

IESO REQUEST FOR PROPOSALS
FOR THE PROCUREMENT OF EXPEDITED LONG-TERM
ELECTRICITY RELIABILITY SERVICES
("E-LT1 RFP")

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SECTION 1 – INTRODUCTION

1.1 Independent Electricity System Operator

- (a) The Independent Electricity System Operator (the “**IESO**”) works at the heart of Ontario’s power system as the system operator— directing the flow of electricity across the grid and administering the wholesale electricity market. It sets the hourly Ontario electricity price and ensures there is enough power to meet the province’s energy needs in real time. The IESO works with stakeholders and communities across the province to plan and secure energy for the future, as well as to guide conservation efforts in Ontario. The IESO has a role in planning for and competitively procuring resources that meet Ontario’s needs today and into the future. These may be met through diverse resources such as wind, solar, hydro, biomass, nuclear, natural gas, demand response, conservation, storage or other innovative technologies.
- (b) The IESO is governed by an independent board of directors that is appointed by the Government of Ontario. Its fees and license are set by the Ontario Energy Board (the “**OEB**”) and it operates independently of all other participants in the electricity market.
- (c) Credit ratings for the IESO have been issued by Moody’s and DBRS Morningstar. Additional information about the IESO can be obtained from www.ieso.ca.

1.2 Purpose and Background of the E-LT1 RFP

- (a) After more than a decade of strong supply, Ontario is entering a period of emerging electricity system needs, driven by increasing demand, the retirement of the Pickering nuclear plant, the refurbishment of other nuclear generating units, as well as expiring contracts for existing facilities. Recognizing the necessity to address these needs in a timely, cost-effective and flexible manner, the IESO has engaged with stakeholders in the development of a Resource Adequacy Framework. As Ontario’s electricity system evolves to become more diverse and dynamic, procurement processes must evolve along with it. The Resource Adequacy Framework presents robust competitive processes that focus on cost-effective reliability, while more effectively balancing ratepayer and supplier risk in this changing environment.
- (b) As described in the 2022 Annual Acquisition Report published on the IESO’s website in April, 2022 (“**AAR**”), one of the mechanisms intended to support the IESO’s resource adequacy initiatives is a Long-Term Request for Proposals (the “**LT1 RFP**”), which is intended to acquire capacity services to meet system reliability needs from New Build and **Eligible**

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Expansion Electricity resources starting in 2027 or earlier. A complimentary mechanism outlined in the AAR is an Expedited Long-Term Request for Proposals (the “**E-LT1 RFP**”) for New Build and **Eligible Expansion** Electricity resources able to commit to commercial operation in 2025.

- (c) Through the Request for Qualifications for the Procurement of Long-Term Electricity Reliability Services published on June 3, 2022, as amended (the “**LT1 RFQ**”), the IESO sought qualification submissions to qualify participants to participate in the E-LT1 RFP and LT1 RFP to develop and operate Electricity resources capable of providing capacity services to meet system reliability needs.
- (d) As set out in the AAR, the IESO is expected to procure approximately **[2,500]** MW of Electricity reliability services from New Build and **Eligible Expansion** Electricity resources through the LT1 RFP, measured on a committed Contract Capacity basis. The E-LT1 RFP is intended to competitively procure up to **[1000]** MW of year-round capacity services (the “**Total Target Capacity**”), on a Maximum Contracted Capacity basis, of which **[●]** MW are targeted to be procured from Electricity Storage Facilities (the “**Storage Target Capacity**”) and **[●]** MW from resources other than Electricity Storage Facilities (the “**Non-Storage Target Capacity**”).
- (e) The E-LT1 RFP, together with the LT1 RFP, is expected to competitively procure year-round Contract Capacity from dispatchable New Build and **Eligible Expansion** resources, including New Build and **Eligible Expansion** facilities incorporating Electricity generation and storage, registered or able to become registered in the IESO Administered Markets, larger than one (1) MW and which can deliver a continuous amount of Electricity to a connection point on a Distribution System or Transmission System for at least four (4) consecutive hours during the Qualifying Hours.
- (f) The Selected Proponents of the E-LT1 RFP are required to enter into an Expedited Long-Term Reliability Services Contract in the form set out in Appendix B (the “**E-LT1 Contract**”) with the IESO for a commitment period commencing on the commercial operation date of the Long-Term Reliability Project as set out in the E-LT1 Contract and expiring on **[April 30, 2047]** (the “**Commitment Period**”).

1.3 Defined Terms

- (a) Capitalized terms used in this E-LT1 RFP have the respective meanings ascribed to them in Appendix A. Terms and acronyms used in this document that are italicized have the meanings ascribed in *Chapter 11* of the Market Rules available on the IESO’s website.

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- (b) Capitalized terms used in Section 2.2 but not otherwise defined in the E-LT1 RFP have the meanings given to them in the E-LT1 Contract.

SECTION 2 – MANDATORY REQUIREMENTS

2.1 Eligibility Requirements

(a) *Qualified Applicant*

- (i) Subject to Section 2.1(b), the E-LT1 RFP process is only open to those Proponents who (A) qualify as a Qualified Applicant under the LT1 RFQ for either Large-Scale LT1 Projects or Small-Scale LT1 Projects for the Expedited Process, or Persons Controlled by such Qualified Applicants or (B) are **[Eligible Expansion Counterparties]**.
- (ii) Any and all other parties who are not Qualified Applicants or are not Controlled by a Qualified Applicant **[, or are not Eligible Expansion Counterparties]** are not eligible to participate in this E-LT1 RFP.

[NTD: Criteria for “Eligible Expansions” and “Eligible Expansion Counterparties” under ongoing IESO consideration. For Eligible Expansion Counterparties, the current counterparty to the IESO contract must be in good standing.]

(b) *Changes to Qualification Submission submitted under the LT1 RFQ*

- (i) If, prior to the submission of a Proposal under the E-LT1 RFP, any aspects of the Proponent’s Qualification Submission (or that of the Proponent’s Control Group Member) relating to:
- (A) the information submitted in respect of the Team Member Mandatory Requirements of the Qualified Applicant are no longer true or accurate;
 - (B) the Control Group Member(s) of an RFQ Applicant Team in relation to the applicable Entity Development Experience Threshold are no longer true or accurate; or
 - (C) the individuals or entities making up the RFQ Applicant Team are changed in relation to the Proponent under the E-LT1 RFP,

in each case in relation to the Proponent under the E-LT1 RFP, then the Proponent shall notify the IESO of any such changes as part of

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its Proposal in response to the E-LT1 RFP using **[Prescribed Form: Notice of Change]**.

- (ii) If after reviewing such changes the IESO determines, in its Discretion, that the Proponent continues to meet the Team Member Mandatory Requirements or Entity Development Experience Threshold, as applicable in respect of the Qualified Applicant, then the IESO will allow such Proponent to participate in the E-LT1 RFP.

(c) *Single Person*

Each Proponent shall be a single Person and may not be an unincorporated joint venture of multiple Persons.

(d) *Long-Term Reliability Project*

- (i) Each Proponent shall make the necessary investments to successfully develop, own, operate and maintain a New Build or **[Eligible Expansion]** Electricity resources providing capacity services to meet system reliability needs that are directly connected to a Distribution System or a Transmission System in Ontario, that can provide dispatchable capacity services during the Commitment Period (a “**Long-Term Reliability Project**”), should they be offered an E-LT1 Contract. Each Proposal must be specific to a single Long-Term Reliability Project.
- (ii) Proponents must comply with Laws and Regulations, including for greater certainty the Distribution System Code, the Transmission System Code, the Market Rules and requirements of any applicable Municipalities, as each may be applicable to their contemplated Large-Scale LT1 Project(s) or Small-Scale LT1 Project(s). Proponents must be aware of required approvals, including environmental and municipal approvals, which may be required prior to construction of their resources, if applicable. Proponents acknowledge time is of the essence with respect to obtaining all required approvals, if applicable.
- (iii) Proponents are reminded of the important role that effective engagement with Indigenous communities may play in the successful planning, development and operation of their Electricity resources and must be prepared to undertake their appropriate role in such engagement and address the interests or concerns of such communities in good faith and in compliance with Laws and Regulations. Proponents are also reminded of the essential role that effective engagement with local communities, including

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Municipalities, may play in successfully achieving all of the lifecycle phases of a project.

(e) *Deliverability Test Results*

- (i) The deliverability in respect of a Long-Term Reliability Project will be assessed by the IESO prior to the submission of a Proposal in accordance with the IESO’s methodology for determining the deliverability status for different electricity resources as outlined in the latest version of the “2022 Deliverability Test Process for IESO Acquisition Mechanisms” published on the Website (the “**Deliverability Test**”).
- (ii) To best reflect the contribution of the applicable resource to system reliability needs, this E-LT1 RFP will, subject to Section 4.5, procure capacity services from Long-Term Reliability Projects with a Deliverability Test result of either “Deliverable” or “Deliverable but Competing”. Long-Term Reliability Projects that received a “Not Deliverable” (or equivalent) result in the Deliverability Test will not be eligible to participate in this E-LT1 RFP.
- (iii) The proposed Contract Capacity, location and connection point information in respect of the Long-Term Reliability Project must be consistent with that which is reflected in the results of the Deliverability Test (and in respect of Contract Capacity, may not be in excess of the capacity assessed and documented in the Deliverability Test results).

(f) *Community Engagement*

- (i) The Proponent must have a Project Website that describes a community engagement plan in respect of the Long-Term Reliability Project.
- (ii) A copy of the community engagement plan must be continuously posted on the Project Website from the date that is at least fifteen (15) days prior to the date of the public community meeting identified in Section 2.1(f)(iii), and continuing until the IESO announces the Selected Proponents, if any.
- (iii) The community engagement plan must incorporate at least one (1) public community meeting to discuss the Long-Term Reliability Project with members of the public at large, which must be held, in person or virtually, prior to the Proposal Submission Deadline but no earlier than January 27, 2022.
- (iv) *Notice of Public Community Meeting*

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- (A) The notice of public community meeting must be posted on the Project Website at least (15) days prior to the date of the public community meeting identified in Section 2.1(f)(iii).
 - (B) The Proponent must deliver a notice of such public community meeting identified in Section 2.1(f)(iii) to each owner of Property located adjacent to the boundaries of the Properties that, in whole or in part, constitute the Project Site. If the Project Site is located in whole or in part on lands subject to the authority of one or more Local Municipalities, the Proponent must deliver a notice of such public community meeting identified in Section 2.1(f)(iii) to each Local Municipality. If the Project Site is located in whole or in part on Indigenous Lands, the Proponent must deliver a notice of such public community meeting identified in Section 2.1(f)(iii) to each local Indigenous Community corresponding to the Indigenous Lands on which the Project Site is located in whole or in part.
- (v) *Public Community Meeting:*
- (A) The public community meeting must, at a minimum, describe and display: (1) the identity and contact information of the Proponent; (2) the name, nameplate capacity and technology of the Long-Term Reliability Project; and (3) a scale map showing the boundaries of the Project Site, location of the Connection Point and the Connection Line.
 - (B) The public community meeting must include a question and answer portion where members of the public have an opportunity to ask questions to the Proponent.
 - (C) A copy of the minutes of each public community meeting must be posted on the Project Website.

2.2 Overview of the E-LT1 Contract

- (a) This Section 2.2 provides an overview of certain sections of the E-LT1 Contract and is for descriptive purposes only. For greater certainty, to the extent that there is any inconsistency between the descriptions in this Section 2.2 and the E-LT1 Contract, the terms of the E-LT1 Contract shall prevail.
- (b) The Proponents whose Proposals are selected must enter into the E-LT1 Contract as Suppliers under their own names.

