

ADDENDUM No. 8
Dated January 23, 2009, to the
CHP II RFP
associated with the Ontario Power Authority's Request for Proposals
for approximately 500 MW of Combined Heat and Power Generation
in Ontario (CHP II RFP)
referenced as RFP No. CHP II - 2007

This Addendum No. 8 contains amendments to the CHP II RFP posted on the OPA's website.

In Section 3.1.5, "Executive Summary", the section cross-reference is changed from 3.2.22 to 3.2.24 such that Section 3.1.5 now reads as follows:

3.1.5 Executive Summary

The Proposal must include an Executive Summary meeting the requirements specified in **Section 3.2.24**.

The following table summary of the Rated Criteria replaces the existing table summary in Section 3.3 of the CHP II RFP. The "Maximum Point Score Awarded" values in the table summary for 3.3.3 Proponent Team Experience were transposed and have been corrected to align with the maximum point score allocations in Section 3.3.3 of the CHP II RFP.

RATED CRITERIA		MAXIMUM POINT SCORE AWARDED
3.3.1	Contract Facility Maturity	
	(1) <i>Environmental Assessment</i>	8
	(2) <i>Municipal and Regional Zoning Approvals</i>	9
	(3) <i>Status of EPC Contract</i>	8
3.3.2	Host Facility Risk Mitigation	
	(1) <i>Host Financial Strength</i>	15
	(2) <i>Status of Off-Take Agreement</i>	5
	(3) <i>Duration of the Off-Take Agreement</i>	5

3.3.3	Proponent Team Experience	
	(1) <i>Designated Facility</i>	7
	(2) <i>Designated Team Members</i>	8
3.3.4	Financial Assessment	
	(1) <i>Financing Experience</i>	10
	(2) <i>Status of Commitment</i>	10
	(3) <i>Financial Strength</i>	15
	TOTAL	100
	Minimum Required Total Point Score	40

In Appendix N, "Statutory Declaration", the references to the Deadline for Issuing Addenda are changed from November 7, 2008 to December 17, 2008.

As the changes provided for in this Addendum are strictly typographical in nature, the Proposal Submission Deadline will not be extended and remains January 29, 2009.



REQUEST FOR PROPOSALS
FOR APPROXIMATELY 500 MW OF COMBINED
HEAT AND POWER GENERATION IN ONTARIO
("CHP II RFP")

Request for Proposals No.: CHP II-2007

RFP Issued: May 16, 2008

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1. Introduction

1.1. Purpose of CHP II RFP

Through this request for proposals (this “**CHP II RFP**”), the Ontario Power Authority (the “**OPA**”) is seeking approximately 500 MW of high efficiency combined heat and power generation (“**CHP**”) facilities located in Ontario that affect supply or demand in the interconnected electricity grid in Ontario by delivering firm and reliable supply to either the IESO-Controlled Grid, an LDC, or an End User.

For the purposes of this CHP II RFP, the following CHP facility configurations are acceptable:

- (1) Natural Gas-Fired Industrial Cogeneration Facility; or
- (2) By-product Fuel-Fired Industrial Cogeneration Facility; or
- (3) District Energy Cogeneration Facility; or
- (4) Renewable Fuel-Fired Industrial Cogeneration Facility.

1.2. Background

On June 15, 2005, the Ontario Minister of Energy directed the OPA to commence several procurement processes, including one for up to 1,000 MW of high efficiency CHP projects across Ontario. In response to this directive (the “**Ministerial Directive**”), the OPA executed a procurement process for CHP projects by launching a Combined Heat and Power Request for Proposals (the “**CHP I RFP**”). This procurement concluded on October 16, 2006 with the award of seven contracts with a total capacity of 414 MW.

The OPA subsequently conducted a CHP Phase II Request for Expressions of Interest (the “**CHP II RFEI**”) to assist the OPA in gaining an indication of the potential for additional CHP projects. Based on the Responses to the CHP II RFEI, the OPA decided to launch this CHP II RFP as the second step in fulfilling the Ministerial Directive.

This CHP II RFP is only one of several procurement processes initiated by the Ministerial Directive. Additional procurement initiatives for generating capacity and/or demand-side projects may follow, and

participation in this CHP II RFP does not preclude participation in any present or future OPA procurement initiatives, provided that all eligibility criteria set out under such procurement initiatives are satisfied.

This CHP II RFP is not in any way intended to preclude, restrict or otherwise discourage any party from proceeding with the development of new generating facilities outside the scope of this CHP II RFP.

1.3. General Arrangements

Selected Proponent(s) of Contract Facilities that are either Natural Gas-Fired Industrial Cogeneration Facilities or District Energy Facilities will execute the OPA's form of CHP II Contract. Selected Proponent(s) of Contract Facilities that are either Renewable Fuel-Fired Industrial Cogeneration Facilities or By-product Fuel-Fired Industrial Cogeneration Facilities will execute the OPA's form of CHP II PPA. The OPA will post the form of the CHP II Contract and CHP II PPA for review on the Generation Procurement Website as indicated in the Timetable.

1.4. Ontario Power Authority

The OPA is established under the *Electricity Act, 1998*, as a statutory corporation that is not a Crown agent. The OPA is authorized to call on the private sector when needed for new generating capacity and demand-side initiatives to be secured through competitive procurement processes.

Credit ratings for the OPA have been issued by Moody's and DBRS and additional information about the OPA can be obtained from the OPA's website at www.powerauthority.on.ca.

2. Process Overview

2.1. Overview of CHP II RFP Process

This CHP II RFP process is divided into three parts and three submissions:

I	Participant Application	Open only to Respondents and Identified Hosts	(see Section 2.5.2, “Submitting a Participant Application”)
II	Registration Process	Open only to Participants (and their Control Group Members)	(see Section 2.5.3, “Becoming Registered to Submit a Proposal”)
III	Proposal Submission	Open only to Registered Proponents (and their Control Group Members)	(see Section 2.7, “Proposal Submission Requirements”)

2.2. Timetable

The Timetable with respect to the entire procurement process for this CHP II RFP is set out below.

Release of draft CHP II RFP	December 21, 2007
Question and Comment Period I (public)	December 21, 2007 - February 7, 2008
Release of draft CHP II Contract and CHP II PPA	January 22, 2008
Technical Information Session (public)	January 29, 2008

Participant Application Submission Deadline	March 5, 2008
Question and Comment Period II	May 7, 2008 – June 6, 2008
Release of final CHP II RFP, CHP II Contract and CHP II PPA	May 16, 2008
Registration Deadline	June 12, 2008
Question and Comment Period II (Registered Proponents only)	June 27, 2008 – July 25, 2008
Individual Information Sessions (Registered Proponents only)	July 7-18, 2008
Deadline for Issuing Addenda to this CHP II RFP, CHP II Contract and CHP II PPA	August 15, 2008
Proposal Submission Deadline	October 16, 2008
Targeted Process Completion Date	December 2008

The OPA reserves the right to accelerate and postpone the dates set out above. The acceleration or postponement of any date prior to the Proposal Submission Deadline shall be made by way of notice to CHP II Parties and shall be published on the Generation Procurement Website. The acceleration or postponement of any date following the Proposal Submission Deadline shall be made by way of notice to Proponents only.

If any Addendum is issued after the Deadline for Issuing Addenda, the OPA may at its discretion extend the Proposal Submission Deadline for a reasonable amount of time having regard to the circumstances.

2.3. Delay of the Evaluation Process

In the event that the Targeted Process Completion Date is delayed past the last day indicated in the posted Timetable in Section 2.2, including the determination of the Selected Proponents, the OPA will for each such day of the delay, correspondingly extend the milestones indicated in the Proposal of the Selected Proponents by one day.

2.4. Communications

2.4.1. Review of Documentation and Questions

This CHP II RFP, the CHP II Contract, the CHP II PPA and all Addenda relating thereto will be public and accessible via the Generation Procurement Website. CHP II Parties shall promptly examine all such documentation and:

- report any errors, omissions or ambiguities; and
- send any questions they may have regarding this CHP II RFP, the CHP II Contract or the CHP II PPA,

through the Generation Procurement Website, in writing, on or before the end of the Question and Comment Periods specified in Section 2.2. All questions, comments and responses will be posted on the Generation Procurement Website, but the identity of any party asking any question or making any comment will not be revealed. It is the responsibility of any CHP II Party to seek clarification by submitting questions or comments on any matter that it considers to be unclear. The OPA shall not be responsible for any misunderstanding on the part of any CHP II Party concerning any aspect of this CHP II RFP, the CHP II Contract or the CHP II PPA.

After the Registration Deadline, only Registered Proponents may post questions and comments on the Generation Procurement Website.

In addition, a CHP II Party may contact the OPA at any time during this procurement process in connection with a procedural matter by sending an email to procurement.cogen@powerauthority.on.ca. This email account will be monitored by representatives of the OPA who will acknowledge receipt of

each email within a reasonable time after it has been received, and who may respond to any such inquiry and/or make such email and its response public by posting them on the Generation Procurement Website without revealing the identity of the person making such inquiry.

No communications are to be directed to any person or in any manner other than as prescribed in this CHP II RFP. A failure on the part of a Proponent to restrict its communication with the OPA to the communications channels prescribed in this CHP II RFP may lead to a disqualification of their Proposal(s).

2.4.2. Prohibited Communications

Proponents and Registered Proponents shall not contact or make any attempt to contact:

- any member of the Evaluation Team;
- any expert or advisor assisting the Evaluation Team;
- any staff of the OPA or member of the OPA's board of directors;
- any staff of the Premier of Ontario's Office or the Ontario Cabinet Office;
- any Member of Provincial Parliament or his or her staff or advisors;
- any Members of Provincial Cabinet or their staff or advisors; or
- Another Proponent Team,

with respect to any Submission, the CHP II Contract, the CHP II PPA or this CHP II RFP process, at any time during this CHP II RFP process, except as expressly permitted by and through the channels expressly prescribed in this CHP II RFP.

The OPA may, in its sole and absolute discretion, without any liability, cost or penalty, and in addition to any other remedies available to it at law, revoke a CHP II Party's status as a Participant, Registered Proponent or Proponent (without any refund of any Registration Fee) and reject or disqualify any Submission of such CHP II Party, if such CHP II Party, or any of their respective employees, agents, contractors or representatives, discusses or attempts to discuss this CHP II RFP, any Submission or the

terms of the CHP II Contract or CHP II PPA with any of the foregoing, except through the channels expressly prescribed in this CHP II RFP.

No CHP II Party, or any of their respective employees, agents, contractors or representatives, shall directly or indirectly communicate with the media in relation to this CHP II RFP, any Submission, the CHP II Contract or the CHP II PPA without first obtaining the written permission of the OPA pursuant to a request made to procurement.cogen@powerauthority.on.ca.

The prohibition on communications set out above, shall not prohibit a CHP II Party, or Selected Proponent from publishing any notice that is required in connection with regulatory processes relating to the development of the proposed Contract Facility.

No CHP II Party shall engage in any Conflict of Interest communications or in any communications that would violate the prohibition against collusion set forth in the Proposal Submission Form or herein.

2.5. Initial Submission Instructions

2.5.1. Address for Initial Submissions

Participant Applications, Registration Forms and Registration Fees should be submitted via mail, courier or in person to the following address:

Ontario Power Authority

Richmond-Adelaide Centre

120 Adelaide Street West

Suite 1600

Toronto, Ontario

M5H 1T1

Attention: CHP II RFP

2.5.2. Submitting a Participant Application

Only Respondents or Identified Hosts may apply to participate in this CHP II RFP.

In order for a Respondent or an Identified Host to become a Participant, the Respondent or the Identified Host must submit a written application (the “**Participant Application**”), found in Appendix B, to the OPA outlining their intent to participate in this CHP II RFP.

The Participant Application must be sent to the OPA at the address specified in Section 2.5.1, before the Participant Application Submission Deadline specified in Section 2.2. Submissions received after the Participant Application Submission Deadline will not be considered.

Where a Respondent or Identified Host was identified in multiple CHP II RFEI responses, the Respondent or Identified Host must submit a separate Participant Application for each Response.

Respondents and Identified Hosts who submit Participant Applications will be notified by the OPA of the acceptance of their Participant Application (a “**Participant Acceptance Notification**”) within 30 days of the Participant Application Deadline.

2.5.3. CHP II RFP Registration

Only Participants or their Control Group Members may register to become a Registered Proponent, a Registered Host or both a Registered Proponent and Registered Host.

A Participant or its Control Group Member, can only register once for each accepted Participant Application. To become registered, a Participant or its Control Group Member, must first submit a CHP II RFP registration form (the “**Registration Form**”), found at Appendix C, and pay a non-refundable registration fee of C\$10,000 plus GST (the “**Registration Fee**”). A separate Registration Form and a separate Registration Fee is required for each proposed Contract Facility.

In the Registration Form, the Participant must identify the Registered Proponent, the Registered Host, the Contract Facility, and the proposed application of the Useful Heat Output for Proposal submission purposes and attach a copy of the applicable Participant Application and Participant Acceptance Notification.

There are three registration scenarios:

- The Participant becomes the Registered Proponent:

Under this scenario, the Participant (or its Control Group Member) identifies itself as the Registered Proponent and must identify a third party (who does not need to be a Participant or its Control Group Member) as the Registered Host.

- The Participant becomes the Registered Host:

Under this scenario, the Participant (or its Control Group Member) identifies itself as the Registered Host and must identify a third party (who does not need to be a Participant or its Control Group Member) as the Registered Proponent.

- The Participant becomes both the Registered Participant and Registered Host:

Under this scenario, the Participant (or its Control Group Member) identifies itself as both the Registered Participant and the Registered Host.

Where the entity who has submitted the Registration Form is not the Participant, that entity must submit evidence to establish that it is the Control Group Member of the Participant.

Registration Fees must be paid by certified cheque or a bank draft made out in favour of “Ontario Power Authority”. The OPA’s GST license number is 854195039RT0001.

The Registration Fee is not refundable under any circumstances including, but not limited to, circumstances where a Registered Proponent decides not to submit a Proposal.

The Registration Form (together with the Registration Fee), must be sent to the OPA at the address specified in Section 2.5.1 before the Registration Deadline specified in Section 2.2. Registration Forms received after the Registration Deadline will not be considered.

The information in the Registration Form regarding the Registered Proponent and Registered Host is binding.

The proposed application of Useful Heat Output will be reviewed by the OPA and the OPA will provide a written letter confirming the approval of the proposed application of Useful Heat Output, and the acceptance of the Registration Form (the “Registration Form Acceptance Notification”), within 15 days of the Registration Form Submission Deadline.

2.6. Individual Information Sessions

Registered Proponents are entitled to one private information session per Registration Form (each an “Individual Information Session”) having a maximum duration of one hour. The sessions will occur during the time period specified in the Timetable.

The purpose of the Individual Information Session is to provide the Registered Proponent with an opportunity to meet with the OPA project team and to discuss this CHP II RFP process, the form of CHP II Contract and CHP II PPA, and, on a confidential basis, the technical elements of its proposed Contract Facility. The information sessions are being offered only to Registered Proponents and only as an aid to their understanding of this CHP II RFP and the form of CHP II Contract and CHP II PPA. Registered Proponents can provide input and comments, as well as ask questions and clarifications. The OPA may not be in a position to answer instantly at each session. However, the OPA may provide answers by summarizing and posting all inquiries and their responses in a generic form on the Generation Procurement Website.

With respect to scheduling a session, Registered Proponents should indicate three timing preferences during the time period specified in the Timetable on their Registration Form. All additional scheduling requests or changes should be sent after the Registration Deadline to procurement.cogen@powerauthority.on.ca and must include a contact name, email address and phone number.

The protocol and rules for the Individual Information Sessions are as follows:

- The Fairness Advisor will monitor all sessions and report on the conduct of all sessions.
- Sessions are solely for clarification purposes and are not an approval or prevetting activity, including but not limited to the Proposal and the proposed Contract Facility.

- The OPA will not render any opinion on the proposed Contract Facility.
- No discussion will be permitted with respect to matters dealing with the parameters in the Economic Bid Statement for a project with the exception to clarifications of terms and conditions in the CHP II Contract or CHP II PPA affecting financial considerations.
- There will be no verbatim recording of the sessions; the OPA and the Registered Proponents may record notes for their own purposes, however no distribution of any notes between the OPA and the Registered Proponent will be permitted.
- All OPA attendees will not be evaluators for this CHP II RFP.
- Any new information provided by the OPA to a Registered Proponent will be made available to all Registered Proponents.
- The OPA has the right to make public any changes or new information resulting from the sessions that affect all Registered Proponents. Such changes or new information will be posted on the Generation Procurement Website in form of generic, anonymous questions or comments, as well as via Addenda.
- Neither a Registered Proponent nor the OPA is under any obligation to provide answers.
- Either party can provide hand outs or visual aids but they will be returned to the originating party at the end of the session.

The Protocol may be varied in the sole discretion of the OPA.

2.7. Proposal Preparation and Submission

2.7.1. Eligible Proposal Submission Entities

Only Registered Proponents or their Control Group Members may submit Proposals and become Proponents.

2.7.2. Proposal Preparation

Proponents should format their Proposals in accordance with the instructions in this CHP II RFP. Where information is requested in this CHP II RFP, any response made in a Proposal should reference the applicable section numbers of this CHP II RFP where such request is made.

Apart from the completion of any blanks, bullets or similar uncompleted information in the Required Forms, a Proponent may not make changes to the pre-printed wording of the Required Forms. The Required Forms will be made available on the Generation Procurement Website in a writable PDF format following the Deadline for Issuing Addenda. Any changes made to the Required Forms, whether on the face of such forms or contained elsewhere in the Proposal, may result in the disqualification of the Proposal. All Required Forms must be signed by a director, officer or other person who has the authority to bind the Proponent.

Certain Required Forms are, or contain, declarations. The onus is solely on Proponents to conduct all investigations and verifications necessary, including any investigations required of any member(s) of the Proponent Team, necessary to confirm that each of the statements set out in the declarations can be made. If, in the sole and absolute determination of the OPA, any matter declared is not materially true and correct, then the Proposal may be invalidated and disqualified, and the OPA may, in addition to any other remedies available at law or in equity, draw upon the Proposal Security. In instances where the Proposal is not invalidated or the Proposal Security is not drawn upon, notwithstanding a discrepancy or inconsistency between the declarations described below and a Proponent's Proposal, the declarations shall be deemed to prevail.

2.7.3. Proposal Submission Requirements

To be considered, a Proposal must be received no later than the Proposal Submission Deadline at the following address:

BNY Trust Company of Canada
4 King Street West, Suite 1101
Toronto, ON M5H 1B6
Tel: 416-933-8506

Fax: 416-360-1711

Any Proposal arriving after the Proposal Submission Deadline will not be considered and will be returned unopened to the Proponent.

A Proponent may submit Proposals for more than one Contract Facility, subject to the non-collusion requirements set out in Appendix N and in the Participant Application and provided that the Proponent properly submitted a separate Registration Form for each such Contract Facility. Only one Proposal may be submitted by a Proponent in respect of each registered Contract Facility.

The Proposal must meet the Proposal Completeness Requirements outlined in Section 3.1 of this CHP II RFP. The specific submission requirements applicable to the Proposal Security, the Financial Plan and the Economic Bid Statement are described below.

A Proponent must submit the following:

- **Proposal**

One original hard copy of its Proposal prominently marked "Original Copy", and 10 additional collated copies of its Proposal and one electronic version of the Proposal provided on a CD ROM. All copies of the Proposal, including the electronic version, must include every document in the Proposal. The electronic version should be electronically searchable.

In the event of a conflict between the hard copy and the electronic copy of the Proposal, the hard copy of the Proposal will prevail.

- **Proposal Security**

One original hard copy of its Proposal Security which Security should be contained in a separate envelope marked "Proposal Security".

- **Financial Plan**

One original hard copy of its Financial Plan which should be contained in a separate envelope marked "Financial Plan".

- **Economic Bid Statement**

One original hard copy of its Economic Bid Statement which must be contained in a separate, opaque and sealed envelope marked “Economic Bid Statement”.

The additional envelopes for the Proposal Security, Financial Plan and Economic Bid Statement should clearly state the Proponent’s name and the name of the proposed Contract Facility.

The entire Proposal (including the Proposal Security, Financial Plan and the Economic Bid Statement) should be contained in a sealed package.

The Proposal Return Label attached as Appendix K should be affixed to the outside of the sealed package. In addition to the Proposal Return Label, the outside of the sealed package should also have the word “Proposal” prominently marked with the “CHP II RFP” title as set out on the cover page of this CHP II RFP. The full legal name of the Proponent and its return address should also appear on the outside of the sealed package.

The Proposal must be in English only, and should be typed or printed neatly in black ink on both sides of 8.5 x 11 inch paper, and all pages should be numbered sequentially. Proposals should be collated and organized in a user-friendly manner, containing detailed responses and referencing any attached substantiating documentation.

2.7.4. Amending or Withdrawing Proposals

At any time prior to the Proposal Submission Deadline, a Proponent may amend or withdraw a submitted Proposal. Any such withdrawal shall not entitle the Proponent to a refund of its Registration Fee. The right of Proponents to amend or withdraw prior to the Proposal Submission Deadline includes amendments or withdrawals wholly initiated by Proponents and amendments or withdrawals in response to subsequent information provided by addenda to this CHP II RFP, CHP II Contract or CHP II PPA. Any amendment to a Proposal made prior to the Proposal Submission Deadline should clearly indicate what part of the Proposal the amendment is intending to affect or replace.

After the Proposal Submission Deadline, a Proponent shall not be able to withdraw or amend its Proposal, although the Evaluation Team may request further clarification, information, statements or documentation.

2.7.5. Irrevocability

Proposals shall be irrevocable in the form submitted by the Proponent for 90 days from the Proposal Submission Deadline.

If the OPA wishes to extend the period of time during which the Proponents' Proposals are irrevocable, the OPA shall submit a request to extend the irrevocability period 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 OPA of such intent within five Business Days after such request was made.

If a Proponent's refuses to extend the period of irrevocability, the Proponent's Proposal shall continue to be irrevocable in accordance with the original period of irrevocability.

If the OPA determines that it will be unable to award contracts prior to the expiration of the original period of irrevocability, it will, after the expiration of the original period of irrevocability, discontinue the evaluation of a Proponent who has refused the OPA's request to extend the period of irrevocability of the Proponent's Proposal, but may continue this CHP II RFP process with those Proponents who have consented to an extension to the original period of irrevocability.

2.8. Selected Proponents

The OPA will notify each Selected Proponent in writing and/or verbally of its selection. Each Selected Proponent must (i) submit its Completion and Performance Security within eight Business Days of such notification, and (ii) execute the CHP II Contract or CHP II PPA, as applicable, within 10 Business Days of such notification; provided, however, that the Completion and Performance Security must be submitted at least two Business Days prior to the execution of the CHP II Contract or CHP II PPA, as applicable.

Should a Selected Proponent fail to submit the Completion and Performance Security or deliver the executed CHP II Contract or CHP II PPA, as applicable, within the required timeframe the OPA may

disqualify such Selected Proponent and may select another Proponent in its place. If a Proponent fails to deliver the Completion and Performance Security and/or the executed CHP II Contract or CHP II PPA, as applicable, the OPA may draw upon the Proposal Security.

Once all of the required Completion and Performance Security documents have been delivered by the Selected Proponents to the OPA and all of the CHP II Contracts and CHP II PPAs have been executed and delivered to the OPA by all Selected Proponents, the OPA will make a public announcement of the Suppliers and their respective Contract Facilities.

2.9. Notification of Outcome of this CHP II RFP

Once all Selected Proponents have delivered their required Completion and Performance Security to the OPA and have executed their respective CHP II Contracts and CHP II PPAs, all Proponents who have not become Suppliers will be notified by the OPA in writing and/or verbally of the outcome of this CHP II RFP procurement process and the award of the CHP II Contracts and CHP II PPAs to the Suppliers.

2.10. Debriefing

Proponents who did not become Suppliers may request a debriefing after receipt of a notification of contract award to Suppliers. Requests must be made in writing through the procurement.cogen@powerauthority.on.ca email address and must be made within 30 days of the notification to Proponents who did not become Suppliers. The intent of the debriefing session is to assist the Proponent 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 CHP II RFP procurement process.

2.11. Confidentiality

Information provided by a CHP II Party is subject to, and may be released in accordance with, the provisions of the *Freedom of Information and Protection of Privacy Act* (Ontario). The CHP II Party will clearly indicate in a separate confidentiality statement, in a form provided by the CHP II Party, any portion of any Submission that contains proprietary or confidential information for which confidentiality is to be maintained by the OPA. In addition, such portions of the Submission must be clearly marked

“Proprietary and Confidential” by the Proponent. If no confidentiality statement is provided, the CHP II Party will be automatically deemed to have certified to the OPA that no portion of the Submission contains proprietary or confidential information for which confidentiality is to be maintained.

The confidentiality of any such information identified by the CHP II Party will be maintained by the OPA, except where an order by the Information and Privacy Commission, a court or a tribunal requires the OPA to do otherwise. Notwithstanding the foregoing, the OPA shall not be required to maintain the confidentiality of any such information that:

- is or becomes generally available to the public without fault or breach on the part of the OPA of any duty of confidentiality owed by the OPA to the CHP II Party or to any third party;
- the OPA can demonstrate that it had been rightfully obtained by the OPA, without any obligation of confidence, from a third party who had the right to transfer or disclose it to the OPA free of any obligation of confidence;
- the OPA can demonstrate that it had been rightfully known by, or in the possession of, the OPA at the time of disclosure, free of any obligation of confidence when disclosed; or
- has been independently developed by the OPA.

Submissions will, as necessary, be disclosed on a confidential basis, to the Evaluation Team, the Government of Ontario, Hydro One Networks Inc., the IESO, the OPA’s Fairness Advisor, the OPA’s counsel and other advisers retained in connection with this CHP II RFP and in the evaluation of the Proposals.

