

ENERGY PARTNERSHIPS PROGRAM (EPP)

PARTNERSHIP RULES

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EPP Program resources available at:
www.ieso.ca/epp

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SECTION 1 INTRODUCTION

1.1 Overview of the Energy Partnerships Program

On November 21, 2014, the Minister of Energy directed (the “**Direction**”) the IESO to improve and consolidate the Community Energy Partnerships Program (“**CEPP**”), the Municipal and Public Sector Energy Partnerships Program (“**MPSEPP**”), the Aboriginal Renewable Energy Fund (“**AREF**”), and the Aboriginal Transmission Fund Program (“**ATF**”).

In accordance with the Direction, the IESO launched the Energy Partnerships Program (“**EPP**”) on June 13, 2016. The EPP consists of two funding streams:

- (i) the Partnership Stream; and
- (ii) the Project Development Stream, which includes the Remote Projects Development Sub-stream.

The objective of the EPP is to support the participation of First Nation and Métis Communities, Municipalities, Co-operatives and Public Sector Entities in Ontario’s energy sector by:

- (a) assisting all of the above-noted groups financially in developing renewable energy projects under the FIT Program through funding under the Project Development Stream;
- (b) assisting all of the above-noted groups financially in assessing and developing partnerships to develop renewable energy projects under the FIT Program through funding under the Partnership Stream;
- (c) assisting, in particular, First Nation and Métis Communities financially in assessing and developing partnerships to participate in the Large Renewable Procurement and in future, planned, major transmission lines in Ontario, all through funding under the Partnership Stream; and
- (d) making funding available to Identified Remote First Nations Communities for the development of energy projects to offset diesel use in their respective communities (“**Remote Projects**”) through funding under the Remote Projects Development Sub-stream.

The following table sets out a summary of the Applicant Types and Project Types that are eligible for funding under each of the EPP funding streams.

FUNDING STREAMS	APPLICANT TYPES AND PROJECT TYPES	
	First Nation and Métis Communities	Municipalities, Co-operatives and Public Sector Entities
PARTNERSHIP STREAM Funding Eligible Expenses relating to due diligence required to assess and develop opportunities for participation, through Project Partnerships, in FIT Projects and, if applicable, LRP Projects and Identified Transmission Projects	FIT Projects LRP Projects Identified Transmission Projects	FIT Projects
PROJECT DEVELOPMENT STREAM	FIT Projects	FIT Projects

FUNDING STREAMS	APPLICANT TYPES AND PROJECT TYPES	
Funding Eligible Expenses associated with developing renewable energy projects under the FIT Program		
REMOTE PROJECTS DEVELOPMENT SUB-STREAM Funding Eligible Expenses associated with undertaking work in respect of Remote Projects	Remote Projects (only Identified Remote First Nations Communities are eligible)	

The IESO’s support programs (the "**Support Programs**"), comprised of the EPP, the Aboriginal Community Energy Plan Program (the "**ACEP**"), and the Education and Capacity Building Program ("**ECB**"), will have a total budget of \$10 million per calendar year (the "**Support Programs Budget**"). Applications will be subject to the Support Programs Budget in effect as of the date the Application is submitted to the IESO.

For additional information on the history of the Support Programs and predecessor support programs, please visit the Website.

1.2 The Partnership Stream - Overview

The EPP’s partnership stream (the "**Partnership Stream**") will support:

- (i) First Nation and Métis Communities in assessing and developing Project Partnerships for the purpose of developing renewable energy projects under both the FIT Program and LRP ("**Renewable Energy Projects**"), as well as for developing Identified Transmission Projects; and
- (ii) Municipalities, Co-ops and Public Sector Entities in assessing and developing Project Partnerships for the purpose of developing FIT Projects.

Under the Partnership Stream, funding is provided for costs related to conducting legal, technical and financial due diligence activities to assess and develop Project Partnerships.

To be eligible to apply for Partnership Stream funding, an Applicant must be one of the following Applicant Types and be pursuing one or more of the following Project Types:

APPLICANT TYPE	PROJECT TYPES:		
	FIT Projects	LRP Projects	Identified Transmission Projects
First Nation and Métis Communities	●	●	●
Municipalities, Co-operatives and Public Sector Entities	●		

A Legal Entity wholly-owned and Controlled only by a Person or Persons that constitute the same Applicant Type may be eligible to apply to the Partnership Stream, in the sole and absolute discretion of the IESO, but only in respect of the Project Types for which that Applicant Type is eligible.

A Legal Entity that is jointly owned and Controlled only by Persons:

- (a) that are at Arm’s Length from each other;
- (b) that are different Applicant Types; and
- (c) each of which is a First Nation and Métis Community, Municipality, Co-op, or Public Sector Entity;

may be eligible to apply to the Partnership Stream in respect of a Project Partnership relating to a FIT Project only. The eligibility of any such Applicants shall be in the sole and absolute discretion of the IESO. Any such Applicants will be required to meet the Mandatory Eligibility Requirements and the Mandatory Application Requirements applicable to each applicable Applicant Type. For clarity, the IESO is permitted, in its sole and absolute discretion, to accept an Application by a Legal Entity that is jointly owned and Controlled by Persons that are not at Arm’s Length or otherwise does not meet the above criteria.

In recognition that Applicants may be working collaboratively, two or more Applicants that are at Arm’s Length and each meet the Mandatory Eligibility Requirements (“**Joint Applicants**”, and each individually a “**Joint Applicant**”) may submit an Application together (a “**Joint Application**”) for funding in relation to the same Project Partnership.

In addition to complying with all other requirements set out in the Partnership Rules, a Joint Application submitted by Joint Applicants must:

- (a) be signed by an authorized representative from each Joint Applicant; and
- (b) designate a main contact (a “**Lead Applicant**”) who will, subject to Section 8.1(f), represent all Joint Applicants for the purposes of notices and other communications, instructions and funding.

For clarity, Joint Applicants will be treated as, and will be subject to the Maximum Funding Amount applicable to, a single Applicant, and will not be eligible to receive additional funding by virtue of being Joint Applicants. For additional clarity, an Applicant may only receive an aggregate amount of funding from the Partnership Stream that is less than or equal to the Maximum Funding Amount, regardless of how many Applications it submits either as a sole Applicant or as a Joint Applicant.

1.3 Structure of the Partnership Rules

The EPP Partnership Rules (the “**Partnership Rules**”), together with the EPP Project Development Rules (the “**Project Development Rules**”) and the EPP Remote Projects Development Rules (the “**Remote Rules**”), constitute the rules (the “**Rules**”) for EPP. The Partnership Rules govern the submission and review of Applications under the Partnership Stream and have been divided into the following sections applicable to the respective Applicant Type:

First Nation and Métis Communities	See Section 2
Municipalities, Co-ops and Public Sector Entities	See Section 3

All other sections of these Partnership Rules are applicable to all Applicant Types.

Capitalized terms in the Partnership Rules have the meanings set out in **Appendix 1 – Definitions**, which is incorporated by reference into the Partnership Rules. In the Partnership Rules, words importing the singular number will include the plural and vice versa, and words importing gender will include all genders.