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- (c) Given its focus on system reliability needs, the E-LT1 Contract will compensate Suppliers for the availability of the capacity of their Facility during the Commitment Period. As such, the contract will require that a Facility offer its capacity into the IESO-administered markets at a specified minimum quantity on Business Days for all hours from 07:00 to 23:00 EST or such other continuous 16-hour period over a maximum of five (5) days in any calendar week as may be prescribed by the IESO from time to time (such hours, “**Qualifying Hours**”). The IESO shall be entitled to exercise the right to prescribe a revised continuous 16-hour period on designated days to constitute Qualifying Hours on ninety (90) days’ prior written notice up to two times in each Contract Year.
- (d) *Monthly Payment*
- (i) The E-LT1 Contract will pay Suppliers a fixed monthly capacity payment based on the daily “**Fixed Capacity Payment**” (or “**FCP**”) (in units of \$/MW-Business Day) multiplied by the number of Business Days in the month and multiplied by their Monthly Contract Capacity (the “**Monthly Capacity Payment**”). The FCP will be established based on the Proposal Price submitted in accordance with this E-LT1 RFP.
- (ii) Twenty percent (20%) of the FCP will be adjusted for inflation based on year-over-year change in the Consumer Price Index during the Commitment Period of the E-LT1 Contract.
- (iii) On the first (1st) anniversary of the Contract Date, there will be a one time adjustment to the FCP set out in the E-LT1 Contract as at the Contract Date to account for changes to the market major product group price for primary ferrous metal and primary non-ferrous metal products set out in the IPPI, between the Proposal Submission Deadline and the first (1st) anniversary of the Contract Date. This Materials Cost Index Adjustment will be calculated in accordance with Section 2.2(f).
- (iv) Each Electricity Storage Facility will be eligible for a Market Price Spread Adjustment Factor in the computation of the Monthly Payment for the Settlement Month, based on the value specified in the Proposal for the Low Spread Adjustment Factor (or LSAF) and the High Spread Adjustment Factor (or HSAF) and which will be calculated as follows:
- (A) where the Average Market Price Spread in a Settlement Month is lower than **[\$10/MWh]**, then the Market Price Spread Adjustment Factor will be equal to $1 + \text{LSAF}$;

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- (B) where the Average Market Price Spread in a Settlement Month is higher than **[\$50/MWh]**, then the Market Price Spread Adjustment Factor will be equal to 1 – HSAF; and
- (C) where Average Market Price Spread in a Settlement Month is equal to or greater than **[\$10/MWh]** but equal to or less than **[\$50/MWh]**, then the Market Price Spread Adjustment Factor will be equal to 1 (resulting in no adjustment to the Monthly Payment).

[NTD: A single SAF rather than a separate LSAF and HSAF under IESO consideration.]

For purposes of this mechanism, the Average Market Price Spread for a Settlement Month is the average, for each Business Day in such Settlement Month, of the difference between the High Block Average Price and the Low Block Average Price.

- (v) All market revenues attributable to the operation of the Facility in the IESO-administered markets or from other attributes or products generated from the physical operation of the Facility, will be for the benefit of the Supplier in accordance with the E-LT1 Contract.
- (e) *Commercial Operation*
 - (i) If Commercial Operation of the Facility is achieved before the COD Bonus End Date, the Supplier shall be entitled to apply a fixed payment multiplier to the Fixed Capacity Payment, which will be determined based on the time period in which the COD was achieved (set out below in Section 2.2(e)(ii)) and which Early COD Payment Multiplier shall apply for the period starting on the COD until the COD Bonus End Date. The COD Bonus End Date shall remain fixed and shall not be impacted by events of Force Majeure.
 - (ii) Early COD Payment Multiplier

Commercial Operation Date	COD Payment Multiplier through
Before May 1, 2025 until August 31, 2025	[1.5]
From September 1, 2025 to December 31, 2025	[1.3]
From January 1, 2026 to April 30, 2026	[1.1]

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- (iii) If Commercial Operation of the Facility is not achieved by the Milestone Date for Commercial Operation, the Supplier shall pay to the IESO, as liquidated damages and not as a penalty, a sum of money equal to the amount of (1) Liquidated Damages Rate multiplied by (2) the Monthly Contract Capacity (as would be determined from and after the COD) for each Business Day after the Milestone Date for Commercial Operation until Commercial Operation has been achieved.
 - (iv) Even if the Facility has not achieved Commercial Operation by the Milestone Date for Commercial Operation, the Term shall nevertheless expire on April 30, 2047.
 - (v) The Supplier agrees that if the Facility fails to achieve Commercial Operation prior to the Longstop Date, it shall constitute a Supplier Event of Default. The “**Longstop Date**” will be the date that is **[eighteen (18) months]** after the Milestone Date for Commercial Operation.
- (f) *Materials Cost Index Adjustment*
- (i) The Materials Cost Index Adjustment shall be calculated as follows:

MCIA = (MCP_m / MCP_b) × FCP × [0.5]	
where:	
MCIA	is the Materials Cost Index Adjustment (in Canadian Dollars).
MCP _m	is the market major product group price for primary ferrous metal products (identified as subcategory [P61]) plus the market major product group price for primary non-ferrous metal products (identified as subcategory [P62]) set out in the IPPI (collectively “ Reference Products ”) [averaged over the three consecutive calendar months ending with the calendar month during which first (1st) anniversary of the Contract Date occurs] .
MCP _b	is the baseline market major product group price for the Reference Products set out in the IPPI for the [calendar month immediately prior to the Proposal Submission Deadline] .

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FCP	is the Fixed Capacity Payment as set out in Exhibit B of the E-LT1 Contract as at the Contract Date.
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[NTD: Reference Products, IPPI and other potential representative indices under ongoing consideration by IESO.]

(g) *Force Majeure*

- (i) A party cannot invoke Force Majeure in respect of any impacts of the COVID-19 pandemic or the Russo-Ukrainian military conflict that were known or ought reasonably to be known by the Supplier as of the Contract Date. Materials costs, supply chain constraints, labour shortages or other macroeconomic factors will not, in and of themselves, be considered to constitute Force Majeure.
- (ii) Any Force Majeure that is claimed by the Supplier and accepted by the IESO during the Commitment Period shall reduce the Monthly Contract Capacity for the portion of the Qualifying Hours and the portion of the Contract Capacity for the Facility that is subject to an Outage arising from such confirmed Force Majeure event (the “**Force Majeure Capacity Reduction Factor**”) which will be applied to the Monthly Contract Capacity for purposes of calculating the Adjusted Monthly Contract Capacity. Any such Force Majeure shall also reduce the payment being made to the Supplier by way of the same Force Majeure Capacity Reduction Factor applied to the Monthly Capacity Payment for the applicable Settlement Month.

(h) *Performance Obligations*

- (i) The “**Must-Offer Obligation**” is the primary operating covenant of the E-LT1 Contract and will require that the Supplier offer, in a Settlement Month, Electricity output from the Facility into the Day-Ahead Market for dispatch during Qualifying Hours from the Facility’s Contract Capacity that is not subject to an Outage, such that the Monthly Average Offered Quantity for the Settlement Month is equal to or greater than its Adjusted Monthly Contract Capacity.
- (ii) After the completion of the second Contract Year, if the average of the Monthly Average Offered Quantity for each Settlement Month in any rolling twenty-four (24)-month period during the Term is less than seventy-five percent (75%) of the average of the Adjusted Monthly Contract Capacity for such Settlement Months, it will be considered a Supplier Event of Default.

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(iii) For an Electricity Storage Facility, the calculation of Adjusted Monthly Contract Capacity will also account for the total number of hours in which the Facility is State-of-Charge Limited in the Settlement Month.

(i) *Non-Performance*

(i) If at the end of a Settlement Month a Facility's Monthly Average Offered Quantity is less than the Adjusted Monthly Contract Capacity, an "**Availability Non-Performance Charge**" will be assessed and charged to the Supplier for the applicable Settlement Month, equal to the Monthly Capacity Payment multiplied by the applicable percentage shortfall below the Adjusted Monthly Contract Capacity and further multiplied by a monthly non-performance factor (the "**Non-Performance Factor**") set out below in Section 2.2(i)(ii).

(ii) Monthly Non-Performance Factors

Month	Factor	Month	Factor
January	2.0	July	2.0
February	2.0	August	2.0
March	1.5	September	2.0
April	1.0	October	1.0
May	1.0	November	1.0
June	1.5	December	1.5

(j) *Regulatory Charge Credit and Global Adjustment for an Electricity Storage Facility*

(i) Electricity Storage Facilities will be eligible for a regulatory charge credit (including a reimbursement for Global Adjustment ("**GA**")), subject to minimum round-trip efficiency assumption of eighty percent (80%) (where actual efficiency below such level will result in less than one hundred percent (100%) reimbursement of such charges).

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- (ii) The credit will be based on the sum of all regulatory energy charges incurred by the Supplier in respect of withdrawn Electricity plus the GA reimbursement.
 - (iii) The reimbursement will be equal to the amount of GA incurred by the Supplier, until the Facility is eligible to begin participation in the Industrial Conservation Initiative (“**ICP**”) program or any successor or replacement program designed to reduce or eliminate the Facility’s Global Adjustment cost obligation.
- (k) *Completion and Performance Security*
- (i) The Supplier must, as of the Contract Date, provide to the IESO, Completion and Performance Security in an amount equal to:
 - (A) **[\$60,000]** per MW of the highest Monthly Contract Capacity for Large-Scale LT1 Projects; and
 - (B) **[\$45,000]** per MW of the highest Monthly Contract Capacity for Small-Scale LT1 Projects,

in accordance with and within the period specified in Section 3.7(a)(iii)(A) of the E-LT1 RFP. The amount of the Completion and Performance Security as of the Contract Date is equal to the amount required for Proposal Security and a Selected Proponent will have the option of confirming that the Proposal Security is to be maintained by the IESO and held as Completion and Performance Security, rather than replaced at the time of entering into the E-LT1 Contract.

- (ii) From and after the Contract Date and until the end of the Term, the Supplier must maintain the Completion and Performance Security in the amount per MW of the highest Monthly Contract Capacity and for the period specified below:

Period	Large-Scale LT1 Projects (\$ / MW)	Small-Scale LT1 Projects (\$ / MW)
From the Contract Date until COD	[\$60,000]	[\$45,000]
From COD until the end of the Term	[\$25,000]	[\$25,000]

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- (iii) The Completion and Performance Security must be in the form of a letter of credit in the form provided in the E-LT1 Contract (consistent with the form in Appendix D hereto), for the full amount of the Completion and Performance Security.

(l) *Indigenous Community Participation*

- (i) If the Supplier is awarded rated criteria points in its Proposal as an Indigenous Participation Supplier pursuant to Section 4.3(c) then the Supplier shall, within twenty (20) Business Days of a request by the IESO, provide written evidence documenting the Economic Interest in the Supplier that is held by an Indigenous Community that is to the satisfaction of the IESO, acting reasonably.
- (ii) Until the fifth (5th) anniversary of the COD, if the Indigenous Participation Level falls below the Initial IPL, the Supplier shall provide written notice thereof to the IESO of such decrease, which notice shall include the revised Indigenous Participation Level and the effective date thereof.
- (iii) If the Indigenous Participation Level is not restored to a level of at least the Initial IPL within six (6) months after such written notice pursuant to Section 2.2(1)(ii), then such failure to maintain an Indigenous Participation Level of at least Initial IPL until at least the fifth (5th) anniversary of the COD shall constitute a Supplier Event of Default.
- (iv) Notwithstanding the foregoing, where the Indigenous Community that held Economic Interest in the Supplier as of the Contract Date provides a written notice to the IESO, signed by one or more individuals with authority to bind the applicable Indigenous Community, requesting a reduction in the Indigenous Participation Level relative to the Initial IPL prior to the fifth (5th) anniversary of the Commercial Operation Date, to a level that may not be less than ten percent (10%), such reduced Indigenous Participation Level shall be deemed to constitute the Initial IPL for purposes of this obligation.

(m) *Municipal Support Confirmation*

- (i) If the Proposal did not include a Municipal Support Confirmation from a Local Municipality at the time of its submission under the E-LT1 RFP, the Supplier shall, by no later than sixty (60) days after the first (1st) anniversary of the Contract Date, provide the IESO with a written notice including:

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- (A) a Municipal Support Confirmation dated after the Proposal Submission Deadline, or
 - (B) a letter signed by a Land Use Planner confirming that all permits and approvals that are required to be issued by or on behalf of a Local Municipality for the construction, operation and maintenance of the Facility have been received or issued.
- (ii) If the Supplier fails to meet the requirements described in Section 2.2(m)(i), such failure shall constitute a Supplier Event of Default under the E-LT1 Contract. If the IESO elects to terminate the E-LT1 Contract as a result of such Supplier Event of Default, such termination shall be without any costs or payments of any kind to either Party and all Completion and Performance Security shall be returned to the Supplier.

