FEED-IN TARIFF PROGRAM

FIT RULES
Version 5.0.1

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TABLE OF CONTENTS

SECTION 1 – INTRODUCTION 1
1.1 Independent Electricity System Operator 1
1.2 Background to the FIT Program and Amendments to the FIT Rules 1
1.3 Participation in the FIT Program 2
1.4 Overview of FIT Program Requirements and Process 3

SECTION 2 – PROJECT ELIGIBILITY REQUIREMENTS 5
2.1 Eligibility Requirements applicable to all Projects 5
2.2 Solar (PV) Project: Specific Eligibility Requirement 10
2.3 Non-Rooftop Solar Project: Specific Eligibility Requirements 10
2.4 Rooftop Solar Project on an Unconstructed Building: Specific Eligibility Requirements 12
2.5 Rooftop Solar Project on an Existing Building: Specific Eligibility Requirement 13

SECTION 3 – APPLICATION REQUIREMENTS 13
3.1 Application Requirements 13
3.2 Application Submission Requirements 14
3.3 Application Submission Considerations 15
3.4 Application Amendment or Withdrawal 16
3.5 Application Materials and Requirements Applicable to all Projects 16
3.6 Application Materials and Requirements for Projects on Provincial Crown Lands 17
3.7 Application Materials and Requirements for Waterpower Projects 18
3.8 Application Materials and Requirements for Non-Rooftop Solar Projects 18
3.9 Application Materials and Requirement for Rooftop Solar Projects on Existing Buildings 23
3.10 Application Materials and Requirements for Rooftop Solar Projects on Unconstructed Buildings 23
3.11 Application Materials and Requirements for Participation Projects 24
3.12 Representations and Warranties 26
3.13 Additional Important Information 27

SECTION 4 – EVALUATION PROCESS 27
4.1 Overview of Evaluation Process 27
4.2 IESO Rights 28

SECTION 5 – APPLICATION PRIORITIZATION AND RANKING 29
5.1 Prioritization 29
5.2 Ranking of Applications for CCSA Eligible Projects 35
5.3 Ranking of Applications for non-CCSA Eligible Projects 35

SECTION 6 – CONNECTION AVAILABILITY ASSESSMENT 36
6.1 Assessment of CCSA Eligible Projects 36
6.2 Assessment of Other Projects 36
6.3 Connection Availability 36

TABLE OF CONTENTS
(continued)

6.4 Transmission Availability Test 37
6.5 Distribution Availability Test 37
6.6 Contract Capacity Set-Asides 37
6.7 Procurement Targets 38
6.8 Cap for Rooftop Solar Projects on Unconstructed Buildings that are Farm Buildings 38

SECTION 7 – FIT CONTRACT OFFER AND ACCEPTANCE 39
7.1 Offer List 39
7.2 Offer Notice (all Projects except Rooftop Solar Projects on Unconstructed Buildings) 39
7.3 Offer Acceptance 39
7.4 Notice of Eligibility (Rooftop Solar Projects on Unconstructed Buildings) 40
7.5 Form of FIT Contract 41
7.6 Rooftop Solar Project Portfolio MCOD Extension 41
7.7 MCOD Extension for Projects on Certain First Nation Lands 42
7.8 Resolving Inconsistencies 42

SECTION 8 – CONTRACT PRICING 42
8.1 Determination of Price 42
8.2 Price Escalation 43
8.3 Other Factors 43

SECTION 9 – OVERVIEW OF SETTLEMENT 43
9.1 Settlement 43
9.2 Alternate Settlement Arrangements 44

SECTION 10 – PROGRAM REVIEW AND AMENDMENTS 44

SECTION 11 – CONFIDENTIALITY 44

SECTION 12 – ADDITIONAL RULES 45
12.1 Assignment and Change of Control 45
12.2 Project Splitting and Real Property Severance 45
12.3 General 46
12.4 Interpretation 49

Incorporated Appendices

Appendix 1 – Standard Definitions, Version 5.0.1

SECTION 1 – INTRODUCTION

1.1 Independent Electricity System Operator

Through amendments to the Electricity Act, the operations of the Independent Electricity System Operator ("**predecessor IESO**") and the Ontario Power Authority ("**OPA**") were merged on January 1, 2015, bringing together real-time operations of the grid with long-term planning, procurement and conservation efforts. The amalgamated organization will continue to operate as the Independent Electricity System Operator. Any reference to the predecessor IESO or the OPA in any license, agreement, security, approval, permit or other instrument to which the OPA or predecessor IESO was a party is to be read as if it were a reference to the IESO.

The IESO works at the heart of Ontario's power system – ensuring there is enough power to meet the province's electricity needs in real time while also planning and securing energy for the future. It does this by balancing the supply of and demand for electricity in Ontario through the electricity market, planning for the province's medium- and long-term energy needs, and securing clean sources of supply to meet those needs. The IESO is also responsible for fostering the development of a conservation culture in the province through programs such as Save on Energy.

The IESO is governed by an independent board of directors whose chair and directors are appointed by the Government of Ontario. Its fees and licenses to operate are set by the OEB and it operates independently of all other participants in the electricity market. It is referred to as the "Sponsor" in the FIT Contract and the Standard Definitions.

Credit ratings for the IESO have been issued by Moody's and DBRS and additional information about the IESO can be obtained from the IESO's website at http://www.ieso.ca.

1.2 Background to the FIT Program and Amendments to the FIT Rules

This document contains the rules with respect to the FIT Program, Version 5 ("**FIT Rules, Version 5.0.1**"), which have been amended and restated in accordance with Section 10, and which will be reviewed periodically and may be further amended in accordance with Section 10. Unless the context requires otherwise, references in the FIT Contract and all Prescribed Forms to the FIT Rules or FIT Rules, Version 5.0 are hereby amended to, and shall be deemed to be, references to these FIT Rules, Version 5.0.1 and references in the FIT Contract and all Prescribed Forms to Appendix 1 – Standard Definitions, Version 5.0 are hereby amended to, and shall be deemed to be, references to Appendix 1 – Standard Definitions, Version 5.0.1.

The IESO administers the FIT Program, which is designed to encourage and promote greater use of renewable energy sources including On-Shore Wind, waterpower, Renewable Biomass, Biogas, landfill gas and solar (PV) for electricity generating projects in Ontario. The fundamental objective of the FIT Program, in conjunction with the *Green Energy and Green Economy Act, 2009* (Ontario) and Ontario's Long Term Energy Plan, 2013, is to facilitate the increased development of Renewable Generating Facilities of varying sizes, technologies and configurations via a standardized, open and fair process.

Pursuant to the June 12, 2013 direction issued by the Minister of Energy, as of that date and going forward the FIT Program is open only to Small FIT Projects. A Small FIT Project is a proposed "capacity allocation exempt small embedded generation facility" as defined in the Distribution System Code. Generally this means a Project that is to be connected to a Distribution System and has a proposed Contract Capacity of 250 kW or less (if connected to a less than 15 kV line) or

500 kW or less (if connected to a 15 kV or greater line), and that is not a microFIT Project. Applicants must refer to the Distribution System Code for the full details of the definition of "capacity allocation exempt small embedded generation facility", which may be found at http://www.ontarioenergyboard.ca.

Projects that are 10 kW or less in Contract Capacity may not apply to the FIT Program but may apply under the microFIT Program and interested persons should refer to the section of the Website labelled "microFIT Program" which contains the rules for this streamlined process.

Version 5 of the FIT Program was implemented pursuant to directions issued by the Minister of Energy, the most recent of which is dated April 5, 2016. The directions were issued in exercise of statutory powers under Sections 25.32 and 25.35 of the version of the Electricity Act in force as of the date of the issuance of such directions.

The IESO will maintain application forms, the FIT Contract and detailed instructions on how to apply to the FIT Program on the Website.

All capitalized terms in these FIT Rules are defined in Appendix 1 – Standard Definitions available on the Website and incorporated herein.

1.3 Participation in the FIT Program

To participate in the FIT Program, Applicants must be willing to make necessary investments in their Projects, including the connection and metering costs, bear certain ongoing costs and risks of operation and maintenance, and enter into a FIT Contract with the IESO pursuant to which the Supplier will be paid for Electricity delivered from its Facility for a long-term payment period, in accordance with the terms of the FIT Contract.

Applicants must comply with Laws and Regulations, including for greater certainty the Distribution System Code and the IESO Market Rules, as each may be applicable. Applicants must be aware of required approvals, including environmental approvals that may be required prior to construction of their Facilities. Applicants must also acknowledge the important role that effective consultation with Indigenous communities may play in the successful planning, development and operation of Renewable Generating Facilities and must be prepared to undertake their appropriate role in such consultations and address the interests or concerns of such communities in good faith and in compliance with Laws and Regulations.

Applicants must understand that there may be Indigenous and treaty rights, including Indigenous land claims, associated with the location of a FIT Project or a proposed Connection Line and Applicants are encouraged to seek their own legal advice. Ontario and Canada are currently negotiating the Algonquins of Ontario rights and title claim in eastern Ontario. Applicants must understand that any projects proposed on Crown lands that have been identified as proposed Algonquin settlement lands will require the consent of the Algonquins of Ontario. Applicants may refer to the Ontario Ministry of Indigenous Relations and Reconciliation's website for links to publicly available information about land claims currently under negotiation in Ontario.

The IESO encourages Indigenous Community, community, municipal, school, hospital, university, public transit services and Metrolinx projects under the FIT Program and these FIT Rules provide incentives for Projects involving such groups. These FIT Rules also provide incentives for Applicants to engage Local Municipalities and Indigenous Communities where Projects are proposed.

The IESO acknowledges and respects the Federal and Ontario governments' transition to recognize First Nation, Inuit and Métis peoples as Indigenous. In line with this change, in most cases the term "Aboriginal" has been replaced with "Indigenous" for Version 5 of the FIT Program. The change in terminology will not be retroactive to earlier iterations of the FIT Program.

Although the FIT Program and the *Green Energy and Green Economy Act, 2009* (Ontario) are intended to promote and facilitate the connection of Renewable Generating Facilities in an efficient manner, Applicants are cautioned that in certain areas of the province it is not currently economically or technically feasible to connect additional generating facilities to a Distribution System. For this reason, Projects in these areas that are otherwise eligible to participate in the FIT Program may not be able to obtain a FIT Contract. Applications will be screened for sufficient transmission and distribution availability as set out in Section 6 in relation to each Project specifically and under the FIT Program during the relevant Application Period generally. If the Application does not pass such screening, the Application will not receive an Offer Notice and the Application will be Terminated.

The issuance of Offer Notices during an Application Period will be subject to a maximum amount of MW ("**Procurement Targets**") and Contract Capacity Set-Asides to be procured under the FIT Program during an Application Period. A maximum amount of MW will also be applicable to Rooftop Solar Projects on Unconstructed Buildings that are Farm Buildings. The issuance of Offer Notices will also be subject to any Project-specific caps established as a part of these FIT Rules. The Procurement Targets, Contract Capacity Set-Asides and any Project-specific caps will be posted on the Website.

The IESO intends from time to time to announce Application Periods during which Applications may be submitted.

1.4 Overview of FIT Program Requirements and Process

This section of the FIT Rules contains an overview of the FIT Program eligibility requirements, Application requirements, requirements to establish eligibility to be a CCSA Eligible Project and obtain Priority Points, and the IESO's evaluation process. Applicants must refer to the more detailed sections of the FIT Rules for complete details. In the event there is any inconsistency between this Section 1.4 and the remainder of the FIT Rules, the remainder of the FIT Rules and not this Section 1.4 shall prevail.

(a) Eligibility Requirements

Each Project described in an Application must meet the eligibility requirements that are applicable to all Projects listed in Section 2.1, as well as any additional eligibility requirements specific to the Renewable Fuel applicable to such Project:

(i) Solar (PV) Projects (which includes Non-Rooftop Solar Projects and Rooftop Solar Projects) must also meet the eligibility requirements listed in Section 2.2.

(ii) Non-Rooftop Solar Projects must also meet the eligibility requirements listed in Section 2.3.

(iii) Rooftop Solar Projects on Unconstructed Buildings must also meet the eligibility requirements listed in Section 2.4.

(iv) Rooftop Solar Projects on Existing Buildings must also meet the eligibility requirement listed in Section 2.5.

If a Project described in an Application does not meet all of the eligibility requirements that are applicable to the type of Project applied for, the Project will not be eligible to participate in the FIT Program and the Application will be Terminated.

Before submitting an Application, Applicants are strongly urged to satisfy themselves with the assistance of their professional and technical advisors that the Application, and Project described therein, complies with the applicable eligibility requirements and that all documentation and information that is required to be submitted to establish eligibility can be obtained and submitted within the time required by these FIT Rules. The IESO will not discuss a proposed Application or Project with an Applicant nor confirm or validate whether an Application or Project complies with the FIT Rules. The IESO, however, may post common questions and answers on its Website.

(b) Application Requirements

There are a number of requirements relating to Application materials and how an Application is submitted. These requirements must be met in order for an Application to be considered complete. The requirements are contained in Sections 3.1 and 3.2, Sections 3.5 to 3.10 inclusive, and relate to how and when an Application is submitted, and what documents, information and forms are required to be submitted. If an Application does not meet the requirements in these sections, the IESO will not accept the Application and the Application will be Terminated.

