

IESO MEDIUM-TERM 2 (CAPACITY) REQUEST FOR PROPOSALS

TABLE OF CONTENTS

Section 1 – INTRODUCTION	4
1.1 Independent Electricity System Operator	4
1.2 Purpose and Background of the MT2(c) RFP	4
1.3 Defined Terms.....	5
Section 2 – ELIGIBILITY AND CONTRACTUAL REQUIREMENTS	5
2.1 Eligibility Requirements	5
2.2 Overview of the MT2(c) Contract.....	6
2.3 No Exclusivity of Contract.....	11
Section 3 – MT2(c) RFP PROCESS OVERVIEW	11
3.1 Schedule	11
3.2 Questions and Comments.....	12
3.3 Addenda	13
3.4 Registration and Qualified Capacity Confirmation.....	13
3.5 Communications.....	15
3.6 Proposal Requirements.....	17
3.7 Proposal Submission	18
3.8 Notification of Selected Proponents and Other Proponents.....	23
3.9 Debriefing.....	25
3.10 Confidentiality.....	25
3.11 Disclosure of Proponents	26
Section 4 – PROPOSAL EVALUATION	27
4.1 Stage 1 – Completeness Requirements	27
4.2 Stage 2 – Mandatory Requirements	27
4.3 Stage 3 – Review of Economic Bid Statement	28
4.4 Stage 4 – Selection	28
4.5 Selected Proponent.....	29
Section 5 – ADDITIONAL TERMS AND CONDITIONS	29
5.1 General Terms and Conditions.....	29
5.2 MT2(c) RFP Documents	29
5.3 Compliance.....	30
5.4 Return of Proposal Security	30
5.5 Participation Costs.....	30
5.6 Material Breach of this MT2(c) RFP	30

5.7 Verification..... 31

5.8 Other Procurement Processes..... 31

5.9 Governing Law..... 31

5.10 Reserved Rights..... 31

APPENDIX A – GLOSSARY OF TERMS 33

APPENDIX B – MT2(c) CONTRACT 41

APPENDIX C – PROPOSAL SUBMISSION LABEL 42

Appendix D – FORM OF IRREVOCABLE AND UNCONDITIONAL STANDBY LETTER OF CREDIT 43

SECTION 1 – INTRODUCTION

1.1 Independent Electricity System Operator

- (a) The Independent Electricity System Operator (the “**IESO**”) works at the heart of Ontario’s power system as the system operator, directing the flow of electricity across the grid and administering the wholesale electricity market. It sets the hourly Ontario electricity price and ensures there is enough power to meet the province’s energy needs in real time. The IESO works with stakeholders and communities across the province to plan and secure energy for the future, as well as to guide conservation efforts in Ontario. The IESO has a role in planning for and competitively procuring resources that meet Ontario’s needs today and into the future. These may be met through diverse resources such as wind, solar, hydro, biomass, nuclear, natural gas, demand response, conservation, storage or other innovative technologies.
- (b) The IESO is governed by an independent board of directors that is appointed by the Government of Ontario. Its fees and license are set by the Ontario Energy Board (the “**OEB**”) and it operates independently of all other participants in the electricity market.
- (c) Credit ratings for the IESO have been issued by Moody’s and DBRS Morningstar. Additional information about the IESO can be obtained from www.ieso.ca.

1.2 Purpose and Background of the MT2(c) RFP

- (a) After more than a decade of strong supply, Ontario is entering a period of emerging electricity system needs, driven by increasing demand, the retirement of the Pickering nuclear plant, the refurbishment of other nuclear generating units, as well as expiring contracts for existing facilities. Recognizing the necessity to address these needs in a timely, cost-effective and flexible manner, the IESO has engaged with stakeholders in the development of a resource adequacy framework. As Ontario’s electricity system evolves to become more diverse and dynamic, procurement processes must evolve along with it. The resource adequacy framework published on the IESO’s website targets robust competitive processes that focus on cost-effective reliability, while more effectively balancing ratepayer and supplier risk in this changing environment.
- (b) As described in the Annual Planning Outlook published on the IESO’s website in March 2024 , one of the mechanisms intended to support the IESO’s resource adequacy initiatives is this Medium-Term 2 Capacity Request for Proposals (the “**MT2(c) RFP**”), which is intended to acquire capacity services to meet system reliability needs from existing dispatchable Electricity capacity resources that are not subject to OEB rate

regulation, that are registered or able to become registered in the IESO-administered markets and that are larger than one (1) MW in Nameplate Capacity.

- (c) The MT2(c) RFP is intended to competitively procure year-round Electricity capacity services from Qualified Facilities. The IESO is targeting, subject to Section 4.4, to select Proposals representing up to 3,000 MW (the “**Target Capacity**”), on a Maximum Contract Capacity basis. Successful Proponents will be awarded contracts, in the form set out in APPENDIX B hereto, (the “**MT2(c) Contract**”) for a five (5) year commitment period commencing on May 1st of either 2026, 2027, 2028 or 2029 (as selected by Proponents) and ending immediately prior to the fifth anniversary of such date (the “**Commitment Period**”).

1.3 Defined Terms

- (a) Capitalized terms used in this MT2(c) RFP have the respective meanings ascribed to them in APPENDIX A. Terms and acronyms used in this document that are italicized have the meanings ascribed in *Chapter 11* of the Market Rules available on the IESO’s website. **[NTD: Defined terms are subject to further review.]**
- (b) Capitalized terms used in Section 2.2 but not otherwise defined in the MT2(c) RFP have the meanings given to them in the MT2(c) Contract.

SECTION 2 – ELIGIBILITY AND CONTRACTUAL REQUIREMENTS

2.1 Eligibility Requirements

This MT2(c) RFP process is only open to those Proponents who qualify as Qualified Applicants, as defined below. Any and all other parties who are not Qualified Applicants are not eligible to participate in this MT2(c) RFP. Proponents must be a single legal Person and may not be an unincorporated joint venture of multiple Persons. Each Proposal must be specific to an individual Qualified Facility, as defined below.

- (a) A “**Qualified Applicant**” for purposes of this MT2(c) RFP must be the legal and documented owner (as reflected in existing OEB generator licenses, existing environmental permits and existing IESO market registration documentation, each as applicable) of one or more “**Qualified Facilities**”, being existing and operating dispatchable Electricity capacity resources with a Nameplate Capacity of more than one (1) MW that are currently, or have previously been, the subject of an Eligible Prior Contract or, if they have not been the subject of an Eligible Prior Contract, are otherwise registered with the IESO as *registered facilities* under the Market Rules. To satisfy the Pre-Term Capacity Verification requirements of the MT2(c) Contract (described below), a Qualified Facility must, among other

things, demonstrate that it is directly connected to a Transmission System or a Distribution System, delivering dispatchable Electricity capacity services through its own meter (for clarity, “its own meter” means a meter not used by any other facility or Person), and that it is registered under the Market Rules as a *registered facility* other than as *variable generation*, or as a *self-scheduling generation facility*. If any portion of the Nameplate Capacity of a Qualified Facility is connected behind the electricity meter of a Host Facility such that Electricity generated by such generating facility is recorded on the Host Facility’s electricity meter, only the portion of the Nameplate Capacity of such generating facility that is directly connected to a Transmission System or to a Distribution System and that is not otherwise physically or contractually committed to a Host Facility or other party (except solely for purposes of any transfer of Environmental Attributes) is eligible to participate in this MT2(c) RFP.

- (b) To best reflect the contribution of the applicable resource to system reliability needs, this MT2(c) RFP will procure capacity services on the basis of Qualified Capacity, in accordance with the IESO’s methodology for calculating such value for different electricity resources as outlined in the “● Document” published on the Website. Accordingly, during the initial Registration phase of this MT2(c) RFP (described in Section 3.4 below) Proponents will be invited to indicate the Qualified Facility’s Nameplate Capacity, Reference Seasonal ICAP for both Summer and Winter and any Supplier Reserved Capacity. The IESO will determine the portion of a Qualified Facility’s Reference Seasonal ICAP that will be eligible to constitute Qualified Capacity and which will be eligible to be the subject of the MT2(c) Contract (such IESO-confirmed portion of the Reference Seasonal ICAP, the “**Qualified Capacity**”). Qualified Capacity for each Season shall be designated by the IESO for each calendar month during such Season separately. For greater certainty, the Monthly Contract Capacity will be the same quantity of MW for each of the six (6) months of Summer and Winter under the MT2(c) Contract. The Maximum Contract Capacity that is eligible to be the subject of the MT2(c) Contract must be less than or equal to the maximum Qualified Capacity minus any Supplier Reserved Capacity.

2.2 Overview of the MT2(c) Contract

- (a) This Section 2.2 provides an overview of certain sections of the MT2(c) Contract and is for descriptive purposes only. For greater certainty, to the extent that there is any inconsistency between the descriptions in this Section 2.2 and the MT2(c) Contract, the terms of the MT2(c) Contract shall prevail.
- (b) The Proponents whose Proposals are selected must enter into the MT2(c) Contract as Suppliers under their own names.

Given its focus on system reliability needs, the MT2(c) Contract will compensate Suppliers for the availability of the capacity of their Facility during the Commitment Period. As such, the contract will require that a Facility offer its capacity into the *IESO-administered markets* at a specified minimum quantity on Business Days for all hours from 07:00 to 23:00 EST or such other continuous 16-hour period over a maximum of five (5) days in any calendar week as may be prescribed by the IESO from time to time (such hours, “**Qualifying Hours**”). The IESO shall be entitled to exercise the right to prescribe a revised continuous 16-hour period on designated days to constitute Qualifying Hours on ninety (90) days’ prior written notice up to two times in each Contract Year.