SECTION 2

FIRST NATION AND MÉTIS COMMUNITIES

SECTION 2 FIRST NATION AND MÉTIS COMMUNITIES

2.1 Overview

Under the Partnership Stream, First Nation and Métis Communities are eligible to apply for funding to assess and develop Project Partnerships for the purpose of developing Renewable Energy Projects and Identified Transmission Projects. First Nation and Métis Organizations may be eligible to apply to the Partnership Stream, in the sole and absolute discretion of the IESO, but only in respect of Identified Transmission Projects. In the event that a First Nation and Metis Organization is determined by the IESO to be eligible to apply pursuant to this Section, all of the requirements and obligations in respect of a First Nation and Metis Community herein apply to such First Nation and Metis Organization, as applicable.

Subject to the Maximum Funding Amounts set out in Section 2.2(a) and 2.3(a), as applicable, an Applicant may apply in respect of more than one Project, and in respect of more than one Project Type, under the Partnership Stream. However, for efficiency, to the extent that an Applicant is pursuing more than one Renewable Energy Project, or more than one Identified Transmission Project, within approximately the same time frame, Applicants will be required to submit only one Application in respect of each such category, regardless of the number of Projects or Project Partnerships proposed.

2.2 Renewable Energy Projects

(a) **Maximum Funding Amount**

The maximum amount of funding that any Applicant may receive in respect of Renewable Energy Projects under the Partnership Stream, regardless of the number of Projects or Project Partnerships, is the lesser of:

- (i) 80% of Project Expenses; and
- (ii) \$50,000.00;

(the “**FNM Maximum Funding Amount (Renewable)**”).

(b) **Eligible Funding Date for Renewable Energy Projects**

The Eligible Funding Date for First Nation and Métis Communities applying for funding in respect of Renewable Energy Projects is January 1, 2016.

(c) **Mandatory Eligibility Requirements**

First Nation and Métis Communities must meet the mandatory eligibility requirements for Renewable Energy Projects set out below (the “**REP Mandatory Eligibility Requirements**”) to be eligible for funding under the Partnership Stream in respect of Renewable Energy Projects.

The Applicant must:

- (i) be a First Nation and Métis Community, or if approved by the IESO in its sole and absolute discretion, a Legal Entity wholly-owned and Controlled by one or more First Nation and Métis Communities as provided for in Section 1.2 of the Partnership Rules;

- (ii) not, as of the Eligible Funding Date, hold an Economic Interest in the Proposed Project Partner or its Affiliate;
- (iii) be submitting an Application in respect of one or more Renewable Energy Projects;
- (iv) be submitting an Application in respect of a Project Partnership relating to the development of:
 - (A) a FIT Project that is an Eligible FIT Project where:
 - (1) the Applicant, the Proposed Project Partner or its Affiliate, if applicable, has Access Rights to the Project Site; and
 - (2) the Applicant is able to demonstrate a reasonable likelihood, in the sole and absolute discretion of the IESO, of being able to connect the FIT Project to a Distribution System; or
 - (B) an LRP Project where the Applicant or the Proposed Project Partner is either:
 - (1) a Qualified Applicant or a Registered Proponent, or an Affiliate of the Qualified Applicant or Registered Proponent; or
 - (2) the LRP Supplier, or an Affiliate of the LRP Supplier; and
- (v) not be in Default of any existing agreements with the IESO, including funding agreements under the Support Programs, and not have been in Default of any other agreements with the IESO, its predecessor entities, or any of their third party fund managers.

(d) **Mandatory Application Requirements**

First Nation and Métis Communities must submit an Application that meets the mandatory Application requirements for Renewable Energy Projects set out below (“**REP Mandatory Application Requirements**”) to be eligible for funding under the Partnership Stream in respect of Renewable Energy Projects.

The Application must include:

- (i) a completed Application Form, which includes:
 - (A) a Work Plan and Budget;
 - (B) a Project Team Description;
 - (C) for FIT Projects, the FIT Project Information;
 - (D) for LRP Projects, the LRP Project Information;
 - (E) consent by the Applicant, Proposed Project Partner, and, if applicable, its Affiliate, for the IESO to (a) communicate with the Proposed Project Partner, its Affiliate or any other

relevant third parties, and (b) use all information, including Confidential Information, in the possession of the IESO, for the purposes of evaluating and accepting or rejecting the Application;

- (F) a description of how the Project or Project Partnership will provide economic, societal and developmental benefits to the Applicant, which may include the following factors:
 - (1) the feasibility of the Project;
 - (2) education and training opportunities;
 - (3) job opportunities;
 - (4) enhancing other economic opportunities; or
 - (5) other factors appropriate to the Project Partnership;
- (G) a representation and warranty that, as of the date of the Application, the Applicant is not aware of any delay, circumstance, event or cause that would adversely affect the viability of the Project or the Project Partnership in any material way;
- (H) a description of how the funding will assist the Applicant to acquire an Economic Interest in respect of the development of the Renewable Energy Project;
- (I) a description of the Competitive Procurement Process undertaken or confirmation of the applicable exemption under the Partnership Rules;

and all attachments and supporting documentation as required by the Application Form;

- (ii) a Supporting Resolution confirming the support of the Applicant or Joint Applicant, as applicable, for the Application and the Proposed Partnership;
- (iii) copies of all quotes and rates from potential service providers showing the agreed upon rates for services between all External Resources and the Applicant;
- (iv) either:
 - (A) copies of all relevant requests for proposals; or
 - (B) evidence that the Applicant is exempt from the Competitive Procurement Process requirement provided for under Section 5.4(b); and
- (v) a letter of intent executed by both the Applicant and the Proposed Project Partner which states that both parties are entering into or continuing discussions related to the Project Partnership.

Applicants who are submitting Applications for more than one Project Type must demonstrate the Mandatory Application Requirements for each Project Type.

2.3 Identified Transmission Projects

(a) **Maximum Funding Amount**

- (i) The maximum amount of funding that any Applicant that is a First Nation and Métis Community may receive in respect of Identified Transmission Projects, regardless of the number of Projects or Project Partnerships is the lesser of:

- (A) 80% of Project Expenses; and
(B) \$50,000.00;

(the “**FNM Maximum Funding Amount (Transmission)**”).

- (ii) The maximum amount of funding an Applicant that is an FNM Organization may receive is the FNM Maximum Funding Amount (Transmission) in respect of each of its constituent communities.

(b) **Eligible Funding Date for Identified Transmission Projects**

The Eligible Funding Date for First Nation and Métis Communities applying for funding in respect of Identified Transmission Projects is November 21, 2014.

(c) **Mandatory Eligibility Requirements**

First Nation and Métis Communities must meet the mandatory eligibility requirements set out below (the “**Transmission Mandatory Eligibility Requirements**”) to be eligible for funding under the Partnership Stream in respect of Identified Transmission Projects.