There continues to be a high level of interest in the FIT Program. The IESO expects to receive a large number of Applications and in order to efficiently and consistently review all Applications, the Application requirements must be met. These requirements enable the IESO to efficiently review Applications to determine eligibility and maintain a robust and ordered review. Most of the required information, documents and forms establish an Application's eligibility. In addition to the Application requirements that are applicable to all Applications, there are specific Application requirements that are only applicable to certain types of Projects, for example Non-Rooftop Solar Projects.

If an Applicant has failed to provide necessary information or documentation or has not met the applicable Application requirements, the IESO does not intend to provide the Applicant with an opportunity to correct any oversights or areas of non-compliance.

(c) Requirements to establish eligibility for Contract Capacity Set-Aside and Priority Points

A maximum amount of MW of Contract Capacity will be set aside out of the total Procurement Target for each of the following categories of Projects:

(i) Community CCSA Projects;

(ii) Indigenous CCSA Projects; and

(iii) Municipal or Public Sector Entity CCSA Projects.

Applicants may apply for a Project to be a CCSA Eligible Project. If a Project is determined to be a CCSA Eligible Project, it will be assessed for connection availability through the TAT and the

DAT prior to non-CCSA Eligible Projects, subject to the maximum Contract Capacity Set-Aside for the particular category being reached. When the maximum Contract Capacity Set-Aside is reached in a category, any CCSA Eligible Project in that category not yet assessed will be assessed together with all non-CCSA Eligible Projects.

Priority Points, and in the case of a tie in the number of Priority Points an Application's Time Stamp, determine the order in which Applications are assessed for connection availability through the TAT and the DAT, whether within a Contract Capacity Set-Aside or not.

If an Applicant applies to have a Project designated as a CCSA Eligible Project or applies to receive Priority Points, there are additional forms, information and, in some cases, Application Security, that an Applicant will need to submit with its Application. The forms and information are necessary to establish that the Project qualifies to be designated as a CCSA Eligible Project or is eligible to receive Priority Points. If a required form is not provided or is provided but does not establish eligibility to be a CCSA Eligible Project or to receive Priority Points, the Project may still be eligible to participate in the FIT Program but will not be designated a CCSA Eligible Project or will not be assigned the applicable Priority Points.

(d) Evaluation Process

Applications will be evaluated according to the process described in Section 4.1 of these FIT Rules and Applicants should review that section. At a high level, the evaluation process is as follows:

Stage 1 – Application Requirements

Stage 2 – Eligibility Requirements

Stage 3 – Determination of CCSA Eligible Projects and Ranking of all Projects

Stage 4 – Connection Availability for CCSA Eligible Projects

Stage 5 – Connection Availability for other Projects

SECTION 2 – PROJECT ELIGIBILITY REQUIREMENTS

2.1 Eligibility Requirements applicable to all Projects

To be eligible to participate in the FIT Program, the following eligibility requirements must be met:

(a) a Project must be capable of constituting a Renewable Generating Facility;

(b) a Project must be a Small FIT Facility;

(c) a Project must not have been the subject of a physical or financial power or capacity purchase contract relating to the generation of Electricity (which, for greater certainty, includes Standard Offer Contracts and LRP Contracts), or other form of contract relating to Electricity or Related Products (a "**Prior Contract**"), unless such Prior Contract was terminated more than 12 months before the date

that an Application Form in respect of such Project was submitted to the IESO, or as otherwise consented to by the IESO in writing in its discretion;

(d) a Project must not comprise an Incremental Project;

(e) the Application must have received at least one Priority Point under Section 5 pursuant to the Priority Points Table;

(f) a Project must not be located on the same Deemed Single Property as a Renewable Generating Facility developed under the microFIT Program that uses the same Renewable Fuel as the Project unless the Renewable Generating Facility is the subject of a microFIT Contract with the IESO as of the date the Application Form is submitted (the location of a Project or Renewable Generating Facility shall not include its Connection Line for the purposes of this provision);

(g) a Project must connect directly or indirectly to a Distribution System Feeder that is available for selection in the Application Form, which Distribution System Feeder is in turn connected to an Available TS;

(h) except in the case of a waterpower Project, a Project must not be located 50 kilometres or more from the proposed Connection Point, as measured from the point on the Site (as proposed in the Application) closest to such proposed Connection Point. For clarity, such proposed Connection Point must be located on the Distribution System in existence as at the Application Date. A Project shall not be configured for the purpose of avoiding such 50 kilometre requirement. Whether the Project is configured for such purpose shall be determined by the IESO in its reasonable discretion. If the IESO determines that a Project has been configured to avoid such requirement, the Project shall be deemed to have not met this eligibility requirement;

(i) the aggregate proposed Contract Capacities of all Projects and any Renewable Generating Facilities that use the same Renewable Fuel, that are under contract with the IESO or the Ontario Electricity Financial Corporation, and that are located, or proposed to be located, on a Deemed Single Property may not exceed 2 MW;

(j) subject to Sections 2.1(c), 2.1(d), 2.1(f) and 2.1(i), an Application may only be submitted in respect of a Project that is to be located on the same Deemed Single Property as another existing or proposed Renewable Generating Facility:

(i) that is the subject of:

(A) an Application pursuant to the FIT Program by the Applicant or any Applicant Related Person; or

(B) a FIT Contract or any other contract between the IESO or the Ontario Electricity Financial Corporation and the Applicant or any Applicant Related Person; and

(ii) that uses the same Renewable Fuel as such Project,

(the "**Other Facility**"),

if:

(iii) the Other Facility:

(A) is a Project that is the subject of an Application whose Application Form was submitted during the same Application Period as that of the Application; or

(B) has achieved commercial operation under the terms of such other contract with the IESO or the Ontario Electricity Financial Corporation;

(iv) the Project and the Other Facility are separately metered;

(v) for a Project that is neither a Rooftop Solar Project nor a waterpower Project, the aggregate proposed Contract Capacities of:

(A) the Project; and

(B) the Other Facility (and any further Other Facility) that is a Project whose Application Form was submitted during the same Application Period as that of the Application,

is less than or equal to 500 kW;

(vi) for a waterpower Project, the aggregate proposed Contract Capacities of:

(A) the Project; and

(B) the Other Facility (and any further Other Facility) that is a Project whose Application Form was submitted during the same Application Period as that of the Application,

is less than or equal to 2 MW and there is less than or equal to 500 kW located on any one water control structure or dam; and

(vii) for a Rooftop Solar Project the aggregate proposed Contract Capacities of:

(A) the Project; and

(B) the Other Facility (and any further Other Facility) that is a Project whose Application Form was submitted during the same Application Period as that of the Application,

is less than or equal to 2 MW and there is less than or equal to 500 kW located on any one Existing Building or Unconstructed Building.

In such circumstances:

(viii) the proposed Contract Capacities of the Project and the Other Facility (and any further Other Facility) that is a Project whose Application Form was submitted during the same Application Period shall be aggregated for the purposes (and for no other purposes) of determining the Base Price applicable to all such Projects, and the Base Price shall be the same for all such Projects; and

(ix) the proposed Contract Capacities of the Project and the Other Facility that either is the subject of a FIT Contract or is another type of Renewable Generating Facility, shall not be aggregated for the purposes of determining the Base Price applicable to the Project, and the Base Price for the Project shall be determined (subject to the applicable FIT Contract and these FIT Rules) without reference to the price applicable to, or proposed Contract Capacity of, such Other Facility;

(k) an Application is not eligible if it is in respect of a Project that is the same or substantially similar to a Project that is the subject of another Application (the "**Prior Application**") whose Application Form was previously submitted during the same Application Period, unless such Prior Application had been withdrawn pursuant to Section 3.4 prior to the submission of the Application Form for the subsequent Application. Whether a Project is the same or substantially similar to another Project will be determined by the IESO in its discretion and will include a consideration of ownership (including ownership by Applicant Related Persons), Economic Interest, location (including whether located on the same Deemed Single Property), equipment, Renewable Fuel or any other features;

(l) an Application is not eligible if:

(i) a Connection Impact Assessment has been applied for in respect of the Project that is the subject of the Application and, prior to submitting the Application, such Connection Impact Assessment has not been rescinded and any associated Connection Cost Agreement has not been terminated in respect of the Project; or

(ii) subsequent to submitting the Application and prior to executing a FIT Contract, a Connection Impact Assessment is applied for in respect of the Project that is the subject of the Application.

These Sections 2.1(l)(i) and 2.1(l)(ii) do not apply (y) in respect of Renewable Generating Facilities that were connected to a Distribution System prior to the Application Start Date, and (z) where the IESO consents in writing in its discretion;

(m) the Applicant must have one of the following rights to the Site ("**Access Rights**") (Applicants for a Rooftop Solar Project on an Unconstructed Building should note that the definition of Site contains provisions unique to such Projects, which may affect Access Rights):

(i) the Applicant holding:

(A) title, or an option that provides the contractual right to acquire title, or

(B) a lease, or an option or agreement to lease, that provides the Applicant the contractual right to build, operate and maintain the Project and the Facility, which lease or option or agreement to lease has, or in the case of an option would if exercised have, a term that is no less than the Term of the FIT Contract;

except that:

(C) for any of the above where the grant is conditional, such grant may only be conditional on the Applicant being offered a FIT Contract, or otherwise conditional in favour of (x) the Applicant, (y) the Crown, or (z) a First Nation Community with respect to lands that are within the meaning of paragraphs (a)(i), (ii) or (iii) of the definition of First Nation Lands; and

(D) for any of the above that are in the form of an option, such option must be irrevocable by the grantor and exercisable by the Applicant from the Application Date to a date that would be the Milestone Date for Commercial Operation for the Project assuming the Applicant enters into a FIT Contract 12 months following the Application End Date;

(ii) in addition to the rights in Section 2.1(m)(i), Access Rights may include the Applicant holding:

(A) a license that provides the Applicant the contractual right to build, operate and maintain the Project and the Facility, which license has a term that is no less than the Term of the FIT Contract;

except that:

(B) for a license that is conditional or revocable, the license may only be revocable due to the Applicant not being offered a FIT Contract, or conditional on the Applicant being offered a FIT Contract, but otherwise may be conditional in favour of (x) the Applicant, (y) the Crown, or (z) a First Nation Community with respect to lands that are within the meaning of paragraphs (a)(i), (ii) or (iii) of the definition of First Nation Lands;

(iii) where an Application is in respect of a Project on federal Crown lands (in whole or in part), in addition to the rights in Sections 2.1(m)(i) and 2.1(m)(ii), Access Rights may include a "Priority Permit" issued pursuant to the *Dominion Water Power Act* (Canada), a "Survey Permit" issued by Parks Canada pursuant to the *Dominion Water Power Act*

(Canada), or, in the IESO's discretion, equivalent binding commitment from the federal Crown;

(iv) where an Application is in respect of a Project on provincial Crown lands (in whole or in part), in addition to the rights in Sections 2.1(m)(i) and 2.1(m)(ii), the Applicant has been awarded Applicant of Record Status, or the Applicant's Application has met the requirements in Section 3.6; or

(v) where an Application is in respect of a Project on lands that are within the meaning of paragraphs (a)(i), (ii) or (iii) of the definition of First Nation Lands, the Applicant has the right to build, operate and maintain the Project and the Facility on the Site for a period of time that is no less than the Term of the FIT Contract; and

(n) the Project must not be located, in whole or in part, on the same Deemed Single Property as an LRP Project that uses the same Renewable Fuel as the Project.

2.2 **Solar (PV) Project: Specific Eligibility Requirement**

For a Solar (PV) Project, in addition to the eligibility requirements in Section 2.1 and any other applicable eligibility requirements set out in Sections 2.3, 2.4 and 2.5, as the case may be:

(a) the sum of the Manufacturer's Capacity Ratings (in DC kW) for normal operation (e.g. continuous output ratings) of the solar modules (i.e. panels) proposed for the Project;

may not exceed 120% of:

(b) the sum of the Manufacturer's Capacity Ratings (in AC kW) for normal operation (e.g. continuous output ratings) of the inverters proposed for the Project.