All information provided by or obtained from the OPA in any form in connection with this CHP II RFP other than through the Generation Procurement Website is the sole property of the OPA and must be treated as confidential, and:

- is not to be used for any purpose other than replying to this CHP II RFP; and
- must not be disclosed without the prior written authorization of the OPA; and

- shall be returned by the Proponent to the OPA immediately upon the request of the OPA.

2.12. Addenda

This CHP II RFP, the CHP II Contract and the CHP II PPA may be amended only by Addendum in accordance with this Section. If the OPA, for any reason, determines that it is necessary to provide additional information relating to this CHP II RFP, such information will be communicated by posting such Addendum on the Generation Procurement Website on or prior to the Deadline for Issuing Addenda.

Each Addendum may contain important information, including significant changes to this CHP II RFP, the CHP II Contract and the CHP II PPA, and CHP II Parties are responsible for visiting the Generation Procurement Website as often as is necessary to ensure that they obtain all of the Addenda to this CHP II RFP and other notices issued by the OPA from time to time. Proponents must confirm their receipt of all addenda issued by the OPA in the Proposal Submission Form (Appendix D).

3. Evaluation Process

The evaluation of Proposals will be conducted by the OPA in the following distinct Stages:

- **Stage 1 – Proposal Completeness Requirements:** In Stage 1, Proposals will pass or fail depending on whether the Proposal meets all of the Proposal Completeness Requirements set out in Section 3.1.
- **Stage 2 - Mandatory Requirements:** In Stage 2, Proposals will pass or fail depending on whether the Proposal meets each of the Mandatory Requirements set out in Section 3.2.
- **Stage 3 - Rated Criteria:** In Stage 3, Proposals will be reviewed by the OPA and evaluated against the Rated Criteria set out in Section 3.3. A maximum of 100 points may be awarded. Proposals which do not achieve the Minimum Total Points Score as specified in Section 3.3 will fail.
- **Stage 4 – Economic Bid Evaluation:** In Stage 4, Proposals will have their Economic Bid Statements opened and evaluated as set out in Section 3.4.
- **Stage 5 – Selection of Contract Facilities:** In Stage 5, the most competitive Proposals according to the methodology set out in Section 3.5 will be selected.

A Proposal must meet the requirements of each Stage in order to proceed to the next Stage. Those Proposals that fail any of evaluation Stages 1, 2, 3, or, at Stage 4, are found to have failed to comply with the requirements of the Economic Bid Statement, will be disqualified and will not be evaluated further.

3.1. Stage 1 - Proposal Completeness Requirements

Each Proposal will pass or fail depending on whether it contains all of the required documents and declarations submitted and/or completed as specified in this section (the “**Proposal Completeness Requirements**”).

Proposals that do not satisfy each of the Proposal Completeness Requirements will not be evaluated further and will be rejected.

The Proposal Completeness Requirements are:

3.1.1. Proposal Submission Form

The Proposal Submission Form must be completed in the form set out in Appendix D.

3.1.2. Technical Questionnaire

The Technical Questionnaire must be completed in the form set out in Appendix G.

3.1.3. Mandatory Technical Requirements Declaration

The Mandatory Technical Requirements Declaration must be completed in the form set out in Appendix L.

3.1.4. Financial Plan

The Financial Plan consists of the Financial Questionnaire (Appendix F) and all supporting financial information that is provided by the Proponent (the “Financial Plan”).

3.1.5. Executive Summary

The Proposal must include an Executive Summary meeting the requirements specified in Section 3.2.22.

3.1.6. Registration Form and Notification

A copy of the applicable Registration Form and Participant Application Acceptance Notification must be included.

3.1.7. Economic Bid Statement

The Economic Bid Statement, must be submitted in a separate, sealed, opaque envelope marked “Economic Bid Statement” followed by the name of the Proponent and the name of the proposed Contract Facility.

3.1.8. Statutory Declaration regarding Proposal and Non-Collusion

Proponents must submit the Statutory Declaration in the form set out in Appendix N.

3.1.9. Conflict of Interest Declaration

Proponents must submit the Conflict of Interest Declaration in the form set out in Appendix O.

3.1.10. Proposal Security

The Proposal Security must be submitted in the prescribed amount and form (See Section 3.2.21).

3.2. Stage 2 - Mandatory Requirements

Each Proposal will pass or fail depending on whether it meets following the mandatory requirements (the “Mandatory Requirements”):

Proposals that do not satisfy each of the Mandatory Requirements will not be evaluated further and will be rejected.

The Mandatory Requirements are:

3.2.1. Identity of Proponent

The Proponent must be the Registered Proponent or the Control Group Member of a Registered Proponent. Where the Proponent is not the Registered Proponent, it must submit evidence to establish that is a Control Group Member of the Registered Proponent.

3.2.2. Identity of Host

The Host must be the Registered Host or the Control Group Member of a Registered Host. Where the Host is not the Registered Host, the Proponent must submit evidence to establish that the Host is a Control Group Member of the Registered Host.

3.2.3. Contract Facility Type

The proposed Contract Facility must be one of the following types of facilities:

- a District Energy Facility; or
- a Natural Gas-Fired Industrial Cogeneration Facility; or
- a Renewable Fuel-Fired Industrial Cogeneration Facility; or
- a By-product Fuel-Fired Industrial Cogeneration Facility.

This requirement shall be satisfied by the Proponent's statement in response to the Technical Questionnaire.

3.2.4. Contract Facility Development

The proposed Contract Facility must either be:

- a Host Developed Contract Facility; or
- a Third Party Developed Contract Facility.

This requirement shall be satisfied by the Proponent's statement in response to the Technical Questionnaire.

If the requisite statement is not made in the Technical Questionnaire, or if the information outlined in the Executive Summary (see Section 3.2.22) is not consistent with the definition of a Host Developed Contract Facility, the Contract Facility will automatically be deemed to be a Third Party Developed Contract Facility.

3.2.5. Designated Team Members

The Proponent must have at least five individuals who are Designated Team Members, of which at least two individuals must be Designated Employees.

Each Designated Team Member must have experience with at least one Designated Facility. The Designated Facility does not need to be the same for all of the Designated Team Members.

In addition, at least:

- one Designated Team Member must, in a Managerial Capacity, have planned and developed a Designated Facility;
- another Designated Team Member must, in a Managerial Capacity, have overseen the construction of a Designated Facility; and
- another Designated Team Member must, in a Managerial Capacity, have operated a Designated Facility.

This requirement shall be satisfied by the Proponent's responses in the Technical Questionnaire and the CV's of the Designated Team Members.

3.2.6. Annual Average Contract Capacity

The proposed Contract Facility must be a single generating facility with a minimum Annual Average Contract Capacity of 10 MW.

This requirement shall be satisfied by the Proponent's statement in response to the Technical Questionnaire.

3.2.7. Commercial Operation Date

The proposed Contract Facility must attain Commercial Operation on or before June 1, 2013.

To satisfy this requirement, the Proponent must identify the Commercial Operation Date in its response to the Technical Questionnaire. In addition, in the Technical Questionnaire, the Proponent must state the Milestone Date for achieving Financial Closing, if applicable.

3.2.8. Location of Contract Facility

The proposed Contract Facility must (i) be located in the Province of Ontario, (ii) be connected to either the IESO-Controlled Grid, an LDC or an End User, and (iii) must affect supply or demand in the interconnected electricity grid in Ontario.

To satisfy this requirement, the Proponent must submit a map or maps showing the proposed site in relation to neighbouring roads and lands. The map shall indicate key components of the proposed Contract Facility, including the proposed Connection Point. In addition, the Proponent must also provide a site plan and layout, as well as an electrical single line diagram showing the Connection Point of the proposed Contract Facility. The Proponent must indicate the Circuit it will be connecting to in the description of the Connection Point.

If there are multiple Circuits in a common transmission corridor, the Proponent must also indicate whether it is willing to connect to an alternative Circuit, which may be one or multiple other Circuits in the transmission corridor.

The map(s) shall be utilized to confirm that the location of the proposed Contract Facility is consistent with the description of the lands set out in the documentation supporting evidence for this section as well as for site control as required in Section 3.2.9.

3.2.9. Site Control

The Proponent must evidence site control by having, at a minimum, an option to purchase, lease, license or use the land for the site. Any such option must be exercisable by the Proponent for at least 180 days after the Proposal Submission Deadline. The Proponent must be able to exercise site control no later than the milestone date for Financial Closing with site control expiring no sooner than the end of the Term.

To satisfy this requirement, in addition to providing the Proponent's statement confirming its control of the site, the Proponent must provide supporting documentation of the site control in the form of either:

- an executed copy of an agreement entitling the Proponent to an option to lease, licence or purchase the land,
- a registered title, lease or licence, or
- if the Contract Facility involves Crown resources, including Crown land for transmission, distribution and ancillary structures, written confirmation from the appropriate Ministry, or Ministries, that the Proponent has been granted the opportunity to pursue development approvals for the Contract Facility in the form of a “Site Release”.

The Proponent is permitted to redact pricing and other proprietary information from the evidence of site control, as long as this information is not needed in order for the Evaluation Team to evaluate the evidence for purposes of this requirement.

3.2.10. Contract Heat Rate

The Contract Heat Rate for the proposed Contract Facility, and, if applicable, the restated Contract Heat Rate, must not exceed 9.0 MMBtu/MWh (HHV) for Contract Facilities that are either Natural Gas-Fired Industrial Cogeneration Facilities or District Energy Facilities.

To satisfy this requirement, the Proponent must identify the Contract Heat Rate and the restated Contract Heat Rate, as applicable, in its response to the Technical Questionnaire.

Renewable Fuel-Fired Industrial Cogeneration Facilities and By-product Fuel-Fired Industrial Cogeneration Facilities do not need to meet this requirement.

3.2.11. Heat Rate Qualification

The proposed Contract Facility must meet or exceed the CHP II RFP Heat Rate Qualification.

The “**CHP II Heat Rate Qualification**” must be determined based on the qualification for cogeneration or specified-waste fuelled systems required for Class 43.1 capital cost allowances under the relevant regulations and schedules contained in the Income Tax Act (Canada), as detailed in Section 1.4 of the

Class 43.1 Technical Guide for Energy Conservation and Renewable Energy Equipment, 1998 Edition¹ (the “Guide”) published by Natural Resources Canada. The Contract Facility must meet or exceed the heat rate qualification in the Guide using the Useful Heat Output as defined in Appendix B of this CHP II RFP. The net useful heat (H) as referred to in Section 1.4 of the Guide and used for the heat rate qualification should represent the Useful Heat Output from the Contract Facility. The annual consumption of fossil fuels (HHV basis, not including any of the specified-waste fuels) chargeable to the gross electricity generated must not exceed 6,000 Btu/kWh (6,330 kJ/kWh).

To satisfy this requirement, a heat and mass balance diagram and associated calculations must be submitted as supporting documents identifying the information required to confirm the proposed Contract Facility meets or exceeds the CHP II RFP Heat Rate Qualification and thus the heat rate qualification for cogeneration or specified-waste fuelled systems required for Class 43.1 capital cost allowances under the relevant regulations and schedules contained in the Income Tax Act (Canada).

3.2.12. Term of Off-take Agreement

The proposed Contract Facility must provide Useful Heat Output to a Host Facility for a term of not less than five years commencing on the Commercial Operation Date.

For Host Developed Contract Facilities the volumes of Useful Heat Output to be purchased by or conveyed to the Host Facility throughout the term must be not less than the amount necessary for the Contract Facility to comply with the requirements of Section 3.2.14.

A District Energy Facility must provide evidence to substantiate the minimum five year term of the Useful Heat Output purchases by the Host Facility, but is not required to demonstrate that the Host will purchase a volume of Useful Heat Output necessary for the Contract Facility to comply with the requirements of Section 3.2.14. To satisfy this requirement, the Proponent must provide a copy of the Off-take Agreement and any supporting evidence to substantiate the term and quantity of the Useful Heat Output purchases by the Host Facility. The Proponent may redact pricing and other proprietary

¹ Natural Resources Canada. 1998. Class 43.1 Technical Guide for Energy Conservation and Renewable Energy Equipment and Technical Guide to Canadian Renewable and Conservation Expenses. Ottawa: Natural Resources Canada.

information from the Off-take Agreement as long as this information is not needed in order for the Evaluation Team to evaluate the evidence for purposes of this requirement.

3.2.13. Application of Useful Heat Output

The proposed application of Useful Heat Output must be exclusively reserved by the Host Facility, and so indicated in the Off-Take Agreement, as an application for which the required Useful Heat Output will be obtained solely from the proposed Contract Facility if it is selected under this CHP II RFP, and in the event the proposed Contract Facility is not selected, will not be obtained from any other proposed Contract Facility under this CHP II RFP.

A Host can commit to purchasing Useful Heat Output from more than one proposed Contract Facility provided that the application of Useful Heat Output purchased from each such proposed Contract Facility is:

- demonstrably a separate and distinct application with respect to the applications committed to any other proposed Contract Facilities; and
- covered by a separate Off-Take Agreement; and
- required by the Host Facility independent of every other application such that any single application will proceed in conjunction with the selection of the corresponding proposed Contract Facility under this CHP II RFP, regardless of whether or not any other proposed Contract Facility from which the Host has also committed to purchase Useful Heat Output is or is not selected under this CHP II RFP.

Where a Host commits to purchasing Useful Heat Output from more than one Contract Facility, the Proponent of each such Contract Facility must include in its Proposal a completed declaration confirming that the Host's proposed purchases and applications of Useful Heat Output comply with this requirement. Where more than one Proponent is required by this Section to submit the aforementioned declaration with respect to a common Host and any one such Proponent fails to do so, then the relevant Proposals from all such Proponents will be rejected and not considered further.

3.2.14. Gainful Application of Useful Heat Output

The proposed application of Useful Heat Output produced by the Contract Facility must be for a gainful commercial or industrial purpose such as district energy, manufacturing, mining, chemical or other industrial process.

In order to meet this requirement, the Proponent shall provide a copy of a letter from the OPA that will show approval of the application of the Useful Heat Output. This approval will take place after the submission of the Registration Form. The Proponent shall provide a full description of the application of Useful Heat Output and provide a declaration that the application of the Useful Heat Output in the Proposal is the same as that approved by the OPA.

3.2.15. Useful Heat Output

The proposed Contract Facility must have a Useful Heat Output equal to or greater than 15% of the total energy output of the Contract Facility, calculated on an average annual basis as set forth in Appendix M.

In order to comply with this requirement the Proponent must provide:

- heat and mass balance diagrams and supporting calculations demonstrating that, on an average annual basis, the Useful Heat Output shall be equal to or greater than 15% of the total energy output; and
- a copy of the Off-take Agreement demonstrating that the required amount of Useful Heat Output is contracted under the terms of the Off-take Agreement.

For a District Energy Facility, it is not necessary that the amount contracted under the Off-take Agreement be equal to or greater than 15% of the total energy output on an average annual basis.

3.2.16. Proposed Connection

If the proposed Contract Facility will be connected to the IESO-Controlled Grid or an End User that is connected to the IESO-Controlled Grid, the proposed Contract Facility must have and submit :

- a Part One System Impact Assessment or equivalent assessment prepared and issued by the IESO, and
- an executed copy of a System Impact Assessment Agreement between the Proponent and the IESO, and an executed copy of a Customer Impact Assessment Study Agreement with the relevant transmitter, in respect of the proposed Contract Facility.

If the proposed Contract Facility is connected to an LDC or an End User that is connected to an LDC, the proposed Contract Facility must submit:

- an executed copy of the “Connection Impact Assessment Study Agreement” between the Proponent and the LDC for the proposed Contract Facility.
- If applicable, an executed copy of the “Connection Impact Assessment Study Agreement” between the embedded LDC to which the Contract Facility is proposing to connect and the host LDC which serves the embedded LDC (i.e. where the LDC to which the Contract Facility is being connected is not transmission connected).

Proponents should note that the IESO, Transmitter or LDC will not be responsible for expediting any impact assessments for the purposes of this CHP II RFP. Registered Proponents and Proponents are cautioned to start the application process with the IESO, Transmitter or LDC as early as possible to ensure that the required assessments are available to satisfy this requirement.

3.2.17. Design, Construction and Operation

The proposed Contract Facility must be designed, constructed and operated in compliance with all relevant requirements of the Market Rules, the Transmission System Code, the Distribution System Code and all other laws and regulations, as applicable.

This requirement will be satisfied by the submission of the Mandatory Technical Requirements Declaration.

3.2.18. No Acquisition of Major Equipment

The Proponent must not have commenced procurement for the purposes of the Contract Facility of any of the following major equipment: gas turbine generator sets, steam turbine generator sets, steam generators, condensers, transformers, switchgear equipment; and, with respect to construction of the Contract Facility, must not have issued a Notice to Proceed prior to June 14, 2007.

Commencing procurement means the signing of a purchase order or execution of a contractual obligation to procure equipment for the purposes of the Contract Facility. For certainty, existing major equipment owned by the Proponent or options on major equipment held but not assigned nor allocated specifically to the Contract Facility prior to June 14, 2007 are considered acceptable.

This requirement will be satisfied by the submission of the Mandatory Technical Requirements Declaration.

3.2.19. Not an Existing Generating Facility or Upgrade

The proposed Contract Facility must not be an Existing Generating Facility or an Upgrade. For greater certainty, a proposed Contract Facility that is an Expansion of an Existing Generating Facility is eligible under the CHP II RFP with respect to the Contract Capacity relating to the Expansion.

This requirement will be satisfied by the submission of the Mandatory Technical Requirements Declaration.

3.2.20. Additional Requirement for Host Developed Facility

The Proponent of a Host Developed Contract Facility must either:

- state that the legal entity that is the Host or that Controls the Host (or if a District Energy Facility, the district energy business) is the legal entity that is the Proponent or owns 30% or more, either directly or indirectly, of the Proponent; or

- acknowledge that the legal entity that is the Host or Controls the Host (or if a District Energy Facility, the district energy business) must execute the Form of Guarantee for Host Developed Contract Facility attached to the CHP II Contract or to the CHP II PPA, as applicable, prior to the execution of such contracts.

This requirement will be satisfied by the submission of the Mandatory Technical Requirements Declaration.

3.2.21. Proposal Security

The Proposal Security must be payable to and in favour of the “Ontario Power Authority” in the amount of \$25,000 per MW of Annual Average Contract Capacity subject, however, to a maximum amount of \$1,000,000.

In order to satisfy this requirement the Proposal Security must be in the form of:

- a certified cheque or a bank draft issued by a financial institution listed in either Schedule I or II of the Bank Act (Canada); or
- 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 the form attached as Appendix I; or
- a bid bond issued by a surety with a financial strength rating of A- or higher by A.M. Best in financial size category VIII or higher, in the form attached as Appendix J.

3.2.22. Financing Experience

The Proponent must demonstrate that it has successfully financed another generation facility within the last 60 months (i.e. having achieved financial close) that is at least 50% of the Contract Capacity of the proposed Contract Facility.

For greater certainty, Proponents may aggregate more than one generation facility (each of which must be 10 MW or greater) to satisfy this requirement.

To meet this requirement, the Proponent must outline its experience in successfully financing such other generation facility/ies. The Proponent must indicate the name, location, generation type (technology), size (in MW), corporate and financing structure, and date of financial close for each generation facility that it is using to meet this requirement.

3.2.23. Financial Strength

In circumstances where equity financing accounts for at least 20% of the proposed Total Project Costs, the Proponent must demonstrate that its equity provider, or if applicable, group of equity providers (each such equity provider, a “**Designated Equity Provider**”) has an individual Tangible Net Worth (or a collective Tangible Net Worth, in the case of a group of Designated Equity Providers) of at least \$250,000 per MW of Contract Capacity:

- at the end of each of the last two (2) fiscal years, and
- at the end of the most recently completed fiscal quarter (if the most recently completed fiscal quarter is not already contained in the last two fiscal years set out above).

To satisfy this requirement, the Proponent must provide the information required below in subsections (a) to (d), inclusive, in addition to completing the Financial Questionnaire.

For certainty, a Proponent may not change a Designated Equity Provider after submission of a Proposal.

If any Designated Equity Provider is also listed as a Designated Equity Provider of more than one Proposal submitted under this CHP II RFP, then the Tangible Net Worth of such Designated Equity Provider should be equal to or exceed the combined (cumulative) Tangible Net Worth requirements for all such Proposals; otherwise, the OPA reserves the right to reject, a Proposal based on the following:

- Proposals will be evaluated and ranked in accordance with Section 3 of this CHP II RFP;
- in determining the Final Stack under Section 3.5.4, the OPA will commence with the highest ranked Proposal and continue down the list to lower ranked Proposals, calculating the cumulative Tangible Net Worth requirement for any given Designated Equity Provider;

- once the OPA reaches a Proposal where the cumulative Tangible Net Worth requirement for a Designated Equity Provider exceeds its actual Tangible Net Worth, the OPA may reject such Proposal.

In addition, if a Designated Equity Provider is a Designated Equity Provider of more than one Proposal submitted under this CHP II RFP, then such Designated Equity Provider must use completely separate and different teams for each Proposal, and certify to such in a confirmation from an officer of such Designated Equity Provider as set out in the section entitled “*Confirmation*” below.

The Proponent will be required to confirm in its statutory declaration (Exhibit M) that, among other things, it has made due inquiries of each of its Designated Equity Providers as to whether it is a Designated Equity Provider of another Proposal submitted under this CHP II RFP and, if so, that such Designated Equity Provider has made the required confirmations with respect to meeting the Tangible Net Worth requirements and using completely separate and different teams for each Proposal of which it is a Designated Equity Provider.

Year-End Financial Statements

The Proponent must attach audited year-end financial statements, as required by GAAP, of the Designated Equity Provider(s) with respect to the last two (2) fiscal years for which audited statements have been issued.

Notwithstanding the foregoing, a Designated Equity Provider who is an individual shall be permitted to provide unaudited financial statements instead of audited financial statements in response to this requirement together with a statutory declaration of such person stating that such unaudited financial statements present fairly, in all material respects, the financial position of the Designated Equity Provider in conformity with GAAP. However, all other Designated Equity Provider(s) that do not have audited financial statements do not satisfy the requirements of this subsection.

Most Recently Completed Quarter Financial Statements

The Proponent must attach audited financial statements of the Designated Equity Provider(s) with respect to:

- its most recently completed fiscal quarter, or

- if the Designated Equity Provider is an issuer of securities that are publicly traded, the most recently completed fiscal quarter for which financial statements have been publicly issued.

If audited financial statements are not available for its most recently completed fiscal quarter (or, for an issuer of publicly-traded securities, the most recent quarter for which financial statements have been publicly issued), the Proponent must submit unaudited financial statements in response to this requirement together with a statutory declaration of an officer of the Designated Equity Provider(s) (or the Designated Equity Provider if it is an individual) stating that such financial statements present fairly, in all material respects, the financial position of the Designated Equity Provider in conformity with GAAP.

Methodology

The Proponent must attach a summary outlining and describing the methodology and specifying the calculations used to determine the Tangible Net Worth requirements based on the information provided in the Financial Questionnaire.

Confirmation

The Proponent must attach a confirmation from an officer of the Designated Equity Provider (or the Designated Equity Provider if it is an individual) in the form of a certificate to the best of his or her knowledge stating that:

- (i) since the date of the latest of the financial statements provided above, no facts or circumstances have arisen that are reasonably expected to materially adversely affect the Designated Equity Provider's financial condition as set out in the annual reports or financial statements submitted in response to this requirement; and
- (ii) if the Designated Equity Provider is a Designated Equity Provider for more than one Proposal, the Designated Equity Provider has used (and shall continue to use) completely separate and different teams for each Proposal.

Without limiting the generality of the foregoing and for purposes of this Section, facts and circumstances that, estimated reasonably and in accordance with GAAP, result in a reduction in Tangible Net Worth

below the minimum Tangible Net Worth required by this Section shall be deemed to materially adversely affect the Designated Equity Provider's financial condition.

If, and to the extent that, there are facts or circumstances that would materially adversely affect the Designated Equity Provider's financial condition as set out in the annual reports or financial statements, the Proponent must also provide a statutory declaration of the Designated Equity Provider stating, in detail:

- any facts or circumstances that are reasonably expected to materially adversely affect the Designated Equity Provider's financial condition as set out in the annual reports or financial statements submitted in response to this requirement; and
- the revised value of the Designated Equity Provider's Tangible Net Worth, estimated reasonably and in accordance with GAAP having regard to the facts and circumstances set out above, together with the calculations supporting such revised value of the Designated Equity Provider's Tangible Net Worth.

3.2.24. Executive Summary

The executive summary, which is not to exceed six pages, shall encapsulate information about (i) the proposed Contract Facility, (ii) the Host and (iii) the Proponent Team. The executive summary must include, but is not limited to, the following:

Part 1: Proposed Contract Facility

A description of the location of the proposed Contract Facility, including the municipal address, as well as the proposed Financial Close Date, Commercial Operation Date and Restatement Date of the Contract Facility.

A short description of the plant and major equipment to be used in the Contract Facility including:

- an overview of major equipment, including the manufacturer(s) of the major equipment;
- the number of generating units of each technology (gas turbine, steam turbine etc.);

- a description of the type of steam turbine (if applicable) including a description of whether or not the steam turbine can be bypassed, and whether the steam turbine is condensing or back-pressure type;
- whether or not supplementary firing will be used;
- indication if back-up boilers will be used;
- indication of any other redundancy measures that may be employed;
- the footprint (including stack heights and any additional physical features) of the proposed Contract Facility;
- details regarding the Primary and Secondary Fuels to be used by the facility including the fuel type, fuel heating value, fuel delivery system and fuel suppliers;
- details regarding air and noise emissions and proposed mitigating technologies;
- a short description of the interconnection arrangement including voltage and interconnection point.

