

ADDENDUM NO. 1
dated September 13, 2017, to the
REQUEST FOR PROPOSALS
FOR INCREMENTAL REGULATION CAPACITY

In accordance with Section 2.11 of the RFP, this Addendum No. 1 contains amendments to the RFP posted on the Website.

This Addendum No. 1 contains the “clean” version of the amended Regulation. A “blackline” copy is also provided on the Website for the ease of reference of interested parties.

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**REQUEST FOR PROPOSALS
FOR INCREMENTAL REGULATION CAPACITY**

**Final Issued: June 29, 2017
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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 – ensuring there is enough power to meet the province’s electricity needs in real-time, maintaining power system reliability, while also planning and securing energy for the future. The IESO is a not-for-profit entity established by the *Electricity Act, 1998* (Ontario) and is governed by an independent board of directors whose chair and directors are appointed by the Government of Ontario. Its fees and licenses to operate are set by the OEB and it operates independently of all other participants in the electricity market.
- (b) Credit ratings for the IESO have been issued by Moody’s and DBRS and additional information about the IESO can be obtained from the IESO’s website at www.ieso.ca.

1.2 Purpose

- (a) The Market Rules require the reliable operation of Ontario’s power system. The IESO helps ensure reliability by contracting for Ancillary Services that are not offered in the real-time markets, such as Black Start Capability, Voltage Control Service, Reactive Support Service, and Regulation. Regulation acts to balance total system generation with total system load (plus transmission losses) on a minute-by-minute or second-by-second basis, and acts to help correct variations in power system frequency. This service corrects for short-term changes in electricity use that might affect the stability of the power system.
- (b) The IESO must meet the Reliability Standards for the operation of electrical power systems set by NERC and NPCC. The minimum requirements under the Market Rules are ± 100 MW of Regulation capacity for each hour of the day. In addition, to compensate for potential outages at facilities providing Regulation service, the IESO contracts for amounts of Regulation capacity and Ramp Rates in excess of those amounts established by the Reliability Standards. The IESO is responsible for determining the quantity of Regulation capacity needed in Ontario for all operating timeframes and, through its work to maintain and improve the operability of the power system and informed by the 2016 Operability Assessment, it has determined a need for an additional 50 MW of scheduled Regulation service, which is incremental to the 100 MW of Regulation the IESO currently schedules on average per hour per day.
- (c) Like many jurisdictions across North America, the IESO continually faces new challenges that are driving the need to expand the Regulation market in Ontario, including:
 - (i) the inherent uncertainty of forecasting variable forms of generation due to the unpredictability of their fuel source (i.e., sunlight and wind);

- (ii) the autonomous behaviour of embedded distributed energy resources, such as controllable loads, embedded generation and storage that are not subject to IESO dispatch instructions; and
 - (iii) the increasingly non-linear behaviour of demand patterns between 5-minute dispatch intervals.
- (d) The IESO is seeking to expand the breadth of its Regulation market and expand its capability to schedule Regulation. This will be achieved by increasing the amount of scheduled Regulation capacity from 100 MW to a range between 150 to 200 MW for each hour, and developing sufficient market breadth to allow it to schedule between 250 to 300 MW of Regulation capacity on an as-needed basis by 2020. This RFP is a crucial step towards reaching these targets by seeking to secure approximately 50 MW of scheduled Regulation capacity over and above the 100 MW the IESO typically schedules every hour. The IESO has authority under the Market Rules to employ competitive processes to acquire Regulation at competitively determined prices. Through this RFP, the IESO is seeking to procure a sufficient quantity of Incremental Regulation Capacity from all manner of Facilities, either currently existing and registered in the IESO-Administered Markets, or that will be registered in the IESO-Administered Markets.

1.3 Background of RFP

(a) Current Scheduling of Regulation

- (i) The IESO forecasts its hourly Regulation requirements for the following day. The IESO will generally select Regulation providers, day-ahead, in accordance with:
 - (A) hourly forecast of the Regulation requirements (both capacity (MW) and responsiveness (Ramp Rate));
 - (B) demonstrated performance of facilities providing Regulation in following control signals sent from the IESO at the rate of at least one signal every two seconds; and
 - (C) hourly prices for delivery of Regulation service stipulated in the contract between an Ancillary Service Provider and the IESO.
- (ii) The IESO may call on any facility with which it has a Contract to provide Regulation service at any time, subject to any limitations described in such Contract.
- (iii) There is no guarantee that an Ancillary Service Provider will be called upon to provide any minimum amount of Regulation service over the term of a Contract. Determinations as to which Ancillary Service Providers will be called upon to provide Regulation service for a dispatch day is made day-ahead, based on an economic analysis of submitted costs and quantities conducted by the IESO.

- (iv) If insufficient Regulation capacity was scheduled day-ahead, or scheduled Ancillary Service Providers are unable to meet their schedule, the IESO may call on or activate additional capacity as required on the dispatch day.

(b) Use of New Technologies for Providing Regulation Service

- (i) Generation facilities with Automatic Generation Control (“AGC”) capability are currently the primary providers of Regulation in Ontario. AGC capability permits a facility to vary its output automatically, within a specified range, in response to control signals received from the System Operator’s AGC controller. For purposes of this RFP, the term AGC is too narrow and instead the broader term “Regulation” as defined in the Market Rules will be used in all instances.
- (ii) The IESO took a first step in 2012 towards increasing the participation of alternative technologies, such as aggregated loads, flywheels and battery storage, in the electricity market by selecting new suppliers of Regulation (which was traditionally provided by hydroelectric generators). This project was known as the Alternative Technologies for Regulation.
- (iii) More recently, the IESO initiated its Phase 1 Energy Storage program, involving the selection of storage technologies from five companies to provide Ancillary Services. Some of these projects involve the provision of Regulation service.
- (iv) More information on these programs may be found on the IESO’s website, here: <http://www.ieso.ca/ancillary-services>.

(c) Regulation Sample Data Published by the IESO

- (i) In anticipation of this RFP, the IESO posted a full-year sample of its Regulation signal data. This data is provided for reference and informational purposes only. This data is intended to assist potential providers of Regulation to assess, test, and simulate various scenarios with an actual sample of the IESO’s Regulation signal data. The Regulation sample data file provides interested parties with an opportunity to analyze various characteristics of the Regulation signal, such as upward/downward bias, volatility, correlations with other datasets, etc. The data can also be mathematically scaled to fit the range of a prospective facility for testing and evaluation purposes. Those interested may analyze and utilize this data in order to estimate the performance characteristics of their proposed facility(ies) when formulating responses to this RFP.
- (ii) The sample data may be found on the IESO’s website, here: <http://www.ieso.ca/ancillary-services>.

1.4 Defined Terms

Capitalized terms used in this RFP have the respective meanings ascribed to them in Appendix “A”.

SECTION 2 – REGULATION RFP PROCESS OVERVIEW

2.1 Parameters of Regulation Capacity to be Procured

- (a) A Proposal must meet all of the applicable requirements set forth in this RFP, including the Proposal requirements described in Section 2.5, the Completeness Requirements set forth in Section 3.2 and the Mandatory Requirements set forth in Section 3.3.
- (b) The IESO’s goal is to increase the amount of scheduled Regulation capacity by approximately 50 MW, which it will do by seeking to procure Incremental Regulation Capacity under this RFP. The maximum amount of such Incremental Regulation Capacity will be bounded by:
 - (i) an Availability-Weighted Regulation Capacity cap of all Selected Proposals of 50 MW (“**Overall MW Cap**”), subject to the selection of a Marginal Proposal;
 - (ii) a confidential maximum cost cap per Proposal, expressed in dollars (\$) per MW per year (“**Individual Cost Cap**”); and
 - (iii) a confidential overall cost cap, expressed in dollars (\$) per year, for all Selected Proposals under this RFP (“**Overall Cost Cap**”).
- (c) The application of the above stated parameters is more fully described in Section 3.7.
- (d) The Total Facility Cost Per MW Per Year that could be paid out to each Selected Proposal must not exceed the Individual Cost Cap. The cumulative Total Facility Cost Per Year of all Selected Proposals must not exceed the Overall Cost Cap. Both the Individual Cost Cap and the Overall Cost Cap are confidential and will not be disclosed to Proponents.
- (e) For greater certainty, the Overall MW Cap, Individual Cost Cap and Overall Cost Cap are applicable to all Proposals, regardless of whether the proposed facility is an Existing Facility or a New Build Facility.

2.2 Connection Availability for New Build Facilities

- (a) All Proposals must identify the existing or proposed connection location of the Facility in accordance with Section 3.3(b)(ix). In order to successfully incorporate New Build Facilities into Ontario’s power system and ensure that Regulation

service can be delivered to the grid, the IESO has restricted siting of New Build Facilities under this RFP because there are certain limitations on connection availability. To aid Proponents in assessing connection availability, the August 2016 Large Renewable Procurement II Transmission Availability Test Tables (“**LRP TAT Tables**”) have been posted on the Website as a guide on connection availability in Ontario for New Build Facilities. For the purposes of this RFP and satisfying the requirement in Section 3.3(b)(ix), New Build Facilities may not select connection locations on or connecting to Circuits and/or Transformer Stations with “**No area availability**”, “**No TS availability**” or “**No TS bus availability**” as indicated in the LRP TAT Tables.

- (b) The LRP TAT Tables were developed to assist in identifying parts of the Ontario electricity grid (i.e., Circuits and Transformer Stations) where connection capacity for potential large renewable projects may have been available when the LRP TAT Tables were posted in August 2016. Other than the requirements indicated in paragraph (a) above, the LRP TAT Tables are intended as a guide and Proponents are cautioned that the LRP TAT Tables represent a “snapshot” point in time illustration of connection information, therefore **the IESO cannot and does not guarantee** that there will be connection availability when it comes time for a connection availability assessment of a New Build Facility pursuant to a System Impact Assessment or Connection Impact Assessment, as applicable, following Contract execution. In recognition of this, a New Build Facility that is issued a Contract and is unable to connect at its proposed connection location will be able to request an amendment to its proposed connection location and/or Local Jurisdiction, as more fully described in the Contract.
- (c) Proponents of New Build Facilities are encouraged to contact the relevant Transmitter or Local Distribution Company to ascertain the available connection capacity at the proposed connection location prior to submitting a Proposal.

2.3 Required Public Meeting for New Build Facilities

To encourage early engagement with communities regarding new electricity infrastructure, Proponents of New Build Facilities must hold at least one (1) public community meeting in the Local Jurisdiction(s) where the New Build Facility is proposed to be located. The minimum evidentiary requirements to be submitted with a Proposal are outlined in Section 3.3; however, Proponents are encouraged to conduct further engagement to ensure a high-level of local awareness and understanding of the proposed New Build Facility.

2.4 Timetable

- (a) The following timetable (the “**Timetable**”) sets out the schedule of key dates and times in this RFP process. All times provided are in Toronto time.

| | |
|---|--|
| Release of final RFP and final Contract | June 29, 2017 |
| IESO’s deadline for issuing Addenda to final RFP and final Contract | September 13, 2017 |
| Proponents’ deadline for submitting questions and comments | September 15, 2017 |
| Proposal submission deadline | 3:00 p.m. on September 28, 2017 (the “ Proposal Submission Deadline ”) |
| Notification to all Proponents and announcement of selected Proposals | November 2017 (target date) |

- (b) The IESO reserves the right to accelerate or postpone any of the dates set out above or add, eliminate, or re-order any of the steps in the Timetable. The IESO may amend the Timetable from time to time by Addendum.

2.5 Proposal Requirements

- (a) Proponents who wish to submit a Proposal under this RFP are required to submit their Proposal to the IESO in accordance with the instructions in this RFP, including this Sections 2.5 and 2.6. Proponents are responsible for ensuring that their Proposals are complete in every respect and in compliance with this RFP.
- (b) Subject to Section 2.5(c), Prescribed Forms submitted with a Proposal must substantially comply with the instructions attached to such form, including, as applicable, the attachment of any substantiating evidence or documents specified in the Prescribed Form.
- (c) The Prescribed Form: Technical Requirements Spreadsheet must be completed in accordance with the Technical Requirements Spreadsheet Instructions attached hereto as Appendix “C”, and the Prescribed Form: Pricing Proposal Spreadsheet must be completed in accordance with the Pricing Proposal Spreadsheet Instructions attached hereto as Appendix “D”.
- (d) Apart from the completion of any blanks, bullets or similar uncompleted information in the Prescribed Forms, a Proponent may not make amendments to the pre-printed wording of the Prescribed Forms. Any amendments made to the Prescribed Forms, whether on the face of such forms or contained elsewhere in the Proposal, may result in the rejection of the Proposal or otherwise may be taken into consideration in the evaluation of the Proposal.

- (e) The values to be set out in the Prescribed Form: Technical Requirements Spreadsheet and Prescribed Form: Pricing Proposal Spreadsheet, respectively, must be entered precisely in numeric form using the format provided in such Prescribed Form, without further information, condition or qualification whatsoever. Any deviation from the required format of such Prescribed Form whatsoever, including, but not limited to, the provision of a price range, conditional price, qualified price, or an incomplete price, a range of values, conditional values, qualified values, or incomplete values will result in the rejection of the Proposal. The IESO will check each of the Prescribed Form: Technical Requirements Spreadsheet and Prescribed Form: Pricing Proposal Spreadsheet for accuracy and compliance.
- (f) The fillable versions of the Prescribed Forms are available on the Website. Unless otherwise expressly permitted on the Website, Proponents must use the most current version of the Prescribed Forms available on the Website. The use of a draft version of a Prescribed Form will not be accepted.
- (g) All Prescribed Forms that require a signature of the Proponent must be signed by a director, officer or other person who has the authority to bind the Proponent.
- (h) Certain Prescribed Forms are, or contain, declarations. The onus is solely on the Proponent to conduct all investigations and verifications necessary to confirm that each of the statements set out in the declarations can be made. If the IESO determines in its discretion that any matter declared is not materially true and correct, then the Proposal may be rejected and the IESO may, in addition to any other remedies available at law or in equity, draw upon the Proposal Security.

