

NUG (ORIGINAL) CONTRACT

MRP CONTRACT AMENDMENT TERM SHEET

Heading	Provisions
1. Applicability	<p>(a) This Term Sheet has been drafted with reference to a generic Non-Utility Generator (NUG) Contract originally entered into by the IESO on or before December 31, 2014 (each, a “Contract”). This Term Sheet does <u>not</u> apply to contracts with NUGs entered into after December 31, 2014 (which will be dealt with separately) nor to contracts with NUGs with any person other than the IESO.</p> <p>(b) Capitalized terms used but not defined in this Term Sheet have the meanings given to such terms in the applicable Contract.¹</p>
2. Context	<p>(a) In connection with the IESO’s Market Renewal Program (“MRP”), in 2019 the IESO published high-level designs (“HLDs”) for the Day-Ahead Market (“DAM”), Single Schedule Market (“SSM”) and Enhanced Real-time Unit Commitment (“ERUC”) projects. The IESO subsequently published detailed design documents for the energy-stream of market renewal (the “Detailed Design Documents”) and has now prepared market rule amendments which have been provisionally approved by the IESO board.</p> <p>(b) Based on the Detailed Design Documents and the provisional market rule amendments, the IESO anticipates that a amendments will be triggered under (i) Section 1.7 of the Contract, addressing the opening of a Day Ahead Energy Forward Market which requires amendments to the DACP Must-Offer Obligations and (ii) Section 1.8 of the Contract, addressing the occurrence of a Price Evolution Event (namely the implementation of Locational Marginal Pricing²) which requires the recognition of a Replacement Price in lieu of the HOEP.</p> <p>(c) In the absence of eligibility of this Facility for Generator Offer Guarantees, the market price that most closely emulates the price actually paid to Supplier by the Ontario Electricity market for Electricity Delivered from the Facility is expected to be the Real-Time Market price.</p> <p>(d) This Term Sheet defines the Replacement Price and other amendments anticipated to be required by Sections 1.7 and 1.8 of the Contract (the “Proposed Amendments”), and is based on the assumption that the DAM and SSM are ultimately designed and implemented on the same basis as the Detailed Design Documents and provisional market rule amendments (including as part of a single transition). If this assumption turns out to be</p>

¹ This Term Sheet is based on generic NUG contract language. There many be minor variations in the defined terms between contracts and accordingly, once facility-specific amending agreements are drafted, they will be drafted with reference to the applicable defined terms.

² The implementation of Locational Marginal Pricing is one of the effects of moving to a single schedule market.

Draft & Privileged

	<p>incorrect, then the Proposed Amendments set forth in this Term Sheet may require further revision.</p>
3. Process	<p>(a) Negotiations of this Term Sheet are being done to fulfill Buyer’s obligations, pursuant to Sections 1.7(a) and 1.8(a) of the Contract, to propose a Replacement Price and Replacement Provisions to Supplier. The Term Sheet is non-binding on either Party.</p> <p>(b) On or about the same time as final or near-final IESO Market Rules for MRP are published, amending agreements (each, an “MRP Amending Agreement”) 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 MRP Amending Agreement will require consent of the Secured Lender.</p> <p>(c) 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.</p>
5. Further Evolution	<p>(a) In entering into the MRP Amending Agreement, the Parties will agree that the Replacement Price and other amendments satisfy any and all obligations either Party has to the other under the applicable Contract in connection with the IESO Market Rule amendments implementing the energy stream of MRP as of the date of the MRP Amending Agreement. Any further new or amended IESO Market Rules after the date of the MRP Amending Agreement will be addressed in accordance with relevant provisions of the Contract.</p>
6. Effectiveness and Market Transition	<p>(a) The IESO (as System Operator) has published its proposed plan for the transition to the SSM and DAM in presentations entitled Go-Live Plan and MRP Transitional Amendments, both dated April 25, 2024 (the “Go-Live Plan”). The Go-Live Plan includes a description of the cutover plan to transition from the current two-schedule market (the “Legacy Market”), to the SSM and DAM and, if necessary, the rollback plan to restore the Legacy Market, all of which will be addressed by amendments to the IESO Market Rules. The following provisions relating to the transition to the SSM and DAM and the effectiveness of the Proposed Amendments are based on the Go-Live Plan.</p> <p>(b) In accordance with the Go-Live Plan:</p> <ul style="list-style-type: none">i. “Go-Live Date” means the first trade date of the SSM, which is currently targeted to be May 1, 2025;ii. “Go-Live Decision” means the decision, made by the System Operator after confirming that all necessary conditions for Go-Live have been achieved, to commence final preparations for cutover, which is currently targeted for announcement in early April 2025.

