

ADDENDUM NO. 1
Dated July 9, 2025, to the
IESO LT2(c-1) RFP

In accordance with Section 3.3 of the LT2(c-1) RFP, this Addendum No. 1 contains amendments to the LT2(c-1) RFP posted on the Website and amendments to the LT2(c-1) Contract incorporated by reference in Appendix B to the LT2(c-1) RFP.

Capitalized terms used in this document have the meaning given to such terms in the LT2(c-1) RFP or the LT2(c-1) Contract, as applicable.

1. Add the following new Section 2.2(p) to the LT2(c-1) RFP:

“(p) Gas Transmission System Upgrade Cost Sharing

Where the Facility utilizes natural gas as its energy source and is connected to the natural gas distribution network of any Gas Distributor and the Supplier is required by any order of the OEB to pay for, or reimburse a Gas Distributor for, the costs of any upgrades to any natural gas transmission system in Ontario, by way of a contribution in aid of construction, or in any dedicated Rate Rider that is specific to such costs, provided the Supplier has used Commercially Reasonable Efforts to mitigate or avoid such costs, seventy-five percent (75%) of such costs will be added to the payments from the IESO under the LT2(c-1) Contract.”

2. Add the following definitions in Section 1.1 of the LT2(c-1) Contract in the alphabetical order:

“Gas Transmission System” means any network, system or assets used for the transmission of natural gas in Ontario as contemplated in the OEB Act.

“Gas Transmission Upgrade Costs” has the meaning ascribed to it in Section 2.18(a).

“Gas Upgrade Cost Reimbursement” or **“GUCR_m”** has the meaning ascribed to it in Exhibit J.

“Gas Tx Cost Order Notice” has the meaning ascribed to it in Section 2.18(a).

“Rate Rider” has the meaning ascribed to it in Section 2.18(c).”

3. Add the following new Section 2.18 in the LT2(c-1) Contract:

“2.18 Gas Transmission System Upgrade Cost Sharing

(a) Without limiting the Supplier’s obligation under Section 2.6(e), where:

(A) the Facility utilizes natural gas as its energy source and is connected to the Gas Distribution System of any Gas Distributor; and

- (B) the Supplier is required by any order or issued determination of the OEB to pay for, or reimburse a Gas Distributor for, the costs of any upgrades or expansions to any Gas Transmission System in Ontario as a result of the Supplier's requested interconnection of the Facility to the Gas Distributor's Gas Distribution System, provided the Supplier has used Commercially Reasonable Efforts to minimize or avoid such costs (such costs, "**Gas Transmission Upgrade Costs**"),

the Supplier shall deliver a notice thereof to the Buyer (a "**Gas Tx Cost Order Notice**") no later than thirty (30) days after the issuance of such order or determination by the OEB.

- (b) A Gas Tx Cost Order Notice shall contain reasonable supporting details describing such OEB proceeding and the Supplier's Commercially Reasonable Efforts to minimize or avoid the imposition of Gas Transmission Upgrade Costs on the Supplier. Where there is any dispute as to whether any costs constitute Gas Transmission Upgrade Costs or whether a Supplier used Commercially Reasonable Efforts to minimize or avoid Gas Transmission Upgrade Costs, such dispute shall be submitted to mandatory and binding arbitration in accordance with Section 16.2 without first having to comply with Section 16.1.
- (c) If the Supplier is required to pay Gas Transmission Upgrade Costs in the form of a "contribution in aid of construction" or any substantially similar form of lump-sum payment (a "**CIAC**"), the Supplier shall deliver a notice to the Buyer containing its invoice for the CIAC or any portion thereof and evidence of its payment of the CIAC (or portion thereof) no later than ten (10) Business Days after the date that the Supplier makes such payment to the Gas Distributor. If the Supplier is required to pay Gas Transmission Upgrade Costs over time in the form of an incremental rate above the OEB-approved, posted tariff for gas distribution services by the Gas Distributor (a "**Rate Rider**"), the Supplier shall deliver a notice to the Buyer no later than ten (10) Business Days after the end of each Settlement Month (including the final Settlement Month of the Term) detailing the amount it has paid in the form of a Rate Rider for the prior Settlement Month.
- (d) Seventy-five percent (75%) of the Gas Transmission Upgrade Costs that the Supplier pays to a Gas Distributor, whether in the form of a CIAC or a Rate Rider will be reimbursed by the Buyer in the form of the Gas Upgrade Cost Reimbursement (or GUCR_m) paid in accordance with Exhibit J. Following the end of the Term, the Buyer shall pay the Supplier, within twenty (20) Business Days of its receipt of the Supplier's notice pursuant to Section 2.18(c) above, seventy-five percent (75%) of the Supplier's documented Rate Rider expenditure in the final Settlement Month."

4. In Section 16.8 of the LT2(c-1) Contract, add "2.18," after "2.7,".

5. In Exhibit J – Calculation of Monthly Payment of the LT2(c-1) Contract, in the calculation of MP_m :

- (a) in the first row of the table, add “+ $GUCR_m$ ” after “+ RCC_m ”; and
- (b) add the following as the last row of the table:

$GUCR_m$	is the Gas Upgrade Cost Reimbursement for Settlement Month “ m ”, which: (i) for the first twelve (12) Settlement Months after Supplier’s submission of notice and reasonable evidence of payment of any CIAC in accordance with the requirements of Section 2.18(c), shall be an amount that is seventy-five percent (75%) of the amount paid in CIAC divided by twelve (12); (ii) for any Settlement Month in which the Buyer has received a notice from the Supplier documenting any Rate Rider the Supplier has paid in the prior Settlement Month in accordance with the requirements of Section 2.18(c), shall be seventy-five percent (75%) of the Supplier’s Rate Rider payments documented in such notice; and (iii) in all other circumstances, shall be zero.
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