

ENERGY PARTNERSHIPS PROGRAM (EPP)

REMOTE PROJECTS DEVELOPMENT 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 Remote Projects Development Sub-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**”).

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	FIT Projects LRP Projects Identified Transmission Projects	FIT Projects

Projects and Identified Transmission Projects		
PROJECT DEVELOPMENT STREAM Funding Eligible Expenses associated with developing renewable energy projects under the FIT Program	FIT Projects	FIT Projects
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**"). Proposals will be subject to the Support Programs Budget in effect as of the date the Proposal 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 Remote Projects Development Sub-stream – Overview

As identified in the Long Term Energy Plan 2013, and in conjunction with the Remote Community Connection Plan, the IESO and the Ontario government have been working with the four remote First Nations communities identified in the Remote Community Connection Plan, for which proposed future transmission connection was determined to be uneconomic. These communities are:

- (a) Fort Severn First Nation;
- (b) Kiashke Zaaging Anishinaabek First Nation (Gull Bay);
- (c) Weenusk First Nation (Peawanuck); and
- (d) Whitesand First Nation;

(the "**Identified Remote First Nations Communities**").

The IESO and the Ontario government have worked with the Identified Remote First Nations Communities to develop innovative solutions to reduce diesel use in those communities.

The EPP will support the development of such potential energy-based solutions through the Remote Projects Development Sub-stream. Funding will support Identified Remote First Nations Communities by assisting with costs associated with the development of projects to assist with reducing diesel dependency in Identified Remote First Nations Communities.

A Legal Entity wholly-owned and Controlled by only one of the Identified Remote First Nations Communities may be eligible to apply to the Remote Projects Development Sub-stream, in the sole and absolute discretion of the IESO.

1.3 Structure of the Remote Rules

The Energy Partnerships Program Remote Projects Development Rules (the “**Remote Rules**”), together with the Energy Partnerships Program Project Development Rules (the “**Project Development Rules**”) and the Energy Partnerships Program Partnership Rules (the “**Partnership Rules**”), constitute the rules (the “**Rules**”) for EPP. The Remote Rules will govern the submission and review of Proposals to the Remote Projects Development Sub-stream.

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

As an opportunity to further explore local interests, needs and opportunities for energy development, Identified Remote First Nations Communities are encouraged to consider participating in ACEP.

SECTION 2 PARTICIPATION IN THE REMOTE PROJECTS DEVELOPMENT SUB-STREAM

2.1 Overview

Under the Remote Projects Development Sub-stream, an Applicant may be eligible for funding for the costs associated with undertaking work in respect of Remote Projects over a two year period.

2.2 Maximum Funding Amount

Applicants may be eligible for up to \$500,000.00 per Identified Remote First Nations Community (regardless of the number of Remote Projects) toward Project Expenses (“**Remote Maximum Funding Amount**”).

2.3 Mandatory Eligibility Requirements

Applicants must meet the mandatory eligibility requirements set out below (the “**Remote Mandatory Eligibility Requirements**”) to be eligible for funding under the Remote Projects Development Sub-stream.

The Applicant must:

- (a) be an Identified Remote First Nations Community or, if approved by the IESO in its sole and absolute direction, a Legal Entity wholly-owned and Controlled by an Identified Remote First Nations Community as provided for in Section 1.2 of the Remote Rules;
- (b) be submitting a Proposal in respect of a Remote Project intended and designed to offset the Identified Remote First Nations Community’s use of diesel for electricity generation; and
- (c) 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.

2.4 Proposal Requirements

Applicants must submit a Proposal that meets the mandatory Proposal requirements set out below (the “**Mandatory Proposal Requirements**”) in order to be eligible for funding in respect of Remote Projects.

The Proposal must include:

- (a) a completed Proposal Form which includes:
 - (i) a Work Plan and Budget;
 - (ii) a Project Team Description;
 - (iii) a description of the Remote Project, as required by the Proposal Form;
 - (iv) a description of how the proposed energy initiatives that form the Remote Projects would supply energy directly to the Identified Remote First Nations Community and offset its use of diesel in electricity generation;
 - (v) a description of the feasibility of the Remote Projects and anticipated benefits and cost reductions for the Identified Remote First Nations Community resulting from the resulting decrease in reliance on diesel supply;
 - (vi) a description of how the Remote Projects will provide economic, societal and developmental benefits to the Applicant, which may include the following factors:
 - (A) the ability to meet long-term electricity demand growth;
 - (B) security and reliability of supply;
 - (C) flexibility, including consideration of connecting future renewable generation;
 - (D) education and training opportunities;
 - (E) job opportunities;
 - (F) enhancing other economic opportunities; or
 - (G) other factors appropriate to the Remote Project;
 - (vii) a description of the Competitive Procurement Process undertaken or confirmation of the applicable exemption under the Remote Rules;
 - (viii) a description of how the Applicant intends to engage members of the relevant Identified Remote First Nations Community in the development of the Remote Projects;
 - (ix) consent by the Applicant for the IESO to (a) communicate with any Affiliate and 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 Proposal;