2.3 No Exclusivity of Contract

The E-LT1 Contract, if any, executed with a Supplier will not be an exclusive contract for the provision of capacity services to meet system reliability needs. The IESO may contract with others for the same or similar products or services from other resources or may otherwise obtain the same or similar products or services by other means.

SECTION 3 – E-LT1 RFP PROCESS OVERVIEW

3.1 Schedule

- (a) Below is the schedule relating to this E-LT1 RFP process (the “**Schedule**”):

Milestone	Date
IESO’s deadline for releasing the final E-LT1 RFP and E-LT1 Contract	[November 1, 2022]
Proponent’s deadline for submitting questions and comments, if any	[November 14, 2022] (the “ Question and Comment Deadline ”)
IESO’s deadline for communicating the Deliverability Test results	[November 30, 2022]
IESO’s deadline for issuing Addenda to E-LT1 RFP and E-LT1 Contract, if any	[December 1, 2022]

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Proposal submission deadline	<p>[December 20, 2022]</p> <p>(the “Proposal Submission Deadline”)</p>
Notification to all Proponents and announcement of Selected Proposals	<p>[February 28, 2023]</p>

- (b) The IESO reserves the right to accelerate or postpone any of the dates set out above and to add to, eliminate, or re-order any of the steps set out in the Schedule. The IESO may amend the Schedule from time to time by Addendum, which will be posted on the Website.

3.2 Questions and Comments

- (a) This E-LT1 RFP and the E-LT1 Contract, as applicable, will be public and accessible via the Website. Interested parties are encouraged to promptly examine all such documentation and: (i) report to the IESO any errors, omissions or ambiguities; and (ii) send to the IESO any questions they may have regarding the E-LT1 RFP and the E-LT1 Contract by going to the Website, entering the Q&A link within the Website, and submitting a question or a comment using the electronic form provided, by e-mail to LT.RFP@ieso.ca on or before the Question and Comment Deadline specified in the Schedule. The IESO will not be responsible for, nor be obliged to respond to, questions or comments submitted from another location of the IESO’s website or to any other e-mail address.
- (b) Questions marked as confidential will not be accepted by the IESO. Questions and comments received in the manner prescribed above that request clarification of the E-LT1 RFP and the E-LT1 Contract will be posted on the Website with the IESO’s response, but the identity of any party asking any question or making any comment will not be revealed.
- (c) The IESO is under no obligation to provide additional information or answers but may do so at its sole Discretion. When posting questions to the Website, the IESO may make conforming changes to the question to remove identifying or proponent-specific information.
- (d) It is the responsibility of an interested party to seek clarification by submitting questions or comments in the manner provided above on any matter that it considers to be unclear. The IESO shall not be responsible for any misunderstanding on the part of an interested party concerning any aspect of this E-LT1 RFP.

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3.3 Addenda

- (a) The E-LT1 RFP and the E-LT1 Contract may be amended only by Addendum in accordance with this Section 3.3. If the IESO, for any reason, determines that it is necessary or appropriate to amend or provide additional information relating to the E-LT1 RFP and the E-LT1 Contract such information will be communicated by posting such Addendum on the Website on or prior to the deadline for issuing Addenda set out in the Schedule. Each Addendum will be deemed to form an integral part of the E-LT1 RFP and the E-LT1 Contract, as the case may be.
- (b) Each Addendum may contain important information, including significant changes to the E-LT1 RFP, the E-LT1 Contract and their respective Prescribed Forms, and interested parties are responsible for visiting the Website as often as is necessary to ensure that they obtain all Addenda and other communications issued by the IESO from time to time.
- (c) The IESO may issue an Addendum or Addenda after the deadline for issuing Addenda specified in the Schedule. If any Addendum is issued after the deadline for issuing Addenda set out in the Schedule, the IESO may, in its discretion, extend the Proposal Submission Deadline for a reasonable amount of time having regard to the circumstances.

3.4 Communications

The IESO does not wish to impair essential or appropriate communications by interested parties for the purposes of project planning, development, operations, regulatory compliance, participation in the *IESO-administered markets*, compliance with the requirements of this E-LT1 RFP, structuring or assembling a Proponent, participating in stakeholder engagement events administered by the IESO in respect of this E-LT1 RFP, or responding to stakeholder solicitations or requests for comments from the IESO in respect of this E-LT1 RFP (collectively, the “**Permitted Purposes**”). Therefore, the following communications rules apply with respect to this E-LT1 RFP:

- (a) Communications in respect of this E-LT1 RFP must be only for the Permitted Purposes and for no other purposes; and
- (b) Permitted communications include communications with MPPs, mayors, municipal officials, municipal administrative staff, the media, members of the public, the IESO, the OEB, transmitters and distributors, for the Permitted Purposes and for no other purposes.
- (c) Communications in respect of this E-LT1 RFP shall not be for the purposes (the “**Excluded Purposes**”) of:
 - (i) obtaining (or attempting to obtain or lobbying to obtain) an unfair advantage in respect of the E-LT1 RFP;

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- (ii) influencing (or attempting to influence) the terms or outcome of the E-LT1 RFP other than via participating in stakeholder engagement events administered by the IESO in respect of this E-LT1 RFP or the E-LT1 Contract, or responding to stakeholder solicitations or requests for comments from the IESO in respect of this E-LT1 RFP or the E-LT1 Contract;
 - (iii) influencing (or attempting to influence) government officials, regulatory officials or the management or staff of the IESO, OEB or transmitters or distributors, with respect to this E-LT1 RFP;
 - (iv) denying (or attempting to deny) any other potential Proponent's fair, open and impartial consideration; or
 - (v) impairing (or attempting to impair) public confidence in the process or outcome of the E-LT1 RFP.
- (d) The onus shall be on a Proponent to demonstrate that any communications in relation to this E-LT1 RFP were not communications for Excluded Purposes.
 - (e) Communication for any Excluded Purposes shall be and is hereby expressly excluded from the Permitted Purposes.
 - (f) Communications with respect to this E-LT1 RFP between Proponents or prospective Proponents and any member of the IESO's management or board of directors, the Evaluation Team or its advisors, other than as expressly provided in this E-LT1 RFP, would be considered to be communications for Excluded Purposes. Communications with IESO staff and Ministry of Energy staff are permissible only for Permitted Purposes. Opportunities for communication with IESO or Ministry of Energy staff or any other Person for Permitted Purposes shall not be used to carry out communications for Excluded Purposes.

If a Proponent or prospective Proponent has any questions regarding the appropriateness of specific communications, they are advised to seek clarification from the IESO via the e-mail address: LT.RFP@ieso.ca.

The IESO shall have the right to request and obtain from a Proponent, and the Proponent shall, if so requested, promptly provide to the IESO, information or clarification regarding the appropriateness of any communications by such Proponent that may be prohibited by this E-LT1 RFP. The Proponent shall provide all information reasonably necessary or appropriate to allow the IESO to assess whether such communications are or were for Permitted Purposes.

In cases of breach of the foregoing communications rules, the IESO may, in its Discretion, disqualify a Proponent or revoke the status of a Proponent, as the case may be. No

Proponent shall engage or have engaged in any communications that would constitute a Conflict of Interest or that would breach the Non-Collusion Requirements, failing which, the IESO may, in its Discretion, disqualify the Proponent.

3.5 Proposal Requirements

- (a) Proponents are responsible for ensuring that the Proposals are complete in every respect and in compliance with this E-LT1 RFP. Proponents should structure their Proposals in accordance with the instructions in this E-LT1 RFP. Where information is requested in this E-LT1 RFP, any response made in a Proposal should reference the applicable section numbers of this E-LT1 RFP where such request is made.
- (b) Apart from the completion of any blanks, bullets or similar uncompleted information in the Prescribed Forms, no amendments may be made to the pre-printed wording of the Prescribed Forms, but copies, including multiple copies, may be made of the appropriate pages of the Prescribed Forms. The Prescribed Forms will be made available on the Website in a writable PDF, Word or Excel format. Any amendments made to the Prescribed Forms, whether on the face of such forms or contained elsewhere in the Proposal, may result in the disqualification of the Proposal. All Prescribed Forms populated with relevant information from the Proponent must be signed by a director, officer or other person who has the authority to bind the Proponent.
- (c) Certain Prescribed Forms are, or contain, declarations. The onus is solely on Proponents to conduct all investigations and verifications necessary or appropriate, including any investigations required of any member(s) of the Proponent's team, to confirm that each of the statements set out in the declarations can be made accurately and truthfully. If the IESO determines in its Discretion that any matter declared is not materially true and correct, then the Proposal may be rejected. In instances where a Proposal is not rejected notwithstanding a discrepancy or inconsistency between the declarations in the Prescribed Forms populated with relevant information from the Proponent and those declarations elsewhere in the Proposal, the declarations in the Prescribed Forms populated with relevant information from the Proponent shall prevail over any of the declarations made by the Proponent elsewhere in the Proposal.
- (d) The Proposal must be written in English only and should be in electronic format, typed in black ink, printable on a 8.5 × 11 inch paper, and all pages in applicable documents should be numbered sequentially. Proposals should be collated and organized in a user-friendly manner, including an index, cross-referencing of the various supporting documentation and their respective page numbering systems, and detailed responses.

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3.6 Proposal Submission

- (a) Only one Proposal may be submitted in respect of an individual Long-Term Reliability Project. A Proponent must submit separate Proposals for each Long-Term Reliability Project. A Proponent may submit multiple Proposals subject to a maximum of **[ten (10) Long-Term Reliability Projects per Qualified Applicant or Persons Controlled by a Qualified Applicant]**. *[NTD: Other limitations to promote diversity of participation under ongoing consideration by IESO.]*
- (b) To be considered, a Proponent must submit all of the materials in Section 3.6(c)(i) (collectively, a “**Proposal**”). It is the Proponent’s responsibility to submit the Proposal to the IESO as prescribed by the requirements in Section 3.6(c). Any Proposal submission that is not received by the IESO per the requirements set out in Section 3.6(c), will be rejected and the Proposal will no longer be considered in this E-LT1 RFP process. Except as provided in Section 3.6(e)(ii), the Proposal Fee will be non-refundable.
- (c) *Electronic Submission Requirements*
- (i) Proponents must submit all of the following documents as a part of the Proposal, electronically to LT.RFP@ieso.ca, prior to 3:00 P.M. (EPT) on the Proposal Submission Deadline:

ELECTRONIC SUBMISSION REQUIREMENTS	
Proposal Document	Delivery and Format
Proposal Fee	An electronic funds transfer or wire payable to the “Independent Electricity System Operator” in the amount of \$ [13,000] (the “ Proposal Fee ”), which fee is inclusive of HST.
Proposal Security	A scanned electronic copy in Adobe PDF format of the Proposal Security provided pursuant to Section 3.6(d)(i). Proponents are encouraged to use a file name that includes “ Proposal Security ” and the Long-Term Reliability Project’s name.
Prescribed Form: Proposal Price	The value of the Fixed Capacity Payment (in \$ per MW per Business Day) shall be submitted by the Proponent in its Proposal (the “ Proposal Price ”) and will be the subject of the price evaluation under the E-LT1 RFP.