Part 2: Host

- A description of the Host, including:
 - a description of the Host facility, a summary of the Host's business and the proposed application of the Useful Heat Output;
 - a description of the Useful Heat Output delivery system, including approximate distance from the Contract Facility to the Host Facility, and pressure, temperature and quantity and amount of condensate return;
 - a description of the metering arrangement which outlines how the Proponent proposes to meter both electricity and Useful Heat Output from the Contract Facility to ensure that the CHP II Contract or CHP II PPA obligations, as

applicable, are met and that verification, monitoring and settlement can be undertaken fairly and accurately.

Part 3: The Proponent Team

- a description and/or a schematic representation of the organizational structure outlining ownership and contractual links among all entities and/or individuals involved in the development, construction, financing and operation of the proposed Contract Facility;
- a summary of the business arrangements for the development, construction and operation of the proposed Contract Facility;
- a short description of the key personnel involved in the preparation of the Proposal and in the development of the proposed Contract Facility;
- an overview of the proposed operation of the proposed Contract Facility, including the expected number of employees, and any unmanned operation capabilities.

3.3. Stage 3 - Rated Criteria

In Stage 3, the Proposal will be reviewed and scored against the following Rated Criteria:

RATED CRITERIA		MAXIMUM POINT SCORE AWARDED
3.3.1	Contract Facility Maturity	
	(1) <i>Environmental Assessment</i>	8
	(2) <i>Municipal and Regional Zoning Approvals</i>	9
	(3) <i>Status of EPC Contract</i>	8
3.3.2	Host Facility Risk Mitigation	

	(1) <i>Host Financial Strength</i> (2) <i>Status of Off-Take Agreement</i> (3) <i>Duration of the Off-Take Agreement</i>	15 5 5
3.3.3	Proponent Team Experience	
	(1) <i>Designated Facility</i> (2) <i>Designated Team Members</i>	8 7
3.3.4	Financial Plan	
	(1) <i>Financial Requirements</i> (2) <i>Status of Commitment</i> (3) <i>Financial Strength</i>	10 10 15
	TOTAL	100
	Minimum Required Total Point Score	40

Information set out in the Proposal, including responses to the Technical Questionnaire, Rated Criteria Information Submission Form and the Financial Questionnaire for each Proposal, should contain sufficiently detailed information to enable the OPA to evaluate the merits of both the Proponent and the proposed Contract Facility. The onus is on the Proponent to demonstrate its technical and financial abilities to develop, construct and operate the proposed Contract Facility, as well as present the work that has already been done on the proposed Contract Facility. Proponents are encouraged, where possible, to provide additional information and supporting evidence to substantiate their statements in response to the Rated Criteria, even if this additional information is not specifically requested in this CHP II RFP. Failure to provide sufficient detailed information or supporting statements or documentation may lead to zero points being awarded for some or all criteria.

For multiple Proposals by a single Proponent, the OPA reserves the right to reassess the Rated Criteria in Stage 3 on the basis of all such Proposals, taken cumulatively, proceeding and being selected. If, based on this reassessment, the Proponent achieves Minimum Required Total Point Score then all such Proposals shall proceed to Stage 4. Otherwise, the OPA reserves the right to reject such Proposals starting with the Proposal with the highest Adjusted Evaluated Cost, until the Proponent meets the Minimum Required Total Point Score with the remaining Proposal(s).

Proposals that do not achieve the Minimum Required Total Point Score will not be evaluated further and will be rejected.

3.3.1. Contract Facility Maturity

The Contract Facility Maturity criterion is designed to ensure that a sufficient amount of work has gone into the proposed Contract Facility such that there is a reasonable degree of likelihood that the proposed Contract Facility will achieve Commercial Operation by the proposed Commercial Operation Date.

(1) Environmental Assessment

Points will be allocated depending on the status of the Proponent's progress in any environmental assessment process required pursuant to the appropriate category of the Environmental Assessment Guide referred to below.

Proponents should state the category to which the proposed Contract Facility belongs according to the Ontario Ministry of the Environment's "Guide to Environmental Assessment Requirements for Electricity Projects" dated March 2001, as referred to in O. Reg. 116/01 to the Environmental Assessment Act (Ontario) entitled "Electricity Projects". The aforementioned Guide describes three possible categories: Categories A, B, and C as follows:

- Category A (where there is no requirement for an environmental assessment under the Environmental Assessment Act);
- Category B (i.e., a Contract Facility subject to an environmental screening process);
- Category C (i.e., a Contract Facility which requires an individual environmental assessment);

If the proposed Contract Facility is within Category C, the Proponent should submit as part of the Proposal a copy of the “Terms of Reference” as submitted to the Ministry of the Environment in respect of such individual Environmental Assessment, together with a statement of the date of such submission if it is not already set out on the submission.

Points will be allocated from highest to lowest for the following levels of progress:

High points will be allocated for the following scenario:

- The Proponent does not require permits or approvals for the proposed Contract Facility or all required permits or approvals have been obtained, or the Minister of the Environment or the Director of the Environmental Assessment and Approvals Board has granted approval for the proposed Contract Facility.

Medium-high points will be allocated for the following scenarios:

- The Proponent has filed a notice of completion and the final environmental screening report has been submitted to the Ministry of the Environment.
- A draft environmental screening report has been submitted to Ministry of the Environment.

Medium points will be allocated for the following scenarios:

- Environmental screening report is being drafted and Proponent is working with local community; public consultations, including open houses, have been completed or are in the process of being conducted.
- A notice of commencement has been published.

Lowest points will be allocated for the following scenario:

- Proponent has commenced work internally on the environmental assessment process, such as retaining expert advice, but has not filed a notice of commencement.

Zero points will be allocated for the following scenario:

- A Proponent has not yet commenced any work on the environmental assessment process.

Proponents should submit (i) a description of the work already undertaken and provide any supporting documentation evidencing their status, and (ii) a timeline and a description of the major milestones necessary to complete the applicable environmental assessment process.

(2) Municipal and Regional (Zoning) Approvals (9 points)

Points will be allocated based on the site's status regarding existing land use approvals and/or the steps taken to obtain the appropriate land use approvals or amendments such as: official plan amendment, where applicable secondary plan amendment and zoning by-law amendment for the proposed Contract Facility with the local municipality and, where applicable, the regional municipality.

(a) Status of site regarding land use approvals (6 points)

Highest points will be allocated for a proposed Contract Facility with a site that:

- conforms with all regional and/or local official plan, secondary plan (where applicable) and zoning by-law(s) that permit for the development of the proposed Contract Facility.

High points will be allocated for a proposed Contract Facility with a site that:

- has all regional and/or local official plan or secondary plan designation(s) (where applicable), but requires only minor variances to the zoning by-law amendment to allow for the development and operation of the proposed Contract Facility.

Medium-high points will be allocated for a proposed Contract Facility with a site that:

- has all regional and/or local official plan and secondary plan (where applicable) designation(s), but requires a zoning by-law amendment to allow for the development and operation of the proposed Contract Facility.

Medium points will be allocated for a proposed Contract Facility with a site that:

- has zoning approvals, but no regional and/or local official plan or secondary plan designation(s) (where applicable) to allow for the development and operation of the proposed Contract Facility.

Lowest points will be allocated for a proposed Contract Facility with a site that:

- has neither regional and/or local official plan and secondary plan (where applicable) designation(s) or zoning approvals to allow for the development and operation of the proposed Contract Facility.

(b) Progress in obtaining applicable amendments (3 points)

Highest points will be allocated for Proponents who:

- does not require any amendments to any official plan or the zoning by-law.

High points will be allocated for Proponents who:

- has submitted a complete application to the required municipal approval authorities to obtain applicable amendments to the official plan(s) and/or the zoning by-law(s).

Medium points will be allocated for Proponents who:

- has undertaken preliminary consultation with the required municipal approval authorities but has not submitted a complete application to the required municipal approval authorities to obtain the applicable amendments to the official plan(s) and/or the zoning by-law(s).

Zero points will be allocated for Proponents who:

- has not consulted with the required municipal approval authorities to obtain the applicable amendments to the official plan(s) and/or the zoning by-law(s).

Proponents should submit any supporting documentation, including, but not limited to:

- excerpts from the applicable regional and/or local municipal official plan, secondary plans (where applicable) and zoning by-laws and elaborate on the current official plan designation and zoning that applies to the subject lands for the Contract Facility;
- a description of the extent to which the proposed Contract Facility does not conform to the regional and/or local official plan or zoning by-law and what steps, if any, have been taken to amend the regional and/or local official plan, and zoning by-law to permit the development, construction and operation of the Contract Facility and state the expected time frame for receiving each of such approvals;
- an indication of whether any variances will be needed to accommodate the physical features of the Contract Facility, such as the stack height or foot print for example; and
- a description of the processes involving the local municipality and, where applicable, the regional municipality, to obtain appropriate regional and/or local official plan amendments, including secondary plan amendments, where applicable, zoning by-law amendments, and any minor variances required in order to ensure development of the proposed Contract Facility on the subject lands.

In addition, as supporting evidence, the Proponent should provide a letter, or letters, from each of the local municipality and, where applicable, the regional municipality, outlining conformity with the regional and/or local official plan, secondary plan (where applicable) and zoning by-laws and stating whether the proposed Contract Facility requires:

- an amendment to the regional and/or local official plan, including a secondary plan amendment (where applicable);
- a zoning by-law amendment; and/or

- any variances to accommodate any and all physical features of the proposed Contract Facility such as the stack height or foot print.

Failure to provide a letter from each applicable municipality, may result in zero points being awarded.

(3) Status of EPC Contract (8 points)

Points will be allocated depending on the degree to which the Proponent has made progress in obtaining firm pricing from external contractors involved in the engineering, procurement and construction of the proposed Contract Facility.

Highest points will be allocated for a Proponent that:

- has a firm price executed contract with an EPC contractor or with all applicable external contractors responsible for construction engineering and procurement, or corporate commitment for resources to develop proposed Contract Facility in-house. Such contracts may be conditional upon the Proponent being awarded and entering into a CHP II Contract or CHP II PPA, as applicable, pursuant to this CHP II RFP

High points will be allocated for a Proponent that:

- has a firm price executed contract with an EPC contractor or applicable external contractors responsible for two components, including the engineering, of a traditional EPC contract. For greater certainty the Proponent should have a contract for the construction, engineering or procurement of the Contract Facility . Such contracts may be conditional upon the Proponent being awarded and entering into a HP II Contract or CHP II PPA, as applicable, pursuant to this CHP II RFP

Medium points will be allocated for a Proponent that:

- has a firm pricing commitment, such as a binding price quotation, from the applicable contractor(s) for some components of the Contract Facility such as the major equipment, engineering or construction

Low points will be allocated for a Proponent that:

- has a soft pricing commitment, such as a non-binding or indicative budget price quotation, from the applicable contractor(s)

Zero points will be allocated for a proposed Proponent that:

- has not identified contractor(s) or has not obtained either a firm pricing commitment or soft pricing commitment with respect to the proposed Contract Facility

In order to evidence the Proponent's classification, the Proponent should provide a letter from the external contractor(s) stating whether it has executed a contract with the Proponent or provided a firm or soft pricing commitment, if applicable. If no evidence is provided, will be deemed that no contractor has been identified or has provided either a firm or soft pricing commitment with respect to the proposed Contract Facility and zero points will be awarded.

Proponents who will solely rely on in-house expertise and capability and will not use external contractor(s) should outline the commitment of resources to the project as well as cost and risk mitigation measures.

3.3.2. Host Facility Risk Mitigation

The Host Facility Risk Mitigation criterion is designed to incent Proponents to seek out and execute an Off-Take Agreement with the most financially viable Host and to incent arrangements that are firm and have contract durations through the end of the CHP II Contract or CHP II PPA Term.

Proponents should provide all information regarding commercial arrangements with the Host, including the financial strength of the Host, the status of the Off-Take Agreement, the length and form of the Host Facility commitments and the Useful Heat Output volumes covered by these commitments. The Host Facility's obligations under the Off-Take Agreement may be guaranteed by a credit support commitment, in which case the Proponent should submit a copy of the credit support documentation.

(1) Host Financial Strength (15 points)

Points will be awarded based on the following financial indicators:

- Credit Rating of the Host;
- Debt to EBITDA ratio; and
- Debt to total capitalization.

In order to demonstrate the financial strength of the Host, Proponents should provide evidence of the credit rating and audited financial statements of the Host. If there is a corporate guarantee of the Host's financial commitments to the Proponent, then (i) the credit rating and/or the audited financial statements of the guarantor, and (ii) a copy of the credit support documentation should be provided.

If the Host does not have a credit rating or audited financial statements, Proponents are encouraged to provide other information which may be available, such as unaudited financial statements, in order to more completely review the Host's financial strength. While the presentation of information such as unaudited financial statements does not assure the Proponent of a higher score, this evidence will assist in more completely reviewing the financial strength of the Host.

Hosts or guarantors with better credit ratings and stronger financial indicators will be scored more highly. If no information is provided regarding the credit quality of the Host, the Proponent will receive a lower score.

(2) Status of Off-Take Agreement (5 points)

Points will be allocated, based upon a review of the Off-take Agreement, from highest to lowest for the following categories:

Highest points will be allocated for:

- Host Developed Contract Facilities

Medium to high points will be allocated for:

- Third-Party Developed Contract Facilities with Off-Take Agreements that are only contingent on the award of a contract by the OPA and the completion of the proposed Contract Facility

Lowest points will be allocated for:

- Off-take Agreements which are subject to other conditions than the award of a contract by the OPA and the completion of the proposed Contract Facility. The conditions will be evaluated in terms of the significance to the execution of a final Off-take Agreement

In addition to the Off-take Agreement, Proponents should provide information regarding the Useful Heat Output sales quantities and the quality of the Useful Heat Output (i.e., temperature, pressure, etc.) required to achieve the Proponent's Contract Heat Rate and steam or hot water usage (this should be contrasted to the assumptions made regarding future requirements).

(3) Duration of the Off-Take Agreement (5 points)

Points will be allocated based on the term of the Off-take Agreement and the degree to which the Off-take Agreement covers the Useful Heat Output Volume.

Highest points will be awarded for:

- Off-take Agreements which are for the full duration of the contract Term

Lowest points will be awarded for:

- Off-take Agreements which only meet the minimum Mandatory Requirements

3.3.3. Proponent Team Experience

The Proponent Team experience criterion is designed to ensure that the team that has been assembled by the Proponent has a sufficient level of experience with projects substantially similar to the proposed Contract Facility, such that there is a high degree of likelihood that the proposed Contract Facility will

reach Commercial Operation by the proposed Milestone Date and will be developed in accordance with its Proposal and good engineering practices.

(1) Designated Facility (7 points)

Points will be allocated based on (i) the Proponent's experience in planning, developing, structuring and operating Designated Facilities, and (ii) the relevance of such experience.

Highest points will be awarded to Proponents who:

- have experience in planning, developing, constructing, and operating more than one Designated Facility.

Lowest points will be awarded to Proponents whose:

- Designated Facility experience is less relevant (e.g., significantly different generation technology, significantly less capital expenditure, or significantly smaller facility) to the proposed Contract Facility.

Proponents should indicate, provide supporting evidence, and describe the Designated Facility or Facilities. For each Designated Facility, the Proponent should provide a description of the Designated Facility, the capital cost expenditure, the Nameplate Capacity (for generation projects), and the Commercial Operation Date.

For a Host Developed Contract Facility, the Designated Facility must be either (i) a generation facility, (ii) a cogeneration facility, or (iii) a substantially similar major construction project. If the Designated Facility is not a generation or cogeneration facility, in order for Designated Facilities to be considered substantially similar to the Contractor Facility, the Designated Facility must meet each of the following requirements:

- It must be a major construction project with a capital expenditure of 25% or greater than the Total Project Cost of the proposed Contract Facility;

- It must be an equivalent technical complexity with respect to planning, managing, development, construction, ownership and operation to the proposed Contract Facility; and
- It must have commenced operation in compliance with all laws and regulations and been in operation for at least one year.

For a Third Party Developed Contract Facility, the Designated Facility must be either the same or similar type of generation or cogeneration facility as the proposed Contract Facility. To be considered substantially similar to the Contract Facility, the Designated Facility must meet each of the following requirements:

- It must use the same or similar type of generation technology as the proposed Contract Facility. A combined cycle gas turbine or simple cycle gas turbine project will be considered to be the same or similar as a gas turbine based proposed Contract Facility;
- It must have a Nameplate Capacity of at least 25% of the Nameplate Capacity of the proposed Contract Facility;
- It must have commenced operation in compliance with all laws and regulations and have been in operation for at least one year.

(2) Designated Team Members (8 points)

Highest points will be allocated to Proposals with a Proponent Team that has:

- significantly more Designated Team Members who have extensive successful experience with the proposed type and equivalent sized (MW) combined heat and power generation facilities

Medium points will be allocated to Proposals with a Proponent Team that has:

- significantly more Designated Team Members, who have experience with combined heat and power projects or similar generation projects

Low points will be allocated to Proposals with a Proponent Team that has:

- more Designated Team Members, with extensive experience working together in the development of these Designated Facilities

Lowest points will be allocated to Proposals with a Proponent Team that has:

- additional Designated Team Members with limited experience

The Proposal should clearly identify each of the Designated Employees, or Designated Associates if applicable, and describe how they acted in a Managerial Capacity with respect to the Designated Facility or Designated Facilities. Proposals should describe the relevant experience in the form of resumes, curriculum vitae and any professional designation(s) of the Designated Employees or Designated Associates.

3.3.4. Financial Assessment

The Financial Assessment is designed to ensure that the Proponent's financial plan is sound and that the Proponent has secured the necessary financing for the proposed Contract Facility. The Proponent shall demonstrate that it has the financial capability to finance the Contract Facility through internally generated or available funds and that it has a demonstrated history of self-financing comparably sized generation projects or that the Proponent will be able to secure the necessary financing as demonstrated by commitments from equity providers or lenders.

The Financial Assessment will be based on a detailed financial plan description, the Proponent's response to the Financial Questionnaire (attached as Appendix F) and all supporting financial information that is provided by the Proponent.

Proponents that are claiming credit for Tangible Net Worth are required to address all of the requirements outlined in Section 3.2.23.

For greater certainty, if any information in the Proposal, including any financing commitment, is conditional on amending the CHP II Contract or CHP II PPA, the OPA reserves the right to reject the proposal or award zero points for the Financial Assessment.

Proponents that assert unconditionally that no equity will be required to finance the proposed Contract Facility should provide evidence from lenders that they are willing to provide 100% of the required financing as debt. The Proponent should provide a Firm Commitment letter from these lenders indicating that the proposed Contract Facility can be financed with 100% debt.

Points will be allocated from highest to lowest points according to the following levels:

1. The Proponent has the ability to self-finance the proposed Contract Facility as evidenced by a Tangible Net Worth of \$750,000 per MW of Contract Capacity; and

has financed a generation facility that is at least 80% of the Contract Capacity of the proposed Contract Facility within the last 24 months.
2. The Proponent has successfully financed at least five generation facilities, each being at least 50% of the Contract Capacity of the proposed Contract Facility within the last 24 months and has received Soft Commitments of financing for 50% of the Total Project Cost.
3. The Proponent has received Firm Commitments from all of the sources of financing listed in the financial plan and these sources of financing cover the Total Project Cost; and

has financed a generation facility that is at least 80% of the Contract Capacity of the proposed Contract Facility within the last 36 months.
4. The Proponent has successfully financed at least three generation facilities, each being at least 50% of the Contract Capacity of the proposed Contract Facility within the last 36 months and has received Soft Commitments of financing for 50% of the Total Project Cost.
5. The Proponent has received Firm Commitments from all of the sources of financing listed in the financial plan and these sources of financing cover the Total Project Cost.
6. The Proponent has received Firm Commitments from all of the sources of financing listed in the financial plan and these sources of financing represent at least 50% of the Total Project Cost.
7. The Proponent has received Soft Commitments from all of the sources of financing listed in the financial plan and these sources of financing represent at least 50% of the Total Project Cost.

8. The Proponent has a Soft Commitment from an equity provider with a Tangible Net Worth of at least \$250,000/MW of Contract Capacity offering financing for 20% of the Total Project Cost.

A Proposal's score will be based on its ability to satisfy all of the requirements of the highest ranked Financial Assessment thresholds (i.e., thresholds 1-8) identified above.

The financial strength of the Designated Equity Providers and Lenders that have made these Hard and Soft Commitments will be evaluated in terms of their financial resources. The strength of commitment will be measured in terms of high, medium, and low based on the criteria outlined in the matrix below. The combined financial strength for a Proponent's Designated Equity Providers and Lenders will be based on the relative proportions of debt and equity that comprise the Proponent's Soft and Hard Commitments. For greater certainty, Proponents that satisfy the requirements of the highest Financial Assessment threshold (i.e. have a Tangible Net Worth of \$750,000/MW of Contract Capacity and have successfully financed a generation project of at least 80% of the Contract Capacity of the proposed Contract Facility within the last 24 months) will have the highest financial strength. There is no medium strength of commitment for lenders.

Designated Equity Providers and Lenders with a combined financial strength that is determined to be high (low) according to the matrix below will receive the maximum (minimum) possible points for that specific Financial Assessment threshold identified above.

Strength of Commitment	Designated Equity Providers	Lenders
Rating	Tangible Net Worth \$/ MW of Contract Capacity	Category of Lender
High	\$750,000/ MW	Category A Lender
Medium	\$500,000/ MW	
Low	\$250,000/ MW	Category B Lender

3.4. Stage 4 – Economic Bid Evaluation

All Proposals that have achieved the Minimum Total Points Score in Stage 3 will have their Economic Bid Statements opened, and each such Proposal will undergo the Economic Bid Evaluation to calculate the Evaluated Costs of the Proposal and the Adjusted Evaluated Costs of the Proposal.

The values to be set out in the Economic Bid Statement must be entered precisely in numeric form using the format provided in Appendix E1 or Appendix E2, as applicable, without further information, condition or qualification whatsoever. Any deviation from the required format of the Economic Bid Statement 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 disqualification of the Proposal. Prior to commencing the Economic Bid Evaluation, the OPA will check the Economic Bid Statement for accuracy and compliance.

Disclosure by the Proponent or any member of the Proponent Team of any of the elements of the Economic Bid Statement elsewhere in the Proposal, or otherwise, shall result in disqualification of the Proposal.

Errors contained in a Proponent's Economic Bid Statement are the sole responsibility of the Proponent and the OPA will be unable to communicate any perceived error to a Proponent.

All financial parameters provided in the Economic Bid Statement will not be subject to any escalation or indexing between the Proposal Submission Deadline and the Commercial Operation Date.

The Fixed Capacity Payment, O&M Costs and, if applicable, the Incremental Fixed Capacity Payment for District Energy Facilities and Natural Gas-Fired Industrial Cogeneration Facilities provided in the Economic Bid Statement will be applicable, without adjustment, on the Commercial Operation Date of the Contract Facility. In the event of Restatement for eligible Contract Facilities, the Incremental Fixed Capacity Payment will be fully indexed to the Specified Index during the period between the Commercial Operation Date and the Restatement Date and then added to the Indexed Fixed Capacity Payment that would otherwise apply on the Restatement Date to determine the Indexed Restated Fixed Capacity Payment at the Restatement Date.

The Contract Price for Renewable Fuel-Fired and By-product Fuel-Fired Industrial Cogeneration Facilities provided in the Economic Bid Statement will be applied, without adjustment, on the Commercial Operation Date of the Contract Facility. In the event of Restatement, the Incremental Contract Price would be adjusted to reflect the Escalation Rate for the Contract Price (expressed as a percentage of the Specified Index and not to exceed 100%) specified by the Proponent in the Economic Bid Statement and the Specified Index from the Commercial Operation Date to the Restatement Date.

3.4.1. Calculating Evaluated Costs

The Evaluated Costs will be calculated using two different approaches to reflect differences in the structure of the Economic Bid Statement between different types of Proposals. One approach will apply to District Energy Facilities and Natural Gas-Fired Industrial Cogeneration Facilities that submit Economic Bid Statements that include Contract Heat Rate and Contract Capacity, among other parameters, and a different approach will apply to Renewable Fuel-Fired and By-product Fuel-Fired Industrial Cogeneration Facilities that submit Economic Bid Statements that include a Contract Price per MWh and Contract Facility output profile. These two alternative approaches provide results that allow the various Proposals to be evaluated on a uniform basis.

A series of Prospective Power Years describing relevant market data will be used in the Economic Bid Evaluation process. The data for each Prospective Power Year will be available in the CHP II Evaluated Cost Model, which will be made public and posted on the Generation Procurement Website at a later date². Step 1 will be described in greater detail in an example which will be posted on the Generation Procurement Website at a later date.

(1) Calculating the Evaluated Cost for District Energy Facilities and Natural Gas-Fired Industrial Cogeneration Facilities

Where the proponent has not submitted restated Contract Heat Rates, restated Contract Capacities or an Incremental Fixed Capacity Payment, the Evaluated Cost for District Energy Facilities and Natural Gas-Fired Industrial Cogeneration Facilities is calculated as (i) the sum of the present values, determined as of the mid-point of the first Contract Year, of the amount by which the Fixed Capacity Payment exceeds the Imputed Net Revenue in each Contract Year of the contract term, divided by (ii) the Annual Average Contract Capacity over the contract term.

