

ADDENDUM No. 2

dated August 4, 2004 to the Ministry of Energy's Request for Proposals for 300 MW of Renewable Energy Supply referenced as RFP No. SSB-065230

This Addendum No. 2 contains amendments to the Request for Proposals posted on the Ministry's Renewables RFP website on June 24, 2004, which shall form an integral part of, and supercede those portions of, the Request for Proposals as more particularly set out below. Prospective Proponents should note that while the amendments generally involve certain selected words within each paragraph, the revised paragraph is set out below in its entirety in order to avoid any potential confusion.

1. The 4th paragraph of Section V.A of the Renewables RFP is deleted and replaced with the following:

In the future, it is possible the Renewable Generating Facility will be eligible to produce certain Related Products that relate to the RES Contract Capacity for which there is no market currently, such as capacity and Environmental Attributes. At the request of the Buyer, or alternatively at the request of the Supplier with the prior written approval of the Buyer, the Supplier will supply all such Related Products to the Buyer or for the benefit of the Buyer. The Supplier shall not sell, supply, or deliver any Related Products that relate to the RES Contract Capacity other than those requested or approved by the Buyer. To the extent such Related Products result in incremental costs to the Supplier, the Buyer will separately compensate the Supplier for such incremental costs to the extent that they are verifiable and reasonable, together with an amount equal to 25% of the difference, if positive, of the total revenues received by the Buyer from the sale of such Related Products into the IMO-Administered Markets or other markets less such incremental costs.

2. The 1st bullet under Section V.C of the Renewables RFP is deleted and replaced with the following:

- the Supplier receives the Proposal Price (as adjusted as set out below) in Canadian Dollars per MWh multiplied by the total energy delivered (below the annual energy cap set forth in the RES Contract) to the Delivery Point in MWh. Moreover, a portion of the Proposal Price equal to fifteen percent (15%) of the Proposal Price shall be indexed to the percentage increase or decrease (if any) between the Consumer Price Index effective as of January 1 of each year during the Term and the Consumer Price Index effective as of January 1 of the prior year, with the exception of the first year of the Term where the percentage increase or decrease (if any) as calculated above shall then be prorated by the ratio of the number of days from the Commercial Operation Date to and including December 31 of the year that the Commercial Operation Date occurs, divided by 365. The remaining portion of the Proposal Price equal to eighty-five percent (85%) of the Proposal Price shall not be subject to any indexation whatsoever. The price payable under the RES Contract for the energy delivered shall be calculated as

the sum of the unindexed portion and the indexed portion of the Proposal Price, as adjusted accordingly on January 1 of each calendar year during the Term; plus

3. The 4th bullet under Section V.C of the Renewables RFP is deleted and replaced with the following:

- reasonable and verifiable incremental costs incurred by the Supplier, in excess of the cost of production of energy, in relation to any Related Products that flow from the RES Contract Capacity (excluding Operating Reserve for which the Supplier is separately compensated for noted above) as requested or approved by the Buyer, plus an amount equal to 25% of the difference, if positive, of the total revenue from the sale of such Related Products less such incremental costs.

4. The definition of “**Proposal Price**” in Appendix B, Glossary of Terms, is deleted and replaced with the following:

Proposal Price	Means the price set out by a Proponent in connection with its supply of energy to the IMO-Administered Markets, and stated as a single \$/MWh amount in accordance with the Renewables RFP as described in Section III.I.
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5. The definition of “**Related Products**” in Appendix B, Glossary of Terms, is deleted and replaced with the following:

Related Products	Means all capacity products, Ancillary Services, transmission rights and Environmental Attributes that may be traded in the IMO-Administered Markets or other markets, but which, for greater certainty, shall exclude steam and hot water produced by the Renewable Generating Facility.
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