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	<p>Electricity Storage Facilities must submit their [LSAF and HSAF] together with the Proposal Price. [NTD: Single SAF under consideration by the IESO.]</p> <p>All Proponents must submit their Proposal Price in the Prescribed Form: Proposal Price. Proponents must use a filename that includes “PF: Proposal Price” and the Long-Term Reliability Project’s name.</p>
<p>Prescribed Form: Proponent Information and Declarations</p>	<p>All Proponents must submit an electronic copy of the completed Prescribed Form: Proponent Information and Declarations.</p> <p>Proponents are encouraged to use a filename that includes “PF: Information and Declarations” and the Long-Term Reliability Project’s name.</p>
<p>Prescribed Form: Proposal Workbook</p>	<p>All Proponents must submit an electronic copy of the completed Prescribed Form: Proposal Workbook.</p> <p>As a part of this form, Proponents must submit electronic copies in [Microsoft excel] format [containing information regarding the Long-Term Reliability Project and the Proponent, including the technology type, fuel source, site details, connection point and rated criteria-related information.].</p> <p>Proponents are encouraged to use a filename that includes “PF: Workbook” and the Long-Term Reliability Project’s name.</p>
<p>Prescribed Form: Access Rights Declaration</p>	<p>All Proponents must submit an electronic copy of the completed Prescribed Form: Access Rights Declaration.</p> <p>As a part of this form, Proponents must submit electronic copies of [a detailed scale map of the Long-Term Reliability Project, together with one or more parcel registers in respect of the Project Site showing the holder of legal title in respect of the Project Site. Where title to the Project Site is not in the name of the Proponent, the Proponent must submit a letter addressed to the IESO signed by the registered owner of such lands stating that the Proponent has the contractual right to build,</p>

	<p>operate and maintain the Long-Term Reliability Project on the Project Site.]</p> <p>Proponents are encouraged to use a filename that includes “PF: Access Rights” and the Long-Term Reliability Project’s name.</p>
<p>Prescribed Form: Community Engagement Requirements</p>	<p>All Proponents must submit an electronic copy of the completed Prescribed Form: Community Meeting and Engagement Plan.</p> <p>As a part of this form, Proponents must submit evidence of the completion of at least one (1) public community meeting prior to the Proposal Submission Deadline and the prior notification thereof to applicable Municipalities and Indigenous Communities.</p> <p>Proponents are encouraged to use a filename that includes “PF: Community Engagement” and the Long-Term Reliability Project’s name.</p>
<p>Prescribed Form: Evidence of Indigenous Support</p>	<p>If the Long-Term Reliability Project is located in whole or in part on Indigenous Lands, the Proponent must submit an electronic copy of the completed Prescribed Form: Evidence of Indigenous Support.</p> <p>As a part of this form, Proponents must submit electronic copies of Indigenous Support Confirmation(s) dated no earlier than January 27, 2022.</p> <p>Proponents are encouraged to use a filename that includes “PF: Indigenous Support” and the Long-Term Reliability Project’s name.</p>
<p>Prescribed Form: Evidence of Municipal Support</p>	<p>If the Long-Term Reliability Project is located in whole or in part (excluding the Connection Line) on lands subject to the authority of one or more Local Municipalities and the Proponent is seeking to attain the Rated Criteria Points in Section 4.3(d), the Proponent must submit an electronic copy of the completed Prescribed Form: Evidence of Municipal Support.</p>

	<p>As a part of this form, Proponents must submit electronic copies of Municipal Support Confirmation(s) dated no earlier than January 27, 2022.</p> <p>Proponents are encouraged to use a filename that includes “PF: Municipal Support” and the Long-Term Reliability Project’s name.</p>
<p>Prescribed Form: Rated Criteria Evidence of Indigenous Community Participation</p>	<p>If the Proponent is seeking to attain the Rated Criteria Points in Section 4.3(c), the Proponent must submit an electronic copy of the completed Prescribed Form: Evidence of Indigenous Participation Level.</p> <p>As a part of this form, Proponents must submit electronic copies of one or more organizational charts and securities registers documenting the Economic Interest in the Proponent held by an Indigenous Community.</p> <p>Proponents are encouraged to use a filename that includes “PF: Indigenous Participation” and the Long-Term Reliability Project’s name.</p>

- (ii) The email submission made to LT.RFP@ieso.ca must contain all Proposal documents identified in Section 3.6(c)(i) and should utilize the following naming convention in its email subject line: “**E-LT1 RFP_Proponent Name_Long-Term Reliability Project’s Name**”.
- (iii) The Proposal documents that are required to be submitted to the IESO in electronic format in accordance with Section 3.6(c)(i) must be received by the IESO in the LT.RFP@ieso.ca inbox by no later than the Proposal Submission Deadline. Proponents are solely responsible for their technology and the transmission of the Proposal submission (including the full amount of the Proposal Fee). The IESO shall utilize the time stamp generated at the time of receipt into the LT.RFP@ieso.ca inbox. Any delays due to firewalls, technical faults, file size, electronic funds transfers, or a high volume of Proposals will not be taken into account. This time stamp (being the time that the email is received by the IESO) will be the sole determinant of whether electronic Proposal documents were received prior to the Proposal Submission Deadline. For clarity, the IESO will not be responsible for late deliveries, deliveries to the incorrect email address or location or other electronic delivery

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failures. Late submissions will be returned to the Proponent. Due to limitations on the size of electronic delivery, Proponents may submit their Proposal documents through multiple emails. For further clarity, if any email containing Proposal documents is shown to have been received in the LT.RFP@ieso.ca inbox or payment of Proposal Fees are received in IESO's bank account at anytime after the Proposal Submission Deadline, the entire Proposal will be rejected. **Proponents are strongly encouraged to submit their Proposals and payments sufficiently in advance of the Proposal Submission Deadline to avoid any unforeseen delays in electronic delivery.**

- (iv) Payment for the Proposal Fee must be sent to the following bank account:

Beneficiary:	Independent Electricity System Operator
Beneficiary Address:	1600-120 Adelaide St West, Toronto ON M5H 1T1
Bank:	The Toronto-Dominion Bank
Bank Address:	55 King St West, Toronto ON M5K 1A2
Bank ID:	004
Transit No.:	10202
Account No.:	0690-5618464
Swift Code:	TDOMCATTTOR

In order to ensure that Proposal Fee deposited by the Proponent is identified and correctly applied, the electronic funds transfer or wire must include a deposit reference identifier (“**Proponent ID**”) in the form of: E-LT1-Proponent Name-Year (Example: E-LT1-CompanyA-2022). After making the payment, an email must be sent to LT.RFP@ieso.ca with a copy to ieso.treasury@ieso.ca with the following information: (a) Proponent name; (b) Proponent ID; (c) the RFQ Applicant ID used for the LT1 RFQ; (d) expected deposit date; and (e) amount of Proposal Fee deposited. Proponents are reminded that any bank wiring or electronic funds transfer fees (or equivalent) must be taken into account and Proponents are responsible to ensure that the full amount of the Proposal Fee is received by the IESO (net of any banking or transfer fees) by the Proposal Submission Deadline.

Any electronic funds transfers in the manner other than that described in this Section 3.6(c)(iv) will not be taken into account, except at the IESO's Discretion.

- (v) Proponents may submit an electronic copy of the completed **[Prescribed Form: Proposal Completeness Checklist]**, in Microsoft Office Excel format, with the Proposal. Proponents are encouraged to use a filename that includes “**PF: Completeness Checklist**”. For clarity, the submission of Prescribed Form: Proposal Completeness Checklist by the Proponent will not be used by the IESO for the purposes of evaluation of the completeness of the Proposals pursuant to Section 4.1.

(d) *Hard Copy Submission Requirements*

- (i) In addition to the electronically submitted documents identified in Section 3.6(c)(i), a Proponent must provide the following Proposal documents in hard copy submission to the IESO’s address provided in Section 3.6(d)(ii) prior to 3:00 P.M. (EPT) on the Proposal Submission Deadline

HARD COPY SUBMISSION REQUIREMENTS	
Proposal Document	Delivery and Format
Proposal Security	One original hard copy of the Proponent’s Proposal Security in the amount specified in Section 3.6(d)(ii), which should be contained in a separate, opaque and sealed envelope marked “ Proposal Security ” and with the Long-Term Reliability Project’s name.

- (ii) Proposal Security shall be as follows:
 - (1) Large-Scale LT1 Projects: \$**[60,000]**/ MW of the proposed Maximum Contract Capacity.
 - (2) Small-Scale LT1 Projects: \$**[45,000]**/ MW of the proposed Maximum Contract Capacity
- (iii) Proposal documents required to be submitted to the IESO in hard copy format shall be delivered to the address below:

Independent Electricity System Operator
 120 Adelaide Street West, Suite 1600
 Toronto, ON M5H 1T1
Attention: E-LT1 RFP

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- (iv) The Proposal documents that are required to be submitted to the IESO in hard copy format in accordance with Section 3.6(d)(i) must be received by the IESO in a single envelope prior to the Proposal Submission Deadline. The IESO shall create a time stamp upon receipt of the hard copy materials and provide the Proponent a record of such time stamp. This time stamp will be the sole determinant of whether hard copy Proposal documents were received prior to the Proposal Submission Deadline.
 - (v) Proponents are encouraged to submit a cover letter with each hard copy of the Proposal Security that clearly identifies the Proponent's name and Long-Term Reliability Project's name to which the enclosed Proposal Security relates. Proponents are encouraged to affix a label to the outside of any hard copy submission package that clearly indicates the Proponent's name and address along with the IESO's mailing address (the "**Proposal Submission Label**"). The form of the Proposal Submission Label has been provided in Appendix C to this E-LT1 RFP.
- (e) *Amending or Withdrawing Qualification Submissions*
- (i) Proposals cannot be amended once submitted.
 - (ii) At any time prior to the Proposal Submission Deadline, a Proponent may withdraw a submitted Proposal by emailing notice of such withdrawal in the **[Prescribed Form: Notice of Proposal Withdrawal]** to the IESO at LT.RFP@ieso.ca and, provided that such **[Prescribed Form: Notice of Proposal Withdrawal]** is received by the IESO prior to the Proposal Submission Deadline, the entire Proposal described therein shall be deemed to have been withdrawn.
 - (iii) If a Proponent withdraws a Proposal prior to the Proposal Submission Deadline, the IESO will not process such Proposal and will return such Proposal, including the Proposal Fee to the Proponent.
 - (iv) Subject to Section 3.6(a), the IESO will not process more than one Proposal with the identical Proponent name unless it is in relation to separate Long-Term Reliability Projects. If the IESO receives multiple Proposals from the same Proponent and in respect of the same Long-Term Reliability Project and no corresponding **[Prescribed Form: Notice of Proposal Withdrawal]** indicating whether any one of such Proposals has been withdrawn, the IESO will not process either Proposal and will return each Proposal, including the Proposal Fee and Proposal Security, to the Proponent.

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(f) *Irrevocability*

- (i) Proposals shall be irrevocable in the form submitted by the Proponent until 3:00 P.M. (EPT) on the one hundred and twentieth (120th) day after the Proposal Submission Deadline or for such longer period as agreed to from time to time pursuant to the provisions of this Section 3.6(f) (the “**Period of Irrevocability**”).
- (ii) If the IESO wishes to extend the Period of Irrevocability, the IESO shall submit a request prior to the expiry of the Period of Irrevocability to those Proponents whose Proposals are, at the time of the request, still being considered in the evaluation process. A Proponent may, in its discretion, refuse to extend its Period of Irrevocability and, in such case, must notify the IESO of such intent within five (5) Business Days after such request was made.
- (iii) If a Proponent refuses to extend the Period of Irrevocability, the Proponent’s Proposal shall continue to be irrevocable in accordance with its original Period of Irrevocability.
- (iv) If the IESO determines in its Discretion that it will be unable to award contracts prior to the expiration of the applicable Period of Irrevocability, it will, after the expiration of the Period of Irrevocability, cease to consider the Proposal(s) of a Proponent who has refused the IESO’s request to extend its Period of Irrevocability. The IESO will continue to evaluate Proposals of those Proponents who have consented to an extension to their Period of Irrevocability and award contracts, if at all, only to such remaining Proponents.

3.7 **Notification of Selected Proponents and Other Proponents**(a) *Selected Proponents*

- (i) Once Selected Proposals are chosen by the IESO, the IESO will notify the Selected Proponents in writing of the selection, and will notify the other Proponents that were not chosen by the IESO in accordance with Section 3.7(b).
- (ii) The IESO will, prior to the financial market opening in Toronto, Ontario, in accordance with the Schedule, make a public announcement of such selection, noting that such selection is subject to the successful completion and execution of the E-LT1 Contract and related closing documents. The IESO will forward to the Selected Proponent(s) a copy of the E-LT1 Contract and those related closing documents prepared by the IESO for completion and execution by the Selected Proponents, and the date that the E-LT1

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Contract and such closing documents are sent by the IESO to the Selected Proponents is referred to as the “**E-LT1 Contract Receipt Date**”.