Where the Proponent has submitted restated Contract Heat Rates, restated Contract Capacities and/or an Incremental Fixed Capacity Payment, the Evaluated Cost for District Energy Facilities and Natural Gas-Fired Industrial Cogeneration Facilities shall be the greater of the following:

² The Evaluated Cost Model used in Phase 1 of the OPA's CHP procurement process is available on the Ontario Electricity RFP website (www.ontarioelectricityrfp.ca)

- (a) the sum of the present values, determined as of the mid-point of the first Contract Year, of the amount by which the Fixed Capacity Payment exceeds the Imputed Net Revenue in each Contract Year of the contract term, divided by (ii) the Annual Average Contract Capacity over the contract term, or
- (b) the result of a similar calculation as described in (a) above, but with the Contract Heat Rates, Contract Capacities and the Fixed Capacity Payment replaced by the Restated Contract Heat Rates, the Restated Contract Capacities and the Fixed Capacity Payment plus the Incremental Fixed Capacity Payment during the Earliest Restatement Year and in each subsequent year of the Term thereafter. In addition, the Annual Average Contract Capacity over the Term will reflect the Restated Contract Capacities during the Earliest Restatement Year and in each subsequent year of the Term thereafter.

(2) Calculating the Evaluated Cost for Dual-Fuel Facilities

Where the proponent has not submitted restated Contract Heat Rates, restated Contract Capacities or an Incremental Fixed Capacity Payment for either project component, the Evaluated Cost for Dual-Fuel Facilities is calculated as (i) the present values, determined as of the mid-point of the first Contract Year, of the amount by which the sum of the Fixed Capacity Payment for both project components exceeds the sum of the Imputed Net Revenue for both project components in each Contract Year of the contract term, divided by (ii) the sum of the Annual Average Contract Capacity over the contract term for both project components.

Where the Proponent has submitted restated Contract Heat Rates, restated Contract Capacities and/or an Incremental Fixed Capacity Payment for one or both project components, the Evaluated Cost for Dual-Fuel Facilities shall be the greater of the following:

- (a) the present values, determined as of the mid-point of the first Contract Year, of the amount by which the sum of the Fixed Capacity Payment for both project components exceeds the sum of the Imputed Net Revenue for both project components in each Contract Year of the contract term, divided by (ii) the sum of the Annual Average Contract Capacity over the contract term for both project components., or

- (b) the result of a similar calculation as described in (a) above, but with the Contract Heat Rates, Contract Capacities and the Fixed Capacity Payment for both components replaced by the applicable Restated Contract Heat Rates, the Restated Contract Capacities and the Fixed Capacity Payment plus the Incremental Fixed Capacity Payment during the Earliest Restatement Year and in each subsequent year of the Term thereafter for each project component. In addition, the sum of the Annual Average Contract Capacity over the Term will reflect the applicable Restated Contract Capacities during the Earliest Restatement Year and in each subsequent year of the Term thereafter for each project component. For certainty, the economic bid parameters for both project components will be adjusted to reflect the impact of restatement as specified in the Proponent's economic bid statement.

(3) Calculating the Evaluated Costs for Renewable Fuel-Fired and By-product Fuel-Fired Industrial Cogeneration Facilities

Where the Proponent has not submitted an Incremental Contract Price or Restated Submitted Hourly Electricity Output Profile The Evaluated Cost for Renewable and By-Product Fuel Fired Facilities is calculated as (i) the sum of the present values, determined as of the mid-point of the first Contract Year, of the Above Market Cost in each Contract Year of the contract term, divided by (ii) the Annual Average On-Peak Contract Capacity over the contract term.

Where the Proponent has submitted an Incremental Contract Price and/or Restated Submitted Hourly Electricity Output Profile, the Evaluated Cost for Renewable and By-Product Fuel Fired Facilities shall be the greater of the following:

- (a) the sum of the present values, determined as of the mid-point of the first Contract Year, of the Above Market Cost in each Contract Year of the contract term, divided by the Annual Average On-Peak Contract Capacity over the contract term, or
- (b) the result of a similar calculation as described in (a) above, but with the Above Market Cost for each Contract Year including and following the Earliest Restatement Year calculated using the proposed Contract Price plus Incremental Contract Price and Restated Submitted Hourly Electricity Output Profile. In addition, the Annual Average On-Peak Contract Capacity over the

Term will reflect the Restated Submitted Hourly Electricity Output Profile during the Earliest Restatement Year and in each subsequent year of the Term thereafter.

3.4.2. Calculating Adjusted Evaluated Costs

The Adjusted Evaluated Cost for each Proposal will be calculated as the product of (i) one minus the Discount Factor, and (ii) the Proposal's Evaluated Cost.

The Discount Factor for the Proposal will be calculated as the product of the point score awarded in Stage 3 and a scaling factor of .0025. As a result, Proposals receiving higher point scores in Stage 3 will be given a higher Discount Factor.

3.5. Stage 5 – Selection of Contract Facilities

The ultimate stage of the Evaluation Process will select Proposals based on transmission limits (Section 3.5.1 and on Evaluated Cost and Adjusted Evaluated Cost (Sections 3.5.2 – 3.5.4).

3.5.1. Application of Restricted Circuit, Zone and Area Screens

Proposals will first be screened based on their proposed Connection Point to account for transmission limitations within Restricted Circuits, Zones and Areas as set out in Appendix Q.

Screening based on transmission limits is applied to recognize that the fact the available transmission and capacity on the existing Transmission Systems is limited in certain parts of the Province. The transmission limit screening process, will select Proposals which have the lowest Adjusted Evaluated Costs and which, in the aggregate, have Contract Capacities that do not exceed the applicable transmission limits, providing a reasonable assurance that significant Transmission System upgrade costs will be avoided.

Restricted Circuit Limits, Zone Limits and Area Limits are only estimates and should not be relied upon by Proponents as being definitive of the actual transmission restrictions and limits that may in fact be applicable to any project or Proposal. Restricted Circuit Limits, Zone Limits and Area Limits are only for

evaluation purposes pursuant to this CHP II RFP. Proponents should check with the IESO, Transmitter or LDC, as applicable, to determine transmission restrictions.

(1) Application of the Circuit Screen

Proposals with Connection Points located within a Restricted Circuit will be subject to an initial screening. The Restricted Circuits and their respective Restricted Circuit Limits are designated in Appendix Q. The Technical Questionnaire will not permit a Proponent to state alternate Connection Points unless all of the Connection Points are located on the same Restricted Circuit, or none of the Connection Points are located on any Restricted Circuit. Within a given Restricted Circuit, Proposals will be ranked in ascending order of Adjusted Evaluated Cost, and the Proposals with the lowest Adjusted Evaluated Costs up to, but not including, the marginal Proposal (or marginal Proposals, where there are two or more marginal Proposals that have the identical Adjusted Evaluated Cost) that cause(s) the cumulative Contract Capacities of such Proposals to exceed the Restricted Circuit Limit for that particular Restricted Circuit, will continue to be evaluated.

In cases (i) where there is more than one Contract Facility with a Connection Point on a Circuit with multiple Circuits in a common transmission corridor, and (ii) where there are multiple Circuits in a common transmission corridor, as identified in Appendix Q, and (iii) the Proponent has indicated a willingness to alter the proposed Connection Point to an alternative Circuit within the multiple Circuit transmission corridor, the OPA will determine the optimal connection configuration that accommodates the maximum number of projects on a given set of multiple Circuits.

The OPA reserves the right to allow the marginal Proposal (or marginal Proposals, where there are two or more marginal Proposals that have the identical Adjusted Evaluated Cost) that cause(s) the cumulative Contract Capacities of such Proposals to exceed the Restricted Circuit Limit for any Restricted Circuit to continue to be evaluated. This reserved right can be applied for one or more Restricted Circuits at the OPA's discretion.

(2) Application of the Zone Screen

Following the completion of the Restricted Circuit Screen, Proposals will be screened by Zone. The Zones and their respective Zone Limits are designated in Appendix Q. Proposals will be ranked in ascending order of Adjusted Evaluated Cost, and the Proposals with the lowest Adjusted Evaluated Costs up to, but

not including, the marginal Proposal (or marginal Proposals, where there are two or more marginal Proposals that have the identical Adjusted Evaluated Cost) that cause(s) the cumulative Contract Capacities of such Proposals to exceed the Zone Limit for that particular Zone will continue to be evaluated.

The OPA reserves the right to allow the marginal Proposal (or marginal Proposals, where there are two or more marginal Proposals that have the identical Adjusted Evaluated Cost) that cause(s) the cumulative Contract Capacities of such Proposals to exceed the Zone Limit for any Zone to continue to be evaluated. This reserved right can be applied for one or more Zones at the OPA's discretion.

(3) Application of the Area Screen

Following the completion of the Zone Screen, Proposals will be screened by Area. Proposals will be ranked in ascending order of Adjusted Evaluated Cost, and the Proposals with the lowest Adjusted Evaluated Costs up to, but not including, the marginal Proposal (or marginal Proposals, where there are two or more marginal Proposals that have the identical Adjusted Evaluated Cost) that cause(s) the cumulative Contract Capacities of such Proposals to exceed the Area Limit for that particular Area will continue to be evaluated.

The OPA reserves the right to allow the marginal Proposal (or marginal Proposals, where there are two or more marginal Proposals that have the identical Adjusted Evaluated Cost) that cause(s) the cumulative Contract Capacities of such Proposals to exceed the Area Limit for any Area to continue to be evaluated. This reserved right can be applied for one or more Area at the OPA's discretion.

3.5.2. Initial Stack of Proposals

Following completion of the Restricted Sub-zone, Zone and Area Screens, Proposals will be progressively selected for inclusion in the Initial Stack from the lowest to highest Adjusted Evaluated Cost up to, but not including the marginal Proposal, such that the cumulative annual average Contract Capacity of the selected Proposals prior to any Restatement does not exceed the Target Capacity.

The OPA reserves the right to select the marginal Proposal that would result in cumulative Annual Average Contract Capacity surpassing the Target Capacity for inclusion in the Initial Stack.

Any Proposals not selected through this process will be set aside (a “**Set Aside Proposal**”).

In the event that the combined total average annual Contract Capacity of all Proposals that have passed the Screens is less than the Target Capacity, all such Proposals will be selected for inclusion in the Initial Stack.

3.5.3. Intermediate Stack of Proposals

Following the creation of the Initial Stack, the OPA may apply the Absolute Price Limit to the Proposals in the Initial Stack to create the Intermediate Stack.

In applying the Absolute Price Limit, the OPA will reject any Proposal with an Evaluated Cost that exceeds the Absolute Price Limit. Any rejected Proposal by the application of the Absolute Price Limit will be disqualified and not considered further.

If the Absolute Price Limit is applied, the resulting stack will become the Intermediate Stack.

If the Absolute Price Limit is not applied, the Initial Stack will become the Intermediate Stack.

3.5.4. Final Stack of Proposals

Following creation of the Intermediate Stack, Proposals will be progressively reviewed for inclusion in the Final Stack. If the Proposal with the highest Adjusted Evaluated Cost in the Intermediate Stack is more than Threshold% of the weighted average Adjusted Evaluated Cost of the other Proposals in the Intermediate Stack with lower Adjusted Evaluated Costs, then the OPA may reject such Proposal. If the Evaluation Team determines to reject such Proposal, then if the Adjusted Evaluated Cost of the Proposal with the highest Adjusted Evaluated Cost of the remaining Proposals in the Intermediate Stack is more than Threshold% of the weighted average Adjusted Evaluated Cost of the other remaining Proposals with lower Adjusted Evaluated Costs remaining in the Intermediate Stack, the OPA may determine to reject such Proposal, and so on in respect of the Proposal with the highest Adjusted Evaluated Cost of the remaining Proposals, until the last Proposal remaining in the Intermediate Stack. Other than the Proposal with the lowest Adjusted Evaluated Cost, the OPA may reject each Proposal in the Intermediate Stack that has an Adjusted Evaluated Cost that is more than Threshold% of the weighted average Adjusted Evaluated Cost of all the other Proposals in the Intermediate Stack with lower Adjusted Evaluated Costs.

provided it has determined to reject each of the immediately preceding Proposals with higher Adjusted Evaluated Costs.

In undertaking the review described in the preceding paragraph, the OPA will initially utilize a Threshold% equal to 115%. After completing this initial review, the OPA may, at its sole and absolute discretion, repeat the review described in the preceding paragraph utilizing a Threshold% equal to 125%.

In addition, if a Designated Equity Provider is also listed as a Designated Equity Provider of more than one Proposal submitted under this CHP II RFP, and the (combined) cumulative Tangible Net Worth required for such Designated Equity Provider exceeds its stated Tangible Net Worth, the OPA may reject from the Final Stack one or more Proposals in accordance with the procedure set out in Section 3.2.23.

If the OPA rejects any Proposals in this step, the stack of Proposals remaining after this process will form the Final Stack.

If the OPA does not reject any Proposals in this step it may, at its sole and absolute discretion, choose one or more of the Set Aside Proposals for inclusion in the Final Stack starting with the Proposal with the lowest Adjusted Evaluated Cost and then progressing to the proposal with the next lowest Adjusted Evaluated Cost and so on. A Set Aside Proposal cannot be selected for inclusion in the Final Stack unless all other Set Aside Proposals with lower Adjusted Evaluated Costs have been selected for inclusion in the Final Stack. The stack of Proposals remaining after this process will form the Final Stack.

3.5.5. Selected Proponents

Those Proponents whose Proposals are included in the Final Stack will be the Selected Proponents.

4. Terms and Conditions

4.1. General Terms and Conditions

- (a) Except where expressly set out to the contrary in this CHP II RFP, all Submissions shall become the property of the OPA and shall not be returned to the Proponent.
- (b) For the purpose of determining time of receipt of any Submission, the clock at the prescribed location for submission shall govern.
- (c) The onus remains solely with the CHP II Party to instruct courier and delivery personnel to deliver Submissions to the relevant specified location by the relevant Submission Deadline.
- (d) All Submissions must be complete in all respects at the time of submission.

4.2. Definitions

Capitalized terms used in this CHP II RFP have the respective meanings ascribed to them in the Glossary of Terms set out in Appendix A. Unless otherwise indicated, references to sections and appendices are references to sections and appendices in this CHP II RFP.

4.3. CHP II RFP Documents

The following materials form part of, and are incorporated into, this CHP II RFP:

- (1) the body of this CHP II RFP;
- (2) Appendices A – P;
- (3) the CHP II Contract;
- (4) the CHP II PPA; and
- (5) Addenda.

Any conflict or inconsistency between the body of this CHP II RFP, the Appendices, and the CHP II Contract, the CHP II PPA or any Addenda shall be resolved by interpreting the documents and information in the following order from highest priority to lowest priority:

- (1) Addenda;
- (2) the body of this CHP II RFP;
- (3) Appendices A – P; and;
- (4) the CHP II Contract or the CHP II PPA, as applicable.

All other information (including responses to questions or comments, information provided in Information Sessions and Supporting Material) is provided for information purposes only, does not form part of this CHP II RFP and are not binding on the OPA.

Any conflict or inconsistency between the terms of this CHP II RFP and the Proposal shall be resolved by interpreting such documents in the following order from highest priority to lowest priority:

- (1) this CHP II RFP; and
- (2) the Proposal,

where this CHP II RFP shall govern over the Proposal to the extent of any conflict or inconsistency.

4.4. Cancellation or Return of Proposal Security

For each Proponent whose Proposal fails Stage 1 or Stage 2, the applicable Proposal Security will be cancelled or returned within 10 Business Days of the Proponent being notified of the Proposal's failure.

For each Proponent whose Proposal passes Stage 2 but is not selected in Stage 5, or is rejected in Stage 3 or 4, the applicable Proposal Security will be returned or cancelled within 10 Business Days of the OPA's announcement of all of the Selected Proponents.

For each Selected Proponent, the applicable Proposal Security will be cancelled or returned upon delivery of the Completion and Performance Security due under the terms of the CHP II Contract or CHP II PPA.

4.5. CHP II Parties to Bear All Costs

CHP II Parties will bear all costs and expenses in connection with their participation in this CHP II RFP, including any costs incurred in the review of this CHP II RFP and any expert advice required in responding to this CHP II RFP. The OPA and its advisors shall not be liable to pay any CHP II Party costs under any circumstances. In particular, the OPA will not reimburse any CHP II Party in any manner whatsoever in the event of rejection of any or all Proposals or in the event of the cancellation of this CHP II RFP. By submitting any Submission in response to this CHP II RFP, the CHP II Party irrevocably and unconditionally waives any claims against the OPA and its advisors relating to the CHP II Party's costs and expenses. Further, the OPA will not, and is under no obligation to, reimburse any CHP II Party who becomes a Registered Proponent, whether or not such Registered Proponent submitted a Proposal, with the exception of the provisions outlined in Section 4.4.

4.6. Verification

All statements, information and documentation submitted as part of the Proposal are subject to verification and enforcement in accordance with the terms of this CHP II RFP and the CHP II Contract or CHP II PPA as applicable. If such statements, information or documentation are determined by the OPA to be incorrect or misleading, the OPA reserves the right to re-evaluate the Proponent's compliance with the Mandatory Requirements in Stage 2 and revise any point scores awarded to the Proposal in Stage 3, to revise the Adjusted Evaluated Cost for the Proposal that was determined in Stage 4 and to revise the Proposal's ranking in Stage 5.

4.7. Reserved Rights of the OPA

The OPA reserves the right to:

- (a) make public the names of any or all Participants, Registered Proponents and Proponents;
- (b) request written clarification or the submission of supplementary written information from any Proponent and incorporate a Proponent's response to that request for clarification into the Proponent's Proposal;

- (c) meet with some or all Proponents to discuss aspects of their Proposals;
- (d) verify with any Proponent, or with a third party, any information set out in a Proposal;
- (e) contact any party providing financing, including obtaining information on such party whether directly from the party or a third party;
- (f) check references other than those provided by any Proponent;
- (g) disqualify any Proponent whose Proposal contains misrepresentations or any other inaccurate or misleading information;
- (h) disqualify any Proponent or the Proposal of any Proponent who has engaged in conduct prohibited by this CHP II RFP;
- (i) make changes, including substantial changes, to this CHP II RFP provided that those changes are issued by way of Addenda in the manner set out in this CHP II RFP;
- (j) cancel this CHP II RFP process at any stage;
- (k) cancel this CHP II RFP process at any stage and issue a new RFP for the same or similar deliverables;
- (l) reject any or all Proposals;
- (m) accept only one Proposal; or
- (n) if only one Proposal is received, elect to accept or reject it,

and these reserved rights are in addition to any other express rights or any other rights which may be implied in the circumstances and the OPA 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 OPA exercising any of its express or implied rights under this CHP II RFP.

By submitting its Proposal, the Proponent authorizes the collection by the OPA of the information set out under (e) , (f) and (g)

4.8. Legal Liability for Material Breach of CHP II RFP

The Registered Proponents and Proponents agree that if the OPA commits a material breach of this CHP II RFP, the OPA's liability to the Proponent and Registered Proponents, as applicable, and the aggregate amount of damages recoverable against the OPA 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 OPA, shall be no greater than the Proposal preparation costs that the Proponent and Registered Proponent seeking damages from the OPA can demonstrate.

4.9. Not A Tender Until Registration

This CHP II RFP does not constitute a tender call with respect to any CHP II Party other than Registered Proponents and Proponents.

No contract or agreement of any kind is formed under or arises from the submission of a Participant Application.

4.10. CHP II Contract/CHP II PPA

All Selected Proponents shall sign the CHP II Contract or CHP II PPA, as applicable, in the final form circulated by the OPA prior to the Proposal Submission Deadline and shall deliver such other closing documents (such as certificates of status, officer's certificates and opinions of counsel) as the OPA requests.

The complete Proposal, as submitted by the Proponent, will be incorporated into and form part of the CHP II Contract or CHP II PPA, as applicable.

4.11. Changes to Proponent Team

No changes in the Proponent Team or any sources identified in the Proposal with respect to financing and set forth by the Proponent in its response to this CHP II RFP shall be permitted between the Proposal

Submission Deadline and the execution of the CHP II Contract or CHP II PPA, as applicable. Any substitution made without the consent of the OPA will result in disqualification of the Proposal.

4.12. No Exclusivity of Contract

The CHP II Contract(s) and CHP II PPA(s) executed with Suppliers will not be exclusive contract(s) for the provision of CHP facilities. The OPA may contract with others for the same or similar facilities or may otherwise obtain the same or similar facilities by other means.

4.13. Compliance

If, in the sole discretion of the OPA, a Proposal does not comply with the requirements set out in this CHP II RFP, the OPA shall, without liability, cost or penalty, disqualify the Proposal and the Proposal shall not be given any further consideration. For purposes of this CHP II RFP, “comply” and “compliance” mean that the Proposal conforms to the requirements of this CHP II RFP without material deviation. A “material deviation” is one that, in the sole discretion of the OPA,

- affects the Proponent’s or OPA’s obligations or rights in any material way;
- affects the obligations or rights of other Proponents or potential Proponents under this CHP II RFP; or
- results in a failure to satisfy a material component of any requirement set out in this CHP II RFP.

For the purpose of clarity, each Proponent acknowledges and agrees that the OPA’s evaluation of compliance with the CHP II RFP is not an evaluation of absolute compliance and that the OPA may waive failures to comply that, in the OPA’s sole discretion, do not constitute a material deviation in accordance with this Section.

4.14. Governing Law of this CHP II RFP

This CHP II RFP shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

APPENDIX A GLOSSARY OF TERMS

The definitions of those capitalized terms and acronyms utilized in this CHP II RFP, unless otherwise stated to be definitions contained in the CHP II Contract or CHP II PPA, are provided below.

TERM OR ACRONYM	DEFINITION
Above Market Cost	Means (a) the difference between (i) the Contract Price multiplied by (ii) the total output of the Contract Facility and (b) the Gross Energy Market Revenues earned by the Contract Facility.
Absolute Price Limit	An Evaluated Cost limit based on a relationship between efficiency and fixed capacity payments equal to 2,000,000/MW.
Addendum	Means any addendum issued by the OPA and identified as an "Addendum to CHP II RFP".
Adjusted Evaluated Cost	Means the adjusted evaluated costs of a Proposal determined pursuant to Section 3.4.2.
A.M. Best	Means A.M. Best Company.
Annual Average Contract Capacity	Has the meaning given to it in the CHP II Contract or PPA, as applicable.
Annual Average On-Peak	Has the meaning given to it in the CHP II Contract or PPA, as applicable.
Area	Means any area specified in Appendix Q.
Area Limit	Means any transmission limit specified in Appendix Q.
BTU	Means British thermal unit (HHV).

TERM OR ACRONYM	DEFINITION
Business Day	Means a day, other than a Saturday or Sunday or statutory holiday in the Province of Ontario or any other day on which banking institutions in Toronto, Ontario are not open for the transaction of business.
Buyer	Means the Ontario Power Authority, and its successors or permitted assigns.
By-product Fuel	Means the product of another process that can be burned to produce electric and heat output. For greater certainty, natural gas is not considered a By-product Fuel.
By-product Fuel-Fired Industrial Cogeneration Facility	Means a cogeneration facility that burns By-product Fuel or uses Thermal Waste as its Primary Fuel and generates electricity while simultaneously producing Useful Heat Output for a gainful commercial or industrial purpose. For greater certainty, a By-product Fuel-Fired Industrial Cogeneration Facility may burn natural gas as a supplementary fuel. For greater certainty, a By-product Fuel-Fired Industrial Cogeneration Facility that does not burn By-product Fuel or use Thermal Waste as its Primary Fuel will be considered a Natural Gas-Fired Industrial Cogeneration Facility.
CHP	Has the meaning given to it in Section 1.2.
CHP I RFP	Has the meaning given to it in Section 1.2.
CHP II Contract	Means a CHP II Contract executed between a Supplier and the Buyer.
CHP II RFP Heat Rate Qualification	Means the heat rate qualification for the proposed Contract Facility determined as specified in Section 3.2.11.

TERM OR ACRONYM	DEFINITION
CHP II Party	Means any Respondent, Identified Host, Participant, Registered Proponent, Registered Host, Proponent or Host, as the context requires.
CHP II PPA	Means a power purchase agreement executed between a Supplier and the Buyer.
CHP II RFEI	Has the meaning given to it in Section 1.2.
CHP II RFP	Has the meaning given to it in Section 1.1.
Category A Lender	Means a financial institution listed in Schedule I or II of the Bank Act (Canada), or is such other financial institution or other entity having the minimum credit rating (i) A with S&P, (ii) A3 with Moody's, (iii) A low with DBRS, or (iv) A with Fitch IBCA. Wholly-owned subsidiaries of financial institutions that satisfy these requirements will also be considered Category A Lenders.
Category B Lender	Means a financial institution that is not a Category A Lender, but that has a Tangible Net Worth of at least \$1,750,000/MW of Contract Capacity.
Circuit	Means any circuit specified in Appendix Q.
Class 43.1 Capital Cost Allowance	Means Schedule II of the Income Tax Act (Canada) that allows taxpayers accelerated write-off for certain capital expenditures on equipment that is designed to produce energy in a more efficient way or produce energy from alternative renewable sources.

TERM OR ACRONYM	DEFINITION
Commercial Operation	Means the new Contract Facility commences operation in compliance with all laws and regulations after the completion of construction, completion of connection and synchronization to the IESO-Controlled Grid, a Local Distribution System or directly to an End User, and completion of all commissioning tests, and the requirements for commercial operation set out in the CHP II Contract or CHP II PPA, as applicable, have been satisfied.
Commercial Operation Date	Means the date on which Commercial Operation is first attained.
Completion and Performance Security	Means the financial security that the Supplier is required to provide to the Buyer prior to and after the execution of the CHP II Contract or the CHP II PPA, as applicable, as additional assurance that, among other things, the Supplier will meet the project milestones for the Contract Facility as specified in its Proposal, and will diligently operate and maintain the Contract Facility over the Term in accordance with the CHP II Contract or the CHP II PPA, as applicable.