2.6 Proposal Submission

- (a) To be considered, a Proponent must submit all of the materials in Sections 2.6(b)(i) and 2.6(c)(i) (collectively, a “**Proposal**”). It is the Proponent’s sole responsibility to submit the Proposal documents to the IESO as prescribed by the requirements in Section 2.6(b)(i) to Section 2.6(c)(iii), inclusive. Any Proposal which is not received by the IESO per the requirements set out in Section 2.6(b)(i) to Section 2.6(c)(iii), inclusive, will be rejected and the Proposal will no longer be considered in this RFP process. For greater certainty, the IESO will not be responsible for late deliveries or deliveries to the incorrect email address or location. Late submissions will be returned to the Proponent.

(b) **Electronic Submission Requirements**

- (i) Proponents must submit all of the following Proposal documents electronically to RegulationRFP@ieso.ca, prior to the Proposal Submission Deadline:

| <u>Electronic Submission Requirements</u> | | |
|---|---|------------------------------|
| Proposal Document | Delivery and Format | Deadline |
| Prescribed Form: Proponent Information and Declarations | Electronic copy in Adobe PDF format. Proponents are encouraged to use a filename that includes “ Prescribed Form: Proponent Information and Declarations ”, the Facility name and Proposal Number. | Proposal Submission Deadline |
| Prescribed Form: Technical Requirements Spreadsheet | Electronic copy in Microsoft Excel format. Proponents are encouraged to use the filename naming convention set out in Appendix “C”. | Proposal Submission Deadline |
| Prescribed Form: Pricing Proposal Spreadsheet | Electronic copy in Microsoft Excel format. Proponents are encouraged to use the filename naming convention set out in Appendix “D”. | Proposal Submission Deadline |

- (ii) The email submission made to RegulationRFP@ieso.ca must contain all three (3) Proposal documents identified in Section 2.6(b)(i) and should utilize the following naming convention in its email subject line: “**2017RegRFP_Proponent Name_Facility Name_Proposal Number**”. For a Proponent submitting multiple Proposals, a separate email must be submitted for each Proposal. For greater clarity, if a given Proponent is submitting more than one Proposal for a given Facility, the Proposal Number in each email subject line will be used to differentiate between Proposals (as outlined in Section 2.6(d)).

(iii) The Proposal documents that are required to be submitted to the IESO in electronic format (per Section 2.6(b)(i)) must be received by the IESO in the RegulationRFP@ieso.ca inbox by no later than the Proposal Submission Deadline. The IESO shall utilize the time stamp generated at the time of receipt into the RegulationRFP@ieso.ca inbox. Any delays due to firewalls, technical faults or a high volume of Proposal submissions 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 greater clarity, if an email is shown to have been received in the RegulationRFP@ieso.ca inbox at any time after the Proposal Submission Deadline, the Proposal will be rejected. **Proponents are strongly encouraged to submit their Proposals sufficiently in advance of the Proposal Submission Deadline to avoid any unforeseen delays in electronic delivery.**

(c) **Hard Copy Submission Requirements**

(i) In addition to the electronically submitted documents identified in Section 2.6(b)(i), a Proponent must provide the following Proposal documents in hard copy submission to the IESO's address provided in Section 2.6(c)(ii) prior to the Proposal Submission Deadline:

| <u>Hard Copy Submission Requirements</u> | | |
|---|--|------------------------------|
| Proposal Document | Delivery and Format | Deadline |
| Proposal Fee | Hard copy, in accordance with the requirements set forth in Section 3.2(b)(i) | Proposal Submission Deadline |
| Proposal Security | Hard copy, in accordance with the requirements set forth in Section 3.2(b)(ii) | Proposal Submission Deadline |

(ii) 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: 2017 Regulation RFP

(iii) The Proposal documents that are required to be submitted to the IESO in hard copy format (per Section 2.6(c)(i)) must be received by the IESO 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. Proponents are encouraged to submit a cover letter with each hard copy Proposal that clearly identifies the Proponent name, Facility name and Proposal Number to which the enclosed Proposal Fee and Proposal Security relates. Proponents are also 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 (see the template attached hereto as Appendix "E" for an example of the information that should be included on a label of a hard copy submission package).

- (d) A Proponent may submit one or more Proposals for the same Facility, provided that the Proponent assigns a different Proposal Number to each Proposal to allow the IESO to distinguish between Proposals for the same Facility, and submits a separate Proposal Fee and Proposal Security. Only one Proposal can be selected for a given Facility.
- (e) A Proponent may submit multiple Proposals for multiple Facilities, subject to Section 2.6(d) and provided that the Proponent submits a separate Proposal for each such Facility, including separate Proposal Fee and Proposal Security.
- (f) Proposals cannot be amended once submitted; however, 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 RegulationRFP@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. 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 and Proposal Security, to the Proponent.
- (g) If the IESO receives more than one Proposal with the identical Proponent name, Facility name and Proposal Number, and no corresponding Prescribed Form: Notice of Proposal Withdrawal indicating whether any one of such Proposals has been withdrawn, the IESO shall evaluate the last of such Proposals received based on the time stamp of the electronic submission, and disregard other such similar Proposals.

2.7 Irrevocability

- (a) Proposals shall be irrevocable in the form submitted by the Proponent for one hundred and twenty (120) days from the Proposal Submission Deadline (the "**Period of Irrevocability**").

- (b) If the IESO wishes to extend the Period of Irrevocability, the IESO shall submit a request prior to the expiry of the one hundred and twenty (120) days 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 the Period of Irrevocability and notify the IESO of such intent within five (5) Business Days after such request is made.
- (c) If a Proponent refuses to extend the Period of Irrevocability, the Proponent's Proposal shall continue to be irrevocable in accordance with the original Period of Irrevocability.
- (d) If the IESO determines that it will be unable to offer Contracts prior to the expiration of the original Period of Irrevocability, and has requested that the Proponent agree to an extension of the Period of Irrevocability, it will, after the expiration of the original one hundred and twenty (120) day period, cease to consider the Proposal(s) of a Proponent who has refused the IESO's request to extend the original Period of Irrevocability. The IESO will continue to evaluate Proposals of those Proponents who have consented to an extension to the original Period of Irrevocability and, in its discretion, award Contract(s) only to such remaining Proponents that are successful through the RFP process.

2.8 Responsibility for Facility Viability

- (a) Notwithstanding anything contained in this RFP or in the Contract, Proponents are solely responsible for ensuring the technical, regulatory and financial viability of their Facilities submitted under this RFP, whether an Existing Facility or a New Build Facility. The IESO shall have no responsibility whatsoever to independently assess the viability of any Proposal or Facility submitted under this RFP nor any liability whatsoever in the event that a Facility submitted under this RFP turns out not to be viable in any respect. For greater certainty, Proponents are solely responsible for satisfying the requirements in the Contract and for any financial consequences they may incur resulting from a failure to meet such requirements, however caused, including the failure to achieve Service Commencement not later than the Longstop Date.
- (b) Interested parties are encouraged to seek their own independent legal, technical and other professional advice, as needed, prior to submitting a Proposal.

2.9 Review of Documentation and Question and Comment Period

- (a) This RFP, the Contract, all Addenda and all Prescribed Forms will be public and accessible via the Website. Any supplemental information regarding this RFP provided by the IESO, including any webinar, responses to questions and comments, question and comment document, or other guidance document or information session, will be public and accessible via the Website, and such information is for informational purposes only and shall not form part of this RFP unless it has been expressly referenced in this document as forming part of this RFP.

- (b) The IESO invites questions and comments from all interested parties regarding the information provided in this RFP, the Contract and any related documentation. The IESO expressly reserves the right, in its discretion, to make changes to this RFP, the Contract and any related documentation in accordance with Section 2.11, including changes that reflect questions and comments received from interested parties. Interested parties should promptly examine all such documentation and:
- (i) report to the IESO any errors, omissions or ambiguities;
 - (ii) send to the IESO any questions they may have regarding the RFP; and
 - (iii) send to the IESO any questions they may have regarding the Contract,
- by email to RegulationRFP@ieso.ca, on or before the end of the Proponent's deadline for submitting questions or comments on the RFP and Contract specified in the Timetable. The IESO will not be responsible for, nor be obliged to respond to, questions or comments submitted to any other e-mail address. Questions and comments received in the manner prescribed above that request clarification of the RFP or Contract may 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.

2.10 Permitted and Prohibited Communications

- (a) The IESO does not wish to prevent essential or appropriate communications for the purposes of participating in public stakeholder processes (including clarification or amendment of existing Market Rules, rules and regulations and the development of any new Market Rules, rules and regulations), electrical connection (including assessing connection availability or conducting feasibility studies), site selection and control, community engagement or support, engagement of and partnerships with Indigenous communities, permitting, licensing, engineering and project planning and development, equipment supply, the publication of any notice that is required in connection with obtaining any regulatory approvals required for the development of any Facility, regulatory compliance (including compliance with the Market Rules) and compliance with the requirements of this RFP (collectively, the "**Permitted Purposes**"). Therefore, the following communications rules apply with respect to this RFP:
- (i) Communications must be only for the Permitted Purposes and for no other purposes;
 - (ii) Permitted communications include communications or discussions with MPPs, mayors, municipal officials, municipal administrative staff, the media, members of the public, the System Operator, the OEB, Transmitters and LDCs, for the Permitted Purposes and for no other purposes;
 - (iii) Communications shall not be for the purposes of:
 - (A) obtaining or attempting to obtain an unfair advantage in respect of

any phase or stage of this RFP or any other IESO procurement process;

- (B) influencing or attempting to influence the outcome of any phase or stage of this RFP or any other IESO procurement process;
- (C) influencing or attempting to influence government officials, Indigenous communities, regulatory officials, or the management or staff of the IESO, System Operator, OEB, any Transmitter, or any Local Distribution Company with respect to changes to laws, regulations, rules, policies, or guidelines (including the Market Rules) directly or indirectly affecting this RFP, other than applications for permits, approvals, regulatory compliance purposes, technical arrangements or participating in public stakeholdering processes;
- (D) making comparisons between its proposed Facility and the proposed Facilities of other interested parties;
- (E) denying or attempting to deny any other interested parties fair, open and impartial consideration; or
- (F) impairing or attempting to impair confidence of the public or any governmental official in the process or outcome of any phase or stage of this procurement process

(collectively, the “**Excluded Purposes**”).

- (iv) The onus shall be on an interested party to demonstrate that any communications by it in relation to this RFP that have not been promptly and publicly disclosed (whether on the interested party’s website or otherwise) were not communications for Excluded Purposes.
 - (v) Communication for any Excluded Purposes shall be and is hereby expressly excluded from the Permitted Purposes.
 - (vi) Communications with any member of the IESO’s management or board of directors, the Evaluation Team or its advisors, other than as expressly provided in this RFP, would be considered to be communications for Excluded Purposes. Communications with the IESO staff and Ministry of Energy staff are permissible only for Permitted Purposes. Opportunities for communication with the IESO or Ministry of Energy staff or any other Person for Permitted Purposes shall not be used to carry out communications for Excluded Purposes.
- (b) For greater clarity, this Section 2.10 applies to any interested party and all of its employees, agents, contractors or representatives.
 - (c) If an interested party has any questions regarding the appropriateness of specific

communications, they are advised to seek clarification from the IESO via RegulationRFP@ieso.ca.

- (d) The IESO shall have the right to request and obtain from an interested party, and the interested party shall, if so requested, promptly provide to the IESO, information or clarification regarding the appropriateness of any communications by such interested party that may be prohibited by this RFP. The interested party shall provide all information reasonably necessary or appropriate to allow the IESO to assess whether such communications are or were for Permitted Purposes.
- (e) In cases of breach of the foregoing communications rules, the IESO may, in its discretion, disqualify an interested party.

2.11 Addenda

- (a) This RFP and the Contract may be amended only by Addendum in accordance with this Section 2.11. If the IESO, for any reason, determines that it is necessary or appropriate to amend or provide additional information relating to this RFP or the Contract, such information will be communicated (i) by posting such Addendum on the Website, and (ii) by way of notice to those interested parties who have subscribed to the Regulation Services subscriber list, on or prior to the deadline for issuing Addenda set out in the Timetable. Each Addendum will be deemed to form an integral part of this RFP or the Contract, as the case may be.
- (b) Each Addendum may contain important information, including significant changes to this RFP or the Contract, 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. The IESO cannot guarantee that all updates, including the posting of Addenda, will be communicated to interested parties via the Regulation Services subscriber list in a timely manner or at all.

2.12 Post-Deadline Addenda

The IESO may issue an Addendum or Addenda after the deadline for issuing Addenda specified in the Timetable. If any Addendum is issued after the deadline for issuing Addenda set out in the Timetable, the IESO may, in its discretion, extend the Proposal Submission Deadline for a reasonable amount of time having regard to the circumstances.

SECTION 3 – EVALUATION AND SELECTION PROCESS

3.1 RFP Evaluation Process

- (a) The evaluation of Proposals will be conducted by the IESO in the following stages. Each Proposal will be reviewed on its own merits.