The Applicant must:

- (i) be a First Nation and Métis Community or, if approved by the IESO in its sole and absolute discretion, either a Legal Entity wholly-owned and Controlled by any of a First Nation and Métis Community, as provided for in Section 1.2 of the Partnership Rules, or a First Nation and Métis Organization, as provided for in Section 2.1 of the Partnership Rules;
- (ii) be submitting an Application in respect of a Project Partnership to develop a transmission project that relates to a future, planned, major transmission line that is determined by the Ministry of Energy, from time to time, to be a priority (an “**Identified Transmission Project**”), including:
- (A) the East-West Tie Expansion Line;
- (B) the Transmission Line to Pickle Lake;
- (C) the Northwest Bulk Transmission Line; or
- (D) Remote Community Connections;

where:

- (1) the Applicant is a licensed transmitter;
 - (2) the Proposed Project Partner or its Affiliate is a licensed transmitter; or
 - (3) any of the Applicant, the Proposed Project Partner or its Affiliate is seeking to become a licensed transmitter;
- (iii) not, as of the Eligible Funding Date, hold an Economic Interest in the Proposed Project Partner or its Affiliate; and
- (iv) not be in Default of any existing agreements with the IESO, including funding agreements under the Support Programs, and not have been in Default of any other agreements with the IESO, its predecessor entities, or any of their third party fund managers.

(d) **Mandatory Application Requirements**

First Nation and Métis Communities must submit an Application that meets the mandatory Application requirements set out below ("**Transmission Mandatory Application Requirements**") to be eligible for funding under the Partnership Stream in respect of Identified Transmission Projects.

The Application must include:

- (i) a completed Application Form, which includes:
 - (A) a Work Plan and Budget;
 - (B) a Project Team Description;
 - (C) consent by the Applicant, the Proposed Project Partner, and, if applicable, its Affiliate, for the IESO to (a) communicate with the Proposed Project Partner, its Affiliate or any other relevant third parties, and (b) use all information, including Confidential Information, in the possession of the IESO, for the purposes of evaluating and accepting or rejecting the Application;
 - (D) a description of how the Project or Project Partnership will provide economic, societal and developmental benefits to the Applicant, which may include the following factors:
 - (1) the feasibility of the Identified Transmission Project;
 - (2) education and training opportunities;
 - (3) job opportunities;
 - (4) enhancing other economic opportunities; and
 - (5) other factors appropriate to the Project Partnership;
 - (E) identification of the transmission line that is the subject of the Identified Transmission Project (the "**Identified Transmission Line**");

- (F) in respect of the Identified Transmission Line:
 - (1) evidence of the transmitter licence showing the Applicant, the Proposed Project Partner or its Affiliate as a licensed transmitter;
 - (2) a description of how the Applicant, the Proposed Project Partner or, if applicable, its Affiliate, intends to become the licensed transmitter, and the licence application, if available;
- (G) a description of:
 - (1) how the funding will assist the Applicant to acquire an Economic Interest in respect of the development of the Identified Transmission Line; and
 - (2) how the Project Partnership would benefit the development of the Identified Transmission Line;
- (H) a description of the Competitive Procurement Process undertaken or confirmation of the exemption under the Partnership Rules;

and all attachments and supporting documentation required by the Application Form;
- (ii) a Supporting Resolution confirming the support of the Applicant or Joint Applicant, as applicable, for the Application and the Proposed Partnership;
- (iii) copies of all quotes and rates from potential service providers showing the agreed upon rates for services between all External Resources and the Applicant;
- (iv) either:
 - (A) copies of all relevant requests for proposals; or
 - (B) evidence that the Applicant is exempt from the Competitive Procurement Process requirement provided for under Section 5.4(b); and
- (v) a letter of intent executed by the Applicant and the Proposed Project Partner which states that both parties are entering into or continuing discussions related to the Project Partnership.

SECTION 3

MUNICIPALITIES, CO-OPERATIVES AND PUBLIC SECTOR ENTITIES

SECTION 3 MUNICIPALITIES, CO-OPS AND PUBLIC SECTOR ENTITIES

3.1 Overview

Under the Partnership Stream, Municipalities, Co-ops and Public Sector Entities (or MCPSEs) are eligible to apply for funding to assess and develop Project Partnerships for the purpose of developing FIT Projects.

Subject to the MCPSE Maximum Funding Amount set out in Section 3.2, an Applicant may apply in respect of more than one Project under the Partnership Stream. However, for efficiency, to the extent that more than one Project or Project Partnership is being proposed within approximately the same time frame, Applicants will be required to submit only one Application under the Partnership Stream.

3.2 Maximum Funding Amount

An Applicant may apply more than once under the Partnership Stream. However, the maximum amount of funding that any Applicant may receive, regardless of the number of Projects or Project Partnerships proposed, is the lesser of:

- (a) 80% of Project Expenses; and
- (b) \$50,000.00;

(the "**MCPSE Maximum Funding Amount**").

3.3 Eligible Funding Date

The Eligible Funding Date for Municipalities, Co-ops and Public Sector Entities applying for funding is January 1, 2016.

3.4 Mandatory Eligibility Requirements

Municipalities, Co-ops and Public Sector Entities must meet the mandatory eligibility requirements set out below (the "**MCPSE Mandatory Eligibility Requirements**") to be eligible for funding under the Partnership Stream.

The Applicant must:

- (a) be a Municipality, Co-op or Public Sector Entity or, if approved by the IESO in its sole and absolute discretion, a Legal Entity wholly-owned and Controlled by any of a Municipality, Co-Op or Public Sector Entity, or any combination thereof, as provided for in Section 1.2 of the Partnership Rules;
- (b) be submitting an Application in respect of a FIT Project;
- (c) not, as of the Eligible Funding Date, hold an Economic Interest in the Proposed Project Partner or its Affiliate;
- (d) be submitting an Application in respect of a Project Partnership relating to the development of a FIT Project that is an Eligible FIT Project where:

- (i) the Applicant, the Proposed Project Partner or its Affiliate has Access Rights to the Project Site; and
- (ii) the Applicant is able to demonstrate a reasonable likelihood, in the sole and absolute discretion of the IESO, of being able to connect the FIT Project to a Distribution System; and
- (e) not be in Default of any existing agreements with the IESO, including funding agreements under the Support Programs, and not have been in Default of any other agreements with the IESO, its predecessor entities, or any of their third party fund managers.

3.5 Mandatory Application Requirements

Municipalities, Co-ops and Public Sector Entities must submit an Application that meets the mandatory Application requirements set out below (the “**MCPSE Mandatory Application Requirements**”) to be eligible for funding under the Partnership Stream.

The Application must include:

- (a) a completed Application Form, which includes:
 - (i) a Work Plan and Budget;
 - (ii) a Project Team Description;
 - (iii) the FIT Project Information;
 - (iv) consent by the Applicant, Proposed Project Partner, and, if applicable, its Affiliate, for the IESO to (a) communicate with the Proposed Project Partner, its Affiliate or any other relevant third parties, and (b) use all information, including Confidential Information, in the possession of the IESO, for the purposes of evaluating and accepting or rejecting the Application;
 - (v) a description of how the Project or Project Partnership will provide economic, societal and developmental benefits to the Applicant, which may include the following:
 - (A) the feasibility of the FIT Project;
 - (B) education and training opportunities;
 - (C) job opportunities;
 - (D) enhancing other economic opportunities; or
 - (E) other factors appropriate to the Project Partnership;
 - (vi) a representation and warranty that, as of the date of the Application, the Applicant is not aware of any delay or circumstance, event or cause that would adversely affect the viability of the Project or the Project Partnership in any material way; and

- (vii) a description of the Competitive Procurement Process undertaken or confirmation of the exemption under the Partnership Rules;

and all attachments and supporting documentation as required by the Application Form;
- (b) a Supporting Resolution confirming the support of the Applicant or Joint Applicant, as applicable, for the Application and the Proposed Partnership;
- (c) copies of all quotes and rates from potential service providers showing the agreed upon rates for services between all External Resources and the Applicant;
- (d) either:
 - (i) copies of all relevant requests for proposals; or
 - (ii) evidence that the Applicant is exempt from the Competitive Procurement Process requirement provided for under Section 5.4(b); and
- (e) a letter of intent executed by both the Applicant and the Proposed Project Partner which states that both parties are entering into or continuing discussions related to the Project Partnership.