2.3 **Non-Rooftop Solar Project: Specific Eligibility Requirements**

For a Non-Rooftop Solar Project, in addition to the eligibility requirements in Section 2.1 and Section 2.2, the following eligibility requirements must be met:

(a) the Project must not have its Site located on one or more Properties that are comprised in whole or in part of Specialty Crop Areas as of the Application Date, unless the Property(ies) comprised in whole or in part of Specialty Crop Areas are lands within the meaning of paragraph (a)(i), (ii) or (iii) of the definition of First Nation Lands;

(b) the Project must not have its Site located on one or more Properties that are comprised in whole or in part of CLI Organic Lands as of the Application Date, unless the Property(ies) comprised in whole or in part of CLI Organic Lands are lands within the meaning of paragraph (a)(i), (ii) or (iii) of the definition of First Nation Lands;

(c) the Project must not have its Site located on one or more Properties that are comprised in whole or in part of CLI Class 1 Lands, CLI Class 2 Lands or CLI Class 3 Lands as of the Application Date, unless the Property(ies) comprised in whole or in part of CLI Class 1 Lands, CLI Class 2 Lands or CLI Class 3 Lands are lands within the meaning of paragraph (a)(i), (ii) or (iii) of the definition of First Nation Lands, or unless the Site is entirely located, as of the Application Date, on:

(i) an airport or aerodrome as indicated on all official plans in effect in each Local Municipality in which the Site is located;

(ii) a closed landfill as indicated on all official plans in effect in each Local Municipality in which the Site is located;

(iii) a federal military installation as indicated on all official plans in effect in each Local Municipality in which the Site is located;

(iv) a Contaminated Property;

(v) a Property in respect of which: (I) Industrial Uses are Lawfully Permitted Uses; (II) such Property is actively and *bona fide* being used for Industrial Uses; and (III) the Non-Rooftop Solar Project would not constitute the Principal Use of such Property; or

(vi) in the case of CLI Class 3 Lands, a Property that is owned by a Municipality;

(d) notwithstanding the restrictions contained in Sections 2.3(b) and 2.3(c), in the case where the current map from the Canada Land Inventory indicates that one or more Properties are comprised in part of CLI Organic Lands, CLI Class 1 Lands, CLI Class 2 Lands or CLI Class 3 Lands and lands that are not CLI Organic Lands, CLI Class 1 Lands, CLI Class 2 Lands or CLI Class 3 Lands as of the Application Date, the Project must not have its Site located on the portion of such Property or Properties that is classified as CLI Organic Lands, CLI Class 1 Lands, CLI Class 2 Lands, CLI Class 3 Lands;

(e) the Project must not have its Site located in whole or in part on a Residential Property that is not an Exempt Residential Property;

(f) the Project must not have its Site located in whole or in part on a Property that Abuts a Residential Property unless such Residential Property is an Exempt Residential Property;

(g) notwithstanding the restrictions contained in Sections 2.3(e) and 2.3(f), the Site of a Project may be located:

(i) entirely (but for clarity, not in part) on Rural-Residential Lands, including where such Rural-Residential Lands Abut a Residential Property; or

(ii) entirely on a combination of lands comprised of Rural-Residential Lands (including where such Rural-Residential Lands Abut a Residential Property) and on lands that are not Rural-Residential Lands but on which a Project would otherwise be permitted under this Section 2.3 (and for certainty are not ineligible due to Sections 2.3(e) and 2.3(f));

where the Applicant acknowledges in the Prescribed Form and in the Application that it will:

(iii) comply with the Visual Screening Requirements in respect of such Project; and

(iv) comply with the Setback Requirements;

following execution of and as set out in the FIT Contract;

(h) the Project must not have its Site located in whole or in part on one or more Properties in respect of which Commercial Uses or Industrial Uses are Lawfully Permitted Uses if the Project (and, if applicable, one or more other Non-Rooftop Solar Projects) would constitute the Principal Use. Where the Site is located in whole or in part on a Property in respect of which Commercial Uses or Industrial Uses are Lawfully Permitted Uses, but there is no active and *bona fide* Commercial Use or Industrial Use of the Property, the Non-Rooftop Solar Project proposed to be located on such Property will be deemed to be the Principal Use of such Property. The date for determining the existing use of a Property is the date that the Prescribed Form provided by the Applicant, as required by Section 3.8(f), is signed; and

(i) notwithstanding Sections 2.3(e), 2.3(f), 2.3(g) and 2.3(h), where the Applicant has obtained and submits with its Application a Land Use Restriction Exemption Resolution from each Local Municipality that has jurisdiction over a Property or Properties on which a Project's Site is to be located, such a Project may have its Site located in whole or part on one or more Properties that would otherwise be restricted from use or require compliance with Visual Screening Requirements and Setback Requirements pursuant to Sections 2.3(e), 2.3(f), 2.3(g) and 2.3(h). For greater certainty, for a Site to be located on one or more Properties that are comprised in whole or in part of CLI Class 1 Lands, CLI Class 2 Lands or CLI Class 3 Lands, a Land Use Restriction Exemption Resolution cannot be used to exempt the Project from compliance with Section 2.3(c)(v).

2.4 Rooftop Solar Project on an Unconstructed Building: Specific Eligibility Requirements

For a Rooftop Solar Project on an Unconstructed Building, in addition to the eligibility requirements in Section 2.1 and Section 2.2, the following eligibility requirements must be met:

(a) the proposed Generating Equipment (which for the purpose of this Section 2.4 does not include inverters) will be located entirely on a building that must be an Unconstructed Building as at the Application Date; and

(b) the Unconstructed Building must be designed, and the Unconstructed Building is required to be built in accordance with such design, to have sufficient usable surface area for the Rooftop Solar Project and must be designed (and required to be built in accordance with such design) to be suitable to support the Rooftop Solar Project.

2.5 Rooftop Solar Project on an Existing Building: Specific Eligibility Requirement

For a Rooftop Solar Project on an Existing Building, in addition to the requirements in Section 2.1 and Section 2.2, the following requirements must be met:

(a) the proposed Generating Equipment must be located entirely on an Existing Building; and

(b) the Existing Building must have sufficient usable surface area for the Rooftop Solar Project and it is either:

(i) suitable to support the Rooftop Solar Project; or

(ii) will be suitable to support the Rooftop Solar Project after the implementation of improvements.

SECTION 3 – APPLICATION REQUIREMENTS

3.1 Application Requirements

(a) An Application must comply with the requirements relating to the submission of an Application contained in Section 3.2. If an Application does not comply with the submission requirements in Section 3.2, it will not be evaluated and will be Terminated.

(b) In addition to complying with the Application submission requirements contained in Section 3.2, an Application must substantially comply with the requirements in the Sections listed below:

(i) for all Applications, Section 3.5;

(ii) for a Project on provincial Crown lands, Section 3.6 (which for certainty is in addition to Section 3.5);

(iii) for a waterpower Project, Section 3.7 (which for certainty is in addition to Section 3.5);

(iv) for a Non-Rooftop Solar Projects, Section 3.8 (which for certainty is in addition to Section 3.5);

(v) for a Rooftop Solar Project on an Existing Building, Section 3.9 (which for certainty is in addition to Section 3.5); and

(vi) for a Rooftop Solar Project on an Unconstructed Building, Section 3.10 (which for certainty is in addition to Section 3.5).

The IESO shall determine, in its discretion, whether an Application has substantially complied with the requirements listed above.

3.2 **Application Submission Requirements**

(a) Applicants who wish to participate in the FIT Program are required to submit an Application to the IESO in accordance with these FIT Rules and any instructions posted on the Website from time to time. The IESO's intention is that such instructions will from time to time give prior notice of a period during which the IESO will accept Application Forms (the "**Application Period**").

(b) The IESO will only accept Application Forms commencing at the Application Start Time and terminating at 11:59:59 p.m. EPT on the Application End Date (the "**Application End Time**"). Application Forms received following the Application End Time will not be accepted.

(c) An Applicant is required to submit both: (i) an electronic Application Form via the Applicant's My FIT Home Page, at which point the Application will be issued a Time Stamp and be assigned a FIT Reference Number (which, for clarity, is not the FIT Registration ID); and (ii) a package of hard copy materials in compliance with Section 3.2(d). An Application will be active (and therefore may affect the eligibility of subsequent Applications) from the time the Application Form is submitted until it is withdrawn by the Applicant or Terminated by the IESO. An Application will be active whether or not an Applicant has provided hard copy Application materials to the IESO in addition to the Application Form.

(d) All evidence and supporting documentation in connection with an Application, other than the Application Form, which is submitted electronically, must be delivered in a sealed package in hard copy format to the IESO at 120 Adelaide Street West, Suite 1600, Toronto ON, M5H 1T1, Attention: Feed-In Tariff Program. The hard copy Application materials must comply with the following requirements:

(i) all hard copy Application materials must be provided to the IESO no later than five Business Days after the date of the electronic submission of the Application Form (for clarity, such hard copy materials may be submitted after the Application End Time if the Application Form was submitted electronically five or fewer Business Days before the Application End Time);

(ii) the FIT Reference Number assigned to the Application must be marked on the sealed package containing the delivered Application materials;

(iii) the FIT Reference Number assigned to the Application must be marked on all hard copy Application materials prior to submission to the IESO. For clarity, notwithstanding that the delivered materials may contain documents that were declared, executed or created prior to the Application being assigned a FIT Reference Number, the Applicant must nevertheless mark such delivered materials with the FIT Reference Number prior to delivering the materials to the IESO. Each item in the

sealed package must be marked with the FIT Reference Number, including the certified cheque, bank draft or money order for the Application Fee and, separately, the Application Security, if applicable. If an item contains more than one page, only the first page is required to be marked with the FIT Reference Number;

(iv) hard copy materials relating to separate Applications must be provided in separate sealed packages and no sealed packages may be marked with more than one FIT Reference Number;

(v) Application materials must be provided in hard copy. Reference to materials submitted during prior Application Periods or in connection with a withdrawn Application during the same Application Period, or other documents or websites or other external sources of information not included in the hard copy Application materials, will not be accepted and therefore may result in an Application being incomplete;

(vi) Prescribed Forms submitted with the Application materials must be in the current form posted on the Website (unless specifically permitted in instructions posted on the Website) and substantially comply with the instructions attached to such form;

(vii) Prescribed Forms from prior Application Periods may not be resubmitted unless specifically permitted in instructions posted on the Website;

(viii) where it is specified in a Prescribed Form, the Applicant must provide the original Prescribed Form. Printouts of scanned documents or photocopies of documents will not be accepted; and

(ix) unless otherwise permitted in the instructions of the Prescribed Form or template, no amendments may be made to the Prescribed Forms or templates (wording or formatting) apart from the completion of any blanks, bullets or similar uncompleted information in a Prescribed Form or template. Any amendments made to a Prescribed Form or template may result in the Termination of the Application.

(e) If the IESO does not receive all the required hard copy Application materials by 5:00 p.m. EPT on the fifth Business Day after the day the Application Form was submitted electronically (without prejudice to the requirement that Application Forms be submitted by the Application End Date), the Application will be Terminated, and the Time Stamp and FIT Reference Number on the electronic submission of the Application will be forfeited. Any Application Security will be returned to the Applicant via its Owner Contact. The Application Fee will be retained by the IESO for its own account and, in accordance with Section 3.5(b), will not be returned.

3.3 **Application Submission Considerations**

The following Application submission considerations are not requirements in order for an Application to be considered complete but will assist the IESO in efficiently reviewing the large number of Applications it receives. In this regard, Applicants should:

(a) submit only one copy of hard copy Application materials;

(b) not submit a copy of the Application materials on electronic storage media such as a CD-ROM or flash drive;

(c) staple documents or forms that are multiple pages;

(d) provide clear divisions between Application materials through the use of dividers or tabbed binders; and

(e) submit a printout of the Application Form that had been submitted via the Applicant's My FIT Home Page.

3.4 **Application Amendment or Withdrawal**

(a) During and following an Application Period, an Applicant may not amend an Application.

(b) An Applicant, via its Owner Contact, may withdraw an Application that has not been Terminated by the IESO by submitting the Prescribed Form to the IESO on or before the later of:

(i) the date specified in a notice posted on the Website; or

(ii) where the IESO has posted a new Price Schedule (which, for certainty, must lower the price applicable to an Application that is sought to be withdrawn) on its Website subsequent to the Application End Date, 15 Business Days following the posting of such new Price Schedule;

after which Applications submitted during the Application Period applicable to the Application may no longer be withdrawn. In the case of a withdrawal under Section 3.4(b), the IESO shall return the Application Security, if any, to the Owner Contact. For clarity, the Application Fee will not be returned if an Owner Contact withdraws an Application. A new Application Fee is required to be paid for a new Application for a Project that was the subject of a withdrawn Application.

(c) Only the Owner Contact may withdraw an Application.

3.5 **Application Materials and Requirements Applicable to all Projects**

In order to be substantially complete, an Application must include the following:

(a) an Application Form submitted electronically;

(b) an application fee (the "**Application Fee**") in the amount of $500, which Application Fee is inclusive of HST and is non-refundable regardless of whether the Application is accepted by the IESO. The Application Fee must be in the form of a certified cheque, bank draft or money order payable to "Independent Electricity System Operator". No other forms of payment of the Application Fee will be accepted. For certainty, the IESO will not accept, for example, cash,

personal cheques or business cheques. Payment of the Application Fee for multiple Applications may not be combined in one certified cheque, bank draft or money order. The FIT Reference Number must be marked on the certified cheque, bank draft or money order;

(c) the Prescribed Form confirming the name and indicating the type of business form or structure of the Applicant (or entities comprising the Applicant), together with any supporting evidence specified in the form; and

(d) unless an Application is in respect of a Project that is subject to Section 3.6 in respect of the entirety of its Site, a completed Prescribed Form relating to Access Rights with respect to all lands on which the Site is located, or, only if the Applicant is the sole holder of title to the Site, the Application may include a parcel register or land registry search indicating the Applicant's title to the Property or Properties on which the Site is located rather than the completed Prescribed Form. (Applicants in respect of Rooftop Solar Projects on Unconstructed Buildings should note that the definition of Site contains provisions specific to such Projects).

3.6 **Application Materials and Requirements for Projects on Provincial Crown Lands**

(a) An Application for a Project whose Site is located in whole or in part on provincial Crown lands in respect of which the Applicant has not been awarded Applicant of Record Status or Access Rights:

(i) must include, in the electronic Application Form, in respect of the portion of the Site located on provincial Crown lands, a geographical description of the provincial Crown lands for which the Applicant is seeking Access Rights in the form of Grid Cells or, for waterpower Projects, Waterpower Site Number(s), or in the absence thereof, the global positioning system (GPS) co-ordinates of the Site; and

(ii) must include with the hard copy Application materials, provided pursuant to Section 3.2(d), a copy of the Crown Land Site Report that must have been submitted to the MNRF prior to the submission of the hard copy Application materials.