- (x) a representation and warranty that, as of the date of the Proposal, the Applicant is not aware of any delay, circumstance, event or cause that would adversely affect the viability of the Remote Project in any material way;

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

- (b) copies of all quotes and rates from potential service providers showing the agreed upon rates for services between all External Resources and the Applicant;
- (c) either:
 - (i) copies of all relevant requests for proposals; or
 - (ii) evidence that the Applicant is exempt from the Competitive Procurement Process requirement as provided for under Section 3.4(b); and
- (d) a Supporting Resolution confirming the support of the Applicant or Joint Applicant, as applicable, for the Application and the Remote Project.

2.5 Eligible Activities

Applicants may apply for funding under the Remote Projects Development Sub-stream for the following legal, technical and financial activities (the “**Eligible Activities**”):

- (a) early stage business planning, assessments and studies, including pre-feasibility work;
- (b) site-specific or technology-specific due diligence and studies;
- (c) engineering activities, as required during the assessment and development of the Remote Projects;
- (d) preparation or submission of environmental studies;
- (e) legal services, as required during the assessment and development of the Remote Projects;
- (f) financial activities, including process and framework for arranging financing for the Remote Projects;
- (g) communications materials and translation services to support the development of the Remote Projects;
- (h) subject to Section 3.5, Community Engagement Activities; and
- (i) training for community members related to the ongoing operation and maintenance of the Remote Project.

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

SECTION 3 EXPENSES

3.1 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 Remote 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.

3.2 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 amounts relating 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.

3.3 Eligible External Expenses

Funding may be provided for the 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 3.4(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 Proposal.

3.4 Competitive Procurement Process

(a) Requirement

Subject to Section 3.4(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 November 21, 2014, demonstrated through documentation evidencing such existing relationship satisfactory to the IESO.

3.5 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 Section 3.5(a), funding under the Remote Projects Development Sub-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 \$25,000.00 per Applicant.

3.6 Ineligible Expenses

The following expenses (“**Ineligible Expenses**”) are not eligible for funding under the Remote Projects Development Sub-stream:

- (a) any costs of acquiring of an Economic Interest in an Affiliate, by any means, including any equity or equity-like contribution to an Affiliate;
- (b) any costs associated with submitting the Proposal, 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 Proposal 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 costs paid to Governmental Authorities;
- (e) any costs or activities related to meetings 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 Remote Projects;
- (g) any costs related to activities listed in Section 6.1(c) of the Remote 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 Remote Projects, 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 that the Applicant did not incur directly or are not directly related to the Remote Projects;
- (p) any costs incurred, or relating to any activity, matter or thing carried out before November 21, 2014;

- (q) 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;
- (r) any costs that, in the IESO's view, in its sole and absolute discretion, deviate in a material way from the approved Proposal in relation to the Eligible Activities, Work Plan, Budget, Project Team, timelines or Remote Project(s) description;
- (s) any costs in respect of HST;
- (t) 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; and
- (u) any costs paid by means of services in-kind, cash, bonds, promissory notes or barter.

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

3.7 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 Proposal.

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 Remote 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 Proposal as a result.

SECTION 4 PROPOSAL SUBMISSION AND REVIEW

4.1 Proposal Submission

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

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 a Proposal by the IESO, the Proposal will be provided with a Timestamp and EPP Reference Number by EPP staff, reflecting the IESO's receipt of the Proposal.

