

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, Sch. B, as amended;

AND IN THE MATTER OF an Application by K2 Wind
Ontario, LP for an order under section 92 and subsection
96(2) of the *Ontario Energy Board Act, 1998*, granting leave
to construct an electricity transmission line and related
transmission facilities.

**RESPONSES TO INTERROGATORIES OF
BOARD STAFF
to
K2 WIND ONTARIO LIMITED PARTNERSHIP**

MARCH 14, 2013

BOARD STAFF INTERROGATORIES

Interrogatory 1: Need for the Project

Reference:

- a. Exh. H/ Tab 1/ Sch. 1/ p.1-2/ Project Description Report
- b. Exh. B/ Tab 2/ Sch. 1/ Ownership Structure Chart
- c. Exh. B/ Tab 1/ Sch. 1/ § 5
- d. Exh. B/ Tab 1/ Sch. 1/ § 7 & 8
- e. Section 96(2) of the OEB Act

Preamble:

Reference (a) states in part that:

“Prior to the establishment of the K2 Wind Ontario Limited Partnership, Capital Power (Ontario) Limited Partnership (Capital Power) was developing the Kingsbridge II Wind Power Project in the Project Study Area. Upon the establishment of the K2 Wind Ontario Limited Partnership (K2 Wind or “the Partnership”), Capital Power transferred Project assets to K2 Wind, as well as all Project materials and previous communications, along with input received while Capital Power was developing the former Kingsbridge II Wind Power Project.”

The corporate structure at reference (b) shows that SRE Wind GP Holdings Inc. owns 50% of the shares in K2 Wind Ontario Inc.

Reference (c) states in part that:

“By Unanimous Shareholders’ Agreement, the shareholders of K2 Wind Ontario have agreed that following completion of the K2 Wind Power Project, SRE Wind GP Holdings Inc. will transfer a portion of its shares to Capital Power Generation Services Inc. and Pattern K2 GP Holdings Inc. for nominal consideration, so that the shareholders will then hold shares in the general partner in proportion to their interests (including interests held by affiliates) in the Applicant.”

Reference (d) mentions the Green Energy Investment Agreement (GEIA) between Samsung C&T Corp. and Korean Electric Power Corp. and the Province of Ontario. The reference also indicates that the applicant signed a Power Purchase Agreement with the OPA on August 3, 2011.

Section 96(2) of the Act provides that in considering the public interest concerning the proposed transmission facilities, the Board can consider “where applicable and in a manner consistent with the policies of the Government of Ontario, the promotion of the use of renewable energy sources.”

Question/Request:

- i. Along with assets mentioned at reference (a), did Capital Power also transfer its Power Purchase Agreement (“**PPA**”) to K2 Wind?
- ii. Please submit a copy of the Power Purchase Agreement related to this project, and where applicable, include all relevant amendments to the OPA’s original PPA.
- iii. Please clarify the relationship between the K2 Wind project and the GEIA.
- iv. Please confirm that the transfer of shares discussed at reference (c) is in conformity with the GEIA and its covenants and section 96(2). Please substantiate your answer.
- v. Please indicate which entities are described in the quote “including interests held by affiliates”.
- vi. Please confirm that K2 Wind recognizes that this application is based upon current information and that any change may require notifying the Board.
- vii. Please indicate whether and when K2 Wind intends to apply for a generation license.

Responses:

- i. No, Capital Power did not enter into a PPA for the Kingsbridge II Wind Project. K2 Wind Ontario Inc. executed a PPA with the OPA on August 3, 2011 on behalf of K2 Wind Ontario Limited Partnership.
- ii. The PPA between K2 Wind and the OPA is similar but not identical to the standard OPA Feed-In-Tariff contract. Pursuant to the PPA, K2 Wind may not disclose the terms of the PPA without the consent of the OPA. The OPA has requested that certain portions of the PPA be redacted. A redacted version of the PPA is included at Appendix 1, attached.

- iii. The K2 Wind Project is one of two Phase 2 wind projects being developed under the terms of the GEIA. As indicated in the Application, K2 Wind is a limited partnership among affiliates of Samsung Renewable Energy, Pattern Energy and Capital Power. The other GEIA wind projects are limited partnerships between affiliates of Samsung Renewable Energy and Pattern Energy only.
- iv. The GEIA and the PPA require that Samsung retain control of the Project until it achieves the Milestone Date for Commercial Operation, except with the consent of the OPA, but permits such a change after the Milestone Date for Commercial Operation, without the consent of the OPA. The GEIA reflects the policy of the Ontario government to promote the use of renewable energy sources and generate related benefits to Ontario residents. While Capital Power is not a party to the GEIA, it made its Kingsbridge II project, including land rights and engineering and environmental studies, available to Samsung and Pattern for purposes of the GEIA in consideration of a one-third interest in K2 Wind. This facilitated the policy objective set out in subsection 96(2) of the OEB Act. Capital Power has experience with the development of wind energy projects in Ontario and elsewhere and is taking an active role in the development of the K2 Wind Project.
- v. As outlined in Exhibit B-1-1, paragraph 1, the affiliates referred to are CP K2 Holdings Inc., in the case of Capital Power Generation Services Inc., Pattern K2 LP Holdings LP, in the case of Pattern K2 GP Holdings Inc., and Samsung Renewable Energy Corporation, in the case of SRE Wind GP Holdings Inc., being the entities that hold the limited partnership interests in the Applicant.
- vi. K2 Wind confirms this understanding.
- vii. K2 Wind will apply for a generation license, likely in the fourth quarter of 2014.

Interrogatory 2: Connecting Other Generation

Preamble:

Board staff note that the K2 Wind Project is in a “wind rich” part of the province, where other renewable generation projects can materialize. Synergies may exist for electricity infrastructure amongst various existing and future projects. As such, other renewable generation facilities could be sited that may wish to connect to the K2 transmission line.

Question/Request:

- i. Is the Applicant aware of any existing or future projects requiring transmission infrastructure in the vicinity of this project?
- ii. As a privately owned transmission line, does K2 Wind see the possibility of accommodating additional connections?
- iii. On what basis would K2 Wind expect to entertain such connection requests and, where appropriate, facilitate such connections?
- iv. Does K2 Wind intend to apply for a transmission licence?

Responses:

- i. The Applicant is not aware of any such projects.
- ii. No. K2 Wind does not intend to become a licensed transmitter in respect of the proposed transmission facilities. Accordingly, K2 Wind will not be permitted to accommodate additional connections or provide transmission service to third party customers. Moreover, the proposed transmission facilities will not have capacity, beyond that needed to serve the requirements of the K2 Wind Project.
- iii. Not applicable, as K2 Wind cannot entertain such requests.
- iv. No. Please see response to Staff-2(ii) above.

Interrogatory 3: Permits and Project Schedule

Reference:

- a. Exh. C/ Tab 2/ Sch. 1/p. 2/ Gantt Chart
- b. Exh. H/ Tab 2/ Sch. 1/ Table: Key Permits and Approvals
- c. Filing Requirements for Transmission and Distribution Applications/ Chapter 4/p.14/Project Planning¹

Preamble:

Some necessary approvals such as the environmental assessment (REA) and system impact assessments (SIA & CIA) are included in the Gantt chart mentioned at reference (a). However, other permits tabulated at reference (b) do not include any timeline.

Reference (c) points to the need to provide the Board with time estimates for construction and service dates, including but not limited to the critical path and time frame for the completion of construction and operational start-up of the proposed facilities.

Question/Request:

- i. If applicable, specify which permits/approvals are necessary prior to the commencement of construction of transmission facilities and whether any of the permits/approvals are interdependent.
- ii. Please provide an updated table indicating the current status and the timeline for obtaining each permit or approval cited at reference (b).
- iii. If milestones noted in the Gantt chart have changed, please file an updated chart.
- iv. Based on the OPA contractual terms, when is the contracted capacity required to reach the market? Is there any flexibility in this projected date?
- v. In line with reference (c), if delays in obtaining some of these permits/approvals are foreseen, please discuss the impact of these delays (if any) on the project schedule, and impact on the OPA contract terms (if any).

Responses:

- i. Please see response to Staff-3(ii) below. As the Board typically makes the granting of leave to construct conditional upon all other permits and approvals

¹ May 17, 2012 version

required for construction being obtained, it is expected that there will be interdependencies between each of these permits and approvals with the leave to construct.

PROJECT KEY PERMITS AND APPROVALS²

Federal Permits and Approvals	Administering Agency or Institution	Current Status	Timeline	Required for Applied-for Facilities?	Required Prior to Construction of Applied-For Facilities?
Land Use Clearance	NavCanada	layout amendment submitted July 2012	received for turbines; requested additional information regarding the substation	no	no
Aeronautical Obstruction Clearance	Transport Canada – Aviation Division	approved June 2010; layout amendment submitted July 2012	no guaranteed response time	no	no
Navigable Waters Protection Act Approval	Transport Canada – Navigable Waters Protection Program	not required for transmission line watercourse crossing; not anticipated to be required for any part of the Project but the Applicant is in the process of confirming this	n/a	no	no

² This table lists permits and approvals pertaining to the Project, overall, and not just to the Proposed Facilities.

Federal Permits and Approvals	Administering Agency or Institution	Current Status	Timeline	Required for Applied-for Facilities?	Required Prior to Construction of Applied-For Facilities?
Connection					
Certificate of Inspection	Electrical Safety Authority			no	no
Final Customer Impact Assessment	Hydro One	two addenda received	received	yes	yes
Connection Cost Recovery Agreement ("CCRA")	Hydro One	executed		yes	no
Approval of Connection	Independent Electricity System Operator ("IESO")	not applied for	4 th quarter 2014	yes	no
Final System Impact Assessment	IESO	two addenda received	received	yes	yes
Provincial Permits and Approvals					
Development, Interference with Wetlands, and Alterations to Shorelines and Watercourses Permit	Maitland Valley Conservation Authority	in progress; one water crossing for the transmission line will require a permit	no guaranteed response time	yes	yes
Renewable Energy Approval	Ministry of the Environment	application deemed complete on February 15, 2013	six month service guarantee for MOE decision is mid-August, 2013	yes	yes

Federal Permits and Approvals	Administering Agency or Institution	Current Status	Timeline	Required for Applied-for Facilities?	Required Prior to Construction of Applied-For Facilities?
Notice of Project	Ministry of Labour	not applied for	EPC (engineer-procure-construct) contractor to obtain prior to construction start	yes	yes
Change of Access and Heavy/Oversize Load Transportation Permit	Ministry of Transportation	not applied for	EPC contractor to obtain prior to construction start		
Special vehicle configuration permit	Ministry of Transportation	not applied for	EPC contractor to obtain prior to construction start		
Transportation Plan	Ministry of Transportation	not applied for	EPC contractor to obtain prior to construction start		
Endangered Species Act permit	Ministry of Natural Resources ("MNR")	consultation ongoing with the Ministry of Natural Resources regarding permit details	no guaranteed response time; expected by summer 2013	no	no
Public Lands Act permit	Ministry of Natural Resources	confirmed by MNR that this is not required	n/a	n/a	n/a

Federal Permits and Approvals	Administering Agency or Institution	Current Status	Timeline	Required for Applied-for Facilities?	Required Prior to Construction of Applied-For Facilities?
Municipal Permits and Approvals					
ACW Township	Building Permits	not applied for	EPC contractor to obtain prior to construction start	yes	yes
Huron County, Bruce County ³ and ACW Township	Entrance Permits	not applied for	EPC contractor to obtain prior to construction start	yes	yes
Huron County, Bruce County and ACW Township	Civic Address	not applied for	EPC contractor to obtain prior to construction start		
Huron County and/or ACW Township	Township/County Consent – agreement on use of the road allowance	Huron County agreement executed ACW Township Council authorized the execution of an agreement		Huron County – no ACW – yes	yes

³ Note: Bruce County administers a portion of county line road, Bruce Highway 86, under an agreement with Huron County. While all Project facilities, road entrances and collectors will be located in Huron County, on the south side of Hwy 86, the Project must obtain approvals from Bruce County for those facilities that are to be installed along that portion of Hwy.86 which Bruce County administers.

