proprietary or confidential information for which confidentiality is to be maintained by the OPA and the Evaluation Team.

The confidentiality of any such information identified by the Proponent will be maintained by the OPA and the Evaluation Team, except where an order by the Information and Privacy Commission, a court or a tribunal requires the OPA to do otherwise.

Notwithstanding the foregoing, the OPA shall not be required to maintain the confidentiality of any such information that:

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

Proponents are advised that their Proposals will, as necessary, be disclosed on a confidential basis to the Government of Ontario, the OPA’s Fairness Advisor, the OPA’s counsel and other advisers retained for the purpose of evaluating or participating in the evaluation of the Proposals and this GTA West Trafalgar RFP process.

5.6.7. Irrevocability

Proposals shall be irrevocable in the form submitted by the Proponent for ninety (90) days from the Proposal Submission Deadline.

5.7. **Extension of the Period of Irrevocability**

If the OPA wishes to extend the period of time during which the Proponents’ Proposals are irrevocable, as outlined in Section 5.6.7, the OPA shall submit a request to extend to those Proponents who are, at the time of the request, still being considered in the evaluation process. A Proponent may, in its discretion, refuse to extend the period of irrevocability and notify the OPA of such intent within five (5) Business Days after such request was made, subject to the following:

- Notwithstanding a Proponent's refusal to extend the period of irrevocability, the Proponent's Proposal shall continue to be irrevocable in accordance with the original period of irrevocability
- If the OPA determines that it will be unable to award a Contract prior to the expiration of the original period of irrevocability, it will, after the expiration of the original period of irrevocability, discontinue the evaluation of a Proponent who has refused the OPA's request to extend the original period of irrevocability of the Proponent's Proposal, but may continue this GTA West Trafalgar RFP process with the Proponents who have consented to an extension to the original period of irrevocability

5.8. **Delay of the Evaluation Process**

Should the evaluation of the Proposals, including the determination of the Selected Proponent, be delayed past the last day indicated in the timetable in Section 5.1, the OPA will for each such day of delay, correspondingly extend each of the milestones indicated for Financial Closing and for Commercial Operation in the Proposal of the Selected Proponent by one day.

5.9. **Changes to Proponent Team**

Proponents are advised that no changes in the Proponent Team set forth by the Proponent in its response to this GTA West Trafalgar RFP shall be permitted between the Proposal Submission Deadline and the execution of the Contract without the prior written consent of the OPA. Any changes made without the prior written consent of the OPA will result in disqualification of the Proposal.

5.10. **Compliance**

If, in the sole discretion of the OPA, a Proposal does not comply with the requirements set out in this GTA West Trafalgar RFP, the OPA shall, without liability, cost or penalty, eliminate the Proposal and the Proposal shall not be given any further consideration. For purposes of this GTA West Trafalgar RFP, "comply" and "compliance" mean that the Proposal conforms to the requirements of this GTA West Trafalgar RFP without material deviation. A "material deviation" is one that, in the opinion of the OPA,

- affects the Proponent's or OPA's obligations or rights in any material way with respect to the general legal rights and obligations of the OPA or the Proponent under the Contract; or
- results in a failure to satisfy a material component of any requirement set out in this GTA West Trafalgar RFP.

For the purpose of clarity, each Proponent acknowledges and agrees that the OPA's evaluation of compliance with this GTA West Trafalgar RFP is not an evaluation of absolute compliance and that the OPA may waive failures to comply that, in the OPA's sole discretion, do not constitute a material deviation in accordance with this Section.

5.11. **Notification of Outcome of this GTA West Trafalgar RFP**

Once the Selected Proponent has delivered its required Initial Completion and Performance Security to the OPA and has delivered the signed Contract, all other Proponents who have not become the Supplier will be officially notified by the OPA in writing of the outcome of this GTA West Trafalgar RFP procurement process and the award of the Contract to the Supplier prior to any public announcement thereof.

5.12. **Debriefing**

Proponents who did not become the Supplier may request a debriefing after receipt of a notification of Contract award to the Supplier as per Section 5.11. Requests must be made within thirty (30) days of the notification to Proponents who did not become the Supplier. The intent of the debriefing information session is to assist the Proponent in presenting a better proposal in subsequent procurement opportunities. Any debriefing provided is not offered for the purpose of providing an opportunity to challenge this GTA West Trafalgar RFP procurement process.

5.13. **Cancellation or Return of Proposal Security**

- For each Proponent whose Proposal fails Stage 1 or Stage 2, the applicable Proposal Security will be cancelled or returned within ten (10) Business Days of the Proponent being notified that it has failed to progress in the evaluation process to the next Stage.
- For each Proponent whose Proposal passes Stage 2 but is not selected or is disqualified in Stage 3, the applicable Proposal Security will be returned or cancelled within ten (10) Business Days of the OPA's notification of the outcome of the GTA West Trafalgar RFP.
- For the Supplier, the applicable Proposal Security will be cancelled or returned upon delivery of the Initial Completion and Performance Security due under the terms of the Contract by the Supplier and the delivery of the Contract executed by the Supplier.

5.14. **Selected Proponent**

The Evaluation Team will make its recommendation to the OPA as to the Selected Proponent. The OPA will notify the Selected Proponent in writing and/or verbally of its status. After receipt of the notice in writing of its selection and receipt of the Contract, the Selected Proponent will then be required to submit the Initial Completion and Performance Security within eight (8) Business Days and the executed Contract within ten (10) Business Days.

Should the Selected Proponent fail to submit the required Initial Completion and Performance Security or deliver the signed Contract, as applicable, within the required timeframe, the Evaluation Team may recommend, and the OPA may agree, that the Proponent with the next lowest Adjusted Evaluated Cost, as per Section 4.5, be selected in its place. Proponents are advised that, where a Proponent fails to deliver the Initial Completion and

Performance Security and/or the signed Contract, as applicable, the OPA shall be entitled to draw upon the Proposal Security.

Once the Initial Completion and Performance Security has been delivered by the Selected Proponent to the OPA, and the Contract has been executed by the Selected Proponent (who is then referred to as a “**Supplier**”) and returned to the OPA, the OPA will make a public announcement of the Supplier and its Contract Facility.

5.15. Accuracy of Proposal and Incorporation of Proposal Content in the Contract

The Contract will contain a representation by the Supplier to the Buyer that the Proposal was complete and accurate in all material respects at the time of its submission to the Ontario Power Authority. The content of the Proposal will be used to complete Exhibit A to the Contract entitled “Project Description”.

5.16. Contract

The Selected Proponent shall sign the Contract, as circulated in its final form by the OPA after the deadline for issuing addenda indicated in Section 5.1.

5.17. Ontario Power Authority

On December 9, 2004, the Government of Ontario enacted the *Electricity Restructuring Act, 2004* (Ontario), which amended the *Electricity Act, 1998* (Ontario) (the “**Act**”) and, among other things, established the OPA as a statutory corporation that is not a Crown agent. Under the Act, the OPA is authorized to call on the private sector when needed for new generating capacity and demand-side initiatives to be secured through competitive procurement processes. However, although the OPA may not have an approved integrated power system plan and an approved procurement process in place by the time the Contract is scheduled to be entered into pursuant to this GTA West Trafalgar RFP, the Ministerial Directive expressly authorizes and directs the OPA, pursuant to the Minister of Energy’s authority under subsections 25.32(4) and (7) of the Act, to enter into the Contract selected under this GTA West Trafalgar RFP. The net costs to the OPA, which includes the costs incurred in respect of the Contract, will be recovered from all electricity consumers through appropriate settlement mechanisms.

Credit ratings for the OPA have been issued by Moody’s and DBRS and additional information about the OPA can be obtained from the OPA’s website at www.powerauthority.on.ca.

5.18. Future Procurement Processes

This GTA West Trafalgar RFP is only one of several procurement processes initiated by the Ministerial Directive. Additional procurement initiatives for generating capacity and/or demand-side proposed projects may follow, and participation in this GTA West Trafalgar RFP does not preclude participation in any present or future OPA procurement initiatives, provided that all eligibility criteria set out under such procurement initiatives are satisfied.

This GTA West Trafalgar RFP is not in any way intended to preclude, restrict or otherwise discourage any interested party from proceeding with the development of new generating facilities outside the scope of this GTA West Trafalgar RFP.

5.19. Use of Definitions

Capitalized terms used in this GTA West Trafalgar RFP have the respective meanings ascribed to them in the Glossary of Terms set out in Appendix B. Unless otherwise indicated, references to sections and appendices are references to sections and appendices in this GTA West Trafalgar RFP.

5.20. The GTA West Trafalgar RFP Documents

This GTA West Trafalgar RFP and the Contract and all addenda relating thereto will be public and accessible via the RFP Website. The following documents constitute the GTA West Trafalgar RFP:

- this GTA West Trafalgar RFP
- Appendices A to O, inclusive, as set out in the Table of Contents of this GTA West Trafalgar RFP

5.21. Conflict between GTA West Trafalgar RFP and Proposal

Any conflict or inconsistency between the terms of this GTA West Trafalgar RFP and the Proposal shall be resolved by interpreting such documents in the following order from highest priority to lowest priority, namely:

- this GTA West Trafalgar RFP; and
- the Proposal,

where this GTA West Trafalgar RFP shall govern over the Proposal to the extent of any conflict or inconsistency.