(c) *Monthly Payment*

- (i) The MT2(c) Contract will pay Suppliers a fixed monthly capacity payment based on the daily “**Fixed Capacity Payment**” (or “**FCP**”) (in units of \$/MW-Business Day) multiplied by the number of Business Days in the month and multiplied by their Monthly Contract Capacity (the “**Monthly Capacity Payment**”). The FCP will be established based on the Proposal Price submitted in accordance with this MT2(c) RFP. The Maximum Contract Capacity may not be more than the Qualified Capacity.
- (ii) Twenty percent (20%) of the FCP will be adjusted for inflation based on year-over-year change in the Consumer Price Index during the Commitment Period of the MT2(c) Contract. All Qualified Facilities under the MT2(c) Contract will be required to operate and maintain their Qualified Facility in accordance with Good Engineering and Operating Practices.
- (iii) All market revenues attributable to the operation of the Facility in the *IESO-administered markets* or from other attributes or products generated from the physical operation of the Facility, will be for the benefit of the Supplier in accordance with the MT2(c) Contract.

(d) *Capacity Verification*

- (i) No later than ninety (90) days and no earlier than one hundred and eighty days (180) days prior to the Commitment Period (“**PTC Verification Period**”), each Qualified Facility under the MT2(c) RFP will be required to deliver to the IESO (i) evidence that it is directly connected to a Transmission System or Distribution System and (ii) a final Registration Approval Notification (RAN) issued by the System Operator evidencing its registration under the Market Rules other than as *variable generation*, or as a *self-scheduling generation facility* (such evidence the “**Connection and Registration Evidence**”). To verify its operating capabilities, the

Supplier must deliver to the IESO revenue-quality interval meter data from a date that is no earlier than the date of its delivery of the Connection and Registration Evidence, verifying the ability of such Qualified Facility to operate for at least twelve (12) consecutive five (5) minute intervals during Qualifying Hours at a level of at least one hundred percent (100%) of its applicable Monthly Contract Capacity for the calendar month in which the operational meter data was created (such confirmation, the “**Pre-Term Capacity Verification**”).

- (ii) If the Pre-Term Capacity Verification is not completed prior to the commencement of the Commitment Period, payments to the Supplier under the MT2(c) Contract will not begin until the Pre-Term Capacity Verification is complete and the MT2(c) Contract will nevertheless expire on April 30, immediately prior to the fifth (5th) anniversary of the commencement of the Commitment Period. Force Majeure may extend the PTC Verification Period but will not, in any circumstances, extend the Longstop Date or impact the Supplier Event of Default as described below in Section 2.2(d)(iii).
- (iii) A Supplier Event of Default will arise if the Pre-Term Capacity Verification is not completed within three (3) months after the commencement of the Commitment Period (the “**Longstop Date**”), provided that if the Pre-Term Capacity Verification is achieved after the period specified in Section 2.2(d)(i) but on or before the Longstop Date then such delay will not constitute a Supplier Event of Default

(e) *Force Majeure*

Any Force Majeure that is claimed by the Supplier and accepted by the IESO during the Commitment Period shall be excluded from the calculation of the Monthly Payment under Exhibit J of the MT2(c) Contract for the portion of the total hours in the month and the portion of the Contract Capacity for the Facility that is subject to an Outage arising from such confirmed Force Majeure event (the “**Force Majeure Capacity Reduction Factor**”, or “**FMCRF**”). The FMCRF will be applied to the Monthly Contract Capacity for purposes of calculating the Adjusted Monthly Contract Capacity. Any such Force Majeure shall also reduce the payment being made to the Supplier by way of the same Force Majeure Capacity Reduction Factor applied to the Monthly Capacity Payment for the applicable Settlement Month.

(f) *Performance Obligations*

- (i) The “**Must-Offer Obligation**” is the primary operating covenant of the MT2(c) Contract and will require that the Supplier *offer*, in a

Settlement Month, Electricity output from the Facility into the Day-Ahead Market for dispatch during Qualifying Hours from the Facility's Contract Capacity that is not subject to an Outage, such that the Monthly Average Offered Quantity for the Settlement Month is equal to or greater than its Adjusted Monthly Contract Capacity.

- (ii) After the completion of the third Contract Year, if the average of the Monthly Average Offered Quantity for each Settlement Month in any rolling twenty-four (24)-month period during the Term is less than seventy-five percent (75%) of the average of the Adjusted Monthly Contract Capacity for such Settlement Months, it will be considered a Supplier Event of Default.
- (iii) For an Electricity Storage Facility, the calculation of Adjusted Monthly Contract Capacity (for purposes of determining non-performance as discussed below) will also account for the total number of Qualifying Hours in which the Facility is State-of-Charge Limited in the Settlement Month. The State-of-Charge Limited Reduction Factor for a Settlement Month will be equal to 1.0 (and thus will not impact offering requirements) if the DACP is replaced with a forward energy market under the IESO Market Rules prior to the start of such Settlement Month.

(g) *Non-Performance*

- (i) If at the end of a Settlement Month, a Facility's Monthly Average Offered Quantity is less than the Adjusted Monthly Contract Capacity, an "**Availability Non-Performance Charge**" will be assessed and charged to the Supplier for the applicable Settlement Month, equal to the Monthly Capacity Payment multiplied by the applicable percentage shortfall below the Adjusted Monthly Contract Capacity and further multiplied by a monthly non-performance factor (the "**Non-Performance Factor**") set out below in Section 2.2(g)(ii).

(ii) Monthly Non-Performance Factors

Month	Factor	Month	Factor
January	2.0	July	2.0
February	2.0	August	2.0
March	1.5	September	2.0

April	1.0	October	1.0
May	1.0	November	1.0
June	1.5	December	1.5

(h) *Regulatory Charge Credit and Global Adjustment for an Electricity Storage Facility*

- (i) Electricity Storage Facilities will be eligible for a regulatory charge credit (including a reimbursement for Global Adjustment (“GA”)), subject to a minimum round-trip efficiency assumption of seventy-five percent (75%) (where actual observed efficiency below such level will result in less than one hundred percent (100%) reimbursement of such charges based on the formula for the calculation of such credit in the MT2(c) Contract).
- (ii) The credit will be based on the sum of regulatory energy charges incurred by the Supplier in respect of withdrawn Electricity specified in the MT2(c) Contract plus the GA reimbursement.
- (iii) The reimbursement of GA will be equal to the amount of GA incurred by the Supplier, until the Facility is eligible to begin participation in the Industrial Conservation Initiative (“ICI”) program or any successor or replacement program designed to reduce or eliminate the Facility’s Global Adjustment cost obligation.

(i) *Completion and Performance Security*

- (i) The Supplier must, as of the Contract Date and until the end of the Term, provide to the IESO, Completion and Performance Security in an amount equal to the applicable Proposal Security (as set out in Section 3.7(d)(ii)). The amount of the Completion and Performance Security as of the Contract Date is equal to the amount required for Proposal Security and a Selected Proponent must, as part of the requirements of this MT2(c) RFP, authorize the IESO to convert and maintain the Proposal Security to be held as Completion and Performance Security at the time of entering into the MT2(c) Contract.
- (ii) The Completion and Performance Security must be in the form of a letter of credit in the form provided in the MT2(c) Contract (consistent with the form in Appendix D hereto), for the full amount of the Completion and Performance Security.

(j) *GHG Abatement Plans for Natural Gas*

(i) For natural gas-fired Facilities, if Laws and Regulations come into force that implement GHG Limitations that apply to the operations of the Facility by a designated specific date, the Supplier shall provide the IESO with an abatement plan to describe the manner in which the Supplier will comply with such Laws and Regulations. Where compliance with such Laws and Regulations will have a material adverse effect on the Supplier, the Supplier may elect, on a one-time basis, to either:

(A) place the Facility in Safe Standby State; or

(B) carry out CES Decommissioning.

If the Supplier elects to place the Facility in Safe Standby State, Monthly Payments will continue unchanged for the remainder of the Term and Availability Non-Performance Charges will not be applicable. Where the Facility has been placed in Safe Standby State in accordance with the MT2(c) Contract and the applicable Laws and Regulations cease to apply to the Facility during any remaining portion of the Term, the Must-Offer Obligation and Availability Non-Performance Charges will re-apply to the Supplier and Monthly Payments will be calculated on that basis.

(ii) If the Supplier elects CES Decommissioning, the Fixed Capacity Payment will be reduced by twenty-five percent (25%) and Monthly Payments will be calculated on that basis for the remainder of the Term.

2.3 No Exclusivity of Contract

(a) The MT2(c) Contract, if any, executed with a Supplier will not be an exclusive contract for the provision of capacity services to meet system reliability needs. The IESO may contract with others for the same or similar products or services from other resources or may otherwise obtain the same or similar products or services as those sought under this MT2(c) RFP by other means.

SECTION 3 – MT2(c) RFP PROCESS OVERVIEW

3.1 Schedule

(a) Below is the schedule relating to this MT2(c) RFP process (the “Schedule”): ***[NTD: This is under consideration by the IESO.]***

Milestone	Date
IESO's deadline for releasing the final MT2(c) RFP and MT2(c) Contract	[November 15, 2024]
Proponent's deadline for submitting questions and comments, if any	[December 4, 2024] (the "Question and Comment Deadline")
Proponent's period for Registration <i>(includes submission of Prescribed Form: Registration Form and other information required by Section 3.4 of this MT2(c) RFP, and payment of Registration Fee)</i>	[September 19 – October 3, 2024]
IESO's deadline to inform registered Proponents of their Qualified Capacity	[October 25, 2024]
IESO's deadline for issuing Addenda to MT2(c) RFP and MT2(c) Contract, if any	[December 23, 2024]
Proposal submission deadline	[January 9, 2025] at 3:00 P.M. (EPT) (the "Proposal Submission Deadline")
Target date for notification to Selected Proponents	[April 1, 2025]

- (b) The IESO reserves the right to accelerate or postpone any of the dates set out above and to add to, eliminate, or re-order any of the steps set out in the Schedule. The IESO may amend the Schedule from time to time by Addendum, which will be posted on the Website.