Federal Permits and Approvals	Administering Agency or Institution	Current Status	Timeline	Required for Applied-for Facilities?	Required Prior to Construction of Applied-For Facilities?
Huron County and/or ACW Township	County/Township Consent – tree cutting		EPC contractor to obtain prior to construction start	no	no
Huron County and/or ACW Township	Traffic Management Plan		EPC contractor to obtain prior to construction start	yes	yes
Huron County and/or ACW Township	Additional plans related to general engineering (e.g. stormwater)	stormwater plan submitted with REA application		yes	yes
Huron County and/or ACW Township	Sewage system permit	not applied for	EPC contractor to obtain prior to construction start	no	
Huron County and/or ACW Township	Water well permit	not applied for	EPC contractor to obtain prior to construction start	no	

- ii. K2 Wind now expects that construction will begin in April 2014. An updated Gantt chart is included as Appendix 2, attached.
- iii. Under the PPA, K2 Wind is required to achieve commercial operation by its Milestone Date for Commercial Operation of December 31, 2014.

If K2 Wind cannot achieve commercial operation by the Milestone Date for Commercial Operation, the 20-year term of the PPA will nevertheless commence on such date, with the effect being that the period during which K2

Wind will be able to operate and receive payments under the PPA, will be 20 years, less the difference between the Milestone Date for Commercial Operation and the date commercial operation is actually achieved. (The exception to this would be if the OPA exercises its right, under the PPA, to extend the term of the agreement such that it expires on the 20th anniversary of the date commercial operation is actually achieved.)

K2 Wind also has the option, under the PPA, to make a significant payment to the OPA in order to effectively restore the term to the full 20-years upon achieving commercial operation. Accordingly, K2 Wind has a strong incentive and is committed to achieving commercial operation by no later than its Milestone Date for Commercial Operation. If commercial operation has not been achieved by the date that is 18 months after the Milestone Date for Commercial Operation, the OPA will have a right to terminate.

K2 Wind filed a *force majeure* notice with the OPA on July 31, 2012 regarding a turbine component delivery delay *force majeure* event that started on July 3, 2012. Pursuant to the requirements to create domestic renewable energy manufacturing facilities in Ontario under the GEIA, the K2 Wind Power Project (and other wind facilities) are obtaining their steel tower sections and wind turbine blades from Ontario-based manufacturing facilities that have limited annual production capacity. The successful and timely construction and delivery of wind turbine components for the K2 Wind Power Project is dependent on the timely completion and delivery of turbine components for other wind projects under the GEIA. Since these other wind power projects have been delayed, the timely receipt of the Applicant's steel tower sections and wind turbine blades could be delayed as well. The OPA has not yet responded to K2 Wind's *force majeure* notice in this regard.

- iv. To the extent that the delays constitute an event of *force majeure* under the PPA, the Milestone Date for Commercial Operation would also be extended, thereby providing K2 Wind with additional time to achieve commercial operation without penalty under its PPA. To the extent that delays do not constitute an event of *force majeure*, this could affect K2 Wind's ability to achieve commercial operation by the Milestone Date for Commercial Operation, the implications of which are described in response to Staff-3(iv) above.

Interrogatory 4: General Organizational Capability

Reference:

Exh. B/ Tab 1/ Sch. 1/ § 2-4

Preamble:

With respect to the Applicant's experience, the reference discusses the experience of the three partners in acquiring, developing, operating, and maintaining renewable generation, and manufacturing solar and wind equipment, but does not give further information on constructing, operating and maintaining transmission facilities.

Question/Request:

- i. What is the Applicant's experience in constructing and operating a transmission infrastructure in Ontario or in other jurisdictions in Canada?
- ii. Please indicate what corporate organizational capabilities exist to complete the applied-for transmission facilities. Where applicable, please provide information on:
 - Project Management;
 - Design and Construction;
 - Operation and Maintenance; and
 - Examples of similar projects that have been undertaken.
- iii. Please indicate what human resources, if any, will be pooled from any of the three participating partners and assigned to the project? Please specify the percentage time committed solely to the transmission aspect of this project.

Responses:

- i. K2 Wind, through Capital Power (formerly EPCOR), has construction and operational experience with several relevant facilities, a selection of which are outlined in the table on the following page.

Facility Name	Location	Description	Year Built
Genesee Unit 1	Genesee, Alberta	500 kV substation	1989
Genesee Unit 1	Genesee, Alberta	500 kV substation	1988
Genesee Unit 3	Genesee, Alberta	500 kV substation	2004
Kingsbridge 1 Wind Operation	Kingsbridge, Ontario, Township of Ashfield-Colborne-Wawanosh	27.6 kV above/below ground collection lines (95 km), (2) 27.6 kV substations	2005-2006
Castle Downs Substation – Victoria Substation Connection	Edmonton, Alberta	230 kV underground transmission line (12 km)	2008
Keephills Unit 3	Keephills, Alberta	500 kV substation	2010
Quality Wind Project	Tumbler Ridge, British Columbia	230 kV substation, 230 kV transmission line (22 km), 35 kV above/below ground collector lines (44 km)	2012
Halkirk Wind Project	Halkirk, Alberta	230 kV substation, 35 kV below ground collector lines (80 km)	2012
Port Dover and Nanticoke Wind Project	Haldimand and Norfolk Counties, Ontario	230 kV substation, 35 kV below ground collector lines (100 km)	under construction

Capital Power has 25 years of experience developing generation facilities and associated electrical infrastructure as both owner and as prime contractor. Capital Power's dedicated Project Management Department was responsible for recent substation and transmission installations in B.C., Alberta and Ontario. Design and construction of substation and transmission facilities have generally

been executed under an EPC arrangement with an electrical prime contractor whereby Capital Power engineers and/or consultants develop specifications and review detailed design for compliance. However, the recent Genesee Unit 3,500 kV substation and the Clover Bar Energy Center (“**CBEC**”) substation upgrades were designed in-house and constructed with Capital Power as the prime contractor.

Capital Power was formerly part of EPCOR which was responsible for development, operation and maintenance of all City of Edmonton owned transmission and distribution infrastructure. Following the divestiture of Capital Power from EPCOR, Capital Power retained the capability required to support the development and installation of new facilities. Capital Power currently operates and maintains 12 substations ranging from 26.7 kV to 500 kV throughout North America in compliance with applicable North American Electric Reliability Corporation standards.

Capital Power employs an Electrical Safety Codes Officer on staff, because Capital Power has been granted Accredited Corporation status by the Standards Council of Alberta. This status allows Capital Power to administer its own code and regulatory compliance requirements in regards to the installation of electrical equipment and systems. The corporate Safety Codes Officer has the ability and has been given the power through legislation to inspect, approve and accept overhead and underground installations for distribution and transmission systems. Although Alberta is the only jurisdiction providing this level of self-regulation, Capital Power employs its Safety Codes Officer for code compliance oversight across its Canadian fleet.

The corporate organization capabilities of Pattern Energy Group LP (“**PEG**”) are as follows: Pattern K2 LP Holdings LP is a wholly-owned subsidiary of PEG, one of North America's leading independent wind and transmission companies. It is PEG's mission is to provide customers with clean, renewable energy by developing, constructing, owning and operating generation and transmission projects. PEG has projects totaling over 1,155 MW in operation and has many years of experience developing, managing construction and operating both High Voltage AC and DC transmission lines. This includes the 52 mile Trans-Bay Cable, a 400 MW DC undersea transmission project serving approximately 40% of the load in the city of San Francisco. The PEG team has developed, permitted, financed, constructed and operated over one hundred miles of high voltage AC transmission lines associated with PEG-developed wind farms. In addition, PEG has a development pipeline that includes over 4,000 MW of wind power and multiple transmission projects in the United States, Canada and Latin America.

PEG is a U.S.-based company led by a committed and seasoned management team whose members, each with over 20 years of experience in the energy

industry, have worked together for nearly 10 years. As a team they have developed, financed and managed more than \$4 billion of energy assets. PEG has an office in Toronto and a project office in Blenheim, Ontario.

The senior management team is supported by a deep and talented team of scientists, engineers, financial experts, and construction and operations specialists who bring expertise and a rigorous analytical perspective to all aspects of the business.

- ii. K2 Wind will rely on both internal corporate organizational capabilities (of its related companies) and on external/contracted capabilities to complete the applied for transmission facilities. Its internal corporate organizational capabilities will consist of project management and construction management capabilities. Engineering/design, construction and operations and maintenance capabilities will be contracted from third-parties.

K2 Wind expects to select an Ontario-based contractor to design and build the Proposed Facilities. The electrical contractor will be selected on the basis of its experience in the design and construction of high voltage power transmission lines for electric utilities, municipalities and private enterprises throughout Ontario and Canada.

- iii. The K2 Wind partners will assign engineering and construction management staff to oversee the design and construction of the Proposed Facilities, or, if qualified staff cannot be obtained from the partners, engage them under contract. A third party engineering firm will act as the quality assurance/quality control (QA/QC) manager for the Proposed Facilities. K2 Wind's on-site staff will act as landowner and community liaison for the Proposed Facilities during the construction period. K2 Wind will assign or engage additional staff as required. An independent engineer representing Project lenders may also be involved in the Proposed Facilities to provide an independent engineering review.

Interrogatory 5: Project Management

Reference:

Exh. H/ Tab 1/ Sch. 1/ Project Description Report/ Appendix B (p.3)

Preamble:

Board staff note that in assessing the quality of service, additional operational detail may be beneficial.

The Project Description Report at the reference mentions in the context of the environmental assessment an “Emergency Response and Communications Plan” that would be developed by K2 Wind and/or the operation and maintenance contractor.

Question/Request:

- i. Please indicate whether the Applicant intends to make use of contractors for the transmission facilities. If so, please tabulate the various functions covered by these third party contractors for construction, operation and maintenance activities and please provide a summary of their experience in regards to their area of expertise.
- ii. Please confirm that K2 Wind will retain ultimate responsibility and accountability for the quality and the reliability of the electricity service provided by the proposed transmission facilities.
- iii. Please indicate whether the Emergency Response and Communications Plan establishes protocols to ensure that local stakeholders,(ie. municipality, first responders and the public) are kept informed during emergency situations involving the transmission facilities. Would potential contractors have any responsibilities under this emergency plan?
- iv. Please file a human resource plan/organizational chart to illustrate the transmission project organizational structure and, where applicable, distinguish contracted from project personnel.

Responses:

- i. K2 Wind’s approach is to assign the various roles for design, construction, operations, and maintenance to qualified companies with a specialty in their designated area, while retaining overall oversight, responsibility and accountability for the quality and safety of all related activities and constructed works.

K2 Wind will retain a qualified EPC contractor, who will then in turn hire a group of specialized contractors and engineering consultants to complete final detailed design and construct the Project, including the transmission facilities. K2 Wind has utilized an experienced Ontario-based design consultant, AMEC Americas Ltd. (“**AMEC**”), for the preliminary design of the transmission line specifications and routing. AMEC’s team has assessed applicable codes and standards, as well as the site specific conditions and created a final design based on these constraints.

