

RES II–WIND AND SOLAR (IESO AS MMP)

MRP CONTRACT AMENDMENT TERM SHEET

Heading	Provisions
1. Applicability	<p>(a) This Term Sheet has been drafted with reference to the RES II Contract as issued for RFP (the “Contract”), as amended by the RES II Contract Amendment Agreement re IESO Market Rule Amendment MR-381 for both wind and solar (the “Curtailment Amendment”), that are registered in the IESO-Administered Market as dispatchable generators and for which the IESO is the Metered Market Participant.</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 both RES I and II contracts, where the IESO is the Metered Market Participant.</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: FIT, RES I and II (where the Supplier is the Metered Market Participant), RES III, and LRP.</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, with the necessary conforming changes to account for the IESO being the Metered Market Participant.</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 (“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 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 provide 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 offered into the DAM. As a result, without the changes proposed</p>

	<p>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 with the flexibility to participate actively in the DAM should they choose to do so.</p>
<p>3. Process</p>	<p>(a) Negotiations of this Term Sheet are being done to prepare the Contract for the implementation of the SSM and the DAM. 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 finalization 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 (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 the consent of the Secured Lender.</p> <p>(d) 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>
<p>4. Proposed Amendments</p>	<p>(a) Schedule “A” to this Term Sheet sets out the proposed amendments to the Contract, including the Curtailment Amendment.</p>
<p>5. Further Evolution</p>	<p>(a) In entering into the MRP Amending Agreement, 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 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, provided that if the IESO ceases to publish the IESO DAM Energy Forecast, further amendments will be required.</p>
<p>6. Effectiveness & Market Transition</p>	<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</p>

	<p>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.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>
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Schedule “A” – Proposed Amendments

1. Add the following new defined terms:
 - (a) **“Applicable Day-Ahead Locational Marginal Price”** or **“ADALMP”** means, with respect to any Dispatch Interval, the DAM locational marginal price for energy (in \$/MWh) at the Delivery Point that corresponds to the Facility’s Connection Point for the hour to which the Dispatch Interval belongs, and includes any administrative prices for the DAM.
 - (b) **“Applicable Real-Time Locational Marginal Price”** or **“ARTLMP”** means, with respect to any Dispatch Interval, the real-time locational marginal price for energy (in \$/MWh) at the Delivery Point that corresponds to the Facility’s Connection Point in the real-time IESO-Administered Market for Electricity for that Dispatch Interval, 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.
 - (f) **“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.
 - (g) **“Monthly RT MWP ELOC Credit”** means, in respect of a calendar month, the total of all Real Time Make Whole ELOC Payments, during such calendar month, when: (i) the Annual Foregone Energy is less than the Annual Cap; and (ii) the Total Accrued Exposure is less than the Total Cap, and otherwise shall be zero dollars.
 - (h) **“Non-economic Dispatch Interval”** means a Dispatch Interval for which the IESO has issued a dispatch instruction in respect of the Facility which is greater than the “economic operating point”, as defined in the IESO Market Rules, and excluding any Dispatch Interval for which the dispatch instruction is “release” or for which Grid Incapability is applicable.
 - (i) **“Non-economic DA Scheduled Hour”** means an hour for which the IESO has issued a Day Ahead schedule in respect of the Facility which is different from the “economic operating point”, as defined in the IESO Market Rules, and excluding any hour for which Grid Incapability is applicable.
 - (j) **“Real Time Make Whole ELOC Payment”** means, with respect to any Dispatch Interval, the “real-time make-whole payment energy lost opportunity cost” component of the “real-time make-whole payment amount” determined in respect of the Facility for that Dispatch Interval in accordance with IESO Market Rules.
2. Amend the definition of “HOEP” by inserting the words “on the Effective Date” immediately after “IESO Market Rules”.

3. Amend the definitions of Production-Weighted Average Price and Time-Average Price, by replacing “HOEP” with “ARTLMP”.

4. Delete the definition of Market Price and replace it with the following:

“**Market Price**” means the Applicable Real-Time Locational Marginal Price, or ARTLMP.