TERM OR ACRONYM	DEFINITION
Conflict of Interest	Means any situation or circumstance where, in relation to this CHP II RFP process, the Proponent has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including (i) having or having access to information in the preparation of its Proposal that is confidential to the Ontario Power Authority or the Government of Ontario and not available to other Proponents; (ii) communicating with any official or representative of the Ontario Power Authority or the Government of Ontario or members of the Evaluation Team with a view to influencing preferred treatment in this CHP II RFP process; or (iii) engaging in conduct that compromises or could be seen to compromise the integrity of the open and competitive CHP II RFP process and render that process non-competitive and unfair.
Connection Point	Means the point on a transmission or distribution system at which the Contract Facility supplies electricity. For Contract Facilities that are connected to an End User, the Connection Point is the point that the End User connects to the transmission or distribution system.
Connection Impact Assessment	Means a study conducted by an LDC to determine the impact on the Local Distribution System, of connecting of the Contract Facility to its Local Distribution System, a Transmission System or an end-user load, as applicable.
Contract Capacity	Means that portion of the Nameplate Capacity, expressed in MW, applicable in Season 1, Season 2, Season 3 and Season 4, that is purchased pursuant to a CHP II Contract or a CHP II PPA.

TERM OR ACRONYM	DEFINITION
Contract Facility	Means the project to be constructed, developed, owned (or leased) and operated by the Supplier under a CHP II Contract or a CHP II PPA, as applicable.
Contract Heat Rate	Means the proposed heat rate(s) expressed in MMBTU/MWh, applicable to Season 1, Season 2, Season 3 or Season 4 for a District Energy Facility or a Natural Gas-Fired Industrial Cogeneration Facility that will be used in the evaluation process and to calculate Monthly Payments under a CHP II Contract.
Contract Price	Has the meaning given to it in the CHP II PPA.
Contract Year	Means a 12 month period during the Term which begins on the Term Commencement Date or an anniversary thereof.
Control Group Member	Means in respect of any entity (the "Reference Entity") an entity (a) that Controls the Reference Entity, or (b) is Controlled by the Reference Entity.
Controlled or Controls	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 percent or more of 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, by contract or trust or otherwise.
DBRS	Means Dominion Bond Rating Service Limited and its successors.

TERM OR ACRONYM	DEFINITION
Deadline for Issuing Addenda	Means the date and time on the Timetable or as amended in accordance with this CHP II RFP.
Debt	Means the funds borrowed by the developer to finance the proposed Contract Facility.
Designated Associate	Means an individual or employee of a firm that is under contract to the Proponent to assist it in either planning and developing, overseeing the construction of, or operating the proposed Contract Facility and who has, in a Managerial Capacity, either (i) planned and developed, (ii) overseen the construction, and/or (iii) operated, a Designated Facility.
Designated Employee	Means an individual who is either a principal, officer or an employee (as considered by the Canada Customs and Revenue Agency, or its equivalent if not under the jurisdiction of the Canada Customs and Revenue Agency) of the Proponent or a Control Group Member of the Proponent.
Designated Equity Provider	Has the meaning given to it in Section 3.2.23.
Designated Facility	Means any facility or facilities designated by a Proponent to demonstrate the Proponent Team's experience and qualification with respect to the planning, development, construction and operation of the Contract Facility.
Designated Team Members	Means the Designated Associates and Designated Employees that are members of the Proponent Team.
Discount Factor	Means the discount factor applied in the calculation of the Adjusted Evaluated Costs.

TERM OR ACRONYM	DEFINITION
Distribution System Code	Means the “Distribution System Code” published by the OEB.
District Energy Facility	<p>Means a cogeneration project that, regardless of fuel source, generates electricity while simultaneously produces Useful Heat Output, either directly or indirectly for industrial, commercial and/or residential facilities for which more than 70% of the thermal energy provided by the cogeneration project would be used for space conditioning purposes (either space heating or cooling, or a combination of both).</p> <p>A Proponent of a Natural-Gas Fired Industrial Cogeneration Facility that meets the above requirement has the option to nominate the Proposal as a District Energy Facility. For greater certainty, a Proponent of a Natural-Gas Fired Industrial Cogeneration Facility that provides more than 70% of the Useful Heat Output to greenhouses for space heating purposes is able to nominate its Proposal as a District Energy Facility.</p>
Dollar, dollar or \$	Means Canadian dollars and cents, unless otherwise specifically set out to the contrary.
Dual Fuel Facility	Means a facility which the is proposed to be run as a “Hybrid Fuel Facility” and uses Natural Gas and another fuel that is not natural gas.
EBITDA	Means earnings before interest, taxes, depreciation and amortization.
Economic Bid Evaluation	Means the economic evaluation set out in Section 3.4.
Economic Bid Statement	Means the form of Economic Bid Statement set out in Appendix E1 or Appendix E2 as applicable to the type of Contract Facility.

TERM OR ACRONYM	DEFINITION
End User	Means a person who owns or operates a load facility which utilizes electricity supplied through a direct connection to the Transmission System, the Local Distribution System, Existing Generating Facility or the Contract Facility.
EPC	Means engineering, procurement and construction.
EST	Means Eastern Standard Time, applicable in the IESO Administered Markets, as set forth in the IESO Market Rules.
Evaluated Cost	Means the evaluated costs of a Proposal determined pursuant to Section 3.4.
Evaluation Team	Means, collectively, the OPA's personnel and advisors.
Existing Generating Facility	Means an electricity generating facility, and ancillary lands required by such generating facility, whose generating equipment is commercially operational and is connected to the IESO-Controlled Grid, Transmission System, Local Distribution System or End User prior to June 14, 2007. For greater certainty, an electricity generating facility is considered to be commercially operational if it receives market revenues and has operated for more than 500 hours per year in any of the past three years.

TERM OR ACRONYM	DEFINITION
Expansion	Means an addition of generating unit(s) to an Existing Generating Facility which: (i) is not intended to replace any generating equipment that operates, or had operated within 12 months of the date of submission of the Proposal, at the Existing Generating Facility, (ii) generates electricity output in addition to the electricity output of other generating units that operate or operated at the Existing Generating Facility, (iii) has separate revenue grade meters that conform with the contract requirements and are dedicated to measuring the electrical output of the added generators and that are accessible to the Buyer; and (iv) does not include any of the electricity generating capacity available from the Existing Generating Facility. For greater certainty, an Expansion shall not include an Upgrade of an Existing Generating Facility.
Fairness Advisor	Means the person who is retained by the OPA to provide (i) enhanced assurance to Proponents and other stakeholders that the evaluation process is fair and transparent, and (ii) a written statement that attests that the procurement process was conducted in an objective and fair manner.
Final Stack	Means the final stack of Proposals determined as specified in Section 3.5.
Financial Closing	Has the meaning given to it in the CHP II Contract or the CHP II PPA, as applicable.
Financial Plan	Has the meaning given to it in Section 3.1.4.
Financial Questionnaire	Means the financial questionnaire, the form of which is set out in Appendix G.

TERM OR ACRONYM	DEFINITION
Firm Commitment	<p>Means an agreement from an equity provider, lender or source of financing other than debt or equity which states, at a minimum, that such equity provider, lender or other provider, as applicable, has reviewed this CHP II RFP, the CHP II Contract or CHP II PPA, as applicable, and the financial model (including projected costs and revenues) of the proposed Contract Facility, and that it agrees to advance or provide the amount of equity, debt or other financing, as applicable, for the proposed Contract Facility specified in the commitment letter by the milestone date for Financial Closing specified by the Proponent in response to the Technical Questionnaire, subject to the satisfaction of specific objective conditions. The commitment letter should clearly describe any and all of such objective conditions. Objective conditions are those conditions which require the achievement of certain milestones or the provision of information to the financier and such conditions are informational in nature, and would not represent an impediment to securing the financing or do not provide financiers with broad discretion regarding the determination of fulfillment of the conditions.</p> <p>Those conditions that provide the financier broad discretion to approve the fulfillment of the condition will not be considered objective.</p>
Fitch IBCA	Means Fitch IBCA, Duff & Phelps, a division of Fitch Inc., or its successors.

TERM OR ACRONYM	DEFINITION
Fixed Capacity Payment	Means the annual revenue requirement expressed in Canadian dollars and exclusive of GST and PST, payable by the Buyer in respect of the CHP II Contract and includes all development (including obtaining required permits and approvals), construction, financing, operations, maintenance and capital improvement costs for the project, including those related to connecting the facility to the IESO-Controlled Grid, a Local Distribution System or an End User, if applicable.
GAAP	Means Canadian or U.S. generally accepted accounting principles approved or recommended from time to time by the Canadian Institute of Chartered Accountants or the Financial Accounting Standards Board, as applicable, or any successor institutes, applied on a consistent basis.
Gas Price Index	Means the Union Dawn Daily Spot Gas Price Index (day ahead) administered by NGx (the Natural Gas Exchange of the TSX).
Generation Procurement Website	Means the Generation Procurement section of the OPA website, dedicated to this CHP II RFP, located at www.powerauthority.on.ca/gp
Government of Ontario	Means Her Majesty the Queen in Right of Ontario.
Gross Energy Market Revenue	The Submitted Hourly Electricity Output Profile multiplied by the applicable HOEP used in the evaluation model.
HHV basis	Means higher heating value.
HOEP	Means the arithmetic average of the uniform Ontario energy prices as defined by the Market Rules.

TERM OR ACRONYM	DEFINITION
Host	<p>Means the person, legal entity, group of persons or group of legal entities, who is the Registered Host in this CHP II RFP and who is the party which is the counterparty to the Off-Take Agreement. For greater certainty, a Host must be either (1) a Registered Host, (2) an entity that owns an interest of 50% or more in, or otherwise Controls, a Registered Host, or (3) an entity of which a Registered Host owns an interest of 50% or more or which a Registered Host otherwise Controls.</p> <p>For a District Energy Facility the Host may be the district energy business that represents a group of industrial, commercial and/or residential facilities.</p>
Host Developed Contract Facility	<p>Means a Contract Facility in which the legal entity that is the Host or that Controls the Host is also the legal entity that is the Proponent or owns 30 percent or more of the Proponent. If these conditions are not met, then in order to be considered a Host Developed Contract Facility the legal entity that is the Host or Controls the Host must complete the Form of Guarantee for Host Developed Contract Facility, as provided in the CHP II Contract or CHP II PPA, as applicable.</p> <p>For a District Energy Facility to be considered a Host Developed Contract Facility, either the legal entity that is or Controls the Host or the district energy business should also be the legal entity that is the Proponent or owns 30 percent or more of the Proponent. If these conditions are not met, then in order to be considered a Host Developed Contract Facility the legal entity that is or Controls the Host or the district energy business must complete the Form of Guarantee for Host Developed Contract Facility, as provided in the CHP II Contract or CHP II PPA, as applicable.</p>

TERM OR ACRONYM	DEFINITION
Host Facility	Means the facility or facilities that utilizes the Useful Heat Output generated by the Contract Facility.
Hybrid Fuel Facility	Means a facility that uses Natural Gas and another fuel that is not natural gas.
Identified Host	Means the party identified in the “Host Information” section of a Response.
IESO	Means the Independent Electricity System Operator of Ontario, or its successor.
IESO-Administered Markets	Means the markets established by the Market Rules.
IESO-Controlled Grid	Means the IESO-Controlled Grid as defined by the Market Rules.
Imputed Net Revenue	Has the meaning given to it in the CHP II Contract or the CHP II PPA, as applicable.
Include or including	Means including without limitation.
Incremental Contract Price	Has the meaning given to it in the CHP II PPA.
Incremental Fixed Capacity Payment	Means the additional annual Fixed Capacity Payment (as defined above), payable by the Buyer in respect of the CHP II Contract upon Restatement.
Individual Information Sessions	Has the meaning given to it in Section 2.6.
Initial Stack	Means the initial stack of Proposals determined as specified in Section 3.5.

TERM OR ACRONYM	DEFINITION
Investment Grade Credit Rating	Means a minimum credit rating of: (i) BBB– with S&P; (ii) Baa3 with Moody’s; (iii) BBB low with DBRS; or (iv) BBB- with Fitch IBCA, if applicable.
Intermediate Stack	Means the initial stack of Proposals determined as specified in Section 3.5
kJ	Means kilojoule.
kW	Means kilowatt.
kWh	Means kilowatt-hour.
LDC	Means a person licensed by the OEB as a “Distributor” in connection with a Local Distribution System.
Letter of Credit Form	Means the form attached as Appendix I.
Local Distribution System	Means a system for conveying electricity at voltages of 50 kilovolts or less and includes any structures, equipment or other things used for that purposes.
Managerial Capacity	Means that the Designated Employee or Designated Associate personally, and with respect to the Designated Facility, was responsible or managed those that were responsible for these specific functions (planning, developing, overseeing the construction of or operating the Designated Facility) and exercised discretion over the day-to-day operations of the activity or function for which the individual had authority.
Mandatory Requirements	Has the meaning given to it in Section 3.1.

TERM OR ACRONYM	DEFINITION
Market Rules	Means the rules made under section 32 of the Electricity Act, 1998 (Ontario), as amended from time to time.
Milestone Dates	Means Financial Closing and the Commercial Operation Date.
Minimum Required Total Point Score	Means, the Minimum Required Total Point Score specified in Section 3.4.
Ministerial Directive	Has the meaning set out in Section 1.2.
Ministry of Energy, Ministry of Natural Resources, Ministry of the Environment, Ministry of Finance, and Ministry of Municipal Affairs and Housing	Refers to the each applicable Ministry of the Province of Ontario.
MMBTU	Means one million BTUs.
Monthly Payment	Means the form of compensation made by the Buyer to the Supplier under the terms of the CHP II Contract or the CHP II PPA, as applicable, to compensate the Supplier for the operation of the Contract Facility.
Municipal Solid Waste	Means: any waste, whether or not it is owned, controlled or managed by a municipality; and solid fuel, whether or not it is waste, that is derived in whole or in part from the waste included in clause (a) of this definition, but which, for greater certainty, shall not include hazardous waste, liquid industrial waste, gaseous waste and Renewable Biomass.

TERM OR ACRONYM	DEFINITION
Moody's	Means Moody's Investors Service, Inc. or its successor.
MW	Means megawatt.
MWh	Means megawatt-hour.
Nameplate Capacity	Means the rated, continuous load-carrying capability net of parasitic or station service loads, expressed in MW, of a generating facility to generate and deliver electricity at a given time, and which includes the Contract Capacity.
Natural Gas-Fired Industrial Cogeneration Facility	Means a cogeneration facility that burns natural gas as its fuel and generates electricity while simultaneously producing Useful Heat Output for gainful commercial or industrial purpose.
O&M Costs	Means the operations and maintenance (O&M) costs identified by the Proponent in the Economic Bid Statement.
OEB	Means the Ontario Energy Board.
Off-Take Agreement	Means the sale and purchase agreement, letter of intent, or other form of commitment between the Proponent and the Host to sell and purchase Useful Heat Output from the Contract Facility.
On-Peak	For the purposes of the CHP II PPA, means those weekday hours between hour ending 8 am to hour ending 11 pm (EST). Weekdays are considered to be Monday through Friday inclusive, but excluding statutory holidays.
OPA	Has the meaning given to it in Section 1.1.

TERM OR ACRONYM	DEFINITION
Participant	Means a Respondent or Identified Host that has (i) submitted a Participant Application, and (ii) received a Participant Acceptance Notice in respect of such Participant Application.
Participant Application	Has the meaning given to it in Section 2.4.2.
Participant Application Submission Deadline	Means the date and time on the Timetable or as amended in accordance with this CHP II RFP.
Primary Fuel	<p>For Contract Facilities other than Renewable Fuel-Fired Industrial Cogeneration Facilities means fuel used for electricity generation which represents more than 75% of the total fuel heat input, on a HHV basis, in any calendar year.</p> <p>For Renewable Fuel-Fired Industrial Cogeneration Facilities means fuel which represents no less than 95% of the total fuel heat input (oven-dry) on a HHV basis in any calendar year.</p>
Prohibited Conduct	Means any activity or communication by a Proponent or any member of its Proponent Team that results in a Conflict of Interest, collusion or a violation of any of the civil or criminal provisions of the Competition Act (Canada).
Proponent	Means the person, legal entity, group of persons or group of legal entities, who submits a Proposal in response to this CHP II RFP and who is responsible to develop, finance, own and operate of the Contract Facility.

TERM OR ACRONYM	DEFINITION
Proponent Team	Means, collectively, a Proponent and all entities and persons (including equity providers named in the Proposal) involved in the preparation of the Proponent's Proposal(s) under this CHP II RFP and/or required by the Proponent to successfully implement its Proposal(s) for this CHP II RFP and to comply with the CHP II Contract or the CHP II PPA, as applicable. For greater certainty, members of the Proponent Team shall include the Proponent and the Proponent's technical, financial and legal advisors, and any other person otherwise assisting the Proponent in the preparation of its Proposal(s), but shall not include any lenders or any technical or legal advisors to such lenders.
Proposal	Means a proposal made pursuant to this CHP II RFP.
Proposal Completeness Requirements	Has the meaning given to it in Section 3.1.
Proposal Security	Means the financial security submitted with the Proposal as described in Section 3.2.21.
Proposal Submission Deadline	Means the date and time indicated in the Timetable or as amended in accordance with this CHP II RFP.
Proposal Submission Form	Means the form attached as Appendix D.
Prospective Power Year	Means a combination of HOEP, 1, 2 and 3 hour pre-dispatch prices and Gas Price Index provided for each hour in a typical week for each of the twelve calendar months to be used for the purpose of Economic Bid Evaluation. For greater certainty, the information provided for a Prospective Power Year is not intended to be a forecast by the OPA or its advisors.

TERM OR ACRONYM	DEFINITION
Rated Criteria	Means each of the Proponent Team Experience, Financial Plan, Contract Facility Maturity, Contract Facility Risk Mitigation and Host Facility Risk Mitigation criteria as described in Section 3.3.2.
Registration Deadline	Means the deadline for registration under this CHP II RFP as set out in the Timetable.
Registration Fee	Has the meaning given to it in Section 2.5.3.
Registration Form	Has the meaning given to it in Section 2.5.3.
Registered Host	Means the person, legal entity, group of persons or group of legal entities, identified as the Registered Host in applicable the Registration Form.
Registered Proponent	Means the person, legal entity, group of persons or group of legal entities identified as the Registered Proponent in the Registration Form which has been accepted by the OPA and in respect of which the OPA has sent a Registration Acceptance Notification.
Renewable Biomass	Means organic matter that is derived from a plant and available on a renewable basis, including organic matter derived from dedicated energy crops, dedicated trees, agricultural food and feed crops and waste organic material from harvesting or processing agricultural products, forestry products (including spent pulping liquor) and sewage including manure, provided that: such organic matter is not Municipal Solid Waste; such organic matter is not peat or a peat derivative;

TERM OR ACRONYM	DEFINITION
	<p>waste organic material shall not contain any treated by-products of manufacturing processes (e.g. chipwood, plywood, painted or varnished wood, pressure treated lumber or wood contaminated with plastics or metals); and</p> <p>supplementary non-renewable fuels used for start up, combustion, stabilization and low combustion zone temperatures shall be no more than five (5) percent of the total fuel heat input, on an HHV basis, in any calendar year.</p>
Renewable Fuel	Means one of the following fuels used for the purposes of generating heat and power: Renewable Biomass, bio-gas or landfill gas.
Renewable Fuel-Fired Industrial Cogeneration Facility	Means a cogeneration facility that burns Renewable Fuels as its Primary Fuel and generates electricity while simultaneously producing Useful Heat Output for gainful commercial or industrial purpose.
Required Form	Means any form attached as Appendices B to H and N and O.
Respondent	Means the party, or one or more of the parties, identified in the "Respondent Information" section of a Response.
Response	Means a response to the CHP II RFEI, whose Respondent(s) received written notification from the OPA that the OPA was considering the response.
Restatement	Means a restatement in accordance with the restatement submitted in the Proposal of the Contract Heat Rate, Contract Capacity and/or Fixed Capacity Payment on or after the Restatement Date.

TERM OR ACRONYM	DEFINITION
Restatement Date	Has the meaning given to it in the CHP II Contract or the CHP II PPA, as applicable.
Restricted Circuit	Means any Circuit specified in Appendix Q.
Restricted Circuit Limit	Means any transmission limit specified in Appendix Q.
S&P	Means the Standard and Poor's Rating Group (a division of McGraw-Hill Inc.) or its successors.
Season 1	Means that portion of each Contract Year that begins at the beginning of the hour ending 01:00 (EST) on December 1 and ending at 24:00 (EST) on February 28 (or 29) of each Contract Year.
Season 2	Means that portion of each Contract Year that begins at the beginning of the hour ending 01:00 (EST) on March 1 and ending at 24:00 (EST) on May 31 of each Contract Year.
Season 3	Means that portion of each Contract Year that begins at the beginning of the hour ending 01:00 (EST) on June 1 and ending at 24:00 (EST) on August 31 of each Contract Year.
Season 4	Means that portion of each Contract Year that begins at the beginning of the hour ending 01:00 (EST) on September 1 and ending at 24:00 (EST) on November 30 of each Contract Year.
Selected Proponent	Means a Proponent whose Proposal has been selected and accepted by the OPA, in accordance with this CHP II RFP.
Set Aside Proposal	Has the meaning given to it in Section 3.5.2.

TERM OR ACRONYM	DEFINITION
Soft Commitment	Means a commitment term-sheet or indication of intent from an equity provider, lender or source of financing other than debt or equity to advance or provide the amount of equity, debt or other financing, as applicable, for the proposed Contract Facility specified in the commitment letter by the milestone date for Financial Closing specified by the Proponent in response to the Technical Questionnaire, which commitment does not meet the requirements of a Firm Commitment. The Proponent should demonstrate that these equity providers, lenders or other providers, as applicable have reviewed the CHP II Contract or CHP II PPA, as applicable, and have reviewed the Proponent's cost estimates and financing assumptions and resulting project financial pro formas for the proposed Contract Facility and based on this review have determined that the proposed Contract Facility will provide satisfactory returns.
Specified Index	Means the consumer price index for "All Items" published or established by Statistics Canada or its successor in relation to the Province of Ontario.
Stages	Means Stages 1, 2, 3, 4 and 5.
Stage 1	Means the stage of the Evaluation Team's evaluation of Proposals set out in Section 3.1.
Stage 2	Means the stage of the Evaluation Team's evaluation of Proposals set out in Section 3.2.
Stage 3	Means the stage of the Evaluation Team's evaluation of Proposals for purposes set out in Section 3.3.

TERM OR ACRONYM	DEFINITION
Stage 4	Means the stage of the Evaluation Team's evaluation of Proposals set out in Section 3.4
Stage 5	Means the stage of Evaluation Team's evaluation of Proposals set out in Section 3.5.
Submission	Means, the Participant Application, the Registration Form, the Registration Fee or the Proposal, as the context may require.
Submission Deadline	Means the Participant Application Submission Deadline, the Registration Form Submission Deadline, or the Proposal Submission Deadline, as the context may require.
Submitted Hourly Electricity Output Profile	Has the meaning given to it in the CHP II Contract or the CHP II PPA, as applicable.
Supplier	Means a Selected Proponent who has executed and delivered to the OPA a CHP II contract or CHP II PPA.
Supplier Event of Default	Has the meaning given to it in the CHP II Contract or the CHP II PPA, as applicable.
System Impact Assessment	Means a study conducted by the IESO pursuant to Section 6.1.5 of Chapter 4 of the IESO Market Rules to assess the impact of a new connection of the proposed Contract Facility to the IESO-Controlled Grid, or the modification of an existing connection of the proposed Contract Facility to the IESO-Controlled Grid, on the reliability of the integrated power system.

TERM OR ACRONYM	DEFINITION
System Impact Assessment Agreement	Means a contractual agreement study conducted by the IESO pursuant to Section 6.1.5 of Chapter 4 of the IESO Market Rules to assess the impact of a new connection of the proposed Contract Facility to the IESO-Controlled Grid, or the modification of an existing connection of the proposed Contract Facility to the IESO-Controlled Grid, on the reliability of the integrated power system.
Tangible Net Worth	Means, in respect of a Supplier, at any time and without duplication, an amount determined in accordance with GAAP, and calculated as (a) the sum of capital stock, preferred stock, paid-in capital, contributed surplus, retained earnings, capital reserves, and cumulative translation adjustment (whether positive or negative), minus (b) the sum of any amounts shown on account of any common stock reacquired by the Supplier or guarantor as applicable, patents, patent applications, service marks, industrial designs, copyrights, trade marks and trade names, and licenses, prepaid assets, goodwill and all other intangibles.
Target Capacity	Means 500 MW.
Technical Questionnaire	Means the technical questionnaire, the form of which is set out in Appendix G.
Technical Requirements	Has the meaning given to it in Section 3.2.
Term	Means that period of time commencing upon the Commercial Operation Date and ending on the day before the 20th anniversary date thereafter.
Term Commencement Date	Means the first day of the Term.

TERM OR ACRONYM	DEFINITION
Thermal Waste	Means heat produced from another process that can be used to generate electric output.
Third-Party Developed Contract Facility	Means a proposed Contract Facility which does not comply with the definition of a Host Developed Contract Facility or does not meet the requirements outlined in Sections 3.2.4.
Timetable	Means the Timetable set forth in Section 2.2.
Total Project Cost or TPC	Means the total project cost of the Contract Facility to be raised by a combination of debt and equity, and which shall consist of hard costs, soft costs and financing costs.
Transmission Constraints	Means the limits on the various Circuits, Zones and Areas defined in the Transmission Constraints Matrix.
Transmission Constraints Map	Means the map, found in Appendix P, that illustrates the Circuits, Zones and Areas affected by Transmission Constraints.
Transmission Constraints Matrix	Means the matrix, found in Appendix Q, that illustrates the Circuits, Zones and Areas affected by Transmission.
Transmission System	Means a system for conveying electricity at voltages of more than 50 kilovolts and includes any structures, equipment or other things used for that purpose.
Transmission System Code	Means the “Transmission System Code” published by the OEB.
Transmitter	Has the meaning given to it in the CHP II Contract or the CHP II PPA, as applicable.