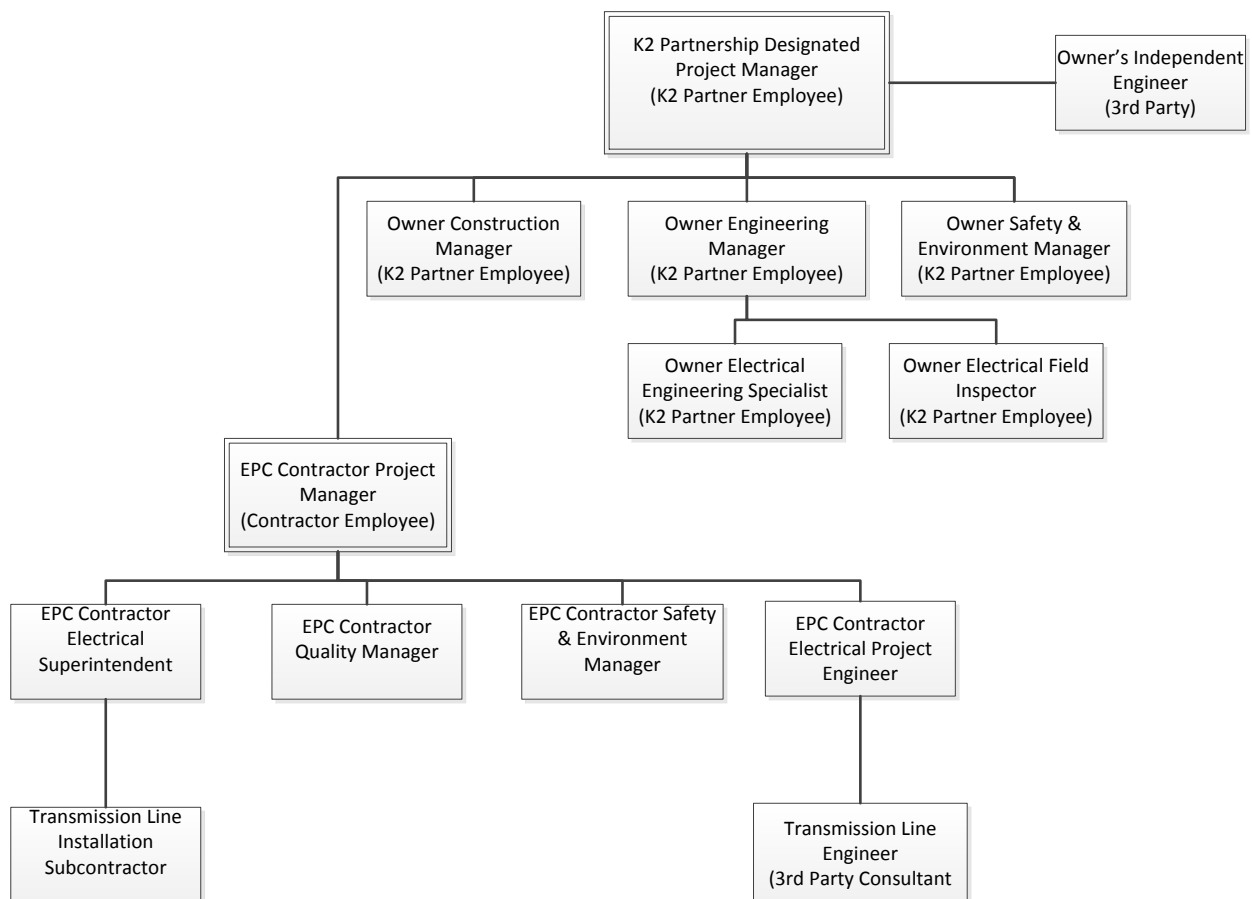
K2 Wind has not selected an EPC contractor as yet and is currently developing a Request for Proposals for such a contractor that is expected to be issued later in March 2013. This contract award is scheduled to take place by September 2013. The selected contractor (and any subcontractors) will be required to have experience in wind power projects and high voltage substations and transmission infrastructure.

The K2 Wind partners expect to operate and maintain the Project, including the electrical facilities and will engage specialized contractors to provide specific maintenance services for the high voltage equipment, as necessary. Decisions about the allocation of partner resources to the K2 Wind operations team will be made in the second half of 2013. Engagement of any operations and maintenance service contractors will not take place until nearer to the commercial operation date, likely in late 2014.

Please refer to the below summary of all design, construction, operation and maintenance activities related to the K2 Transmission Line.

Activity	Assigned Party	Current Status
Preliminary design	AMEC	complete
Selection of EPC contractor	K2 Wind	target September 2013
Detailed design of the K2 Transmission Line	specialized engineering consultant	will be hired by EPC Contractor
Construction of K2 Transmission Line	specialized sub-contractor	will be hired by EPC Contractor
Determine the allocation of responsibility between K2 Wind partners for operations	K2 Wind	second half of 2013
Select specialized operations and maintenance contractors as required	K2 Wind operating partner	late 2014

- ii. Confirmed.
- iii. K2 Wind will engage with local emergency responders to develop an emergency response plan related to the Proposed Facilities, as part of the emergency response plan for the larger Project. The EPC contractor, in collaboration with K2 Wind, will be responsible for developing and implementing an emergency response plan during the construction phase of the Project. Notifications to emergency responders, local municipalities or the public in case of an emergency will depend on the type of emergency. In the protocols it develops and implements, K2 Wind will specifically identify the types of events during which notifications will be provided, and to whom they will be provided.
- iv. Please see the organizational chart below. Please note that if partner employees are not available or able to be assigned to the Project, K2 Wind will engage qualified contractors. The number, titles and roles of staff may change, depending on the final organizational structure that the partners agree to, or how the EPC contractor decides to organize its workforce.



Interrogatory 6: Industry Standards and Codes

Reference:

- a. Exh. E/ Tab 1/ Sch. 1/ p.1/ Facilities Overview
- b. Exh. E/ Tab 6/ Sch. 1/ Table of Applicable Codes, Standards and Regulations

Preamble:

With respect to technical and safety specifications and standards, reference (a) generally notes that the proposed transmission facilities would meet all applicable codes, standards and regulations referenced at (b), and requirements stipulated in the final SIA Report and Addendum, as amended.

With respect to the transmission line, the Applicant mentions at reference (a) that the line will cross two streams and three roads, and further notes that the line will cross under a stream as well under Lanesville Lane.

Question/Request:

- i. Please identify any concerns K2 Wind may have regarding the mentioned crossings during construction and/or the operation and maintenance of the transmission facilities. If so, what measures have been taken to alleviate or mitigate such concerns?
- ii. Please indicate the nature (e.g. overhead transmission/distribution lines, underground cables, water pipes, railway lines, etc...) of any other existing facilities in the right-of-way which might affect construction and or maintenance. If applicable, please identify proposed approaches to mitigate possible disruption to such facilities.

Responses:

- i. Maintaining the integrity of existing infrastructure, including roads, and safety and stability during and after construction is a high priority for K2 Wind. With proper planning, which includes a detailed survey of actual locations of roads and streams, K2 Wind is able to mitigate risks associated with the required crossings. Directional drilling will be utilized where required to minimize impact to streams and roads, as committed under K2 Wind's REA and the Council-approved ACW Township Road Use Agreement. During construction of the road crossings, K2 Wind will coordinate closely with ACW Township Public Works Department.
- ii. Facilities within the existing right-of-way that could potentially impact construction and/or maintenance are the Hydro One 500 kV transmission line

which the K2 Transmission Line will cross under, along Glens Hill Road; the Hydro One overhead 27.6 kV electrical distribution lines that run along Glens Hill and Lanesville Roads, and the buried fibre optic cables in the ACW Township road allowance. It is not expected that these infrastructure elements will be impacted in any negative way or that any services will be disrupted. The precise location of all existing infrastructure, including utility poles and underground cables, will be located in advance of any construction work. To mitigate any potential impacts, the route of the K2 Transmission Line has been adjusted to avoid locations where there are existing utility poles, where feasible. Where the K2 Transmission Line will be located proximate to Hydro One utility poles, K2 Wind will coordinate with Hydro One to ensure that stability and safety is maintained during construction. Underground services, such as fibre optic cables, will be located in advance so that they can be avoided during construction. The operations and maintenance of the K2 Transmission Line are not expected to affect existing infrastructure.

Interrogatory 7: Alternatives Considered

Reference:

Exh. B/ Tab 1/Sch. 1/ § 25

Preamble:

At the reference, the Applicant states that:

“The Project Description Report described two transmission line routes: a preferred route and an alternate route. Both routes have similar environmental and technical characteristics. K2 Wind has decided to pursue the preferred route for the K2 Transmission Line since this route is adjacent to a larger number of Project participants.”

“Project participants” is defined as “landowners who have entered into land agreements with K2 Wind”.

In order for this transmission line to be energized, Board staff note that the construction of essential transmission infrastructure by rate regulated entity Hydro One is required.

Question/Request:

- i. Please identify the alternate transmission project options that were considered and provide reasons why these were disqualified. Please include the relevant assumptions and selection criteria.

Responses:

- i. K2 Wind did evaluate alternate locations for the K2 Transformer Station. The preferred location facilitated the bringing together of five collector circuits with minimal extension. Moreover, the preferred location was owned by a landowner who was willing to enter into an agreement with K2 Wind for the site.

K2 Wind also evaluated an alternate route for the K2 Transmission Line. This alternative ran east along Belgrave Road from the K2 Transformer Station and then south, along Tower Line Road. Both the preferred route and the alternative route had similar environmental and technical characteristics. The preferred route was selected over this alternate route, because it was located close to properties owned by landowners who were already participating in the Project, simplifying the process for acquiring land rights for the line.

Interrogatory 8: Land Matters

Reference:

- a. Exh. B/ Tab 1/ Sch. 1/ § 29
- b. Exh. F/ Tab 1/ Sch. 1/ p.1
- c. Exh. F/ Tab 2/ Sch. 2/ Option to Purchase Land for Substation with Extension Letter
- d. ACW Letter of Comment of February 7, 2013 re Ontario Energy Board Application
- e. Exh. F/ Tab 1/ Sch. 1/ Table F-1

Preamble:

Reference (a) relates to the relief sought by the Applicant in relation to the various forms of land agreements.

Reference (b) states in part that:

“Both the K2 Substation and the Hydro One Switching Station will be situated on 40 hectares of land owned by K2 Wind, [...]. K2 Wind has entered into an Option to Purchase Agreement in respect of the subject property. The form of this agreement, as well as the form of the Purchase Agreement, are included at Exhibit F, Tab 2, Schedules 2.”

Reference (d) shows that the Ashfield-Colborne-Wawanosh (ACW) Township has a different interpretation of the status of negotiations as respects the Road-Use Agreement than the Applicant.

Question/Request:

- i. Please state the useful life of the transmission project and the wind generation farm.
- ii. With respect to (a), please confirm that K2 Wind seeks approval of the forms of land agreements contained in exhibit F, tab 2, schedules 1 & 2 as well as those contained in exhibit F, tab 3, schedules 1 & 2.
- iii. The form of the purchase agreement provided at reference (c) has been executed by Capital Power. Please update the Board on the status of the lands affected in this proceeding that are also subject to this purchase agreement.

- iv. If applicable, please file a revised form of the purchase agreement.
- v. With respect to the Road-Use Agreement with ACW Township, is K2 Wind still pursuing negotiations or relying on section 41(1) of the Electricity Act?
- vi. Has the Applicant offered and/or provided any legal compensation to landowners to cover legal costs for those who wished to have their form of land agreement reviewed by a legal consultant, or counsel? If not, would it be prepared to do so for the acquisition of any outstanding land rights?
- vii. In addition to directly affected landowners, please identify adjacent landowners.
- viii. Please indicate whether access during construction, and at other times such as maintenance, will require additional land rights. If additional land rights are required, how will K2 Wind address this?
- ix. What is the minimum setback from residential property lines and residential buildings along the transmission line?
- x. Please update Table F-1, and include a detailed list of all affected lands with the size of the easement for the land interest required, a legal description of the land (pin, lot and concession number), the status of negotiations, and the term of the agreement for the land interest (over the life of the project, over the useful life of the equipment, etc...).