5. Delete Section 3.4(a) and replace it with the following:

“(a) the Monthly Base Contract Amount for the applicable month, determined in accordance with Section 3.10;”

6. Add a new Section 3.10 as follows:

“3.10 Calculation of the Monthly Base Contract Amount

The Monthly Base Contract Amount for a given month shall be equal to the sum of the Interval Base Contract Amount for each Dispatch Interval “n” during such month.

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

$IBCA_n = [DIDE_n \times CP_n] + [(ADAQ_n - RDAQ_n) \times (ADALMP_n - ARTLMP_n)] - RTNEA_n$	
where:	
IBCA _n	is the Interval Base Contract Amount applicable to Dispatch Interval “n”.
DIDE _n	is the Dispatch Interval Delivered Electricity applicable to Dispatch Interval “n”.
CP _n	is the Contract Price applicable during the calendar year containing Dispatch Interval “n”.
ADAQ _n	is the is the Actual Day-Ahead Quantity applicable to Dispatch Interval “n”, and is equal to the Electricity Scheduled for DA Delivery for the hour containing Dispatch Interval “n”, divided by the number of Dispatch Intervals in one hour. During any DAM Suspension Day, the Actual Day-Ahead Quantity applicable to Dispatch Interval “n” shall be equal to zero.
RDAQ _n	is the Reference Day-Ahead Quantity applicable to Dispatch Interval “n”, and is calculated as follows: (i) where ADALMP _n is greater than zero, RDAQ _n is equal to FDAQ _n , (ii) where ADALMP _n is equal to zero, RDAQ _n is equal to the lesser of FDAQ _n and ADAQ _n , and (iii) where ADALMP _n is less than zero, RDAQ _n is equal to zero; Provided that:

	<p>a) For all Dispatch Intervals in any hour in which Grid Incapability has prevented the scheduling of any resource associated with the Facility in the DAM, $RDAQ_n$ shall be equal to zero, and</p> <p>b) For all Dispatch Intervals in any Non-Economic DA Scheduled Hour, $RDAQ_n$ shall be equal to $ADAQ_n$.</p>
$FDAQ_n$	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” multiplied by one Dispatch Interval Period. Notwithstanding the foregoing, if an IESO DAM Energy Forecast has not been published for the applicable Dispatch Interval, $FDAQ_n$ shall be deemed to be equal to $ADAQ_n$.
$ADALMP_n$	is the Applicable Day-Ahead Locational Marginal Price applicable to the hour containing Dispatch Interval “n”.
$ARTLMP_n$	is the Applicable Real-Time Locational Marginal Price applicable to Dispatch Interval “n”.
$RTNEA_n$	is the Real Time Non-Economic Adjustment applicable to any Dispatch Interval “n” which is a Non-Economic Dispatch Interval, and is equal to $ARTLMP_n$ multiplied by the lesser of $DIDE_n$ and the Dispatch Instruction Rate for the interval multiplied by one Dispatch Interval Period. [NTD: for this circumstance to arise, ARTLMP would need to be negative, so RTNEA is itself negative. It is therefore preceded by a “—” sign in the algorithm. It is a potential offset to the Negative ARTLMP amount.]

7. Revise the following sections of the Contract, introduced by the Curtailment Amendment, as follows:

- (a) Delete the definitions of Congestion Management Settlement Credits, CMSC Constrained-Off Payment, CMSC Constrained-On Payment, CMSC Payment, Interval Negative Price Amount, Market Clearing Price, and Monthly Interval Negative Price Amount Payment and replace with “Intentionally deleted.”;
- (b) Where Section 4(a) of the Curtailment Amendment was applicable, in Section 3.9(a) of the Contract delete section (iii) and replace with “Intentionally deleted.”;
- (c) Replace “MCP” with “ARTLMP”; and
- (d) Replace “CMSC” with “Real Time Make Whole ELOC Payments” and “CMSC Payments” with “Monthly RT MWP ELOCCredit”, as applicable.

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