APPLICATION PROCESS AND GENERAL TERMS AND CONDITIONS

FOR ALL APPLICANT TYPES AND PROJECT TYPES

SECTION 4 ELIGIBLE ACTIVITIES

Applicants may apply for funding under the Partnership Stream for the following legal, technical and financial due diligence activities to evaluate the Project Partnership (the “**Eligible Activities**”):

- (a) due diligence to determine whether the Applicant should enter into a Project Partnership with a Proposed Project Partner;
- (b) early stage business planning and assessments relating to evaluating the Project Partnership;
- (c) establishing an organizational structure for the entity that will hold the Economic Interest in, and/or Control, the entity that owns the Project; and
- (d) subject to Section 5.5, Community Engagement Activities.

The IESO may, in its sole and absolute discretion, accept or reject other activities as Eligible Activities.

SECTION 5 EXPENSES

5.1 Eligible Expenses

Funding will be provided for Eligible Expenses that the Applicant demonstrates to the IESO are directly related to, and reasonably necessary to complete, the Eligible Activities, up to the applicable Maximum Funding Amount. Such costs must be evidenced by Timesheets, supporting receipts, itemized Invoices and Proof of Payment as set out in the Funding Agreement, or as otherwise required by the IESO.

5.2 Eligible Internal Expenses

Funding may be provided for expenses an Applicant incurs associated with one or more employees (“**Internal Resources**”) that are required to carry out the Activities and deliver the Deliverables (“**Eligible Internal Expenses**”). Any such funding will not include any amounts related to benefits, deductions and withholdings, including any taxes, union dues, Canada Pension Plan contributions, employment insurance contributions, and employer contributions by the Recipient for Internal Resources.

5.3 Eligible External Expenses

Funding may be provided for expenses an Applicant incurs associated with the services of external duly qualified professional and technical consultants and contractors (“**External Resources**”) carrying out the Activities and delivering the Deliverables (“**Eligible External Expenses**”). Such services must be retained pursuant to a Competitive Procurement Process or meet the Competitive Procurement Process exemption criteria set out in Section 5.4(b).

Eligible External Expenses may only include expenses based on agreed upon rates for services between External Resources and the Applicant, as evidenced by copies of all relevant requests for proposals (if applicable), quotes and rates, in each case as included in the Application.

5.4 Competitive Procurement Process

(a) Requirement

Subject to Section 5.4(b), Applicants must undertake a Competitive Procurement Process to retain a provider of goods or services. A “**Competitive Procurement Process**” is a procurement process for goods or services that meets the following requirements:

- (i) the request for proposals or procurement document contains a clear description and specifications of the deliverables and does not contain any features that would unduly reduce or restrict competition;
- (ii) purchases, commitments, projects or deliverables have not been fragmented, subdivided or split for the purpose, in whole or in part, of being valued below fifteen thousand dollars (\$15,000.00 exclusive of HST) to avoid a competitive procurement process;
- (iii) the bidders are at Arm's Length to the Applicant and to each other;
- (iv) there has been no price fixing or other collusion between any of the bidders or between any bidder and the Applicant;
- (v) at least two bidders have participated, unless an exception to this requirement has been granted by the IESO;
- (vi) all bidders have appropriate skills, qualifications and experience in respect of the goods or services to be provided;
- (vii) bids have been submitted in writing and were confidential;
- (viii) the winning bid has been chosen in accordance with transparent criteria reflecting price or quality;
- (ix) adequate written records have been made and kept regarding the process;
- (x) the process has been procedurally fair; and
- (xi) the Applicant has not been subject to any actual or potential conflict of interest.

(b) Exemption Criteria

An Applicant is not required to undertake a Competitive Procurement Process to retain any External Resources where:

- (i) the value of the goods or services has an aggregate value less than fifteen thousand dollars (\$15,000.00 exclusive of HST), demonstrated through documentation evidencing the value of the services satisfactory to the IESO; or
- (ii) such External Resource provided the same type of goods or services to the Applicant on an on-going basis prior to January 1, 2016, demonstrated through documentation evidencing such existing relationship satisfactory to the IESO.

5.5 Compliance with the Ontario Travel, Meal and Hospitality Expenses Directive

- (a) All travel and hospitality costs incurred by an Applicant shall at all times be incurred in accordance with the Ontario Travel, Meal and Hospitality Expenses Directive, available at www.ontario.ca/government/travel-meal-and-hospitality-expenses-directive-2010.
- (b) Subject to Sections 5.5(a) and 5.5(c), funding under the Partnership Stream may be provided for meeting expenses (e.g. venue rentals, chair and table rentals, audio-visual equipment, travel to and from meetings, lodging, hospitality) that are directly related to the Eligible Activities.
- (c) The Applicant may claim any such expenses as Eligible Expenses up to a maximum of \$5,000.00 per Applicant.

5.6 Ineligible Expenses

The following expenses (“**Ineligible Expenses**”) are not eligible for funding under the Partnership Stream:

- (a) any costs of acquiring an Economic Interest in a Proposed Project Partner or its Affiliate, by any means, including any equity or equity-like contribution to the Project Partnership;
- (b) any costs associated with submitting the Application, or applications under any of the Support Programs, or entering into a funding agreement under any of the Support Programs;
- (c) any costs associated with meeting the administrative obligations of the Application or Funding Agreement under the EPP or any other Support Program, including preparing status and other reports as may be required under the Funding Agreement;
- (d) any amounts paid to Governmental Authorities, including fees paid for governmental certifications;
- (e) any costs or activities related to meeting with or the lobbying of any Governmental Authority or the IESO;
- (f) any costs in respect of employees or any other internal, pre-existing, long-term or permanent resources or commitments that do not pertain to the Project Partnership;
- (g) any costs related to activities listed in Section 8.1(c) of the Partnership Rules;
- (h) any costs associated with Activities or Deliverables that have already received funding under any other funding agreement with the IESO for the same Project or Project Partnership, or that have otherwise been fully funded by another source;
- (i) any costs related to the purchase or leasing of equipment or supplies, telecommunications hardware, computer hardware or software;
- (j) any costs associated with use of personal devices (e.g. costs relating to mobile or landline phones, costs of laptops or internet service provider fees);