(b) For an Application for a Project whose Site is located in whole or in part on provincial Crown lands where the Applicant has not been awarded Applicant of Record Status and does not have Access Rights:

(i) the IESO must have been notified by the MNRF in writing that the Applicant's Crown Land Site Report referred to in Section 3.6(a) is complete, as determined by the MNRF based on its review criteria. Such determination by the MNRF shall not, solely by virtue thereof, provide the Applicant with Access Rights nor Applicant of Record Status; and

(ii) the IESO cannot have been notified by MNRF that MNRF will not provide the Applicant with Access Rights.

3.7 Application Materials and Requirements for Waterpower Projects

An Application for a waterpower Project must include a Waterpower Declaration in the Prescribed Form.

3.8 Application Materials and Requirements for Non-Rooftop Solar Projects

An Application for a Non-Rooftop Solar Project must include the following evidence, satisfactory to the IESO:

(a) other than where the Site is entirely located on lands within the meaning of paragraph (a)(i), (ii) or (iii) of the definition of First Nation Lands, a current map from the Canada Land Inventory (where one exists) showing the Site and Property or Properties on which the Project is located, whether in whole or in part. The CLI mapping platform is located at http://www.giscoeapp.lrc.gov.on.ca/AIA/Index.html?site=AIA&viewer=AIA&locale=en-US; no other maps are permitted (including those which may use CLI data but are not the actual CLI maps found at the website specified above);

(b) other than where the Site is entirely located on lands within the meaning of paragraph (a)(i), (ii) or (iii) of the definition of First Nation Lands, for Projects located in one or more Municipalities in which Specialty Crop Areas are located, a current map showing the Specialty Crop Areas indicating the outline of the proposed Site, the outline of the Property or Properties on which the Applicant has Access Rights, and the location of the Specialty Crop Areas in the relevant Municipality or Municipalities. The maps showing Specialty Crop Areas are located at http://www.omafra.gov.on.ca/english/landuse/feed-in-tariffprogram.htm; no other maps are permitted;

(c) for an Application that would otherwise be ineligible for the FIT Program except as permitted under the provisions of Section 2.3(c)(i) through 2.3(c)(vi) or Section 2.3(d):

  (i) a copy of a map contained in the relevant official plan (and associated schedules) of the applicable Local Municipality on which the Applicant:

    (A) if the Project's Site is on an airport or aerodrome, as described in Section 2.3(c)(i), outlines the proposed Site and the Property or Properties on which the Applicant has Access Rights;

    (B) if the Project's Site is on a closed landfill, as described in Section 2.3(c)(ii), outlines the proposed Site and the Property or Properties on which the Applicant has Access Rights;

    (C) if the Project's Site is located on a federal military installation as described in Section 2.3(c)(iii), outlines the proposed Site and the Property or Properties on which the Applicant has Access Rights;

  (ii) if the Project's Site is on a Contaminated Property,

(A) a copy of a "phase two environmental site assessment" conducted in accordance with Part XV.1 of the *Environmental Protection Act* (Ontario), completed within one year prior to the Application Date unless Section 3.8(c)(ii)(B)(II) applies; and

(B) a letter of confirmation from the author of the "phase two environmental site assessment" or another Professional Engineer or member in good standing of the Association of Professional Geoscientists of Ontario stating that as of the date of the letter of confirmation: (I) the results of the "phase two environmental site assessment" confirm that there are contaminant levels in the soil or groundwater, or both, in excess of applicable standards for that type and location of property as set out in "Soil, Ground Water and Sediment Standards for Use Under Part XV.1 of the *Environmental Protection Act*" issued by the Ministry of the Environment (as it was then) dated April 15, 2011 and (II) where the "phase two environmental site assessment" was undertaken more than one year before the Application Date, that the results and findings in "the phase two environmental site assessment" remain valid based upon reasonable inquiry;

(iii) if the Project's Site is on lands described in Section 2.3(c)(v), the Prescribed Form and attachments required under Section 3.8(f);

(iv) if the Project's Site is located on CLI Class 3 Lands owned by a Municipality as described in Section 2.3(c)(vi),

(A) a parcel register or land registry search indicating the ownership of the Property or Properties on which the Site is located; and

(B) a current map showing the CLI Class 3 Lands, differentiated from CLI Class 1 Lands or CLI Class 2 Lands, indicating the outline of the proposed Site and the outline of the Property or Properties on which the Applicant has Access Rights. The maps showing the differentiated CLI Class 3 Lands are located at http://www.giscoeapp.lrc.gov.on.ca/AIA/Index.html?site=AIA&viewer=AIA&locale=en-US. For clarity, this mapping is in addition to the mapping requirements outlined in Sections 3.8(a) and (b).

(v) if the Project's Site is located on lands as described in Section 2.3(d) and is not exempt under Sections 2.3(c)(i) to 2.3(c)(vi):

(A) a land evaluation study that uses the prescribed standardized methodology accompanied by a peer review process, as set out by the Ontario Ministry of Agriculture, Food and Rural Affairs and the Ministry of Energy, demonstrating that no part

of the Site is located on CLI Organic Lands, CLI Class 1 Lands, CLI Class 2 Lands or CLI Class 3 Lands. The land evaluation study must be completed by a soil scientist that meets minimum qualifications. The land evaluation study methodology, peer review process and minimum qualifications is located at: http://www.energy.gov.on.ca/en/fit-and-microfit-program/fit-soilstudy/; and

(B) a statutory declaration in the Prescribed Form confirming that the Person carrying out the prescribed peer review process has no direct or indirect professional, financial or personal affiliation with or interest in the Project, the soil scientist referred to in Section 3.8(c)(v)(A), the Applicant or its Affiliates (other than payment for the review itself), that the land evaluation study and its results are consistent with accepted survey methodologies, industry standards and best practice, and that that the Applicant's soil study in respect of such Project is complete and accurate;

(d) in respect of a Project whose Site is located in whole or in part on one or more Properties that are not Rural-Residential Lands, and in respect of only such Properties that are not Rural-Residential Lands, a written certification in the Prescribed Form of an individual permitted to certify such Prescribed Form pursuant to Section 3.8(g), and attaching to such Prescribed Form either a current municipal zoning map (if located in an organized municipality), or other current zoning map (if located in an area not organized as a municipality that has planning control), clearly showing on such map:

(i) the Site in its entirety;

(ii) the Property or Properties on which the Site is located (in this paragraph (d), the "**First Property(ies)**"), in their entirety, and their relevant zoning designations; and

(iii) all Abutting Properties thereto, in their entirety, and their relevant zoning designations,

and, for clarity, in cases where the Site and First Property(ies) or Abutting Properties comprise multiple maps, and the Site is not shown on any such map with sufficient clarity, attach in addition a current municipal zoning map or other current zoning map at a scale sufficient to clearly identify the Site;

and certifying in such Prescribed Form that the First Property(ies) and all Properties Abutting the First Property(ies) either:

(iv) are not Residential Property(ies); or

(v) are Exempt Residential Property(ies);

(e) in respect of a Project whose Site is located in whole or in part on one or more Properties that are Rural-Residential Lands, and in respect of only such Properties that are Rural-Residential Lands,

(i) a written certification in the Prescribed Form of an individual permitted to certify such Prescribed Form pursuant to Section 3.8(g), and attaching to such Prescribed Form a current municipal zoning map (if located in an organized municipality) or other current zoning map (if located in an area not organized as a municipality that has planning control), clearly showing on such map:

(A) the Site in its entirety;

(B) such Property or Properties on which the Site is located (in this paragraph (e), the "**First Property(ies)**"), in their entirety, and their relevant zoning designations; and

(C) all Abutting Properties thereto, in their entirety, and their relevant zoning designations,

and, for clarity, in cases where the Site and First Property(ies) or Abutting Properties comprise multiple maps, and the Site is not shown on any such map with sufficient clarity, attach in addition a current municipal zoning map or other current zoning map at a scale sufficient to clearly identify the Site;

and certifying in such Prescribed Form that (1) such First Property(ies) is or are Rural Residential Lands; and (2) such First Property(ies) either do or do not Abut a Residential Cluster, as the case may be; and (3) such First Property(ies) either do or do not Abut a Residential Property, as the case may be; and

(ii) an acknowledgement of the Applicant in the Prescribed Form confirming that it will:

(A) comply with the Visual Screening Requirements in respect of such Project; and

(B) comply with the Setback Requirements;

(f) in respect of a Project whose Site is located in whole or in part on one or more Properties on which Commercial Uses or Industrial Uses are Lawfully Permitted Uses, a written certification in the Prescribed Form of an individual permitted to certify such Prescribed Form pursuant to Section 3.8(g), and certifying in such Prescribed Form that the Non-Rooftop Solar Project does not constitute the Principal Use of the Property, and attaching a current municipal zoning map (if located in an organized municipality) or other current zoning map (if located in an area not organized as a municipality that has planning control) clearly showing on such map (x) the Site in its entirety, and (y) the Property or Properties on which the Site is located, in their entirety, and their relevant zoning designations;

(g) the written certification in the Prescribed Forms required in Sections 3.8(d), (e) and (f) must be provided by a chief building official, municipal chief administrative officer, municipal clerk, or equivalent official of each Local Municipality in which the Project is located, in whole or in part, or a Land Use Planner (including a director of planning or equivalent municipal official qualified as such), in all cases subject to the following limitations:

(i) a chief building official, municipal chief administrative officer, municipal clerk, or equivalent official of a Local Municipality in which the Project is located, in whole or in part, or a Land Use Planner (including a director of planning or equivalent municipal official qualified as such) that is an employee of a Local Municipality in which the Project is located, in whole or in part, may not provide the written certification where the Local Municipality:

(A) is a Municipal Site Host for the Project that is the subject of the Application;

(B) is an Affiliate of the Applicant;

(C) holds an Economic Interest in the Applicant; or

(D) holds an Economic Interest in a Public Sector Entity Site Host,

(ii) a Land Use Planner may not provide the written certification where (A) the Land Use Planner is an employee of the Applicant, an Affiliate of the Applicant, or a Person that holds an Economic Interest in the Applicant or otherwise has a vested interest in the outcome of the Application; or (B) the Land Use Planner is an employee of a Person that is an Affiliate of the Applicant, or of a Person that holds an Economic Interest in the Applicant, or of a Person that otherwise has a vested interest in the outcome of the Application; and

(h) in respect of a Project whose Site is located in whole or in part on one or more Properties that would otherwise be restricted from use or require compliance with Visual Screening Requirements and Setback Requirements by operation of Sections 2.3(e), 2.3(f), 2.3(g) and 2.3(h), a Municipal Council Resolution Confirmation to which one of the following is attached, as applicable:

(A) a Land Use Restriction Exemption Resolution previously issued in respect of a Project for which an Application was submitted under the FIT Rules, Version 4.0.1 that is still in effect; or

(B) a Land Use Restriction Exemption Resolution adopted in respect of a Project for which an Application was submitted under the FIT Rules, Version 5.0;

from each Local Municipality that has jurisdiction over the Property or Properties on which the Project's Site is to be located in whole or in part.

Where such Municipal Council Resolution Confirmation is included in the Application, then the evidence described in Sections 3.8(d), 3.8(e) and 3.8(f) shall not be required to be included with the Application. For greater certainty, for a Site to be located on one or more Properties that are comprised in whole or in part of CLI Class 1 Lands, CLI Class 2 Lands or CLI Class 3 Lands, a Land Use Restriction Exemption Resolution cannot be used to exempt the Project from complying with Section 2.3(c)(v) or, in turn, providing the evidence described in Section 3.8(f).

3.9 **Application Materials and Requirement for Rooftop Solar Projects on Existing Buildings**

An Application for a Rooftop Solar Project on an Existing Building must include a written confirmation in the Prescribed Form from a Professional Engineer stating that the Existing Building has sufficient usable surface area for the Project and that it is either:

(a) suitable to support the Rooftop Solar Project; or

(b) would be suitable to support the Rooftop Solar Project after implementation of improvements, a complete listing and particulars of which are described in such confirmation.

3.10 **Application Materials and Requirements for Rooftop Solar Projects on Unconstructed Buildings**

An Application for a Rooftop Solar Project on an Unconstructed Building must include a written confirmation in the Prescribed Form dated no earlier than 30 days prior to the Application Start Date, signed by a Professional Engineer or Architect, which includes the following:

(a) a statement that as of the date of the Prescribed Form, the proposed building on which the Rooftop Solar Project is to be built is an Unconstructed Building;

(b) a statement that the Unconstructed Building has sufficient usable surface area for the Rooftop Solar Project and that it will be able to support the Rooftop Solar Project if built according to the site plan drawings; and

(c) a copy of the relevant site plan drawings, stamped by the same Professional Engineer or Architect, showing:

(i) the proposed site plan layout of the Unconstructed Building which shows the lengths of all walls;

(ii) the roof layout of the Unconstructed Building including the layout of the proposed solar (PV) system on the roof; and

(iii) the Unconstructed Building on an elevation drawing which shows that the Unconstructed Building is designed (and is required to be built in accordance with such design) to be fully enclosed by walls, a roof and a concrete foundation.

3.11 **Application Materials and Requirements for Participation Projects**

(a) In order to qualify as a Participation Project an Application in respect of a Project must include:

(i) in the case of an Indigenous Participation Project, an Indigenous Participation Project Declaration, comprised of:

(A) a statutory declaration in the Prescribed Form setting out the Indigenous Participation Level of such Project; and

(B) written evidence, to the satisfaction of the IESO, documenting such Indigenous Participation Level.