Responses:

- i. The K2 Wind Project has a minimum useful life of 20 years, but is expected to operate beyond that. The K2 Transmission Line has a useful life in excess of 40 years.
- ii. Confirmed.
- iii. A new Option to Purchase agreement for land for the K2 Substation was executed and filed with the Board on February 28, 2013. This agreement included a form of purchase agreement as a schedule, but the option has not yet been exercised and the purchase agreement has not been executed. This document can be found at Exhibit F-2-2 of the Application. No lands, other than the lands described in the Option to Purchase agreement, are affected by the Option to Purchase agreement or the form of Purchase Agreement attached thereto.
- iv. Please see response to Staff-8(iii) above.
- v. On March 5, 2013, ACW Township Council authorized the execution of a final Road Use Agreement and Community Funds Benefit Agreement with K2 Wind

in the forms attached at Appendix 3. Once the Road Use Agreement is fully executed, K2 Wind will file a copy with the Board.

- vi. The Applicant has provided compensation to the owners of the substation site for legal costs associated with their review of the site purchase option. No other property owners requested compensation for legal costs for review of agreements with the Applicant. At this point, there are no outstanding land rights that remain to be acquired.
- vii. PIN numbers and short land descriptions for properties that abut the Proposed Facilities but are not participating in the Project are provided in the table below

Adjacent, Non-Participating Properties	
PIN	Short Land Description
41095-0021	L2 2 CON 9 ED Ashfield, S 1/2 LT 3 CON 9 ED Ashfield
41095-0024	W/2 PT LT 4 CON 9 ED Ashfield
41095-0033	N 1/2 LT 4 CON 8 ED Ashfield
41095-0034	S 1/2 LT 4 CON 8 ED Ashfield
41095-0039	PT LT 4 CON 8 ED Ashfield
41095-0043	PT LT 3 CON 7 ED Ashfield
41095-0045	LT 5 CON 7 ED Ashfield
41095-0046	N 1/2 LT 6 CON 7 ED Ashfield
41089-0003	N 1/2 PT LOT 4 CON 6 ED Ashfield
41089-0006	W/2 PT LOT 5 CON 6 ED Ashfield
41089-0007	E/2 PT LOT 5 CON 6 ED Ashfield
41089-0008	W 1/2 LOT 6 CON 6 ED Ashfield
41089-0009	E 1/2 LOT 6 CON 6 ED Ashfield
41089-0064	PT LOT 7 CON 6 ED Ashfield
41088-0067	S/2 PT LOT 7 CON 7 ED Ashfield
41088-0068	N/2 PT LOT 7 CON 7 ED Ashfield

The locations of the above properties are provided on the map included at Exhibit I-3-2 of the Application. All such adjacent landowners were contacted regarding the Project as part of K2 Wind's general consultation efforts and all received copies of the Notice of Application and Exhibit B-1-1 per the Board's Letter of Direction dated January 15, 2013.

- viii. K2 Wind has all the land access rights it needs to construct and operate the Proposed Facilities.
- ix. Where the K2 Transmission Line is within road allowances, it will be located from 3 to 3.5 metres from residential property lines that parallel the road allowance. Please see the map at Exhibit F-4-1 of the Application. The nearest residence is located 33 metres from the K2 Transmission Line's location in the road allowance along Glens Hill Road.
- x. Please see the updated Table F-1 on the following page.

Supplement to Table F-1 - Required Land Rights						
File No.	Segment	Size	PIN	Short Land Description	Status	Term of Easement/Lease after exercise of Option
EASEMENT OPTION AGREEMENTS						
451	1	15 m wide strip x 1.95 km total for Segment 1	41095-0031	N 1/2 LT 3 CON 8 ED Ashfield	Executed and in force	30 years
452	1	15 m wide strip x 1.95 km total for Segment 1	41095-0032	S 1/2 LT 3 CON 8 ED Ashfield	Executed and in force	30 years
462	1	15 m wide strip x 1.95 km total for Segment 1	41095-0041	PT LT 1 CON 7 ED; PT LT 2 CON 7 ED; PT LT 3 CON 7 ED Ashfield	Executed and in force	30 years
463	2, 3, 4	15 m wide strip x 1.3 km total for Segments 2, 3, 4	41095-0044	LT 4 CON 7 ED Ashfield	Executed and in force	30 years
N/A	5	N/A	Municipal Road Allowance		N/A	N/A
PURCHASE OPTION AGREEMENT (SUBSTATION and SWITCHYARD)						
406	6	40 ha including HONI switchyard - transmission corridor within this property is 15 m wide strip x 0.78 km	41095-0047	PT LT 6 CON 7 ED Ashfield	Executed and in force	Perpetual fee simple title
					25-Jan-13	1 year from date with option to extend by an additional 1 year
LEASE OPTION AGREEMENT (TRANSFORMER STATION)						
407	N/A	4 ha	41095-0031	N 1/2 LT 3 CON 8 ED Ashfield	Executed and in force	35 years

Interrogatory 9: Letters of Comment

Reference:

- a. All Letters of Comment from ACW Residents
- b. Letter of Comment from Ross McKittrick dated February 19, 2013

Preamble:

Several letters of comment (> 100) were received pointing to safety concerns, and contain the following language:

“I also object to the proposed 230 kV transmission line being buried on a public road allowance. There are enormous safety risks from such a high voltage line being located on public land and under municipal drains. This is a risk to which the public should not be exposed.”

Question/Request:

- i. Has K2 replied to any of the letters of comment at references (a) and (b)? If so, please file copies with the Board.
- ii. With respect to reference (a), has K2 Wind identified and addressed any of the mentioned safety concerns? If applicable, what steps would K2 Wind take to alleviate such concerns?
- iii. Some matters contained in the letters of comment clearly fall outside of the scope of this proceeding, has K2 Wind facilitated awareness with respect to the environmental assessment (REA) process? If so, please file related evidence.

Responses:

- i. Yes. All Letters of Comment received by K2 Wind to date were responded to. Copies of K2 Wind's responses are included in Appendix 4, attached.
- ii. Yes. The Applicant's proposed design of the subsurface installation of the K2 Transmission Line will meet the requirements of the Ontario Electrical Safety Code, 25th Edition, 2012 (the "OESC"). K2 Wind addressed the above mentioned safety concern in all of the responses provided. The following text was included in each of the letters responding to the Letters of Comment:

K2 Wind is proposing to build a 230 kV transmission line that would connect the Project's transformer station to the substation. The transmission line would be buried underground, both within the municipal

road allowance and on private lands. The underground cables which would be used contain a number of safety features which provide both electrical insulation and physical protection, to ensure that electricity is safely contained, and to protect the cables from damage in the event of accidental contact. The cables would be buried a minimum of 1.1 metres below the ground. A warning tape would be buried above the line, and underground cable markers would be installed in the road allowance every 20 metres, to mark the line's location. K2 Wind will ensure that all work completed is in compliance with applicable local and provincial safety codes, including but not limited to the Ontario Electrical Safety Code and the National Electrical Safety Code. K2 Wind will also join and maintain member status in the Ontario "One Call" service, to assist with in-field locates of the transmission line, as well as its other underground infrastructure.

The decision to locate the transmission and collector lines underground, wherever possible, was made in response to feedback from the community. We heard from several community residents and the Township Council, in its Wind Turbine Development Policy, who wanted K2 Wind to make efforts to bury its power lines to minimize the visual impact of equipment and infrastructure associated with the Project. K2 Wind listened to this request and as a result, almost all power lines for the Project will be buried.

- iii. Yes. K2 Wind provided information regarding the Notice of Posting on the Environmental Registry in all responses to the Letters of Comment. The following text was included in each of the response letters to notify residents of the current Ministry of the Environment comment period:

Notice of Posting on the Environmental Registry

As part of the Renewable Energy Approval (REA) process, information about the Project has now been posted on the Environmental Registry of the Environmental Bill of Rights, 1993 (EBR) <http://www.ebr.gov.on.ca>. A 45-day public comment period commenced on February 15, 2013 and extends to April 1, 2013. This comment period allows community members to have an additional opportunity to provide feedback regarding the proposed Project directly to the Director of the Ministry of the Environment (MOE). The posting is located under Environmental Registry number 011-8307. Comments about the Project can be provided on the above mentioned website and can also be submitted to:

Shannon McNeill, Senior Project Evaluator,
Ministry of the Environment – Operations Division
Environmental Approvals Branch

2 St. Clair Avenue West, Floor 12A
Toronto, Ontario M4V 1L5
Telephone: 416-326-6089 Fax: 416-314-8452
Toll Free Phone: 1-800-461-6290

Notice of the posting on the EBR was published in local newspapers starting the week of February 18, 2013, mailed to local county and township clerks and is available on our Project website at www.K2Wind.ca.

In addition, the final REA reports for the Project have been made available for review on the Project website www.K2Wind.ca.

Interrogatory 10: Stranded Assets & Decommissioning

Reference:

Exh. B/ Tab 1/ Sch. 1/ § 23

Preamble:

The Decommissioning Plan Report forms part of the Renewable Energy Approval (REA) package that K2 Wind submitted in November 2012.

Question/Request:

- i. Please acknowledge K2 Wind's responsibility for removing transmission and related facilities if construction does not proceed or is interrupted due to unforeseen events such as the inability to acquire or secure rights over the necessary lands or a *force majeure* event?
- ii. Are guarantees in place or funds set aside for this purpose? Please provide details of this funding availability.
- iii. Please confirm that decommissioning costs are the responsibility of the Applicant.
- iv. Please submit a copy of the Decommissioning Plan Report.

Responses:

- i. If construction of the applied-for facilities does not proceed, there will be no facilities to remove. If such construction is interrupted due to unforeseen events, K2 Wind would consider the circumstances of such events, together with the relevant legal instruments that are in place at such time (i.e., regulatory approvals, contracts, easements, etc.) in order to determine where the responsibility lies for removing any partially constructed facilities. To the extent such responsibility lies with K2 Wind, it would remove the relevant facilities.
- ii. No guarantees are in place or funds specifically set aside for this purpose. K2 Wind is financially viable and has the resources to meet its obligations in this regard.
- iii. It is anticipated that the terms of K2 Wind's REA, once issued, will include an obligation to decommission the facilities approved thereunder in accordance with the Decommissioning Plan Report that was filed as part of K2 Wind's REA Application. Sections 3 to 7 of the Decommissioning Plan Report describe the procedures that would be used to decommission the K2 Wind Substation, the K2 Wind Switching Station and the K2 Transmission Line.

- iv. The Decommissioning Plan Report can be accessed through K2 Wind's website at <http://www.k2wind.ca/public-consultation/>. The Report is also included in the CD ROM that is being filed with this response.

Interrogatory 11: Switching Station, Interconnection Station and Cost Responsibility

Reference:

- a. Exh. F/ Tab 1/ Sch. 1/ Land Rights Overview
- b. Exh. G/ Tab 1/ Sch. 1/ Interconnection Overview

Preamble:

Reference (a) states in parts that:

Both the K2 Substation and the Hydro One Switching Station will be situated on 40 hectares of land owned by K2 Wind [...]. K2 Wind intends to sever and sell a portion of this property to Hydro One for the purpose of constructing and operating the Switching Station.

Question/Request:

- i. What is the status of the agreement for the land required for the Hydro One Switching Station?
- ii. Please clarify who will be responsible for the maintenance and security of the Hydro One new transmission infrastructure related to this project before the land is severed and thereafter. Please submit a copy of any agreement that is currently in place.
- iii. Please submit the Connection Cost Recovery Agreement, when finalized.
- iv. Please confirm that K2 Wind is responsible for the total cost of the facilities proposed in this application and that such facilities will have no impact on transmission rates in Ontario.

Responses:

- i. Please see response to Staff-8(iii) above. The land required for the Hydro One switching station will be severed from the land to be acquired pursuant to the Option to Purchase agreement and will be transferred to Hydro One as provided in the CCRA.
- ii. K2 Wind will be responsible for the maintenance and security of the K2 Substation and interconnection up to the point of demarcation between K2 Wind's facilities and Hydro One's facilities. After execution of the Early Access Agreement, Hydro One or its contractor will be responsible for security for the facilities which Hydro One will construct, both before and after the land is

transferred to Hydro One. The forms of Early Access Agreement incorporated into the CCRA all provide the following:

All agents, representatives, officers, directors, employees and contractors and property of HONI located at any time on the Lands shall be at the sole risk of HONI and the Owner shall not be liable for any loss or damage or injury (including loss of life) to them or it however occurring except and to the extent to which such loss, damage or injury is caused by the negligence or willful misconduct of the Owner.