- (k) any costs related to administrative operating expenses such as real estate expenses, insurance, office supplies, printing, mailing, utilities, memberships dues, subscriptions, accounting activities, or maintenance of equipment;
- (l) any costs for hospitality, meals, or lodging that do not comply with the Travel, Meal and Hospitality Expenses Directive;
- (m) any costs that have not been approved by the IESO as part of the Budget or otherwise in writing;
- (n) any costs that are not an Eligible External Expense or an Eligible Internal Expense;
- (o) any costs incurred following the Applicant's acquisition of an Economic Interest in the Proposed Project Partner or its Affiliate, such that, in the IESO's view, in its sole and absolute discretion, the relevant partnership has been formed;
- (p) any costs that the Applicant did not incur directly or are not directly related to the Project Partnership;
- (q) any costs incurred, or relating to any activity, matter or thing carried out before the Eligible Funding Date;
- (r) any costs incurred that are not evidenced by Deliverables, including the supporting documentation required by the Funding Agreement, or other evidence of payment satisfactory to the IESO, in its sole and absolute discretion;
- (s) any costs that, in the IESO's view, in its sole and absolute discretion, deviate in a material way from the approved Application in relation to the Eligible Activities, Work Plan, Budget, Project Team, timelines or Project description;
- (t) any costs paid by means of services in-kind, cash, bonds, promissory notes or barter;
- (u) any costs in respect of HST;
- (v) any costs in respect of any benefits, deductions and withholdings, including any taxes, union dues, Canada Pension Plan contributions, employment insurance contributions and employer contributions paid by the Recipient in respect of the employment of Internal Resources;
- (w) any capital, operating, maintenance, or construction-related costs of a FIT Project, LRP Project or Identified Transmission Project;
- (x) in respect of FIT Projects or LRP Projects:
 - (i) any costs associated with preparing a FIT Application, a response to an LRP RFQ, or a proposal in response to an LRP RFP, or entering into a FIT Contract or LRP Contract, including the legal review of relevant program or contractual documents;
 - (ii) any application fees, application security or performance security required to be paid under the FIT Program or LRP;

- (iii) for a FIT Project that is subject to a FIT Contract, any costs incurred following the issuance by the IESO of a Notice to Proceed, provided that the IESO may, in its sole and absolute discretion, accept certain expenses incurred after the IESO issues a Notice to Proceed if the IESO determines that such expenses relate to work that was substantially and reasonably started before such Notice to Proceed was issued;
- (iv) for an LRP Project that is subject to an LRP Contract, any costs incurred following confirmation from the IESO that the LRP Supplier has met all of the Key Development Milestones, provided that the IESO may, in its sole and absolute discretion, accept certain expenses incurred after the IESO has confirmed that the LRP Supplier has met all of the Key Development Milestones if the IESO determines that such expenses relate to work that was substantially and reasonably started before such confirmation of Key Development Milestones; and
- (v) any costs incurred while the FIT Contract or LRP Contract is in Default or after it has been terminated by the FIT Supplier, the LRP Supplier or the IESO, as applicable;
- (y) in respect of Identified Transmission Projects, any fees and costs associated with participating in an OEB proceeding, including any costs recoverable in rates or other revenues, whether currently or in the future, approved by or subject to approval by the OEB; and
- (z) in respect of Identified Transmission Projects, any costs incurred following the date on which the OEB designated a Transmitter for the relevant proposed transmission line, provided that such Transmitter is not any of the Applicant, the Proposed Project Partner or its Affiliate.

The Funding Agreement may, in the sole and absolute discretion of the IESO, contain a modified list of Eligible Expenses and Ineligible Expenses based on the Proposed Partnership and the Project.

5.7 Duplicative Funding

Where the Applicant has received, receives, or expects to receive additional government funding (whether under the Support Programs, the IESO's former support programs, including AREF, CEPP, MPSEPP and ATF, or otherwise from any of the federal, provincial or municipal governments, or any of their agencies) in relation to an Eligible Activity where funding is also being requested under EPP, the Applicant is required to disclose such sources of funding to the IESO as part of the Application.

The Applicant consents to the IESO contacting any such sources of funding to verify any information it determines is necessary in respect of the same. Any such funding will be deducted from any funding granted to a Successful Applicant under the Funding Agreement. Failure by the Applicant to disclose such additional funding will be considered a Default under the Partnership Rules or the Funding Agreement, as applicable.

The IESO has the sole and absolute discretion not to award funding for any activities that are, or are perceived to be, duplicative of funding received from any other source and to reject any Application as a result.

SECTION 6 - APPLICATION SUBMISSION AND REVIEW

6.1 Application Submission

To apply for funding under the EPP, an Applicant must submit an Application to the IESO in accordance with the Partnership Rules and the Application Forms posted on the Website. Applicants may submit Applications and supporting documentation electronically or in hard copy to:

Independent Electricity System Operator
 Contract Management: Energy Support Programs
 120 Adelaide Street West, Suite 1600
 Toronto, ON M5H 1T1
 E-mail: EPP@ieso.ca

Upon receipt of an Application by the IESO, the Application will be provided with a Timestamp and EPP Reference Number by EPP staff, reflecting the IESO’s receipt of the Application.

An Applicant may submit multiple Applications to the Partnership Stream. However, the Applicant must account for economies of scale or any efficiencies resulting from the development of more than one Project Partnership concurrently.

Where multiple Applicants submit individual Applications for funding related to the same Project Partnership, the IESO has the sole and absolute discretion to grant or not to grant funding to one or more of the Applicants.

6.2 Application Review Process – Stage One

- (a) Within 15 Business Days of the receipt of the Application, the IESO will assess whether the Applicant meets all of the Mandatory Eligibility Requirements and the Application meets all of the Mandatory Application Requirements, as set out in the following sections:

Applicant Type	Mandatory Eligibility Requirements	Mandatory Application Requirements
First Nation and Métis Communities - Renewable Energy Projects	Section 2.2(c)	Section 2.2(d)
First Nation and Métis Communities - Identified Transmission Projects	Section 2.3(c)	Section 2.3(d)
Municipalities, Co-ops or Public Sector Entities	Section 3.4	Section 3.5

- (b) If the IESO determines that the Applicant has met the Mandatory Eligibility Requirements and the Application has met the Mandatory Application Requirements in accordance with this Section 6.2, the IESO will notify the Applicant that the Timestamp of its Application has been validated and the Application will proceed to the second stage of the review process.
- (c) If the Applicant does not meet the Mandatory Eligibility Requirements, the IESO will notify the Applicant that its Application has been rejected and will provide reasons for such determination. An Application that has been rejected as a result of the Applicant not meeting the Mandatory Eligibility Requirements will not be further reviewed by the IESO and the

Applicant will not be entitled to reapply to the Partnership Stream unless and until it meets the Mandatory Eligibility Requirements.