4.2 Proposal Review Process – Stage One

- (a) Within 15 Business Days of the receipt of the Proposal, the IESO will assess whether the Applicant meets all of the Remote Mandatory Eligibility Requirements as set out in Section 2.3 and the Proposal meets all of the Mandatory Proposal Requirements as set out in Section 2.4.
- (b) If the IESO determines that the Applicant has met the Remote Mandatory Eligibility Requirements and the Proposal has met the Mandatory Proposal Requirements in accordance with this Section 4.2, the IESO will notify the Applicant that the Timestamp of the Proposal has been validated and the Proposal will proceed to the second stage of the review process.
- (c) If an Applicant does not meet the Remote Mandatory Eligibility Requirements, the IESO will notify the Applicant that its Proposal has been rejected and will provide reasons for such determination. Any Proposal that has been rejected for failure to meet the Remote Mandatory Eligibility Requirements will not be further reviewed by the IESO and the Applicant will not be entitled to reapply to the Remote Projects Development Sub-stream unless and until it meets the Remote Mandatory Eligibility Requirements.
- (d) If the Applicant meets the Remote Mandatory Eligibility Requirements but the Proposal does not meet the Mandatory Proposal Requirements, the IESO will notify the Applicant that its Proposal is incomplete and will provide reasons for such determination. Any such Applicant may submit a revised Proposal when such deficiencies have been addressed, provided the IESO is still accepting Proposals. For clarity, the new Proposal 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 Proposal is clear, complete and meets the requirements of the Remote Rules. However, the IESO may request clarification in relation to any Proposal 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 a Proposal, such Proposal 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 Remote Mandatory Eligibility Requirements and the Proposal has met the Mandatory Proposal Requirements in accordance with this Section 4.2, the IESO will notify the Applicant that the Timestamp of its Proposal has been validated and the Proposal 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 Proposal 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 Proposal. Failure by an Applicant to respond within the specified time may result in the rejection of the Proposal, in the sole and absolute discretion of the IESO. For clarity, the IESO is not obligated to request clarification in relation to any Proposal.

4.3 Proposal Review Process – Stage Two

- (a) All Proposals 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 Proposal 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 review the Proposals 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 Proposal and supporting materials meet reasonable standards of quality, clarity and organization;
 - (ii) whether the Budget and Work Plan are reasonable given the Remote Projects and are sufficiently detailed in the Proposal;
 - (iii) whether the Remote Project seems 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 Remote Project.
- (d) The IESO Review Committee will provide recommendations to the IESO as to whether to approve the Proposal for funding and recommend an amount of funding, if any.
- (e) Notwithstanding such recommendation, the IESO maintains the right to accept or reject a Proposal or award less than the funding amount requested in the Proposal or recommended by the IESO Review Committee, for any reason, in its sole and absolute discretion, and the allocation of available funding among Proposals 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 Proposal has been rejected and the IESO will provide reasons for such determination. If the Proposal is rejected, any such rejection shall not prohibit an Applicant from submitting a new Proposal provided the IESO is still accepting Proposals. The new Proposal will be subject to the Rules and Funding Agreement in effect at the time of submission and a new Timestamp.

SECTION 5 FUNDING AGREEMENT

5.1 Offer and Acceptance

- (a) A Successful Applicant will have 20 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 20 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 Proposal 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) If the IESO discovers that the Proposal 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.

5.2 Funding Agreement

The form of Funding Agreement is available on the Website.

5.3 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 for Project Expenses that have been paid by a Recipient.
- (d) Activities funded under the Remote Rules must be completed within 24 months of the date of execution of the Funding Agreement. Failure to complete the Activities within such 24 month period will be an event of default under the Funding Agreement.

5.4 Conflict Between the Rules and the Funding Agreement

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

SECTION 6 COMMUNICATIONS

6.1 Communications

- (a) All notices required to be delivered to the IESO under the Remote 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

Remote 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:
 - (i) obtaining an unfair advantage in respect of a Proposal;
 - (ii) influencing the terms or outcome of the IESO’s review of Proposals, or any IESO procurement initiative; or
 - (iii) 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 Remote Rules, a Proposal, 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 Proposal 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.

6.2 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 Proposal 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 Remote Mandatory Eligibility Requirements; and
 - (iv) the Remote Project experiences any cause, action, occurrence, event or delay, or the Recipient reasonably expects the Remote Project 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;

as applicable.

- (b) In its notification made to the IESO pursuant to Section 6.2(a), the Applicant must, as applicable:
 - (i) identify the reason for the Default;
 - (ii) identify the reason for the Remote Project not being completed or being delayed;
 - (iii) explain how such events will impact the Remote Project; and
 - (iv) explain whether and how the Applicant intends to rectify the events set out in its notification made to the IESO pursuant to Section 6.2(a).

SECTION 7 GENERAL RULES

7.1 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 that the Proposal is submitted shall govern the Proposal. 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 Remote Project or Applicant.

7.2 Responsibility for Proposal, Remote Project, and Deliverables

- (a) Notwithstanding anything contained in the Remote 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 Proposal 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 Proposal and the development of the Remote Project, whether or not a Proposal is granted a Funding Agreement or is terminated or the EPP is suspended, revoked, amended, or revised. By submitting a Proposal, 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 Remote Mandatory Eligibility Requirements or Mandatory Proposal Requirements. The Applicant should seek independent legal advice in respect of its participation in the EPP, including its Proposal, the Remote 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

Proposals for any reason or in the event of the cancellation or suspension of the EPP or any part thereof at any time.

