

**FIT CONTRACT****MRP CONTRACT AMENDMENT TERM SHEET**

<b>Heading</b>	<b>Provisions</b>
1. Applicability	<p>(a) This Term Sheet has been drafted with reference to the Feed-in Tariff Contract (v. 1.5.1) (the “<b>Contract</b>”) subject to Exhibit B Type I as amended by the FIT Contract Amendment Agreement re IESO Market Rule Amendment MR-381 for both wind and solar (the “<b>Curtailment Amendment</b>”).</p> <p>(b) While the references and terminology set out in this Term Sheet have been drafted with specific reference to the Contract, the same principles apply with the necessary conforming changes to: FIT (all other versions that have been amended by the Curtailment Amendment), RES I and II where the Supplier is the Metered Market Participant, RES III and LRP.</p> <p>(c) This Term Sheet does <u>not</u> apply to any contract that has not been amended by the Curtailment Amendment, nor to the following types of renewable contracts, which will be addressed separately: RES I and II (where the IESO is the Metered Market Participant).</p> <p>(d) The amendments set forth in this Term Sheet have been previously discussed with stakeholders and reflect the implementation of the approach the IESO presented to stakeholders on October 16, 2018 and April 1, 2019.</p> <p>(e) Capitalized terms used in this Term Sheet not otherwise defined herein have the meaning given to such terms in the Contract.</p>
2. Context	<p>(a) In connection with the IESO’s Market Renewal Program (“<b>MRP</b>”), in 2019 the IESO published high-level designs (“<b>HLDs</b>”) for the Day-Ahead Market (“<b>DAM</b>”), Single Schedule Market (“<b>SSM</b>”) and Enhanced Real-time Unit Commitment (“<b>ERUC</b>”) projects. The IESO has now published detailed design documents for the energy-stream of market renewal (the “<b>Detailed Design Documents</b>”).</p> <p>(b) Based on the Detailed Design Documents, references in the Contract to Market Clearing Price and HOEP will need to be updated to their successor, the Applicable Real-Time Locational Marginal Price (as defined in Schedule “A” to this Term Sheet). This update is required to reflect the implementation of the SSM and will apply to all affected contracts.</p> <p>(c) With respect to the DAM, the Detailed Design Documents provides that an “availability declaration envelope” will apply, which limits the amount of energy that can be offered into the real-time market to the amount of energy that was bid into the DAM. As a result, without the changes proposed by this Term Sheet, Suppliers would bear day-ahead forecast risk that does not currently exist when operating in the real-time market only. The amendments proposed by this Term Sheet enable Facilities to participate passively in the DAM without having to assume this risk, but provide them</p>

	with the flexibility to participate actively in the DAM should they choose to.
3. Timing & Process	<p>(a) Negotiations of this Term Sheet are being done on a without prejudice basis. The Term Sheet is non-binding on either Party.</p> <p>(b) The Term Sheet will remain as a working draft while MRP continues to be developed. As more details are published about MRP (e.g. through the publication of draft IESO Market Rule amendments) and as discussions with Suppliers progress, the Term Sheet will be updated on an ongoing basis to reflect the updated design of MRP and ongoing discussions.</p> <p>(c) On or about the same time as final or near-final IESO Market Rules for MRP are published, amending agreements based on the Term Sheet can be finalized. If a Secured Lender Consent and Acknowledgement Agreement has been entered into in respect of a contract, the amendments will require the consent of the Secured Lender.</p> <p>(d) The amendments will be made effective from and after the date the DAM is opened and LMP is implemented.</p> <p>(e) The generic Term Sheet and any comments on it are generally <u>not</u> considered to be confidential. As the Parties move to contract-specific discussions, it may be necessary to switch to confidential discussions to protect the confidentiality of the agreements.</p>
4. Proposed Amendments	<p>(a) Schedule “A” to this Term Sheet sets out the proposed amendments to the Contract, including the Curtailment Amendment.</p>
5. Further Evolution	<p>(a) In entering into the amendments, the Parties will agree that the amendments satisfy any and all obligations each Party has to the other under the applicable Contract in connection with the IESO Market Rule amendments implementing MRP. Any further new or amended IESO Market Rules will be addressed in accordance with relevant provisions of the Contract, provided that if the IESO ceases to publish the IESO DAM Energy Forecast, further amendments will be required.</p>