Stage 1 – Completeness Requirements: In Stage 1, each Proposal will pass or fail depending on whether the Proposal meets all of the Completeness Requirements set out in Section 3.2.

Stage 2 – Mandatory Requirements: In Stage 2, each Proposal will pass or fail depending on whether the Proposal meets all of the Mandatory Requirements set out in Section 3.3. Each Proposal will be reviewed and evaluated by the Technical Evaluation Team and Pricing Evaluation Team, as applicable, against the Mandatory Requirements set out in Section 3.3.

Stage 3 – Technical Evaluation: In Stage 3, each Proposal will have its Prescribed Form: Technical Requirements Spreadsheet evaluated and scored by the Technical Evaluation Team based on the Technical Evaluation Criteria set out in Section 3.4, and will be awarded up to a maximum of 70 points.

Stage 4 – Pricing Evaluation: In Stage 4, each Proposal will have its Prescribed Form: Pricing Proposal Spreadsheet evaluated by the Pricing Evaluation Team. The Proposal will pass if the proposed Total Facility Cost Per MW Per Year is less than or equal to the Individual Cost Cap, or will fail if the proposed Total Facility Cost Per MW Per Year exceeds the Individual Cost Cap. Each Proposal that passes the Individual Cost Cap determination will have its Prescribed Form: Pricing Proposal Spreadsheet evaluated and scored by the Pricing Evaluation Team based on the Pricing Evaluation Criteria set out in Section 3.5, and will be awarded up to a maximum of 30 points.

Stage 5 – Ranking List: In Stage 5, each Proposal will have its points that were awarded in Stages 3 and 4 aggregated for a Total Point Score that will be used to determine the ranking order of Proposals. Ties between Proposals with the same Total Point Score will be broken based on the methodology set out in Section 3.6.

Stage 6 – Proposal Selection: In Stage 6, each Proposal will be assessed in the order of the Ranking List and will be selected according to the methodology set out in Section 3.7.

- (b) A Proposal must meet the requirements of each Stage in order to proceed to the next Stage (with the exception of Stage 3, where only points are awarded and there is no pass/fail mechanism, and Stage 5, where Proposals are ranked). Those Proposals that fail Stage 1, Stage 2, or Stage 4, respectively, will be rejected and will not be evaluated further.
- (c) The IESO reserves the right, but is not obligated, to request clarification, additional information, documentation and statements in relation to any Proposal (including the Prescribed Form: Technical Requirements Spreadsheet and the Prescribed Form: Pricing Proposal Spreadsheet) at any time. Any such requested clarification, additional information, documentation or statements must be submitted by the Proponent to the IESO by e-mail to RegulationRFP@ieso.ca within five (5) Business Days of the date of such request, or by such other means and within such

other time frame as may be requested by the IESO, failing which such Proposal may be rejected as being incomplete.

- (d) The IESO reserves the right to reject any incomplete Proposal, including any Proposal that does not satisfy all of the requirements set out in Sections 3.2 and 3.3 or any Proposal in respect of which the included information is not satisfactory to the IESO or its advisors in any respect. For greater certainty, the Proposal Fee will not be refunded in such circumstances. A decision by the IESO to reject a Proposal shall be final and binding and not subject to appeal.

3.2 Stage 1 – Completeness Requirements

- (a) Each Proposal will pass or fail in Stage 1 depending on whether it contains all of the required documents submitted and/or completed as specified in this Section 3.2 without a Material Deviation (the “**Completeness Requirements**”). Only Proposals determined to have passed Stage 1 will be evaluated further in Stage 2; all other Proposals will be rejected.
- (b) The Completeness Requirements are:
 - (i) A Proponent must provide with its Proposal a certified cheque, bank draft or money order payable to the “Independent Electricity System Operator” in the amount of \$2,260 (the “**Proposal Fee**”), which fee is inclusive of HST and shall be non-refundable regardless of whether the Proposal is accepted by the IESO, other than where a Proposal fails to meet the Individual Cost Cap and is rejected. For certainty, the IESO will not accept cash, personal cheques or business cheques. A separate Proposal Fee is required for each Proposal submitted under this RFP.
 - (ii) A Proponent must provide proposal security with its Proposal payable to and in favour of the “Independent Electricity System Operator” in an amount equal to the lesser of (i) \$9,000 per MW of Offered Regulation Capacity and (ii) \$90,000 (the “**Proposal Security**”). For greater certainty, in no event shall Proposal Security be less than \$18,000.
 - (A) In order to satisfy this requirement, the Proposal Security must be in the form of an irrevocable and unconditional standby letter of credit issued by a financial institution listed in either Schedule I or II of the *Bank Act* (Canada), or such other financial institution having a minimum credit rating of (i) A– with S&P, (ii) A3 with Moody’s, (iii) A low with DBRS, or (iv) A with Fitch IBCA, in substantially the form attached as Appendix “G”.
 - (B) Separate Proposal Security is required for each Proposal submitted under this RFP. For greater certainty, the Proposal Security may not be combined or aggregated as between Proposals.
 - (C) Where the IESO becomes entitled to draw upon the Proposal

Security for any reason under this RFP or at law or in equity, the IESO shall have the right to draw upon the full amount of the Proposal Security. By submitting a Proposal, the Proponent agrees that such full amount of the Proposal Security constitutes a reasonable pre-estimate of damages that would be suffered by the IESO and that the full amount of the Proposal Security constitutes the true quantum of liquidated damages and is not a penalty.

- (iii) A completed Prescribed Form: Proponent Information and Declarations must be submitted.
- (iv) A completed Prescribed Form: Technical Requirements Spreadsheet must be submitted.
- (v) A completed Prescribed Form: Pricing Proposal Spreadsheet must be submitted. **The parameters set forth in the Prescribed Form: Pricing Proposal Spreadsheet must not be disclosed or described in any other part of the Proposal, or otherwise disclosed to the IESO or any other Proponent. If the foregoing rule is violated, the IESO will reject the Proposal.**

3.3 Stage 2 – Mandatory Requirements

- (a) Only Proposals that have passed Stage 1 will be evaluated in Stage 2. In Stage 2, a Proposal will pass or fail depending on whether it meets the following mandatory requirements (the “**Mandatory Requirements**”) without a Material Deviation. The Prescribed Form: Pricing Proposal Spreadsheet will be reviewed and evaluated by the Pricing Evaluation Team and all other Prescribed Forms will be reviewed and evaluated by the Technical Evaluation Team. Only Proposals determined to have passed Stage 2 will be evaluated further in Stages 3 and 4; all other Proposals will be rejected.
- (b) The Mandatory Requirements are:
 - (i) A single Proposal submitted in response to this RFP must be in respect of no more than one Facility. This requirement shall be satisfied by the Proponent’s confirmation in the Prescribed Form: Proponent Information and Declarations.
 - (ii) The Facility must have the ability to provide a minimum of 2 MW of Regulation capacity at any applicable hour throughout the term of the Contract when scheduled by the IESO. To satisfy this requirement, the Proponent must indicate in the Prescribed Form: Technical Requirements Spreadsheet the quantity of Offered Regulation Capacity being offered under this RFP.
 - (iii) The Facility must have a minimum Ramp Rate of seven (7) MW per minute. To satisfy this requirement, the Proponent must indicate in the Prescribed

Form: Technical Requirements Spreadsheet the Offered Ramp Rate of the Facility being offered under this RFP.

- (iv) The Facility must be capable of providing Regulation service for a minimum duration of six (6) minutes for each occasion when scheduled by the IESO. To satisfy this requirement, in the Prescribed Form: Technical Requirements Spreadsheet, the Proponent (i) **for an Energy Limited Facility**, must indicate its Offered Energy Capacity, which value shall be used to calculate the Offered Duration of Service, or (ii) for all other Facilities (i.e., non-Energy Limited Facilities), must leave its Offered Energy Capacity blank and this value shall be deemed to be 120 minutes for the purpose of calculating the Offered Duration of Service.
- (v) The Facility must achieve Service Commencement no later than 36 months from the date of execution of a Contract under this RFP. To satisfy this requirement, the Proponent must indicate its Offered Months to Service Commencement in the Prescribed Form: Technical Requirements Spreadsheet.
- (vi) The Facility must be capable of being the subject of a Contract for the provision of Regulation service for a minimum service term of three (3) years and a maximum service term of seven (7) years. To satisfy this requirement, the Proponent must indicate its Offered Contract Service Term in the Prescribed Form: Technical Requirements Spreadsheet.
- (vii) The Facility must either be a Registered Facility or be capable of meeting the registration requirements of a Registered Facility under the Market Rules. This requirement will be satisfied by the Proponent's confirmation in the Prescribed Form: Proponent Information and Declarations.
- (viii) The Facility must not be subject to a contract with the IESO to provide Regulation service that, as of June 1, 2017, had a term extending beyond February 1, 2018. This requirement will be satisfied by the Proponent's confirmation in the Prescribed Form: Proponent Information and Declarations.
- (ix) The Facility must have either an existing or proposed connection location on a Distribution System or the IESO-Controlled Grid. To satisfy this requirement, the Proponent must identify in the Prescribed Form: Technical Requirements Spreadsheet either (i) if an Existing Facility, the Facility ID Number associated with the Existing Facility (from which the IESO will derive the existing connection information), or (ii) if a New Build Facility, the proposed Eligible TS or Eligible Circuit of the Facility.
- (x) **For New Build Facilities only:** the Proponent must provide evidence, which meets the requirements set out below, of having held at least one (1) public community meeting in each Local Jurisdiction in which the Facility is proposed to be located. This requirement shall be satisfied by:

- (A) The Proponent's confirmation in the Prescribed Form: Proponent Information and Declarations that:
 - (1) the public community meeting was held on or after September 30, 2016;
 - (2) a public community meeting notice was published in at least one (1) newspaper with general circulation within each Local Jurisdiction, at least fifteen (15) days before the date of the public community meeting; and if no such newspaper exists, that the public community meeting notice was posted in at least six (6) conspicuous locations within each Local Jurisdiction;
 - (3) the public community meeting notice was provided to the clerk of each Local Jurisdiction, if applicable, and any other designated official prescribed by each Local Jurisdiction, acting reasonably; and
 - (4) the public community meeting notice was distributed to each property neighbouring the location of the New Build Facility.
- (B) The Proponent must attach a copy of the meeting summary report(s) as Exhibit A to the Prescribed Form: Proponent Information and Declarations, which must include, at least:
 - (1) a summary of feedback received, if any, from attendee(s) at the public community meeting; and
 - (2) actions, if any, to be taken by the Proponent to address feedback received.
- (C) The Proponent must attach as Exhibit B to the Prescribed Form: Proponent Information and Declarations, a copy of the page of the newspaper in which the public community meeting notice was published showing at least the public community meeting notice, the newspaper name and the date; or, if no such newspaper exists, photographic proof of the notice that posted in six (6) conspicuous locations per the requirements laid out in Section 3.3(x)(A)(2).

3.4 Stage 3 – Technical Evaluation

- (a) Only Proposals that have passed Stage 2 will be evaluated in Stage 3. In Stage 3, a Proposal will have its Prescribed Form: Technical Requirements Spreadsheet evaluated and scored by the Technical Evaluation Team based on the criteria (scoring methodology) and weightings provided in Appendix "C": Technical Requirements Spreadsheet Instructions.

- (b) Each Proposal in Stage 3 will be awarded points up to a maximum of 70 points, and will be evaluated further in Stage 4.

3.5 Stage 4 – Pricing Evaluation

- (a) Proposals that have received a point score out of 70 in Stage 3 will be evaluated in Stage 4. In Stage 4, each Proposal will have its Prescribed Form: Pricing Proposal Spreadsheet evaluated by the Pricing Evaluation Team in two steps. In step one, the Pricing Evaluation Team will determine whether the Proposal passes or fails the Individual Cost Cap determination. To pass, the Total Facility Cost Per MW Per Year indicated in the Prescribed Form: Pricing Proposal Spreadsheet must be less than or equal to the Individual Cost Cap. Any Proposal that exceeds the Individual Cost Cap will not be evaluated further and will be rejected.
- (b) Only Proposals that have passed the Individual Cost Cap determination in step one will move to the second step of Stage 4 and will be evaluated and scored by the Pricing Evaluation Team based on the criteria (scoring methodology) and weightings provided in Appendix “D”: Pricing Proposal Spreadsheet Instructions.
- (c) Each Proposal in step two of Stage 4 will be awarded points up to a maximum of 30 points.
- (d) Only Proposals determined to have passed Stage 4 will be evaluated further in Stage 5; all other Proposals will be rejected.

3.6 Stage 5 – Ranking List

- (a) Only Proposals that have passed Stage 4 will be evaluated in Stage 5. In Stage 5, each Proposal will have its point scores from Stages 3 and 4 aggregated and will be awarded a total point score out of one hundred (100) points (the “**Total Point Score**”).
- (b) The IESO will rank the Proposals in order of Total Point Score, from highest to lowest. When ranking Proposals, the IESO will apply the following tie-breaker rules:
 - (i) In the event of a tie between one or more Proposals with the same Total Point Score, the IESO will give the higher ranking to the Proposal with the higher score for Offered Contract Service Term as the first tie-breaker.
 - (ii) In the event of a tie between one or more Proposals after the application of the first tie-breaker, the higher ranking will be awarded to the Proposal with the higher score for Offered Months to Service Commencement as the second tie-breaker.
 - (iii) In the event of a tie between one or more Proposals after the application of the second tie-breaker, the IESO will give the higher ranking to the Proposal with the higher score for Offered Regulation Capacity as the third tie-breaker.