TERM OR ACRONYM	DEFINITION
Upgrade	Means the refurbishment or replacement of generating equipment at an Existing Generating Facility with equipment which provides better or improved performance, but which for greater certainty does not include an Expansion. For greater certainty, generating equipment consists of the prime mover (reciprocating engine, gas turbine, steam turbine etc.) and/or the associated electrical generator, but for greater certainty does not include boilers or other associated balance of plant.
Useful Heat Output	Means thermal energy (in MW thermal) produced by the Contract Facility and used for a gainful commercial or industrial purpose such as district energy, manufacturing, mining, chemical or other industrial process, where such use; (a) avoids or reduces the use of fuel to produce thermal energy in an alternate process; and (b) is not a use within the Contract Facility's combined heat and power cycle for gas turbine injection, inlet conditioning, fuel heating, natural gas compression or other similar purpose; and (c) is not a use outside the Contract Facility's combined heat and power cycle for applications such as heating rivers, lakes or the atmosphere. Gainful commercial or industrial purpose does not include the use of the thermal energy primarily for generating Electricity.
Zone	Means any Zone specified in Appendix Q.
Zone Limit	Means any transmission limit specified in Appendix Q.

APPENDIX B PARTICIPANT APPLICATION

Any information provided in this application will be kept confidential by the OPA and will not be used in the evaluation of Proposals. We request that all Respondents or Hosts wishing to apply to become Participants under this CHP II RFP complete this Participant Application and submit it to the OPA by the date and time indicated in the Timetable in Section 2.2 of the CHP II RFP. Respondents or Hosts that do not submit a completed Participant Application to the OPA will not be eligible to become a Registered Host or Proponent in the CHP II RFP process.

E-mail: procurement.cogen@powerauthority.on.ca or Fax: 416-967-1947.

RFEI Respondent (name and description): _____

RFEI Identified Host (name and description): _____

Contract Facility Size (MW): _____

Contract Facility Type: _____

Contract Facility Location: _____

Primary Fuel: _____

Useful Heat Output description (usage): _____

Connection point (description): _____

Primary Contact Person: _____

E-mail: _____

Mailing Address: _____

Phone Number: _____

Project Structure information attached: _____

Dated this _____ day of _____ 2008.

[Participant]

Per: (authorized signing officer)

(Print Name)

(Title)

(Phone Number)

(Fax Number)

I/we have the authority to bind the Proponent

APPENDIX C REGISTRATION FORM

Any information provided in this form will be kept confidential by the OPA and will not be used in the evaluation of Proposals. We request that all Participants wishing to register as Registered Proponents under this CHP II RFP complete this Registration Form and submit it to the OPA by the date and time indicated in the Timetable in Section 2.2 of the CHP II RFP, together with the Registration Fee of \$10,000 (plus GST) (GST Registration Number 85419 5039 RT0001). All Registration Fees must be paid by way of certified cheque or a bank draft from an institution listed in Schedule I or II of the Bank Act (Canada) and made out in favour of "Ontario Power Authority". Parties that do not submit a completed Registration Form and the Registration Fee to the OPA will not be eligible to submit a Proposal in response to this CHP II RFP.

E-mail: procurement.cogen@powerauthority.on.ca or Fax: 416-967-1947.

Contract Facility Name:

Contract Facility Location:

Contract Facility Size
(MW):

Contract Facility Type:

Primary Fuel:

Secondary Fuel (if applicable):

Host Facility (name and
description):

Useful Heat Output
(MWth):

Useful Heat Output description (usage):

Connection Point (description):

Circuit, Zone and Area:

If there are multiple Circuits in a common transmission corridor, indicate if willing to connect to an alternate Circuit: _____

Registered Proponent:

Primary Contact Person:

E-mail:

Mailing Address:

Phone Number:

Preferred Individual Information Session meeting times:

1. _____

2. _____

3. _____

Project Structure information attached: _____

ρ Participant Application and Participant Acceptance
Notification Must be attached

ρ If Registered Proponent is not the Participant, evidence that
Registered Proponent is Control Group Member of
Participant must be attached

Dated this _____ day of _____ 2008.

[Registered Proponent]

Per: (authorized signing officer)

(Print Name)

(Title)

(Phone Number)

(Fax Number)

I/we have the authority to bind the Proponent.

APPENDIX D PROPOSAL SUBMISSION FORM

TO: ONTARIO POWER AUTHORITY

RE: IN THE MATTER OF our proposal dated _____ ●, 2008, to which this Proposal Submission Form is an integral part (the "Proposal") prepared by _____ ● (the "Proponent"), and submitted in response to a request for proposals issued by the Ontario Power Authority dated ●, 2008, as amended, regarding the supply of up to 500 MW of Combined Heat and Power Generation (the "CHP II RFP")*, I am duly authorized by the Proponent, including the persons, firms, corporations and advisors joining in the submission of this Proposal, to execute this Proposal Submission Form. I solemnly declare and promise as follows:

A. Mandatory Requirements Checklist

I enclose herewith as part of the Proposal responses to all mandatory submission requirements, as set out below:

DOCUMENT	YES	PAGE
Proposal Submission Form (Appendix D)		
Technical Questionnaire (Appendix G)		
Mandatory Technical Requirements Declaration (Appendix L)		
Financial Plan (Appendix F)		
Executive Summary		
Registration Form and Participant Application Acceptance Notice		
Economic Bid Statement (Appendix E)		
Statutory Declaration regarding Proposal and Non-Collusion (Appendix N)		
Conflict of Interest Declaration (Appendix O)		
Proposal Security (Appendix I or J)		

**All capitalized terms used in this Proposal Submission Form, unless otherwise stated, have the meanings ascribed to them in the CHP II RFP*

B. Proof of Insurance

By signing this Proposal Submission Form, I acknowledge the Proponent’s willingness, should it become a Selected Proponent, to provide proof of insurance coverage as required in the CHP II Contract or CHP II PPA, as applicable.

C. Review

I have carefully examined the CHP II RFP documents (including all Addenda) and have a clear and comprehensive knowledge of the Deliverables required under the CHP II RFP. By submitting our Proposal, the Proponent agrees and consents to the terms, conditions and provisions of the CHP II RFP.

D. Execution of Agreement

I understand that, in the event our Proposal is successful and is selected by the OPA, in whole or in part, the Proponent agrees to submit the Completion and Performance Security on the terms set out in the CHP II RFP and to finalize and execute the CHP II Contract or CHP II PPA, as applicable, in accordance with the terms of the CHP II RFP, including all Addenda.

Signature of Witness:	Signature of Proponent Representative:
Name of Witness:	Name and Title: Date of Signature: I have authority to bind the Proponent

APPENDIX E ECONOMIC BID STATEMENTS

This Appendix contains the Economic Bid Statement for Dual Fuel Cogeneration Facilities (Appendix E1), District Energy Facilities and Natural Gas-Fired Industrial Cogeneration Facilities (Appendix E2) and a separate Economic Bid Statement for Renewable and By-product Fuel-Fired Industrial Cogeneration Facilities (Appendix E3).

All elements of the Economic Bid Statement must be entered precisely in numeric form using the format provided below without further information, condition, or qualification whatsoever in the Proposal. Registered Participants and Proponents are advised that any deviation from the required format of the Economic Bid Statement whatsoever, such as the provision of a price range, conditional price, qualified price, or an incomplete price, shall result in the disqualification of the Proposal. Moreover, the Fixed Capacity Payment, Incremental Fixed Capacity Payment, Contract Price and Incremental Contract Price, as applicable, and any other element of the Economic Bid Statement shall not be disclosed or described in any other part of the Proposal, failing which the Proposal shall be rejected.

APPENDIX E1 ECONOMIC BID STATEMENT FOR DUAL FUEL COGENERATION FACILITIES

Name of Proponent: _____

Name of Contract Facility: _____

Description	Prior to Restatement	On and after the Restatement Date, if applicable
<i>Project Component 1</i>		
Component 1 Contract Capacity (MW)	Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____	<i>Restated Contract Capacity:</i> Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____
Component 1 Annual Average Contract Capacity (MW)	_____MW	_____MW
Component 1 Nameplate Capacity (MW)	_____MW	_____MW
Component 1 Fixed Capacity Payment (in Dollars of COD)	\$_____/year	<i>Incremental Fixed Capacity Payment (in Dollars of COD):</i> \$_____/year
Percentage of Component 1 Fixed Capacity Payment to be Indexed to the Specified Index (between 0% and 20%)	_____%	<i>Same as before Restatement</i>

Description	Prior to Restatement	On and after the Restatement Date, if applicable
Component 1 Contract Heat Rate (MMBTU per MWh (HHV))	Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____	<i>Restated Contract Heat Rate:</i> Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____
Component 1 Start-up Costs	_____ MMBTU/start-up	<i>Same as before Restatement</i>
Component 1 O&M Cost	\$ _____/MWh	<i>Same as before Restatement</i>
Project Component 2		
Component 2 Contract Capacity (MW)	Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____	<i>Restated Contract Capacity:</i> Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____
Component 2 Annual Average Contract Capacity (MW)	_____ MW	_____ MW
Component 2 Nameplate Capacity (MW)	_____ MW	_____ MW
Component 2 Fixed Capacity Payment (in Dollars of COD)	\$ _____/year	<i>Incremental Fixed Capacity Payment (in Dollars of COD):</i> \$ _____/year
Percentage of Component 2 Fixed Capacity Payment to be Indexed to the Specified Index (between 0% and 20%)	_____ %	<i>Same as before Restatement</i>
Component 2 Contract Heat Rate (MMBTU per MWh (HHV))	Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____	<i>Restated Contract Heat Rate:</i> Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____

Description	Prior to Restatement	On and after the Restatement Date, if applicable
Component 2 Start-up Costs	_____MMBTU/start-up	<i>Same as before Restatement</i>
Component 2 O&M Cost	\$_____/MWh	<i>Same as before Restatement</i>
<i>Applicable to sum of Project Component 1 and Project Component 2</i>		
Total Contract Capacity (MW) – Sum of Component 1 Contract Capacity and Component 2 Contract Capacity)	Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____	<i>Restated Contract Capacity:</i> Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____
Total Useful Heat Output (MW – thermal)	Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____	<i>[Not applicable]</i>

Earliest Restatement Date: _____ **in months and years from Commercial Operation Date**

The undersigned acknowledges and agrees that it has carefully reviewed all of the information provided in this Economic Bid Statement including, without limitation, all values and their corresponding units of measure, and confirm all of same to be complete and accurate.

Dated at • this • day of • 2008.

[Insert name of Proponent]

By:

Name: •

Title: •

By:

Name: •

Title: •

I/we have the authority to bind the Proponent.

**APPENDIX E2 ECONOMIC BID STATEMENT FOR DISTRICT ENERGY FACILITIES AND
NATURAL GAS-FIRED INDUSTRIAL COGENERATION FACILITIES**

Name of Proponent: _____

Name of Contract Facility: _____

Description	Prior to Restatement	On and after the Restatement Date, if applicable
Contract Capacity (MW)	Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____	<i>Restated Contract Capacity:</i> Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____
Annual Average Contract Capacity (MW)	_____MW	_____MW
Nameplate Capacity (MW)	_____MW	_____MW
Fixed Capacity Payment (in Dollars of COD)	\$_____/year	<i>Incremental Fixed Capacity Payment (in Dollars of COD):</i> \$_____/year
Percentage of Fixed Capacity Payment to be Indexed to the Specified Index (between 0% and 20%)	_____%	<i>Same as before Restatement</i>

Description	Prior to Restatement	On and after the Restatement Date, if applicable
Contract Heat Rate (MMBTU per MWh (HHV))	Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____	<i>Restated Contract Heat Rate:</i> Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____
Start-up Costs	_____ MMBTU/start-up	<i>Same as before Restatement</i>
O&M Cost	\$_____/MWh	<i>Same as before Restatement</i>
Useful Heat Output (MW – thermal)	Season 1: _____ Season 2: _____ Season 3: _____ Season 4: _____	<i>[Not applicable]</i>

Earliest Restatement Date: _____ **in months and years from Commercial Operation Date**

The undersigned acknowledges and agrees that it has carefully reviewed all of the information provided in this Economic Bid Statement including, without limitation, all values and their corresponding units of measure, and confirm all of same to be complete and accurate.

Dated at • this • day of • 2008.

[Insert name of Proponent]

By:

Name: •

Title: •

By:

Name: •

Title: •

I/we have the authority to bind the Proponent.

APPENDIX E3 ECONOMIC BID STATEMENT FOR RENEWABLE AND BY-PRODUCT FUEL-FIRED INDUSTRIAL COGENERATION FACILITIES

Name of Proponent: _____

Name of Contract Facility: _____

Prior to Restatement

Contract Price (Dollars and Cents/MWh at COD)	Nameplate Capacity (MW)	Annual Average Contract Capacity (MW)
\$_____/MWh	MW	MW

Escalation Rate for Contract Price _____ % of Specified Index (between 0% and 100%)

Useful Heat Output _____ (MW – thermal)

Submitted Hourly Electricity Profile:

Please provide output in each hour in MW.

Day Type	Hour	Season			
		1	2	3	4
Weekday	1				
	2				
	3				
	4				
	5				
	6				
	7				
	8				
	9				
	10				
	11				

Weekend	12				
	13				
	14				
	15				
	16				
	17				
	18				
	19				
	20				
	21				
	22				
	23				
	24				
	1				
	2				
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	22				
	23				
	24				

Earliest Restatement : _____ in months and years from Commercial Operation Date

After Restatement

Incremental Contract Price (Dollars and Cents/MWh at COD)	Nameplate Capacity after Restatement (MW)	Annual Average Contract Capacity after Restatement (MW)
\$_____/MWh	_____MW	_____MW

Escalation Rate for Contract Price *Same as above given Prior to Restatement, expressed as a % Specified Index*

Restated Submitted Hourly Electricity Profile:

Please provide output in each hour in MW.

Day Type	Hour	Season			
		1	2	3	4
Weekday	1				
	2				
	3				
	4				
	5				
	6				
	7				
	8				
	9				
	10				
	11				
	12				
	13				
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The undersigned acknowledges and agrees that it has carefully reviewed all of the information provided in this Economic Bid Statement including, without limitation, all values and their corresponding units of measure, and confirm all of same to be complete and accurate.

Dated at • this • day of • 2008.

[Insert name of Proponent]

By:

Name: •

Title: •

By:

Name: •

Title: •

I/we have the authority to bind the Proponent.

APPENDIX F FINANCIAL QUESTIONNAIRE

CHP II RFP Financial Questionnaire

All capitalized terms used in this Financial Questionnaire, unless otherwise stated, have the meanings ascribed to them in the CHP II RFP. The Financial Questionnaire will be used to better facilitate the evaluation process and is a supplement to the Financial Plan. Proponents are advised that any information set out in the Economic Bid Statement of the CHP II RFP shall not be provided by the Proponent in the Financial Questionnaire, failing which, the Proposal may be rejected.

Financial Plan
<input type="checkbox"/> The Financial Plan, additional information and supporting materials are attached. Proposal section reference: _____
<input type="checkbox"/> Designated Equity Provider is an individual. <input type="checkbox"/> Designated Equity Provider is not an individual.
3.2.22: Financing Experience
<input type="checkbox"/> Information and materials regarding the Financing Experience of the Proponent is attached. Proposal section reference: _____
3.2.23: Financial Strength
a) Year-End Financial Statements <input type="checkbox"/> Audited year-end financial statements for the last two fiscal years for which audited statements have been issued are attached. OR <input type="checkbox"/> Unaudited year-end financial statements for the last two fiscal years and a statutory declaration, as described in Section 3.2.23 of the CHP II RFP, are attached. O; <input type="checkbox"/> Other: _____ Proposal section reference: _____
b) Most Recently Completed Quarter Financial statement

☐ Audited financial statements of the Designated Equity Provider(s) with respect to its most recently completed fiscal quarter, or if the Designated Equity Provider is an issuer of securities that are publicly traded, the most recently completed fiscal quarter for which financial statements have been publicly issued are attached.

OR

☐ Unaudited financial statements for the most recently completed fiscal quarter and a statutory declaration, as described in Section 3.2.23 of the CHP II RFP, are attached.

OR

☐ Other: _____

Proposal section reference: _____

c) Methodology

☐ Summary outlining and describing the methodology and specifying the calculations used to determine the Tangible Net Worth requirements based on the information provided in the Financial Questionnaire is attached.

Proposal section reference: _____

d) Confirmation

☐ Confirmation from an officer of the Designated Equity Provider that the Designated Equity Provider was involved in the development of the Proposal.

☐ Confirmation from an officer of the Designated Equity Provider that no facts or circumstances have arisen that may affect the Designated Equity Provider's financial condition as set out in the annual reports or financial statements submitted in response to this requirement is attached.

Proposal section reference: _____

3.3.4: Financial Assessment

Total Project Cost (\$)				
Expected financing structure:	Percent Debt:		Percent Equity:	
	Debt (\$):		Equity (\$):	
50% of Project Equity (\$):				
Designated Equity Providers	% Estimated Total Project Cost		Tangible Net Worth (\$)	
	%	\$	Fiscal Year _____	Fiscal Year _____
			End:	End:

Is the project financed with 100% debt?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, evidence from lenders willing to provide 100% of required financing as debt has been provided in the form of a Firm Commitment letter.			
Category of Lender: _____				
<input type="checkbox"/> Evidence indicating the category of the lender is attached.				
Proposal section reference: _____				
Additional Information: _____				
Proposal section reference: _____				

APPENDIX G TECHNICAL QUESTIONNAIRE

All capitalized terms used in this Technical Questionnaire, unless otherwise stated, have the meanings ascribed to them in the CHP II RFP. Proponents are advised that any information relating to the price or other variables for the Contract Facility set out in the Economic Bid Statement of the CHP II RFP shall not be provided by the Proponent in the Technical Questionnaire, failing which, the Proposal may be rejected.

General Information			
Name of proposed Contract Facility:			
Proponent's registered legal business name and any other name under which it carries on business:			
State whether the Proponent is:	<input type="checkbox"/> an individual <input type="checkbox"/> a sole proprietorship <input type="checkbox"/> a corporation <input type="checkbox"/> a partnership	<input type="checkbox"/> a joint venture <input type="checkbox"/> an incorporated consortium <input type="checkbox"/> a consortium that is a partnership	Other legally recognized entity: _____ _____ _____
Name(s) of: the proprietor, where the Proponent is a sole proprietor; or each of the directors and officers where the Proponent is a corporation; or each of the partners where the Proponent is a partnership and applicable combinations of these when the Proponent is a joint venture or consortium, whichever applies:			
Proponent's Name:			
Proponent's Address:			
Telephone:		Fax:	
Email:			
Proponent's Primary Contact Name:			
Primary Contact Title:			
Primary Contact Mailing Address:			

Primary Contact Telephone:				Primary Contact Fax:					
Primary Contact Email:									
Substitute Contact Name:									
Substitute Contact Title:									
Substitute Contact Mailing Address:									
Substitute Contact Telephone:				Substitute Contact Fax:					
Substitute Contact Email:									
3.2: Mandatory Requirements									
3.2.3	Contract Facility Type	The Contract Facility must either be (choose one): <input type="checkbox"/> a District Energy Facility; or <input type="checkbox"/> a Natural Gas-Fired Industrial Cogeneration Facility; or <input type="checkbox"/> a Renewable Fuel-Fired Industrial Cogeneration Facility; or <input type="checkbox"/> a By-product Fuel-Fired Industrial Cogeneration Facility.							
		Primary Fuel:				Secondary fuel:			
		Total annual Primary Fuel heat input, on a HHV basis:				Total annual secondary fuel heat input, on a HHV basis:			
3.2.4	Contract Facility Development	The proposed Contract Facility must either be: <input type="checkbox"/> a Host Developed Contract Facility; or <input type="checkbox"/> a Third Party Developed Contract Facility							
3.2.5	Designated Team Members	Specify at least three (3) unique Designated Team Members who have planned and developed and overseen construction of Designated Facilities:							
Project name, location and type		Project capacity (MW)	Project Team Member Name		Years of Experience in specified activity	Type of experience	Support-ing info attached		
1.						Planning & Development	<input type="checkbox"/>		
2.						Construction	<input type="checkbox"/>		

3.					<input type="checkbox"/>
4.					<input type="checkbox"/>
<input type="checkbox"/> Supporting evidence, including resumes, curriculum vitae and any professional designation(s) of the Designated Employees or Designated Associates have been attached.					
Proposal section reference: _____					
3.2.6	Annual Average Contract Capacity	Season	Contract Capacity (MW)	Annual Average Contract Capacity (MW)	Nameplate Capacity (MW)
		Season 1: Dec – Feb			
		Season 2: Mar – May			
		Season 3: Jun – Aug			
		Season 4: Sep – Nov			
3.2.7	Commercial Operation Date (Day, Month, Year)				

		Proposal section reference: _____ <input type="checkbox"/> Electrical single line diagram of the proposed Contract Facility has been provided. Proposal section reference: _____ <input type="checkbox"/> The Contract Facility affects the supply or demand in the interconnected electricity grid in Ontario.														
3.2.9	Site Control	Confirm the site control of the proposed Contract Facility: <input type="checkbox"/> Own <input type="checkbox"/> Option to purchase <input type="checkbox"/> Lease <input type="checkbox"/> Option to lease <input type="checkbox"/> Option to licence <input type="checkbox"/> "Site Release" <input type="checkbox"/> Other: _____ Supporting documentation: <input type="checkbox"/> a copy of an executed agreement entitling the Proponent to an option to lease, licence or purchase the land, <input type="checkbox"/> a registered title, lease or licence, or <input type="checkbox"/> written confirmation from the appropriate Ministry, or Ministries, that the Proponent has been granted the opportunity to pursue development approvals for the Contract Facility in the form of a "Site Release". Proposal section reference: _____														
3.2.10	Contract Heat Rate	For Natural Gas Fuel-Fired Cogeneration Facilities	State the Contract Heat Rates (HHV) for the proposed Contract Facility, in MMBtu/MWh: State the Restated Contract Heat Rate (HHV) for the	<table border="1"> <thead> <tr> <th>Season</th> <th>Contract Heat Rate</th> </tr> </thead> <tbody> <tr> <td>Season 1: Dec – Feb</td> <td></td> </tr> <tr> <td>Season 2: Mar – May</td> <td></td> </tr> <tr> <td>Season 3: Jun – Aug</td> <td></td> </tr> <tr> <td>Season 4: Sep – Nov</td> <td></td> </tr> <tr> <td>Season</td> <td>Restated Contract Heat Rate</td> </tr> </tbody> </table>	Season	Contract Heat Rate	Season 1: Dec – Feb		Season 2: Mar – May		Season 3: Jun – Aug		Season 4: Sep – Nov		Season	Restated Contract Heat Rate
Season	Contract Heat Rate															
Season 1: Dec – Feb																
Season 2: Mar – May																
Season 3: Jun – Aug																
Season 4: Sep – Nov																
Season	Restated Contract Heat Rate															

		proposed Contract Facility, in MMBtu/MWh:	Season 1: Dec – Feb	
			Season 2: Mar – May	
			Season 3: Jun – Aug	
			Season 4: Sep – Nov	
		OR: <input type="checkbox"/> Requirement is not applicable (only for Renewable Fuel-Fired Industrial Cogeneration Facilities and By-product Fuel-Fired Industrial Cogeneration Facilities)		
3.2.11	Heat Rate Qualification	<input type="checkbox"/> The Contract Facility meets or exceeds the heat rate qualification as defined in Section 3.2.11. Supporting documentation: <input type="checkbox"/> Heat and mass balances <input type="checkbox"/> Other: _____ Proposal section reference: _____		
3.2.12	Term of Off-Take Agreement	Term of the Off-Take agreement: _____ <input type="checkbox"/> A copy of the Off-Take Agreement and has been attached. Proposal section reference: _____ Annual volume of Useful Heat Output to be purchased by or conveyed to the Host Facility: _____ <input type="checkbox"/> Supporting documentation regarding the volume of Useful Heat Output has been attached. Proposal section reference: _____		
3.2.13	Application of Useful Heat Output	Useful Heat Output is exclusively reserved by the Host Facility:	<input type="checkbox"/> Yes; or <input type="checkbox"/> No. Has the Host committed to purchasing Useful Heat Output from more than one proposed Contract Facility? <input type="checkbox"/> Yes <input type="checkbox"/> No	

		<p>If yes, the application of Useful Heat Output purchased from each such proposed Contract Facility is:</p> <p><input type="checkbox"/> used by more than one separate and distinct application with respect to any other proposed Contract Facilities; and</p> <p><input type="checkbox"/> covered by a separate Off-Take Agreement; and</p> <p><input type="checkbox"/> required by the Host Facility independent of every other application of Useful Heat Output such that any single Useful Heat Output Application will proceed with the selection of the corresponding proposed Contract Facility under the CHP II RFP.</p> <p><input type="checkbox"/> Declaration confirming the Host proposed purchases and applications of Useful Heat Output (as per Section 3.2.13) have been attached.</p> <p>Proposal section reference: _____</p>	
3.2.14	Gainful Application of Useful Heat Output	<p>Description of Useful Heat Output Application:</p>	<p><input type="checkbox"/> A copy of the letter from the OPA confirming that the application of Useful Heat Output is acceptable is attached.</p> <p>Proposal section reference: _____</p> <p><input type="checkbox"/> A declaration stating that the Useful Heat Output application has not changed is attached.</p> <p>Proposal section reference: _____</p>
3.2.15	Useful Heat Output	<p><input type="checkbox"/> Yes, the Useful Heat Output meets the requirements outlined in Section 3.2.15 of the CHP II RFP; or</p> <p><input type="checkbox"/> No, the Useful Heat Output meets the requirements outlined in Section 3.2.15 of the CHP II RFP.</p> <p><input type="checkbox"/> Supporting documentation including, but not limited to, heat and mass balances have been attached.</p>	

		<p>Proposal section reference:</p> <p>_____</p>
3.2.16	Proposed Connection	<p>For proposed Contract Facilities that will be connecting to the IESO-Controlled Grid or an End User that connects to the IESO-Controlled Grid:</p> <p><input type="checkbox"/> a Part One System Impact Assessment or equivalent assessment prepared and issued by the IESO is attached.</p> <p>Proposal section reference:</p> <p>_____</p> <p><input type="checkbox"/> A copy of an executed System Impact Assessment Agreement is attached.</p> <p><input type="checkbox"/> A copy of an executed Customer Impact Assessment Study Agreement is attached.</p> <p>Proposal section reference:</p> <p>_____</p> <p>If the proposed Contract Facility is connected to an LDC or an End User that connects to an LDC, the proposed Contract Facility must have and submit the following:</p> <p><input type="checkbox"/> A copy of the executed "Connection Impact Assessment Study Agreement" between the Proponent and the LDC for the proposed Contract Facility.</p> <p>Proposal section reference:</p> <p>_____</p> <p><input type="checkbox"/> if applicable, an executed copy of the "Connection Impact Assessment Study Agreement" between the embedded LDC to which the Contract Facility is proposing to connect and the host LDC which serves the embedded LDC.</p> <p>Proposal section reference:</p> <p>_____</p>
3.2.17 3.2.18 3.2.19 3.2.20	Mandatory Technical Requirements Declaration	<p><input type="checkbox"/> The Mandatory Technical Requirements Declaration is attached.</p> <p>Proposal section reference:</p> <p>_____</p>

3.2.22	Executive Summary	<input type="checkbox"/> An executive Summary is attached. Proposal section reference: _____
--------	-------------------	---

☐ I acknowledge, on behalf of the Proponent, that I have read the CHP II RFP and all Addenda, if applicable.