(ii) In the case of a Community Participation Project, a Community Participation Project Declaration, comprised of;

(A) a statutory declaration in the Prescribed Form setting out the Community Participation Level of such Project;

(B) written evidence, to the satisfaction of the IESO, documenting such Community Participation Level;

(C) signed consents in the Prescribed Form from at least 35 Co-op Members that are Property Owners (in the case of a Project that is not a CCSA Eligible Project), or from at least 50 Co-op Members that are Property Owners (in the case of a Project that is also a CCSA Eligible Project):

(1) to the collection, use and disclosure by the IESO of each such Co-op Member's personal information contained in or supplementing the Application; and

(2) to the IESO contacting each such Co-op Member for verification purposes; and

(D) from at least 35 Co-op Members that are Property Owners (in the case of a Project that is not a CCSA Eligible Project), or from at least 50 Co-op Members that are Property Owners (in the case of a Project that is also CCSA Eligible Project), either:

(1) a statutory declaration from each Co-op Member in the Prescribed Form attesting that the Co-op Member has been the registered owner of real property in the Municipality in which the Project is located in whole or in part since the date two years prior to the earlier of:

(x) the date of such statutory declaration; and

(y) the applicable Application Start Date,

and continues to own such real property as at the date thereof; or

(2) a statutory declaration of the Applicant together with solicitor's acknowledgement in the Prescribed Form attesting that each Co-op Member has been the registered owner of real property in the Municipality in which the Project is located in whole or in part since the date two years prior to the earlier of:

(x) the date of such statutory declaration; and

(y) the applicable Application Start Date,

and continues to own such real property as at the date thereof.

(iii) In the case of a Municipal Participation Project, a Municipal Participation Project Declaration, comprised of:

(A) a statutory declaration in the Prescribed Form setting out the Municipal Participation Level of such Project; and

(B) written evidence, to the satisfaction of the IESO, documenting such Municipal Participation Level.

(iv) In the case of a Public Sector Entity Participation Project, a Public Sector Entity Project Declaration, comprised of:

(A) a statutory declaration in the Prescribed Form setting out the Public Sector Entity Participation Level of such Project; and

(B) written evidence, to the satisfaction of the IESO, documenting such Municipal Participation Level.

(b) In order to claim a Price Adder, an Applicant or a Supplier must make a claim for a Price Adder and provide the necessary information and documentation to evidence eligibility to receive a Price Adder. Price Adders shall be added to the Contract Price for certain types of Projects as set out in Section 8.1(c) and the applicable Price Schedule. The Price Adder incorporated into a FIT Contract in respect of an Indigenous Participation Project, a Community Participation Project, a Municipal Participation Project or a Public Sector Entity Participation Project will be the Price Adder taking into account the Community Participation Level, Indigenous Participation Level, Municipal Participation Level or Public Sector Entity Participation Level, as set out in the applicable Price Schedule. As provided in Section 8.1(c), in the event that the Participation Level changes following the Contract Date, the Contract Price and Price Adder will be adjusted in accordance with the FIT Contract.

3.12 **Representations and Warranties**

An Applicant will be required to represent and warrant when it submits its Application Form on the Website, in respect of the Project that is the subject of the Application that:

(a) the Applicant has made all due inquiry into requirements to obtain any applicable Renewable Energy Approval and other equivalent environmental assessments, approvals or registrations, including any applicable requirement to register with the Environmental Activity Sector Registry;

(b) the Applicant has, in respect of any applicable Renewable Energy Approval and other equivalent environmental assessments, approvals or registrations, including any applicable requirement to register with the Environmental Activity Sector Registry, read and understood the requirements and has attended at the Site;

(c) for Projects whose Site is not located in whole or in part on provincial Crown lands, the Applicant possesses Access Rights in respect of the Site;

(d) for Projects whose Site is located in whole or in part on provincial Crown lands:

(i) either:

(A) the Applicant has obtained Access Rights or has been awarded Applicant of Record Status for all of the provincial Crown lands on which its Site is located; or

(B) no other Person has been awarded Applicant of Record Status nor obtained Access Rights for any of the provincial Crown lands on which the Applicant's Site is located;

and,

(ii) for any portion of the Site not located on provincial Crown lands, the Applicant possesses Access Rights in respect of such portion of the Site.

(e) for Projects that are not Rooftop Solar Projects, the Site and the Property or Properties on which the Site is located are of sufficient size so as to accommodate the Project and any applicable Setback Requirements;

(f) the Project meets all applicable eligibility requirements in Section 2; and

(g) all statements, documentation, specifications, data, confirmations, representations and information that have been set out in the Application (including, for certainty, the Application Form) and supporting evidence and documentation are complete and accurate in all material respects and there is no material information omitted from the Application or supporting evidence or documentation which would make the information in the Application or supporting evidence or documentation misleading or inaccurate.

3.13 **Additional Important Information**

(a) It is the Applicant's responsibility to provide the IESO with a continuously valid e-mail address for purposes of correspondence related to the FIT Program, which address the Applicant may amend from time to time as necessary by providing written notice to the IESO. An Applicant is responsible for regularly checking its My FIT Home Page for messages and notices from the IESO. The IESO will not be responsible for an Applicant's failure to comply with this provision.

(b) It is the Applicant's responsibility to maintain its user name and password for its registration account (My FIT Home Page). If the Application is submitted by a third party, it is the responsibility of the Applicant to obtain login information and credentials from the third party.

(c) The IESO may provide Application details to the Primary Contact, Owner Contact and Secondary Contact(s). The IESO will only provide Application details to Persons who are not a Primary Contact, Owner Contact or Secondary Contact in accordance with Section 11.

SECTION 4 – EVALUATION PROCESS

4.1 **Overview of Evaluation Process**

The evaluation of Applications received during an Application Period will be conducted by the IESO in five stages as follows:

Stage 1 – Application Requirements: In stage 1, each Application will pass or fail depending on whether the Application was submitted in compliance with the Application submission requirements in Section 3.2 and substantially complied with the requirements in Sections 3.5 to 3.10, inclusive. If an Application initially passes stage 1 and the IESO determines at a later stage that the Application should not have passed stage 1, the Application may be determined at the later stage to have failed stage 1 and will be Terminated.

Stage 2 – Eligibility Requirements: In stage 2, each Application will pass or fail depending on whether the Project described in the Application meets the eligibility requirements as set out in Section 2. If an Application initially passes stage 2 and the IESO determines at a later stage that the Application did not in fact meet the eligibility requirements, the Application may be determined at the later stage to have failed stage 2 and will be Terminated.

Eligibility will be determined based on the information provided in an Application and if Application materials do not establish an Application's eligibility, the Application will not pass this stage 2 and will be Terminated. The IESO intends to map the location of all Projects applied for during an Application Period and may, as a result, request additional information from Applicants to confirm compliance with these FIT Rules, including Sections 2.1(i) and 2.1(j) with respect to Deemed Single Property restrictions. The information that may be requested includes organization charts showing the Applicant and all Applicant Related Persons. The IESO reserves the right, but is not required, to obtain information from third parties, including the LDC, to confirm information provided in an Application.

Stage 3 – Determination of CCSA Eligible Projects and Ranking of all Projects: In stage 3, each Application that passes stage 2 will be evaluated to determine whether the Project described therein qualifies as a CCSA Eligible Project as set out in Section 5 and each Application that passes stage 2 will be awarded Priority Points based on the prioritization process contained in Section 5. Applications will first be ranked in respect of the applicable Contract Capacity Set-Aside by Priority Points and by Time Stamp, and then, for all other Projects, by Priority Points and by Time Stamp.

Stage 4 – Connection Availability for CCSA Eligible Projects: In stage 4, Applications in respect of CCSA Eligible Projects will, in respect of an applicable Contract Capacity Set-Aside, in order of rank (as determined in stage 3), be assessed under the TAT and the DAT, as applicable. An Application will be added to the Offer List or Notice of Eligibility List, as applicable, in accordance with Section 7.1 and subject to these FIT Rules, if the Project described in such Application passes the TAT (and, if applicable, the DAT), and if sufficient availability remains within the applicable Contract Capacity Set-Aside.

This procedure will be repeated until each of the Contract Capacity Set-Asides are fully allocated, provided that, for the First Nation CCSA and the Métis CCSA, the capacity will be allocated as set out in Section 6.6(c) (subject to any constraints contained in Section 6.6(f)) and in the case of unused capacity in the First Nation CCSA or the Métis CCSA, the capacity in such Contract Capacity Set-Aside will be allocated as set out in Sections 6.6(d) or (e), as applicable. Allocation will be subject to a maximum amount of MW applicable to Rooftop Solar Projects on Unconstructed Buildings that are Farm Buildings as set out in Section 6.8.

Stage 5 – Connection Availability for Other Projects: After all Contract Capacity Set-Asides are fully allocated, or there are no remaining Applications in respect of CCSA Eligible Projects, remaining Applications will then in order of rank (as determined in stage 3) be assessed under the TAT and the DAT, as applicable. An Application will be added to the Offer List or Notice of Eligibility List, as applicable, in accordance with Section 7.1, if the Project described in such Application passes the TAT (and, if applicable, the DAT), and if sufficient availability remains within the applicable Procurement Targets and, in the case of Rooftop Solar Projects on Unconstructed Buildings that are Farm Buildings, within the maximum amount of MW as set out in Section 6.8.

4.2 **IESO Rights**

(a) The IESO reserves the right, but is not obligated, to request clarification, additional information, documentation and statements in relation to any Application at any time. Any such requested clarification, additional information, documentation or statements must be submitted to the IESO by e-mail within 10 Business Days of the date of such request, or by such other means and within such other time frame as may be requested by the IESO, failing which the Application may be Terminated as being incomplete. **Except in response to such requested clarification, an Applicant may not supplement, amend, correct or modify its Application in any respect, including by providing the correct Application Fee or Application Security (if applicable), once received by the IESO.**

(b) Notwithstanding Section 4.2(a), in the case of an Application in respect of a Rooftop Solar Project on an Unconstructed Building, the Applicant may make minor modifications to information contained in the Application only insofar as the minor modifications are made to the specifications of the Unconstructed Building and provided that:

(i) the modification does not modify the Project as described in the Application;

(ii) the modification does not change or amend any information that would be included on the FIT Contract Cover Page; and

(iii) notwithstanding the minor modification, the Project described in the Application is and will remain eligible pursuant to Sections 2.1, 2.2, and 2.4.

(c) The IESO reserves the right to Terminate any Application that:

(i) has not complied with the requirements in Section 3.2;

(ii) has not substantially complied with the applicable requirements in Sections 3.5 to 3.10, inclusive;

(iii) does not satisfy all of the applicable eligibility requirements set out in Section 2; or

(iv) does not include information that is satisfactory to the IESO or its advisors in any respect in the IESO's discretion.

As provided in Section 3.5(b), the Application Fee will not be refunded. Termination of an Application by the IESO may take place by notice to the corresponding Applicant at any time following the receipt of such Application by the IESO.

(d) **A decision by the IESO to Terminate any Application shall be final and binding and not subject to appeal or judicial review.**

SECTION 5 – APPLICATION PRIORITIZATION AND RANKING

5.1 Prioritization

(a) Projects described in certain Applications are eligible to be designated as CCSA Eligible Projects. Further, certain Applications are eligible to receive priority points ("**Priority Points**") as set out in the Priority Points Table (Figure 5.1), that, together with Time Stamp, determine an Application's ranking relative to other Applications during the ranking process described in Sections, 5.2 and 5.3. The Applicant may indicate in an Application that it is applying for:

(i) designation as a CCSA Eligible Project; and

(ii) Priority Points in the amounts (and only in the amounts) set out in the Priority Points Table (Figure 5.1).

(b) A Project will only be:

(i) eligible to be a CCSA Eligible Project if requested in the Application and if the Project is determined to be a CCSA Eligible Project by the IESO using the Project Declaration provided by the Applicant; and

(ii) awarded Priority Points which have been requested in the Application if the Project is determined to be eligible by the IESO for the requested Priority Points using the evidence and documentation contained in the Application.

For clarity, an Application in respect of a CCSA Eligible Project is also eligible to be awarded Priority Points.

(c) In order to qualify as a CCSA Eligible Project, if claimed, the Application must include a Project Declaration setting out:

(i) the requisite Participation Level with respect to eligibility as a CCSA Eligible Project; and

(ii) the statutory declarations and evidence required by the appropriate Project Declaration.

(d) In order to qualify as a Community CCSA Project, in addition to the requirements in Section 5.1(c), the Application must contain the consents required by Section 3.11(a)(ii).

(e) Applications in respect of a Municipal or Public Sector Entity Participation Project shall be ineligible to receive Priority Points for a Municipal Council Support Resolution from any Municipality that has an Economic Interest in the Applicant unless such Municipal Council Support Resolution is in the form of a blanket resolution that generally supports Projects utilizing a specific Renewable Fuel.

(f) In order to receive Priority Points under the "Price Reduction Priority Points" category in respect of a Project described in an Application, the Applicant must:

(i) select a Price Reduction in its Application from the Price Reduction Tiers referred to in Section 8.1(b);

(ii) claim the number of Price Reduction Priority Points in its Application that correspond to the Price Reduction Tier selected by the Applicant, as set out in Figure 5.1; and

(iii) include with its Application, security ("**Application Security**") in one of the following amounts:

(A) in the case of an Indigenous Participation Project or a Community Participation Project where the applicable Participation Level as of the date of the Application is greater than 50%,

(1) for Price Reduction Tier one, $15/kW;

(2) for Price Reduction Tier two, $25/kW; or

(3) Price Reduction Tier three, $55/kW; or

(B) in the case of all other Projects,

(1) for Price Reduction Tier one, $20/kW;

(2) for Price Reduction Tier two, $30/kW; or

(3) for Price Reduction Tier three, $60/kW.