- iii. A redacted copy of the CCRA is included at Appendix 5, attached. Please see the cover letter accompanying the responses to these interrogatories dated March 14, 2013.
- iv. Confirmed. K2 Wind will be responsible for the total cost of constructing, operating and maintaining the K2 Substation, K2 Transformer Station and K2 Transmission Line. The Proposed Facilities will have no impact on transmission rates in Ontario.

Interrogatory 12: System Impact Assessment (SIA) & Customer Impact Assessment (CIA)

Reference:

- a. Exh. G/Tab 1/ Sch. 1/ p.1
- b. Exh. G/Tab 7/ Sch. 1/ p.1-5 / SIA Report 2nd Addendum
- c. Exh. G/Tab 6/ Sch. 1/ p.10/ CIA Report 2nd Addendum/ Conclusions and Recommendations
- d. Exh. G/Tab 2, 3 & 4/ SIA Report, CIA Report, and SIA Report Addendum

Preamble:

At reference (a) K2 Wind states that “the process by which the Proposed Facilities will be connected to the transmission facilities of Hydro One is well underway.”

At reference (b), the SIA in the section entitled “IESO Requirements for Connection” lays out numerous requirements for K2 Wind and Hydro One.

At reference (c), Hydro One states that:

“All customers are required to check to ensure that the equipment and grounding system at their stations/facilities meet the expected increase in fault level.”

The initial SIA, CIA, and SIA Addendum at reference (d) may contain general requirements which still apply.

Question/Request:

- i. Please confirm that K2 Wind will fulfill the Connection Applicant Requirements listed at reference (a).
- ii. Please update the Board on any progress K2 Wind is aware of that Hydro One has made relative to the feasibility and operability of the transmission line.
- iii. With respect to reference (c), please provide evidence that the necessary confirmation has been received from affected customers.
- iv. For each of the specific and the general requirements at reference (d):
 - Confirm that K2 Wind will fulfill all of the requirements which still apply.

- Otherwise, if the requirements listed are not relevant for the new configuration, indicate why they are not required.

Responses:

- i. Confirmed.
- ii. Hydro One has developed a basic layout and conceptual design for the Ashfield Switching Station, which will be the point of interconnection of the K2 Wind Project to the Hydro One transmission system. Hydro One has advised K2 Wind that planning for the execution of the Ashfield Switching Station is underway and that preliminary engineering work has begun.
- iii. Hydro One has advised that it does not require confirmation from customers in this regard. To date, Hydro One has not received any comments or questions from affected customers.
- iv. Please see the table below.

Exhibit G-2-1 – IESO System Impact Assessment, February 24, 2012 (CAA ID: 2011-452)	
Transmitter Requirements	Requirements (1), (2), (3), and (4) <ul style="list-style-type: none"> • Since these items are Hydro One's responsibility, K2 Wind confirms that it will request that Hydro One fulfill these requirements.
Applicant Requirements	
Specific Requirements	Requirements (1) and (3) <ul style="list-style-type: none"> • K2 Wind confirms that it will meet these requirements, as well as the new requirement (5) in the SIA 2nd Addendum. Requirement (2) <ul style="list-style-type: none"> • K2 Wind confirms that it will meet the revised reactive power requirement detailed in the SIA 2nd Addendum, Specific requirement (2). Requirement (4) <ul style="list-style-type: none"> • K2 Wind confirms that it will meet the revised operating voltage requirement in the SIA 1st Addendum, Specific requirement (1), which supersedes this requirement.
General Requirements	Requirements (1), (2), (3), (5), (6), (8), (9), (10), (11), (12), (13), (14), and (15) <ul style="list-style-type: none"> • K2 Wind confirms that it will meet these requirements. Requirement (4) <ul style="list-style-type: none"> • K2 Wind confirms that it will meet the revised operating voltage requirement in the SIA 1st Addendum, General requirement (1), which supersedes this requirement. Requirement (7)

	<ul style="list-style-type: none"> K2 Wind confirms that it will meet the revised fault interrupting requirement in the SIA 1st Addendum, General requirement (2), which supersedes this requirement.
Exhibit G-3-1 – Hydro One Customer Impact Assessment, February 24, 2012	
Transmitter / Applicant Requirements	1 st , 2 nd , 3 ^d , and 5 th requirements <ul style="list-style-type: none"> K2 Wind confirms that it will meet these requirements. 4 th and 6 th requirements <ul style="list-style-type: none"> K2 Wind confirms that it will meet the revised requirements detailed the SIA 1st Addendum, Section 3 dated June 15, 2012 that supersedes these requirements.
Exhibit G-4-1 – IESO System Impact Assessment (Addendum), June 15, 2012 (CAA ID: 2011-452)	
Transmitter Requirements	Requirements (1), (2), (3), and (4) <ul style="list-style-type: none"> Since these items are Hydro One's responsibility, K2 Wind confirms that it will request that Hydro One fulfill these requirements.
Applicant Requirements	
Specific Requirements	Requirement (1) <ul style="list-style-type: none"> K2 Wind confirms that it will meet this operating voltage requirement.
General Requirements	Requirements (1) and (2) <ul style="list-style-type: none"> K2 Wind confirms that it will meet both of these revised requirements.

Interrogatory 13: Renewable Energy Approval (REA)

Reference:

- a. Exh. B/ Tab 1/ Sch. 1/ § 23
- b. Exh. H/ Tab 1/ Sch. 1

Preamble:

In the pre-filed evidence, the Applicant states that a decision from the Ministry of the Environment (MOE) in relation to the Renewable Energy Approval (REA) application is expected in mid-2013.

Question/Request:

- i. Please indicate whether there have been any objections to the granting of the REA and if so by which parties? Is the timeline for a decision on the REA maintained?
- ii. Please confirm that K2 Wind understands that should the REA decision result in a material alteration to the route of the transmission line as proposed in this application, any Board decision and order would be predicated on the original route and would therefore no longer be valid.
- iii. Upon completion of the environmental assessment, please file a copy of the REA approval along with a copy of the REA documentation (may be filed in electronic form).

Responses:

- i. The Ontario Ministry of the Environment (“**MOE**”) deemed K2 Wind’s REA Application complete and posted it on the Environmental Registry on February 15, 2013 (EBR Registry Number 011-0307). Notices advertising the public comment period appeared in local newspapers and are available on the Project website. From February 15, 2013, the public has 45 days to review the proposal and provide comments and input directly to the MOE. From such date, the MOE also has a six month service guarantee to complete its REA review. Based on this service guarantee, K2 Wind expects an REA decision by no later than August 15, 2013. If the REA is approved by the MOE, the REA can be appealed to the Environmental Review Tribunal.

In November 2012, Shawn and Tricia Drennan (the “**Drennans**”) filed a lawsuit against both K2 Wind and the Government of Ontario. In summary, the Drennans are claiming or seeking:

- damages of \$2 million, due to various concerns, including health and property values, plus punitive and aggravated damages of \$2 million and undisclosed special damages;
- an injunction restraining the MOE from approving the K2 Wind Project;
- an injunction restraining K2 Wind from starting construction;
- a declaration that the process for granting and appealing renewable energy approvals violates section 7 of the *Canadian Charter of Rights and Freedoms* (i.e. The “right to life, liberty and security of the person.”);
- a declaration that a decision by the MOE to approve the project will violate section 7 of the *Canadian Charter of Rights and Freedoms*; and
- costs and interest.

The Crown and K2 Wind responded that the suit is premature, and an attempt to bypass the REA and Environmental Review Tribunal processes. They have moved to dismiss, or in the alternative, stay the matter in their responses. The matter was heard in Superior Court in Goderich on March 1, 2013, before Justice Grace. Justice Grace reserved his decision.

- ii. Confirmed, in accordance with any specific terms and conditions of approval that the Board may impose.
- iii. K2 Wind understands this to be a request for it to file a copy of the Renewable Energy Approval with the Board when it is issued by the Ministry of the Environment. K2 Wind undertakes to do this. K2 Wind’s final public Renewable Energy Approval reports, which were prepared as part of its REA Application, are currently available on K2 Wind’s website at <http://www.k2wind.ca/public-consultation/>. In addition, a CD-ROM containing all such documents is enclosed with the filing of these interrogatory responses.

Appendix 1

K2 WIND PROJECT

POWER PURCHASE AGREEMENT

between

ONTARIO POWER AUTHORITY

and

K2 WIND ONTARIO LIMITED PARTNERSHIP

Dated as of August 3, 2011

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Exhibit K	Intentionally Deleted.

POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT is made as of the 3rd day of August, 2011.

BETWEEN:

ONTARIO POWER AUTHORITY

and

K2 WIND ONTARIO LIMITED PARTNERSHIP

WHEREAS Her Majesty the Queen in Right of Ontario, as represented by the Minister of Energy, and Korea Electric Power Corporation ("**KEPCO**") and Samsung C&T Corporation ("**Samsung**", and together with KEPCO, the "**Korean Consortium**") entered into the Green Energy Investment Agreement (the "**GEIA**") dated January 21, 2010;

AND WHEREAS the GEIA set out the general terms and conditions pursuant to which the Korean Consortium would develop, construct and operate wind and solar projects in Ontario and, with its Manufacturing Partners (as defined therein), establish and operate facilities in Ontario for the manufacture of wind and solar generation equipment and components (collectively, the "**GEIA Project**");

AND WHEREAS the GEIA contains provisions regarding site locations for each Phase of the GEIA Project, the construction, ownership and operation of connection facilities for the facilities, the facilitation of obtaining regulatory approvals and permits, guaranteed priority access to and capacity on the Transmission System, manufacturing commitments, economic development adder, Aboriginal Communities and termination (collectively, the "**GEIA Matters**");

AND WHEREAS on April 1, 2010 the Minister of Energy issued a directive to the OPA pursuant to subsection 25.32(4.1) the *Electricity Act, 1998* (i) to commence negotiations of one or more power purchase agreements as appropriate with respect to each Phase (as defined in the GEIA) of the GEIA Project with the Korean Consortium or the appropriate Project Company (as defined in the GEIA) when the Project Company has demonstrated that it has the necessary Access Rights with respect thereto and on the recommendation of the Implementation Task Force (as defined in the GEIA); (ii) that each such power purchase agreement shall be consistent with the GEIA and incorporate its relevant provisions and be substantially similar to the FIT Contract with such necessary modifications as are required to reflect the terms of the GEIA; and (iii) that, pursuant to Articles 8 and 9 of the GEIA, the Korean Consortium shall be paid an economic development adder contingent upon the fulfillment of its manufacturing commitments in accordance with the GEIA;

AND WHEREAS the GEIA provided for the GEIA Project to be developed in five phases which could be divided into smaller Generation Facilities (as defined in the GEIA);

AND WHEREAS the Korean Consortium has provided notice to the Government of Ontario that it is dividing Phase 2 of the GEIA Project into three smaller Generation Facilities, one of which is the development of an on-shore wind facility in the Township of Ashfield-Colborne-Wawanosh, Huron County, the "Contract Facility" as defined in this Agreement;

AND WHEREAS it is the intention and agreement of the Parties that, notwithstanding that a number of power purchase agreements may be entered into under and pursuant to the GEIA, each power purchase agreement to be entered into pursuant to and under the GEIA is and shall be the entire agreement between the parties to that agreement only pertaining to the subject matter of that particular power purchase agreement and is not intended to address any matters related to any other such power purchase agreement unless specifically and particularly provided therein;

AND WHEREAS the Supplier has submitted to the OPA connection details and evidence of Access Rights with respect to the Site and has advised the Government of Ontario that it has done so, and the Implementation Task Force (as defined in the GEIA) has recommended that the OPA negotiate this Agreement;

AND WHEREAS pursuant to the GEIA, the Korean Consortium has established the Supplier, a "Project Company" as defined in the GEIA, to develop, construct and operate the Contract Facility;

NOW THEREFOR in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

1.1 Definitions

In addition to the terms defined elsewhere in this Agreement, capitalized terms shall have the meanings given to them in the attached Appendix 2 – Standard Definitions.