☐ I acknowledge that I have completed this form accurately and truthfully.

Dated this _____ day of _____ 2008.

[Proponent]

Per: (authorized signing officer)

Print Name: _____

Title: _____

Phone Number: _____

Fax Number: _____

I/we have the authority to bind the Proponent.

APPENDIX H: RATED CRITERIA INFORMATION SUBMISSION FORM

The following Rated Criteria Information Submission Form will assist in the evaluation of the Proposal Submission when utilized for such purpose by a Proponent. It is an optional form. To the extent that information inserted by the Proponent in this form modifies or supplements the Proposal Submission, it will be considered to be part of the Proposal Submission.

Please check all applicable boxes and fill out information as required. By filling out this form, you are providing the OPA with information that will assist the OPA in applying the Rated Criteria to your proposed Project.

3.3.1: Contract Facility Maturity
(1) Environmental Assessment
<input type="checkbox"/> Information and materials regarding the Environmental Assessment process is attached.
Proposal section reference: _____
(2) Municipal and Regional Zoning
<input type="checkbox"/> Information and materials regarding Municipal and Regional Zoning, including permits and status attached, is attached.
Proposal section reference: _____
(3) Status of EPC Contract
<input type="checkbox"/> Evidence of the Proponent's construction and engineering status is attached.
Proposal section reference: _____
3.3.2: Host Facility Risk Mitigation
(1) Host Financial Strength
<input type="checkbox"/> Evidence of the credit rating and audited financial statements of the Host; or a corporate guarantee of the Host's financial commitments to the Proponent, and the credit rating and/or the audited financial statements of the guarantor, and a copy of the credit support documentation have been provided.
Proposal section reference: _____
(2) Status of Off-Take Agreement
<input type="checkbox"/> Evidence of the status of Off-Take Agreement is attached.
Proposal section reference: _____

(3) Duration of the Off-Take Agreement
<input type="checkbox"/> Evidence of the duration of the Off-Take Agreement is attached. Proposal section reference: _____
3.3.3: Proponent Team Experience
(1) Designated Facility
<input type="checkbox"/> Supporting evidence, and a description of the Designated Facility or Facilities is attached. Proposal section reference: _____
(2) Designated Team Members
<input type="checkbox"/> Supporting evidence, including resumes, curriculum vitae and any professional designation(s) is attached. Proposal section reference: _____

Dated this _____ day of _____ 2008.

[Proponent]

 Per: (authorized signing officer)

Print Name: _____

Title: _____

Phone Number: _____

Fax Number: _____

I/we have the authority to bind the Proponent.

APPENDIX I PROPOSAL SECURITY (LETTER OF CREDIT FORM)

DATE OF ISSUE:	[Insert Date]
APPLICANT:	[Insert Proponent's Name]
BENEFICIARY:	Ontario Power Authority
AMOUNT:	•
EXPIRY DATE:	[Insert Expiry Date, being a minimum of ninety (90) days after the Proposal Submission Deadline]
EXPIRY PLACE:	Toronto Counters of the issuing financial institution
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 (Canada)</i>]
TYPE:	Irrevocable and Unconditional Standby Letter Of Credit Number: •

We hereby authorize you to draw on **[insert name of Bank and Bank's address]** in respect of irrevocable and unconditional standby letter of credit No. • (the "Credit"), for the account of the Applicant up to an aggregate amount of \$• (Canadian dollars) available by your drafts 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 deliver the Completion and Performance Security within eight (8) Business Days of being notified by the Beneficiary that it is a Selected Proponent,]** or **[fails to sign the CHP II Contract or CHP II PPA, as applicable, within ten (10) Business Days of the date on which the Proponent was given the CHP II Contract or CHP II PPA, as applicable, to sign,]** or **[has made a material misrepresentation in the Proposal,]** or **[is in breach or default of the CHP II RFP]** 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 CHP II RFP.” **[as applicable]**

Drafts drawn hereunder must bear the clause “Drawn under irrevocable and unconditional Standby Letter of Credit No. **[insert number]** issued by **[the bank]** dated **[insert date]**”.

This Credit is issued in connection with the Request for Proposals for approximately 500 MW of Combined Heat and Power Generation issued by the Ontario Power Authority dated •, 2008, as amended (the “CHP II RFP”) and the Proposal dated **[insert date of Proposal]** submitted by the Proponent in response thereto (the “Proposal”).

We agree with you that all drafts drawn under, and in compliance with the terms of this Credit will be duly honoured, if presented at the counters of **[insert the bank]** in Toronto, **[insert bank’s address]** at or before 5:00 p.m. (EPT) on **[insert the expiry date]**.

It is a condition of this Credit that if there should be an interruption of the issuing bank’s business upon the expiry date, arising out of any of the circumstances provided for in Article 17 of the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, this Credit shall automatically be extended to the first following day on which the issuing bank resumes business. This Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500. This Credit shall be governed by and construed in accordance with the laws of the Province of Ontario, without regard to principles of conflict of laws. The place of jurisdiction shall be the Courts of the Province of Ontario.

[BANK OR QUALIFIED FINANCIAL INSTITUTION]

By: _____

AUTHORIZED SIGNATORY

APPENDIX J PROPOSAL SECURITY (BID BOND FORM)**BID BOND**

Bond No.: •

Bond Amount: \$(•)

[Insert Proponent's name] as Principal, hereinafter called the Principal, and **[insert Surety's name]** a corporation created and existing under the laws of **[insert originating jurisdiction]** and duly authorized to transact the business of Suretyship in the Province of Ontario as Surety, hereinafter called the Surety, are held and firmly bound unto the Ontario Power Authority as Obligee, hereinafter called the Obligee, in the amount of •/100.00 Dollars (\$•) of lawful money of Canada, for the payment of which sum the Principal and the Surety binds itself, its heirs, executors, administrators, successors and assigns, jointly and severally.

WHEREAS, the Principal has submitted a written proposal to the Obligee dated the [insert date of Proposal], hereinafter called the Proposal, for the development and operation of an electrical generating facility in the Province of Ontario, in response to a Request for Proposals for up to 500 MW of Combined Heat and Power Generation issued by the Ontario Power Authority dated •, 2008, as amended, hereinafter called the Combined Heat and Power II RFP. All capitalized terms used in this Bid Bond that have not been defined herein have the meanings ascribed to them in the Combined Heat and Power II RFP.

The condition of this obligation is that the Principal has failed to deliver the Completion Performance Security within eight (8) Business Days of being notified by the Ontario Power Authority that it is a Selected Proponent, or fails to sign the CHP II Contract or CHP II PPA, as applicable, within ten (10) Business Days of the date on which the Principal is given the CHP II Contract or CHP II PPA, as applicable, to sign, or has made a material misrepresentation in the Proposal, or is in breach or default of the Combined Heat and Power II RFP, in which case the Principal and the Surety will pay unto the Obligee the entire amount of the Bid Bond; otherwise, this obligation shall be null and void.

The Principal and the Surety shall not be liable for a greater sum than the Bond Amount.

Any suit under this Bond must be instituted before the expiration of twelve (12) months from the date of this Bond.

No right of action shall accrue hereunder to or for the use of any person or corporation other than the Obligee named herein, or the successors or assigns of the Obligee.

The Surety confirms that as of the date of this Bond, it has a financial strength rating of A- or higher by A.M. Best in financial size category VIII or higher.

IN WITNESS WHEREOF, the Principal and the Surety have signed and sealed this Bond this • day of •, 2008.

[PRINCIPAL]

By:

Name: •

Title: •

I/we have the authority to bind the Principal.

[SURETY]

By:

Name: •

Title: •

I/we have the authority to bind the Surety.

APPENDIX K PROPOSAL RETURN LABEL**(Full Legal Name and Address of Proponent)****NAME****RFP No.: CHP II RFP-2008****NAME****ADDRESS****CONTACT****PHONE NO.****FAX NO.****E-MAIL ADDRESS****BNY Trust Company of Canada****4 King Street West****Suite 1101****Toronto, ON M5H 1B6****Attention: NYR RFQ**

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

APPENDIX L MANDATORY TECHNICAL REQUIREMENTS DECLARATION

PROVINCE OF ONTARIO

TO WIT

IN THE MATTER OF a proposal dated •, 2008 to which this Declaration forms an integral part (the "Proposal") prepared by • (the "Proponent"), and submitted in response to a Request for Proposals for up to 500 MW of Combined Heat and Power Supply issued by the Ontario Power Authority and dated •, 2008, as amended (the "CHP II RFP")

I, •

OF THE •

IN THE •

SOLEMNLY DECLARE THAT

- a) I am the • of the Proponent and as such, have knowledge of the matters declared below, and am duly authorized by the Proponent to execute this declaration. All capitalized terms used in this declaration, unless otherwise stated, have the meanings ascribed to them in the CHP II RFP.

COMPLIANCE WITH MANDATORY REQUIREMENTS

- b) The Proponent has satisfied and complied with each of the Mandatory Requirements set forth in the following sections of the CHP II RFP:

- 3.2.1. Identity of Proponent
- 3.2.2. Identity of Host
- 3.2.3. Contract Facility Type
- 3.2.4. Contract Facility Development
- 3.2.5. Designated Team Members
- 3.2.6. Annual Average Contract Capacity
- 3.2.7. Commercial Operation Date

- 3.2.8. Location of Contract Facility
- 3.2.9. Site Control
- 3.2.10. Contract Heat Rate
- 3.2.11. Heat Rate Qualification
- 3.2.12. Term of Off-take Agreement
- 3.2.13. Application of Useful Heat Output
- 3.2.14. Gainful Application of Useful Heat Output
- 3.2.15. Useful Heat Output
- 3.2.16. Proposed Connection
- 3.2.17. Design, Construction and Operation
- 3.2.18. No Acquisition of Major Equipment
- 3.2.19. Not an Existing Generating Facility or Upgrade
- 3.2.20. Additional Requirement for Host Developed Facility
- 3.2.21. Proposal Security
- 3.2.22. Financing Experience
- 3.2.23. Financial Strength
- 3.2.24. Executive Summary

AND I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the • of•, in the
[County/Region] of•, on•.

Commissioner for taking affidavits

Name

APPENDIX M USEFUL HEAT OUTPUT

Definition of Useful Heat Output:

Refer to the definition in Appendix A: Glossary of Terms. For greater certainty, the following are considered acceptable applications of Useful Heat Output for the purposes of meeting the mandatory requirement as outlined in Section 3.2.15:

Determination of Minimum 15% Criterion:

The requirement that a Contract Facility has a Useful Heat Output equal to or greater than 15% of the total energy output of the Contract Facility, as set forth in Section 3.2.15 will be satisfied if the following condition is met on an average annual basis:

$$\text{Useful Heat Output} = (\text{MWh}_{\text{thermal}}) \div (\text{MWh}_{\text{electrical}} + \text{MWh}_{\text{thermal}}) \geq 15\%$$

Where:

$\text{MWh}_{\text{thermal}}$ is the net annual useful thermal energy produced by the proposed Contract Facility

$\text{MWh}_{\text{electrical}}$ is the net annual electrical energy produced by the proposed Contract Facility as measured by the Delivery Point, net of any losses, station service requirements or other parasitic electrical loads arising on the Contract Facility side of the Delivery Point.

And where:

$$\text{MWh}_{\text{thermal}} = \sum M_e \times H_e - \sum M_r \times H_r - \sum M_i \times H_i$$

Where:

M_e is the mass flow of heat exported from the combined heat and power cycle

H_e is the enthalpy of heat exported from the combined heat and power cycle

M_r is the mass flow of heat returned to the combined heat and power cycle

H_r is the enthalpy of heat returned to the combined heat and power cycle

M_i is the mass flow of heat externally added to the combined heat and power cycle

H_i is the enthalpy of heat externally added to the combined heat and power cycle

e, r, i denote respectively the number of export, return and import processes in the combined heat and power cycle.

For greater certainty, where a proposed Contract Facility is an Expansion of an Existing Generating Facility, Useful Heat Output is calculated using the same formulae shown above, except that $MWh_{thermal}$ is the sum of the net annual useful thermal energy produced by both the Existing Generating Facility and the Expansion of the Existing Generating Facility.

APPENDIX N STATUTORY DECLARATION

PROVINCE OF ONTARIO

TO WIT

IN THE MATTER OF a proposal dated •, 2008 to which this Declaration forms an integral part (the "Proposal") prepared by • (the "Proponent"), and submitted in response to a Request for Proposals for up to 500 MW of Combined Heat and Power Supply issued by the Ontario Power Authority and dated •, 2008, as amended (the "CHP II RFP")

I, •

OF THE •

IN THE •

SOLEMNLY DECLARE THAT

- f) I am the • of the Proponent and as such, have knowledge of the matters declared below, and am duly authorized by the Proponent to execute this declaration. All capitalized terms used in this declaration, unless otherwise stated, have the meanings ascribed to them in the CHP II RFP.

PROPOSAL VALIDITY AND PROPOSAL SECURITY

All statements, specifications, data, confirmations and other information that have been set out in the Proposal, including, without limitation, the Technical and Financial Questionnaires, are complete and accurate in all material respects.

The Proposal is valid, irrevocable, and open for acceptance, until 5:00 P.M. (EPT) on the ninetieth (90th) day after the Proposal Submission Deadline.

The Proponent has consented, pursuant to subsection 17(3) of the Freedom of Information and Protection of Privacy Act (Ontario), to the disclosure, on a confidential basis, of the Proposal by the OPA to the

Evaluation Team and the OPA's other advisors retained for the purpose of evaluating or participating in the evaluation of the Proposal.

The Proponent has received and reviewed the CHP II RFP issued by the OPA, together with any and all addenda thereto either posted on the www.ontarioelectricityrfp.ca website or mailed to the Proponent from time to time, up to and including the Deadline for Issuing Addenda on •, 2008.

The Proponent has received and reviewed the final CHP II Contract or CHP II PPA, as applicable, issued by the OPA, together with any and all addenda thereto either posted on the www.ontarioelectricityrfp.ca website or mailed to the Proponent from time to time, up to and including the Deadline for Issuing Addenda on •, 2008, and has agreed to be bound by the terms of the CHP II Contract or CHP II PPA, as applicable, including any security that may be required under the CHP II Contract or CHP II PPA, as applicable.

Neither the Proponent, the proposed Contract Facility described in the Proposal, nor any member of the Proponent Team is the subject of any bona fide legal proceedings, investigation or regulatory hearings that could materially impact the financial condition of the Proponent or any of the entities involved in financing and operations for the proposed Contract Facility.

The Proponent has agreed that the OPA shall be able to draw upon the full amount of the Proposal Security if the Proponent, having become a Selected Proponent, has failed to sign the CHP II Contract or CHP II PPA, as applicable, or has failed to deliver the Completion and Performance Security to the OPA within the time required as set forth in the CHP II RFP, or has made a material misrepresentation in the Proposal, or is in breach or default of the CHP II RFP.

DESIGNATED EQUITY PROVIDERS

The Proponent has made due inquiries of its Designated Equity Provider(s) as to whether such Designated Equity Provider(s) is a Designated Equity Provider on another Proposal submitted to the CHP II RFP and, if the answer to such inquiry is an affirmative, then:

- (i) the Proponent has received confirmation from its Designated Equity Provider(s) that (a) each such Designated Equity Provider has used a completely separate team for each Proposal submitted to the CHP II RFP and (b) the combined (cumulative) Tangible Net

Worth requirements for all such Proposals of which such Designated Equity Provider is a part, does not exceed such Designated Equity Provider's Tangible Net Worth; and

- (ii) the Proponent has enclosed with its Proposal the certificate of an officer of its Designated Equity Provider(s) regarding the use of completely separate and different teams for each Proposal as set forth under Section 3.2.23 of the CHP II RFP.

NON-COLLUSION

I acknowledge and represent that no person, firm or corporation, nor any person representing the Proponent and/or participating in the submission of the Proposal, has directly or indirectly entered into any discussion, communication, agreement or arrangement with any other proponent, whereby the Proponent, in order to induce acceptance of the Proposal by the OPA, has paid or is to pay or provide to any other proponent anything of value, and that the Proponent has not, directly or indirectly entered into any discussion, communication, arrangement or agreement with any other Proponent or Proponents that could have the effect of reducing competition in respect of the subject matter of the CHP II RFP.

In preparing its Proposal(s), only the following individuals [**state names of individuals**] were involved in determining pricing of its Proposal(s) (whether as a member of its Proponent Team or otherwise), no other individuals were so involved and such individuals were not involved in determining pricing of a Proposal of Another Proponent Team, unless the Proponent of Another Proponent Team is the same as, is owned as to 50% or more by, is Controlled by or is under common Control with, the Proponent making the Proposal, in which case, employees of the Proponent and an entity which Controls the Proponent and such other Proponent may be involved in determining pricing of a Proposal of Another Proponent Team, and in which case names of such individuals and details of such other Proposal(s) are as set out below:

Name	Other Proposal(s)

The Proponent:

- (a) has not coordinated its Economic Bid Statement or any other aspect of any of its Proposal(s) with Another Proponent Team; and
- (b) has kept and will continue to keep the Proposal confidential until the Selected Proponents are publicly announced.

No member of its Proponent Core Team has entered into any agreement or arrangement with any member of Another Proponent Core Team, which may, directly or indirectly, affect the Economic Bid Statement or any other aspect of the Proposal(s) submitted by the Proponent and/or Another Proponent Team.

Neither the Proponent nor any member of its Proponent Core Team has engaged in any Prohibited Conduct.

AND I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the • of•, in the
[County/Region] of•, on•.

Commissioner for taking affidavits

Name

APPENDIX O CONFLICT OF INTEREST DECLARATION

PROVINCE OF ONTARIO

TO WIT

IN THE MATTER OF a proposal dated •, 2008 to which this Declaration forms an integral part (the "Proposal") prepared by • (the "Proponent"), and submitted in response to a Request for Proposals for up to 500 MW of Combined Heat and Power Supply issued by the Ontario Power Authority and dated •, 2008, as amended (the "CHP II RFP")

I, •

OF THE •

IN THE •

SOLEMNLY DECLARE THAT

I am the • of the Proponent and as such, have knowledge of the matters declared below, and am duly authorized by the Proponent to execute this declaration. All capitalized terms used in this declaration, unless otherwise stated, have the meanings ascribed to them in the CHP II RFP.

By checking one of the following boxes that applies, I confirm that:

☐ "NO" - there is not, nor was there, any actual or potential Conflict of Interest relating to the preparation of the Proposal.

☐ "YES" - there is, or was, an actual or potential Conflict of Interest relating to the preparation of the Proposal.

[Note to Proponent: If you placed a checkmark in the box marked "NO", do not complete any of paragraphs 3, 4, and 5. If you placed a checkmark in the box marked "YES" above, complete each of paragraphs 3, 4, and 5.]

The following is a list of actual or potential Conflicts of Interest relating to the preparation of the Proposal or the performance of the contractual obligations contemplated in the CHP II RFP:

In submitting the Proposal, the Proponent has /has no *[Note to Proponent: Strike out the inapplicable portion]* knowledge of or ability to avail itself of confidential information of the Crown in right of Ontario or the OPA (other than confidential information which may have been disclosed by the OPA to the Proponents in the normal course of the CHP II RFP) which is relevant to the CHP II RFP or the Proposal.

AND I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the • of•, in the
[County/Region] of•, on•, 2008.

Commissioner for taking affidavits

Name

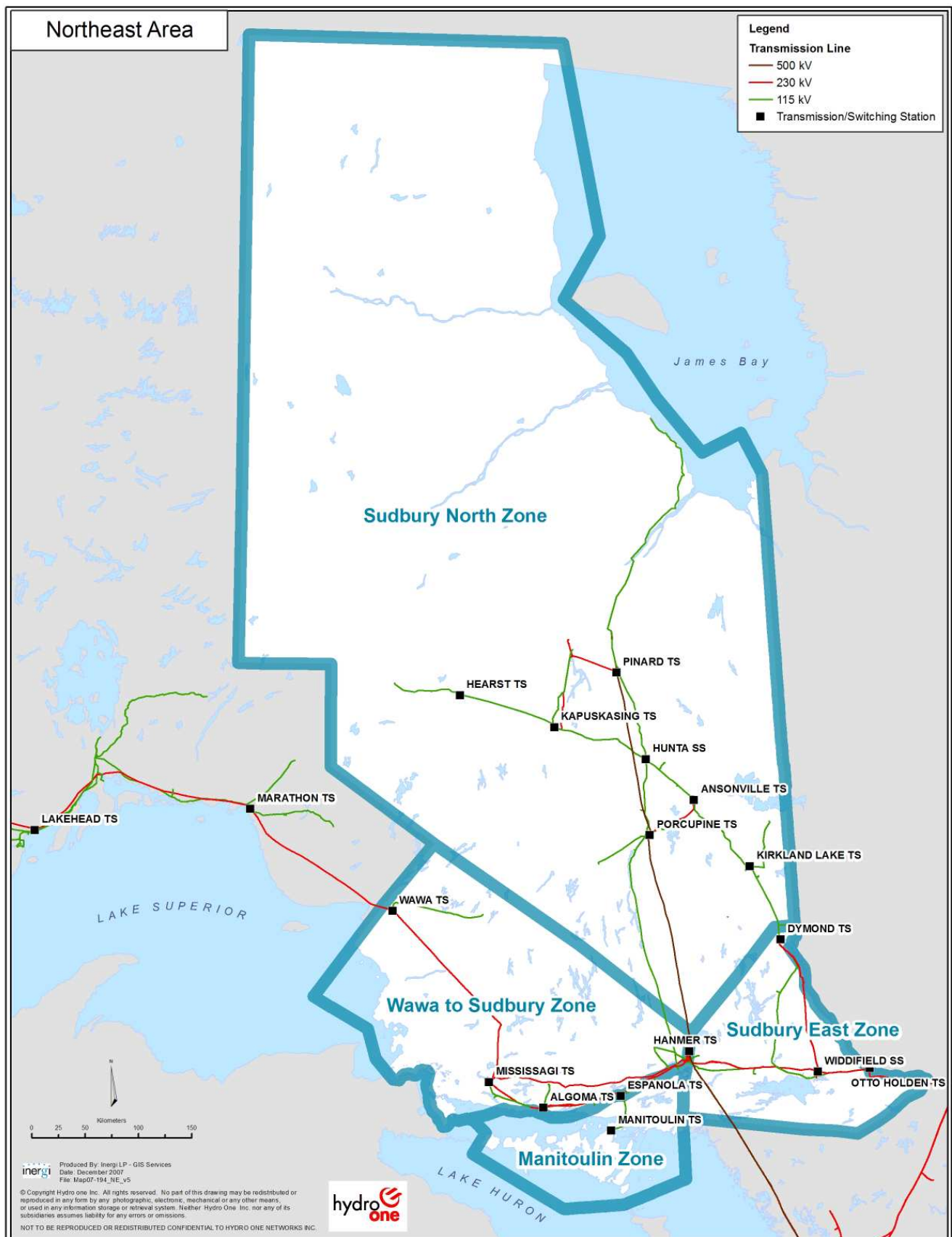
APPENDIX P TRANSMISSION CONSTRAINTS MAPS

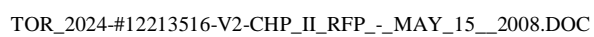
Areas	Zones	Definition
Northwest		All transmission facilities between Kenora TS and Wawa TS, including Kenora TS but excluding Wawa TS.
	Atikokan West	All transmission facilities between Kenora TS and Mackenzie TS, including Kenora TS but excluding Mackenzie TS and the 230 kV circuit N93A.
	Atikokan to Wawa	All transmission facilities between Mackenzie TS and Wawa TS, including Mackenzie TS and the 230 kV circuit N93A but excluding Wawa TS.
Northeast		Following four zones
	Wawa - Sudbury	The transmission system east of Wawa TS, including Wawa TS to Hanmer TS and Martindale TS, not including Hanmer TS and Martindale TS, and excluding 115 kV circuit S2B.
	Manitoulin	Manitoulin TS and the 115 kV circuit S2B between Manitoulin TS and Martindale TS, but excluding Martindale TS.
	Sudbury North	The transmission system north of Hanmer TS and Dymond TS, but excluding these two stations
	Sudbury East	The transmission system East of Hanmer TS and Martindale TS (including these two stations), and south of Dymond TS (including Dymond TS), and bounded by Des Joachims TS to the east (excluding Des Joachims TS)
Bruce		Orange zone as previously defined.