- (d) If the Applicant meets the Mandatory Eligibility Requirements but the Application does not meet the Mandatory Application Requirements, the IESO will notify the Applicant that its Application has been rejected and will provide reasons for such determination. Any such Applicant may submit a new Application when such deficiencies have been addressed, provided the IESO is still accepting Applications. For clarity, the new Application will be subject to the Rules and form of Funding Agreement in effect at the time of submission and will be subject to a new Timestamp.
- (e) It is the sole responsibility of the Applicant to ensure that the Application is clear, complete and meets the requirements of the Partnership Rules. However, the IESO may request clarification in relation to any Application at any time. Any such requested clarification, additional information, documentation or statements shall be submitted in writing to the IESO within five (5) Business Days of the IESO's request, or as otherwise specified by the IESO. If the IESO requests such clarification in relation to an Application, such Application will receive a new Timestamp upon receipt by the IESO of a response from the Applicant to such request for clarification. After reviewing the Applicant's response to any such clarification, if the IESO determines that the Applicant has met the Mandatory Eligibility Requirements and the Application has met the Mandatory Application Requirements in accordance with this Section 6.2, the IESO will notify the Applicant that the Timestamp of its Application has been validated and the Application will proceed to the second stage of the review process.
- (f) When responding to a request for clarification, any new information, documentation, or statements provided in relation to the Application that are not directly responsive to the request for clarification (in the IESO's sole and absolute discretion) will not be considered in the evaluation of the Application. Failure by an Applicant to respond to a clarification request within the specified time may result in the rejection of the Application, in the sole and absolute discretion of the IESO. For clarity, the IESO is not obligated to request clarification in relation to any Application.

6.3 Application Review Process – Stage Two

- (a) All Applications that have received a Timestamp that has been validated will be reviewed by the IESO Review Committee. The IESO will publish a schedule of the meeting dates for Application review on the Website and may revise it periodically. A process advisor will be present at all meetings of the IESO Review Committee.
- (b) The IESO Review Committee will group the Applications by Applicant Type and review such grouped Applications in the chronological order of their validated Timestamp.
- (c) The IESO Review Committee will consider the following general criteria when making a funding decision:
 - (i) whether the Application and supporting materials meet reasonable standards of quality, clarity and organization;

- (ii) whether the Budget and Work Plan are reasonable given the Project Partnership and the Project, and are sufficiently detailed in the Application;
 - (iii) whether the proposed Partnership and the Project seem likely to advance the objectives of the EPP and contribute to the broader goals of the Support Programs; and
 - (iv) whether there are any perceived risks to the Applicant related to the technical, financial and regulatory viability of the proposed Project or the Project Partnership.
- (d) The IESO Review Committee will provide recommendations to the IESO as to whether to approve the Application for funding and recommend an amount of funding, if any, from the funding allocated to the applicable Applicant Type under the Support Programs Budget.
- (e) Notwithstanding such recommendation, the IESO maintains the right to accept or reject an Application or award less than the funding amount requested in the Application or recommended by the IESO Review Committee, for any reason, in its sole and absolute discretion, and the allocation of available funding among Applications is in the sole and absolute discretion of the IESO.
- (f) Successful Applicants will receive an approval letter followed by an offer to enter into the Funding Agreement. Unsuccessful Applicants, whether as a result of the available funding being fully allocated or otherwise, will be informed in writing that their Application has been rejected and the IESO will provide reasons for such determination. If the Application is rejected, any such rejection shall not prohibit an Applicant from submitting a new Application provided the IESO is still accepting Applications. The new Application will be subject to the Partnership Rules and Funding Agreement in effect at the time of submission and a new Timestamp.

SECTION 7 FUNDING AGREEMENT

7.1 Offer and Acceptance

- (a) A Successful Applicant will have 15 Business Days from the date of the issuance of the offer (the “**Acceptance Period**”) to accept the Funding Agreement by delivering three (3) signed originals of the Funding Agreement and one (1) electronic copy of the signed Funding Agreement to the IESO. If the Successful Applicant is not able to submit three (3) signed originals of the Funding Agreement to the IESO within this time frame, it must send a written request to the IESO for an extension of the Acceptance Period before the 15 Business Day period has concluded. The IESO has the sole and absolute discretion to extend the Acceptance Period. If the IESO does not receive the executed Funding Agreement or an extension request within the required time frame, the Application will be deemed to have been withdrawn. The offer to enter into a Funding Agreement will also be deemed to be withdrawn and will be of no further force or effect.
- (b) In the case of a Joint Application, all Joint Applicants will be required to sign the requisite three (3) copies of the Funding Agreement during the Acceptance Period.
- (c) If the IESO discovers that the Application contains any errors or material information that is incorrect or omitted after offering the Funding Agreement to the Applicant, the IESO has the

right to withdraw the offer of the Funding Agreement prior to execution of the Funding Agreement by the IESO, which offer will then be considered null and void.

7.2 Funding Agreement

The form of the Funding Agreement is available on the Website.

7.3 Payments and Deliverables

- (a) The entry into a Funding Agreement by the Successful Applicant and the IESO is required in order for the IESO to provide any funding to the Successful Applicant. The funding will be disbursed by the IESO to the Successful Applicant (once the Funding Agreement is executed, referred to as the Recipient) according to the terms and conditions of the Funding Agreement.
- (b) Funding Payments will only be made to the Recipient at the intervals set out in the Funding Agreement for Project Expenses incurred and evidenced, subject to the satisfaction of all terms and conditions in the Funding Agreement.
- (c) Funding Payments will only be made directly to a Recipient (and not the Proposed Project Partner) for Project Expenses that have been paid by a Recipient. Where expenses have been jointly incurred by a Recipient and a Proposed Project Partner, the Funding Payment will be apportioned to the Recipient based solely on the portion of the expense that was paid by the Recipient.
- (d) Activities funded under the Partnership Stream must be completed within 18 months for Renewable Energy Projects, or 24 months for Identified Transmission Projects (as set out in the Funding Agreement), of the date of execution of the Funding Agreement. Failure to complete the Activities within such 18-month or 24-month period will be an event of default under the Funding Agreement.

7.4 Joint Applicants

- (a) Joint Applicants shall be jointly and severally liable in respect of the Application in the case of a successful Application, and each Joint Applicant shall enter into the Funding Agreement on a joint and several basis (but, for clarity, each Joint Applicant may enter into separate contract arrangements with suppliers and subcontractors).
- (b) The IESO will make payments to the Lead Applicant only, and the Lead Applicant is responsible for making payments to the Joint Applicants, if required. The IESO shall have no liability for the Lead Applicant's failure to distribute the funding payments accordingly.

7.5 Conflict Between the Rules and the Funding Agreement

Should a conflict arise between the Partnership Rules and a Funding Agreement, the Funding Agreement supersedes the Partnership Rules.

SECTION 8 COMMUNICATIONS

8.1 Communications

- (a) All notices required to be delivered to the IESO under the Partnership Rules must be provided by email to EPP@ieso.ca. Notices delivered hereunder are for the purposes of the EPP only and do not constitute notice for any other purpose, including any obligation to provide notice to the IESO under the FIT Program or LRP, or to the System Operator pursuant to the IESO Market Rules. No notice to or from the IESO will be binding on the IESO pursuant to the Partnership Rules unless the sender of such notice identifies the recipient of such notice as “Contract Management – Energy Support Programs”.
- (b) Applicants are encouraged to contact the IESO with questions via email to EPP@ieso.ca or telephone 416-969-6317.
- (c) An Applicant may not communicate with the IESO or the Ministry of Energy for the purposes of:
 - (A) obtaining an unfair advantage in respect of an Application;
 - (B) influencing the terms or outcome of the IESO’s review of Applications or any of the IESO’s procurement initiatives; or
 - (C) impairing public confidence in the process or outcome of the EPP.
- (d) An Applicant must not at any time directly or indirectly communicate with the media, the Ministry of Energy, or any Person other than its Internal Resources and External Resources in relation to the Partnership Rules, an Application, the EPP, or any Funding Agreement awarded, without first obtaining the written permission of the IESO. Such prohibited communication by an Applicant may result in termination of the Application or Funding Agreement.
- (e) The Applicant’s contact information, including valid email address, may be amended by the Applicant by providing written notice to the IESO. The IESO will not be responsible for any failed transmission resulting from an Applicant’s failure to provide accurate contact information.
- (f) In respect of Joint Applications, it is the Lead Applicant’s responsibility to ensure that all correspondence from the IESO is communicated to all Joint Applicants. The IESO is permitted, but shall not be obligated, to communicate with or provide any notices to any or all Joint Applicants who are not the Lead Applicant. Joint Applicants will be responsible for communicating such notice to the Lead Applicant.