5.22. General Terms

Each Proposal will be prepared at the sole cost and expense of the Proponent. Proponents will bear all costs and expenses in connection with their Proposal, including any costs incurred in the review of this GTA West Trafalgar RFP and any expert advice required in responding to this GTA West Trafalgar RFP. The OPA and its advisors shall not be liable to pay any Proponent or Registered Participant costs under any circumstances. In particular, the OPA will not reimburse the Proponent in any manner whatsoever in the event of rejection of any or all Proposals or in the event of the cancellation of this GTA West Trafalgar RFP. By submitting a Proposal in response to this GTA West Trafalgar RFP, the Proponent irrevocably and unconditionally waives any claims against the OPA and its advisors relating to the Proponent's or Registered Participant's costs and expenses, except as permitted pursuant to Section 5.25.

5.23. Reserved Rights of the OPA

All interested parties are advised that the OPA reserves the following rights set out below.

5.23.1. Clarification of Proposals

- (a) The OPA reserves the right, within forty-five (45) days following the Proposal Submission Deadline, to request that any Proponent clarify or make changes to its Proposal and such Proponents shall submit responses to such request within five (5) Business Days following receipt of such request, or within such shorter time as the OPA may require. Clarification requests will be made by telephone, fax or email communication to the Proponent's primary contact person or, if necessary, to any alternate contact person(s) listed in the Proposal. The OPA may, in its sole discretion, choose to meet with some or all of the Proponents to discuss aspects of their Proposals.
- (b) The OPA may require Proponents to submit supplementary documentation in response to a specific request clarifying any matters contained in their Proposals or the OPA may prepare a written interpretation of any aspect of a Proposal and seek the respective Proponent's acknowledgement of that interpretation and only such documentation specifically requested and accepted by the OPA, and written interpretations which have been acknowledged by the relevant Proponents, shall be considered to form part of the Proposals of those Proponents.
- (c) The OPA is not obliged to seek clarification or interpretation of any aspect of a Proposal.

5.23.2. Incomplete Proposals

- (a) The OPA reserves the right, in its sole discretion, to reject any Proposal whether or not completed properly and whether or not it contains all required information. Without prejudice to this right, the OPA may request clarification where any Proponent's intent is unclear and may, in its sole discretion, waive or request amendment where, in the opinion of the OPA, there is an irregularity or omission in the information that is to be submitted in a Proposal.
- (b) The OPA may reject any, all, or portions of any Proposal received for being incomplete or for failure to meet any criteria set forth in this GTA West Trafalgar RFP.

5.23.3. Conduct of the GTA West Trafalgar RFP

- (a) The OPA reserves the right to cancel this GTA West Trafalgar RFP for any reason without any obligation or any reimbursement to the Proponents. In the event that OPA exercises its

reserved right to cancel this GTA West Trafalgar RFP, all Registration Fees that have been received from Registered Participants will be refunded by the OPA.

- (b) The OPA is not bound to accept any Proposal and may proceed as it determines, in its sole discretion, following receipt of the Proposals. The OPA reserves the right to accept or reject Proposals in whole or in part, to discuss different or additional terms to those included in the GTA West Trafalgar RFP or in any Proposal, or to amend or modify any term of the GTA West Trafalgar RFP. The OPA may invalidate this GTA West Trafalgar RFP and may issue a second request for proposals in its sole discretion.
- (c) Proposals that are unsigned, improperly signed or sealed, conditional, illegible, obscure, contain arithmetical errors, omissions, erasures, alterations, or irregularities of any kind may, in the OPA's sole discretion, be considered informal and may be rejected.
- (d) Proposal Submission Forms, Economic Bid Statements, and other portions of the Proposal which are improperly prepared may, in the OPA's sole discretion, be considered informal and may be rejected.
- (e) Failure to provide the Proposal Security in the amount or form required may, in the OPA's sole consideration, result in the Proposal being considered informal and may be rejected.
- (f) The OPA may, at its sole and absolute discretion, waive any informality or irregularity.
- (g) The OPA may make public the names of any or all Registered Participants, Proponents and members of their respective teams.
- (h) The OPA may contact any equity provider, debt provider, or other source of financing identified in a Proposal, including obtaining information on any such equity provider, debt provider, or other source of financing, whether directly from the equity provider, debt provider, other source of financing, or from any third party.
- (i) The OPA may verify with any Proponent or with a third party any information set out in a Proposal.
- (j) The OPA may check references other than those provided by any Proponent, including but not limited to the local and regional municipalities.
- (k) The OPA may disqualify any Proposal that contains material misrepresentations or any other materially inaccurate or misleading information.

- (l) The OPA may disqualify any Proponent or the Proposal of any Proponent who has engaged, or where Proponent Core Team member(s) have engaged in any Prohibited Conduct in respect of the GTA West Trafalgar RFP.
- (m) If a single Proposal is received, the OPA may reject the Proposal of the sole Proponent and cancel this GTA West Trafalgar RFP process or enter into direct negotiations with the sole Proponent; and
- (n) The OPA may reject any or all Proposals at any time in its absolute discretion.

5.23.4. These reserved rights are in addition to any other express rights or any other rights which may be implied in the circumstances, and the OPA shall not be liable for any expenses, costs, losses or any direct or indirect damages incurred or suffered by any Registered Participant or Proponent or any third party resulting from the OPA exercising any of its express or implied rights under the GTA West Trafalgar RFP.

5.23.5. By submitting a Proposal, the Proponent, on its own behalf and on behalf of each member of the Proponent Team to which it belongs, authorizes the collection by the OPA of the information set out under this Section 5.23.

5.24. Governing Law of this GTA West Trafalgar RFP

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

5.25. Legal Liability for Material Breach of “Contract A”

The Proponent agrees that, if the OPA commits a material breach of this GTA West Trafalgar RFP (that is, a material breach of “**Contract A**”), the OPA’s liability to the Proponent and the aggregate amount of damages recoverable against the OPA for any matter relating to or arising from that material breach, whether based upon an action or claim in contract, warranty, equity, negligence, intended conduct or otherwise, including any action or claim arising from the acts or omissions, negligent or otherwise, of the OPA, shall be no greater than the submission preparation costs that the Proponent seeking damages from the OPA can demonstrate.

APPENDIX A DESCRIPTION OF CONTRACT

The Selected Proponent of a proposed Contract Facility will execute the Contract, pursuant to which the Selected Proponent, as “Supplier”, will supply energy from the Contract Facility to the IESO-Administered Markets at the Required Connection Point.

The Contract shall take effect from the date it is signed by both parties and shall expire at the end of the Term, which is a period of twenty (20) years from the Commercial Operation Date.

The Contract is not a physical contract. Under the Contract, the OPA, as “Buyer” does not take title to any electricity from the Contract Facility. The Supplier will be required to design, build, operate and maintain the Contract Facility as outlined in its Proposal, using good engineering and operating practices and in compliance with the applicable IESO Market Rules and applicable laws and regulations. The Supplier is solely responsible for obtaining and maintaining federal, provincial and municipal permits, licences and approvals that are currently or may in the future be required for the development, construction and operation of the Contract Facility.

The Contract is available on the RFP Website. Interested parties are advised to review the Contract in its entirety for details of the parties’ respective rights and obligations. Interested parties are advised that the terms and conditions set out in the Contract are not subject to negotiation. Rather, the finalization of the Contract will be limited to the completion of any blanks, bullets or similar incomplete information and the attachment of any exhibits that are required in order to tailor the Contract to the particular Supplier and Contract Facility.

APPENDIX B GLOSSARY OF TERMS

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

TERM OR ACRONYM	DEFINITION
Act	Means the <i>Electricity Act, 1998</i> (Ontario).
Adjusted Evaluated Cost	Has the meaning given to it in Section 4.4.
Annual Evaluated Costs	Has the meaning given to it in Section 4.2.3.
Annual Fixed Capacity Payment	Has the meaning given to it in Section 4.2.1.
Another Proponent Core Team	Means, in connection with a statutory declaration as to non-submitted with a Proposal, a Proponent Core Team other than the Proponent Core Team that is the subject matter of such statutory declaration.
Another Proponent Team	Means, in connection with a statutory declaration as to non-collusion submitted with a Proposal, a Proponent Team other than the Proponent Team that is the subject matter of such statutory declaration.
Annual Average Contract Capacity	Means a value equivalent to the simple average of the Winter Contract Capacity and the Summer Contract Capacity.
Bid Bond Form	Means the form attached as Appendix I.
BTU	Means British thermal unit.
Business Day	Means a day other than a Saturday or Sunday or statutory holiday in the Province of Ontario or any other day on which banking institutions in Toronto, Ontario, are not open for the transaction of business.
Buyer	Means the OPA, or its successors or permitted assigns.
Capacity	Means the rated, continuous load-carrying capability, expressed in MW, of a generating facility to generate and deliver electricity at a given time.
COD Year	Means the year of the proposed milestone date for Commercial Operation.
Commercial Operation	Has the meaning given to it in the Contract.
Commercial Operation Date	Means the date on which Commercial Operation is first attained.
Confidentiality Statement	Means the confidentiality statement set out in Section 2.8.3.
Conflict of Interest	Includes any situation or circumstance where, in relation to this GTA West Trafalgar RFP process, the Proponent has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including (i) having or having access to information in the preparation of its Proposal that is confidential to the Ontario Power Authority or the Government of Ontario and not available to other Proponents; (ii) communicating with any official or representative of the Ontario Power Authority or the Government of Ontario or members of the Evaluation Team with a view to influencing preferred treatment in this GTA West Trafalgar RFP process; or (iii) engaging in conduct that compromises or could be seen to compromise the integrity of the open and competitive GTA West Trafalgar RFP process and render that process non-competitive and unfair.
Conflict of Interest Declaration	Means the form attached as Appendix M.