**Schedule “A” – Proposed Amendments**

1. The following new defined terms are added:
  - (a) **“IESO DAM Energy Forecast”** means the forecasted amount of energy that is used by the IESO in the absence of a Supplier-provided forecast (or which would have been used by the IESO in the absence of a Supplier-provided forecast) for purposes of scheduling the Facility in the day-ahead IESO-Administered Market, as adjusted by the IESO.
  - (b) **“Applicable Day-Ahead Locational Marginal Price”** or **“ADALMP”** means, with respect to any Dispatch Interval, the locational marginal price applicable to the Facility’s Connection Point in the day-ahead IESO-Administered Market for Electricity for that Dispatch Interval.
  - (c) **“Applicable Real-Time Locational Marginal Price”** or **“ARTLMP”** means, with respect to any Dispatch Interval, the locational marginal price applicable to the Facility’s Connection Point in the real-time IESO-Administered Market for Electricity for that Dispatch Interval.

**[NTD: Defined terms to be finalized to align with the terminology used in final market rules.]**

2. In the definitions of Production-Weighted Average Price and Time-Average Price, the references to HOEP are changed to ARTLMP. **[NTD: Applicable to RES II Performance Incentive Payment calculation.]**
3. In Sections 5.2(a) and (b), references to HOEP are changed to ARTLMP.
4. Section 1.4(a) of Exhibit B for Type 1 Facilities is deleted and replaced with the following:

For each Dispatch Interval “n” in a Settlement Period, the Contract Payment shall be an amount expressed in Dollars and is calculated as follows:

$CP_n = DIDE_n \times AICP_n - [RDAQ_n \times (ADALMP_n - ARTLMP_n) + DIDE_n \times \max(ARTLMP_n, 0)]$	
where:	
$CP_n$	is the Contract Payment applicable to Dispatch Interval “n”.
$DIDE_n$	is the Dispatch Interval Delivered Electricity applicable to Dispatch Interval “n”, provided that if in such Dispatch Interval the Dispatch Interval Delivered Electricity exceeds the Contract Capacity times one Dispatch Interval Period, then for the purposes of the calculation set out in this Section 1.4(a) of Exhibit B, the Contract Capacity times one Dispatch Interval Period shall be used instead of the Dispatch Interval Delivered Electricity.
$AICP_n$	is the Adjusted Indexed Contract Price applicable to Dispatch Interval “n”, and is equal to the Indexed Contract Price applicable during the corresponding calendar year, and where the FIT Contract Cover Page indicates that the Peak Performance Factor applies, such value shall be multiplied by the Peak Performance Factor applicable during the hour corresponding to Dispatch Interval “n”.

RDAQ <sub>n</sub>	<p>is the Reference Day-Ahead Quantity applicable to Dispatch Interval “n”, and is calculated as follows:</p> <p>(i) where ADALMP<sub>n</sub> is greater than zero, RDAQ<sub>n</sub> is equal to FDAQ<sub>n</sub>,</p> <p>(ii) where ADALMP<sub>n</sub> is equal to zero, RDAQ<sub>n</sub> is equal to the lesser of FDAQ<sub>n</sub> and ADAQ<sub>n</sub>, and</p> <p>(iii) where ADALMP<sub>n</sub> is less than zero, RDAQ<sub>n</sub> is equal to zero.</p>
FDAQ <sub>n</sub>	<p>is the Forecast Day Ahead Quantity for Dispatch Interval “n”, and is equal to the IESO DAM Energy Forecast in respect of the hour containing Dispatch Interval “n”, divided by the number of Dispatch Intervals in one hour. Notwithstanding the foregoing, if an IESO DAM Energy Forecast has not been published for the applicable Dispatch Interval, FDAQ<sub>n</sub> shall be deemed to be equal to ADAQ<sub>n</sub>.</p>
ADAQ <sub>n</sub>	<p>is the Actual Day-Ahead Quantity applicable to Dispatch Interval “n”, and is equal to the amount of Electricity that the Facility was scheduled for in the day-ahead market for the hour containing Dispatch Interval “n”, divided by the number of Dispatch Intervals in one hour.</p>
ADALMP <sub>n</sub>	<p>is the Applicable Day-Ahead Locational Marginal Price applicable to Dispatch Interval “n”.</p>
ARTLMP <sub>n</sub>	<p>is the Applicable Real-Time Locational Marginal Price applicable to Dispatch Interval “n”.</p>

5. The Curtailment Amendment is revised as follows:

- (a) All references to MCP are changed to ARTLMP; and
- (b) All references to CMSC are deleted and replaced by “Make Whole Payments” applicable in respect of Foregone Energy.

For greater certainty, subject to the foregoing, the Foregone Energy provisions of the Curtailment Amendment will continue to apply.