1.2 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, references to Articles, Sections and Exhibits are references to Articles, Sections and Exhibits in this Agreement.

1.3 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.4 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated, and shall be paid, in Dollars and Cents, and shall be rounded to the nearest Cent.

1.5 Time Periods

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

1.6 Statutory References

A reference to a statute includes all regulations and rules made pursuant to the statute and, unless otherwise specified, the provisions of any statute, regulation or rule which amends, supplements or supersedes any such statute, regulation or rule.

1.7 IESO Market Rules

In the event of any conflict or inconsistency with the IESO Market Rules and the terms of this Agreement, the IESO Market Rules shall govern to the extent of such conflict or inconsistency. To the extent that there is a change in the IESO Market Rules that was not published by the IESO in its approved form 30 days prior to the Contract Date, including any changes to or new IESO Market Rules regarding curtailment, which change has the effect of materially affecting the Supplier's Economics, then:

- (a) either Party may, within 30 days following the date such amendment is published by the IESO in its approved form, notify the other Party that such change materially affects the Supplier's Economics (a "**Material IESO Market Rule Amendment**"). For greater certainty, if a Party does not provide notice within 30 days following the date such amendment is published by the IESO in its approved form, then such Party shall not be entitled to any amendments to this Agreement as a result of such IESO Market Rule amendment;
- (b) the Supplier shall, within 60 days following the date of any notice sent pursuant to Section 1.7(a), provide to the OPA all such information as may be required or otherwise requested by the OPA to assess the impact of such Material IESO Market Rule Amendment on the Supplier's Economics;
- (c) the OPA shall, within 60 days following receipt of all information required to be provided by the Supplier and those Other Suppliers that are required to provide information pursuant to Section 1.7(b) of their respective FIT Contracts, but in any event no later than 120 days following receipt of all information required to be provided by the Supplier, either:
 - (i) advise the Supplier that the applicable IESO Market Rule amendment is not a Material IESO Market Rule Amendment; or
 - (ii) propose amendments to this Agreement and the respective agreements of any Other Suppliers that are so affected by the IESO Market Rule

amendment, if any, on the basis that such amendments together with the change in the IESO Market Rules will substantially reflect the Supplier's Economics as contemplated hereunder and, at the OPA's discretion, that of such Other Suppliers, prior to the introduction of such change in the IESO Market Rules;

- (d) if by the date that is 60 days following the date that the OPA makes a determination or proposes amendments in accordance with Section 1.7(c), as applicable, the Parties do not agree to the amendments proposed pursuant to Section 1.7(c), or do not agree that an IESO Market Rule amendment is not a Material IESO Market Rule Amendment, as applicable, then the Parties and, at the OPA's discretion, such Other Suppliers who are so affected, that are required by the OPA to participate, shall engage in good faith negotiations to reach agreement; and
- (e) if by the date that is 120 days following the date that the OPA makes a determination or proposes amendments in accordance with Section 1.7(c), as applicable, the Parties fail to reach agreement on the amendments described in Section 1.7(c) or do not agree that an IESO Market Rule amendment is not a Material IESO Market Rule Amendment, as applicable, the matter shall be determined by mandatory and binding arbitration, from which there shall be no appeal, with such arbitration to be conducted in accordance with the procedures set out in Exhibit E. If the Supplier fails to participate in such arbitration, such arbitration shall nevertheless proceed, and the Supplier acknowledges that it shall be bound by the award of the Arbitrator.

For greater certainty, this Section 1.7 shall not apply to the circumstances addressed in Section 2.11 or in respect of the establishment of any Future Contract Related Products.

1.8 Invalidity, Unenforceability or Inapplicability of Provisions

In the event that a court of competent jurisdiction determines that any provision of this Agreement is invalid, inapplicable or unenforceable, then either Party may propose, by notice to the other Party, a replacement provision, and the OPA and the Supplier and, at the OPA's discretion, those Other Suppliers that are required by the OPA to participate, if any, shall engage in good faith negotiations to replace such provision with a valid, enforceable and applicable provision, the economic effect of which substantially reflects that of the invalid, unenforceable or inapplicable provision which it replaces (the "**Replacement Provision**"). If the Parties are unable to agree on the Replacement Provision within 30 days after the commencement of negotiations under this Section 1.8, then the Replacement Provision shall be determined by mandatory and binding arbitration from which there shall be no appeal, with such arbitration to be conducted in accordance with the procedures set out in Exhibit E. If the Supplier fails to participate in such arbitration, such arbitration, shall nevertheless proceed, and the Supplier acknowledges that it shall be bound by the award of the Arbitrator and the subsequent amendments to this Agreement made by the OPA to implement such award of the Arbitrator.

1.9 Entire Agreement

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement, and cancels and supersedes all prior understandings and

agreements between the Parties. There are no warranties, conditions or representations (including any that may be implied by statute) and there are no agreements in connection with the GEIA Matters or the subject matter of this Agreement generally, except as specifically set forth or referred to in this Agreement. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made by a Party to this Agreement, or its Representatives, to the other Party to this Agreement, or its Representatives, or the members of the Korean Consortium, or any "Supplier" in any other power purchase agreement entered into by the OPA and a Project Company under and pursuant to the GEIA except to the extent that the same has been reduced to writing and included as a term of this Agreement. No provisions of any other power purchase agreement entered into by the OPA and a Project Company under and pursuant to the GEIA are incorporated in or made a part of this Agreement except to the extent that the same have been reduced to writing and included as a term of this Agreement.

1.10 Waiver, Amendment

Except as expressly provided in this Agreement, no waiver of any provision of this Agreement shall be binding unless executed in writing by the Party to be bound thereby and no amendment of any provision of this Agreement shall be binding unless executed in writing by both Parties to this Agreement. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver or operate as a waiver of, or estoppel with respect to, any subsequent failure to comply, unless otherwise expressly provided.

1.11 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

1.12 Preparation of Agreement

Notwithstanding the fact that this Agreement was drafted by the OPA's legal and other professional advisors, the Parties acknowledge and agree that any doubt or ambiguity in the meaning, application or enforceability of any term or provision of this Agreement shall not be construed or interpreted against the OPA or in favour of the Supplier when interpreting such term or provision, by virtue of such fact.

1.13 Appendices; Exhibits

Each of the appendices and exhibits attached hereto and referenced herein forms part of this Agreement.

ARTICLE 2 DEVELOPMENT AND OPERATION OF THE FACILITY

2.1 Design and Construction of the Facility

- (a) The Supplier shall design and build the Contract Facility using Good Engineering and Operating Practices and meeting all relevant requirements of the IESO Market Rules, Transmission System Code, the Connection Agreement, in each case as applicable, and all other Laws and Regulations. The Supplier shall ensure that the

Facility is designed, engineered and constructed to operate in accordance with the requirements of this Agreement.

- (b) Except as provided in Section 2.1(c) of this Agreement, the Supplier shall at no time after the date of this Agreement modify, vary or amend in any material respect any of the features or specifications of the Contract Facility as described herein, including in Appendix 1 – Contract Facility Description (including for greater certainty, the Site), or make any change as to the Contract Facility's status as a Registered Facility (a "Contract Facility Amendment"), without first notifying the OPA in writing and obtaining the OPA's consent in writing, which consent shall not be unreasonably withheld.

[REDACTED]

[REDACTED] For the purpose of this Section 2.1(b), it shall not be unreasonable for the OPA to withhold its consent to any modification, variation or amendment which would, or would be likely to,

- (i) materially adversely affect the ability of the Supplier to comply with its obligations under this Agreement; or
 - (ii) increase the Contract Capacity of the Contract Facility or otherwise cause Electricity generated by another facility to affect the Contract Facility's meter reading until such time as the Supplier and the OPA agree, acting reasonably, on any changes to the metering configuration or Exhibit B that are necessary to ensure that payments under this Agreement reflect only Delivered Electricity from the Contract Facility prior to any such Contract Facility Amendment.
- (c) Notwithstanding Section 2.1(b), prior to the Supplier delivering its NTP Request pursuant to Section 2.4, the Supplier may, on a single occasion, elect to reduce the Contract Capacity to a lower amount by giving notice to the OPA, provided that such lower amount is no less than 75% of the original Contract Capacity. If the Supplier provides such notice, the Contract Capacity shall be reduced to the lower amount. The OPA shall have no obligation to consent to a request to alter the Contract Capacity other than as set out in this Section 2.1(c). Any such reduction in Contract Capacity shall only affect the amount of Completion and Performance Security that is required to be provided to the OPA after the date of the request for such reduction.
- (d) If the Supplier receives from the Transmitter written estimates of the Connection Costs that are substantially more than the costs that would have been reasonably foreseeable by a prudent Supplier taking Commercially Reasonable Efforts to

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estimate such costs, the Supplier may, prior to delivering an NTP Request and within 20 Business Days of receiving any such written estimate, submit a written request to the OPA to terminate this Agreement, along with such evidence as the OPA may reasonably require.

- (e) If, on or prior to the Contract Date, the Supplier has provided an Aboriginal Participation Project Declaration confirming that the Aboriginal Participation Level in respect of the Contract Facility is greater than or equal to 50%, and the Supplier is subsequently denied financing for the Contract Facility requested from Aboriginal Loan Guarantee Program after having taken Commercially Reasonable Efforts to secure such financing, and such denial is reasonably anticipated to have Material Adverse Effect, then the Supplier may, prior to delivering an NTP Request and within 60 days of receiving any such denial, submit a written request to the OPA to terminate this Agreement, along with such evidence as the OPA may reasonably require.
- (f) Where the OPA receives a request from the Supplier pursuant to Section 2.1(d) or 2.1(e), the OPA shall, acting reasonably, within 20 Business Days of any such request either:
 - (i) approve the request, in which case this Agreement shall be terminated without any costs or payments of any kind to either Party, and all Completion and Performance Security shall be returned or refunded (as applicable) to the Supplier within 20 Business Days following receipt by the OPA of a written request for the return or refund (as applicable) of such Completion and Performance Security; or
 - (ii) deny the request, in which case the Supplier may (A) continue under this Agreement or (B) terminate this Agreement in accordance with Section 2.4(a) or (C) dispute the OPA's denial of such request and require a Senior Conference pursuant to the terms of Section 15.1, and, if such Senior Conference fails to resolve such dispute, require arbitration pursuant to Exhibit E, to determine whether the Connection Costs are substantially more than would have been reasonably foreseeable by a prudent supplier taking Commercially Reasonable Efforts to estimate such costs. If the Supplier is successful in the resolution of such dispute, this Agreement shall be terminated in the manner described in Section 2.1(f)(i) above, and if the OPA is successful in the resolution of such dispute, the Supplier, at its option, may either terminate this Agreement in accordance with Section 2.4(a) or shall continue to perform under this Agreement which shall remain in full force and effect.

2.2 Additional Development and Construction Covenants

- (a) The Supplier agrees that the Contract Facility shall have a Connection Point as set out in Appendix 1 – Contract Facility Description and shall affect supply or demand on the IESO-Controlled Grid.