3.2 Questions and Comments

- (a) This MT2(c) RFP and the MT2(c) Contract, as applicable, will be public and accessible via the Website. Interested parties are encouraged to promptly examine all such documentation and: (i) report to the IESO any errors, omissions or ambiguities; and (ii) send to the IESO any questions they may have regarding the MT2(c) RFP and the MT2(c) Contract by submitting a question or a comment by e-mail to MT2.RFP@ieso.ca on or before the Question and Comment Deadline specified in the Schedule. The IESO will not be responsible for, nor be obliged to respond to, questions or

comments submitted from another location of the IESO's website or to any other e-mail address.

- (b) Questions marked as confidential will not be accepted by the IESO. The IESO may post questions and comments received in the manner prescribed above that request clarification of the MT2(c) RFP and the MT2(c) Contract on the Website with the IESO's response, but the identity of any party asking any question or making any comment will not be revealed.
- (c) The IESO is under no obligation to provide additional information or answers but may do so at its sole Discretion. When posting questions to the Website, the IESO may make conforming changes to the question to remove identifying or proponent-specific information.
- (d) It is the responsibility of an interested party to seek clarification by submitting questions or comments in the manner provided above on any matter that it considers to be unclear. The IESO shall not be responsible for any misunderstanding on the part of an interested party concerning any aspect of this MT2(c) RFP.

3.3 Addenda

- (a) The MT2(c) RFP and the MT2(c) Contract may be amended only by Addendum in accordance with this Section 3.3. If the IESO, for any reason, determines that it is necessary or appropriate to amend or provide additional information relating to the MT2(c) RFP and the MT2(c) Contract such information will be communicated by posting such Addendum on the Website on or prior to the deadline for issuing Addenda set out in the Schedule. Each Addendum will be deemed to form an integral part of the MT2(c) RFP and the MT2(c) Contract, as the case may be.
- (b) Each Addendum may contain important information, including significant changes to the MT2(c) RFP, the MT2(c) Contract and their respective Prescribed Forms, and interested parties are responsible for visiting the Website as often as is necessary to ensure that they obtain all Addenda and other communications issued by the IESO from time to time.
- (c) The IESO may issue an Addendum or Addenda after the deadline for issuing Addenda specified in the Schedule. If any Addendum is issued after the deadline for issuing Addenda set out in the Schedule, the IESO may, in its Discretion, extend the Proposal Submission Deadline for a reasonable amount of time having regard to the circumstances.

3.4 Registration and Qualified Capacity Confirmation

- (a) As the first step of participating in this MT2(c) RFP, interested Proponents must submit a Prescribed Form: Registration Form to the IESO, specific to

an individual Qualified Facility, in accordance with the specific details set out in the Prescribed Form: Registration Form, together with a registration fee of five hundred Dollars (\$500) (the “**Registration Fee**”). For clarity, the Prescribed Form: Registration Form shall require the Proponent to: (i) specify the Qualified Facility’s Nameplate Capacity, Reference Seasonal ICAP for both Summer and Winter and any Supplier Reserved Capacity; (ii) identify the Qualified Facility’s Eligible Prior Contract (as applicable), (iii) identify the facility registration with the IESO of the Qualified Facility (if applicable); and (iii) represent that the prospective Proponent qualifies as a Qualified Applicant and the applicable Electricity resource constitutes a Qualified Facility.

- (b) Based on the Reference Seasonal ICAP submitted by the Proponent, the IESO will determine the seasonal Qualified Capacity (in MW) for the Qualified Facility within the date set out in the Schedule, and notify the Proponent in writing by e-mail. Proponents may flag any perceived errors in their Qualified Capacity values to the IESO prior to the finalization of their Qualified Capacity within the date set out in the Schedule.
- (c) The IESO will respond to the Proponent confirming a Unique Project ID for the identified Facility and setting out its Qualified Capacity the date set out in the Schedule. Note, in providing the Qualified Capacity during this registration process, the IESO will not be confirming the status of a Facility as a Qualified Facility or the status of a Proponent as a Qualified Applicant.
- (d) The Registration Fee set out in Section 3.4(a) shall be non-refundable in all circumstances, including if the Proponent does not meet the requirements of a Qualified Applicant, if it declines to submit a Proposal or if any submitted Proposal is later rejected under the terms of this MT2(c) RFP.
- (e) Payment for the Registration Fee must be sent to the following bank account:

Beneficiary:	Independent Electricity System Operator
Beneficiary Address:	1600-120 Adelaide St West, Toronto ON M5H 1T1
Bank:	The Toronto-Dominion Bank
Bank Address:	55 King St West, Toronto ON M5K 1A2
Bank ID:	004
Transit No.:	10202
Account No.:	0690-5618464
Swift Code:	TDOMCATTOR

In order to ensure that Registration Fee deposited by the Proponent is identified and correctly applied, the electronic funds transfer or wire must include a deposit reference identifier (“**Registrant ID**”) in the form of: MT2-Proponent Name-Facility Name-Year (Example: MT2-CompanyA-Facility A-2025). After making the payment, an email must be sent to

MT2.RFP@ieso.ca with a copy to ieso.treasury@ieso.ca with the following information: (a) Proponent name (and if different from depositor, depositor name); (b) Facility Name; (c) expected deposit date; and (d) amount of Registration Fee deposited.

- (f) If an interested Proponent would otherwise fail to meet the registration requirements set out in this Section 3.4 as a result of a manifest error or deficiency in the Prescribed Form: Registration Form or in the delivery Registration Fee, such as a missing date, name, signature or a typographical error, the IESO may, in its Discretion, issue a rectification notice identifying a perceived deficiency and in such case will provide the Proponent a single opportunity to rectify the perceived deficiency and submit the applicable corrected or completed materials within the time period specified by the IESO in such notice.

3.5 Communications

- (a) The IESO does not wish to impair essential or appropriate communications by interested parties for the purposes of project planning, development, operations, regulatory compliance, participation in the *IESO-administered markets*, compliance with the requirements of this MT2(c) RFP, structuring or assembling a Proponent, participating in stakeholder engagement events administered by the IESO in respect of this MT2(c) RFP, or responding to stakeholder solicitations or requests for comments from the IESO in respect of this MT2(c) RFP (collectively, the “**Permitted Purposes**”). Therefore, the following communications rules apply with respect to this MT2(c) RFP:
- (i) Communications in respect of this MT2(c) RFP must be only for the Permitted Purposes and for no other purposes; and
- (ii) Permitted communications include communications with MPPs, mayors, municipal officials, municipal administrative staff, the media, members of the public, the IESO, the OEB, Transmitters and Distributors, for the Permitted Purposes and for no other purposes.
- (iii) Communications in respect of this MT2(c) RFP shall not be for the purposes (the “**Excluded Purposes**”) of:
- (A) obtaining (or attempting to obtain or lobbying to obtain) an unfair advantage in respect of the MT2(c) RFP;
- (B) influencing (or attempting to influence) the terms or outcome of the MT2(c) RFP other than via participating in stakeholder engagement events administered by the IESO in respect of this MT2(c) RFP or the MT2(c) Contract, or responding to stakeholder solicitations or requests for

comments from the IESO in respect of this MT2(c) RFP or the MT2(c) Contract;

- (C) influencing (or attempting to influence) government officials, regulatory officials or the management or staff of the IESO, OEB or Transmitters or Distributors, with respect to this MT2(c) RFP;
 - (D) denying (or attempting to deny) any other potential Proponent's fair, open and impartial consideration; or
 - (E) impairing (or attempting to impair) public confidence in the process or outcome of the MT2(c) RFP.
- (iv) The onus shall be on a Proponent to demonstrate that any communications in relation to this MT2(c) RFP were not communications for Excluded Purposes.
 - (v) Communication for any Excluded Purposes shall be and is hereby expressly excluded from the Permitted Purposes.
 - (vi) Communications with respect to this MT2(c) RFP between Proponents or prospective Proponents and any member of the IESO's management or board of directors, the Evaluation Team or its advisors, other than as expressly provided in this MT2(c) RFP, would be considered to be communications for Excluded Purposes. Communications with IESO staff and Ministry of Energy staff are permissible only for Permitted Purposes. Opportunities for communication with IESO or Ministry of Energy staff or any other Person for Permitted Purposes shall not be used to carry out communications for Excluded Purposes.
- (b) If a Proponent or prospective Proponent has any questions regarding the appropriateness of specific communications, they are advised to seek clarification from the IESO via the e-mail address: MT2.RFP@ieso.ca.
 - (c) The IESO shall have the right to request and obtain from a Proponent, and the Proponent shall, if so requested, promptly provide to the IESO, information or clarification regarding the appropriateness of any communications by such Proponent that may be prohibited by this MT2(c) RFP. The Proponent shall provide all information reasonably necessary or appropriate to allow the IESO to assess whether such communications are or were for Permitted Purposes.
 - (d) In cases of breach of the foregoing communications rules, the IESO may, in its Discretion, disqualify a Proponent or revoke the status of a Proponent, as the case may be. No Proponent shall engage or have engaged in any

communications that would constitute a Conflict of Interest or that would breach the Non-Collusion Requirements, failing which, the IESO may, in its Discretion, disqualify the Proponent.