- (d) The IESO's decision to accept or reject a Proposal is not indicative of the viability of a Remote Project.
- (e) The IESO shall not be liable for any delays in processing, reviewing, accepting, declining or rejecting a Proposal.
- (f) Despite anything contained in the Remote Rules or in the Funding Agreement, Applicants are solely responsible for ensuring the technical, regulatory and financial viability of their Remote Projects, and the IESO shall have no responsibility whatsoever to independently assess the viability of any Proposal or Remote Project nor any liability whatsoever in the event that a Remote Project turns out not to be viable in any respect.
- (g) The Applicant shall be responsible for fulfilling all obligations in respect of the Proposal and the Funding Agreement, whether or not any of such obligations are carried out by an External Resource.

7.3 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 Remote Project 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 Remote Maximum Funding Amount available to the Applicant under the EPP. If the IESO determines, in its sole and absolute discretion, that a Remote Project 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 Proposals in respect of such Applicant or Remote Projects, refuse future proposals or applications for funding by the Applicant or its Affiliates, or take any other action it deems appropriate.

7.4 Rejection of a Proposal

- (a) The IESO may reject a Proposal, in its sole and absolute discretion, at any time if:
 - (i) any of the events set out in Section 6.2(a) has occurred;
 - (ii) the Applicant has failed to provide information in a timely manner in response to requests from the IESO for clarification or information or has failed to provide material information as required by the Remote Rules;
 - (iii) the IESO determines, in its sole and absolute discretion, that the Applicant has made false claims under the Proposal or has failed to provide material information to the IESO as required by the Remote Rules;
 - (iv) 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;

- (v) the Applicant is not otherwise in compliance with the Remote 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;
 - (vi) 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 Proposal or that the Remote Project has been terminated;
 - (vii) a Proposal is deemed withdrawn and terminated as per Section 5.1(a) or the offer of a Funding Agreement is withdrawn pursuant to Section 5.1(b);
 - (viii) the Applicant has already received the applicable Maximum Funding Amount under the EPP;
 - (ix) the IESO determines that the Applicant has received funding that would be duplicative of the amounts awarded under the Funding Agreement, as described in Section 3.7; or
 - (x) for any other reason, in the sole and absolute discretion of the IESO, if the IESO so notifies the Applicant in writing.
- (b) Where a Proposal has been terminated in accordance with this Section 7.4, the IESO has the right to reject further Proposals made by the Applicant in its sole and absolute discretion.

7.5 Records Retention and Audit Rights

- (a) The Applicant must keep and maintain all books and records necessary to support the information contained in its Proposal for one year following the submission of the Proposal. 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 7.5(a).
- (d) To assist in respect of the rights set out in this Section 7.5, 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 Remote Rules will be construed so as to give the Inspecting Party any control whatsoever over the Applicant's records or those of its contractors.

7.6 IESO Rights

- (a) The IESO has the right, in its sole and absolute discretion, to:
 - (i) determine whether an Applicant meets the Remote Mandatory Eligibility Requirements and whether a Proposal meets the Mandatory Proposal Requirements;
 - (ii) waive any requirement or provision of the Rules, and, by submitting a Proposal, each Applicant agrees and acknowledges that the exercise of such right is fair and reasonable; and
 - (iii) reject a Proposal for any reason, or require additional information in respect of a Proposal, all in its sole and absolute discretion.
- (b) The IESO's decision in relation to a Proposal 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 Proposal, 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 Proposal will not constitute any legal relationship between the Applicant and the IESO, does not constitute consent by the IESO to process or approve the Proposal, and does not cause any legal obligations to be owed by the IESO to the Applicant.
- (d) By accepting a Proposal, offering a Funding Agreement or granting funding under the EPP, the IESO does not in any way represent, warrant or guarantee that the Recipient or any of its 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 FIT Rules and the LRP RFP, respectively, which govern them. The IESO's decision to accept or reject a Proposal is not indicative of the viability of a FIT Application, LRP Proposal or application to become a licensed transmitter in respect of a Remote Project.

7.7 Confidentiality and Disclosure

- (a) By submitting a Proposal, the Applicant authorizes the collection by the IESO of the information set out in the Proposal 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 Remote 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, its Affiliates, or any third party in order to verify any information set out in the Proposal. 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 and its Affiliates, the title, location, and type of technology of the Remote Project(s), how the Remote Project will assist in reducing diesel dependency in the relevant community, and the amount of Funding Payments, if any. Subject to this Section 7.7(c) and Section 7.7(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 a Proposal, a Funding Agreement and all other information relating to an Applicant 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 Remote Project or Applicant-specific information.
- (e) The IESO shall have the right to assign its rights and responsibilities under the Remote 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 Proposal will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.