- (iv) In the event of a tie between one or more Proposals after the application of the third tie-breaker, the IESO will use a random number generator to rank Proposals.
- (c) The outcome of this ranking will create a ranking list (the “**Ranking List**”), and Proposals on the Ranking List will be evaluated further in Stage 6.

3.7 Stage 6 – Proposal Selection

- (a) All Proposals that have been added to the Ranking List in Stage 5 will be evaluated in Stage 6. In Stage 6, the IESO will progressively select Proposals from the Ranking List from the highest to the lowest ranked Proposals using the rules below to be applied to each Proposal on the Ranking List:
 - (i) The cumulative Total Facility Cost Per Year of all Selected Proposals must remain less than or equal to the Overall Cost Cap (the “**Overall Cost Cap Screen**”). If the Overall Cost Cap has not yet been reached and the selection of the Proposal in question would cause the Overall Cost Cap to be exceeded, the IESO shall not select such Proposal and will continue its selection process with the next ranked Proposal.
 - (ii) The cumulative Availability-Weighted Regulation Capacity of all Selected Proposals must not exceed the Overall MW Cap by more than 5 MW (the “**Overall MW Cap Screen**”), subject to each of the following:
 - (A) If the Overall MW Cap has not yet been reached and the selection of the Proposal in question would not cause the Overall MW Cap to be exceeded, the IESO shall select such Proposal;
 - (B) If the Overall MW Cap has not yet been reached and the selection of the Proposal in question would cause the Overall MW Cap to be exceeded, the IESO shall select such Proposal so long as the Overall MW Cap is not exceeded by more than 5 MW (the “**Marginal Proposal**”);
 - (C) If the Overall MW Cap has not yet been reached and the selection of the Proposal in question would cause the Overall MW Cap to be exceeded by more than 5 MW, the IESO shall not select such Proposal and will continue its selection process with the next ranked Proposal; and
 - (D) If the Overall MW Cap has been reached or exceeded, the IESO shall not select any additional Proposals.
 - (iii) No more than one Proposal may become a Selected Proposal for a given Facility (“**Single Proposal Screen**”). If the Proposal in question is offering Offered Regulation Capacity from a Facility for which another Proposal has already been selected as a Selected Proposal, the IESO shall not select the Proposal in question.

- (b) The IESO shall have the discretion to select less than the Overall MW Cap if there is an insufficient number of Proposals to provide 50 MW of Availability-Weighted Regulation Capacity after the application of the Overall Cost Cap Screen, the Overall MW Cap Screen and the Single Proposal Screen.

SECTION 4 – CONTRACT OFFER AND EXECUTION

4.1 Offer Notice and Contract

Once the Selected Proposals are chosen by the IESO, the IESO will notify the Selected Proponents in writing of that selection (the “**Offer Notice**”), and such Offer Notice shall enclose the offered Contract. Each Selected Proponent must enter into the offered Contract in accordance with Section 4.2. Certain schedules and provisions, as applicable, of the offered Contract will be populated based on the information set out in the Selected Proposal, including the Prescribed Form: Technical Requirements Spreadsheet and Prescribed Form: Pricing Proposal Spreadsheet, otherwise there will be no negotiations between the IESO and any Selected Proponent respecting substantive changes to the offered Contract.

4.2 Offer & Acceptance

- (a) A Proponent will have twenty (20) Business Days from the date of the Offer Notice to execute and deliver the offered Contract and the Closing Documents, in accordance with the instructions in the Offer Notice.
- (b) The IESO shall require a Proponent to deliver with its executed Contract certain closing documents (the “**Closing Documents**”), which may include certificate(s) of status (or equivalent), evidence of extra-provincial registration in Ontario (if applicable), and incumbency certificate(s).
- (c) Should a Selected Proponent fail to deliver the executed Contract or any of the Closing Documents within the required timeframe, the IESO may rescind the Offer Notice; however, in such circumstances, the IESO shall not select another Proponent in its place. If a Selected Proponent fails to deliver the executed Contract or any of the Closing Documents, the IESO shall be entitled to draw upon the Proposal Security.

4.3 Other Proponents

The IESO will notify all other Proponents who do not become Selected Proponents of their status in writing, and that such decision is final and binding. Subsequently, the IESO may make further public announcements of the Selected Proponents and their respective Facility(ies).

4.4 Debriefing

Any Proponent who did not become a Selected Proponent pursuant to this RFP may, after receiving notification pursuant to Section 4.3, request a debriefing to be conducted on or after the date specified in the Timetable. Requests must be made to the IESO in writing to RegulationRFP@ieso.ca and must be made within 21 Business Days of receipt of such notification.

The intent of the debriefing session is to assist unsuccessful Proponents in presenting a better proposal in subsequent procurement opportunities. Any debriefing provided is not offered for the purpose of providing an opportunity to challenge this RFP process or result. For clarity, no information given in such debriefing may be used for the purposes of challenging this RFP process or result.

4.5 No Exclusivity of Contract

The IESO is not obligated pursuant to this RFP to deal exclusively with a single Proponent but will in all likelihood enter into Contracts with one or more Selected Proponents at the IESO's discretion. In submitting a Proposal, each Proponent will be deemed to have acknowledged that the IESO may contract with others in relation to the provision of Incremental Regulation Capacity or may otherwise obtain the same or similar Regulation capacity by other means and on different terms.

SECTION 5 – ADDITIONAL RULES

5.1 Confidentiality

- (a) All information provided by or obtained from the IESO in any form in connection with this RFP process other than through the Website is the sole property of the IESO and must be treated as confidential, and:
 - (i) is not to be used for any purpose other replying to this RFP;
 - (ii) must not be disclosed by the Proponent without the prior written authorization of the IESO; and
 - (iii) shall be returned by the Proponent or third party, as applicable, to the IESO immediately upon request of the IESO.
- (b) A Proponent shall treat its Proposal as confidential until the conclusion of the RFP and selection of the Selected Proponents, if any, and a Proposal must not be disclosed by the Proponent without the prior written authorization of the IESO.
- (c) Information provided by a Proponent, including information in any Proposal, is subject to, and may be released in accordance with, the provisions of FIPPA. If a Proponent wishes to assert that certain portions of the Proposal contain proprietary or confidential information, the confidentiality of which is to be maintained by the IESO, then those portions of the Proposal must be clearly marked as “**Proprietary and Confidential**” by the Proponent. If no corresponding information is identified as “**Proprietary and Confidential**”, the Proponent will be automatically deemed to have certified to the IESO that no portion of the Proposal contains proprietary or confidential information for which confidentiality is to be maintained by the IESO.
- (d) Proponents should clearly understand that despite marking certain portions of the Proposal as “**Proprietary and Confidential**”, the IESO may be required to disclose some or all of that information, where that information is not protected from

disclosure through an exemption in FIPPA or other applicable legislation. Proponents should not assume that such an exemption is available.

- (e) 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 or its advisors of any duty of confidentiality owed by the IESO and its advisors to the Proponent or to any third party;
 - (ii) the IESO and its advisors can demonstrate had been rightfully obtained by the IESO or its advisors, without any obligation of confidence, from a third party who had the right to transfer or disclose such information to the IESO and its advisors free of any obligation of confidence;
 - (iii) the IESO and its advisors can demonstrate had been rightfully known by, or in the possession of, the IESO and its advisors at the time of disclosure, free of any obligation of confidence when disclosed; or
 - (iv) has been independently developed by the IESO and its advisors.
- (f) Information provided by a Selected Proponent in a Proposal, including the name of the Selected Proponent; the name, location, fuel type and technology of the Facility(ies) selected under this RFP; and the amount of Offered Regulation Capacity to be provided from such Selected Proposal(s) may be disclosed by the IESO on the Website or otherwise, and such disclosure may be made on an individual basis, or aggregated with information provided by other Selected Proponents.
- (g) Proponents are advised that their Proposals or any excerpts thereof will, as necessary, be disclosed on a confidential basis to the Evaluation Team, IESO's counsel, consultants, the System Operator, the Fairness Advisor, and any other advisors retained for the purpose of administration of this RFP.
- (h) For greater clarity, each Proponent irrevocably authorizes and consents to any representative of the IESO releasing, disclosing, providing, delivering and otherwise making available to other representatives of the IESO, any and all such information relating to connections, proposed connections, meters, meter data pertaining to a proposed or contracted Facility, an LDC account or metered market participant account (as applicable) of the Proponent or Facility as the IESO or its representatives may advise is required in connection with the evaluation and administration of a Proposal under this RFP.

5.2 Collusion and Conflict of Interest

- (a) No Proponent shall be involved in determining the contents of a Proposal, including the Prescribed Form: Technical Requirements Spreadsheet and the Prescribed Form: Pricing Proposal Spreadsheet, of any other Proponent, nor coordinate the contents of

its Proposal, including its Prescribed Form: Technical Requirements Spreadsheet and its Prescribed Form: Pricing Proposal Spreadsheet, with that of any other Proponent. Each Proponent shall keep the contents of its Proposal, including its Prescribed Form: Technical Requirements Spreadsheet and Prescribed Form: Pricing Proposal Spreadsheet, confidential until the conclusion of this RFP.

- (b) No Proponent or any Persons involved in the preparation of the Proponent's Proposal(s) under this RFP and/or required by the Proponent to successfully implement its Proposal(s) for this RFP and to comply with the Contract shall 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).
- (c) Notwithstanding anything to the contrary, each Proponent acknowledges that:
 - (i) the Ministry of Energy and the Minister of Energy have multiple statutory and other legal responsibilities relating to the IESO, Hydro One, OPG, and the ESA and other Ministries within the Government of Ontario;
 - (ii) the IESO, Hydro One, OPG, and the ESA have multiple statutory and other legal obligations to the Ministry of Energy, the Minister of Energy and other Ministries and Ministers within the Government of Ontario; and
 - (iii) the Ministry of Energy and the Minister of Energy and other Ministries and Ministers within the Government of Ontario are responsible for setting electricity policy in the Province of Ontario, including through the issuance of Ministerial directives and monitoring the implementation of the Government of Ontario's policies;

and in order to meet these statutory and other legal responsibilities and roles ongoing communications (including communications relating to this RFP, with the exception of communicating in relation to this RFP with OPG) will take place between Ministry of Energy, Minister of Energy and these noted parties and between the noted parties and Ministry of Energy, Minister of Energy and as such, such communications shall be considered as communications for Permitted Purposes and shall not give rise to a Conflict of Interest. By submitting any Proposals in response to this RFP, the Proponent irrevocably and unconditionally waives any claim or right in law or otherwise to make a claim or bring action of any kind against the IESO and the noted parties relating to such communications.

5.3 Assignment and Change of Control

- (a) A Proponent shall not assign its Proposal to another Person (including by way of amalgamation or by operation of law).
- (b) A Proponent may not, directly or indirectly, be the subject of a change of Control (including by way of amalgamation or by operation of law), except with the prior written consent of the IESO, which consent may not be unreasonably withheld. Notwithstanding the foregoing, if the Proponent is, or is Controlled by, a Public

Company and there is a change of Control of the Proponent as a result of the trading of shares of such Public Company, the consent of the IESO shall not be required for such change of Control, and the Proponent shall, within ten (10) Business Days following such change of Control having effect, provide the IESO with notice of such change of Control and such additional information as the IESO may reasonably require regarding the names of the Persons who Control or otherwise indirectly or directly have an ownership interest in the Proponent, following such change of Control.

- (c) If a Proponent violates any provision of this Section 5.3 the IESO shall be entitled to reject the Proposal and draw upon the full amount of the Proposal Security as liquidated damages and not a penalty, and if a Proponent is offered and enters into a Contract, such violation may be a breach of the Contract.

5.4 Compliance

- (a) If, in the discretion of the IESO, a Proposal does not comply with the requirements set out in this RFP, the IESO may, without liability, cost or penalty, reject the Proposal and the Proposal shall not be given any further consideration. For purposes of this RFP, “comply” and “compliance” mean that the Proposal conforms to the requirements of this RFP without Material Deviation.
- (b) Each Proponent acknowledges and agrees that the IESO’s evaluation of compliance with this 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 in accordance with this Section 5.4.

5.5 Proponent’s Costs

Subject to Section 5.6, Proponents will bear all costs and expenses in connection with their participation in this RFP, including any costs incurred in the review of the RFP documentation and Contract and any expert advice required in responding to this RFP. The IESO and its advisors shall not be liable to pay any Proponent costs under any circumstances except as set out in Section 5.6 and the IESO and its advisors shall not be liable for any other expense, cost, loss or any direct or indirect damage incurred or suffered by any Proponent or any third party resulting from the IESO exercising any of its express or implied rights under this RFP. In particular, the IESO will not reimburse a Proponent in any manner whatsoever in the event of rejection of any or all Proposals or in the event of the cancellation or suspension of this RFP at any time for any reason. By submitting a Proposal, the Proponent irrevocably and unconditionally waives any claims against the IESO relating to the Proponent’s costs and expenses, including the Proposal Fee and Proposal Security.

5.6 Material Breach of Contract “A”

Proponents agree that, if the IESO commits a material breach of this RFP (that is, a material breach of “**Contract A**”), 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.