TERM OR ACRONYM	DEFINITION
Connection Point	Means the point or points of connection, as defined in the IESO Market Rules, between the Contract Facility and the IESO-Controlled Grid. For certainty, the Connection Point will be defined by reference to electrical connection points and as defined according to Section 2.2.5.
Contract	Means the contract between a Supplier and the Buyer as described in Appendix A.
Contract A	Has the meaning given to it in Section 5.25.
Contract Capacity	Means either Summer Contract Capacity or Winter Contract Capacity, as applicable and specified by the Proponent in its Economic Bid Statement.
Contract Facility	Means, for the purposes of this GTA West Trafalgar RFP, the proposed Contract Facility to be constructed, developed and operated by the Supplier under the Contract.
Controlled or Controls	Means, with respect to any person at any time, (i) holding, as owner or other beneficiary, other than solely as the beneficiary of an unrealized security interest, directly or indirectly, securities or ownership interests of that person carrying votes or ownership interests sufficient to elect or appoint the majority of 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, by contract or trust or otherwise.
DBRS	Means Dominion Bond Rating Service Limited and its successors.
Deemed Dispatch	Means the operation of a Contract Facility under the Deemed Dispatch Option in the Contract.
Deemed Dispatch Option	Has the meaning given to it in the Contract.
Deliverables	Means everything developed for or provided to the Buyer in the course of performing under the Contract agreed to be provided to or on behalf of the Buyer by the Supplier or its employees, volunteers, agents or subcontractors.
Designated Equity Provider	Means a person or entity identified as a “Designated Equity Provider” in the Qualified Applicant’s RFQ Submission.
Designated Member	Means a person or entity identified as a “Designated Equity Member” in the Qualified Applicant’s RFQ Submission.
Discount Factor	Has the meaning given to it in Section 4.4.
Dollar, dollar, or \$	Means Canadian dollars and cents, unless otherwise specifically set out.
Economic Bid Evaluation	Means the economic evaluation set out in Section 4.
Economic Bid Statement	Means the form of Economic Bid Statement set out in Appendix E.
EDT	Means Eastern Daylight Time.
Environmental Assessment Guide	Has the meaning given to it in Section 3.1.2.
EPC	Means engineering, procurement and construction.
EPT	Means Eastern Prevailing Time.
Estimated Energy Costs	Has the meaning given to it in Section 4.2.2.
Estimated Gross Energy Market Revenues	Has the meaning given to it in Section 4.2.2.
Estimated Negative Interval Net Revenue Recapture	Has the meaning given to it in Section 4.2.2.

TERM OR ACRONYM	DEFINITION
Estimated Net Revenues	Has the meaning given to it in Section 4.2.2.
Evaluated Cost	Has the meaning given to it in Section 4.2.
Evaluation Team	Means, collectively, the OPA's personnel and technical advisors.
Executive Summary	Has the meaning given to it in Section 2.3
Existing Generating Facility	Means an electricity generating facility, and ancillary lands required by such generating facility, whose generating equipment is operational and is connected to the IESO-Controlled Grid.
Expansion	Means an addition of generating unit(s) to an Existing Generating Facility which: (i) is not intended to replace any generating equipment that operates, or had operated within twelve (12) months of the date of submission of the Proposal, at the Existing Generating Facility, (ii) generates electricity output in addition to the electricity output of other generating units that operate or operated at the Existing Generating Facility, (iii) has separate revenue grade meters that conform with the IESO metering standards and are dedicated to measuring the electrical output of the added generators and that are accessible to the Buyer; and (iv) does not include any of the electricity generating capacity available from the Existing Generating Facility. For greater certainty, an Expansion shall not include an Upgrade of an Existing Generating Facility.
Fairness Advisor	Means the person who is retained by the OPA to provide (i) enhanced assurance to Proponents and other stakeholders that the selection and contracting processes are fair and transparent and (ii) a written statement that attests that the procurement process was conducted in an objective and fair manner.
Financial Closing	Has the meaning given to it in the Contract.
Financial Questionnaire	Means the financial questionnaire, the form of which is set out in Appendix F.
Financing Costs	Means all financing fees, commitment fees and interest during construction of the Contract Facility.
Firm Commitment	Means an agreement from an equity provider, lender or source of financing other than debt or equity which states, at a minimum, that such equity provider, lender or other provider, as applicable, has reviewed this GTA West Trafalgar RFP, the Contract, and the financial model (including projected costs and revenues) of the proposed Contract Facility, and that it agrees to advance or provide the amount of equity, debt or other financing, as applicable, for the proposed Contract Facility specified in the commitment letter by the milestone date for Financial Closing specified by the Proponent in response to the Technical Questionnaire, subject to the satisfaction of specific objective conditions. The commitment letter should clearly describe any and all of such objective conditions. Objective conditions are those conditions which require the achievement of certain milestones or the provision of information to the financier and such conditions are informational in nature, and would not represent an impediment to securing the financing or do not provide financiers with broad discretion regarding the determination of fulfillment of the conditions. Those conditions that provide the financier broad discretion to approve the fulfillment of the condition will not be considered objective.
Fitch IBCA	Means Fitch IBCA, Duff & Phelps, a division of Fitch Inc., or its successors.

TERM OR ACRONYM	DEFINITION
GAAP	Means Canadian or U.S. generally accepted accounting principles approved or recommended from time to time by the Canadian Institute of Chartered Accountants or the Financial Accounting Standards Board, as applicable, or any successor institutes, applied on a consistent basis.
Gas or gas	Means natural gas as supplied by pipeline and indexed by the Union Dawn Market.
Gas Delivery and Management Services or GD&M Services	Has the meaning given to it in Section 1.4.
Gas Management Overview	Has the meaning given to it in Section 2.7.
Gas Negotiation Deadline	Has the meaning given to it in the Contract.
Gas Price	Means the gas price in dollars per MMBTU as per the data in the Economic Bid Evaluation model.
Government of Ontario	Means Her Majesty the Queen in Right of Ontario.
GTA West	Means the Greater Toronto Area west of Toronto.
GTA West RFQ	Has the meaning given to it in Section 1.1.
GTA West Trafalgar RFP	Means this Request for Proposals.
Hard Costs	Mean all land costs, engineering costs, procurement costs, construction costs and interconnection costs.
HOEP	Means the arithmetic average of the uniform Ontario energy prices as defined by the IESO Market Rules.
HHV	Means higher heating value.
Hydro One	Means Hydro One Networks Inc., or its successor.
IESO	Means the Independent Electricity System Operator of Ontario, or its successor.
IESO-Administered Markets	Means the markets established by the IESO Market Rules.
IESO-Controlled Grid	Means the IESO-Controlled Grid as defined by the IESO Market Rules.
IESO Market Rules	Means the rules made under section 32 of the <i>Electricity Act, 1998</i> (Ontario), as amended from time to time.
Imputed Production Interval	Has the meaning given to it in the Contract.
Include, Including, include or including	Means including without limitation.
Indexed Annual Fixed Capacity Payment(s)	Has the meaning given to it in Section 4.2.1.
Initial Completion and Performance Security	Means the financial security that the Supplier is required to provide to the Buyer prior to the execution of the Contract as additional assurance that, among other things, the Supplier will meet the proposed Contract Facility milestones for the Contract Facility as specified in its Proposal, and will diligently operate and maintain the Contract Facility over the Term in accordance with the Contract.
kW	Means kilowatt.
kWh	Means kilowatt-hour.
Letter of Credit Form	Means the form attached as Appendix H.
Mandatory Requirements	Has the meaning given to it in Section 2.

TERM OR ACRONYM	DEFINITION
Mandatory Technical Requirements Declaration	Means the form attached as Appendix K.
Mandatory Technical Requirements	Has the meaning given to it in Section 2.2.
Ministerial Directive	Has the meaning set out in Section 1.1.
Ministry of Energy, Natural Resources, Ministry of the Environment, Ministry of Finance, and Ministry of Municipal Affairs and Housing	Shall each refer to the applicable Ministry of the Province of Ontario.
MMBTU	Means one million BTUs.
Negative Interval Net Revenue Recapture	Has the meaning given to it in the Contract.
Negotiated GD&M Services	Has the meaning given to it in Section 2.7.
Net Revenue Requirement, or NRR	Means the monthly revenue requirement expressed in Canadian dollars per MW per month exclusive of GST and PST, payable by the Buyer in respect of the Contract.
Net Revenue Requirement Indexing Factor	Has the meaning given to it in the Contract.
Moody's	Means Moody's Investors Service, Inc. or its successor.
MVA	Means megavolt-ampere.
MW	Means megawatt.
MWh	Means megawatt-hour.
Nameplate Capacity	Means the rated, continuous load-carrying capability net of parasitic or station service loads, expressed in MW, of a generating facility to generate and deliver electricity at a given time, and which includes the Contract Capacity.
O&M Cost	Means the operation and maintenance costs set out in the Economic Bid Statement.
OEB	Means the Ontario Energy Board.
OPA	Means the Ontario Power Authority and its successors and assigns.
Outlier Proposal(s)	Has the meaning given to it in Section 4.3.
Prohibited Conduct	Means any activity or communication by a Proponent or any member of its Proponent Team that results, or is likely to result, in a Conflict of Interest, collusion or a violation of any of the civil or criminal provisions of the <i>Competition Act</i> (Canada).
Proponent	Means the person, legal entity, group of persons or group of legal entities, who submits a Proposal in response to this GTA West Trafalgar RFP and who is responsible to develop, finance, own and operate of the Contract Facility. For greater certainty, a Proponent must be either (1) a Registered Participant, (2) an entity that owns an interest of 50% or more in, or otherwise Controls, a Registered Participant, or (3) an entity of which a Registered Participant owns an interest of 50% or more or which a Registered Participant otherwise Controls.