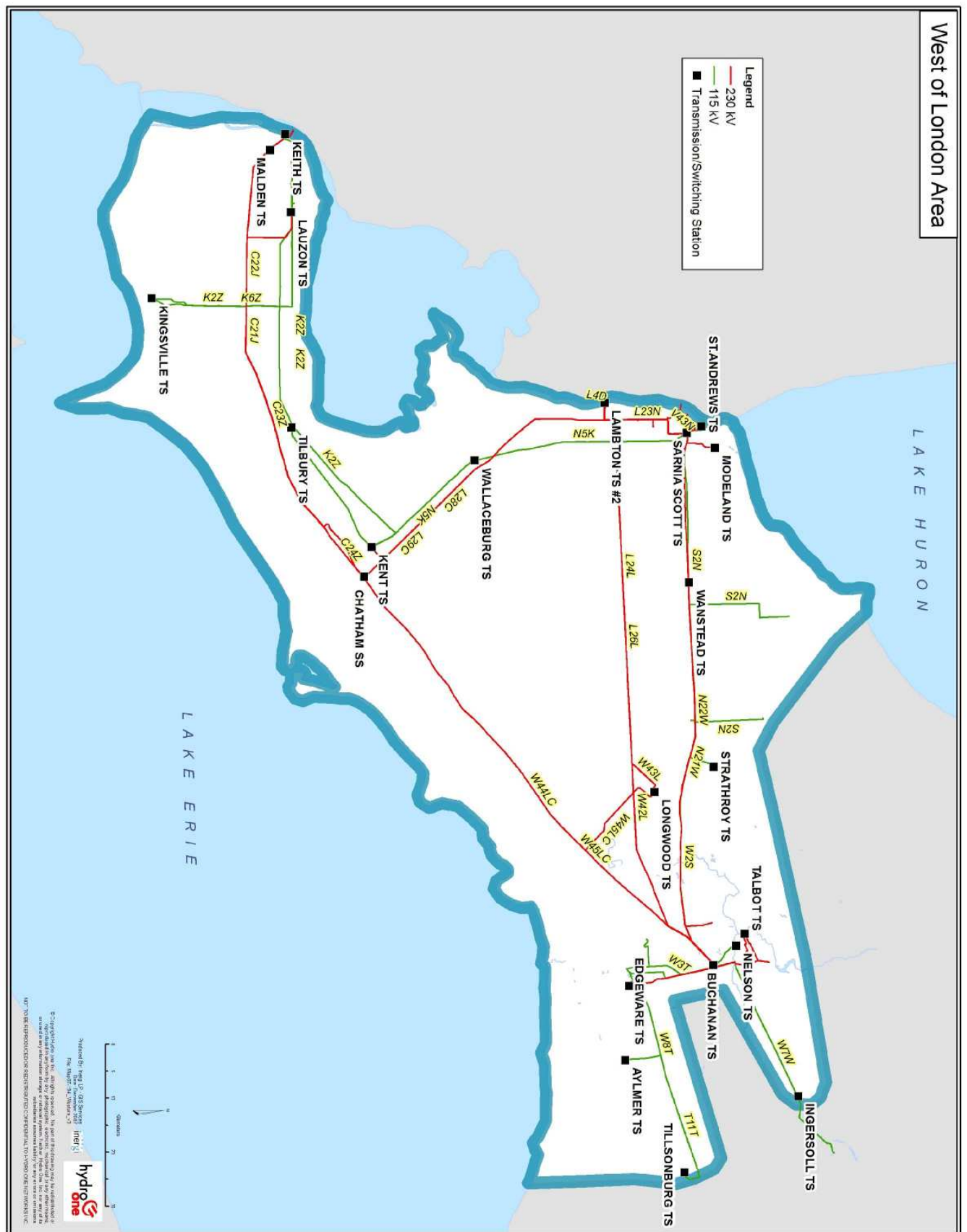
Niagara		<p>Beck 2 TS, Beck 1 SS, Allanburg TS, Decew Falls SS</p> <p>230 kV circuits from Beck 2 TS to Beach TS up to Hannon Jct.</p> <p>230 kV circuits from Beck 2 TS to Burlington TS up to Hannon Jct.</p> <p>230 kV circuits from Beck 2 TS to Allanburg TS</p> <p>230 kV circuits from Allanburg TS to Middleport TS</p> <p>All 115 kV circuits connected from Allanburg TS, Beck 1 SS and Decew Falls SS</p>
West of London		<p>All transmission facilities west of Buchanan TS, including the following circuits connected to Buchanan TS:</p> <p>230 kV circuits: W42L, W43L, W44LC, W45LC, W36, W37, N21W, N22W.</p> <p>All 115 kV circuits connected to Buchanan TS, as well as circuit B8W, T11T, WT1A.</p>
	Sarnia-Lambton	<p>230 kV circuits:</p> <p>Scott TS to Buchanan TS</p> <p>Lambton TS to Longwood TS</p> <p>Lambton TS to Chatham SS</p> <p>Lambton TS to Greenfield SS</p> <p>N6S, N7S</p> <p>All 115 kV circuits connected to Scott TS, including N5K to Wallaceburg TS, including Wallaceburg TS and circuit S2N.</p>
Greater Toronto Central West		<p>All 230 kV circuits connected to the following stations:</p> <p>Trafalgar TS, Richview SS, Cooksville SS, Manby East TS and Manby West TS, Claireville TS, Parkway TS, Cherrywood TS (west of the municipality of Clarington)</p> <p>Manby 115 kV system</p>
	Manby 115 kV system	<p>The 115 kV systems supplied from Manby East TS and Manby West TS.</p>

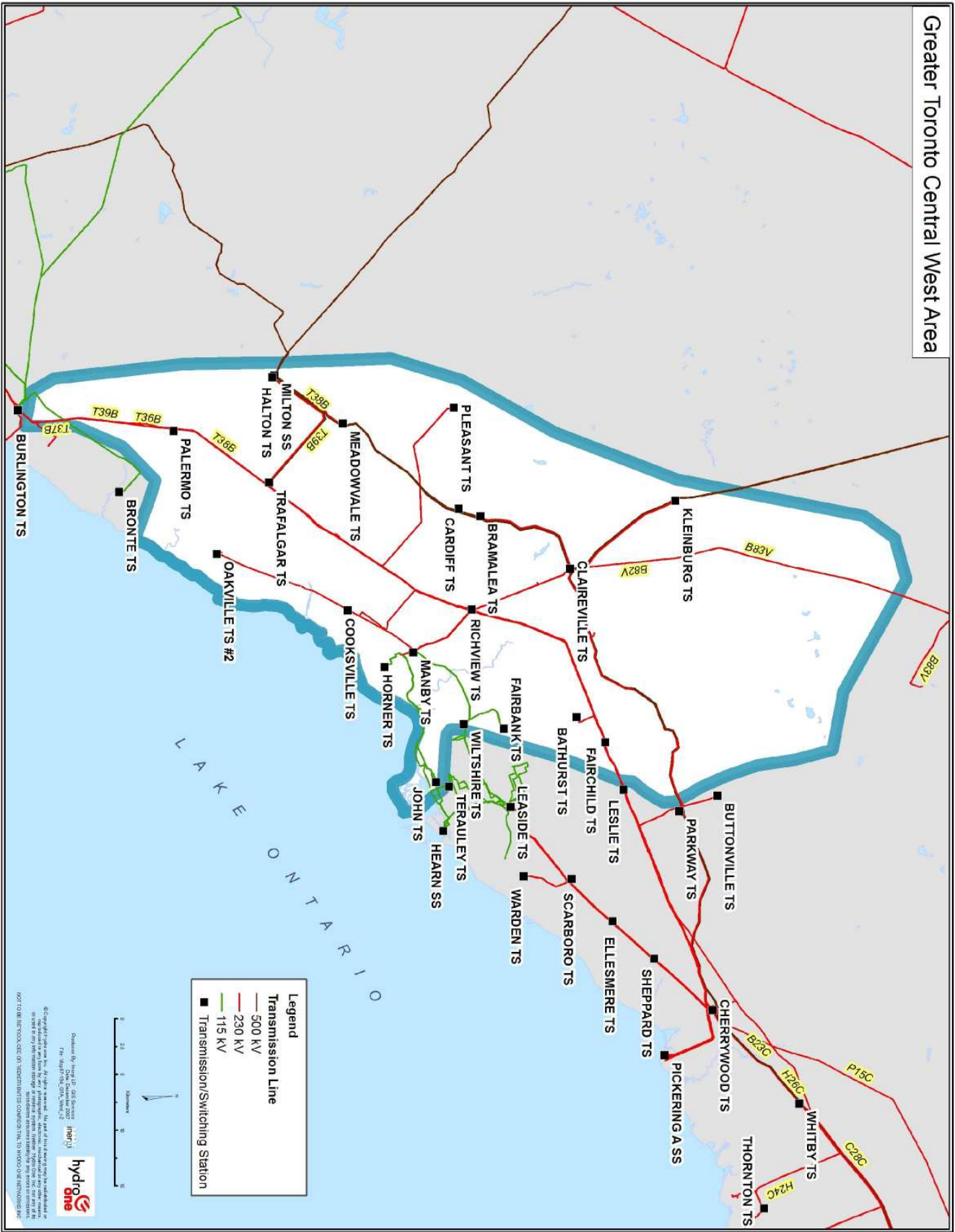
Greater Toronto Central East		<p>All 230 kV circuits connected to the following stations: Parkway TS and Cherrywood TS (west of the municipality of Clarington)</p> <p>The Leaside 115 kV system Leaside x Cherrywood 230 kV system</p>
	Leaside 115kV system	All 115 kV circuits connected to Leaside TS
	Leaside x Cherrywood 230 kV system	All 230 kV circuits connected to Cherrywood TS and Leaside TS including tapped stations
Eastern		<p>All circuits and stations south of the normally open switch at Pembroke TS and east to the western border of the municipality of Clarington.</p> <p>Excludes the 230 kV circuits connecting Des Joachims TS and Minden TS, and those running southeast from Minden TS are not included. (please refer to the area map)</p>
	Hawthorne 115 kV system	Hawthorne 115 kV TS and circuits A8RM, A3RM, A4K, A6R, A5RK, 79M1, H9A, A2

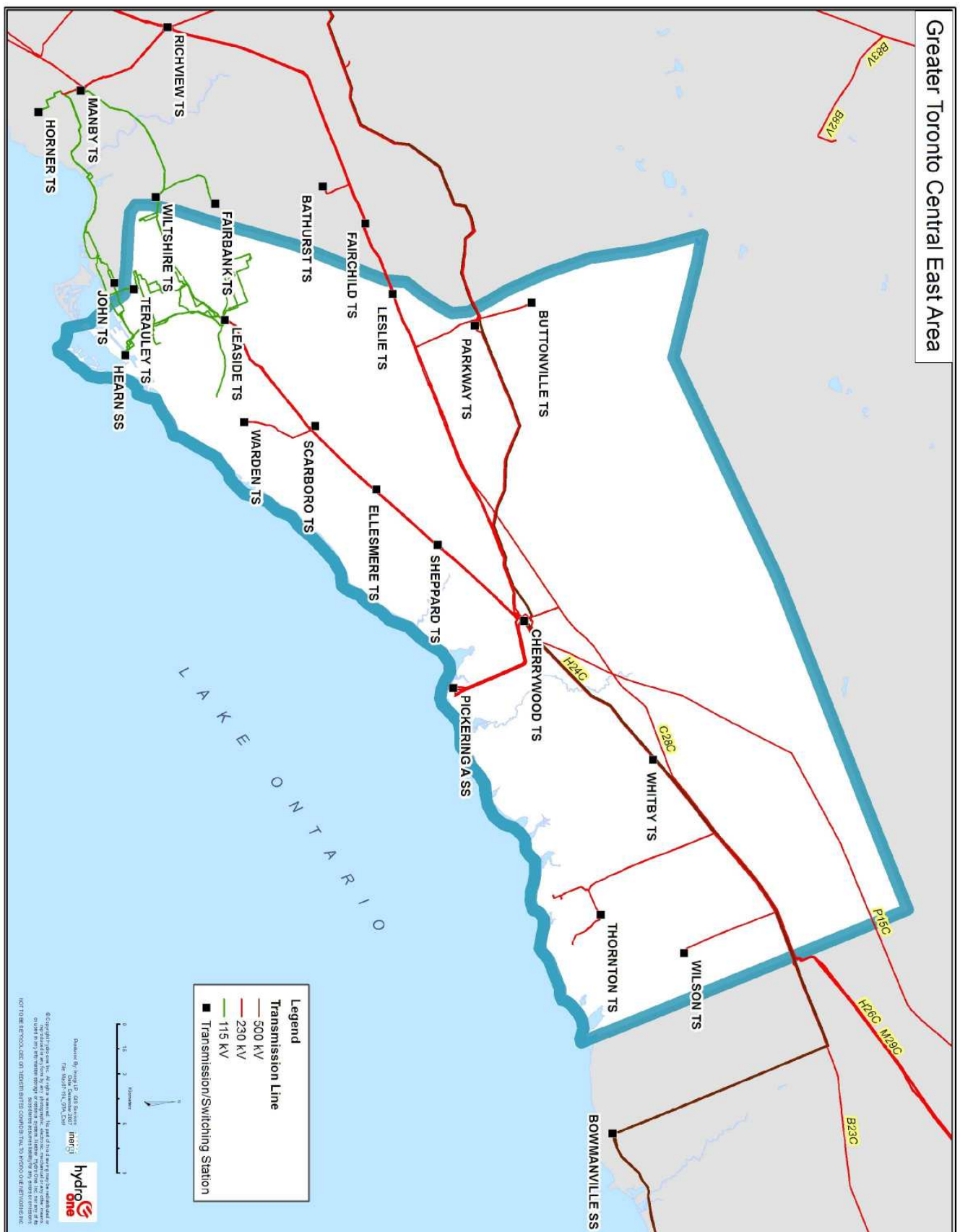


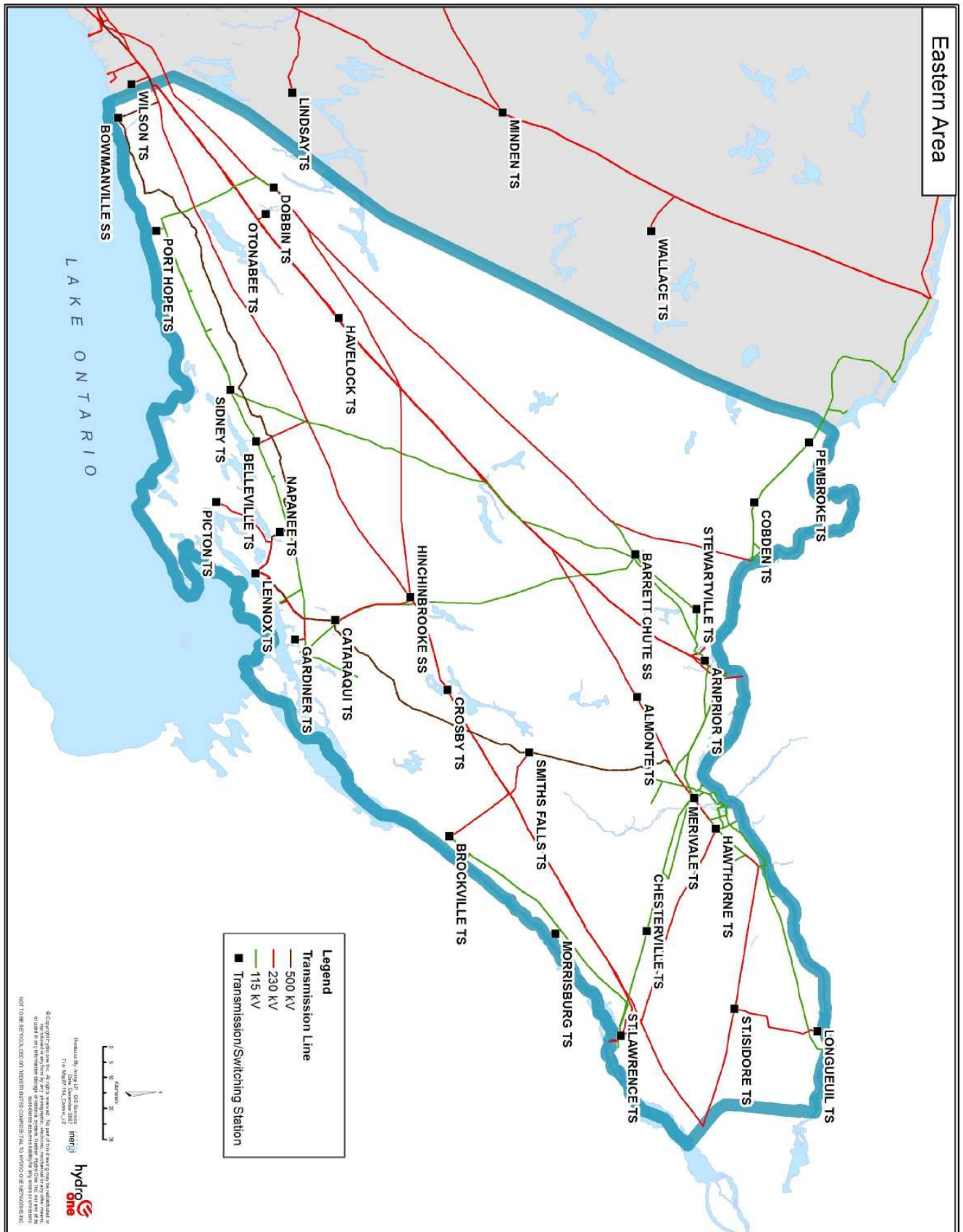












APPENDIX Q TRANSMISSION CONSTRAINTS MATRIX

Areas	Area limit (MW)	Zones	Zone Limit (MW)	Circuits	Limit per Circuit (MW) unless indicated otherwise	Multiple Circuits in Common Corridor
Northwest	0	Atikokan West	0			
		Atikokan to Wawa	0	Any 115kV circuits: A5A, T1M, A1B	0	
				All 230kV circuits: W21M, W22M	0	
				All 230kV circuits: M23L, M24L	0	Yes
				All 230kV circuits: A21L, A22L	0	Yes
Northeast	60	Wawa - Sudbury	0			
		Manitoulin	0			
		Sudbury North	60	25Hz System and any 115kV circuits: A8K, A9K, D3K, D4Z, K2, K4, H9K, F1E, A4H, A5H, H6T, H7T	0	
				All 115kV circuits: C6R, T7M, T8M, M9K, M3K, K5A, A7V	25 (sum of all circuits)	Yes: T7M & T8M M3K & M9K
				115kV circuits: P13T, P15T	25	Yes
		Sudbury East	0	Any 115kV circuits: D2L, L1S	0	

Bruce	0					
Niagara	200					
West of London	150	Sarnia-Lambton	200	All 230kV circuits: L25V, L27V	0	Yes
				All 230kV circuits: V41NC, V43NC	0	Yes
				230kV circuit: L23N	0	
				All 230kV circuits: N6S, N7S	75	Yes
				115 kV circuits: N1S, N4S	0	Yes
				115 kV circuit: N6C, N7C	20	Yes
				115 kV circuit: S2N	0	
				115 kV circuit: N5K north of Wallaceburg TS	0	
		Remainder of the area	circuit limited	Any 230kV circuits: N21W, N22W, L24L, L26L, L28C, L29C	0	
				230 kV circuit: C24Z	0	Yes
				230 kV circuit: C23Z	100	
				All 230 kV circuits: C21J, C22J	0	
				All 230 kV circuits: W36, W37	0	Yes
				Any 115 kV circuits: J3E, J4E, E8F, E9F, Z1E (TransAlta), Z7E, J1B	0	
				115 kV circuits: N5K south of Wallaceburg TS, K2Z	0	

				115 kV circuit: K6Z, K2Z;	100 with additional restriction shown below	YES: Lauzone TS to Bell River Jct. only
				K6Z: Bell River Jct. to Tillbury Jct.	0	
				K6Z: Bell River Jct. to Kingsville TS	100	
				K2Z: Total of Lauzone TS to Woodslee Jct., Woodslee Jct. to Kingsville TS, Woodslee Jct. to Tillbury Jct., Tillbury Jct. to Tillbury TS & DS, Tillbury Jct. to Kent TS, and 115 kV circuit N5K between Kent TS and Wallaceburg TS	0	
				K2Z: Tillbury Jct. to Kent TS, and 115 kV circuit N5K between Kent TS and Wallaceburg TS	0	
				Any 115 kV circuits: W8T, W9T, WT1A, WT1T	0	
				Any 115 kV circuits: W5N, W6NL, W9L	0	Yes: W5N & W6NL
				115 kV circuits: W3T, W4T	0	Yes
				115 kV circuits: W2S	0	
				115 kV circuits: W12W, W7W	0	Yes
				115 kV circuits: W3T, T11T	0	Yes: W3T & W4T
				115 kV circuits: W4T, T11T	0	
Greater Toronto Central West	500	Manby West 115kV system	0			

		Manby East 115 kV system	0			
		Remainder of the area	circuit limited	All 230kV circuits: B15C, B16C	200	Yes
				230kV circuits: K21C, K23C	150	Yes
				230kV circuits: R14T, R17T,R19T, R21T (Trafalgar TS x Hanlan Jct. x Pleasant TS)	0	
				Any 230kV circuits: R2K (Richview x Vansco Jct.), R15K (Richview x Vansco Jct.), R24C	0	
Greater Toronto Central East	500	Leaside 115kV system	20	Any 115kV circuits: L12C, H8LC, H6LC, L9C, L12C, L4C, H5E, H7E, L13W, L14W, L15W, C5E, C7E	0	
		Leaside x Cherrywood 230 kV system	50			
		Remainder of the area	circuit limited	All 230kV circuits: H24C, H26C Columbus Jct. to Oshawa Area Jct.	250	Yes
				All 230kV circuits: M29C, B23C east of Whitby TS tap to Oshawa Area Jct.	200	Yes
				230 kV circuit: C28C	50	
Eastern	235	Hawthorne 115 kV system	20			
		Remainder of the area	circuit limited	230 kV Circuits: B5D, D5A	50	
				Additional restriction on Hawthorne 115 kV system and B5D, D5A	50 (sum of all)	
				230kV Circuits: L24A, B31L	0	

				230kV Circuits: X1H, X2H, X3H, X4H, X21, X22	235 (sum of 6 circuits)	Yes: X1H, X2H, X3H & X4H and X21 & X22
				Hinchinbrooke - St. Lawrence 230kV circuits: L20H, L21H, L22H (Brockville tap and west)	0 (sum of 3 circuits)	Yes
				Hinchinbrooke - St. Lawrence 230kV circuits: L20H, L21H, L22H (East of Brockville tap)	0	
				230 kV circuits: M32S, C3S	0 (sum of both circuits)	
				230 kV circuit: B23C Oshawa Area Jct. to Belleville TS	0	
				230 kV circuits: M30A, M31A	0	
				230 kV circuit: X1P	0	
				230 kV circuit: C28C	0	
				Any 115kV circuits: L2M (South of Chesterville TS), L1MB	0	
				Merivale 115 kV system: C7BM, S7M, F10MV, V12M, L2M (North of Chesterville TS), M1R, W6CS	0 (sum of all circuits)	
				115kV circuit: B5QK	20	
				115kV circuits: D6	40	
				115kV circuits: X2Y, X6	20	
				115kV circuit: B1S	0	
Others	circuit limited	circuit limited		230 kV circuits: M20D, M21D (Detweiler TS x Galt Jct.)	0	Yes
				230 kV circuits: M20D, M21D (Galt Jct. X Middleport TS and Preston Tap)	0	Yes

			230 kV circuits: D6V, D7V (Detweiler TS to Guelph Campbell TS tap)	0	Yes
			230 kV circuits: D6V, D7V (Guelph Campbell TS tap x Orangeville)	0	Yes
			All 230 kV circuits: N1M, N2M	35	Yes
			All 230 kV circuits: N5M, N6M	35	Yes
			All 230 kV circuit: E26, E27	0	Yes
			All 230 kV circuits: D1M, D2M	0	Yes
			All 230 kV circuits: D3M, D4M	0	Yes
			Burlington 115 kV system: HL3 (Newton x Stirton), HL4 (Newton x Stirton), B5G, B6G, B3, B4, B7, B8, B10, B11, B12, B13,	50 (sum of all circuits)	Yes: HL3 & HL4, B5G & B6G, B3 & B4, B7 & B8, B10 & B11 and B12 & B13
All areas			All unspecified 230 kV circuits connecting two stations	100	as applicable
			All unspecified 115 kV circuits connecting two stations	50	as applicable

Notes:

A Proposal with a connection to any interconnection circuits to the neighbouring utilities in Quebec, Manitoba, and the U.S. will not be accepted.

A Proposal with a connection to any 500 kV circuits will not be accepted unless a full switching station is included at the cost of the Proponent, including the cost of the network upgrades and temporary facilities to permit construction. The full switching arrangement must be acceptable to the IESO and the

Transmitter involved. Same condition applies to 230 kV regional interconnection circuits between Wawa TS and Marathon TS.

A Proposal with a connection to the 25 Hz system will not be accepted.

A specific limit is not specified for a Proposal with a direct connection to a transformer or a switching station. Such a Proposal must be assessed on case by case basis and the connection arrangement needs to be acceptable to the IESO and the Transmitter involved. The Area and Zone limits apply to such a Proposal.