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- (b) The Supplier shall provide, at its expense, separate meter(s) and ancillary metering and monitoring equipment as more specifically set out in Exhibit A - Metering.
- (c) The Supplier shall have a Metering Plan in the Prescribed Form which conforms with the Metering Fundamentals set out in Exhibit A approved by the OPA and shall deliver a copy to the OPA for its approval no later than 90 days prior to the Milestone Date for Commercial Operation. The OPA shall review the Metering Plan submitted by the Supplier and either approve it or provide the Supplier with comments on it within 60 days of receipt. The OPA shall, when considering whether to approve the Metering Plan, have regard to those Electricity matters in the Metering Plan that have received IESO approval. If, within 15 days after the OPA has delivered its comments on the Metering Plan to the Supplier, the Parties are not able to agree on the final terms of the Metering Plan, the Parties shall submit the matter for determination by an Independent Engineer agreed upon by the Parties, acting reasonably, whose determination on the terms of the Metering Plan shall be final and binding on the Parties (and from whose determination there shall be no recourse to the dispute resolution provisions of this Agreement).
- (d) In connection with the provision of a Metering Plan pursuant to Section 2.2(c), the Supplier will provide the OPA with a commissioning report for all revenue meter(s) referenced in the Metering Plan prior to any use of metered data for the purposes expressed in Section 2.7. The OPA retains the right to audit, at any time during the Term, on reasonable notice to the Supplier and during normal business hours, the metering equipment to confirm the accuracy of the Metering Plan, and the meter data of the Facility to confirm the accuracy of such data. The Supplier shall not make any material changes to the Metering Plan following approval by the OPA or determination by the Independent Engineer (as applicable) without the prior written approval of the OPA, acting reasonably.
- (e) The Supplier shall provide, at its expense, all power system components on the Supplier's side of the Connection Point, including all transformation, switching and auxiliary equipment, such as synchronizing and protection and control equipment, pursuant to Laws and Regulations and any requirements deemed necessary by the IESO and the Transmitter from time to time to protect the safety and security of the IESO-Controlled Grid, the Transmission System and each of their customers, each as the case may be. The Supplier shall install protective equipment to protect its own personnel, property, and equipment from variations in frequency and voltage or from temporary delivery of other than three-phase power, whether caused by the Contract Facility or otherwise.
- (f) The Supplier shall develop and construct the Contract Facility such that the Domestic Content Level is equal to or greater than the Minimum Required Domestic Content Level.

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2.3 Connection Assessments; Connection Costs

- (a) The Supplier shall arrange, at its sole expense, for all Facility connection requirements in accordance with Laws and Regulations to permit the delivery of Delivered Electricity to the Connection Point.
- (b) All Connection Costs shall be for the account of the Supplier and the Transmitter pursuant to the Connection Agreement and the Transmission System Code.

2.4 Notice to Proceed

- (a) Until the OPA issues Notice to Proceed to the Supplier and the Supplier has provided to the OPA any required Incremental NTP Security in accordance with Section 2.4(f) or the OPA has waived its right to terminate pursuant to Section 2.4(g), the OPA may terminate this Agreement in its sole and absolute discretion by notice to the Supplier and all Completion and Performance Security shall be returned or refunded (as applicable) to the Supplier within 20 Business Days following receipt of a written request for such return or refund (as applicable) from the Supplier. Until the OPA issues Notice to Proceed to the Supplier, the Supplier may terminate this Agreement in its sole and absolute discretion by notice to the OPA.
 - (i) If the OPA terminates this Agreement in accordance with this Section 2.4(a), the Supplier shall, within 60 days of such termination, provide to the OPA a written statement documenting the Pre-Construction Development Costs incurred prior to the Termination Date. The OPA shall, within 60 days of receiving such statement from the Supplier, pay to the Supplier as the sole and exclusive remedy for terminating this Agreement in accordance with this Section 2.4(a), an amount equal to the Pre-Construction Development Costs set out in such statement, as confirmed by the OPA, acting reasonably, and in any case the amount shall not exceed the Pre-Construction Liability Limit. For greater certainty, the Supplier acknowledges that any costs it may incur in excess of the Pre-Construction Liability Limit prior to the issuance of Notice to Proceed and the subsequent receipt by the OPA of the Incremental NTP Security are the exclusive responsibility of the Supplier and shall not be included in any such payment.
 - (ii) If the Supplier terminates this Agreement in accordance with Section 2.4(a), then notwithstanding Section 9.5, as the OPA's sole and exclusive remedy for such termination, the Supplier shall pay to the OPA as liquidated damages and not as a penalty, a sum equivalent to the amount of all Completion and Performance Security required to be provided by the Supplier as of the date of such termination.
- (b) The OPA shall not issue Notice to Proceed in accordance with this Section 2.4 until the Supplier provides the OPA with an NTP Request, and provided such NTP Request is complete in all respects. An NTP Request shall not be complete unless it includes all of the following (the "NTP Pre-requisites"):

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- (i) documentation of the completed Renewable Energy Approval, if applicable, and any other equivalent environmental and site plan approvals or permits necessary for the construction of the Contract Facility to commence;
 - (ii) a completed financing plan in the Prescribed Form, listing all sources of equity or debt financing for the development of the Contract Facility along with signed commitment letters from sources of financing representing collectively at least 50% of the expected development costs, stating their agreement in principle to provide the necessary financing, which commitment(s) may be conditional on the issuance of Notice to Proceed (the "**Financing Plan**");
 - (iii) the Final Domestic Content Plan; and
 - (iv) documentation of the time and date of application for, and the completion of, all Impact Assessments required by the Distribution System Code or the Transmission System Code, as applicable.
- (c) The Supplier must provide the OPA with a completed NTP Request no later than six months prior to the Milestone Date for Commercial Operation. For greater certainty, in the event that this Agreement is terminated in accordance with Section 9.2 as a result of the Supplier's failure to comply with the obligation in this Section 2.4(c), the sole and exclusive remedy of the OPA in such circumstance shall be its entitlement to retain the Completion and Performance Security delivered prior to such date pursuant to Section 9.2(d)(i).
- (d) If the OPA determines, acting reasonably, that an NTP Request is incomplete, the OPA will notify the Supplier, providing particulars in respect of the deficiencies in such documentation, within 20 Business Days following the OPA's receipt of the Supplier's NTP Request. In such event, the Supplier shall be entitled to file a revised NTP Request within 20 Business Days of the date on which it received the Notice from the OPA with particulars of the deficiencies. If the Supplier does not file a revised NTP Request within such period, the OPA shall not in any circumstances be required to issue a Notice to Proceed.
- (e) No later than 20 Business Days following the OPA's receipt of the Supplier's completed NTP Request, the OPA shall be required to issue Notice to Proceed; or, if the Supplier has not delivered a waiver as provided in Section 2.4(g), the OPA shall be required to issue Notice to Proceed or terminate this Agreement in accordance with Section 2.4(a). Notwithstanding Section 10.1, the OPA's requirement to respond to a completed NTP Request pursuant to Section 2.4(e) shall not be extended by an event of Force Majeure described in Section 10.3(f).
- (f) The Supplier shall deliver to the OPA the additional amount of Completion and Performance Security identified as the "**Incremental NTP Security**" in Exhibit A within 30 days of receiving Notice to Proceed.

- (g) The Supplier is entitled to request a waiver of the OPA's termination rights provided for in Section 2.4(a) substantially on the same terms and conditions as the holder of a FIT Contract in respect of a facility that is not a "Capacity Allocation Exempt" facility may request a FIT Waiver, including those terms that require the Supplier to provide the OPA, for its review and approval, deliverables in connection with the FIT Waiver within the time periods specified therein.

2.5 Milestone Date for Commercial Operation

The Supplier acknowledges that time is of the essence to the OPA with respect to attaining Commercial Operation of the Contract Facility by the Milestone Date for Commercial Operation set out in Exhibit A. The Parties agree that Commercial Operation shall be achieved in a timely manner and by the Milestone Date for Commercial Operation. The Supplier acknowledges that even if the Contract Facility has not achieved Commercial Operation by the Milestone Date for Commercial Operation, the Term shall nevertheless expire on the day before the 20th anniversary of the Milestone Date for Commercial Operation, pursuant and subject to Section 8.1.

2.6 Domestic Content Report

The Supplier shall, at least 60 days prior to the Commercial Operation Date, deliver to the OPA a report detailing how the Contract Facility has achieved the Minimum Required Domestic Content Level and containing the evidence prescribed by Section 1.2 of Exhibit D (such report, the "**Domestic Content Report**"), together with a statutory declaration in the Prescribed Form declaring that the Domestic Content Report is complete and accurate in all material respects and that the Domestic Content Level of the Contract Facility satisfies the requirements set out in Section 2.2(f). Within 60 days following receipt of the Domestic Content Report, the OPA shall either notify the Supplier that the Domestic Content Report is complete, or request additional information or documentation substantiating that one or more Designated Activities set out in the Domestic Content Report as having been performed were in fact performed in relation to the Contract Facility. Where the OPA has requested the additional information or documentation, the Supplier shall provide it to the OPA within 30 days of any such request, failing which, the applicable Domestic Content Level shall be recalculated excluding the applicable Designated Activity. Where the Supplier provides such additional information or documentation within 30 days and to the satisfaction of the OPA, acting reasonably, the OPA shall, within 30 days of receipt of such additional information or documentation, notify the Supplier that the Domestic Content Report is complete. Notwithstanding the foregoing, the OPA may, in accordance with Section 14.2, request any additional information or documentation relating to any Designated Activity set out in a Domestic Content Report as having been performed. Where the Supplier fails to provide such information or documentation to the satisfaction of the OPA, acting reasonably, the Domestic Content Level shall be recalculated excluding the applicable Designated Activity.

2.7 Requirements for Commercial Operation

- (a) The Contract Facility will be deemed to have achieved "Commercial Operation" at the point in time when, as subsequently confirmed by the OPA in a written notice to the Supplier as described in Section 2.7(c):

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- (i) the OPA has issued Notice to Proceed to the Supplier pursuant to Section 2.4;
- (ii) the OPA has received the Metering Plan in the Prescribed Form, and has approved it, acting reasonably;
- (iii) the OPA has received a single line electrical drawing which identifies the as-built Connection Point, clearly showing area transmission and distribution facilities, including the transformer station(s) that is electrically closest to the Facility;
- (iv) the OPA has received an IE Certificate in the form set out in Exhibit G directly from the Independent Engineer, stating that:
 - (A) the Contract Facility has been completed in all material respects, excepting punch list items that do not materially and adversely affect the ability of the Contract Facility to operate in accordance with this Agreement and the up to 10% allowance in Contract Capacity set out in Section 2.7(a)(iv)(C);
 - (B) the Connection Point of the Contract Facility is that set out Appendix 1 - Contract Facility Description; and
 - (C) the Contract Facility has been constructed, connected, commissioned and synchronized to the IESO-Controlled Grid such that at least 90% of the Contract Capacity is available to Deliver Electricity in compliance with Good Engineering and Operating Practices and Laws and Regulations;
- (v) the OPA has received a certificate addressed to it from the Supplier in the form set out in Exhibit F with respect to the Commercial Operation of the Contract Facility, together with such documentation required to be provided under such form to the OPA; and

■ [REDACTED]

- (b) The OPA and any of its Representatives shall be entitled, at the OPA's option, to attend any performance and generation test(s) for purposes of Section 2.7(a)(iv)(C) and the Supplier shall provide to the OPA confirmation in writing of the timing of such test(s) at least 10 Business Days in advance.
- (c) The OPA shall notify the Supplier in writing within 20 Business Days following receipt of all of the documentation required by Section 2.7(a) whether such documentation is acceptable to the OPA, acting reasonably. If the OPA determines that such documentation is not acceptable, the OPA shall provide to the Supplier reasonable particulars in respect of the deficiencies in such documentation.

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- (d) If the Contract Facility has achieved Commercial Operation under Section 2.7(a) where less than 100% of the Contract Capacity is available to Deliver Electricity, the Supplier shall, on or before the date which is one year after the Commercial Operation Date provide the OPA with an IE Certificate stating that 100% of the Contract Capacity is available to Deliver Electricity in compliance with Good Engineering and Operating Practices and Laws and Regulations, failing which the Contract Capacity shall be reduced to the highest amount of capacity, which for greater certainty shall not exceed the Contract Capacity, that has been demonstrated to be available as of such date.