TERM OR ACRONYM	DEFINITION
Proponent Core Team	Means, collectively, in respect of a Proposal, each member of a Proponent Team which is not at Arm's Length (as that term is defined in the Contract) to the Proponent of that Proponent Team, or which Controls the Proponent of that Proponent Team, but which does not include the Proponent. For purposes of this definition, any person or entity which owns an interest of 50% or more, or otherwise Controls, the Proponent of that Proponent Team or another member of the Proponent Core Team shall also be deemed to be a member of the Proponent Core Team.
Proponent Team	Means, collectively, a Proponent and all entities and persons (including equity providers named in the Proposal) involved in the preparation of the Proponent's Proposal(s) under this GTA West Trafalgar RFP and/or required by the Proponent to successfully implement its Proposal(s) for this GTA West Trafalgar RFP and to comply with the Contract. For greater certainty, members of the Proponent Team shall include the Proponent and the Proponent's technical, financial and legal advisors, and any other person otherwise assisting the Proponent in the preparation of its Proposal(s), but shall not include any lenders or any technical or legal advisors to lenders and as further outlined in Section 1.2.
Proposal	Means a proposal made pursuant to this GTA West Trafalgar RFP.
Proposal Return Label	Means the form attached as Appendix J.
Proposal Security	Means the financial security submitted with the Proposal as described in Section 2.5.
Proposal Submission Deadline	Means September 27, 2006, at 3:00:00 p.m. (EDT), or as amended in accordance with this GTA West Trafalgar RFP.
Proposal Submission Form	Means the form attached as Appendix D.
Prospective Model Year	Means a combination of HOEP, 1, 2 and 3 hour pre-dispatch prices and gas price provided for each hour in a typical week for each of the twelve calendar months to be used for the purpose of Economic Bid Evaluation. For greater certainty, the information provided for a Prospective Model Year is not intended to be a forecast by the OPA or its advisors.
Qualified Applicant	Means an applicant under the GTA West RFQ whose RFQ Submission has passed the GTA West RFQ mandatory requirements pursuant to the GTA West RFQ, as determined by the OPA.
Ramp Rate	Means the rate of increase or decrease in energy output that the Contract Facility is capable of achieving after start-up, synchronization to the IESO-Controlled Grid, and technically required hold points, with such interval being between the minimum load and the maximum continuous unfired output rating, being the maximum continuous output rating of the plant without supplementary firing.
Rated Criteria	Means each of the Contract Facility and Risk Mitigation criteria as described in Section 3.
Registered Participant	Means a person or entity that has registered with the OPA by submitting a Registration Form and a Registration Fee pursuant to the requirements of Sections 1.2 and 1.3.
Registration Fee	Has the meaning given to it in Section 1.3.
Registration Form	Means the form attached as Appendix C.
Required Connection Point	Has the meaning set out in Section 2.2.5.

TERM OR ACRONYM	DEFINITION
RFP Website	Means that part of the website referenced as www.ontarioelectricityrfp.ca dedicated to this GTA West Trafalgar RFP process.
RFQ Submission	Means the submission of the Qualified Applicant accepted by the OPA under the GTA West RFQ.
S&P	Means the Standard and Poor's Rating Group (a division of McGraw-Hill Inc.) or its successors.
Selected Proponent	Means a Proponent whose Proposal has been selected and accepted by the OPA, in accordance with this GTA West Trafalgar RFP.
Soft Costs	Means all owner's costs, permitting costs, general and administrative costs, overhead costs, management costs, insurance costs, advisory costs, consulting costs, legal costs and other development costs.
Specified Forecast Index	Means forecast inflation of 2.0% per annum.
Specified Index	Means the consumer price index for "All Items" published or established by Statistics Canada or its successor in relation to the Province of Ontario.
Stages	Means Stages 1, 2 and 3.
Stage 1	Means the stage of the Evaluation Team's evaluation of Proposals for compliance with the Mandatory Requirements, as set out in Section 2.
Stage 2	Means the stage of the Evaluation Team's evaluation of Proposals for compliance with the Rated Criteria, as set out in Section 3.
Stage 3	Means the stage of the Evaluation Team's evaluation of Proposals for purposes of the Economic Bid Evaluation, as set out in Section 4.
Start-Up Cost	Means the start-up costs for each imputed start-up specified by the Proponent in its Economic Bid Statement, as expressed in MMBTU per start-up.
Statement of Risks	Means the statement setting out all risks associated with the timely development of the Contract Facility, as set out in Section 3.2.
Statutory Declaration	Means the form attached as Appendix L.
Summer Contract Capacity	Means with respect to the calendar months of May through October, the applicable portion of the Nameplate Capacity that is purchased pursuant to the Contract, and that is specified by the Proponent in its Economic Bid Statement.
Summer Contract Heat Rate	Means the heat rate specified by the Proponent in its Economic Bid Statement with respect to the calendar months of May through October.
Supplier	Means the Selected Proponent which has executed the Contract.
Tangible Net Worth	Means, in respect of a person, at any time and without duplication, an amount determined in accordance with GAAP, and calculated as (a) the sum of capital stock, preferred stock, paid-in capital, contributed surplus, retained earnings, capital reserves, and cumulative translation adjustment (whether positive or negative), minus (b) the sum of any amounts shown on account of any common stock reacquired by the person, patents, patent applications, service marks, industrial designs, copyrights, trade marks and trade names, and licences, prepaid assets, goodwill and all other intangibles.
Technical Questionnaire	Means the technical questionnaire, the form of which is set out in Appendix G.
Term	Means that period of time commencing upon the Commercial Operation Date and ending on the day before the 20th anniversary date thereafter.
Term NPV	Has the meaning given to it in Section 4.2.4.

TERM OR ACRONYM	DEFINITION
Timetable	Means that timetable of events set out in Section 5.1.
Total Point Score	Means the sum of the points awarded by the Evaluation Team to a Proposal in each of Sections 3.1 and 3.2.
Total Project Costs	Means the total project cost of the Contract Facility to be raised by a combination of debt, equity, and other sources of financing, and which shall consist of Hard Costs, Soft Costs and Financing Costs.
Trafalgar TS	Means Trafalgar transformer station.
Transmitter Connection Costs	Has the meaning given to it in the Contract.
Union Dawn	Means the Union Gas Dawn market hub.
Upgrade	Includes the refurbishment or replacement of generating and related equipment at an Existing Generating Facility with equipment which provides better or improved performance, but which for greater certainty does not include an Expansion.
Weighted Average Evaluated Cost	Has the meaning given to it in Section 4.3.
Winter Contract Capacity	Means with respect to the calendar months of November through April, the applicable portion of the Nameplate Capacity that is purchased pursuant to the Contract, and that is specified by the Proponent in its Economic Bid Statement.
Winter Contract Heat Rate	Means the heat rate specified by the Proponent in its Economic Bid Statement with respect to the calendar months of November through April.

APPENDIX C REGISTRATION FORM

A Registered Participant is entitled to participate in the individual information sessions and is able, in accordance with the GTA West RFP, to submit a Proposal in response to the GTA West Trafalgar RFP. To become a Registered Participant, this completed registration form (the “**Registration Form**”), together with a non-refundable registration fee of \$10,000 in Canadian dollars plus GST by way of a certified cheque or a bank draft made out in favour of “Ontario Power Authority” (the “**Registration Fee**”), must be delivered in accordance with the instructions set out in Section 1.3 of the GTA West Trafalgar RFP. Please note that the OPA’s GST licence number is 854195039RT0001.

Any information provided in this Registration Form will be kept confidential by the OPA and will not be used in the evaluation of Proposals.

Name of Registered Participant: _____
 Proposed Contract Facility: _____
 Nameplate Capacity and MVA rating: _____
 Technology and Configuration: _____
 Location and Connection Point: _____
 Primary Contact Person: _____
 Mailing Address: _____
 Email: _____
 Phone: _____
 Fax: _____

The undersigned confirms that the following are the names of all Designated Members and all Designated Equity Providers identified in the Qualified Applicant’s RFQ Submission under the GTA West RFQ:

Designated Members: _____

 Designated Equity Providers: _____

and that all such Designated Members and Designated Equity Providers will be Proponent Team members, unless the OPA has otherwise provided its prior written consent.

Name(s) and Email Address(es) of Proponent Team member(s) to have access to Question and Comment Sessions:

Dated this _____ day of _____ 2006.

[insert name]

 Per: (authorized signing officer)
 (Print Name)
 (Title)
 (Phone Number)
 (Fax Number)
 I/we have the authority to bind the corporation.