- (iii) The Selected Proponents must, within twenty (20) Business Days after the E-LT1 Contract Receipt Date,
 - (A) either:
 - (1) withdraw the Proposal Security and deliver a new Completion and Performance Security to the IESO; or
 - (2) otherwise confirm that the Proposal Security be converted into and held by the IESO as the Completion and Performance Security; and
 - (B) execute and deliver the E-LT1 together with all related closing documents required by the IESO (including certificates of status or equivalent).

For greater certainty, it is the Selected Proponent who must execute and deliver the E-LT1 Contract, and the Selected Proponent may not substitute or propose to substitute another party in its place.

- (iv) Should any Selected Proponent fail to deliver the Completion and Performance Security or fail to execute and deliver the E-LT1 Contract and all related closing documents required by the IESO within the required timeframes in respect of any Selected Proposals, such Selected Proponents will be in breach of this E-LT1 RFP with respect to such Proposals and the IESO may, in its Discretion and without limiting its rights under this E-LT1 RFP, disqualify such Selected Proposals, draw upon the Proposal Security, and/or disqualify any or all other Selected Proposals submitted by the same Selected Proponent.
- (v) Once the required Completion and Performance Security and the executed E-LT1 Contract and all related closing documents have been delivered to the IESO by the Selected Proponents, the IESO will coordinate, in consultation with the applicable Selected Proponents, further public announcements concerning the Long-Term Reliability Project.

(b) *Other Proponents*

- (i) Shortly after Selected Proponents are notified pursuant to Section 3.7(a), the IESO will notify the other Proponents of the fact that successful Proponents have been selected by the IESO as Selected

Proponents and that the E-LT1 RFP process has concluded, that they were not selected by the IESO under this E-LT1 RFP, and that such decision is final and binding.

3.8 Debriefing

- (i) Any Proponent whose Proposal did not become a Selected Proposal may request a debriefing after being notified of their status.
- (ii) The IESO will hold a single debriefing meeting for each Proponent in which they can discuss their rejected Proposal. Requests must be made in writing through LT.RFP@ieso.ca email address and must be made within thirty (30) days of such notification. The intent of the debriefing session is to assist the Proponent in presenting a better proposal in subsequent procurement opportunities.
- (iii) Any debriefing provided is not offered for the purpose of providing an opportunity to challenge this E-LT1 RFP procurement process.

3.9 Confidentiality

- (a) 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). A Proponent is required to clearly identify any portion of any Proposal that contains proprietary or confidential information by marking it as “Proprietary and Confidential”. Only those portions of a Proposal that are marked as “Proprietary and Confidential” will be accorded confidential treatment by the IESO in accordance with this Section 3.9.
- (b) The confidentiality of any such information identified by the Proponent will be maintained by the IESO, except where Laws and Regulations, a request by the Information and Privacy Commissioner, a court, legislative committee or a tribunal requires the IESO to do otherwise. Notwithstanding the foregoing, the IESO shall not be required to maintain the confidentiality of any such information that:
 - (i) is or becomes generally available to the public without fault or breach on the part of the IESO of any duty of confidentiality owed by the IESO to the Proponent or to any third party;
 - (ii) the IESO can demonstrate that it had been rightfully obtained by the IESO, without any obligation of confidence, from a third party that had the right to transfer or disclose it to the IESO free of any obligation of confidence;

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- (iii) the IESO can demonstrate that it had been rightfully known by, or in the possession of, the IESO at the time of disclosure, free of any obligation of confidence when disclosed; or
 - (iv) has been independently developed by the IESO.
- (c) Information contained in Proposals will, as deemed necessary by the IESO, be disclosed on a confidential basis, to the Evaluation Team, the IESO, the Government of Ontario, the Fairness Advisor, the IESO's counsel and other advisors retained in connection with the E-LT1 RFP and in the evaluation of the Proposals.
- (d) All information provided by or obtained from the IESO in any form in connection with this E-LT1 RFP is the sole property of the IESO and must be treated as confidential, and:
- (i) is not to be used for any purpose other than replying to this E-LT1 RFP;
 - (ii) must not be disclosed without the prior written authorization of the IESO; and
 - (iii) shall be returned by the Proponent to the IESO immediately upon the request of the IESO.

3.10 Disclosure of Proponents

Notwithstanding Section 3.9, the IESO may choose to publish or otherwise disclose all or any part of the following information regarding the Proposals subsequent to notifying all successful and unsuccessful Proponents or following the completion of this E-LT1 RFP:

- (a) Proponent Name;
- (b) applicable Long-Term reliability Project and its Monthly Contract Capacity;
- (c) average or individual Proposal Prices or other aggregate pricing information.

The IESO may make such disclosure on an individual basis, or as aggregated with information provided by other Proponents.

SECTION 4 – PROPOSAL EVALUATION

The evaluation of Proposals will be conducted by the IESO in four distinct stages as follows:

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4.1 Stage 1 – Completeness Requirements

In Stage 1, each Proposal will pass or fail depending on whether the Proposal is complete and contains all documents, forms and declarations required by Section 3.6 of this E-LT1 RFP. All submissions must be complete in all respects at the time of submission.

4.2 Stage 2 – Mandatory Requirements

In Stage 2, each Proposal will pass or fail depending on whether, based on the information provided in the completed Prescribed Forms and the Proposal, the Proposal meets the following mandatory requirements:

- (a) the Proponent is a Qualified Applicant or is Controlled by a Qualified Applicant **[or is an Eligible Expansion Counterparty]**;
- (b) the Proposal is for a Long-Term Reliability Project which can be registered as a *registered facility* under the Market Rules and can deliver a continuous amount of Electricity on a dispatchable basis to a connection point on a Distribution System or Transmission System for at least four (4) consecutive hours during the Qualifying Hours;
- (c) the Long-Term Reliability Project has received a Deliverability Test result of either “Deliverable” or “Deliverable but Competing” with respect to a capacity that is not in excess of the Maximum Contract Capacity;
- (d) the Proposal is within the threshold set out in Section 3.6(a);
- (e) if the Long-Term Reliability Project is proposed to be located in whole or in part on Indigenous Lands, the Proposal includes an Indigenous Support Confirmation; and
- (f) there is a Project Website for the Long-Term Reliability Project that incorporates a community engagement plan and a notice of public meeting in accordance with the requirements of Section 2.1(f).

Proposals that do not demonstrate that the Proponent satisfies the mandatory requirements set out in this Section 4.2 will not be evaluated further and will be rejected.

4.3 Stage 3 – Rated Criteria

All Proposals that have passed Stage 1 and Stage 2 shall have their Rated Criteria evaluated by the IESO. The IESO will assign “**Rated Criteria Points**” to such Proposals as set out in this Section. There shall be a maximum of **[sixteen (16)]** possible Rated Criteria Points awarded to any Proposal. The Rated Criteria to be used by the IESO are as follows:

- (a) *Location*

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If the Long-Term Reliability Project is interconnected to a Transmission System or a Distribution System located within the priority zones shown below, it would be awarded applicable Rated Criteria Points for its locational value.

A Long-Term Reliability Project's location shall be determined based on **[the Capacity Auction Zone Table published by the IESO].**

Rated Criteria Points available	Priority Zones
[4]	West of Chatham
[4]	East of FETT, defined as the as the entire Toronto Zone, excluding the transmission system east of Cherrywood TS, but including a portion of the Essa Zone supplied by 230 kV circuits H82V, H83V, B88H, B89H that connect Holland TS, Armitage TS and Brown Hill TS
[2]	East of Cherrywood TS in the Toronto Zone, the East Zone and the Ottawa Zone, as well as the rest of the Essa Zone excluding the portion supplied by 230 kV circuits H82V, H83V, B88H, B89H that connect Holland TS, Armitage TS and Brown Hill TS
[0]	All other locations

(b) *Duration of Service*

[NTD: Manner in which this will be verified under ongoing consideration by IESO.]

Rated Criteria Points available	Duration of Service
[6]	If the Long-Term Reliability Project is able, under normal operating conditions, to generate a sustained amount of Electricity for more than twelve (12) consecutive hours.
[4]	If the Long-Term Reliability Project is able, under normal operating conditions, to generate a sustained amount of Electricity for more than eight (8)

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	consecutive hours but less than or equal to twelve (12) consecutive hours.
[2]	If the Long-Term Reliability Project is able, under normal operating conditions, to generate a sustained amount of Electricity for more than six (6) consecutive hours of energy but less than or equal to eight (8) consecutive hours.
[0]	If the Long-Term Reliability Project is able, under normal operating conditions, to generate a sustained amount of Electricity for less than or equal to six (6) consecutive hours.

(c) *Indigenous Community Participation*

Rated Points available	Criteria	Indigenous Community Participation
[3]		If an Indigenous Community has equal to or more than a 50% Economic Interest in the Proponent.
[2]		If an Indigenous Community has equal to or more than a 25% but less than a 50% Economic Interest in the Proponent.
[1]		If an Indigenous Community has equal to or more than a 10% but less than a 25% Economic Interest in the Proponent.
[0]		All other Proponents.

(d) *Local Governing Body Support Confirmation*

Rated Points available	Criteria	Local Governing Body Support Confirmation
[3]		If the Proposal includes either: (i) a Municipal Support Confirmation if the Long-Term Reliability Project is located in whole or in part in a Municipality; or

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	(ii) an Indigenous Support Confirmation if the Long-Term Reliability Project is located in whole or in part on Indigenous Lands.
[0]	<p>If the Proposal does not include:</p> <p>(i) a Municipal Support Confirmation if the Long-Term Reliability Project is located in whole or in part in a Municipality; or</p> <p>(ii) an Indigenous Support Confirmation if the Long-Term Reliability Project is located in whole or in part on Indigenous Lands.</p>

4.4 **Stage 4 – Proposal Price Ranking by Evaluated Proposal Price**

- (a) All of the Proposals that have passed Stage 2 and have had their Rated Criteria evaluated by the IESO in Stage 3, will have their Proposal Price submission opened.
- (b) All Proposals whose Rated Criteria has been evaluated in Stage 3 shall have their Proposal Price evaluated using the Rated Criteria Points to calculate the “**Evaluated Proposal Price**”, which shall be used to rank the Proposals by the IESO from lowest to highest, in one of the following categories depending on whether the Long-Term Reliability Project is an Electricity Storage Facility:
 - (i) the Storage Category; or
 - (ii) the Non-Storage Category.
- (c) The Evaluated Proposal Price, for both the Storage Category and the Non-Storage Category, shall only be used by the IESO to rank the Proposal. Such Evaluated Proposal Price shall not impact the pricing under the E-LT1 Contract, which shall be based on the Proposal Price.
- (d) *Storage Category*
 - (i) The Evaluated Proposal Price for the Storage Category will be calculated using the following formula:

EPP = SP × (1 - (ECW × (S / MS)))	
where:	

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EPP	is the Evaluated Proposal Price (in \$ per MW per Business Day).
SP	is the Submitted Price which shall be equal to the Proposal Price (in \$ per MW per Business Day), increased by the submitted LSAF (converted from a decimal to a percentage) and decreased by the submitted HSAF (converted from a decimal to a percentage).
ECW	is the evaluation criteria weighting, which set at [0.3] .
S	is equal to the total Rated Criteria Points awarded to the Proposal under Stage 3.
MS	is the maximum possible Rated Criteria Points available under Stage 3, which shall be [16] points.

- (ii) Proposals will be ranked in order of their Evaluated Proposal Price, with the lowest Evaluated Proposal Price receiving the highest priority, the second lowest Evaluated Proposal Price receiving the second highest priority, and so on until all of the Proposals have been ranked according to their Evaluated Proposal Price.
 - (iii) The outcome of this ranking will create a preliminary list for Electricity Storage Facilities (the “**Storage Preliminary List**”).
 - (iv) In the event of an equivalent Evaluated Proposal Price between two or more Proposals, the order shall be determined by a random draw between such Proposals.
 - (v) Subject to Section 5.10(1), Proposals on the Storage Preliminary List shall be processed and added to the “**Storage Offer List**” in order of their ranking until such point where the addition of the next Proposal from the Storage Preliminary List causes the aggregate Maximum Contract Capacity of the Proposals on the Storage Offer List to exceed the Storage Target Capacity at which point such Proposal and remaining Proposals on the Storage Preliminary List shall be rejected. **[NTD: In lieu of a reserve price, IESO is considering other mechanisms to eliminate outlier Proposal Prices.]**
- (e) *Non-Storage Category*
- (i) The Evaluated Proposal Price for the Non-Storage Category will be calculated using the following formula:

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EPP = $SP \times (1 - (ECW \times (S / MS)))$	
where:	
EPP	is the Evaluated Proposal Price (in \$ per MW per Business Day).
SP	is the Submitted Price which shall be equal to the Proposal Price (in \$ per MW per Business Day).
ECW	is the evaluation criteria weighting, which set at [0.3] .
S	is equal to the total Rated Criteria Points awarded to the Proposal under Stage 3.
MS	is the maximum possible Rated Criteria Points available under Stage 3, which shall be [16] points.