5.7 Reserved Rights

- (a) The IESO reserves the right to:
 - (i) notwithstanding anything contained in this RFP, reject any Proposal in whole or part whether or not completed properly and whether or not it contains all necessary information;
 - (ii) verify with any Proponent, Selected Proponent or with any third party any information set out in a Proposal;
 - (iii) make changes to this RFP or the form of Contract, including substantial changes, without any liability whatsoever to Proponents, provided that those changes are issued by way of Addenda in the manner set out in this RFP;
 - (iv) waive any informality or irregularity at its discretion or to otherwise exercise administrative discretion with respect to a Proposal or a Proponent's compliance with this RFP; or
 - (v) cancel all or any part of this RFP at any time and for any reason or to suspend this RFP in whole or in part for any reason for such period of time as the IESO shall determine in its discretion, in each case without any obligation or any reimbursement to the Proponents.
- (b) The rights reserved to the IESO in this RFP 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 RFP.

5.8 Return of Proposal Security

- (a) For each Proponent whose Proposal is rejected in Stage 1, Stage 2 or Stage 4, the applicable Proposal Security will be returned to the Proponent at the address provided in the Prescribed Form: Proponent Information and Declarations within ten (10) Business Days of the Proponent being notified of the Proposal's rejection. Additionally, in respect of any Proposal that is rejected in Stage 4 for failing the Individual Cost Cap determination, the Proposal Fee for such Proposal will be refunded to the Proponent at the address provided in the Prescribed Form: Proponent Information and Declarations within ten (10) Business Days of the Proponent being notified of the Proposal's rejection.
- (b) For each Proponent whose Proposal passes Stage 4, but is not selected in Stage 6, the applicable Proposal Security will be returned to the Proponent at the address

provided in the Prescribed Form: Proponent Information and Declarations within ten (10) Business Days of the IESO's notice pursuant to Section 4.3 that the RFP process has concluded and that they were not selected by the IESO under this RFP.

- (c) For each Selected Proponent, the applicable Proposal Security will be returned upon delivery of the executed Contract and the Closing Documents.

5.9 Interpretation

- (a) **Currency.** Unless otherwise specified, all references to money amounts are to Canadian dollars and cents, and shall be rounded to the nearest cent.
- (b) **Discretion.** Where the IESO may take an action or make a determination under this RFP, the decision to take such action or make such determination shall be at the IESO's sole and absolute discretion.
- (c) **Governing Law.** This RFP is made under and shall be governed by and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (d) **Headings.** Headings of Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this RFP. A reference to "Section" means Sections of this RFP, unless otherwise specified.
- (e) **No Strict Construction.** Despite the fact that this RFP was drafted by the IESO's legal and other professional advisors, Proponents acknowledge and agree that any doubt or ambiguity in the meaning, application or enforceability of any term or provision in this RFP shall not be construed against the IESO or in favour of the Proponent when interpreting such term or provision, by virtue of such fact.
- (f) **Number and Gender.** Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (g) **Severability.** If any provision of this RFP or its application to any party or circumstance is restricted, prohibited or unenforceable, the provision shall be ineffective only to the extent of the restriction, prohibition or unenforceability without invalidating the remaining provisions of this RFP and without affecting its application to the other party or circumstances.
- (h) **Statutory References.** A reference to a statute includes all regulations and rules made pursuant to the statute and, unless otherwise specified, the provisions of any statute, regulation or rule which amends, supplements or supersedes any such statute, regulation or rule.
- (i) **Time Periods.** Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the

period is not a Business Day.

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APPENDIX “A” DEFINITIONS

The following terms shall have the meaning stated below when used in this RFP:

1. “**Addenda**” means the documents expressly identified as addenda and issued by the IESO to Proponents in accordance with this RFP and “**Addendum**” means any one of such documents.
2. “**Ancillary Service**” has the meaning given to it in the Market Rules.
3. “**Ancillary Service Provider**” means an ancillary service provider who provides Regulation service to the IESO pursuant to a contract with the IESO.
4. “**Available Hours**” means the number of hours a Facility is available to provide Regulation service in a given month.
5. “**Availability-Weighted Regulation Capacity**” means a Proposal’s Offered Regulation Capacity, multiplied by the Total Available Hours, divided by 8760 hours per year, which resulting value is set out in Row V of the Prescribed Form: Technical Requirements Spreadsheet.
6. “**Base-point**” means the economic dispatch value, expressed in MW, as determined by the System Operator, that the Facility will operate at while providing Regulation service.
7. “**Black Start Capability**” has the meaning given to it in the Market Rules.
8. “**Boundary Entity**” has the meaning given to it in the Market Rules.
9. “**Business Day**” means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are closed for business in Toronto, Ontario.
10. “**Circuit**” means the set of three (3) conductors, one (1) for each electrical phase, that transmit Electricity from one power system station to another.
11. “**Closing Documents**” has the meaning set forth in Section 4.2(b).
12. “**Completeness Requirements**” has the meaning set forth in Section 3.2(a).
13. “**Conflict of Interest**” means any situation or circumstance where, in relation to this RFP process, a Proponent has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including: (a) having access to information in the preparation of its Proposal that is confidential to the IESO or the Government of Ontario and not available to other interested parties; (b) 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 RFP process; or (c) engaging in conduct that compromises or could be seen to compromise the integrity of the open and competitive RFP process and render that process non-competitive or unfair.

14. “**Connection Impact Assessment**” means as assessment conducted by an LDC to determine the impact on a Distribution System of connecting the Facility to its Distribution System.
15. “**Contract**” means (i) the form of contract entitled Service Agreement for the Provision of Regulation Service attached hereto as Appendix “H”, including all schedules thereto; and (ii) the Service Agreement for the Provision of Regulation Service executed between a Selected Proponent and the IESO, as the context requires, including all schedules thereto.
16. “**Control**” means, with respect to any Person at any time, (i) holding, whether directly or indirectly, as owner or other beneficiary (other than solely as the beneficiary of an unrealized security interest) securities or ownership interests of that Person carrying votes or ownership interests sufficient to elect or appoint 50% or more of the individuals who are responsible for the supervision or management of that Person, or (ii) the exercise of de facto control of that Person, whether direct or indirect and whether through the ownership of securities or ownership interests or by contract, trust or otherwise, and “**Controlled**” by has a corresponding meaning.
17. “**Distribution System**” means a system connected to the IESO-Controlled Grid for distributing Electricity at voltages of 50 kilovolts or less, and includes any structures, equipment or other things used for that purpose, provided that a Distribution System shall be deemed not to include any equipment controlled by the IESO pursuant to the Distribution System Code.
18. “**Distribution System Code**” means the “**Distribution System Code**” established and approved by the OEB, which, among other things, establishes the obligations of an LDC with respect to the services and terms of service to be offered to customers and retailers and provides minimum technical operating standards for Distribution Systems.
19. “**Electricity**” means electric energy, measured in MWh.
20. “**Eligible Circuit**” means a Circuit operating at less than 500 kV identified in the LRP TAT Tables, other than a Circuit identified as having “No Area Availability”.
21. “**Eligible TS**” means a Transformer Station identified in the LRP TAT Tables, other than a Transformer Station identified as having “No Area Availability”.
22. “**Energy Limited Facility**” means a Facility that can at times be limited in the amount of energy that such Facility can provide during each day.
23. “**ESA**” means the Electrical Safety Authority or its successors.
24. “**Evaluation Team**” means, collectively, the IESO’s personnel and advisors (legal or otherwise) who are involved in evaluating Proposals.
25. “**Excluded Purposes**” has the meaning set forth in Section 2.10(a)(iii).
26. “**Existing Facility**” means a Facility that is connected to the IESO-Controlled Grid or a Distribution System as of June 1, 2017.

27. “**Facility**” means a Generation Facility, a Load Facility or a Boundary Entity and, for purposes of this RFP, includes Existing Facilities and New Build Facilities.
28. “**Facility ID Number**” means the facility ID number per the most current System Operator registration data for the Facility (refer to the Online IESO web portal).
29. “**Fairness Advisor**” means the Person who is retained by the IESO to provide (i) independent assurance to Proponents and other stakeholders that the selection and contracting processes are fair and transparent, and (ii) a written statement that attests that the procurement process was conducted in an objective and fair manner.
30. “**FIPPA**” means the *Freedom of Information and Protection of Privacy Act* (Ontario), as amended from time to time.
31. “**First Nation Lands**” means in respect of a First Nation in Ontario that is a “band” as defined in the *Indian Act*, RSC 1985, c I-5, the following:
- (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 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”.
32. “**Generation Facility**” has the meaning given to it in the Market Rules.
33. “**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 System Operator, the OEB, the Electrical Safety Authority, and any Person acting under the authority of any Governmental Authority.

34. “**HST**” means the harmonized sales tax exigible pursuant to the *Excise Tax Act* (Canada), or any successor thereto.
35. “**Hydro One**” means Hydro One Networks Inc. or its successors.
36. “**IESO**” has the meaning set forth in Section 1.1(a).
37. “**IESO-Administered Markets**” has the meaning given to it in the Market Rules.
38. “**IESO-Controlled Grid**” has the meaning given to it in the Market Rules.
39. “**Incremental Regulation Capacity**” means the approximately 50 MW of Regulation capacity that the IESO is seeking to procure under this RFP.
40. “**Individual Cost Cap**” has the meaning set forth in Section 2.1(b)(ii).
41. “**Load Facility**” has the meaning given to it in the Market Rules.
42. “**Local Distribution Company**” or “**LDC**” means the owner or operator of a Distribution System who is licensed by the OEB as an “electricity distributor”.
43. “**Local Jurisdiction**” means any Local Municipality or First Nation Lands in or on which a New Build Facility will be located.
44. “**Local Municipality**” means any corporation that is a “local municipality” as defined in and for the purposes of the *Municipal Act, 2001*, SO 2001, c 25 or the *City of Toronto Act, 2006*, SO 2006, c 11, Sched A.
45. “**Longstop Date**” has the meaning set forth in the Contract.
46. “**LRP TAT Tables**” has the meaning set forth in Section 2.2(a).
47. “**Mandatory Requirements**” has the meaning set forth in Section 3.3(a).
48. “**Marginal Proposal**” has the meaning set forth in Section 3.7(a)(ii)(B).
49. “**Market Rules**” means the rules made under Section 32 of the *Electricity Act, 1998* (Ontario), together with all market manuals, policies, and guidelines issued by the System Operator, as may be amended from time to time.
50. “**Material Deviation**” means a failure of a Proposal to comply with a requirement set out in this RFP that, in the opinion of the IESO, results in a material component of the requirement set out in this RFP not being complied with.
51. “**Minister of Energy**” means the Minister of Energy of the Province of Ontario.
52. “**Ministry**” or “**Ministries**” refers to the respective Ministry/ies in the Province of Ontario.
53. “**Ministry of Energy**” refers to the Ministry of Energy of the Province of Ontario.

54. “**MW**” means megawatt.
55. “**MWh**” means megawatt hour.
56. “**Nameplate Capacity**” means the rated capacity, expressed in MW, of the Facility.
57. “**NERC**” means North American Electric Reliability Corporation.
58. “**New Build Facility**” means a Facility that is not an Existing Facility.
59. “**NPCC**” means Northeast Power Coordinating Council.
60. “**OEB**” means the Ontario Energy Board, or its successor.
61. “**Offer Notice**” has the meaning set forth in Section 4.1.
62. “**Offered Contract Service Term**” means the length of the service term of the Contract, expressed in years, offered by the Proponent under this RFP, as set out in Row U of the Prescribed Form: Technical Requirements Spreadsheet.
63. “**Offered Duration of Service**” means the minimum duration of service of the Facility, expressed in minutes, offered by the Proponent under this RFP, as set out in Row D of the Prescribed Form: Technical Requirements Spreadsheet.
64. “**Offered Energy Capacity**” means the maximum amount of energy, expressed in MWh, that an Energy Limited Facility can store, which value is set out in Row C of the Prescribed Form: Technical Requirements Spreadsheet.
65. “**Offered Months to Service Commencement**” means the number of months it will take the Facility to achieve Service Commencement from the date of execution of a Contract, as offered by the Proponent under this RFP and as set out in Row T of the Prescribed Form: Technical Requirements Spreadsheet.
66. “**Offered Ramp Rate**” means the Ramp Rate of the Facility, expressed in MW/minute, as set out in Row B of the Prescribed Form: Technical Requirements Spreadsheet.
67. “**Offered Regulation Capacity**” means the amount of Regulation capacity offered by the Proponent under this RFP, expressed in MW, as set out in Row A of the Prescribed Form: Technical Requirements Spreadsheet.
68. “**OPG**” means Ontario Power Generation Inc. or its successors.
69. “**Overall Cost Cap**” has the meaning set forth in Section 2.1(b)(iii).
70. “**Overall Cost Cap Screen**” has the meaning set forth in Section 3.7(a)(i).
71. “**Overall MW Cap**” has the meaning set forth in Section 2.1(b)(i).
72. “**Overall MW Cap Screen**” has the meaning set forth in Section 3.7(a)(ii).