Addendum No. 2 – Aug. 29, 2006

APPENDIX D PROPOSAL SUBMISSION FORM

TO: ONTARIO POWER AUTHORITY

RE: IN THE MATTER OF our proposal dated _____ ● , 2006, to which this Proposal Submission Form is an integral part (the “Proposal”) prepared by _____ ● (the “Proponent”), and submitted in response to a request for proposals issued by the Ontario Power Authority dated ● , 2006 regarding the supply of a new gas-fired generating facility with a Summer Contract Capacity of between 500 MW and 600 MW connected to the area surrounding Trafalgar TS (the “GTA West Trafalgar RFP”),¹ I am duly authorized by the Proponent, including the persons, firms, corporations and advisors joining in the submission of this Proposal, to execute this Proposal Submission Form. I solemnly declare and promise as follows:

A. Mandatory Requirements Checklist

I enclose herewith as part of the Proposal responses to all mandatory submission requirements, as set out below:

DOCUMENT	YES	PAGE
Proposal Submission Form – Appendix D		
Economic Bid Statement – Appendix E		
Financial Questionnaire – Appendix F		
Technical Questionnaire – Appendix G		
Executive Summary		
Proposal Security – Appendix H <u>or</u> I		
Mandatory Technical Requirements Declaration – Appendix K		
Gas Management Overview – Appendix P		
Statutory Declaration – Appendix L		
Conflict of Interest Declaration – Appendix M		

B. Proof of Insurance

By signing this Proposal Submission Form, I acknowledge the Proponent’s willingness, should it become a Selected Proponent, to provide proof of insurance coverage as required in the Contract.

C. Review

I have carefully examined the GTA West Trafalgar RFP documents (including all Addenda) and have a clear and comprehensive knowledge of the Deliverables required under the GTA West Trafalgar RFP. By submitting our

¹ All capitalized terms used in this Proposal Submission Form, unless otherwise stated, have the meanings ascribed to them in this GTA West Trafalgar RFP.

Addendum No. 2 – Aug. 29, 2006

Proposal, the Proponent agrees and consents to the terms, conditions and provisions of the GTA West Trafalgar RFP.

D. Execution of Agreement

I understand that, in the event our Proposal is successful and is selected by the OPA, in whole or in part, the Proponent agrees to submit the Initial Completion and Performance Security on the terms set out in the GTA West Trafalgar RFP and to finalize and execute the Contract in accordance with the terms of the GTA West Trafalgar RFP, including all Addenda.

Signature of Witness:

Name of witness:

Signature of Proponent Representative:

Name and Title:

Date:

I have authority to bind the Proponent

APPENDIX E ECONOMIC BID STATEMENT

Proponents must submit their Economic Bid Statements in a separate, sealed, opaque envelope, marked "Economic Bid Statement" followed by the name of the Proponent and the name of the proposed Contract Facility. The Net Revenue Requirement and Start-Up Cost are to be expressed in Canadian dollars as of the Commercial Operation Date and shall be exclusive of applicable GST and PST payable by the Buyer in respect of the Contract. All elements of the Economic Bid Statement must be entered precisely in numeric form using the format provided below without further information, condition, or qualification whatsoever in the Proposal. Proponents are advised that any deviation from the required format of the Economic Bid Statement whatsoever, such as the provision of a price range, conditional price, qualified price, or an incomplete price, shall result in the disqualification of the Proposal.

Name of Proponent:	
Name of Proposed Contract Facility:	
Proposed Milestone Date for Commercial Operation:	

Description	Value
Net Revenue Requirement (\$ per MW-Month)	\$ _____/MW-Month
Percentage of Net Revenue Requirement to be indexed to the Specified Index (between 0% and 20%)	_____%
Contract Capacity (MW)	Summer Contract Capacity: _____MW Winter Contract Capacity: _____MW Annual Average Contract Capacity: _____MW
Contract Heat Rates (MMBTU per MWh) based on HHV	Summer Contract Heat Rate: _____MMBTU/MWh Winter Contract Heat Rate: _____ MMBtu/MWh
Start-up Costs	_____MMBTU/start-up
O&M Cost	\$ _____/MWh

The undersigned acknowledges and agrees that it has carefully reviewed all of the information provided in this Economic Bid Statement including, without limitation, all values and their corresponding units of measure, and confirm all of same to be complete and accurate.

Dated at ● this ● day of ● 2006.

[Insert name of Proponent]

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

I/we have the authority to bind the Proponent.

APPENDIX F FINANCIAL QUESTIONNAIRE

All capitalized terms used in this Financial Questionnaire, unless otherwise stated, have the meanings ascribed to them in the GTA West Trafalgar RFP. Proponents are advised that any information relating to the price or other variables for the proposed Contract Facility set out in the Economic Bid Statement of the GTA West Trafalgar RFP shall not be provided by the Proponent in the Financial Questionnaire, failing which, the Proposal may be disqualified.

Mandatory Documents

The following documents have been attached:

- Firm Commitment(s) from each Designated Equity Provider(s)
- confirmation(s) of an officer of each such Designated Equity Provider(s):
 - Certificate; or
 - if applicable, the most recently completed fiscal quarter.

Proposal section reference: _____

- Information regarding Total Project Costs

Proposal section reference: _____

Financial Plan Description

Addendum No. 2 – Aug. 29, 2006

APPENDIX G TECHNICAL QUESTIONNAIRE

All capitalized terms used in this Technical Questionnaire, unless otherwise stated, have the meanings ascribed to them in the GTA West Trafalgar RFP. Proponents are advised that any information relating to the price or other variables for the proposed Contract Facility set out in the Economic Bid Statement of the GTA West Trafalgar RFP shall not be provided by the Proponent in the Technical Questionnaire, failing which, the Proposal may be disqualified.

General Information

Name of the proposed Contract Facility:

Proponent's registered legal business name and any other name under which it carries on business:

State whether the Proponent is an individual, a sole proprietorship, a corporation, a partnership, a joint venture, an incorporated consortium or a consortium that is a partnership or other legally recognized entity:

Name(s) of the proprietor, where the Proponent is a sole proprietor; each of the directors and officers where the Proponent is a corporation; each of the partners where the Proponent is a partnership and applicable combinations of these when the Proponent is a joint venture or consortium, whichever applies:

Proponent's mailing address, telephone and facsimile numbers, email address:

Name, mailing address, telephone and facsimile numbers, email address of the primary contact person(s) and substitute contact person(s) for the Proponent:

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Mandatory Technical Requirements (Section 2.2)

RFP Section 2.2.1- Facility Type

The proposed Contract Facility is:

- a gas-fired simple cycle gas turbine generation facility; or
- a gas-fired combined cycle gas turbine generation facility.

RFP Section 2.2.2 – Contract Capacity

State the Summer Contract Capacity, Winter Contract Capacity and the Annual Average Contract Capacity, in MW, of the proposed Contract Facility:

Summer Contract Capacity: _____

Winter Contract Capacity: _____

Annual Average Contract Capacity: _____

State the Nameplate Capacity, in MW, of the proposed Contract Facility:

RFP Section 2.2.3 – MVA Rating

State the MVA rating of the proposed Contract Facility:

The following documents have been attached for each generator:

- Generator capability curve, and
- Technical data sheet

Proposal section reference: _____

RFP Section 2.2.4 – Commercial Operation Date

State the milestone date for Commercial Operation of the proposed Contract Facility (mm/dd/yyyy):

State the milestone date for Financial Closing, if applicable, of the proposed Contract Facility (mm/dd/yyyy):

RFP Section 2.2.5 – Connection Point

State the Connection Point of the proposed Contract Facility:

The following documents have been attached:

- Single line diagram

Proposal section reference: _____

RFP Section 2.2.6 – Ramp Rate

State the Ramp Rate of the proposed Contract Facility, as per Section 2.2.6:

RFP Section 2.2.7 - Site Control

State the address of the proposed site:

Confirm the site control of the proposed Contract Facility:

- Option
- Title
- Lease or other agreement
- Other: _____

The following documents have been attached:

- An executed copy of an agreement entitling the Proponent to an option to lease, licence or purchase the land
- A copy of a registered title, lease or licence
- A copy of a "Site Release"

And:

- A map

Proposal section reference: _____

RFP Section 2.2.8– 2.2.14– Mandatory Technical Requirements Declaration (Appendix K)

- Yes. The Mandatory Technical Requirements Declaration has been completed and is included in the Proposal; or
- No. The Mandatory Technical Requirements Declaration has not been completed and is not included in the Proposal.

Proposal section reference: _____

RFP Section 2.3– Executive Summary

- Yes. The Executive Summary has been completed and is included in the Proposal; or
- No. The Executive Summary has not been completed and is not included in the Proposal.

Proposal section reference: _____

Dated at ● this ● day of ● 200●.

[Insert name of Proponent]

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

I/we have the authority to bind the Proponent

APPENDIX H PROPOSAL SECURITY (LETTER OF CREDIT FORM)

DATE OF ISSUE:	[Insert Date]
APPLICANT:	[Insert Proponent's Name]
BENEFICIARY:	Ontario Power Authority
AMOUNT:	●
EXPIRY DATE:	[Insert Expiry Date, being a minimum of ninety (90) days after the Proposal Submission Deadline]
EXPIRY PLACE:	Toronto Counters of the issuing financial institution
CREDIT RATING:	[Insert credit rating only if the issuer is not a financial institution listed in either Schedule I or II of the <i>Bank Act</i> (Canada)]
TYPE:	Irrevocable and Unconditional Standby Letter Of Credit Number: ●

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

"The Proponent, whose Proposal has been selected and accepted by the Beneficiary, has failed to deliver the Initial Completion and Performance Security within eight (8) Business Days of the date on which the Proponent was given the Contract to sign, or fails to sign the Contract within ten (10) Business Days of the date on which the Proponent was given the Contract to sign, or has made a material misrepresentation in the Proposal, or is in breach or default of the GTA West Trafalgar RFP and therefore the Beneficiary is entitled to draw upon the Credit in the amount of the draft attached hereto. All capitalized terms used in this certificate that have not been defined herein have the meanings ascribed to them in the GTA West Trafalgar RFP."