- (ii) Proposals will be ranked in order of their Evaluated Proposal Price, with the lowest Evaluated Proposal Price receiving the highest priority, the second lowest Evaluated Proposal Price receiving the second highest priority, and so on until all of the Proposals have been ranked according to their Evaluated Proposal Price.
- (iii) The outcome of this ranking will create a separate preliminary list for Long-Term Reliability Projects other than Electricity Storage Facilities (the “**Non-Storage Preliminary List**”).
- (iv) In the event of an equivalent Evaluated Proposal Price between two or more Proposals, the order shall be determined by a random draw between such Proposals.
- (v) Subject to Section 5.10(1), Proposals on the Non-Storage Preliminary List shall be processed and added to the “**Non-Storage Offer List**” in order of their ranking until such point where the addition of the next Proposal from the Non-Storage Preliminary List causes the aggregate Summer season Contract Capacity of the Proposals on the Non-Storage Offer List to exceed the Non-Storage Target Capacity at which point such Proposal and remaining Proposals on the Non-Storage Preliminary List shall be rejected. **[NTD: In lieu of a reserve price, IESO is considering other mechanisms to eliminate outlier Proposal Prices.]**

4.5 Stage 5 – Deliverability Test Results Assessment

- (i) All of the Proposals that are included in the Offer List will have their Deliverability Test results reviewed by the IESO.

- (ii) If the Deliverability Test result for a Long-Term Reliability Project is “Deliverable”, such Proposal will be processed and added to the “**Final Offer List**”.
- (iii) If the Deliverability Test result for a Long-Term Reliability Project on the Offer List is “Deliverable but Competing”, such Long-Term Reliability Project will be evaluated against other Proposals on the Offer List with a Deliverability Test result of “Deliverable but Competing” (each a “**Competing Proposal**”).
 - (A) If the connection points of the Competing Proposals are the same:
 - (1) the Competing Proposal with the lower Evaluated Proposal Price will be processed and added to the Final Offer List; and
 - (2) the Competing Proposal with the higher Evaluated Proposal Price will be rejected and removed from the Offer List and will be replaced by another Proposal from the same category (i.e., Storage Category or Non-Storage Category, as applicable) which ranks after the last Proposal on the Storage Offer List or Non-Storage Offer List, as applicable, and such upgraded Proposal will undergo the Stage 5 evaluation as set out in this Section 4.5.
 - (B) If both the connection points and the Evaluated Proposal Price of the Competing Proposals are the same:
 - (1) the Competing Proposal with the higher Maximum Contract Capacity will be processed and added to the Final Offer List; and
 - (2) the Competing Proposal with the lower Maximum Contract Capacity Price will be rejected and removed from the Offer List and be replaced by another Proposal from the same category (i.e., Storage Category or Non-Storage Category, as applicable) which ranks after the last Proposal on the Storage Offer List or Non-Storage Offer List, as applicable, and such upgraded Proposal will undergo the Stage 5 evaluation as set out in this Section 4.5.
 - (C) If the connection points, the Evaluated Proposal Price and the Maximum Contract Capacity of the Competing Proposals are the same, a random draw will be utilized to determine which of the Competing Proposals will be rejected and removed from the Offer List and replaced by another

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Proposal from the same category as set out above in Section 4.5(iii)(B)(2).

- (iv) Any Proponent whose Proposal is included on the Final Offer List shall be a “**Selected Proponent**” and shall be required to enter into a E-LT1 Contract as provided in Section 2.2 in respect of the applicable Proposal(s), and to carry out the provisions of the E-LT1 Contract.

SECTION 5– ADDITIONAL TERMS AND CONDITIONS

5.1 General Terms and Conditions

- (a) For the purpose of determining time of receipt of any submission, the clock at the prescribed location for submission shall govern.
- (b) The onus remains solely with the Proponent to deliver submissions as specified in this E-LT1 RFP by the relevant deadline.

5.2 E-LT1 RFP Documents

- (a) The following materials form part of, and are incorporated into, this E-LT1 RFP:
 - (i) the body of this E-LT1 RFP and all Appendices;
 - (ii) any Addenda; and
 - (iii) all Prescribed Forms.
- (b) Any conflict or inconsistency between this E-LT1 RFP, the Appendices, or addenda, if any, shall be resolved by interpreting the documents and information in the following order from highest priority to lowest priority:
 - (i) Addenda; and
 - (ii) the body of this E-LT1 RFP and Appendix A;
 - (iii) Appendices to this E-LT1 RFP;
 - (iv) Prescribed Forms.
- (c) All other information and materials are provided for information purposes only, do not form part of this E-LT1 RFP and are not binding on the IESO.
- (d) In the event of any conflict or inconsistency between the terms of this E-LT1 RFP and the Proposal, this E-LT1 RFP shall govern over the Proposal to the extent of any conflict or inconsistency.

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- (e) Once the E-LT1 Contract is executed, the E-LT1 Contract will govern over this E-LT1 RFP.

5.3 Compliance

If, in the Discretion of the IESO, a Proposal does not comply with the requirements set out in this E-LT1 RFP, the IESO may, without liability, cost or penalty, disqualify the Proposal and the Proposal shall not be given any further consideration. For purposes of this E-LT1 RFP, “comply” mean that the Proposal conforms to the requirements of this E-LT1 RFP without Material Deviation.

For the purpose of clarity, each Proponent acknowledges and agrees that the IESO’s evaluation of compliance with this E-LT1 RFP is not an evaluation of absolute compliance and that the IESO may waive failures to comply that, in the IESO’s Discretion, do not constitute a Material Deviation.

5.4 Return of Proposal Security

- (a) For each Proponent whose Proposal does not pass Stage 1 or Stage 2, the applicable Proposal Security will be returned to the address provided on the Proposal Submission Label within ten (10) Business Days of the Proponent being notified that their Proposal did not pass Stage 1 or Stage 2.
- (b) For each Proponent whose Proposal is not selected in Stage 4, the applicable Proposal Security will be returned within ten (10) Business Days of the earlier of:
 - (i) IESO’s notice pursuant to Section 3.7(b) that the E-LT1 RFP process has concluded and that they were not selected by the IESO under this E-LT1 RFP; and
 - (ii) the date that IESO receives confirmation of the rescission of any Connection Impact Assessment that has been obtained or submitted by or on behalf of the Proponent.
- (c) For the Selected Proposal(s), unless the Proponent has confirmed to the IESO that it elects to transition the delivered Proposal Security into Completion and Performance Security and have the IESO retain the Proposal Security as Completion and Performance Security for purposed of the E-LT1 Contract) the applicable Proposal Security will be returned upon delivery of the Completion and Performance Security and the executed E-LT1 Contract.

5.5 Participation Costs

- (a) Each Proponent will bear all costs and expenses in connection with its participation in this E-LT1 RFP, including any costs incurred in the review

of this E-LT1 RFP and any expert advice required in responding to this E-LT1 RFP.

- (b) The IESO and its advisors shall not be liable to pay any Proponents costs under any circumstances. In particular, the IESO will not reimburse the Proponents in any manner whatsoever in the event of rejection or disqualification of any or all Proposals or in the event of the cancellation of this E-LT1 RFP for any reason.
- (c) Subject to Section 5.6, by submitting any submission in response to this E-LT1 RFP, the Proponent irrevocably and unconditionally waives any claims against the IESO and its advisors relating to the Proponent's costs and expenses.

5.6 Material Breach of this E-LT1 RFP

Each Proponent agrees that, if the IESO commits a material breach of this E-LT1 RFP, the IESO's liability to the Proponent, and the aggregate amount of damages recoverable against the IESO 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 IESO, shall be no greater than the submission preparation costs that the Proponent seeking damages from the IESO can demonstrate and shall in any event not include any lost profits or indirect, punitive or consequential damages.

5.7 Verification

All statements, information and documentation submitted as part of any Proposal are subject to verification and enforcement in accordance with the terms of this E-LT1 RFP. If such statements, information or documentation are determined by the IESO to be incorrect or misleading, the IESO reserves the right to re-evaluate the Proposal and the Proponent's status, including its compliance with Section 4 of this E-LT1 RFP.

5.8 Other Procurement Processes

- (a) Participation in this E-LT1 RFP shall not preclude participation in any other present or future IESO procurements (provided that all requirements and criteria set out under each such procurement are satisfied).
- (b) This E-LT1 RFP is not in any way intended to preclude, restrict or otherwise discourage any Proponent from proceeding with the development of facilities or resources outside the scope of the IESO's procurement processes.

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5.9 Governing Law

This E-LT1 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. Each Proponent submits to the exclusive jurisdiction of the courts of the Province of Ontario situated in Toronto.

5.10 Reserved Rights

Notwithstanding any other provision of this E-LT1 RFP, the IESO reserves the right to:

- (a) request written clarification or the submission of supplementary written information from any Proponent and incorporate the response to that request for clarification into the that party's submission;
- (b) meet with some or all Proponents to discuss aspects of their submissions;
- (c) verify with any Proponent, or with a third party, any information set out in a submission;
- (d) contact any party providing financing, including obtaining information on such party whether directly from the party or a third party;
- (e) disqualify any Proponent whose submission contains misrepresentations or any other inaccurate or misleading information;
- (f) waive any informality or irregularity at the IESO's Discretion;
- (g) disqualify any Proponent or the submission of any such party who has engaged in conduct prohibited by this E-LT1 RFP;
- (h) make changes, including substantial changes, to this E-LT1 RFP in the manner set out in this E-LT1 RFP;
- (i) cancel this E-LT1 RFP process at any stage;
- (j) cancel this E-LT1 RFP process at any stage and issue a new process for the same or similar deliverables;
- (k) reject any or all Proposals at the IESO's Discretion;
- (l) accept Proposals in excess of the Total Target Capacity, Storage Target Capacity or Non-Storage Target Capacity, as applicable; or
- (m) if only one Proposal is received, elect to accept or reject it,

and these reserved rights are in addition to any other express rights or any other rights which may be implied in the circumstances, and the IESO shall not be liable for any

expenses, costs, losses or any direct or indirect damages incurred or suffered by any Proponent, or any third party resulting from the IESO exercising any of its express or implied rights under this E-LT1 RFP.

By submitting a Proposal, the Proponents authorizes the collection by the IESO of the information set out under Sections 5.10(c), 5.10(d), and 5.10(e) above.

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APPENDIX A – GLOSSARY OF TERMS

Addenda			means the documents expressly identified as addenda and issued by the IESO to Proponents in accordance with this E-LT1 RFP and “ Addendum ” means any one of such documents.
Appendix or Appendices			means the Appendix or Appendices that form part of this E-LT1 RFP.
Blanket Indigenous Support Resolution			means a band council resolution (or equivalent) from the Indigenous Community with authority over the applicable Indigenous Lands which indicates that the Indigenous Community supports the development, construction and operation of multiple Long-Term Reliability Projects utilizing the same technology as the Long-Term Reliability Project, which support may be solely for purposes of the requirements of this E-LT1 RFP.
Blanket Municipal Support Resolution			means a resolution or other instrument signed by or on behalf of the Local Municipality in which the Long-Term Reliability Project is proposed to be located that expresses the support of the Local Municipality for the development, construction and operation of multiple Long-Term Reliability Projects utilizing the same technology as the Long-Term Reliability Project, which support may be for purposes of the requirements of this E-LT1 RFP or the requirements of the E-LT1 Contract or other procurement initiatives of the IESO and subject to all Laws and Regulations.
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.
Commitment Period			has the meaning given to that term in Section 1.2.
Competing Proposal			has the meaning given to that term in Section 4.5(iii).
Completion and Performance Security			has the meaning given to it in the E-LT1 Contract.
Conflict of Interest			means, without limitation, any situation or circumstance where, in relation to this E-LT1 RFP process, the Proponent obtains an unfair advantage or engages in conduct, directly

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or indirectly, that may allow it to obtain an unfair advantage, including:

- (i) having or having access to information in the preparation of its Proposal that is confidential to the IESO or the Government of Ontario and that is not available to other Proponents;
- (ii) communicating with any official or representative of the IESO or the Government of Ontario or members of the Evaluation Team with a view to influencing preferred treatment in this E-LT1 RFP process; or
- (iii) engaging in conduct (including breach of Non-Collusion Requirements) that compromises or could be seen to compromise the integrity of the open and fair E-LT1 RFP process and tend to render that process non-competitive and unfair.