3.6 Proposal Requirements

- (a) Proponents are responsible for ensuring that the Proposals are complete in every respect and in compliance with this MT2(c) RFP. Proponents should structure their Proposals in accordance with the instructions in this MT2(c) RFP. Where information is requested in this MT2(c) RFP, any response made in a Proposal should reference the applicable section numbers of this MT2(c) RFP where such request is made.
- (b) The Proposals shall be unconditional. Any Proposal that is subject to any condition will be rejected and such Proposal will no longer be considered in this MT2(c) RFP process. Except as provided in Section 3.7(e)(iii) and 3.7(e)(v), the Proposal Fee will be non-refundable.
- (c) Apart from the completion of any blanks, bullets or similar uncompleted information in the Prescribed Forms, no amendments may be made to the pre-printed wording of the Prescribed Forms, but copies, including multiple copies, may be made of the appropriate pages of the Prescribed Forms. The Prescribed Forms will be made available on the Website in a writable PDF, Word or Excel format. Any amendments made to the Prescribed Forms, whether on the face of such forms or contained elsewhere in the Proposal, may result in the disqualification of the Proposal. All Prescribed Forms populated with relevant information from the Proponent must be signed by a director, officer or other person who has the authority to bind the Proponent.
- (d) Certain Prescribed Forms are, or contain, statutory declarations. The onus is solely on Proponents to conduct all investigations and verifications necessary or appropriate, including any investigations required of any member(s) of the Proponent's team, to confirm that each of the statements set out in the declarations can be made accurately and truthfully. If the IESO determines in its Discretion that any matter declared is not materially true and correct, then the Proposal may be rejected. Additionally, misrepresentations in the Proposal will constitute a breach of the representations and warranties in the MT2(c) Contract.
- (e) The Proposal must be written in English only and must be submitted in electronic format, typed in black ink, printable on an 8.5 × 11-inch paper, and all pages in applicable documents should be numbered sequentially. Proposals should be collated and organized in a user-friendly manner, including an index, cross-referencing of the various supporting documentation and their respective page numbering systems, and should provide detailed responses.

3.7 Proposal Submission

- (a) Only one Proposal may be submitted in respect of an individual Qualified Facility.
- (b) To be considered, a Proponent must submit all of the materials in Section 3.7(c)(i) (collectively, a “**Proposal**”). It is the Proponent’s responsibility to submit the Proposal to the IESO as prescribed by the requirements in Section 3.7(c) in all material respects. Any Proposal submission that is not received by the IESO per the requirements set out in Section 3.7(c) in all material respects will be rejected and the Proposal will no longer be considered in this MT2(c) RFP process. Except as provided in Section 3.7(e), the Proposal Fee will be non-refundable.
- (c) *Electronic Submission Requirements*
- (i) To constitute a complete Proposal, Proponents must submit all of the following documents that are applicable to the Proposal as a part of the Proposal, electronically to MT2.RFP@ieso.ca, prior to the Proposal Submission Deadline:

[NTD: Prescribed Form numbers to be updated. IESO to provide the Prescribed Form numbers for the MT2(c) RFP.]

ELECTRONIC PROPOSAL REQUIREMENTS		
Item #	Proposal Document	Delivery and Format
1.	Proposal Fee	An electronic funds transfer or wire payable to the “Independent Electricity System Operator” in the amount, per Proposal, of \$100 per MW of proposed Contract Capacity, subject to a minimum of \$3,000 and a maximum of \$10,000 (the “ Proposal Fee ”), which fee is inclusive of HST. A Proponent submitting multiple Proposals must submit the Proposal Fee separately for each Proposal.
2.	MT2(c)PF-PP100 - Prescribed Form: Economic Bid Statement	The value of the Fixed Capacity Payment (in \$ per MW per Business Day) for each calendar month shall be submitted by the Proponent in its Proposal (the “ Proposal Price ”) and will be the subject of the price evaluation under this MT2(c) RFP. All Proponents must also select the start

		<p>date for the five (5)-year Commitment Period, being May 1st of either 2026, 2027, 2028 or 2029 (the “Commitment Period Start Date”). The choice of Commitment Period Start Date will not be utilized for evaluation or ranking of any Proposals.</p> <p>All Proponents must submit their Proposal Price in the Prescribed Form: Economic Bid Statement.</p> <p>Proponents are strongly encouraged to use a filename that follows the naming convention: Unique Project ID [●] MT2(c)PF-PP100.</p>
3.	<p>MT2(c)PF-PI100 - Prescribed Form: Proponent Information, Declarations and Workbook</p>	<p>All Proponents must submit an electronic copy of the completed Prescribed Form: Proponent Information, Declarations and Workbook.</p> <p>As a part of this Prescribed Form, Proponents must submit an electronic copy, in Microsoft excel format, the provided Proposal workbook containing information regarding the Qualified Facility and the Proponent, including the technology type, fuel source, Project Site details, Connection Point and the information confirming the Mandatory Requirements.</p> <p>Proponents are strongly encouraged to use a filename for the Prescribed Form: Proponent Information, Declarations and Workbook that follows the naming convention: Unique Project ID MT2(c)PF-PI100.</p> <p>Proponents are strongly encouraged to use a filename for the Proposal Workbook that follows the naming: Unique Project ID [●] MT2(c)PF-PW100</p>

- (ii) The email submission made to MT2.RFP@ieso.ca must contain all Proposal documents identified in Section 3.7(c)(i) and should utilize the following naming convention in its email subject line: “**MT2(c) Unique Project ID [●] Submission**”.

- (iii) The Proposal documents that are required to be submitted to the IESO in electronic format in accordance with Section 3.7(c)(i) must be received by the IESO in the MT2.RFP@ieso.ca inbox by no later than the Proposal Submission Deadline. Proponents are solely responsible for their technology and the transmission of the Proposal submission (including the full amount of the Proposal Fee). The IESO shall utilize the time stamp generated at the time of receipt into the MT2.RFP@ieso.ca inbox.

Any delays due to firewalls, technical faults, file size, unreadable or partial scans of compiled documents, forms or attachments, electronic funds transfers, or a high volume of Proposals will not be taken into account. This time stamp (being the time that the email is received by the IESO) will be the sole determinant of whether electronic Proposal documents were received prior to the Proposal Submission Deadline. For clarity, the IESO will not be responsible for late deliveries, deliveries to the incorrect email address or location or other electronic delivery failures. Proposal documents submitted after the Proposal Submission Deadline will not be accepted. Due to limitations on the size of electronic delivery of emails to the MT2.RFP@ieso.ca email of twenty (20) megabytes, Proponents may submit their Proposal documents through multiple emails.

For further clarity, if any email containing Proposal documents is shown to have been received in the MT2.RFP@ieso.ca inbox or payment of Proposal Fees are received in IESO's bank account at anytime after the Proposal Submission Deadline, the entire Proposal will be rejected. **Proponents are strongly encouraged to submit their Proposals and payments sufficiently in advance of the Proposal Submission Deadline to avoid any unforeseen delays in electronic delivery or processing of payments.**

- (iv) Payment for the Proposal Fee must be sent to the following bank account:

Beneficiary:	Independent Electricity System Operator
Beneficiary Address:	1600-120 Adelaide St West, Toronto ON M5H 1T1
Bank:	The Toronto-Dominion Bank
Bank Address:	55 King St West, Toronto ON M5K 1A2
Bank ID:	004
Transit No.:	10202
Account No.:	0690-5618464
Swift Code:	TDOMCATTTOR

In order to ensure that Proposal Fee deposited by the Proponent is identified and correctly applied, the electronic funds transfer or wire must include a deposit reference identifier in the form of the Unique Project ID. After making the payment, an email must be sent to MT2.RFP@ieso.ca with a copy to ieso.treasury@ieso.ca with the following information: (a) Proponent name; (b) the Unique Project ID; (c) expected deposit date; and (d) amount of Proposal Fee deposited. Proponents are reminded that any bank wiring or electronic funds transfer fees (or equivalent) must be taken into account and Proponents are responsible to ensure that the full amount of the Proposal Fee is received by the IESO (net of any banking or transfer fees) by the Proposal Submission Deadline.

Any electronic funds transfers in the manner other than that described in this Section 3.7(c)(iv) will not be taken into account, except at the IESO's Discretion.

(d) *Hard Copy Submission Requirements*

- (i) In addition to the electronically submitted documents identified in Section 3.7(c)(i), a Proponent must provide the following Proposal documents in hard copy submission to the IESO's address provided in Section 3.7(d)(iii) prior to the Proposal Submission Deadline:

HARD COPY PROPOSAL REQUIREMENTS	
Proposal Document	Delivery and Format
Proposal Security	One original hard copy of the Proponent's Proposal Security in the amount specified in Section 3.7(d)(ii), which should be contained in a separate, opaque and sealed envelope marked " Proposal Security " and with the Qualified Facility's name.