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

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This Credit is issued in connection with the Request for Proposals for a generating facility with a Summer Contract Capacity of 500 MW to 600 MW connected to the area surrounding Trafalgar TS (the “GTA West Trafalgar RFP”) issued by the Ontario Power Authority dated ●, 2006 and the Proposal dated **[insert date of Proposal]** submitted by the Proponent in response thereto (the “Proposal”).

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

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

[BANK OR QUALIFIED FINANCIAL INSTITUTION]

By: _____

AUTHORIZED SIGNATORY

Addendum No. 2 – Aug. 29, 2006

APPENDIX I PROPOSAL SECURITY (BID BOND FORM)

BID BOND

Bond No.: ●

Bond Amount: \$(●)

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

WHEREAS, the Principal has submitted a written proposal to the Obligee dated the **[insert date of Proposal]**, hereinafter called the Proposal, for the development and operation of an electrical generating facility in the Province of Ontario, in response to a Request for Proposals for a generating facility with a Summer Contract Capacity of 500 MW to 600 MW connected to the area surrounding Trafalgar TS issued by the Ontario Power Authority dated ●, 2006 hereinafter called the GTA West Trafalgar RFP. All capitalized terms used in this Bid Bond that have not been defined herein have the meanings ascribed to them in the GTA West Trafalgar RFP.

The condition of this obligation is that the Principal has failed to deliver the Initial Completion Performance Security within eight (8) Business Days of the date on which the Principal is given the Contract to sign, or fails to sign the Contract within ten (10) Business Days of the date on which the Principal is given the Contract to sign, or has made a material misrepresentation in the Proposal, or is in breach or default of the GTA West Trafalgar RFP, in which case the Principal and the Surety will pay unto the Obligee the entire amount of the Bid Bond; otherwise, this obligation shall be null and void.

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

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

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

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

IN WITNESS WHEREOF, the Principal and the Surety have signed and sealed this Bond this ● day of ●, 2006.

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[PRINCIPAL]

By: _____

Name: ●

Title: ●

I/we have the authority to bind the Principal.

[SURETY]

By: _____

Name: ●

Title: ●

I/we have the authority to bind the Surety.

APPENDIX J PROPOSAL RETURN LABEL

AFFIX THIS LABEL TO YOUR PROPOSAL SUBMISSION PACKAGE ENVELOPE:

RFP No. GTA-WEST-TRAFALGAR-RFP-2006

Proponent to complete the following:

(Full Legal Name and Address)

DATE _____

PROPONENT _____

CONTACT _____

ADDRESS _____

PHONE NO _____

FAX NO _____

E-MAIL _____

To:

BNY Trust Company of Canada

4 King Street West, Suite 1101

Toronto, Ontario

M5H 1B6

Attn: Ontario Power Authority – GTA West Trafalgar RFP

Attention: GTA WEST TRAFALGAR RFP

The Postal Code is to aid in identifying the building only. The onus remains solely with Registered Participants / Proponents to instruct courier/ delivery personnel to deliver Proposal submissions to the exact address and floor location specified above by the Proposal Submission Deadline. Registered Participants / Proponents assume sole responsibility for late deliveries if these instructions are not strictly adhered to. The Ontario Power Authority does not accept responsibility for the Proposals directed to any location other than the one indicated on the label above.

Proposals must be submitted in a sealed package(s) to the address indicated on the Proposal Return Label between the hours of 9:00 a.m. and 5:00 p.m. (EPT), Monday through Friday (excluding statutory holidays in Ontario), AND **NO LATER** THAN THE PROPOSAL SUBMISSION DEADLINE FOR THE GTA WEST TRAFALGAR RFP.

Failure to affix this label to your submission envelope/ package may also result in Proposals not being recognized as a Proposal. This could result in your Proposal arriving late at the address indicated on the Proposal Return Label and will be deemed late, disqualified and returned to the Registered Participant.

PROPOSALS RECEIVED BY FAX OR ANY OTHER KIND OF ELECTRONIC TRANSMISSION WILL BE REJECTED.

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APPENDIX K MANDATORY TECHNICAL REQUIREMENTS DECLARATION

PROVINCE OF ONTARIO
TO WIT

IN THE MATTER OF a proposal dated ●, 2006 to which this Declaration forms an integral part (the “Proposal”) prepared by ● (the “Proponent”), and submitted in response to a Request for Proposals for a generating facility with a Summer Contract Capacity of 500 MW to 600 MW connected to the area surrounding Trafalgar TS issued by the Ontario Power Authority and dated ●, 2006 (the “GTA West Trafalgar RFP”)

I, ●

OF THE ●

IN THE ●

SOLEMNLY DECLARE THAT

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

COMPLIANCE WITH MANDATORY REQUIREMENTS

- (2) The proposed Contract Facility will be designed, constructed and operated in compliance with all relevant requirements of the IESO Market Rules, the OEB Transmission System Code, the OEB Distribution System Code and all other laws and regulations, as applicable. Without limiting the generality of the foregoing, and regarding the IESO Market Rules, the proposed Contract Facility:
 - (a) has or will have a connection arrangement (including sufficient breakers) that complies with the IESO’s document entitled “Summary of IESO Reliability Requirements for Major Generation Facilities”; and
 - (b) complies or will comply with Appendix 4.2 of the IESO Market Rules, and the excitation system performance of the proposed Contract Facility must be in accordance with the requirements for generating units rated 10 MVA or higher.

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- (3) The proposed Contract Facility will be designed so that the 230 kV bus at the proposed Contract Facility can be operated either normally-closed or normally-open.
- (4) The proposed Contract Facility is not an Upgrade of an Existing Generating Facility.
- (5) The proposed Contract Facility did not achieve commercial operation before June 15, 2005. For purposes of this requirement, commercial operation shall mean that the generation facility, either in a simple cycle or combined-cycle mode, commenced operation in compliance with all laws and regulations after the completion of construction, completion of connection and synchronization to the IESO-Controlled Grid and completion of all commissioning tests.
- (6) The proposed Contract Facility will not be an “intermittent” or “self-scheduling” generator, as each of those terms are defined in the IESO Market Rules.
- (7) The proposed Contract Facility will not result in the need for the construction, expansion or reinforcement of a transmission line in order to connect at a Required Connection Point, where an application for leave to construct, expand or reinforce said transmission line is required under Section 92 of the Ontario Energy Board Act, 1998 (Ontario).
- (8) The proposed Contract Facility will obtain gas distribution services from either Enbridge Gas Distribution Inc. or Union Gas Limited, and the Proponent will not construct, own, or operate the gas pipeline that serves the proposed Contract Facility.

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

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

APPENDIX L STATUTORY DECLARATION

PROVINCE OF ONTARIO
TO WIT

IN THE MATTER OF a proposal dated ●, 2006 to which this Declaration forms an integral part (the “Proposal”) prepared by ● (the “Proponent”), and submitted in response to a Request for Proposals for a generating facility with a Summer Contract Capacity of 500 MW to 600 MW connected to the area surrounding Trafalgar TS issued by the Ontario Power Authority and dated ●, 2006 (the “GTA West Trafalgar RFP”)

I, ●

OF THE ●

IN THE ●

SOLEMNLY DECLARE THAT

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

PROPOSAL VALIDITY AND PROPOSAL SECURITY

- (2) All statements, specifications, data, confirmations and other information that have been set out in the Proposal, including, without limitation, the Technical and Financial Questionnaires, are complete and accurate in all material respects.
- (3) The Proposal is valid, irrevocable, and open for acceptance, until 5:00 P.M. (EPT) on the ninetieth (90th) day after the Proposal Submission Deadline.
- (4) The Proponent has consented, pursuant to subsection 17(3) of the Freedom of Information and Protection of Privacy Act (Ontario), to the disclosure, on a confidential basis, of the Proposal by the OPA to the Evaluation Team and the OPA’s other advisors retained for the purpose of evaluating or participating in the evaluation of the Proposal.
- (5) The Proponent has received and reviewed the GTA West Trafalgar RFP issued by the OPA, together with any and all addenda thereto either posted on the

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www.ontarioelectricityrfp.ca website or mailed to the Proponent from time to time, up to and including the Deadline for Issuing Addenda on ● , 2006.

- (6) The Proponent has received and reviewed the final Contract issued by the OPA, together with any and all addenda thereto either posted on the www.ontarioelectricityrfp.ca website or mailed to the Proponent from time to time, up to and including the Deadline for Issuing Addenda on ● , 2006, and has agreed to be bound by the terms of the Contract including any security that may be required under the Contract.
- (7) Neither the Proponent, the proposed Contract Facility described in the Proposal, nor any member of the Proponent Team is the subject of any bona fide legal proceedings, investigation or regulatory hearings that could materially impact the financial condition of the Proponent or any of the entities involved in financing and operations for the proposed Contract Facility.
- (8) The Proponent has agreed that the OPA shall be able to draw upon the full amount of the Proposal Security if the Proponent, having become a Selected Proponent, has failed to sign the Contract or has failed to deliver the Initial Completion and Performance Security to the OPA within the time required as set forth in the GTA West Trafalgar RFP, or has made a material misrepresentation in the Proposal, or is in breach or default of the GTA West Trafalgar RFP.

NON-COLLUSION

- (9) No person, firm or corporation, nor any person representing the Proponent and/or participating in the submission of the Proposal, has directly or indirectly entered into any discussion, communication, agreement or arrangement with any other Proponent, whereby the Proponent, in order to induce acceptance of the Proposal by the OPA, has paid or is to pay or provide to any other Proponent anything of value, and that the Proponent has not, directly or indirectly entered into any discussion, communication, arrangement or agreement with any other Proponent or Proponents that could have the effect of reducing competition in respect of the subject matter of this GTA West Trafalgar RFP.
- (10) In preparing its Proposal(s), only the following individuals [**state names of individuals**] were involved in determining pricing of its Proposal(s) (whether as a member of its Proponent Team or otherwise), no other individuals were so involved and such individuals were not involved in determining pricing of a Proposal of Another Proponent Team.