Connection Impact Assessment	means an assessment conducted by an LDC to determine the impact on the Distribution System of connecting the Long-Term Reliability Project to its Distribution System pursuant to the Distribution System Code.
Connection Line	means the electrical connection line running to the Connection Point from the Project Site.
Contract Capacity	has the meaning given to it in the E-LT1 Contract.
Control	means, with respect to any Person at any time: <ul style="list-style-type: none"> (a) holding, whether directly or indirectly, as owner or other beneficiary, (other than solely as the beneficiary of an unrealized security interest) securities or ownership interests of that Person carrying votes or ownership interests sufficient to elect or appoint 50% or more of individuals who are responsible for the supervision or management of that Person; or (b) 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,

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	and “ Controls ” or “ Controlled ” has a corresponding meaning.
Control Group Member	means in respect of any entity (the “ Reference Entity ”) an entity that: (a) Controls the Reference Entity, or (b) is Controlled by the Reference Entity, or (c) is Controlled by the same entity that Controls the Reference Entity.
Deliverability Test	has the meaning given to that term in Section 2.1(e)(i).
Designated Team Member	means an individual who is either a director, officer or an employee of the RFQ Applicant or a Control Group Member of the RFQ Applicant who are members of the RFQ Applicant Team.
Distribution System	means a system connected to the <i>IESO-controlled grid</i> for distributing Electricity at voltages of 50 kilovolts or less, and includes any structures, equipment or other things used for that purpose, provided that a Distribution System shall be deemed not to include any equipment controlled by the IESO pursuant to the Distribution System Code.
Distribution System Code	means the “Distribution System Code” established and approved by the OEB, which, among other things, establishes the obligations of a local distribution company with respect to the services and terms of service to be offered to customers and retailers and provides minimum technical operating standards for Distribution Systems.
Discretion	means the sole and absolute discretion of the IESO.
Dollars	means Canadian dollars and cents.
Economic Interest	has the meaning given to it in the E-LT1 Contract.
Electricity	means electric energy.
Electricity Storage Facility(ies)	has the meaning given to it in the E-LT1 Contract.
Eligible Expansion	means [●]. <i>[NTD: The IESO is considering allowing certain types of expansions to be eligible to participate in the E-LT1 RFP.]</i>
Entity Development Experience Threshold	has the meaning given to it in the LT1 RFQ.

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EPT	means Eastern Prevailing Time.
E-LT1 RFP	has the meaning given to that term in Section 1.2.
E-LT1 Contract	has the meaning given to that term in Section 1.2.
Evaluation Team	means, collectively, the IESO's personnel and advisors (legal or otherwise) who are involved in evaluating Qualification Submissions.
Excluded Purposes	has the meaning given to that term in Section 3.4(c).
Fairness Advisor	means the Person who is retained by the IESO to provide (i) independent assurance to RFQ Applicants 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.
Final Offer List	has the meaning given to that term in Section 4.5.
Fixed Capacity Payment	has the meaning given to that term in Section 2.2(d)(i).
Global Adjustment or GA	means that adjustment made by the IESO pursuant to section 25.33 of the <i>Electricity Act</i> , or its successor.
Good Engineering and Operating Practices	has the meaning given to that term in E-LT1 Contract.
Governmental Authority	means the Crown, any federal, provincial, or municipal government, parliament or legislature, or any regulatory authority, agency, tribunal, commission, board or department of any such government, parliament or legislature, or any court or other law, regulation or rule-making entity, having jurisdiction in the relevant circumstances, including the IESO, the OEB, the Electrical Safety Authority, and any Person acting under the authority of any Governmental Authority.
High-Spread Adjustment Factor or HSAF	means the portion of the FCP that will be used for the purposes of calculation of Market Price Spread Adjustment Factor pursuant to Exhibit M of the E-LT1 Contract, to account for the high spread market conditions for an Electricity Storage Facility and shall not exceed [0.2] .
Host Facility	means a facility that the applicable generating or storage facility is connected to and which is either (i) directly

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connected to a regulated Electricity distribution system or (ii) connected to a regulated electricity transmission system directly or through one or more other facilities (which other facility is not, for greater certainty, a regulated electricity distribution system or a regulated load-serving entity).

IESO

means the Independent Electricity System Operator.

Indigenous Community

means, for the purposes of this E-LT1 RFP,

(a) a First Nation in Ontario that is a “band” as defined in the *Indian Act*, RSC 1985, c I-5;

(b) a Person, other than a Natural Person, that has been determined by the Government of Ontario (for purposes of this E-LT1 RFP or otherwise) to represent the collective interests of a community that is composed of indigenous Natural Persons in Ontario; or

(c) a Métis Community.

Indigenous Lands

means:

(a) “reserve land” as set out in the *Indian Act*, RSC 1985, c I-5;

(b) “designated lands” as set out in the *Indian Act*, RSC 1985, c I-5;

(c) “special reserves” as set out in s. 36 of the *Indian Act*, RSC 1985, c I-5;

(d) fee simple lands that are held in trust for the benefit of a First Nation in Ontario that is a “band” as defined in the *Indian Act*, RSC 1985, c I-5, provided that those lands are the subject of an application by such First Nation to have Canada set the lands apart as reserve lands pursuant to Canada’s “Additions to Reserve Policy”;

(e) Crown lands or other lands that Canada has agreed to recommend be set apart as reserve for a First Nation in Ontario that is a “band” as defined in the *Indian Act*, RSC 1985, c I-5 in settlement of such First Nation’s land claim; or

(f) lands acquired and held by a First Nation in Ontario that is a “band” as defined in the *Indian Act*, RSC 1985, c I-5 in

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the exercise of its powers under paragraph 18(2)(a) of the *First Nations Land Management Act*, SC 1999, c 24, provided that such lands are the subject of an application by such First Nation to have Canada set the lands apart as reserve pursuant to Canada’s “Additions to Reserve Policy”.

Indigenous Support Confirmation

means any of an Indigenous Support Resolution, an Indigenous Support Confirmation Letter, or a Blanket Indigenous Support Resolution.

Indigenous Support Confirmation Letter

means a letter or an instrument addressed to the IESO by one or more individuals authorized by an executed band council resolution of such Indigenous Community which:

(A) identifies:

(i) the Proponent;

(ii) the name, technology and Maximum Contract Capacity of the Long-Term Reliability Project; and

(iii) the Indigenous Lands; and

(B) states that the Indigenous Community supports the development, construction and operation of the Long-Term Reliability Project on the Indigenous Lands. The statement in such letter or instrument may be qualified as being solely for purposes of the requirements of this E-LT1 RFP.

Indigenous Support Resolution

means a band council resolution (or equivalent) from the Indigenous Community with authority over the applicable Indigenous Lands in accordance with Exhibit A of the Prescribed Form: Evidence of Indigenous Support which indicates that the Indigenous Community supports the development, construction and operation of the Long-Term Reliability Project, which support may be solely for purposes of the requirements of this E-LT1 RFP.

IPPI

has the meaning given to that term in E-LT1 Contract.

Large-Scale Entity Development Experience

has the meaning given to that term in the LT1 RFQ.

Large-Scale Entity Development Experience Threshold

has the meaning given to that term in the LT1 RFQ.

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Large-Scale Team Member Experience	has the meaning given to that term in the LT1 RFQ.
Large-Scale LT1 Project	means a Long-Term Reliability Project with a nameplate capacity which is equal to or above five (5) MW, subject to a maximum of six hundred (600) MW.
Laws and Regulations	means: <ul style="list-style-type: none"> (a) applicable Canadian federal, provincial or municipal laws, orders-in-council, by-laws, codes, rules, policies, regulations and statutes; (b) applicable orders, decisions, codes, judgments, injunctions, decrees, awards and writs of any court, tribunal, arbitrator, Governmental Authority or other Person having jurisdiction; (c) applicable rulings and conditions of any licence, permit, certificate, registration, authorization, consent and approval issued by a Governmental Authority; (d) any requirements under or prescribed by applicable common law; and (e) the Market Rules, as well as any manuals or interpretation bulletins issued by the IESO from time to time that are binding on the RFQ Applicant.
LDC	means the owner or operator of a Distribution System who is licensed by the OEB as an “electricity distributor”.
Local Municipality	means any corporation that is a “local municipality” as defined in and for the purposes of the <i>Municipal Act, 2001</i> , SO 2001, c 25 or the <i>City of Toronto Act, 2006</i> , SO 2006, c 11, Sched A.
Long-Term Reliability Project	has the meaning given to that term in Section 2.1(d)(i).
Low-Spread Adjustment Factor or LSAF	means the portion of the FCP that will be used for the purposes of calculation of Market Price Spread Adjustment Factor pursuant to Exhibit M of the E-LT1 Contract, to account for the low spread market conditions for an Electricity Storage Facility and shall not exceed [0.2] .
LT1 RFP	has the meaning given to that term in Section 1.2.

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LT1 RFQ	has the meaning given to that term in Section 1.2.
Market Rules	means the rules made under section 32 of the <i>Electricity Act, 1998</i> (Ontario), as amended from time to time.
Material Deviation	<p>means a deviation from the Qualified Applicant’s or Proponent’s obligations contained in this E-LT1 RFP that, in the Discretion of the IESO</p> <p>(i) affects such party’s or the IESO’s obligations or rights in any material way;</p> <p>(ii) affects the obligations or rights of other Proponents or Qualified Applicants under this E-LT1 RFP; or</p> <p>(iii) results in a failure to satisfy a material component of any requirement set out in this E-LT1 RFP.</p>
Maximum Contract Capacity	has the meaning given to it in the E-LT1 Contract.
Métis Community	<p>means, for the purposes of this E-LT1 RFP:</p> <p>(a) the Métis Nation of Ontario or any of its active Chartered Community Councils; or</p> <p>(b) a Person, other than a Natural Person, that has been determined by the Government of Ontario (for purposes of this E-LT1 RFP or otherwise) to represent the collective interests of a community that is composed of Métis Natural Persons in Ontario.</p>
Municipal Lands	means the portion of the Project Site that is located on lands subject to the authority of one or more Municipalities.
Municipality	means any corporation that is a “local municipality” or an “upper-tier municipality” as defined in and for the purposes of the <i>Municipal Act, 2001</i> , SO 2001, c 25 or the <i>City of Toronto Act, 2006</i> , SO 2006, c 11, Sched A.
Municipal Support Confirmation	means any of a Municipal Support Resolution, a Municipal Support Confirmation Letter, or a Blanket Municipal Support Resolution.
Municipal Support Confirmation Letter	means a letter or an instrument addressed to the IESO by the chief administrative officer of a Local Municipality with authority over the Municipal Lands or another individual

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authorized by an executed resolution of the council of such Local Municipality which:

(A) identifies:

(i) the Proponent;

(ii) the name, technology and Maximum Contract Capacity of the Long-Term Reliability Project; and

(iii) the Municipal Lands; and

(B) states that the Local Municipality supports the construction and operation of the Long-Term Reliability Project on the Municipal Lands. The statement in such letter or instrument may be qualified as being solely for the purposes of enabling the Proponent to receive Rated Criteria points under the E-LT1 RFP or to satisfy its obligations under any awarded E-LT1 Contract.

Municipal Support Resolution

means a resolution or other instrument signed by or on behalf of the Local Municipality in which the Long-Term Reliability Project is proposed to be located substantially in accordance with Exhibit A of the Prescribed Form: Municipal Support Resolution which indicates that the council of such Local Municipality supports the development, construction and operation of the Long-Term Reliability Project, which support may be solely for purposes of the requirements of this E-LT1 RFP or the requirements of the E-LT1 Contract and subject to all Laws and Regulations.