- (ii) The amount of Proposal Security shall be \$10,000 / MW of proposed Maximum Contract Capacity, subject to an overall limit of \$2,000,000.
- (iii) Proposal documents required to be submitted to the IESO in hard copy format shall be delivered to the address below:

Independent Electricity System Operator
 120 Adelaide Street West, Suite 1800
 Toronto, ON M5H 1T1
Attention: MT2(c) RFP

- (iv) The Proposal documents that are required to be submitted to the IESO in hard copy format in accordance with Section 3.7(d)(i) must be received by the IESO in a single envelope, specific to each individual Proposal, prior to the Proposal Submission Deadline. The IESO shall create a time stamp upon receipt of the hard copy materials and provide the Proponent a record of such time stamp. This time stamp will be the sole determinant of whether hard copy Proposal documents were received prior to the Proposal Submission Deadline.
 - (v) Proponents are encouraged to submit a cover letter with each hard copy of the Proposal Security that clearly identifies the Proponent's name, Unique Project ID and Qualified Facility's name to which the enclosed Proposal Security relates. Proponents are encouraged to affix a label to the outside of any hard copy submission package, specific to each individual Proposal, that clearly indicates the Proponent's name and address along with the IESO's mailing address (the "**Proposal Submission Label**"). The form of the Proposal Submission Label has been provided in APPENDIX C to this MT2(c) RFP.
- (e) *Amendment, Withdrawal or Non-Submission of Proposals*
- (i) Proposals cannot be amended once submitted.
 - (ii) At any time prior to the Proposal Submission Deadline, a Proponent may withdraw a submitted Proposal by emailing notice of such withdrawal in the Prescribed Form: Notice of Proposal Withdrawal to the IESO at MT2.RFP@ieso.ca and, provided that such Prescribed Form: Notice of Proposal Withdrawal is received by the IESO prior to the Proposal Submission Deadline, the entire Proposal described therein shall be deemed to have been withdrawn.
 - (iii) If a Proponent withdraws a Proposal prior to the Proposal Submission Deadline, the IESO will not process such Proposal and will return the Proposal Security and the Proposal Fee to the Proponent.
 - (iv) Subject to Section 3.7(a), the IESO will not process more than one Proposal with the identical Proponent name unless it is in relation to separate Qualified Facilities. If the IESO receives multiple Proposals from the same Proponent and in respect of the same

Qualified Facility and no corresponding Prescribed Form: Notice of Proposal Withdrawal indicating whether any one of such Proposals has been withdrawn, the IESO will not process either Proposal and will return each Proposal Fee and Proposal Security, to the Proponent.

- (v) If a Proponent makes payment of the Proposal Fee but does not submit a Proposal prior to the Proposal Submission Deadline, the IESO will return such Proposal Fee to the Proponent.

(f) *Irrevocability*

- (i) Proposals shall be irrevocable in the form submitted by the Proponent until 3:00 P.M. (EPT) on the one hundred and twentieth (120th) day after the Proposal Submission Deadline or for such longer period as agreed to from time to time pursuant to the provisions of this Section 3.7(f) (the “**Period of Irrevocability**”).
- (ii) If the IESO wishes to extend the Period of Irrevocability, the IESO shall submit a request prior to the expiry of the Period of Irrevocability to those Proponents whose Proposals are, at the time of the request, still being considered in the evaluation process. A Proponent may, in its discretion, refuse to extend its Period of Irrevocability and, in such case, must notify the IESO of such intent within five (5) Business Days after such request was made.
- (iii) If a Proponent refuses to extend the Period of Irrevocability, the Proponent’s Proposal shall continue to be irrevocable in accordance with its original Period of Irrevocability.
- (iv) If the IESO determines in its Discretion that it will be unable to award contracts prior to the expiration of the applicable Period of Irrevocability, it will, after the expiration of the Period of Irrevocability, cease to consider the Proposal(s) of a Proponent who has refused the IESO’s request to extend its Period of Irrevocability. The IESO will continue to evaluate Proposals of those Proponents who have consented to an extension to their Period of Irrevocability and award contracts, if at all, only to such remaining Proponents.

3.8 **Notification of Selected Proponents and Other Proponents**

(a) *Selected Proponents*

- (i) Once Selected Proposals are chosen by the IESO, the IESO will notify the Selected Proponents in writing of the selection, and will notify the other Proponents that were not chosen by the IESO in accordance with Section 3.8(b).

- (ii) The IESO may, prior to the financial market opening in Toronto, Ontario, in accordance with the Schedule, make a public announcement of such selection, noting that such selection is subject to the successful completion and execution of the MT2(c) Contract and related closing documents. The IESO will forward to the Selected Proponent(s) a copy of the MT2(c) Contract, and those related closing documents prepared by the IESO for completion and execution by the Selected Proponents, and the date that the MT2(c) Contract and such closing documents are sent by the IESO to the Selected Proponents is referred to as the “**MT2(c) Contract Receipt Date**”.
- (iii) The Selected Proponents must, within twenty (20) Business Days after the MT2(c) Contract Receipt Date, authorize the IESO to convert and maintain the Proposal Security to be held as Completion and Performance Security, and execute and deliver the MT2(c) Contract together with all related closing documents required by the IESO (including certificates of status or equivalent).

For greater certainty, it is the Selected Proponent who must execute and deliver the MT2(c) Contract, and the Selected Proponent may not substitute or propose to substitute another party in its place.

- (iv) Should any Selected Proponent fail to authorize the conversion of the Proposal Security into the Completion and Performance Security or fail to execute and deliver the MT2(c) Contract and all related closing documents required by the IESO within the required timeframes in respect of any Selected Proposals, such Selected Proponents will be in breach of this MT2(c) RFP with respect to such Proposals and the IESO may, in its Discretion, disqualify such Selected Proposals, draw upon the Proposal Security, and/or disqualify any or all other Selected Proposals submitted by the same Selected Proponent, which remedies shall be the sole and exclusive remedies of the IESO as a result of such Selected Proponent’s breach of this MT2(c) RFP.
- (v) Once the executed MT2(c) Contract and all related closing documents have been delivered to the IESO by the Selected Proponents, the IESO will coordinate, in consultation with the applicable Selected Proponents, further public announcements concerning the Qualified Facility and this MT2(c) RFP.
- (vi) [Where the Eligible Prior Contract of a Selected Proponent would otherwise expire or terminate in accordance with its terms no more than one (1) year after the commencement of the Commitment Period, the closing documentation in respect of the MT2(c) Contract will include an early termination agreement whereby the Eligible

Prior Contract will terminate immediately prior to the commencement of the Commitment Period. The early termination of any Eligible Prior Contract that would otherwise expire or terminate in accordance with its terms more than one (1) year after the Commitment Period will be subject to the Discretion of the IESO.] **[NTD: This is under ongoing consideration by the IESO.]**

(b) *Other Proponents*

- (i) Shortly after Selected Proponents are notified pursuant to Section 3.8(a), the IESO will notify the other Proponents of the fact that successful Proponents have been selected by the IESO as Selected Proponents and that the MT2(c) RFP process has concluded, that they were not selected by the IESO under this MT2(c) RFP, and that such decision is final and binding.

3.9 Debriefing

- (i) Any Proponent whose Proposal satisfied the Stage 1 completeness requirements set out in Section 4.1 but did not become a Selected Proposal may request a debriefing after being notified of their status.
- (ii) The IESO will hold a single debriefing meeting for each Proponent in which they can discuss their rejected Proposal. Requests must be made in writing through MT2.RFP@ieso.ca email address and must be made within thirty (30) days of such notification. The intent of the debriefing session is to assist the Proponent in presenting a better proposal in subsequent procurement opportunities.
- (iii) Any debriefing provided is not offered for the purpose of providing an opportunity to challenge this MT2(c) RFP procurement process.

3.10 Confidentiality

- (a) Information provided by a Proponent is subject to, and may be released in accordance with, the provisions of the *Freedom of Information and Protection of Privacy Act* (Ontario), as amended from time to time. A Proponent is required to clearly identify any portion of any Proposal that contains proprietary or confidential information by marking it as “Proprietary and Confidential”. Only those portions of a Proposal that are marked as “Proprietary and Confidential” will be accorded confidential treatment by the IESO in accordance with this Section 3.10.
- (b) The confidentiality of any such information identified by the Proponent will be maintained by the IESO, except where Laws and Regulations, a request by the Information and Privacy Commissioner, a court, legislative committee or a tribunal requires the IESO to do otherwise. Notwithstanding

the foregoing, the IESO shall not be required to maintain the confidentiality of any such information that:

- (i) is or becomes generally available to the public without fault or breach on the part of the IESO of any duty of confidentiality owed by the IESO to the Proponent or to any third party;
 - (ii) the IESO can demonstrate that it had been rightfully obtained by the IESO, without any obligation of confidence, from a third party that had the right to transfer or disclose it to the IESO free of any obligation of confidence;
 - (iii) the IESO can demonstrate that it had been rightfully known by, or in the possession of, the IESO at the time of disclosure, free of any obligation of confidence when disclosed; or
 - (iv) has been independently developed by the IESO.
- (c) Information contained in Proposals will, as deemed necessary by the IESO, be disclosed on a confidential basis, to the Evaluation Team, the IESO, the Government of Ontario, the Fairness Advisor, the IESO's counsel and other advisors retained in connection with the MT2(c) RFP and in the evaluation of the Proposals.
- (d) All information provided by or obtained from the IESO in any form in connection with this MT2(c) RFP is the sole property of the IESO and must be treated as confidential, and:
- (i) is not to be used for any purpose other than replying to this MT2(c) RFP;
 - (ii) must not be disclosed without the prior written authorization of the IESO; and
 - (iii) shall be returned by the Proponent to the IESO immediately upon the request of the IESO.

3.11 Disclosure of Proponents

Notwithstanding Section 3.10, the IESO may choose to publish or otherwise disclose all or any part of the following information regarding the Proposals subsequent to notifying all successful and unsuccessful Proponents or following the completion of this MT2(c) RFP:

- (a) Proponent Name;
- (b) applicable Qualified Facility and Monthly Contract Capacity;

- (c) average or individual Proposal Prices or other aggregate pricing information; and
- (d) the location of Qualified Facilities.

The IESO may make such disclosure on an individual basis, or as aggregated with information provided by other Proponents.