-
- (11) The Proponent:
 - (a) has not coordinated its Economic Bid Statement or any other aspect of any of its Proposal(s) with Another Proponent Team; and
 - (b) has kept and will continue to keep the Proposal confidential until the Selected Proponents are publicly announced.
 - (12) No member of its Proponent Core Team has entered into any agreement or arrangement with any member of Another Proponent Core Team, which may, directly or indirectly, affect the Economic Bid Statement or any other aspect of the Proposal(s) submitted by the Proponent and/or Another Proponent Team.
 - (13) Neither the Proponent nor any member of its Proponent Core Team has engaged in any Prohibited Conduct.

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

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

APPENDIX M CONFLICT OF INTEREST DECLARATION

PROVINCE OF ONTARIO
TO WIT

IN THE MATTER OF a proposal dated ●, 2006 to which this Declaration forms an integral part (the “Proposal”) prepared by ● (the “Proponent”), and submitted in response to a Request for Proposals for a generating facility with a Summer Contract Capacity of 500 MW to 600 MW Connected to the Area Surrounding Trafalgar TS issued by the Ontario Power Authority and dated ●, 2006 (the “GTA West Trafalgar RFP”)

I, ●

OF THE ●

IN THE ●

SOLEMNLY DECLARE THAT

- (1) I am the ● of the Proponent and as such, have knowledge of the matters declared below, and am duly authorized by the Proponent to execute this declaration. All capitalized terms used in this declaration, unless otherwise stated, have the meanings ascribed to them in the GTA West Trafalgar RFP.
- (2) By checking one of the following boxes that applies, I confirm that:
 - (a) “NO” - there is not, nor was there, any actual or potential Conflict of Interest relating to the preparation of the Proposal.
 - (b) “YES” - there is, or was, an actual or potential Conflict of Interest relating to the preparation of the Proposal.

[Note to Proponent: If you placed a checkmark in the box marked “NO”, do not complete any of paragraphs 3 and 4. If you placed a checkmark in the box marked “YES” above, complete each of paragraphs 3 and 4.]

- (3) The following is a list of actual or potential Conflicts of Interest relating to the preparation of the Proposal or the performance of the contractual obligations contemplated in the GTA West Trafalgar RFP:

Addendum No. 2 – Aug. 29, 2006

- (4) In submitting the Proposal, the Proponent has /has no **[Note to Proponent: Strike out the inapplicable portion]** knowledge of or ability to avail itself of confidential information of the Crown in right of Ontario or the OPA (other than confidential information which may have been disclosed by the OPA to the Proponents in the normal course of the GTA West Trafalgar RFP) which is relevant to the GTA West Trafalgar RFP or the Proposal.

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

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

APPENDIX N SUMMARY OF IESO RELIABILITY REQUIREMENTS FOR MAJOR GENERATION FACILITIES

The following is intended to summarize the requirements for connection to the IESO-Controlled Grid of simple-cycle (also referred to as single-cycle) or combined-cycle generation proposals of medium to large size while ensuring that the reliability of the system is preserved. This short list does not relieve proponents from any Market Rule obligation. This document may be used by market participants to help them understand IESO criteria and further their connection assessment work.

Transmitter and Distributor requirements are separate and are not addressed herein. The Proponent is expected to follow other approvals processes to ensure the other aspects of reliability such as detailed equipment design, environmental considerations, power quality, and safety are properly addressed.

Generating Unit Performance

Excitation System

The requirements for exciters on generation unit rated at 10 MVA or higher are listed in Reference 12 of Appendix 4.2 in Market Rules as follows:

- A voltage response time not longer than 50 ms for a voltage reference step change not to exceed 5%;
- A positive ceiling voltage of at least 200% of the rated field voltage, and
- A negative ceiling voltage of at least 140% of the rated field voltage.

In addition, the requirements for power system stabilizers (PSS) are described in Reference 15 of Appendix 4.2:

- Each synchronous generating unit that is equipped with an excitation system that meets the performance requirements described above shall also be equipped with a power system stabilizer. The power system stabilizer shall, to the extent practicable, be tuned to increase damping torque without reducing synchronizing torque.

Governor

Reference #16 of Appendix 4.2 of the IESO Market Rules requires that every synchronous generator unit with a name plate rating greater than 10 MVA or larger be operated with a speed governor, which shall have a permanent speed droop that can be set between 3% and 7% and the intentional dead band shall not be wider than ± 36 mHz.

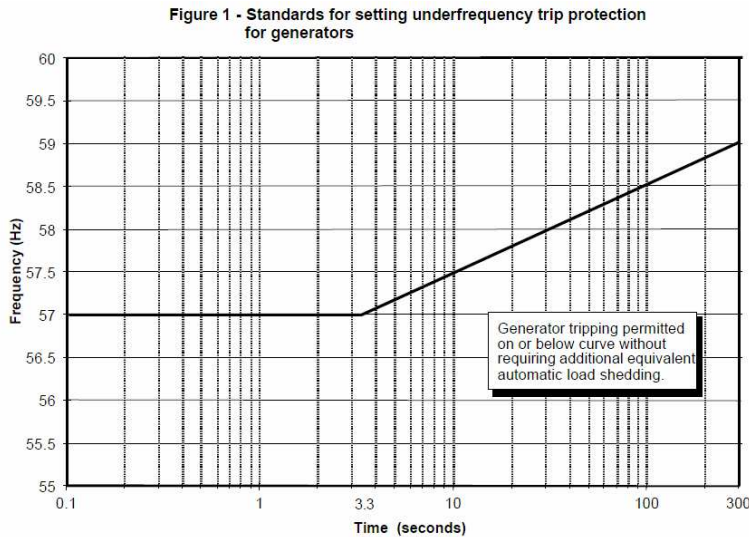
Automatic Voltage Regulator

Reference #13 of Appendix 4.2 of the IESO Market Rules requires each synchronous generating unit to be equipped with a continuously acting automatic voltage regulator (AVR) that can maintain the terminal voltage under steady

state conditions within +0.5% of any voltage set point. Each synchronous generation unit shall regulate voltage except where the IESO permits other mode of operation.

Generator Underfrequency Performance

Reference #3 of Appendix 4.2 of the IESO Market Rules requires that generating facilities be capable of operating continuously at full power for a system frequency range between 59.4 to 60.6 Hz. For under-frequency system conditions, generators shall not trip for frequency variations that are above the curve shown below. However, if this cannot be achieved then automatic load shedding equivalent to the amount of generation to be tripped must be provided in the area. This criterion is required to ensure the stability of an island, if formed, and to avoid major under-frequency load shedding in the area.



Generation Facility Connection Options

The IESO, in its review of the various generation projects that propose to connect to the IESO-controlled grid, has developed typical connection arrangements for generation developments. Variations to the typical connection arrangements may be accepted by the IESO provided that reliability criteria are met and that the connection assessment studies prove that the system is not adversely affected. Connection of generation facilities larger than 500 MW that propose to use arrangements that are typical for the developments under 500 MW may be accepted where determined by the IESO.

Generation Facilities Rated Above 500 MW

All projects rated above 500 MW are required to connect to at least two circuits and provide one of the connectivity arrangements shown Figure 4 or Figure 5. Station arrangements that connect two like elements next to each other separated by only one breaker should be avoided.

The full switchyard arrangement shown in Figure 4 is required when large generating facilities propose to connect to a main transmission corridor of considerable length that connects two transmission stations.

The ring bus arrangement shown in Figure 5 is acceptable when the development is connecting to a radial double circuit line.

Typical Connection Arrangements
for Generation Facilities Rated between 250MW and 500 MW

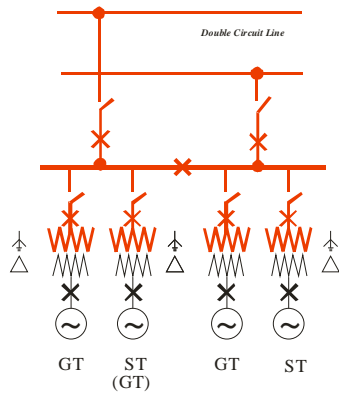


Figure 1 (Low Voltage Breakers are Optional)

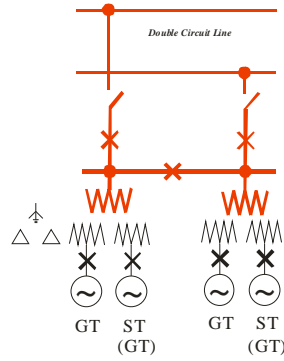


Figure 2

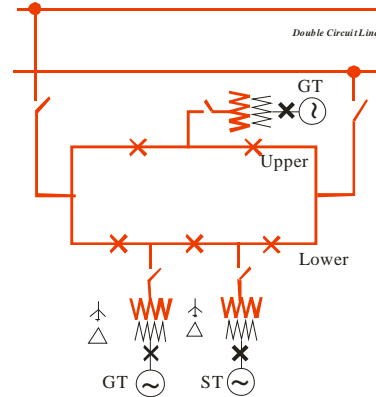


Figure 3

Typical Connection Arrangements
for Generation Facilities Rated Higher than 500 MW