73. “**Period of Irrevocability**” has the meaning set forth in Section 2.7(a).
74. “**Permitted Purposes**” has the meaning set forth in Section 2.10(a).
75. “**Person**” means a natural person, firm, trust, partnership, limited partnership, company or corporation (with or without share capital), joint venture, sole proprietorship, Governmental Authority or other entity of any kind.
76. “**Prescribed Form**” means, in relation to a form, the latest version available on the Website of the corresponding form attached to this RFP, as may be amended or replaced by the IESO from time to time and without notice to the Proponent or Ancillary Service Provider.
77. “**Prescribed Form: Notice of Proposal Withdrawal**” means the Prescribed Form attached hereto as Appendix “F” that provides for the withdrawal of a Proposal by a Proponent.
78. “**Prescribed Form: Pricing Proposal Spreadsheet**” means the Prescribed Form in Microsoft Excel format available on the Website that contains certain information of a Proposal, including the proposed Total Facility Cost Per MW Per Year associated with the Facility.
79. “**Prescribed Form: Proponent Information and Declarations**” means the Prescribed Form attached hereto as Appendix “B” that sets out certain information with respect to the Proponent and the statutory declarations to be made by the Proponent.
80. “**Prescribed Form: Technical Requirements Spreadsheet**” means the Prescribed Form in Microsoft Excel format available on the Website that contains certain information of a Proposal, including the Offered Regulation Capacity and Offered Ramp Rate.
81. “**Pricing Evaluation Team**” means the Evaluation Team involved in evaluating Prescribed Form: Pricing Proposal Spreadsheet.
82. “**Proponent**” means a Person who submits a Proposal in response to this RFP.
83. “**Proposal**” means the formal submission by a Proponent in response to the RFP, as more fully described in Section 2.6(a).
84. “**Proposal Fee**” has the meaning set forth in Section 3.2(b)(i).
85. “**Proposal Label**” means the form of proposal label attached hereto as Appendix “E”.
86. “**Proposal Number**” means the single- or double-digit number (e.g., Proposal 1, Proposal 2, etc.) determined by the Proponent and used to help distinguish all documents and Prescribed Forms of a single Proposal.
87. “**Proposal Security**” means the financial security submitted with a Proposal as described in Section 3.2(ii).
88. “**Proposal Submission Deadline**” has the meaning set forth in Section 2.4(a).

89. “**Public Company**” means a company, the shares of which are listed and traded on any recognized stock exchange.
90. “**Ramp Rate**” means the rate, expressed in MW per minute, that a Facility changes its energy output or consumption.
91. “**Ranking List**” has the meaning set forth in Section 3.6(c).
92. “**Reactive Support Service**” has the meaning given to it in the Market Rules.
93. “**Registered Facility**” has the meaning given to it in the Market Rules.
94. “**Regulation**” has the meaning given to it in the Market Rules.
95. “**Reliability Standards**” has the meaning given to it in the Market Rules.
96. “**RFP**” or “**Regulation RFP**” means this Request for Proposals for Incremental Regulation Capacity, as may be amended by the IESO from time to time, and includes all Appendices, Prescribed Forms and Addenda.
97. “**Selected Proponent**” means a Proponent whose Proposal has been selected and accepted by the IESO in accordance with this RFP, and who becomes obligated to enter into a Contract, as provided in this RFP.
98. “**Selected Proposal**” means a Proposal that has been accepted by the IESO and for which a Contract is to be entered into, pursuant to the terms of this RFP.
99. “**Service Commencement**” has the meaning set forth in the Contract.
100. “**Single Proposal Screen**” has the meaning set forth in Section 3.7(a)(iii).
101. “**System Operator**” means the Independent Electricity System Operator established under Part II of the *Electricity Act, 1998* (Ontario), and its successors and permitted assigns, acting pursuant to its authority to make, administer and enforce the Market Rules.
102. “**System Impact Assessment**” means a study, conducted in accordance with Chapter 4 of the Market Rules, to assess the impact of a new connection of a Facility, or the modification of an existing connection of a Facility, on the performance of the IESO-Controlled Grid and the reliability of the integrated power system.
103. “**Technical Evaluation Team**” means the Evaluation Team involved in evaluating all Prescribed Forms other than the Prescribed Form: Pricing Proposal Spreadsheet.
104. “**Timetable**” means the schedule of key procedural dates and times relating to this RFP, as specified in Section 2.4(a).
105. “**Total Available Hours**” means the aggregate of all Available Hours in a calendar year, as set out in Row Q of the Prescribed Form: Technical Requirements Spreadsheet and Row AA of the Prescribed Form: Pricing Proposal Spreadsheet.

106. “**Total Facility Cost Per MW Per Year**” is the value provided in Row AB of the Prescribed Form: Pricing Proposal Spreadsheet.
107. “**Total Facility Cost Per Year**” is calculated as follows using the values provided in the Prescribed Form: Pricing Proposal Spreadsheet: $\text{Row W} + (\text{Row X} + \text{Row Y}) \times (\text{Row Z}) \times (\text{Row AA})$.
108. “**Total Point Score**” has the meaning set forth in Section 3.6(a).
109. “**Transformer Station**” means a facility where voltage is reduced from a higher value to a lower value (e.g. 230 kV to 44 kV) or increased from a lower value to a higher value (e.g. 44 kV to 230 kV) and includes any structures, equipment or other things associated therewith.
110. “**Transmitter**” has the meaning given to it in the Market Rules.
111. “**Voltage Control Service**” has the meaning given to it in the Market Rules.
112. “**Website**” means that section of the website referenced as www.ieso.ca/RegulationRFP that is dedicated to this RFP process.

APPENDIX "B"
PRESCRIBED FORM: PROPONENT INFORMATION AND DECLARATIONS

[See attached]

Appendix “B” – Prescribed Form: Proponent Information and Declarations

| | |
|-------------|-----------|
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|-------------|-----------|

Instructions:

This page sets out the instructions for completing the Prescribed Form: Proponent Information and Declarations.

- a. This instruction page is not required to be submitted with the Proposal.
- b. Information provided in this Prescribed Form should be consistent with the information provided in other areas or documents of the Proposal, as applicable.
- c. Where the Prescribed Form has multiple pages, the pages of the Prescribed Form should be kept together in the Proposal in sequential order.
- d. If applicable, evidence required to be attached as either Exhibit “A” or “B” can be attached as multiple additional pages, so long as the IESO can identify the pages or documents as forming part of Exhibit “A” or Exhibit “B”, as applicable.
- e. Apart from the completion of any blanks, drop down lists, check boxes or similar uncompleted information in the Prescribed Form, no amendments may be made to the wording of the Prescribed Form.
- f. The Prescribed Form must be completed in its entirety. Fields marked <if applicable> must be completed if applicable to the Proposal. If not applicable, they should be marked "not applicable".
- g. With the exception of this instruction page, instructions within the Prescribed Form will be enclosed in brackets <>.
- h. Capitalized terms not defined herein shall have the meanings ascribed to them in the Request for Proposals for Incremental Regulation Capacity (the “**Regulation RFP**”).

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Appendix “B” – Prescribed Form: Proponent Information and Declarations

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June 2017

| | |
|------------------|---|
| Proponent name: | <insert legal name of the Proponent> |
| Facility name: | <insert name of the Facility> |
| Proposal Number: | <insert the Proposal Number indicated in the Prescribed Form: Technical Requirements Spreadsheet> |

Contact Information:

| | |
|---|--|
| Primary contact name | <insert name of primary contact> |
| Primary contact email address: | <insert e-mail address of primary contact> |
| Secondary contact name: | <insert name of secondary contact> |
| Secondary contact email address: | <insert e-mail address of secondary contact> |
| Proponent mailing address: | <insert address of Proponent> |
| Proponent email address <if available>: | <insert e-mail address of Proponent> |

DECLARATION IN THE MATTER OF the submission of a Proposal under the Regulation RFP.

I, <insert name of declarant>, of the <insert City/Town/Region etc.> of <insert name of City/Town/Region etc.>, in <insert name of Province or State> DO SOLEMNLY DECLARE, on behalf of the Proponent, without personal liability, the following:

1. I am the / an <insert office held, e.g. president, director, etc.> of the Proponent and have knowledge of the matters herein described.

Mandatory Requirements

2. The Proponent confirms that the Proposal is in respect of no more than one Facility. **(Section 3.3(b)(i))**
3. The Proponent confirms that the Facility is either a Registered Facility or is capable of meeting registration requirements of a Registered Facility under the Market Rules. **(Section 3.3(b)(vii))**

Appendix “B” – Prescribed Form: Proponent Information and Declarations

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4. The Proponent confirms that the Facility is not subject to a contract with the IESO to provide Regulation service that, as of June 1, 2017, has a term extending beyond February 1, 2018. **(Section 3.3(b)(viii))**
5. Where the Facility is a New Build Facility, the Proponent confirms that:
 - a. at least one (1) public community meeting has been held in each Local Jurisdiction in which the Facility is proposed to be located; and
 - b. the public community meeting occurred on or after September 30, 2016.

(Sections 3.3(b)(x), 3.3(b)(x)(A)(1))

The Proponent further confirms that evidence substantiating the foregoing confirmations has been attached as Exhibit “A” to this Prescribed Form, in the form of a copy of the meeting summary report(s) received as more fully described in Section 3.3(b)(x)(B) of the Regulation RFP. **(Section 3.3(b)(x)(B))**

6. Where the Facility is a New Build Facility, the Proponent confirms that, at least fifteen (15) days prior to the public community meeting identified in Section 5 of this Prescribed Form, a public notice was:
 - a. published on at least one (1) newspaper with general circulation within each Local Jurisdiction in which the Facility is proposed to be located; and if no such newspaper exists, the notice was have been published in at least six (6) conspicuous locations within the Local Jurisdiction;
 - b. provided to the clerk of each Local Jurisdiction, if applicable, and any other designated official prescribed by each Local Jurisdiction, acting reasonably; and
 - c. distributed to each property neighbouring the location of the New Build Facility.

(Section 3.3(b)(x)(A)(2), (3) and (4))

The Proponent further confirms that evidence substantiating the foregoing confirmations has been attached as Exhibit “B” to this Prescribed Form, in the form of the page of the newspaper in which the public community meeting notice was published showing at least the public community meeting notice, the newspaper name and the date; or, if no such newspaper exists, photographic proof of the notice that posted in six (6) conspicuous locations per the requirements laid out in Section 3.3(x)(A)(2). **(Section 3.3(b)(x)(C))**

Representations, Warranties and Acknowledgements

7. The Proponent confirms that the Proposal is complete in every respect and in compliance with the Regulation RFP. **(Section 2.5(a))**
8. The Proponent acknowledges that any amendments made to the Prescribed Forms, whether on the face of such forms or contained elsewhere in its Proposal, may result in the rejection of its Proposal or otherwise may be taken into consideration in the evaluation of the Proposal. **(Section 2.5(d))**
9. The Proponent has only engaged in communications for the Permitted Purposes and has not engaged in any communications for the Excluded Purposes. **(Section 2.10)**

Appendix “B” – Prescribed Form: Proponent Information and Declarations

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June 2017

10. The Proponent confirms the receipt of all of the Addenda issued by the IESO (if any). **(Section 2.11)**
11. The Proponent acknowledges that disclosure of any of the values in the Prescribed Form: Pricing Proposal Spreadsheet in the remainder of the Proposal or elsewhere shall result in rejection of its Proposal. **(Section 3.2(b)(v))**
12. The Proponent confirms that neither it, nor any Persons involved in the preparation of its Proposal and/or required by the Proponent to successfully implement its Proposal and comply with the Contract, has engaged in any activity or communication that would constitute a Conflict of Interest or has engaged in any activity or communication that results in collusion or a violation of any of the civil or criminal code provisions of the *Competition Act* (Canada). **(Section 5.2(b))**
13. The Proponent acknowledges that it irrevocably and unconditionally waives any claim or right in law or otherwise to make any claim or bring any action of any kind against the IESO and the noted parties in relation to any of the communication specified in Section 5.2 of the Regulation RFP. **(Section 5.2(c))**
14. The Proponent acknowledges that if its Proposal does not comply with the requirements set out in the Regulation RFP, the IESO may, without liability, cost or penalty, reject its Proposal and not give any further consideration to its Proposal. **(Section 5.4(a))**
15. The Proponent acknowledges that the IESO’s evaluation of compliance under the Regulation RFP is not an evaluation of absolute compliance and that the IESO may waive failures to company that, in the IESO’s discretion, do not constitute a Material Deviation in accordance with Section 5.4. **(Section 5.4(b))**
16. The Proponent acknowledges that if the IESO commits a material breach of the Regulation RFP (that is, a material breach of “Contract A”), 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. **(Section 5.6)**
17. The Proponent acknowledges that the IESO has reserved unto itself all of the rights specified in Section 5.7 of the Regulation RFP and that these reserved rights are in addition to any other express rights or any of the other rights implied in the circumstances of Section 5.7 of the Regulation RFP. **(Section 5.7)**

Name of declarant:

Title of declarant:

Dated this day of , 20

I have the authority to bind the Proponent.