SECTION 4 – PROPOSAL EVALUATION

The evaluation of Proposals will be conducted by the IESO in four distinct stages as follows:

4.1 Stage 1 – Completeness Requirements

In Stage 1, each Proposal will pass or fail depending on whether the Proposal is complete and contains all documents, forms and declarations required by Section 3.7 of this MT2(c) RFP.

All Proposals must be complete in all respects at the time of submission. If a Proposal would otherwise fail the Stage 1 completeness review as a result of a manifest error or deficiency on a submitted Prescribed Form, such as a missing date, name, signature or a typographical error (and not, for certainty, a failure to pay the Proposal Fee, a failure to deliver the Proposal Security as required by Section 3.7 or a failure to submit a Prescribed Form in its entirety that is required by Section 3.7), the IESO may, in its Discretion, issue a rectification notice identifying a perceived deficiency and in such case will provide the Proponent a single opportunity to rectify the perceived deficiency and submit the applicable corrected or completed materials within the time period specified by the IESO in such notice.

4.2 Stage 2 – Mandatory Requirements

In Stage 2, each Proposal will pass or fail depending on whether, based on the information provided in the Proposal, the Proposal meets the following mandatory requirements (the “**Mandatory Requirements**”):

- (a) the Proposal is for a Qualified Facility; and
- (b) the Monthly Contract Capacity is equal to or less than the Qualified Capacity as set out in Section 2.1(b).

For greater certainty, the determination of whether such Mandatory Requirements are met will be based on the Proposal materials contained solely in submission documents 1 to 5 (6 and 7, if applicable) as set out in Section 3.7(c)(i). Proposals that do not demonstrate that the Proponent satisfies the Mandatory Requirements set out in this Section 4.2 will not be evaluated further and will be rejected.

4.3 Stage 3 – Review of Economic Bid Statement

- (a) All of the Proposals that have passed Stage 2 will have their Economic Bid Statement opened.
- (b) Fixed Capacity Payment ranking
 - (i) Proposals will be ranked in order of their Fixed Capacity Payment, with the lowest Fixed Capacity Payment receiving the highest priority, the second lowest Fixed Capacity Payment receiving the second highest priority, and so on until all of the Proposals have been ranked according to their Fixed Capacity Payment. The outcome of this ranking will create a preliminary list (the “**Preliminary List**”).
 - (ii) In the event that multiple Proposals within the Preliminary List have the same Fixed Capacity Payment, their order ranking will be randomly generated between such Proposals, which will be witnessed and documented by the Fairness Advisor.
- (c) Subject to Section 5.10(m), any Proposal whose Maximum Contract Capacity represents more than fifty percent (50%) of the total aggregate Maximum Contract Capacity of all Proposals that have passed Stage 2 (a “**Bulk Proposal**”) will be set aside, removed from its priority ranking on the Preliminary List and will be processed pursuant to Section 4.4(a).

4.4 Stage 4 – Selection

- (a) Proposals on the Preliminary List other than a Bulk Proposal will be processed and added to the “**Offer List**” in order until such point where the selection of the next ranking proposal on the Preliminary List will result in the aggregate Maximum Contract Capacity of Proposals on the Offer List being equal to or greater than eighty percent (80%) of the aggregate Maximum Contract Capacity of all Proposals other than a Bulk Proposal on the Preliminary List (such Proposal, the “**Target Marginal Proposal**”). Where a Bulk Proposal has been set aside pursuant to Section 4.3(c), the IESO will process and move such Bulk Proposal to the Offer List only if the Fixed Capacity Payment of such Bulk Proposal is not more than the weighted average of the Fixed Capacity Payment (on a Maximum Contract Capacity basis) of all other Proposals that have been moved to the Offer List, including the Target Marginal Proposal (excluding, for greater certainty, the subject Bulk Proposal).
- (b) Notwithstanding the foregoing and subject to Section 5.10(m), the IESO may, in its Discretion, add additional Proposals from the Preliminary List beyond the Target Marginal Proposal other than a Bulk Proposal to the

Offer List, provided that the Fixed Capacity Payment for any such Proposal does not exceed the Maximum Proposal Price.

4.5 Selected Proponent

Any Proponent whose Proposal is included on the Offer List shall be a “**Selected Proponent**” and shall be required to enter into an MT2(c) Contract as described in Section 2.2 in respect of the applicable Proposal(s), and to carry out the provisions of the MT2(c) Contract.

SECTION 5 – ADDITIONAL TERMS AND CONDITIONS

5.1 General Terms and Conditions

- (a) For the purpose of determining time of receipt of any submission, the clock at the prescribed location for submission shall govern.
- (b) The onus remains solely with the Proponent to deliver submissions as specified in this MT2(c) RFP by the relevant deadline.

5.2 MT2(c) RFP Documents

- (a) The following materials form part of, and are incorporated into, this MT2(c) RFP:
 - (i) the body of this MT2(c) RFP and all Appendices;
 - (ii) any Addenda; and
 - (iii) all Prescribed Forms.
- (b) Any conflict or inconsistency between this MT2(c) RFP, the Appendices, or Addenda, if any, shall be resolved by interpreting the documents and information in the following order from highest priority to lowest priority:
 - (i) Addenda;
 - (ii) the body of this MT2(c) RFP and APPENDIX A;
 - (iii) other Appendices to this MT2(c) RFP; and
 - (iv) Prescribed Forms.
- (c) All other information and materials are provided for information purposes only, do not form part of this MT2(c) RFP and are not binding on the IESO.
- (d) In the event of any conflict or inconsistency between the terms of this MT2(c) RFP and the Proposal, this MT2(c) RFP shall govern over the Proposal to the extent of any conflict or inconsistency.

- (e) Once the MT2(c) Contract is executed, the MT2(c) Contract will govern over this MT2(c) RFP.

5.3 Compliance

If, in the Discretion of the IESO, a Proposal does not comply with the requirements set out in this MT2(c) RFP, the IESO may, without liability, cost or penalty, disqualify the Proposal and the Proposal shall not be given any further consideration. For purposes of this MT2(c) RFP, “comply” means that the Proposal conforms to the requirements of this MT2(c) RFP without Material Deviation.

For the purpose of clarity, each Proponent acknowledges and agrees that the IESO’s evaluation of compliance with this MT2(c) RFP is not an evaluation of absolute compliance and that the IESO may waive failures to comply that, in the IESO’s Discretion, do not constitute a Material Deviation.

5.4 Return of Proposal Security

For each Proponent whose Proposal does not pass any of the stages set out in Section 4 of this MT2(c) RFP, the applicable Proposal Security will be returned to the address provided on the Proposal Submission Label within ten (10) Business Days of the Proponent being notified by the IESO that their Proposal did not pass any of the stages set out in Section 4 of this MT2(c) RFP or that their Proposal was otherwise rejected.

5.5 Participation Costs

- (a) Each Proponent will bear all costs and expenses in connection with its participation in this MT2(c) RFP, including any costs incurred in the review of this MT2(c) RFP and any expert advice required in responding to this MT2(c) RFP.
- (b) The IESO and its advisors shall not be liable to pay any Proponents costs under any circumstances. In particular, the IESO will not reimburse the Proponents in any manner whatsoever in the event of rejection or disqualification of any or all Proposals or in the event of the cancellation of this MT2(c) RFP for any reason.
- (c) Subject to Section 5.6, by submitting any submission in response to this MT2(c) RFP, the Proponent irrevocably and unconditionally waives any claims against the IESO and its advisors relating to the Proponent’s costs and expenses.

5.6 Material Breach of this MT2(c) RFP

Each Proponent agrees that, if the IESO commits a material breach of this MT2(c) RFP, the IESO’s liability to the Proponent, and the aggregate amount of damages recoverable against the IESO for any matter relating to or arising from that material breach, whether based upon an action or claim in contract, warranty, equity, negligence, intended conduct

or otherwise, including any action or claim arising from the acts or omissions, negligent or otherwise, of the IESO, shall be no greater than the submission preparation costs that the Proponent seeking damages from the IESO can demonstrate and shall in any event not include any lost profits or indirect, punitive or consequential damages.

5.7 Verification

All statements, information and documentation submitted as part of any Proposal are subject to verification and enforcement in accordance with the terms of this MT2(c) RFP. If such statements, information or documentation are determined by the IESO to be incorrect or misleading, the IESO reserves the right to re-evaluate the Proposal and the Proponent's status.

5.8 Other Procurement Processes

- (a) Participation in this MT2(c) RFP shall not preclude participation in any other present or future IESO procurements (provided that all requirements and criteria set out under each such procurement are satisfied).
- (b) This MT2(c) RFP is not in any way intended to preclude, restrict or otherwise discourage any Proponent from proceeding with the development of facilities or resources outside the scope of the IESO's procurement processes.

5.9 Governing Law

This MT2(c) RFP shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Proponent submits to the exclusive jurisdiction of the courts of the Province of Ontario situated in Toronto.