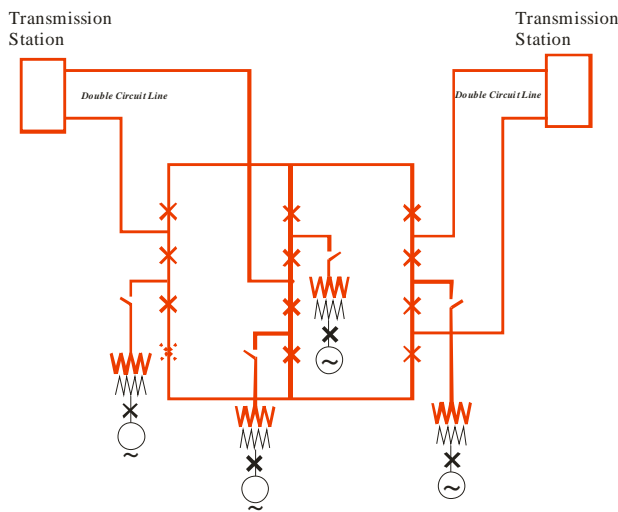


Figure 4

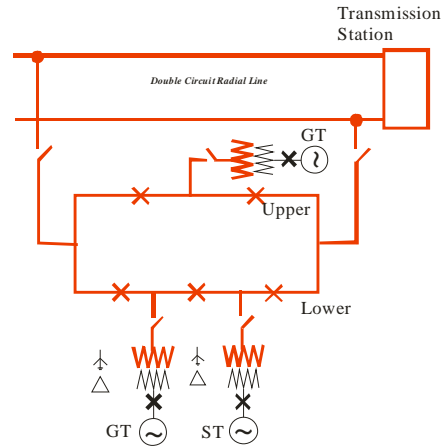


Figure 5

APPENDIX O CALCULATION OF THE ADJUSTED EVALUATED COST OF AN ILLUSTRATIVE PROPOSAL

This Appendix provides examples of the calculations performed in the Economic Bid Evaluation of an illustrative Proposal for a proposed Contract Facility. Be advised that the information provided in these examples is illustrative only and in no way reflects any actual Proposal. As per Section 4.2.2, the following data will be used in conducting the Economic Bid Evaluation:

- The relevant one, two and three hour ahead pre-dispatch data for each hour of a typical week in each month of the Prospective Model Years;
- HOEP for each hour of a typical week in each month of the Prospective Model Years;
- The Gas Price for each hour of a typical week in each month of the Prospective Model Years; and
- the Specified Forecast Index of 2%.

PARAMETERS FOR A PROPOSED CONTRACT FACILITY

Financial Parameters:

Commercial Operation Date	June 1, 2009
Net Revenue Requirement (NRR) (\$/MW-month)	12,000
Percentage of Net Revenue Requirement to be indexed to Specified Index (%)	20
O&M Costs (\$/MWh)	3.00
Start-up Cost (MMBTU/start)	2000

Operational Parameters:

	Season	
	Winter	Summer
Contract Capacity (MW)	600	550
Contract Heat Rate (MMBTU/MWh)	6.5	7.0

(1) Calculating the Indexed Annual Fixed Capacity Payment

In order to determine the Evaluated Cost of the proposed Contract Facility in each Contract Year, it is necessary to calculate the Annual Fixed Capacity Payment for each year, based upon the NRR provided in the Economic Bid Statement. The NRR is converted to an Annual Fixed Capacity Payment using the formula below:

*Annual Fixed Capacity Payment = 12 * Annual Average Contract Capacity * NRR*

Based upon the specified portion of the NRR to be indexed, according to information provided in the Economic Bid Statement, the Indexed Annual Fixed Capacity Payment for years two (2) to twenty (20) will be calculated.

Table 1 outlines the Annual Fixed Capacity Payment for the first year of the Term and the Indexed Annual Fixed Capacity Payments for the remaining nineteen (19) years of the Term.

TABLE 1	
Contract Year	Indexed Annual Fixed Capacity Payment (\$)
1	82,800,000
2	83,131,200
3	83,469,024
4	83,813,604
5	84,165,077
6	84,523,578
7	84,889,250
8	85,262,235
9	85,642,679
10	86,030,733
11	86,426,548
12	86,830,279
13	87,242,084
14	87,662,126
15	88,090,568
16	88,527,580
17	88,973,331
18	89,427,998
19	89,891,758
20	90,364,793

(2) Calculating the Annual Evaluated Cost

In order to determine the Evaluated Costs of the proposed Contract Facility in each Contract Year, it is first necessary to evaluate the Estimated Net Revenue for each year of the Term. The calculation of the Estimated Net Revenue is based on the data for the pre-dispatch prices, HOEP and Gas Price provided for the Prospective Model Years, as provided in the Economic Evaluation model, and as per the methodology further outlined in Section 4.2.2.

The Evaluated Cost for each Contract Year is calculated by the Indexed Annual Fixed Capacity Payment less the Estimated Net Revenue in that year.

Table 2 outlines the Estimated Net Revenue, the Indexed Annual Fixed Capacity Payments, the Annual Evaluated Cost and the Annual Average Contract Capacity.

Contract Year	Estimated Net Revenue (\$)	Indexed Annual Fixed Capacity Payment (\$)	Annual Evaluated Cost (\$)	Annual Average Contract Capacity (MW)
1	42,921,119	82,800,000	39,878,881	575
2	31,778,723	83,131,200	51,352,477	575
3	45,655,833	83,469,024	37,813,191	575
4	46,942,586	83,813,604	36,871,019	575
5	67,701,868	84,165,077	16,463,208	575
6	39,161,614	84,523,578	45,361,965	575
7	19,050,118	84,889,250	65,839,131	575
8	52,019,675	85,262,235	33,242,560	575
9	44,429,768	85,642,679	41,212,911	575
10	76,111,176	86,030,733	9,919,557	575
11	54,603,928	86,426,548	31,822,620	575
12	57,769,527	86,830,279	29,060,752	575
13	27,037,450	87,242,084	60,204,634	575
14	83,478,455	87,662,126	4,183,670	575
15	85,919,126	88,090,568	2,171,442	575
16	85,646,558	88,527,580	2,881,022	575
17	74,502,931	88,973,331	14,470,401	575
18	78,279,833	89,427,998	11,148,165	575
19	93,208,253	89,891,758	-3,316,495	575
20	96,355,399	90,364,793	-5,990,606	575

(3) Calculating the Proposal's Evaluated Cost

As previously indicated, the Evaluated Cost is determined by the net present value at the Commercial Operation Date, assuming mid-year payments, of the Evaluated Cost for each year of the Term, divided by the Annual Average Contract Capacity for the entire Term. The Evaluated Cost for each year is first discounted to the Commercial Operation Date at a 7% nominal discount rate after. Finally, these values are summed and divided by the Annual Average Contract Capacity, as indicated in Table 3 below. Finally, it is assumed that the Connection Point of this facility is not at the Hydro One 230 kV bus at Trafalgar TS (see Section 4.2.4).

TABLE 3		
Contract Year	Annual Evaluated Cost Discounted to COD \$	Annual Average Contract Capacity (MW)
1	38,552,369	575
2	46,396,555	575
3	31,928,894	575
4	29,096,578	575
5	12,141,923	575
6	31,266,630	575
7	42,412,077	575
8	20,013,181	575
9	23,188,421	575
10	5,216,106	575
11	15,638,902	575
12	13,347,299	575
13	25,842,391	575
14	1,678,327	575
15	814,111	575
16	1,009,481	575
17	4,738,580	575
18	3,411,829	575
19	-948,592	575
20	-1,601,353	575
Total/Average	344,143,709	575

The Proposal's Evaluated Cost is then calculated as follows:

$$\text{Evaluated Cost} = \frac{344,143,709}{575} = \$598,511 / \text{MW}$$

(4) Calculating the Proposal's Adjusted Evaluated Cost

As outlined in greater detail in Section 4.4, the Adjusted Evaluated Cost is calculated as the product of the Evaluated Cost and the Proposal's Discount Factor, which is derived from the Proposal's point score in Stage 2. For the purpose of this example, the assumption is that the Proposal scored 62 points in Stage 2, which translates into a Discount Factor of 0.048.

The Proposal's Adjusted Evaluated Cost is calculated as follows:

$$\begin{aligned} \text{Adjusted Evaluated Cost} &= \$598,511 / \text{MW} * (1 - 0.048) \\ &= \underline{\underline{\$ 569,782 / \text{MW}}} \end{aligned}$$

2. Present Market Assumptions (including risk assumptions) and Cost Breakdown

The breakdown of the forecasted costs associated with the Gas Delivery and Management Services for the calendar year 2010 in nominal dollars:

Table 2a: Assumptions and Fixed Charges²

Service/ Tariff/ Rate	Annual Capacity Factor (%)	Contract Demand (GJ/day)	Union Dawn Gas Price (\$CDN /GJ)	FIXED CHARGES	
				Annual Customer Charge (\$CDN /year)	Annual Demand (\$CDN /year)
Total					

Table 2b: Variable Charges and Totals

Service/ Tariff/ Rate	VARIABLE CHARGES			Total (\$CDN /year)	NRR (\$/MW-Month)
	Variable Commodity Charges (\$CDN /year)	Fuel Charges (\$CDN year)	Unaccounted For Gas (\$CDN /year)		
Total					

² The tables in this Appendix have been split for formatting reasons only and the information in the columns labelled “Total” and “NRR” should reflect all costs in both tables. Furthermore, the tables are templates only and Proponents may provide information in alternative formats to better reflect their selected Gas Delivery and Management Services.