(C) in the case where an Applicant submits an Application and Application Security in accordance with Section 5.1(f)(iii)(A), and the IESO determines in its evaluation of the Application that the Indigenous Participation Level or Community Participation Level, as applicable, is equal to or less than 50%, such Applicant will be required to submit to the IESO incremental Application Security in an amount equal to the difference between the dollar amount of the Application Security submitted in accordance with Section 5.1(f)(iii)(A) and the corresponding Price Reduction Tier described in Section 5.1(f)(iii)(B). The IESO will provide a notice to those Applicants who are obligated to submit incremental Application Security. If the IESO receives the correct amount of incremental Application Security within the time period specified in such notice, the IESO will award the Application the applicable Price Reduction Priority Points in respect of the Project described in the Application. If the IESO does not receive the correct incremental Application Security within the specified time period, the Application will not receive the applicable Price Reduction Priority Points in respect of the Project described in the Application.

Application Security, including incremental Application Security, must be in the form of a certified cheque, bank draft, or money order issued by a bank listed in Schedules I, II or III of the *Bank Act* (Canada) and made payable to the "Independent Electricity System Operator" and must be marked "Application Security". It must be separate from the certified cheque, bank draft or money order submitted in respect of the Application Fee. No other forms of Application Security will be accepted. For certainty, the IESO will not accept, for example, cash, personal cheques or business cheques. Payment of the Application Security for multiple Applications may not be combined in one certified

cheque, bank draft or money order. The FIT Reference Number must be marked on the certified cheque, bank draft or money order.

If the Application is accepted and the Applicant is awarded an Offer Notice subject to these FIT Rules, either:

(D) where the Application Security is the same dollar amount as the Completion and Performance Security, the Application Security will be retained by the IESO as the Completion and Performance Security; or

(E) where the Application Security is a different dollar amount than the Completion and Performance Security, the Application Security will be returned to the Owner Contact upon the IESO's receipt of the Completion and Performance Security, in accordance with Sections 7.3(a).

Any interest earned by the IESO on any Application Security provided to the IESO shall be for the sole account of the IESO and the Applicant shall not have any right to such interest. Except as otherwise set out in these FIT Rules (including as set out in Sections 7.3(c) and 12.1(c)), Application Security shall be returned to the Owner Contact at the Owner Contact address specified in the Application in respect of Projects that were not the subject of any Offer Notice. It is the Applicant's responsibility to ensure that the Owner Contact information is kept up to date; the IESO shall not verify the Owner Contact information prior to returning any Application Security. Delivery of Application Security to the Owner Contact shall discharge the IESO's obligations to return, deliver or otherwise account to the Applicant for the Application Security. The Applicant shall comply with the IESO's reasonable instructions to provide contact, banking and other information necessary or appropriate to allow the IESO to return to the Applicant the Application Security. If the Applicant does not comply with the IESO's instructions, or the Owner Contact information is not up to date, or for any other reason the IESO is unable to return the Application Security following reasonable efforts to do so, then after a period of 180 days from the date on which the Offer Notice is revoked or the Application Terminated, the IESO shall be entitled to enforce on and retain the Application Security for its own account and the Applicant shall relinquish all rights to the Application Security**.**

Priority Points received under the "Price Reduction Priority Points" category may be combined with Priority Points under the "Additional Priority Points" category. Applicants who have not selected a Price Reduction shall not be awarded any Priority Points under the "Price Reduction Priority Points" category.

(g) Priority Points will be awarded under the "Additional Priority Points" category in respect of a Project described in an Application as follows:

(i) in order to receive Priority Points under the "Municipal Council Support Resolution" category (as set out in Figure 5.1), the Application must have received the support of all Local Municipalities in which, in whole or in part, the Project is located, evidenced by either:

(A) a Municipal Council Resolution Confirmation of each such Local Municipality to which one of the following is attached, as applicable:

(1) a Project-specific Municipal Council Support Resolution previously issued in respect of a Project for which an Application was submitted under the FIT Rules, Version 4.0.1 that is still in effect; or

(2) a Project-specific Municipal Council Support Resolution adopted in respect of a Project for which an Application was submitted under the FIT Rules, Version 5.0;

or

(B) a Municipal Council Support Resolution in the form of a blanket support resolution, which may include a blanket Municipal Council Support Resolution previously issued under the FIT Rules, Version 4.0.1 that is still valid and has not expired as at the Application Date;

(ii) in order to receive Priority Points under the "Indigenous Support Resolution" category (as set out in Figure 5.1), a Project:

(A) must be located in whole or in part on First Nation Lands or Métis Lands; and

(B) must have received

(1) in respect of Projects located on lands within the meaning of paragraph (a) of the definition of First Nation Lands, the support of all Corresponding First Nation Communities in the form of an Indigenous Support Resolution from each such Corresponding First Nation Community, which Indigenous Support Resolution, for a Project located on First Nation Lands within the meaning in paragraphs (a)(iv), (v) or (vi) of the definition of First Nation Lands, must be accompanied by evidence that the lands meet the definitions contained in such paragraphs;

(2) in respect of Projects located on lands within the meaning of paragraph (b) of the definition of First Nation Lands, the support of all Corresponding First Nation Communities who hold the legal or beneficial title to such First Nation Lands, whether directly or

indirectly, in the form of an Indigenous Support Resolution from each such Corresponding First Nation Community, which Indigenous Support Resolution must be accompanied by evidence that the lands meet the definition of First Nation Lands within the meaning of paragraph (b) of the definition of First Nation Lands;

(3) the support of all Métis Communities who hold the legal or beneficial title to such Métis Lands, whether directly or indirectly, in the form of an Indigenous Support Resolution from each such Métis Community, which Indigenous Support Resolution must be accompanied by evidence that the lands meet the definition of Métis Lands; or

(4) a confirmation in the Prescribed Form that a previously issued FIT Rules, Version 4.0.1 Aboriginal Support Resolution (as defined in the FIT Rules, Version 4.0.1) is still in effect and that the First Nation Community or Métis Community, as applicable, continues to support the Project;

(iii) in order to receive Priority Points under the "Site Host" category (as set out in Figure 5.1), a Project must have a Municipal Site Host, a Public Sector Entity Site Host or an Indigenous Community Site Host.

(h) Within the "Additional Priority Points" category, an Application is only eligible to receive Priority Points in respect of

(i) one type of "Support Resolution" (either a Municipal Council Support Resolution or Indigenous Support Resolution, but not both); and

(ii) one type of "Site Host" (one of a Municipal Site Host, a Public Sector Entity Site Host or an Indigenous Community Site Host but not more than one).

An Application that is eligible to receive Priority Points under the "Support Resolution" category may also be eligible to receive Priority Points under the "Site Host" category.

(i) In order to qualify as a Municipal or Public Sector Entity CCSA Project, the Municipal Participation Level may not be aggregated with the Public Sector Entity Participation Level to achieve the required Participation Level.

FIGURE 5.1: PRIORITY POINTS TABLE

PRICE REDUCTION PRIORITY POINTS	PRIORITY POINTS
Tier One	**1**
Tier Two	**2**
Tier Three	**3**
ADDITIONAL PRIORITY POINTS	**PRIORITY POINTS**
Support Resolution	
Municipal Council Support Resolution	**2**
Indigenous Support Resolution	**2**
Site Host	
Municipal Site Host or Public Sector Entity Site Host	**1**
Indigenous Community Site Host	**1**

NOTE: Restrictions on combining certain Priority Points are contained in Sections 5.1(f) and 5.1(h) above.

5.2 **Ranking of Applications for CCSA Eligible Projects**

The IESO will rank Applications for Projects that are CCSA Eligible Projects based on the following factors:

(a) **Priority Points**: CCSA Eligible Projects (in respect of a particular Contract Capacity Set-Aside) with more Priority Points shall receive a higher ranking within such Contract Capacity Set-Aside than CCSA Eligible Projects with fewer Priority Points; and

(b) **Time Stamp**: For CCSA Eligible Projects (in respect of a particular Contract Capacity Set-Aside) with the same number of Priority Points as other CCSA Eligible Projects, an earlier Time Stamp will be ranked within such Contract Capacity Set-Aside ahead of a later Time Stamp, provided that Applications with the same number of Priority Points and the same Time Stamp, will be ranked randomly.

5.3 **Ranking of Applications for non-CCSA Eligible Projects**

The IESO will rank Applications for Projects that are not CCSA Eligible Projects based on the following factors:

(a) **Priority Points**: Applications in respect of Projects that are not CCSA Eligible Projects (including, for clarity, Projects that would otherwise have been offered FIT Contracts as Contract Capacity Set-Aside Projects but for the relevant Contract Capacity Set-Aside in respect of such Project having been reached) with more Priority Points shall receive a higher ranking than other such Applications having fewer Priority Points; and

(b) **Time Stamp**: For Applications in respect of Projects that are not CCSA Eligible Projects (including, for clarity, Projects that would otherwise have qualified as Contract Capacity Set-Aside Projects but for the Contract Capacity Set-Aside in respect of such Project having been reached) with the same number of Priority Points as other such Applications, Applications that have an earlier Time Stamp will be ranked ahead of Applications that have a later Time Stamp, provided that Applications with the same number of Priority Points and the same Time Stamp, will be ranked randomly.

SECTION 6 – CONNECTION AVAILABILITY ASSESSMENT

6.1 Assessment of CCSA Eligible Projects

Following ranking of Applications in respect of CCSA Eligible Projects pursuant to Section 5.2, such Applications will be assessed, in order of rank, taking into account:

(a) whether there is connection availability based on the Transmission Availability Test (TAT) and the Distribution Availability Test (DAT);

(b) whether the Project would cause an applicable Contract Capacity Set-Aside to be met or exceeded;

(c) the criteria set out in Section 6.6(f) with respect to common Indigenous Participants for Applications; and

(d) in the case of Rooftop Solar Projects on Unconstructed Buildings, whether the MW cap set out in Section 6.8 in respect of Unconstructed Buildings that are Farm Buildings has been or would be exceeded.

6.2 Assessment of Other Projects

Following ranking of remaining Applications pursuant to Section 5.3, such Applications will be assessed, in order of rank, as to:

(a) whether there is connection availability based on the TAT and the DAT;

(b) whether the Project would cause an applicable Procurement Target to be met or exceeded; and

(c) in the case of Rooftop Solar Projects on Unconstructed Buildings, whether the MW cap set out in Section 6.8 in respect of Unconstructed Buildings that are Farm Buildings has been or would be exceeded.

6.3 Connection Availability

Following the ranking of Applications pursuant to Sections 5.2 and 5.3, the IESO will complete the connection availability assessment. All interested Applicants are urged to consult with the applicable LDC or Transmitter prior to submitting an Application. The IESO, in consultation with the System Operator, applicable LDCs, applicable Transmitters and other agencies and stakeholders as appropriate, may publish on the Website from time to time transmission availability tables, which are intended as a guide.

The IESO reserves its discretion to determine whether an Application can pass the TAT and, if applicable, the DAT.

6.4 Transmission Availability Test

The TAT is a process to screen Applications for their impact on the IESO-Controlled Grid. The TAT includes considerations for all prior IESO contracts, prior Applications that have been processed, system capacity allocated to other IESO programs and any other generating facilities that are existing, committed or are the subject of a ministerial direction. The TAT is a screening process and as such it does not ensure ability to connect the Project.

6.5 Distribution Availability Test

The DAT is a process to screen Applications for their impact on the relevant Distribution System. The DAT includes considerations for the TAT, all prior IESO contracts, prior Applications that have been processed and any other generating facilities that are existing, committed or are the subject of a ministerial direction. The DAT is a screening process and as such it does not ensure ability to connect the Project.

6.6 Contract Capacity Set-Asides

(a) Contract Capacity Set-Asides shall apply with respect to an Application Period and any such Contract Capacity Set-Aside will establish the maximum amount of MW that will be procured during an Application Period in respect of such Contract Capacity Set-Aside. Applications may be added to the Offer List (and for purposes of this paragraph (a), Offer List includes Notice of Eligibility List) until the applicable Contract Capacity Set-Aside is reached with respect to the aggregate of the proposed Contract Capacity of the Projects that are the subject of such Applications. Subject to the IESO's discretion whether to add an Application to the Offer List where such addition would cause the applicable Contract Capacity Set-Aside to be exceeded, no Applications will be added to the Offer List where such addition exceeds the applicable Contract Capacity Set-Aside.

(b) If an Offer Notice is issued in respect of any such Application, the IESO shall designate such Project described in the Application to be a Contract Capacity Set-Aside Project, subject to entry into the FIT Contract, and shall so indicate on the corresponding Offer Notice or Notice of Eligibility, as applicable, by checking the box next to "Contract Capacity Set-Aside Project" on the FIT Contract Cover Page forming part of such notice.

(c) In respect of an Application Period, the IESO shall apportion the Indigenous CCSA as follows:

(i) the First Nation CCSA shall be equal to two thirds of the MW allocated to the Indigenous CCSA and shall be reserved for First Nation CCSA Projects; and

(ii) the Métis CCSA shall be equal to one third of the MW allocated to the Indigenous CCSA and shall be reserved for Métis CCSA Projects.

(d) If the First Nation CCSA is not fully allocated in an Application Period, the remainder of such First Nation CCSA that is not allocated may be allocated to the Métis CCSA in respect of such Application Period.