5.10 Reserved Rights

Notwithstanding any other provision of this MT2(c) RFP, the IESO reserves the right to:

- (a) request written clarification or the submission of supplementary written information from any Proponent and incorporate the response to that request for clarification into that party's submission;
- (b) meet with some or all Proponents to discuss aspects of their submissions;
- (c) verify with any Proponent, or with a third party, any information set out in a submission;
- (d) contact any party providing financing, including obtaining information on such party whether directly from the party or a third party;

- (e) disqualify any Proponent whose submission contains misrepresentations or any other inaccurate or misleading information;
- (f) waive any informality or irregularity at the IESO's Discretion;
- (g) disqualify any Proponent or the submission of any such party who has engaged in conduct prohibited by this MT2(c) RFP;
- (h) make changes, including substantial changes, to this MT2(c) RFP in the manner set out in this MT2(c) RFP;
- (i) cancel this MT2(c) RFP process at any stage;
- (j) cancel this MT2(c) RFP process at any stage and issue a new process for the same or similar deliverables;
- (k) reject any or all Proposals at the IESO's Discretion;
- (l) accept Proposals in excess of the Target Capacity;
- (m) accept any Proposals for which the Fixed Capacity Payment is in excess of the threshold set out in Section 4.4(b); or
- (n) if only one Proposal is received, elect to accept or reject it.

and these reserved rights are in addition to any other express rights or any other rights which may be implied in the circumstances, and the IESO shall not be liable for any expenses, costs, losses or any direct or indirect damages incurred or suffered by any Proponent, or any third party resulting from the IESO exercising any of its express or implied rights under this MT2(c) RFP.

By submitting a Proposal, the Proponent authorizes the collection by the IESO of the information set out under Sections 5.10(c), 5.10(d), and 5.10(e) above.

APPENDIX A – GLOSSARY OF TERMS

[NTD: The definitions are under review by the IESO and may need to be updated.]

Addenda	means the documents expressly identified as addenda and issued by the IESO to Proponents in accordance with this MT2(c) RFP and “ Addendum ” means any one of such documents.
Affiliate	has the meaning given to it in the MT2(c) Contract.
Appendix or Appendices	means the Appendix or Appendices that form part of this MT2(c) RFP.
Bulk Proposal	has the meaning given to such term in Section 4.3(c).
Business Day	means a day, other than a Saturday or Sunday or statutory holiday in the Province of Ontario that is listed on the “ <i>Physical and Financial Market Holiday Schedule</i> ” (or any substantially equivalent future schedule) published by the IESO for purposes of the Market Rules, from time to time, but excluding from such statutory holidays Easter Monday, Remembrance Day and National Day for Truth and Reconciliation.
Commitment Period	has the meaning given to that term in Section 1.2(c).
Commitment Period Start Date	has the meaning given to that term in Section 3.7(c)(i).
Completion and Performance Security	has the meaning given to it in the MT2(c) Contract.
Conflict of Interest	means, without limitation, any situation or circumstance where, in relation to this MT2(c) RFP process, the Proponent obtains an unfair advantage or engages in conduct, directly or indirectly, that may allow it to obtain an unfair advantage, including: <ul style="list-style-type: none">(i) having or having access to information in the preparation of its Proposal that is confidential to the IESO or the Government of Ontario and that is not available to other Proponents;(ii) communicating with any official or representative of the IESO or the Government of Ontario or members of the Evaluation Team with a

view to influencing preferred treatment in this MT2(c) RFP process; or

(iii) engaging in conduct (including breach of Non-Collusion Requirements) that compromises or could be seen to compromise the integrity of the open and fair MT2(c) RFP process and tend to render that process non-competitive and unfair.

Connection Line	has the meaning given to it in the MT2(c) Contract.
Connection Point	means, (i) where the Qualified Facility is connected to the <i>IESO-controlled grid</i> , the electrical point or points of connection, as defined in the Market Rules, between the Qualified Facility and the <i>IESO-controlled grid</i> ; and (ii) where the Qualified Facility is connected to a Distribution System, the embedded connection point(s), as defined in the Market Rules, between the Qualified Facility and the Distribution System.
Contract Capacity	has the meaning given to it in the MT2(c) Contract.
Crown	means His Majesty the King in right of Ontario.
Distribution System	means a system connected to the <i>IESO-controlled grid</i> for distributing Electricity at voltages of 50 kilovolts or less, and includes any structures, equipment or other things used for that purpose, provided that a Distribution System shall be deemed not to include any equipment controlled by the IESO pursuant to the Distribution System Code.
Distribution System Code	means the “Distribution System Code” established and approved by the OEB, which, among other things, establishes the obligations of a local distribution company with respect to the services and terms of service to be offered to customers and retailers and provides minimum technical operating standards for Distribution Systems.
Discretion	means the sole and absolute discretion of the IESO.
Dollars	means Canadian dollars and cents.
Economic Bid Statement	means the Prescribed Form that contains the Proposal Price.
Electrical Safety Authority	Means the organization created and described pursuant to O.Reg 89/99 under the <i>Electricity Act</i> (Ontario).

Electricity	means electric energy.
Electricity Act	means Ontario’s <i>Electricity Act, 1998</i> , S.O. 1998, c. 15, Sched. A, as amended from time to time.
Eligible Prior Contract	means a contract with the IESO, the Ontario Power Authority or the Ontario Electricity Financial Corporation for the delivery of Electricity or capacity services and which contract has expired or been terminated (or will expire or be terminated) on or before April 30, 2029.
EPT	means Eastern Prevailing Time.
Evaluation Team	means, collectively, the IESO’s personnel and advisors (legal or otherwise) who are involved in evaluating Proposals.
Excluded Purposes	has the meaning given to that term in Section 3.5(a)(iii).
Facility	has the meaning given to it in the MT2(c) Contract.
Fairness Advisor	means the Person who is retained by the IESO to provide (i) independent assurance to Proponents and other stakeholders that the selection and contracting processes are fair and transparent, and (ii) a written statement that attests that the procurement process was conducted in an objective and fair manner.
Fixed Capacity Payment or “FCP”	has the meaning given to it in the MT2(c) Contract.
Governmental Authority	means the Crown, any federal, provincial, or municipal government, parliament or legislature, or any regulatory authority, agency, tribunal, commission, board or department of any such government, parliament or legislature, or any court or other law, regulation or rule-making entity, having jurisdiction in the relevant circumstances, including the IESO, the OEB, the Electrical Safety Authority, and any Person acting under the authority of any Governmental Authority.
Good Engineering and Operating Practices	has the meaning given to it in the MT2(c) Contract.
Host Facility	means a facility that an applicable Electricity resource is connected to and which is either (i) directly connected to a Distribution System or (ii) connected to the IESO-controlled grid directly or through one or more other facilities (which

	other facility is not, for greater certainty, a Distribution System).
IESO	has the meaning given to that term in Section 1.1(a).
Laws and Regulations	means: <ul style="list-style-type: none"> (a) applicable Canadian federal, provincial or municipal laws, orders-in-council, by-laws, codes, rules, policies, regulations and statutes; (b) applicable orders, decisions, codes, judgments, injunctions, decrees, awards and writs of any court, tribunal, arbitrator, Governmental Authority or other Person having jurisdiction; (c) applicable rulings and conditions of any licence, permit, certificate, registration, authorization, consent and approval issued by a Governmental Authority; (d) any requirements under or prescribed by applicable common law; and (e) the Market Rules, as well as any manuals or interpretation bulletins issued by the IESO from time to time in relation thereto.
LDC	means the owner or operator of a Distribution System who is licensed by the OEB as an “electricity distributor”.
Local Municipality	means any corporation that is a “local municipality” as defined in and for the purposes of the <i>Municipal Act, 2001</i> , SO 2001, c 25 or the <i>City of Toronto Act, 2006</i> , SO 2006, c 11, Sched A, all as amended from time to time.
Longstop Date	has the meaning given to that term in Section 2.2(d)(iii).
Mandatory Requirements	has the meaning given to that term in Section 4.2.
Market Rules	means the rules made under section 32 of the Electricity Act.
Material Deviation	means a deviation from the Proponent’s obligations contained in this MT2(c) RFP that, in the Discretion of the IESO <ul style="list-style-type: none"> (a) affects such party’s or the IESO’s obligations or rights in any material way;

	(b) affects the obligations or rights of other Proponents under this MT2(c) RFP; or
	(c) results in a failure to satisfy a material component of any requirement set out in this MT2(c) RFP.
Maximum Contract Capacity	has the meaning given to that term in MT2(c) Contract.
Maximum Proposal Price	means a Fixed Capacity Payment that is twenty- five percent (25%) greater than that of the Target Marginal Proposal.
Monthly Contract Capacity	has the meaning given to it in the MT2(c) Contract.
MT2(c) Contract	has the meaning given to that term in Section 1.2(c).
MT2(c) Contract Receipt Date	has the meaning given to that term in 3.8(a)(ii).
MT2(c) RFP	has the meaning given to that term in Section 1.2(b).
MW	means megawatt.
Nameplate Capacity	has the meaning given to that term in MT2(c) Contract.
Non-Collusion Requirements	means requirements that a Proponent under the MT2(c) RFP: <ul style="list-style-type: none"> (a) not coordinate its Proposal with any other Proponent; (b) keep and will continue to keep its Proposal confidential until the conclusion of the MT2(c) RFP and selection of the Selected Proposal(s), if any; (c) ensure that no member of the Proponent has entered into any agreement or arrangement with any member of another Proponent which may affect the Proposal submitted by the Proponent or the other Proponent; and (d) not engage in any activity or communication that results in a Conflict of Interest, collusion or a violation of any of the civil or criminal provisions of the <i>Competition Act</i> (Canada), as amended from time to time.
OEB	has the meaning given to that term in Section 1.1(b).
Offer List	has the meaning given to that term in Section 4.4(a).