MW

means megawatt.

New Build

means construction of a new generating or storage facility that is not an Upgrade or Redevelopment of an existing generating or storage facility.

Non-Collusion Requirements

means requirements that a Proponent under the E-LT1 RFP:

- (a) not coordinate its Proposal with any other Proponent;
- (b) keep and will continue to keep its Proposal confidential until the conclusion of the E-LT1 RFP and selection of the Selected Proposal(s), if any;

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- (c) ensure that no member of the Proponent has entered into any agreement or arrangement with any member of another Proponent which may affect the Proposal submitted by the Proponent or the other Proponent; and
- (d) not engage in any activity or communication that results in a Conflict of Interest, collusion or a violation of any of the civil or criminal provisions of the *Competition Act* (Canada).

Non-Storage Category	means the group of Proposals that are each in respect of a Facility that is not an Electricity Storage Facility.
Non-Storage Offer List	has the meaning given to that term in Section 4.4(e)(v).
Non-Storage Preliminary List	has the meaning given to that term in Section 4.4(e)(iii).
Non-Storage Target Capacity	has the meaning given to that term in Section 1.2(d).
OEB	means the Ontario Energy Board.
Offer List	means the Storage Offer List and the Non-Storage Offer List.
Period of Irrevocability	has the meaning given to that term in Section 3.6(f)(i).
Permitted Purposes	has the meaning given to that term in Section 3.4.
Person	means a natural person, firm, trust, partnership, limited partnership, company or corporation (with or without share capital), sole proprietorship, Governmental Authority or other entity of any kind.
Prescribed Form	means, in relation to a form, the latest version available on the Website of the corresponding form attached to this E-LT1 RFP, as may be amended or replaced by the IESO from time to time and without notice to the Proponent.
Project Site	means all Properties on which the Long-Term Reliability Project site (excluding any Connection Line) is located.
Project Website	means a public website specific to a Long-Term Reliability Project that provides the public with information regarding such Long-Term Reliability Project and community engagement initiatives in respect thereof.

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Property	means a parcel or lot of real property as identified by a Property Identification Number or, in the absence thereof, by another legal description by lot and/or parcel number or similar legal description or by other appropriate description using metes and bounds or GPS coordinates. In the case of provincial Crown lands, Property means a Grid Cell, or a Waterpower Site Number (as applicable) or in the absence thereof, GPS co-ordinates of the Property, as applicable.
Property Identification Number or PIN	means the property identifier assigned to a property in accordance with the <i>Registry Act</i> , RSO 1990, c R.20, s 21(2) or in accordance with the <i>Land Titles Act</i> , RSO 1990, c L.5, s 141(2).
Proponent	means the Qualified Applicant that has submitted a Proposal.
Proposal	has the meaning given to that term in Section 3.6(b).
Proposal Fee	has the meaning given to that term in Section 3.6(c)(i).
Proposal Price	has the meaning given to that term in Section 3.6(c)(i).
Proposal Security	means one or more irrevocable and unconditional standby letters 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 Morningstar, or (iv) A- with Fitch IBCA, in substantially the form attached as Appendix D of the E-LT1 RFP or in a form acceptable to the IESO, acting reasonably.
Proposal Submission Deadline	means the Proposal Submission Deadline date as set out in the Schedule.
Proposal Submission Label	has the meaning given to that term in Section 3.6(d)(v).
Qualification Submission	means a submission made pursuant to the LT1 RFQ.
Qualified Applicant	means an RFQ Applicant whose Qualification Submission has been selected and accepted by the IESO, in accordance with the LT1 RFQ.
Qualifying Hours	has the meaning given to that term in Section 2.2(c).

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Question and Comment Deadline	means the Question and Comment Deadline date as set out in the Schedule.
Redevelopment	Means the modification of an existing Electricity resource which in the reasonable judgement of the IESO satisfies the following criteria: (a) absent redevelopment the existing Electricity resource must be near to the end of its useful life; (b) the physical infrastructure constituting the existing Electricity resource is being substantially replaced; and (c) following redevelopment the expected life of the redeveloped Electricity resource would be comparable with that of a New Build.
RFQ Applicant	means a Person or group of Persons that submits a Qualification Submission in response to the LT1 RFQ.
RFQ Applicant Team	means, collectively, an RFQ Applicant, its Designated Team Members and all entities and persons (including any Control Group Member named in the Qualification Submission) involved in the preparation of the RFQ Applicant's Qualification Submission under the LT1 RFQ and/or required by the RFQ Applicant to successfully submit its Qualification Submission for the LT1 RFQ.
Selected Proponent	has the meaning given to that term in Section 4.5(iv).
Selected Proposal	means any Proposal which included on the Offer List.
Small-Scale Entity Development Experience	has the meaning given to that term in the LT1 RFQ.
Small-Scale Entity Development Experience Threshold	has the meaning given to that term in the LT1 RFQ.
Small-Scale Team Member Experience	has the meaning given to that term in the LT1 RFQ.
Small-Scale LT1 Project	means a Long-Term Reliability Project with a nameplate capacity which is equal to or above one (1) MW but less than five (5) MW.
Storage Category	means the group of Proposals that are each in respect of an Electricity Storage Facility.
Storage Offer List	has the meaning given to that term in Section 4.4(d)(v).

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Storage Preliminary List	has the meaning given to that term in Section 4.4(d)(iii).
Storage Target Capacity	has the meaning given to that term in Section 1.2(d).
Summer	means the season commencing on May 1 and ending on October 31 for any given calendar year.
Team Member Mandatory Requirements	has the meaning given to it in the LT1 RFQ.
Total Target Capacity	has the meaning given to that term in Section 1.2.
Transmission System	means a system for conveying Electricity at voltages of more than 50 kilovolts and includes any structures, equipment or other things used for that purpose.
Transmission System Code	means the “Transmission System Code” approved by the OEB and in effect from time to time, which, among other things, sets the standards for a Transmitter’s existing Transmission System and for expanding the Transmitter’s transmission facilities in order to connect new customers to it or accommodate increase in capacity or load of existing customers.
Transmitter	means a Person licensed as a “transmitter” by the OEB in connection with a Transmission System.
Unique Project ID	means the unique project reference number assigned to a Long-term Reliability Project by the IESO pursuant to the Deliverability Test.
Upgrade	means the refurbishment or replacement of equipment or technology in respect of an Electricity resource that is the subject of an existing contract with the IESO or Ontario Electricity Financial Corporation which provides better or improved performance, but which does not constitute an Expansion.
Website	means that section of the IESO’s website referenced as “Long-Term RFP” that is dedicated to the LT1 RFQ and E-LT1 RFP process and is at https://www.ieso.ca/en/Sector-Participants/Resource-Acquisition-and-Contracts/Long-Term-RFP-and-Expedited-Process
Winter	means the season commencing on November 1 of a calendar year and ending on April 30 of the subsequent calendar year.

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APPENDIX B – E-LT1 CONTRACT

The E-LT1 Contract available on the Website is incorporated in this Appendix B by reference.

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APPENDIX C – PROPOSAL SUBMISSION LABEL

RFP No.: EP-LT1 RFP

Full Legal Name and Address of the Proponent

NAME:

LONG TERM RELIABILITY PROJECT'S NAME:

ADDRESS:

CONTACT:

PHONE NO.:

FAX NO.:

E-MAIL:

**Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1
Attention: EP-LT1 RFP**

The Postal Code is to aid in identifying the building only. The onus remains solely with interested parties to instruct courier/ delivery personnel to deliver the Proposal documents to the exact floor location specified above by the Proposal Submission Deadline. Proponents assume sole responsibility for late deliveries if these instructions are not strictly adhered to.

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**APPENDIX D – FORM OF IRREVOCABLE AND UNCONDITIONAL STANDBY
LETTER OF CREDIT**

DATE OF ISSUE: [●]

APPLICANT: [●]

BENEFICIARY: Independent Electricity System Operator and its permitted assigns
(the “**Beneficiary**”)

120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

AMOUNT: [●]

EXPIRY DATE: [●]

EXPIRY PLACE: Counters of the issuing financial institution in Toronto, Ontario

CREDIT RATING: **[Insert credit rating only if the issuer is not a financial institution listed in either Schedule I or II of the *Bank Act*]**

TYPE: Irrevocable and Unconditional Standby Letter of Credit Number:
[●] (the “**Credit**”)

(Note: Replace all bold terms and [●] symbols as appropriate.)

The Credit is issued in connection with the Beneficiary’s Request for Proposals dated ●, 2022, as amended, to solicit capacity services from new-build facilities in Ontario (the “**E-LT1 RFP**”) and the Proposal dated [●] submitted by the Applicant in response thereto (the “**Proposal**”).

Additionally, if the Proposal is selected under the E-LT1 RFP, the Credit may serve as the “**Completion and Performance Security**” (as such term is defined in the E-LT1 RFP) in respect of the “E-LT1 I Contract” (as such term is defined in the E-LT1 I RFP) as amended from time to time, between the Beneficiary and the “Supplier”, as such term is defined under the E-LT1 Contract.

We hereby authorize the Beneficiary to draw on [**Issuing Bank Name/Address**], in respect of the Credit, for the account of the Applicant, up to an aggregate amount of \$● (● Canadian Dollars) available by the Beneficiary’s draft at sight accompanied by the Beneficiary’s signed certificate contained either of the following statements:

- (i) “The Proponent, whose Proposal has been selected and accepted by the Beneficiary, [**has made a material misrepresentation in the Proposal**] or [**has failed, within (20) Business Days of the date on which the Proponent was given the E-LT1 Contract to sign, to execute and deliver the E-LT1 Contract or to deliver a new Completion and**

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Performance Security to the Beneficiary or otherwise confirm that the Proposal Security be converted into and held by the Beneficiary as the Completion and Performance Security] and therefore the Beneficiary is entitled to draw upon the Credit in the amount of the draft attached hereto.” ;

or

- (ii) “The Supplier is in breach of, or default under, the E-LT1 Contract, and therefore the Beneficiary is entitled to draw upon the Credit in the amount of the draft attached hereto.”

Drafts drawn hereunder must bear the clause “Drawn under irrevocable and unconditional Standby Letter of Credit No. [●] issued by **[Issuing Bank Name]** dated **[Issue Date]**.”

Partial drawings are permitted.

This Letter of Credit will automatically extend for additional, successive terms of one year each (each an “**Additional Term**”), unless the undersigned provides the Beneficiary with written notice, at least 60 days prior to the expiration date of the then current term, that it does not wish to extend this Letter of Credit for an Additional Term.

We engage with you that all drafts drawn under and in compliance with the terms of the Credit will be duly honoured, if presented at the counters of **[Issuing Bank Name/Address]** at or before **[Expiry Time]** (EST) on or before **[Expiry Date]**, as extended.

The Credit is subject to the International Standby Practices ISP 98, International Chamber of Commerce Publication No. 590, and as to matters not addressed by ISP 98, shall be governed by the laws of the Province of Ontario and applicable Canadian federal law, and the parties hereby irrevocably agree to attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

This Credit is transferable at the written request of the Beneficiary, without the consent of the Applicant, but subject to consent of the issuing financial institution, acting reasonably. All fees incurred by the issuing financial institution in relation to such transfer shall be at the Applicant's expense, but failure of the Applicant to pay such fees shall not restrict the ability of the Beneficiary to transfer the Credit.

In the event of a transfer of this Credit as provided for above, the above name of the Beneficiary will be amended to another entity by way of an amendment hereto, without the consent of the Applicant, and upon receipt by **[Issuing Bank Name]** of the Beneficiary's dated and signed letter addressed to **[Issuing Bank Name]** and completed as follows:

“We, the undersigned Beneficiary to **[Issuing Bank Name]** Letter of Credit No. [●], hereby waive all our rights under the Letter of Credit and request that the current name and address of the Beneficiary thereunder be amended to read **[insert name and address of new Beneficiary]**. We have enclosed the original Letter of Credit and all amendments (if any) thereto. Please forward the original Letter of Credit and all amendments (if any), including the current amendment to the **[new Beneficiary]**, care of the Applicant.”

[Issuing Bank Name]

By: _____

By: _____

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