(e) If the Métis CCSA is not fully allocated in an Application Period, the remainder of such Métis CCSA that is not allocated may be allocated to the First Nation CCSA in respect of such Application Period.

(f) For an Application Period, and only for Applications for CCSA Eligible Projects in respect of the First Nation CCSA or the Métis CCSA, as the case may be, an Application (in this paragraph the "**Subject Application**") will not be added to the Offer List (and for purposes of this paragraph (f), Offer List includes Notice of Eligibility List):

(i) where such Subject Application has an Indigenous Participant in common with another Application that has already been added to the Offer List unless and until;

(ii) every other Application that has no Indigenous Participants in common with such Subject Application:

(A) is added to the Offer List;

(B) has failed the TAT or, if applicable, the DAT; or

(C) would have been added to the Offer List had it not had an Indigenous Participant in common with another Application and was ineligible for the Offer List as a result of Section 6.6(f)(i);

in which case such Applications that have not been added to the Offer List and that have not failed the TAT or, if applicable, the DAT shall be assessed in order of rank regardless of the identity of their Indigenous Participants, subject to the provisions of Sections 6.6(a) to (e).

6.7 **Procurement Targets**

Procurement Targets shall apply with respect to an Application Period and the Procurement Target will establish the maximum amount of MW that will be procured during an Application Period. Offer Notices (and for purposes of this Section 6.7, Offer List includes Notice of Eligibility List) may be issued for Applications until the applicable Procurement Target is reached with respect to the aggregate of the proposed Contract Capacity of the Projects that are the subject of such Applications. Subject to the IESO's discretion whether to issue any Offer Notice in respect of a Project that would cause the applicable Procurement Target to be exceeded, no Offer Notices will be issued for Projects that exceed the Procurement Target.

6.8 **Cap for Rooftop Solar Projects on Unconstructed Buildings that are Farm Buildings**

The maximum amount of MW that will be procured during an Application Period for Rooftop Solar Projects on Unconstructed Buildings, where the Unconstructed Building is

a Farm Building, will be 5 MW. Notices of Eligibility may be issued for Applications until such 5 MW cap is reached with respect to the aggregate of the proposed Contract Capacities of the Projects that are the subject of such Applications. Subject to the IESO's discretion whether to issue any Notices of Eligibility in respect of a Project that would cause the 5 MW cap to be exceeded, no Notices of Eligibility will be issued for Projects that exceed the 5 MW cap.

SECTION 7 – FIT CONTRACT OFFER AND ACCEPTANCE

7.1 Offer List

Following the assessments described in Section 6, the IESO shall post on the Website (i) a list of all Applicants (other than Applicants for a Rooftop Solar Project on an Unconstructed Building) whose Application Forms were received during an Application Period and who are to receive an Offer Notice (the "**Offer List**"), and (ii) a list of all Applicants for a Rooftop Solar Project on an Unconstructed Building whose Application Forms were received during an Application Period and who are to receive a Notice of Eligibility (the "**Notice of Eligibility List**"). Applicants appearing on neither the Offer List nor the Notice of Eligibility List will not receive an Offer Notice or Notice of Eligibility, as applicable, and their Application(s) will be Terminated.

7.2 Offer Notice (all Projects except Rooftop Solar Projects on Unconstructed Buildings)

(a) In accordance with Section 7.1, the IESO will provide a notice of offer (the "**Offer Notice**") to an Applicant whose name appears on the Offer List. Enclosed with the Offer Notice will be the offered FIT Contract documents in respect of the Project, based the information set out in the Application, and such Offer Notice will indicate whether such Application has been determined by the IESO to be a Contract Capacity Set-Aside Project pursuant to Section 6.6. The Contract Price and Price Adder (if applicable) shall be established in accordance with Section 8.1.

(b) For Applicants who did not receive an Offer Notice (other than Applicants for a Rooftop Solar Project on an Unconstructed Building whose name appears on the Notice of Eligibility List and are subject to Section 7.4) in respect of a Project that was the subject of an Application whose Application Form was submitted during an Application Period, the Application will be Terminated and Application Security will be returned in accordance with Section 5.1(f).

(c) An Applicant referred to in Section 7.2(b) may submit a new Application in respect of such Project, or any other Project, during a subsequent Application Period in accordance with the FIT Rules.

7.3 Offer Acceptance

(a) An Applicant will have 20 Business Days from the date of the Offer Notice to accept the offered FIT Contract. An Applicant may accept and enter into the FIT Contract by printing and executing the FIT Contract documents and delivering the executed FIT Contract documents, together with the required Completion and Performance Security (unless the IESO has accepted the Application Security as

the Completion and Performance Security in accordance with Section 5.1(f)(iii)(D)), to the IESO in accordance with the instructions in the Offer Notice.

(b) Upon receipt of the executed FIT Contract documents and the required Completion and Performance Security (unless the IESO has accepted the Application Security as the Completion and Performance Security in accordance with Section 5.1(f)(iii)(D)), the IESO will return the Application Security, if any, to the Owner Contact within 15 Business Days.

(c) If the IESO does not receive the executed FIT Contract documents and the required Completion and Performance Security within 20 Business Days from the date of the Offer Notice, the Application shall be deemed to have been withdrawn and the Offer Notice shall be revoked. In such case, where the Application is in respect of a Project for which Priority Points for a Price Reduction have been requested and awarded, then the IESO shall be entitled to draw on and retain for its own account the full amount of the Application Security as liquidated damages and not as a penalty.

7.4 **Notice of Eligibility (Rooftop Solar Projects on Unconstructed Buildings)**

(a) In accordance with Section 7.1, the IESO will provide a notice of eligibility (the "**Notice of Eligibility**") to an Applicant for a Rooftop Solar Project on an Unconstructed Building whose name appears on the Notice of Eligibility List, which notice will indicate that the Applicant will have 120 days from the date of the Notice of Eligibility to deliver the following documents to the IESO in accordance with the instructions in the Notice of Eligibility:

(i) for the Unconstructed Building specified in the Application:

(A) where the Unconstructed Building is the subject of the building permitting authority of a Municipality:

(1) a copy of the building permit application; and

(2) a copy of the approved building permit; and

(B) where the Unconstructed Building is not the subject of the building permitting authority of a Municipality, either:

(1) (x) a copy of an application for a letter of conformity, a zoning conformity permit or equivalent, and (y) a letter of conformity, a zoning conformity permit or equivalent; or

(2) if Section 7.4(a)(i)(B)(1) immediately above is not applicable, evidence of conformity with the applicable building code or standard; and

(ii) a declaration in the Prescribed Form that the approved building permit, letter of conformity, zoning conformity permit or equivalent, as the case

may be, is for the Unconstructed Building as specified in the Application.

(b) If, and only if, the IESO receives all of the required documentation set out in Section 7.4(a)(i) and (ii) within the 120-day period, the IESO will provide an Offer Notice to the Applicant. Enclosed with the Offer Notice will be the offered FIT Contract documents in respect of such Project, based on the information set out in the Application, and the Offer Notice will indicate whether such Application has been determined by the IESO to be a Contract Capacity Set-Aside Project pursuant to Section 6.6. The Contract Price and Price Adder (if applicable) shall be established in accordance with Section 8.1. An Applicant who receives an Offer Notice pursuant to this Section 7.4(b) shall be subject to Sections 7.3(a), (b) and (c).

(c) If the IESO does not receive the documentation required to be provided pursuant to Section 7.4(a)(i) and (ii) from the Applicant within 120 days of the date of the Notice of Eligibility, the Application shall be deemed to have been withdrawn and the Notice of Eligibility shall be revoked and the IESO shall be entitled to draw on and retain for its own account the full amount of the Application Security as liquidated damages and not as a penalty.

(d) For Applicants who did not receive an Offer Notice in accordance with Section 7.4(b) in respect of a Project that was the subject of an Application whose Application Form was submitted during an Application Period, the Application will be Terminated and Application Security will be returned in accordance with Section 5.1(f).

(e) An Applicant referred to in Section 7.4(d) may submit a new Application in respect of such Project, or any other Project, during a subsequent Application Period in accordance with the FIT Rules.

(f) For greater certainty, for the purposes of Section 6.1(f) of the FIT Contract, where minor modifications are made to the specifications of an Unconstructed Building in accordance with Section 4.2(b), the modified specifications of such Unconstructed Building shall not be considered to have materially differed from the corresponding specifications as set out in the Application or supporting evidence and documentation.

7.5 Form of FIT Contract

The FIT Contract in its most recent standardized form will be as published on the Website from time to time at the IESO's discretion.

7.6 Rooftop Solar Project Portfolio MCOD Extension

An Applicant that has entered into multiple FIT Contracts that qualify as a Rooftop Portfolio will have the option to extend the Milestone Date for Commercial Operation to 36 months following each Contract Date, as provided in the FIT Contract. Rooftop Solar Projects on Unconstructed Buildings do not qualify for inclusion in a Rooftop Portfolio.

7.7 MCOD Extension for Projects on Certain First Nation Lands

Except for Applications in respect of Rooftop Solar Projects and waterpower Projects, where an Applicant indicates in the Prescribed Form that the Application is in respect of a Project for which the Site is located wholly on lands within the meaning of paragraph (a) of the definition of First Nation Lands, the MCOD will be extended to a date that is five (5) years after the Contract Date ("**First Nation Lands Extended MCOD**"). For clarity, for each such Project, subject to the terms of the applicable FIT Contract, the Milestone Date for Commercial Operation shall be five years following the Contract Date.

7.8 Resolving Inconsistencies

For greater certainty, to the extent that there is any inconsistency between these FIT Rules and the FIT Contract, the FIT Contract shall prevail.

SECTION 8 – CONTRACT PRICING

8.1 Determination of Price

(a) The FIT Program establishes long-term pricing for Hourly Delivered Electricity from Facilities. The IESO will post the Price Schedules for the FIT Program on the Website, and will revise them in accordance with Section 10. Any revision to the Price Schedules shall not affect FIT Contracts executed prior to the date of such revision. The Price Schedules will set out the Base Prices and Price Adders. The Contract Price applicable in respect of a FIT Contract shall be the Base Price (in the applicable Price Schedule, as posted on the Website, on the date of publication of the Offer List that contains the Application corresponding to such FIT Contract), less any applicable Price Reduction.

(b) Applicants will have the opportunity in the Application Form to select a Price Reduction corresponding to one of three price reduction tiers (each a "**Price Reduction Tier**") as set out in the Price Schedule, as posted on the Website. Those Applicants that have selected a Price Reduction in the Application Form are eligible to receive Price Reduction Priority Points corresponding to the Price Reduction Tier selected as described in Section 5.1(f). Should an Applicant be issued an Offer Notice for a Project whose Application Form indicated a Price Reduction, the resulting Contract Price will be the Base Price reduced by the percentage indicated in the selected Price Reduction Tier.

(c) Price Adders shall be added to the Contract Price for certain types of Projects as set out in the applicable Price Schedule. The Price Adder incorporated into a FIT Contract in respect of an Indigenous Participation Project, a Community Participation Project, a Municipal Participation Project or a Public Sector Entity Participation Project will be the Price Adder taking into account the Community Participation Level, Indigenous Participation Level, Municipal Participation Level or Public Sector Entity Participation Level. In the event that the Participation Level changes following the Contract Date, the Contract Price and Price Adder will be adjusted in accordance with the FIT Contract.

(d) Projects that use Renewable Biomass, Biogas, landfill gas or waterpower as their Renewable Fuel will receive a time differentiated price under the FIT Contract. For all Hourly Delivered Electricity, such Suppliers will receive the price as otherwise determined in accordance with this Section 8, multiplied by the Peak Performance Factor for the corresponding hour. The application of the Peak Performance Factor will result in higher payments during On-Peak Hours and lower payments during Off-Peak Hours to encourage such Projects to schedule their production during On-Peak Hours to the extent practicable.

8.2 Price Escalation

For certain Renewable Fuels, the Price Schedule provides for an annual escalation of a specified percentage of the Total Contract Price on the basis of increases in the CPI. In these instances, following the Commercial Operation Date, a specified percentage of the Contract Price shall be subject to escalation on the basis of cumulative increases in the CPI. This annual escalation, where applicable, will be calculated in accordance with Exhibit B of the FIT Contract and the IESO shall establish adjusted prices applicable for each calendar year regardless of the Contract Date. For greater certainty, the application of the Contract Price escalation provisions shall not result in a Contract Price in any year that is less than the Contract Price applicable in the previous year.

8.3 Other Factors

The LDC will pay all Sales Taxes exigible on all amounts payable to a Supplier pursuant to a FIT Contract. The Supplier shall remain liable for all Taxes other than Sales Taxes in respect of the Facility. For greater certainty, Applicants are solely responsible for ensuring compliance with "Debt Retirement Charge" requirements under O Reg 493/01 and 494/01 made under the Electricity Act.

SECTION 9 – OVERVIEW OF SETTLEMENT

9.1 Settlement

(a) In the case of a Facility that is not a Registered Facility and is connected to either a Distribution System or to a Host Facility that is also not a Registered Facility, the Supplier will be paid any amounts owing under the FIT Contract through settlement between the Supplier and the applicable LDC on a periodic basis in accordance with the applicable LDC's monthly, quarterly or other periodic billing cycle.

(b) For a Registered Facility or a Behind-the-Meter Facility that has one or more Registered Facilities connected between it and the IESO-Controlled Grid, the payments to the Supplier under the FIT Contract shall be subject to the following:

(i) the payment will be adjusted by subtracting the greater of the Hourly Ontario Energy Price and zero in respect of all Hourly Delivered Electricity to account for payments made in accordance with the IESO Market Rules; and

(ii) the IESO will pay the Supplier or the Supplier will pay the IESO, as applicable, any amounts owing under the FIT Contract by direct settlement.