EXHIBIT “A”

MEETING SUMMARY REPORT

<a copy of the meeting summary report(s) and actions, if any, to be taken by the Proponent to address feedback received>

EXHIBIT "B"

MEETING NOTICE EVIDENCE

<a copy of the newspaper in which the public community meeting notice was published showing at least the public community meeting notice, the newspaper name and the date; or, if no such newspaper exists, photographic proof of the notice that posted in six (6) conspicuous locations>

APPENDIX "C"
TECHNICAL REQUIREMENTS SPREADSHEET INSTRUCTIONS

[See attached]

APPENDIX “C”

TECHNICAL REQUIREMENTS SPREADSHEET INSTRUCTIONS

1. This Appendix “C” contains instructions for completing the Prescribed Form: Technical Requirements Spreadsheet.
2. The Prescribed Form: Technical Requirements Spreadsheet is a Microsoft Excel file, which is available on the Website and must be completed and submitted with the Proponent’s Proposal.
3. This Appendix “C” is not required to be submitted with the Proponent’s Proposal.
4. Apart from the completion of any blanks (i.e., green-shaded areas) in the Prescribed Form: Technical Requirements Spreadsheet, no amendments may be made to the wording of the Prescribed Form.
5. Fill in green-shaded areas only. Any additional information provided by Proponents outside of these designated cells will not be considered by the IESO. Some values are automatically populated based on a calculation using values from other cells.
6. Capitalized terms not defined herein shall have the meaning ascribed to them in the RFP.
7. Use the units of measurement required for each data field. The IESO will not alter a Proposal, and in all cases will assume that the Proponent has followed the prescribed units of measurement when evaluating all answers given in the Prescribed Form: Technical Requirements Spreadsheet. Refer to the “units of measurement” table below for guidance.
8. The Prescribed Form: Technical Requirements Spreadsheet must pertain to only one (1) Facility.
9. Proponents should use the following naming convention for the filename of a submitted Prescribed Form: Technical Requirements Spreadsheet **{Proponent name}_{Facility name}_Technical Requirements_{Proposal Number}**
Example: ABC Corporation_Facility123_Technical Requirements_1

Composition of the Prescribed Form: Technical Requirements Spreadsheet

The Prescribed Form: Technical Requirements Spreadsheet contains a single Tab with 2 distinct sections:

1) Section 1: Facility Characteristics

2) Section 2: Technical Requirements - Data collected in this section will contribute to an evaluation constituting 70% (up to 70 points) of the Proponent’s Total Point Score

Units of Measurement

| Type of measurement | Accuracy | Convention |
|----------------------------|------------------------|---|
| Hours per month | To the nearest hour | Express as a whole number. February is assumed to have 28 days. |
| Number of Months | To the nearest month | Express as a whole number. - Example: a period of 1 month and 17 days is to be rounded to 2 months |
| Hours per year | To the nearest hour | Assume a year is 8760 hours in duration. |
| Years | To the nearest year | Express as a whole number. |
| MW values | To the nearest 0.1 MW | Do not enter units. |
| MW per minute | To the nearest 0.1 MW | Do not enter units. |
| MWh | To the nearest 0.1 MWh | Do not enter units. |

Section 1: Facility Characteristics

| Spreadsheet data field | Instructions |
|---|---|
| Facility-level information | |
| Proponent name: | Enter Proponent legal name. |
| Facility name: | For an Existing Facility: |
| Facility ID no.: | Complete per the most current IESO registration data for this Facility (refer to the Online IESO web portal) |
| Facility type: | For a New Build Facility: |
| Fuel type: | Leave Facility ID no. blank. For all Facilities: Select one “Facility Type” option from the drop-down list. |
| Nameplate Capacity (MW): | Enter a numerical value. |
| Facility status: | Select one “Facility Status” from the drop-down list. |
| Local Jurisdiction of New Build Facility: | For an Existing Facility: Leave blank. For a New Build Facility: Enter the proposed Local Jurisdiction of the New Build Facility. |
| Connection location of New Build Facility (Eligible TS): | For an Existing Facility: Leave blank. For a New Build Facility: Select Eligible TS from the drop-down list to which the New Build Facility is proposed to connect, if connecting on a Distribution System. If connecting to the IESO-Controlled Grid, select an Eligible Circuit below. |

| Spreadsheet data field | Instructions |
|--|---|
| Connection location (Eligible Circuit): | <p>For an Existing Facility: Leave blank.</p> <p>For a New Build Facility: Select Eligible Circuit from the drop-down list to which the New Build Facility is proposed to connect, if connecting to a Distribution System.</p> |
| Proposal Number: | <p>Select a proposal number to be associated with the Proposal.</p> <p>If a Proponent is submitting only one Proposal, the Proposal Number should be Proposal “1”.</p> <p>If a Proponent is submitting more than one Proposal, assign a different Proposal Number to each proposal in sequential order with the first Proposal being Proposal “1”..</p> <p>Proposals will be uniquely identified as per the following convention: {Name of Proponent}_{Facility Name}_Technical Proposal_{Technical Proposal Number}</p> <p>Example: ProponentABC_Facility123_Technical Proposal_1</p> |

Section 2: TECHNICAL REQUIREMENTS SPREADSHEET (up to 70 points available)

| Row | Name of data input | Instructions and examples | Unit of measurement | Scoring methodology | Maximum number of points available |
|-------|-----------------------------|--|---------------------|--|------------------------------------|
| ROW A | Offered Regulation Capacity | <p>Instruction</p> <p>This value MUST be the same as the entry in Row Z from the corresponding Prescribed Form: Pricing Proposal Spreadsheet.</p> <p>This value is used as an input in calculating the Offered Duration of Service (Row D) and the Total Cost Per MW Per Year (Row AB).</p> <p>Acceptable Inputs</p> <p>Minimum allowable value: ± 2.0 MW Maximum allowable value: ± 50.0 MW</p> <p>Examples</p> <p>Example 1: If a storage facility is able to draw a maximum of 5.0 MW and inject a maximum of 5.0 MW, then the Offered Regulation Capacity would be ± 5.0 MW</p> <p>Example 2: If a generation facility is able to offer 25.0 MW above and 25.0 MW below a given Base-point, then the Offered Regulation Capacity would be ± 25.0 MW</p> | \pm MW | <p>Maximum score: 10 points for an Offered Regulation Capacity ± 10.0 MW or higher</p> <p>Minimum score: 2 points for an Offered Regulation Capacity ± 2.0 MW</p> <p>Linear score between 2 and 10 points calculated using the following equation:</p> <p>Offered Regulation Capacity score = $\text{MAX}(2, \text{MIN}(\text{Offered Regulation Capacity}, 10))$</p> | 10 points |

| Row | Name of data input | Instructions and examples | Unit of measurement | Scoring methodology | Maximum number of points available |
|-------|-------------------------|---|---------------------|---|------------------------------------|
| ROW B | Offered Ramp Rate | <p>Acceptable Inputs</p> <p>Minimum allowable value: 7.0 MW/minute</p> <p>Maximum allowable value: No maximum</p> | MW/min | <p>Maximum score: 10 points for an Offered Ramp Rate ≥ 100.0 MW/minute</p> <p>Minimum score: 0.7 points for an Offered Ramp Rate of 7.0 MW/minute</p> <p>Linear score between 0.7 and 10 points calculated using the following equation:</p> $\text{Offered Ramp Rate score} = \text{MAX} \left(0.7, \left(\text{MIN} \left(\frac{\text{Offered Ramp Rate}}{10}, 10 \right) \right) \right)$ | 10 points |
| ROW C | Offered Energy Capacity | <p>Instructions</p> <p>This value is used as an input in calculating the Offered Duration of Service (Row D)</p> <p>For Energy Limited Facilities: Input the Offered Energy Capacity of the Facility</p> <p>For Facilities that are not Energy Limited: Leave Offered Energy Capacity blank.</p> | MWh | N/A | N/A |

| Row | Name of data input | Instructions and examples | Unit of measurement | Scoring methodology | Maximum number of points available |
|-------|-----------------------------|--|---------------------|---|------------------------------------|
| ROW D | Offered Duration of Service | <p>Instructions This cell is automatically populated using inputs from Row A and Row C.</p> <p>Acceptable Inputs Minimum allowable value: Facility can provide up to 6 minutes of service without becoming energy limited.</p> <p>Examples</p> <p>For Energy Limited Facilities: This is the amount of time a Facility can provide its maximum Offered Regulation Capacity (positive value of the range stated in ROW A) without becoming energy limited.</p> <p>This value will be calculated using the following equation:</p> $\frac{\text{Offered Duration of Service (minutes)}}{\text{Offered Energy Capacity}_{(ROW C)}} \times 60 = \frac{\text{Offered Regulation Capacity}_{ROW A}}{\text{Offered Regulation Capacity}_{ROW A}}$ <p>For non-Energy Limited Facilities:</p> <p>The value is imputed if the proponent leaves the Offered Energy Capacity (Row C) blank which implies that the facility is not energy-limited.</p> <p>The Offered Duration of Service will be deemed to be 120 minutes for the purpose of scoring.</p> | Minutes | <p>Maximum score of 20 points for an Offered Duration of Service of 120 minutes or greater.</p> <p>For non-Energy Limited Facilities, a maximum score of 20 points shall be awarded.</p> <p>Minimum Score: 1 point for a Offered Duration of Service of 6 minutes</p> <p>Linear score between 1 and 20 points calculated using the following equation:</p> $\text{Offered Duration of Service score} = \text{MAX} (1, \text{MIN} (\frac{\text{Offered Duration of Service}}{6}, 20))$ | 20 points |

| Row | Name of data input | Instructions and examples | Unit of measurement | Scoring methodology | Maximum number of points available |
|-------|-----------------------------|--|---------------------|---------------------|------------------------------------|
| ROW E | Available Hours - January | Acceptable inputs Minimum allowable value per month: 0 Maximum allowable hours per month: January: 744 hours February: 672 hours March: 744 hours April: 720 hours May: 744 hours June: 720 hours July: 744 hours August: 744 hours September: 720 hours October: 744 hours November: 720 hours December: 744 hours | Hours per month | N/A | N/A |
| ROW F | Available Hours - February | | | | |
| ROW G | Available Hours - March | | | | |
| ROW H | Available Hours -April | | | | |
| ROW I | Available Hours -May | | | | |
| ROW J | Available Hours -June | | | | |
| ROW K | Available Hours -July | | | | |
| ROW L | Available Hours - August | | | | |
| ROW M | Available Hours - September | | | | |
| ROW N | Available Hours - October | | | | |

| Row | Name of data input | Instructions and examples | Unit of measurement | Scoring methodology | Maximum number of points available |
|-------|---|---|---------------------|---------------------|------------------------------------|
| ROW O | Available Hours - November | | | | |
| ROW P | Available Hours - December | | | | |
| Row Q | Total Available Hours | <p>Instruction</p> <p>This value MUST be the same as the entry in Row AA from the corresponding Prescribed Form: Pricing Proposal Spreadsheet.</p> <p>This cell is automatically populated using inputs from Row E to Row P, inclusive.</p> <p>This value is used as an input in calculating the Availability-Weighted Regulation Capacity (Row V) and the Total Cost Per MW Per Year (Row AB).</p> | Hours per year | N/A | N/A |
| ROW R | Maximum setpoint value for operation under Regulation control | <p>Description</p> <p>This value is the Facility's maximum output (injections) or minimum energy draw (withdrawals) when providing Regulation service.</p> <p>This value is used for planning purposes only and is not awarded any points.</p> <p>Acceptable Inputs</p> <p>Energy injections should be expressed as a positive</p> | MW | N/A | N/A |

| Row | Name of data input | Instructions and examples | Unit of measurement | Scoring methodology | Maximum number of points available |
|--------------|--|---|---------------------|---------------------|------------------------------------|
| | | <p>number.</p> <p>Energy withdrawals should be expressed as a negative number.</p> <p>Examples</p> <p>Example 1: Generation Facility</p> <p>If a generation facility dispatched to a Base-point of 40 MW is able to offer a Regulation range of ± 25 MW (i.e., between 15 MW of energy injection and 65 MW of energy injection), the maximum setpoint would be 65 MW.</p> <p>Example 2: Load Facility</p> <p>If a load facility dispatched to a Base-point of -45 MW is able to offer a Regulation range of ± 5 MW (i.e., between 50 MW of energy draw and 40 MW of energy draw), the maximum setpoint would be -40 MW.</p> <p>Example 3: Storage Facility</p> <p>If a storage facility dispatch to a Base-point of 0 MW is able to offer a Regulation Range of ± 10 MW (i.e., between -10 MW of energy draw and 10 MW of energy injection), the maximum setpoint would be 10 MW</p> | | | |
| ROW S | Minimum setpoint for operation under Regulation control | <p>Description</p> <p>This value is the Facility's minimum output (injection) or maximum energy draw (withdrawal) when providing Regulation service.</p> <p>This value is used for planning purposes only and is not awarded any points.</p> | MW | N/A | N/A |

| Row | Name of data input | Instructions and examples | Unit of measurement | Scoring methodology | Maximum number of points available |
|-----|--------------------|---|---------------------|---------------------|------------------------------------|
| | | <p>Acceptable Inputs</p> <p>Energy injections should be expressed as a positive number.</p> <p>Energy withdrawals should be expressed as a negative number.</p> <p>Examples</p> <p>Example 1: Generation Facility</p> <p>If a generation facility dispatched to a Base-point of 40 MW is able to offer a Regulation range of ± 25 MW (i.e., between 15 MW of energy injection and 65 MW of energy injection), the minimum setpoint would be 15 MW.</p> <p>Example 2: Load Facility</p> <p>If a load facility dispatched to a Base-point of -45 MW is able to offer a Regulation range of ± 5 MW (i.e., between 50 MW of energy draw and 40 MW of energy draw), the minimum setpoint would be -50 MW.</p> <p>Example 3: Storage Facility</p> <p>If a storage facility dispatched to a Base-point of 0 MW was able to offer a Regulation Range of 10 MW (i.e., between -10 MW of energy draw and 10 MW of energy injection), the minimum setpoint would be -10 MW.</p> | | | |

| Row | Name of data input | Instructions and examples | Unit of measurement | Scoring methodology | Maximum number of points available |
|---------------------------------|--|---|---------------------|--|------------------------------------|
| ROW T | Offered Months to Service Commencement | Acceptable Inputs Minimum allowable value: 0 months Maximum allowable value: 36 months | Months | Maximum score: 10 points for zero (0) months and up to and including 12 months 6 points: > 12 months and up to and including 24 months 3 points: > 24 months and less than or equal to 36 months | 10 points |
| ROW U | Offered Contract Service Term | Acceptable Inputs Minimum allowable value: 3 years Maximum allowable value: 7 years | Years | Maximum score: 20 points for an Offered Contract Service Term of 3 years 16 points for an Offered Contract Service Term of 4 years 12 points for an Offered Contract Service Term of 5 years 8 points for an Offered Contract Service Term of 6 years 4 points for an Offered Contract Service Term of 7 years | 20 points |
| ROW V | Availability-Weighted Regulation Capacity | Instruction This cell is automatically populated. This value is used for selection purposes, per Section 3.7 of the RFP. | MW | N/A | N/A |
| Total Points – Technical | | | | | 70 |