8.2 Responsibility of the Applicant to Notify

- (a) The Applicant must provide prompt written notice to the IESO within 20 Business Days after the occurrence of any one or more of the following events:
 - (i) the Recipient is awarded or receives governmental funding for the Activities described in the Application or being funded under a Funding Agreement;
 - (ii) the Recipient is in Default of any agreement, including a Funding Agreement or any other funding agreement, with the IESO;

- (iii) the Recipient no longer meets one or more of the applicable Mandatory Eligibility Requirements;
 - (iv) the Project or Project Partnership experiences any cause, action, occurrence, event or delay, or the Recipient reasonably expects the Project or Project Partnership to experience any cause, action, occurrence, event or delay, that has materially affected or may materially affect the Work Plan, the Project Team, the Budget, the Activities, the Deliverables or the Deliverable deadlines in the Funding Agreement;
 - (v) the Applicant, Proposed Project Partner, or its Affiliate, as the case may be, has been offered a FIT Contract and has informed the IESO they will not be accepting the FIT Contract;
 - (vi) the FIT Supplier or LRP Supplier is in Default under the FIT Contract or the LRP Contract, or the FIT Contract or LRP Contract has been terminated by either of the IESO, the FIT Supplier, or the LRP Supplier as the case may be;
 - (vii) the FIT Project or LRP Project has experienced a Force Majeure;
 - (viii) the IESO has issued a Notice to Proceed in respect of the FIT Project;
 - (ix) the IESO has confirmed that the LRP Supplier has met its Key Development Milestones in respect of the LRP Project;
 - (x) the Identified Transmission Project is identified by a Governmental Authority as not being viable or the relevant application to become a Transmitter has been rejected;
 - (xi) the Applicant, the Proposed Project Partner or its Affiliate, as applicable, becomes the relevant Transmitter; and
 - (xii) the OEB has designated a Transmitter for the relevant proposed transmission line, which Transmitter is not any of the Applicant, the Proposed Project Partner or its Affiliate, as applicable;
as applicable.
- (b) In its notification made to the IESO pursuant to Section 8.2(a), the Applicant or Recipient must, as applicable:
- (i) identify the deficient parts of its FIT Application or LRP Proposal and explain why the FIT Application or LRP Proposal was rejected;
 - (ii) identify the reason for the Default or termination of the FIT Contract or the LRP Contract;
 - (iii) explain how the rejection of the FIT Application or the LRP Proposal, or the characterization of the Identified Transmission Project as not being viable, will impact the viability of the Project or the Project Partnership;
 - (iv) explain how the Force Majeure will impact the viability of the Project or the Project Partnership;

- (v) identify the reason given by the Governmental Authority for the Identified Transmission Project no longer being viable or the relevant application to become a licensed transmitter being rejected; and
- (vi) explain whether and how the Applicant intends to rectify the events set out in its notification made to the IESO pursuant to Section 8.2(a).

SECTION 9 GENERAL RULES

9.1 Program Review and Amendments

The IESO may periodically review, amend or replace as necessary the EPP, the Rules, the Funding Agreement and the Support Programs Budget. The IESO may make additional amendments in response to directions from the Minister of Energy, changes in Laws and Regulations, significant changes in market conditions or any other circumstances as determined by the IESO in its sole and absolute discretion.

For clarity, the version of the Rules in effect at the time the Application is submitted shall govern the Application. In addition to any changes the IESO may make to the form of Funding Agreement, prior to offering a Funding Agreement to a successful Applicant, the IESO may, in its sole and absolute discretion, make any changes to the specific Funding Agreement offered that it deems necessary in respect of the particular Project, Project Partnership, or Applicant.

9.2 Responsibility for Application, Project, and Deliverables

- (a) Notwithstanding anything contained in the Partnership Rules, the IESO will not have any responsibility or liability whatsoever in the event that an Applicant suffers, or any third party brings a claim against the Applicant that it has suffered, any losses or damages of any kind in respect of the work undertaken to complete an Activity or a Deliverable or the subject matter of any Application or funding under a Funding Agreement or in any way in relation to or arising out of the EPP.
- (b) 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 Partnership and Project, whether or not an Application is granted a Funding Agreement or is terminated or the EPP is suspended, revoked, amended, or revised. 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 relating to satisfying the Mandatory Eligibility Requirements or Mandatory Application Requirements. The Applicant should seek independent legal advice in respect of its participation in the EPP, including its Application, the Partnership Rules and the Funding Agreement.
- (c) The IESO shall not be liable to pay any Applicant's costs or expenses, other than as otherwise set out in the Funding Agreement, 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 EPP or any part thereof at any time.

- (d) A determination by the IESO or the documentation provided by the Applicant contemplated in Section 2.2(c)(iv)(A) or Section 3.4(d)(ii), as applicable, regarding Distribution System constraints relating to an Application, may not be relied on by the Applicant, Proposed Project Partner, its Affiliate, or any other Person, as concluding that the Project will be able to connect to the Distribution System or Transmission System, or that the Project will pass the Transmission Availability Test or Distribution Availability Test.
- (e) The IESO shall not be liable for any delays in processing, reviewing, accepting, declining or rejecting an Application.
- (f) Despite anything contained in the Partnership Rules or in the Funding Agreement, Applicants are solely responsible for ensuring the technical, regulatory and financial viability of their Project and Project Partnership, and the IESO shall have no responsibility whatsoever to independently assess the viability of any Application, Project Partnership or Project nor any liability whatsoever in the event that a Project Partnership or Project turns out not to be viable in any respect.
- (g) The Applicant shall be responsible for fulfilling all obligations in respect of the Application and the Funding Agreement, whether or not any such obligations are carried out by an External Resource.

9.3 Denial of Funding

Without limiting its other rights herein, the IESO has the right to deny funding to any Applicant if it determines, in its sole and absolute discretion, that the Project Partnership has been divided or dissolved or the Applicant has been formed for the purpose of, or the formation or structure of the Applicant would have the effect of, increasing funding beyond the applicable Maximum Funding Amount available to the Applicant under the EPP. If the IESO determines, in its sole and absolute discretion, that a Project Partnership has been divided or the Applicant has been created for such purpose, or that the formation or structure of the Applicant would have such effect, it may terminate all Applications in respect of such Applicant or Project Partnership, refuse future applications for funding by the Applicant or its Affiliates, or take any other action it deems appropriate.