9.2 **Alternate Settlement Arrangements**

The IESO reserves the right at its discretion to make alternate settlement arrangements in respect of the entire FIT Program or in respect of one or more Projects or LDCs at any time and from time to time. Notwithstanding other parties being involved in the settlement process, the IESO shall remain liable to the Supplier for the Contract Payments.

SECTION 10 – PROGRAM REVIEW AND AMENDMENTS

The IESO intends to review and Amend as necessary the FIT Program, the FIT Rules, the form of FIT Contract (which, for greater certainty, shall not affect any executed FIT Contracts) and the Price Schedule annually. The IESO may make additional Amendments in response to ministerial directions, changes in Laws and Regulations, significant changes in market conditions or other circumstances as determined by the IESO in its discretion.

SECTION 11 – CONFIDENTIALITY

(a) All information provided by or obtained from the IESO in any form in connection with the FIT Program, either before or after the execution of a FIT Contract, that is not otherwise publicly available is the sole property of the IESO and must be treated as confidential, and

(i) is not to be used for any purpose other than applying to participate in the FIT Program and the performance by the Supplier of its obligations under the FIT Contract;

(ii) must not be disclosed without the prior written authorization of the IESO, other than to the Applicant's or Supplier's partners, advisors, Connecting Authority, System Operator, OEB, contractors, and Secured Lenders, provided the Disclosing Party obtains similar confidentiality commitments from such third parties; and

(iii) shall be returned by the Applicant, Supplier or third party (as applicable) to the IESO immediately upon request of the IESO.

(b) Information provided by an Applicant or a Supplier is subject to, and may be released in accordance with, the provisions of the FIPPA. Notwithstanding any confidentiality statement provided by the Applicant or Supplier, the IESO may be required to disclose information which is provided to the IESO by an Applicant or Supplier and is otherwise not protected from disclosure through an exemption in FIPPA or any other applicable legislation, regulation or policy. Applicants should not assume that such an exemption is available.

(c) Information provided by an Applicant in relation to a Project, including technology, Contract Capacity, location, date, status within the FIT Program and

name of Applicant, contact name and contact phone number and whether the Project is a CCSA Eligible Project, Community Participation Project, Indigenous Participation Project, Municipal Participation Project or a Public Sector Entity Participation Project, may be disclosed by the IESO on the Website or otherwise, and such disclosure may be made on an individual basis, or as aggregated with information provided by other Applicants.

(d) Applicants are advised that their Applications will, as necessary, be disclosed on a confidential basis to the IESO's counsel, consultants, System Operator, Transmitters, LDCs, the Government of Ontario (including the MNRF), and advisors retained for the purpose of administration of the FIT Program.

(e) Each Applicant or Supplier irrevocably authorizes and consents to the System Operator and LDC releasing, disclosing, providing, delivering and otherwise making available to the IESO or its agents, successors and assigns, any and all such information relating to connections, proposed connections, meters, meter data, testing data pertaining to commercial operation, billing data, load data for buildings on which a Project or Facility is proposed to be located or is located and LDC account or Metered Market Participant account (as applicable) of the Applicant, Supplier, Project or Facility as the IESO, its agents, successors or assigns may advise is required in connection with the evaluation, offer and administration of an Application or FIT Contract under the FIT Program.

SECTION 12 – ADDITIONAL RULES

12.1 Assignment and Change of Control

(a) An Applicant shall not assign its Application to another Person (including by way of amalgamation or by operation of law).

(b) An Applicant may not be the subject of a change of Control (including by way of amalgamation or by operation of law).

(c) If an Applicant violates any provision of this Section 12.1, the IESO shall be entitled to Terminate the Application and draw on the full amount of any Application Security as liquidated damages and not as a penalty, and if an Applicant is offered and enters into a FIT Contract, such violation may be a breach of the FIT Contract.

12.2 Project Splitting and Real Property Severance

(a) Proposed Renewable Generating Facilities shall not be divided into smaller Projects for the purpose of obtaining a higher Contract Price, circumventing the eligibility requirements set out in Section 2, or obtaining any other benefit under the FIT Program. If the IESO determines in its discretion that a proposed Renewable Generating Facility has been divided into smaller Projects, it may (i) Terminate all Applications in respect of such Projects, (ii) apply the Contract Price to such Projects that would have applied had all such Projects been the subject of a single Application, or (iii) take such other action as it may determine. For the purpose of determining whether a proposed Renewable Generating Facility has been divided into smaller Projects, the IESO may request additional

information and consider factors including whether the Applicants in respect of such Projects are the same Person or Applicant Related Persons, the relative locations of such Projects and the Renewable Fuel(s) used by such Projects. As such, the additional information the IESO requests may include organizational charts showing the structure of the Applicants and the relationships of all Applicant Related Persons.

(b) Properties on which Projects or Sites are located or proposed to be located, and Properties Abutting such Properties, may not be severed, split or subdivided where the purpose of such severance, splitting or subdivision is, in the discretion of the IESO, to avoid or circumvent the eligibility requirements set out in Section 2.1. If the IESO determines in its discretion that any such Property has been so severed, split or subdivided, it may Terminate the corresponding Application or take such other action as it may determine.

12.3 **General**

(a) The IESO shall not be obligated in any manner whatsoever, or have any liability, to any Person who is an Applicant or potential Applicant unless and until a FIT Contract is executed with such Person, and only in accordance with the terms of such FIT Contract, save and except as expressly set out in these FIT Rules.

(b) At no time may an Applicant amend any portion of the Application, except the "Contact Details" portion of the Application Form, subject to a request by the IESO under Section 4.2(a).

(c) The IESO shall not be liable to pay any Applicant's costs or expenses under any circumstances. In particular, the IESO will not reimburse the Applicant in any manner whatsoever in the event of Termination of any or all Applications for any reason or in the event of the cancellation or suspension of the FIT Program or any part thereof at any time. By submitting an Application, the Applicant irrevocably and unconditionally waives any Claims against the IESO relating to the Applicant's costs and expenses including costs in relation to satisfying the Project eligibility criteria described in Section 2, the Application requirements described in Section 3, the Application Fee and any costs associated with delivering any applicable Application Security.

(d) Notwithstanding anything contained in these FIT Rules, the IESO reserves the right, in its discretion, to Terminate any Application in whole or part whether or not it has met the Application requirements described in Section 3, met the eligibility requirements or passed the TAT or the DAT, and whether or not it contains all necessary information and reserves the right to discuss different or additional proposals to those included in any Application.

(e) Notwithstanding any other provision in these FIT Rules, the IESO shall be entitled to draw on and retain for its own account, as liquidated damages and not as a penalty, the full amount of the Application Security, where applicable, in the following circumstances:

(i) where an Applicant (other than an Applicant who is a Natural Person) is no longer legally capable of executing a FIT Contract, including by

reason of dissolution, winding-up, insolvency or bankruptcy, and has no successors or assigns as permitted herein. In the event that an Applicant who is a Natural Person becomes legally incapable or deceased prior of executing a FIT Contract, the Application Security, if any, shall be returned to the Owner Contact or the Owner Contact's estate, as the case may be;

(ii) where the IESO Terminates an Application due to material misrepresentation by the Applicant, a material omission which makes information submitted by the Applicant materially misleading or inaccurate, or any material non-compliance with the FIT Rules by the Applicant; or

(iii) in the circumstances described in Sections 7.3(c), 7.4(c) and 12.1(c).

In all other circumstances where an Application is Terminated or a FIT Contract is not entered into, except as otherwise expressly provided herein, the IESO shall return the Application Security, if any, to the Applicant.

(f) The IESO reserves the right to cancel all or any part of the FIT Program at any time and for any reason or to suspend the FIT Program in whole or in part for any reason for such period of time as the IESO shall determine in its discretion, in each case without any obligation or any reimbursement to the Applicants. In the event that the FIT Program is cancelled, the IESO shall return the full amount of any Application Security to those Applicants.

(g) Each Applicant shall be solely responsible for its own costs and expenses relating to the preparation and submission of its Application and the development of the Project, whether or not an Application is accepted or Terminated or the FIT Program is suspended, revoked, amended or revised. Under no circumstances whatsoever shall the IESO be liable for any claims for compensation or damages, including any indirect, punitive or consequential damages associated with the Applicant's submission of an Application or participation in the FIT Program, except for the return of Application Security as expressly provided in these FIT Rules, if applicable.

(h) The IESO may verify with any Applicant or with any third party any information set out in an Application.

(i) The IESO may at any time make changes to these FIT Rules, the form of FIT Contract, the Price Schedule or the FIT Program (including substantial changes or a suspension or Termination of the FIT Program), without any liability whatsoever to Applicants or prospective Applicants, except for the return of Application Security, if applicable.

(j) The IESO shall not be liable for any delays in processing, reviewing, accepting or Terminating an Application or providing an Offer Notice or Notice of Eligibility, as applicable, in respect thereof.

(k) The IESO reserves the right, in its discretion, to waive any informality, irregularity or non-compliance with respect to an Application or an Applicant's

compliance with these FIT Rules, including by extending any deadline set out in these FIT Rules, which for clarity may be any deadline affecting the IESO or the Applicant.

(l) The acceptance by the IESO of an Application or the issuance of an Offer Notice or Notice of Eligibility, as applicable, by the IESO to an Applicant shall not be construed as:

(i) evidence that the IESO has accepted the authenticity or sufficiency of the Application and its supporting documentation; or

(ii) a waiver of or bar to any of the IESO's rights under these FIT Rules or otherwise.

(m) The rights reserved to the IESO in these FIT Rules are in addition to any other express rights or any other rights which may be implied in the circumstances, and the IESO shall not be liable for any Claim, losses, damages, liabilities, penalties, obligations, payments, costs and expenses, costs, losses or any direct or indirect damages incurred or suffered by any Applicant or any third party resulting from the IESO exercising any of its express or implied rights under the FIT Program, including the right to exercise its discretion hereunder. In submitting an Application, each Applicant agrees that it waives any rights it may have to bring a Claim or otherwise as against the IESO for failing to issue the Applicant an Offer Notice or Notice of Eligibility, as applicable, or issuing an Offer Notice or Notice of Eligibility, as applicable, to another Applicant.

(n) In submitting an Application, each Applicant shall agree that, in no circumstances shall it be entitled to recover any damages as against the IESO in an amount greater than the Application Fee, whether such claim for damages arises in contract, warranty, equity, negligence, intended conduct, detrimental reliance or otherwise, including any action or claim arising from the acts or omissions, negligent or otherwise, of the IESO, and including any claim by the Applicant that the IESO has failed to comply with these FIT Rules.

(o) By submitting an Application, the Applicant authorizes the collection by the IESO of the information set out in the Application and otherwise collected in accordance with the terms hereof, and the use of such information for the purposes set out in or incidental to these FIT Rules and the FIT Contract, and for the purpose of offering, managing and directing the FIT Program generally.

(p) Despite anything contained in these FIT Rules or in the FIT Contract, Applicants are solely responsible for ensuring the technical, regulatory and financial viability of their Projects, and the IESO shall have no responsibility whatsoever to independently assess the viability of any Application or Project nor any liability whatsoever in the event that a Project turns out not to be viable in any respect.

(q) Applications and all Application materials shall become the property of the IESO once submitted and will not be returned to Applicants. Applicants should retain a copy of all submitted materials for their records.

12.4 **Interpretation**

(a) **Consent**. Whenever a provision requires an approval or consent and the approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

(b) **Currency**. Unless otherwise specified, all references to money amounts are to the lawful currency of Canada.

(c) **Discretion**. Where the IESO may take an action or make a determination under these FIT Rules, the decision to take such action or make such determination shall be at the IESO's sole and absolute discretion. Any reference to the IESO's discretion in these FIT Rules shall mean the IESO's sole and absolute discretion.

(d) **Extensions of time**. The IESO may extend the time to meet the requirements of these FIT Rules at its discretion. Any such extension of time shall only be valid and binding on the IESO if provided in writing by an authorized representative of the IESO. Any failure to meet the revised time requirement shall have the same consequences as if the original time requirement had not been met.

(e) **Governing Law**. These FIT Rules are made under and shall be governed by and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

(f) **Headings**. Headings of Sections are inserted for convenience of reference only and do not affect the construction or interpretation of these FIT Rules. References to Sections means Sections of these FIT Rules, unless otherwise specified.

(g) **No Strict Construction**. Despite the fact that these FIT Rules were drafted by the IESO's legal and other professional advisors, Applicants submitting Applications acknowledge and agree that any doubt or ambiguity in the meaning or application of any term or provision in these FIT Rules shall not be construed against the IESO in favour of the Applicant when interpreting such term or provision, by virtue of such fact.

(h) **Notice**. No Person may provide any notices or otherwise communicate with the IESO in respect of an Application other than the Owner Contact, Primary Contact or Secondary Contact(s), provided that a duly authorized signatory of the Applicant may enter into a FIT Contract that is offered in accordance with Section 7, if any, in relation to such Application and the IESO may communicate with the duly authorized signing authority in respect of the Application and FIT Contract.

(i) **Number and Gender**. Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

(j) **Statutory References**. A reference to a statute includes all regulations and rules made pursuant to the statute and, unless otherwise specified, the provisions of

any statute, regulation or rule which amends, supplements or supersedes any such statute, regulation or rule.

(k) **Time Periods**. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.