Period of Irrevocability	has the meaning given to that term in Section 3.7(f)(i).
Permitted Purposes	has the meaning given to that term in Section 3.5(a).
Person	means a natural person, firm, trust, partnership, limited partnership, company or corporation (with or without share capital), sole proprietorship, Governmental Authority or other entity of any kind.
Preliminary List	has the meaning given to that term in 4.3(b)(i).
Pre-Term Capacity Verification	has the meaning given to that term in Section 2.2(d)(i).
Prescribed Form	means, in relation to a form, the latest version available on the Website of the corresponding form referred to and incorporated in this MT2(c) RFP, as may be amended or replaced by the IESO from time to time and without notice to the Proponent.
Project Site	means all Properties on which the Qualified Facility is located, excluding any Connection Line.
Property	means a parcel or lot of real property as identified by a Property Identification Number or, in the absence thereof, by another legal description by lot and/or parcel number or similar legal description or by other appropriate description using metes and bounds or GPS coordinates. In the case of provincial Crown lands, Property means real property identified by a grid cell, or a waterpower site number (as applicable) or in the absence thereof, GPS coordinates of the Property, as applicable.
Property Identification Number or PIN	means the property identifier assigned to a property in accordance with the <i>Registry Act</i> , RSO 1990, c R.20, s 21(2) or in accordance with the <i>Land Titles Act</i> , RSO 1990, c L.5, s 141(2), all as amended from time to time.
Proponent	means the Person that has submitted a Proposal.
Proposal	has the meaning given to that term in Section 3.7(b).
Proposal Fee	has the meaning given to that term in Section 3.7(c)(i).
Proposal Price	has the meaning given to that term in Section 3.7(c)(i).
Proposal Security	means one or more irrevocable and unconditional standby letters of credit issued by a financial institution listed in either Schedule I or II of the <i>Bank Act</i> (Canada) or such

other financial institution having a minimum Credit Rating of (i) A- with S&P, (ii) A3 with Moody's, (iii) A (low) with DBRS Morningstar, or (iv) A- with Fitch IBCA, in substantially the form attached as Appendix D of the MT2(c) RFP or in a form acceptable to the IESO, acting reasonably.

Proposal Submission Deadline	means the Proposal Submission Deadline date and time as set out in the Schedule.
Proposal Submission Label	has the meaning given to that term in Section 3.7(d)(v).
PTC Verification Period	has the meaning given to that term in Section 2.2(d)(i).
PV	means a photovoltaic solar system.
Qualified Applicant	has the meaning given to that term in Section 2.1(a).
Qualified Capacity	has the meaning given to that term in Section 2.1(b).
Qualified Facility	has the meaning given to that term in Section 2.1(a).
Question and Comment Deadline	means the Question and Comment Deadline date as set out in the Schedule.
Reference Seasonal ICAP	means the value in MW representing greatest portion of the Nameplate Capacity that is not contractually committed to, or otherwise the subject of any agreement with, a party other than the IESO during the Commitment Period, that the Facility is able to generate, on average, for at least one (1) continuous hour during the applicable Season, factoring in ambient temperature conditions, as reported at the Environment Canada weather station that is physically nearest to the Facility, not exceeding +35 degrees Celsius in the Summer and not below -20 degrees Celsius in the Winter and operating in accordance with Good Engineering and Operating Practices.
Registrant ID	has the meaning given to that term in Section 3.4(e).
Registration Fee	has the meaning given to that term in Section 3.4(a).
Schedule	has the meaning given to that term in Section 3.1(a).
Season	has the meaning given to it in the MT2(c) Contract.
Selected Proponent	has the meaning given to that term in Section 4.5.

Summer	has the meaning given to that term in MT2(c) Contract.
Supplier	has the meaning given to it in the MT2(c) Contract.
Supplier Reserved Capacity	means any portion of the Nameplate Capacity of a Qualified Facility that a Proponent identifies during the registration process set out in Section 3.4 of this MT2(c) RFP that is or will be connected behind the consumption meter of a Host Facility or contractually committed to a third party (other than solely for the purposes of the transfer of Environmental Attributes) during the Term of the MT2(c) Contract.
System Operator	has the meaning given to it in the MT2(c) Contract.
Target Capacity	has the meaning given to that term in Section 1.2(c).
Target Marginal Proposal	has the meaning given to that term in Section 4.4(a).
Transmission System	means a system for conveying Electricity at voltages of more than 50 kilovolts and includes any structures, equipment or other things used for that purpose.
Transmitter	means a Person licensed as a “transmitter” by the OEB in connection with a Transmission System.
Unique Project ID	means the unique project reference number assigned to a Facility by the IESO pursuant to the registration process set out in Section 3.4.
Website	means that section of the IESO’s website referenced as “Medium-Term 2 RFP” that is dedicated to the MT2(c) RFP process and is at https://www.ieso.ca/en/Sector-Participants/Resource-Acquisition-and-Contracts/Medium-Term-RFP .
Winter	has the meaning given to that term in MT2(c) Contract.

APPENDIX B – MT2(C) CONTRACT

The MT2(c) Contract available on the Website is incorporated in this APPENDIX B by reference.

APPENDIX C – PROPOSAL SUBMISSION LABEL

RFP No.: MT2(c) RFP

Full Legal Name and Address of the Proponent

NAME:

MEDIUM-TERM 2 PROJECT'S NAME:

REGISTRATION ID:

ADDRESS:

CONTACT:

PHONE NO.:

E-MAIL:

**Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1
Attention: MT2(c) RFP**

The Postal Code is to aid in identifying the building only. The onus remains solely with interested parties to instruct courier/ delivery personnel to deliver the Proposal documents to the exact floor location specified above by the Proposal Submission Deadline. Proponents assume sole responsibility for late deliveries if these instructions are not strictly adhered to.

**APPENDIX D – FORM OF IRREVOCABLE AND UNCONDITIONAL STANDBY
LETTER OF CREDIT**

DATE OF ISSUE: [●]

APPLICANT: [●]

BENEFICIARY: Independent Electricity System Operator and its permitted assigns
(the “**Beneficiary**”)

120 Adelaide Street West, Suite 1600
Toronto, ON M5H 1T1

AMOUNT: [●]

EXPIRY DATE: [●]

EXPIRY PLACE: Counters of the issuing financial institution in Toronto, Ontario

CREDIT RATING: **[Insert credit rating only if the issuer is not a financial
institution listed in either Schedule I or II of the *Bank Act*]**

TYPE: Irrevocable and Unconditional Standby Letter of Credit Number:
[●] (the “**Credit**”)

(Note: Replace all bold terms and [●] symbols as appropriate.)

The Credit is issued in connection with the Beneficiary’s Request for Proposals dated ●, as amended, to solicit capacity services from new-build facilities in Ontario (the “**MT2(c) RFP**”) and the Proposal dated [●] for the Qualified Facility bearing Unique Project ID [●] submitted by the Applicant in response thereto (the “**Proposal**”).

Additionally, if the Proposal is selected under the MT2(c) RFP, the Credit may serve as the “**Completion and Performance Security**” (as such term is defined in the MT2(c) RFP) in respect of the “MT2(c) Contract” (as such term is defined in the MT2(c) RFP) as amended from time to time, between the Beneficiary and the “Supplier”, as such term is defined under the MT2(c) Contract.

We hereby authorize the Beneficiary to draw on **[Issuing Bank Name/Address]**, in respect of the Credit, for the account of the Applicant, up to an aggregate amount of \$● (● Canadian Dollars) available by the Beneficiary’s draft at sight accompanied by the Beneficiary’s signed certificate contained either of the following statements:

- (i) “The Proponent, whose Proposal has been selected and accepted by the Beneficiary, **[has made a material misrepresentation in the Proposal]** or **[has failed, within (20) Business Days of the date on which the Proponent was given the MT2(c) Contract to sign, to**

execute and deliver the MT2(c) Contract] and therefore the Beneficiary is entitled to draw upon the Credit in the amount of the draft attached hereto.”;

or

- (ii) “The Supplier is in breach of, or default under, the MT2(c) Contract, and therefore the Beneficiary is entitled to draw upon the Credit in the amount of the draft attached hereto.”

Drafts drawn hereunder must bear the clause “Drawn under irrevocable and unconditional Standby Letter of Credit No. [●] issued by [Issuing Bank Name] dated [Issue Date].”

Partial drawings are permitted.

This Letter of Credit will automatically extend for additional, successive terms of one year each (each an “**Additional Term**”), unless the undersigned provides the Beneficiary with written notice, at least 60 days prior to the expiration date of the then current term, that it does not wish to extend this Letter of Credit for an Additional Term.

We engage with you that all drafts drawn under and in compliance with the terms of the Credit will be duly honoured, if presented at the counters of [Issuing Bank Name/Address] at or before [Expiry Time] (EST) on or before [Expiry Date], as extended.

The Credit is subject to the International Standby Practices ISP 98, International Chamber of Commerce Publication No. 590, and as to matters not addressed by ISP 98, shall be governed by the laws of the Province of Ontario and applicable Canadian federal law, and the parties hereby irrevocably agree to attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

This Credit is transferable at the written request of the Beneficiary, without the consent of the Applicant, but subject to consent of the issuing financial institution, acting reasonably. All fees incurred by the issuing financial institution in relation to such transfer shall be at the Applicant's expense, but failure of the Applicant to pay such fees shall not restrict the ability of the Beneficiary to transfer the Credit.

In the event of a transfer of this Credit as provided for above, the above name of the Beneficiary will be amended to another entity by way of an amendment hereto, without the consent of the Applicant, and upon receipt by [Issuing Bank Name] of the Beneficiary's dated and signed letter addressed to [Issuing Bank Name] and completed as follows:

“We, the undersigned Beneficiary to [Issuing Bank Name] Letter of Credit No. [●], hereby waive all our rights under the Letter of Credit and request that the current name and address of the Beneficiary thereunder be amended to read [**insert name and address of new Beneficiary**]. We have enclosed the original Letter of Credit and all amendments (if any) thereto. Please forward the original Letter of Credit and all amendments (if any), including the current amendment to the [**new Beneficiary**], care of the Applicant.”

[Issuing Bank Name]

By: _____

By: _____