9.4 Rejection of an Application

The IESO may reject an Application, in its sole and absolute discretion, at any time if:

- (a) any of the events set out in Section 8.2(a) (other than 8.2(a)(vii), 8.2(a)(viii) and 8.2(a)(ix)) have occurred;
- (b) the Applicant has failed to provide information in a timely manner, including updates on the status of a Project Partnership or Project, FIT Application or LRP Proposal, FIT Contract or LRP Contract, in response to requests from the IESO for clarification or information pursuant to Section 6.2;
- (c) the IESO determines, in its sole and absolute discretion, that the Applicant has made false claims under the Application or has failed to provide material information to the IESO as required by the Partnership Rules;

- (d) the Applicant has amounts owing to the IESO in respect of another funding agreement or other program, contract or arrangement with the IESO that have not been paid after due notice;
- (e) the Applicant is not otherwise in compliance with the Partnership Rules or the IESO has provided the Applicant with notice that the Applicant is in Default of any agreement, including a funding agreement with the IESO, its predecessor entities, or any of their third-party funds managers;
- (f) the Applicant provides a written statement to the IESO, signed by an individual who has the authority to bind the Applicant, that states that the Applicant wishes to withdraw the Application or that the Project Partnership has been terminated;
- (g) an Application is deemed withdrawn and terminated as per Section 7.1(a) or the offer of a Funding Agreement is withdrawn pursuant to Section 7.1(c);
- (h) the IESO determines, in its sole and absolute discretion that, even if the Applicant does not hold an Economic Interest in the Proposed Project Partner or its Affiliate at the time of Application, the Project Partnership is sufficiently developed that it does not require funding to undertake the Eligible Activities;
- (i) the Applicant has already received the applicable Maximum Funding Amount under the EPP;
- (j) the IESO determines that the Applicant has received funding that would be duplicative of the funding awarded under the Funding Agreement, as described in Section 5.7; or
- (k) for any other reason, in the sole and absolute discretion of the IESO, if the IESO so notifies the Applicant in writing.

9.5 Records Retention and Audit Rights

- (a) The Applicant must keep and maintain all books and records necessary to support the information contained in its Application for one year following the submission of the Application. Provided the IESO and the Applicant enter into a Funding Agreement, the Applicant shall be required to keep all such records, as well as any Deliverables submitted to the IESO, and any statement or information submitted to the IESO in relation to the EPP, for the duration of the Funding Agreement and for a period of seven (7) years thereafter, or such longer period as may be specified by applicable Laws and Regulations (the “**Audit Period**”).
- (b) The IESO, an independent auditor identified by the IESO, or the Government of Ontario (in each case, the “**Inspecting Party**”), will be entitled to request copies of, and access to, the Applicant’s books and records from time to time during the Audit Period for audit, verification, or reporting purposes, and may provide all such records and information to its third party advisors, the OEB, and the Government of Ontario.
- (c) The Inspecting Party may, at its own expense, upon twenty-four hours’ notice to the Applicant, enter upon the Applicant’s premises during normal business hours to inspect and copy the records and documents referred to in Section 9.5(a).

- (d) To assist in respect of the rights set out in this Section 9.5, the Applicant must disclose any information reasonably requested by the Inspecting Party, and must do so in a form reasonably requested by the Inspecting Party.
- (e) No provision of the Partnership Rules will be construed so as to give the Inspecting Party any control whatsoever over the Applicant's records or those of its contractors.

9.6 IESO Rights

- (a) The IESO has the right, in its sole and absolute discretion, to:
 - (i) determine whether an Applicant meets the Mandatory Eligibility Requirements and whether an Application meets the Mandatory Application Requirements, including if the IESO determines that a Project Partnership existed as of the Eligible Funding Date;
 - (ii) waive any requirement or provision of the Rules, and, by submitting an Application, each Applicant agrees and acknowledges that the exercise of such right is fair and reasonable; and
 - (iii) reject an Application for any reason, or require additional information in respect of an Application, all in its sole and absolute discretion.
- (b) The IESO's decision in relation to an Application is final, will be made in its sole and absolute discretion, and takes precedence over prior communications between the IESO and the Applicant. There are no warranties, conditions or representations (including any that may be implied by statute) and there are no agreements in connection with the subject matter of the Application, except as specifically set forth in the Funding Agreement. No reliance may be placed on any warranty, representation, opinion, advice or assertion of fact made by the IESO or any of its representatives, except to the extent that the same has been reduced to writing and included as a term of the Funding Agreement.
- (c) Submission of the Application will not constitute any legal relationship between the Applicant and the IESO, does not constitute consent by the IESO to process or approve the Application, and does not cause any legal obligations to be owed by the IESO to the Applicant.
- (d) By accepting an Application, offering a Funding Agreement or granting funding under the EPP, the IESO does not in any way represent, warrant or guarantee that any of the Recipient, Proposed Project Partner or any of their respective Affiliates will be awarded a FIT Contract, LRP Contract or a Transmission System license. An Applicant's ability to participate in the FIT Program or LRP will be determined solely by the rules and contracts which govern them. The IESO's decision to accept or reject an Application is not indicative of the viability of a FIT Application, LRP Proposal or application to become a licensed transmitter in respect of a Project.

9.7 Confidentiality and Disclosure

- (a) 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 the

Partnership Rules and the Funding Agreement, and for the purpose of offering, managing and directing the EPP generally.

- (b) The IESO may communicate with any of the Applicant, Proposed Project Partner or their respective Affiliates, or any third party in order to verify any information set out in the Application. The Applicant expressly consents to such communication and disclosure of any relevant information.
- (c) The IESO reserves the right to make public the names of the Applicant, Proposed Project Partner and its Affiliates, the Joint Applicant and any Person that Controls or is affiliated with the Applicant or Proposed Project Partner, the title, location, and type of renewable technology of the Project, and the amount of Funding Payments, if any. Subject to this Section 9.7(c) and Section 9.7(d), all other information submitted by the Applicant will be treated as confidential subject to and in accordance with applicable Laws and Regulations, including applicable freedom of information and privacy laws and regulations. The Applicant acknowledges that the IESO is subject to the *Freedom of Information and Protection of Privacy Act* (Ontario) and may, subject to FIPPA, require disclosure of confidential information in the custody or control of the IESO to third parties. The Applicant must comply with all privacy laws applicable to it.
- (d) The IESO reserves the right to disclose to the Government of Ontario and its ministries and agencies, including the System Operator, Auditor General of Ontario, the Ministry of Energy, MNRF, and to the IESO's counsel, consultants and other advisors retained for the purpose of administering the EPP, all information contained in an Application, a Funding Agreement and all other information relating to an Applicant, the Proposed Project Partner and its Affiliate that it has received in the course of carrying out the EPP, including Confidential Information. The Applicant agrees that the IESO may use the Applicant's Confidential Information for the purpose of developing policies or standards related to community power projects or programs. These policies or standards may be made publicly available, provided that they do not disclose any information specific to the Project Partnership or Applicant-specific information.
- (e) The IESO shall have the right to assign its rights and responsibilities under the Partnership Rules as well as the Funding Agreement, if applicable, to a third party at any time, without the consent of the Recipient, including to a third party program manager.
- (f) The Application will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

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