	<ul style="list-style-type: none">iii. “MRP Cutover Start Decision” means the decision, made by the System Operator, to begin executing the cutover plan, which is currently targeted for announcement the morning of April 30, 2025.iv. “Market Transition Completed” means the time the System Operator decides to end the market suspension for transition, which is currently targeted for announcement on May 2, 2025. The announcement of the end of the market suspension for transition is also expected to announce the opening of the first DAM offer window.v. “MRP Cutover Completed” means the time the System Operator determines that the Go-Live Plan has been completed, which is currently targeted for announcement on May 8, 2025. <p>(c) Upon the System Operator confirming Market Transition Completed, the Proposed Amendments shall take effect retroactive to the Go-Live Date. For greater certainty, during any period of DAM suspension or failure after the activation of the SSM, the Proposed Amendments applicable to a DAM Suspension Day will apply.</p>
--	--

Schedule “A” – Proposed Amendments

1. Create the following new defined terms:
 - (a) “**Applicable Day-Ahead Locational Marginal Price**” or “**ADALMP**” means, with respect to any hour the DAM locational marginal price for energy (in \$/MWh) at the delivery point that corresponds to the Facility’s Connection Point, and includes any administrative prices for the DAM.
 - (b) “**Applicable Real-Time Locational Marginal Price**” or “**ARTLMP**” means, with respect to any hour, the simple average of the real-time locational marginal price for energy (in \$/MWh) for each interval in that hour at the delivery point that corresponds to the Facility’s Connection Point in the real-time IESO-Administered Market for Electricity, and includes any administrative prices for the real-time market.
 - (c) “**DAM**” means the IESO-Administered Market known as the “Day-Ahead Market”.
 - (d) “**DAM Suspension Day**” means any day for which the DAM is suspended (in whole or in part) by the IESO. For greater certainty, the foregoing applies to both the DAM suspension as part of the market renewal transition and any subsequent DAM suspensions or failures.
 - (e) “**Electricity Scheduled For DA Delivery**” means, with respect to any hour the quantity of Electricity (in MWh) scheduled in the DAM for injection by the Supplier at the delivery point that corresponds to the Facility’s Connection Point.
2. Amend the definition of “Day-Ahead Energy Forward Market” by adding the following to the end: “For greater certainty, the DAM is a Day-Ahead Energy Forward Market.”
3. Amend the definition of “HOEP” by inserting the words “on the Effective Date” immediately after “IESO Market Rules”.
4. In Section 1(a)(i) of Exhibit F, replace “day-ahead commitment process” with “DAM” and throughout the Contract replace “DACP Must-Offer Obligations” with “DAM Must-Offer Obligations”.
5. In section 1(a)(i) of Exhibit F, add before the existing paragraph A, a new paragraph A “IESO suspension of the DAM by prior notice” and adjust the lettering of all existing paragraphs A to F.
6. In Exhibit G, replace “HOEP” with “ADALMP” and replace “Delivered Electricity” with “Electricity Scheduled for DA Delivery”. **[NTD: Conforming changes to this provision may be required to certain contracts.]**
7. In the definition of Sharing Hour (SH_m) in Section 2.1 of Exhibit J and in the calculation of Shared Revenue in Section 2.2 of Exhibit J, replace all references to “HOEP” with “ADALMP, or ARTLMP during any DAM Suspension Day,”.
8. In the definition of Sharing Hour (SH_m) in Section 2.1 of Exhibit J, replace “the Delivery of Electricity” with “Electricity Scheduled for DA Delivery, or the Electricity Delivered during any DAM Suspension Day,”.
9. In the row corresponding to TQ_m of the table in Section 2.1 of Exhibit J, replace “Electricity Delivered” with “Electricity Scheduled for DA Delivery, or the Electricity Delivered during any DAM Suspension Day,”.

10. In the row corresponding to Q_h of the table in Section 2.2 of Exhibit J, replace “Electricity Delivered” with “Electricity Scheduled for DA Delivery, or the Electricity Delivered during any DAM Suspension Day.”.