APPENDIX "D"
PRICING PROPOSAL SPREADSHEET INSTRUCTIONS

[See attached]

APPENDIX “D”

PRICING PROPOSAL SPREADSHEET INSTRUCTIONS

1. This Appendix “D” contains instructions for completing the Prescribed Form: Pricing Proposal Spreadsheet.
2. The Prescribed Form: Pricing Proposal Spreadsheet is a Microsoft Excel file, which is available on the Website and must be completed and submitted with the Proponent’s Proposal.
3. This Appendix “D” is not required to be submitted with the Proponent’s Proposal.
4. Apart from the completion of any blanks (i.e., green-shaded areas) in the Prescribed Form: Pricing Proposal Spreadsheet, no amendments may be made to the wording of the Prescribed Form.
5. Fill in green-shaded areas only. Any additional information provided by Proponents outside of these designated cells will not be considered by the IESO. Some values are automatically populated based on a calculation using values from other cells.
6. Capitalized terms not defined herein shall have the meaning ascribed to them in the RFP.
7. Use the units of measurement required for each data field. The IESO will not alter a Proposal, and in all cases will assume that the Proponent has followed the prescribed units of measurement when evaluating all answers given in the Prescribed Form: Pricing Proposal Spreadsheet. Refer to the “units of measurement” table below for guidance.
8. The Prescribed Form: Pricing Proposal Spreadsheet must pertain to only one (1) Facility.
9. Proponents should use the following naming convention for the filename of a submitted Prescribed Form: Pricing Proposal Spreadsheet
{Proponent name}_{Facility name}_Pricing Proposal_{Proposal Number}
Example: ABC Corporation_Facility123_Pricing Proposal_1

Composition of the Prescribed Form: Pricing Proposal Spreadsheet

The Prescribed Form: Pricing Proposal Spreadsheet contains a single Tab with 2 distinct sections:

1) Section 1: Proponent Information

2) Section 2: Pricing Proposal - data collected in this section will contribute to an evaluation constituting 30% (up to 30 points) of the Total Point Score

Units of Measurement

| Type of measurement | Accuracy | Convention |
|----------------------------|---------------------|-------------------|
| \$ per year | To the nearest cent | Canadian dollars |
| \$ per MWh | To the nearest cent | Canadian dollars |

Section 1: Proponent Information

Overview: Provide information regarding the Proponent.

| Spreadsheet data field | Instructions |
|-------------------------------|--|
| Proponent name: | Enter Proponent legal name. |
| Facility name: | The Facility name must be the same as the Facility name provided in the corresponding Prescribed Form: Technical Requirements Spreadsheet. |
| Proposal Number | The Proposal Number must be the same as the Proposal Number provided in the corresponding Prescribed Form: Technical Requirements Spreadsheet. |

Section 2: Pricing Proposal (up to 30 points available)

Each Proponent is required to express the costs of its Proposal in terms of three separate components, as set out below. Proponents may submit a value of zero but must not leave cells blank.

The information provided will be used to calculate a Total Facility Cost Per MW Per Year value as follows:

Total Facility Cost Per MW Per Year

$$= \left(\frac{\text{Offered availability cost component per year}}{\text{Offered Regulation Capacity} \times \text{Offered availability rate}} \right) + (\text{Opportunity cost rate} \times 8760 \text{ hours per year}) \\ + (\text{Residual variable cost rate} \times 8760 \text{ hours per year})$$

Where:

Offered availability cost component per year is provided by the Proponent in Row W

Opportunity cost rate is provided by the Proponent in Row X

Residual variable cost rate is provided by the Proponent in Row Y

Offered Regulation Capacity is provided by the Proponent in Row Z

Offered availability rate is the value provided by the Proponent in Row AA (which must be identical to the value in ROW Q of the corresponding Prescribed Form: Technical Requirements Spreadsheet) divided by 8760 hours per year.

| Row | Name of data input | Instructions and examples | Unit of measurement | Scoring methodology | Maximum number of points available |
|--------------|---|---|---------------------|---------------------|------------------------------------|
| ROW W | Offered availability cost component per year | <p>Description</p> <p>This value represents the fixed annual cost of providing Regulation service for a period of one calendar year.</p> <p>These values are used as inputs in calculating the Total Cost Per MW Per Year (Row AB)</p> <p>Acceptable Inputs</p> <p>Minimum acceptable value: \$0 per year</p> | \$ per year | | |
| ROW X | Opportunity cost rate | <p>Description</p> <p>This value represents the opportunity cost rate of providing one MWh of Regulation service instead of other possible services the Facility could have provided.</p> <p>These values are used as inputs in calculating the Total Cost Per MW Per Year (Row AB)</p> <p>Acceptable Values</p> <p>Minimum acceptable value: \$0 per MWh</p> | \$ per MWh | N/A | N/A |

| Row | Name of data input | Instructions and examples | Unit of measurement | Scoring methodology | Maximum number of points available |
|--------|------------------------------------|--|---------------------|---------------------|------------------------------------|
| ROW Y | Residual variable cost rate | <p>Description</p> <p>This value represents all variable costs (other than opportunity costs represented in ROW X) of providing one MWh of Regulation service.</p> <p>These values are used as inputs in calculating the Total Cost Per MW Per Year (Row AB)</p> <p>Acceptable Values</p> <p>Minimum acceptable value: \$0 per MWh</p> | \$ per MWh | | |
| ROW Z | Offered Regulation Capacity | <p>Instruction</p> <p>This value MUST be the same as the entry in Row A from the corresponding Prescribed Form: Technical Requirements Spreadsheet.</p> <p>This value is used as an input in calculating the Total Cost Per MW Per Year (Row AB)</p> | ±MW | | |
| ROW AA | Total Available Hours | <p>Instruction</p> <p>This value MUST be the same as the entry in Row Q from the corresponding Prescribed Form: Technical Requirements Spreadsheet.</p> <p>This value is used as an input in calculating the Total Cost Per MW Per Year (Row AB)</p> | Hours per year | N/A | N/A |

| Row | Name of data input | Instructions and examples | Unit of measurement | Scoring methodology | Maximum number of points available |
|-------------------------------|-------------------------------------|---|---------------------|---|------------------------------------|
| ROW AB | Total Facility Cost Per MW Per Year | <p>Description</p> <p>This value is automatically populated.</p> <p>The Total Facility Cost Per MW Per Year is based on the calculation described at the outset of this Appendix “D”</p> | \$ per MW per year | <p>Proposal(s) with the lowest Total Facility Cost Per MW Per Year shall receive a score of 30 and any Proposals(s) with the highest Total Facility Cost Per MW Per Year shall receive a score of 0. All other Proposal(s) will receive a prorated score based on the following equation:</p> $\frac{(\text{Highest Total Cost} - \text{Total Facility Cost Per MW Per Year})}{(\text{Highest Total Cost} - \text{Lowest Total Cost})} \times 30$ <p>Where:</p> <p>Total Facility Cost Per MW Per Year is the value calculated in this row</p> <p>Lowest Total Cost is the lowest Total Facility Cost Per MW Per Year of any Proposal(s), subject to the lowest allowable limit of \$0 per MW year</p> <p>Highest Total Cost is the highest Total Facility Cost Per MW Per Year of any Proposals(s), subject to the Individual Price Cap.</p> <p>This score is not indicated on the spreadsheet – only the Total Facility Cost Per MW Per Year.</p> | 30 |
| Total Points - Pricing | | | | | 30 |

**APPENDIX “E”
PROPOSAL LABEL**

2017 REGULATION RFP

FROM:

Proponent name: _____

Proponent address: _____

Contact name: _____

Phone no. _____

E-mail address: _____

TO:

**Independent Electricity System Operator
120 Adelaide Street West
Suite 1600
Toronto, ON M5H 1T1
Attention: 2017 Regulation RFP**

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

APPENDIX "F"
PRESCRIBED FORM: NOTICE OF PROPOSAL WITHDRAWAL

[See attached]

Appendix “F” – Prescribed Form: Notice of Proposal Withdrawal

Page i of i

June 2017

Instructions:

This page sets out the instructions for completing the Prescribed Form: Notice of Proposal Withdrawal.

All capitalized terms used in these instructions and the Prescribed Form: Notice of Proposal Withdrawal, unless otherwise stated, have the meanings ascribed to them in the Request for Proposals for Incremental Regulation Capacity (the “**Regulation RFP**”).

- a. This instruction page is not required to be submitted with the Proposal.
- b. Information provided in this Prescribed Form should be consistent with the information provided in the Proposal.
- c. Where the Prescribed Form has multiple pages, the pages of the Prescribed Form should be kept together in the Proposal in sequential order.
- d. Apart from the completion of any blanks, drop down lists, check boxes or similar uncompleted information in the Prescribed Form, no amendments may be made to the wording of the Prescribed Form.
- e. With the exception of this instruction page, instructions within the Prescribed Form will be enclosed in brackets.
- f. When providing this Prescribed Form: Notice of Proposal Withdrawal to withdraw a submitted Proposal, the Prescribed Form must be emailed to RegulationRFP@ieso.ca from the primary or secondary contact listed in the Prescribed Form: Proponent Information and Declarations.

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Appendix “F” – Prescribed Form: Notice of Proposal Withdrawal

| | |
|-------------|-----------|
| Page 1 of 1 | June 2017 |
|-------------|-----------|

IN THE MATTER OF a Proposal under the Regulation RFP.

All capitalized terms used in this Prescribed Form: Notice of Proposal Withdrawal, unless otherwise stated, have the meanings ascribed to them in the Regulation RFP.

| | |
|------------------|---|
| Proponent name: | <insert legal name of the Proponent> |
| Facility name: | <insert name of the Facility> |
| Proposal Number: | <insert the Proposal Number indicated in the Prescribed Form: Technical Requirements Spreadsheet> |

The undersigned confirms the following:

The Proponent is withdrawing its Proposal with the characteristics described in the table above (the “Subject Proposal”).

The Proponent acknowledges and agrees that by submitting a completed and duly executed copy of this Prescribed Form: Notice of Proposal Withdrawal, the Subject Proposal will be deemed withdrawn under the Regulation RFP effective upon the IESO's receipt of such form. Please note an email submission to the RegulationRFP@ieso.ca inbox from either the primary or secondary contact is sufficient. No additional hard copies of this Prescribed Form are required to be delivered to the IESO to affect the withdrawal of the Subject Proposal.

The Proponent acknowledges and agrees that it may not withdraw the Subject Proposal after the Proposal Submission Deadline.

The Proponent hereby represents and warrants that the information contained in this Prescribed Form is complete, true and accurate in all respects.

| |
|---|
| Name: |
| Title: |
| Dated this day of , 20 |
| I have the authority to bind the Proponent. |

**APPENDIX “G”
PROPOSAL SECURITY (FORM OF LETTER OF CREDIT)**

| | |
|------------------|---|
| DATE OF ISSUE: | [●] |
| PROPONENT: | [●] (the “ Proponent ”) |
| PROPOSAL NUMBER: | [● Insert Proposal Number associated with the Proposal] |
| FACILITY NAME: | [●] |
| BENEFICIARY: | Independent Electricity System Operator and its successors and permitted assigns (the “ Beneficiary ”) |
| 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 <i>Bank Act</i> (Canada)] |
| 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 Request for Proposals for Incremental Regulation Capacity by the Independent Electricity System Operator issued June 29, 2017 (the “**RFP**”) and the Proposal dated [●] submitted by the Proponent in response thereto (the “**Proposal**”).

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

“The Proponent, whose Proposal has been selected and accepted by the Beneficiary, has failed to execute and deliver the Contract within twenty (20) Business Days of the Offer Notice, has failed to deliver the Closing Documents within twenty (20) Business Days of the Offer Notice, is in violation of any change of Control or assignment provision, or has made a material misrepresentation in the Proposal, and therefore the Beneficiary is entitled to draw upon the Credit in the amount of the draft attached hereto. All capitalized terms used in this certificate that have not been defined herein have the meanings ascribed to them in the RFP.”

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 Credit will automatically extend for additional, successive terms of one (1) year each (each an “**Additional Term**”), unless the undersigned provides the Beneficiary with written notice, at least sixty (60) days prior to the expiration date of the then current term, that it does not wish to extend this 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 the 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.

The issuing financial institution will transfer this Credit at the request of the Beneficiary without the consent of the Proponent, provided the transferee name is not identified on: the list of names subject to Regulations Establishing a List of Entities Made Under Section 83.05(1) of the Criminal Code, and/or Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism (RIUNRST) and/or the United Nations Al-Qaida and Taliban Regulations (UNAQTR) and the transfer is not otherwise contrary to applicable law. All fees incurred by the issuing financial institution in relation to such transfer shall be at the Proponent’s expense, but failure of the Proponent to pay such fees shall not restrict the ability of the Beneficiary to transfer the Credit.

[**Issuing Bank Name**]

By: _____

By: _____

**APPENDIX “H”
FORM OF CONTRACT**

[See attached]