2.8 Operation Covenants

- (a) The Supplier shall own or lease the Facility during the Term and shall operate and maintain the Facility during the Term using Good Engineering and Operating Practices, and meeting all applicable requirements of the IESO Market Rules, the Transmission System Code, and the Connection Agreement, each as may be applicable, and all other Laws and Regulations.
- (b) The Supplier shall connect the Contract Facility exclusively to the Connection Point and deliver all Delivered Electricity through the Connection Point at all times during the Term, subject to Force Majeure.
- (c) The Supplier covenants and agrees that the Contract Facility shall not utilize any sources or fuels other than on-shore wind.

2.9 Insurance Covenants

- (a) The Supplier shall put in effect and maintain, or cause its contractors, where appropriate, to maintain, from the commencement of the construction of the Contract Facility to the expiry of the Term, at its own cost and expense, all the necessary and appropriate insurance that a prudent Person in the business of developing and operating the Contract Facility would maintain, including policies for "all-risk" property insurance covering not less than the full maximum probable replacement value of the Contract Facility, equipment breakdown insurance, commercial general liability insurance and environmental impairment liability insurance. Any such policies must (i) for any property insurance, contain a waiver of subrogation in favour of the Indemnitees, and (ii) for any liability insurance, include the Indemnitees as additional insureds with respect to liability arising in the course of performance of the obligations under, or otherwise in connection with, this Agreement, in which case the policy shall be non-contributing and primary with respect to coverage in favour of the Indemnitees.
- (b) Upon the request of the OPA, the Supplier will provide the OPA with a copy of each insurance policy, to be furnished within 10 Business Days of such request being made by the OPA.
- (c) The Supplier shall submit a valid clearance certificate of Workplace Safety and Insurance Act coverage to the OPA prior to the commencement of construction of the Contract Facility. In addition, the Supplier shall, from time to time at the request

of the OPA, provide additional Workplace Safety and Insurance Act clearance certificates. The Supplier shall pay when due, and shall ensure that each of its contractors and subcontractors pays when due, all amounts required to be paid by it and its contractors and subcontractors, from time to time from the commencement of construction of the Contract Facility, under the *Workplace Safety and Insurance Act, 1997* (Ontario), failing which the OPA has the right, in addition to and not in substitution for any other right it may have pursuant to this Agreement or otherwise at law or in equity, to pay to the Workplace Safety and Insurance Board any amount due pursuant to the *Workplace Safety and Insurance Act, 1997* (Ontario) and unpaid by the Supplier or its contractors and subcontractors and to deduct such amount from any amount due and owing from time to time to the Supplier pursuant to this Agreement together with all costs incurred by the OPA in connection therewith.

2.10 Compliance with Laws and Regulations and Registration with the IESO

- (a) The OPA and the Supplier shall each comply, in all material respects, with all Laws and Regulations required to perform or comply with their respective obligations under this Agreement.
- (b) The OPA and the Supplier shall each furnish, in a timely manner, information to Governmental Authorities and shall each obtain and maintain in good standing any licence, permit, certificate, registration, authorization, consent or approval of any Governmental Authority required to perform or comply with their respective obligations under this Agreement, including such licencing as is required by the OEB.
- (c) With respect to the participation by the Supplier as a Market Participant and registration of the Facility with the IESO,
 - (i) the settlement of Market Settlement Charges shall take place directly between the Supplier as the "Metered Market Participant" and the IESO, and any costs incurred by the Supplier pursuant to the IESO Market Rules in respect of this Agreement shall be the sole responsibility of the Supplier; and
 - (ii) the Supplier shall meet all applicable Contract Facility registration requirements specified in the IESO Market Rules.

2.11 Environmental Attributes

- (a) The Supplier hereby transfers and assigns to, or to the extent transfer or assignment is not permitted, holds in trust for, the OPA who thereafter shall, subject to Section 2.11(d), retain, all rights, title, and interest in all Environmental Attributes associated with the Contract Facility during the Term of this Agreement.
- (b) The Supplier shall from time to time, upon written direction of the OPA, take all such actions and do all such things necessary to effect the transfer and assignment to, or holding in trust for, the OPA, of all rights, title, and interest in all Environmental Attributes as set out in Section 2.11(a).

- (c) The Supplier shall from time to time, upon written direction of the OPA, take all such actions and do all such things necessary to certify, obtain, qualify, and register with the relevant authorities or agencies Environmental Attributes that are created and allocated or credited with respect to the Contract Facility pursuant to Laws and Regulations from time to time (collectively, the “**Regulatory Environmental Attributes**”) for the purposes of transferring such Regulatory Environmental Attributes to the OPA in accordance with Section 2.11(a). The Supplier shall be entitled to reimbursement of the cost of complying with a direction under this Section 2.11(c), provided that the OPA, acting reasonably, approved such cost in writing prior to the cost being incurred by the Supplier.
- (d) To the extent that the Laws and Regulations require the Contract Facility to utilize, consume or obtain Regulatory Environmental Attributes in connection with Delivering Electricity, then the OPA shall propose such amendments to this Agreement to the Supplier and, at the OPA’s discretion, to all of the Other Suppliers who are required by the OPA to participate, based on the principle that the OPA will permit the Supplier to retain any Regulatory Environmental Attributes that may be created and allocated or credited with respect to the Contract Facility and that are required by such Laws and Regulations in order for the Contract Facility to Deliver Electricity. If the Parties are unable to agree on the OPA’s proposal or that of the Supplier or any of those Other Suppliers, as the case may be, within 60 days after the delivery or communication of the OPA’s proposal for such amendments, then such amendments shall be determined by mandatory and binding arbitration, from which there shall be no appeal, with such arbitration(s) to be conducted in accordance with the procedures set out in Exhibit E. However, if the Supplier fails to participate in such arbitration, the Supplier acknowledges that it waives its right to participate in such arbitration, which shall nevertheless proceed, and the Supplier shall be bound by the award of the Arbitration Panel and the subsequent amendments to this Agreement made by the OPA to implement such award of the Arbitration Panel.

2.12 Supplier’s Reporting Requirements

- (a) Prior to the Contract Facility achieving Commercial Operation, the OPA may request, up to four times per calendar year that, within 30 days of any such request, the Supplier provide the OPA with a status report (i) describing the efforts made by the Supplier to prepare the NTP Pre-requisites (as applicable) and to meet the Milestone Date for Commercial Operation, (ii) setting out the progress of the design and construction work and the status of permitting and approvals related to the Contract Facility, and (iii) containing photographs showing the status of the Contract Facility or the construction work. At the OPA’s request, the Supplier shall provide an opportunity for the OPA to meet with personnel of the Supplier familiar with the information presented in such status report. The Supplier acknowledges that photographs of the Contract Facility or the construction work may be posted or printed by the OPA on the Website or in publications.
- (b) At any time, and from time to time, the Supplier shall, within 30 days of receiving a written request from the OPA, provide to the OPA all resource data relating to the

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wind energy potential at the Site that is then in the possession of the Supplier or is otherwise available to the Supplier using Commercially Reasonable Efforts.

ARTICLE 3

ELECTRICITY, RELATED PRODUCTS DELIVERY AND PAYMENT OBLIGATIONS

3.1 Contract Payment and Settlement

The Contract Payments shall be made and all details relating to the settlement of Contract Payments under this Agreement shall be handled in accordance with Exhibit B.

3.2 EcoENERGY Payments

If the Supplier receives any payments under the ecoENERGY for Renewable Power Program attributable to the Contract Facility, the Supplier, within 30 days of receipt of such payment, shall pay to the OPA 50% of the amount of such payment, failing which, the OPA may set off any such payments due to the OPA against any amounts payable by the OPA to the Supplier.

3.3 Future Contract Related Products

- (a) All Related Products, other than Future Contract Related Products and any benefits associated therewith, shall belong to the Supplier.
- (b) The Supplier will provide the OPA with prior written notice of the development by the Supplier of any Future Contract Related Products from time to time.
- (c) The Supplier shall sell, supply or deliver all Future Contract Related Products as requested, directed or approved by the OPA, provided that the OPA shall not require the Supplier to sell, supply or deliver any Future Contract Related Product where the Approved Incremental Costs in relation to such Future Contract Related Product are reasonably expected to exceed the total revenues received by the Supplier from the sale, supply or delivery of such Future Contract Related Product.
- (d) The Supplier covenants not to sell, supply or deliver any Future Contract Related Products unless such sale, supply or delivery has been requested, directed or approved by the OPA.
- (e) The Supplier will notify the OPA of any revenue received by the Supplier in connection with the sale, supply or delivery of any Future Contract Related Products.
- (f) The OPA may, in its sole and absolute discretion, deem any Ancillary Service or other Related Product that is a Future Contract Related Product not to be a Future Contract Related Product.

3.4 Economic Development Adder

In consideration of the Supplier's entering into this Agreement and Delivering Electricity to the OPA, the OPA shall pay the Economic Development Adder, up to the Maximum Price Adder, to the Supplier for the periods starting and ending, and in the amounts, from time to

time as applicable, set forth in a Joint Instruction, provided that its obligation to pay the Economic Development Adder shall cease on the date set forth in a Sole Instruction to it from the Government of Ontario upon the occurrence of an event described in Section 8.6 of the GEIA. At any time and from time to time (i) the Parties may issue a Joint Instruction replacing one previously issued and (ii) the Government of Ontario may issue a Sole Instruction reducing the Economic Development Adder set out in a previous Joint Instruction or Sole Instruction, as the case may be; whereupon, in either event, such replacement Joint Instruction or Sole Instruction shall supersede the Joint Instruction previously delivered. The OPA shall be entitled to rely on all Joint Instructions and Sole Instructions with respect to the Economic Development Adder without any obligation to investigate the reasons for and the calculations supporting such Joint Instructions or Sole Instructions. If the period for payment of the Economic Development Adder specified in a Joint Instruction or Sole Instruction is stated to commence on a date which precedes the date of issuance of such Joint Instruction or Sole Instruction, as applicable, then the Economic Development Adder for any such fraction of the specified payment period will be adjusted on a per diem basis and, on the next payment date hereunder, the OPA will either (i) pay the Supplier the amount of the Economic Development Adder that remains owing to the Supplier, if any; or (ii) deduct from the payment then due any previous overpayment of the Economic Development Adder.

3.5 Supplier's Responsibility for Taxes

The Supplier is liable for and shall pay, or cause to be paid, or reimburse the OPA if the OPA has paid, all Taxes applicable to the Delivered Electricity and Future Contract Related Products sold hereunder which may be imposed up to the time of transfer at the Connection Point.

3.6 OPA's Responsibility for Taxes

The OPA is liable for and shall pay, or cause to be paid, HST applicable to the Delivered Electricity and Future Contract Related Products sold hereunder which may be imposed at and from the time of transfer at the Connection Point, and Taxes applicable to or associated with the transfer or assignment of Environmental Attributes from the Supplier to the OPA. The Contract Price does not include any HST payable by the OPA in respect of the Electricity and Future Contract Related Products purchased hereunder. If any HST is payable in connection with the Delivered Electricity, Economic Development Adder and Future Contract Related Products purchased hereunder, such HST shall be paid by the OPA in addition to the Contract Payments and the Economic Development Adder. In the event that the Supplier has, whether as agent or otherwise, paid any such Taxes which are properly to be borne by the OPA, it shall be reimbursed for same provided that it has not claimed, and will not claim, any credits for such Taxes. The Supplier will provide OPA with invoices in respect of any HST charge which may be necessary for the OPA to be able to claim any applicable input tax credits.

3.7 Non-residency

- (a) If the Supplier is a non-resident of Canada, as that term is defined in the ITA, then payments under this Agreement by the OPA shall be reduced by the amount of any applicable withholding or other similar Taxes and the OPA shall remit such

withholding or other similar Taxes to the applicable taxing authorities. The OPA shall, within 60 days after remitting such Taxes, notify the Supplier in writing, providing reasonable detail of such payment so that the Supplier may claim any applicable rebates, refunds or credits from the applicable taxing authorities. If, after the OPA has paid such amounts, the OPA receives a refund, rebate or credit on account of such Taxes, then the OPA shall promptly remit such refund, rebate or credit amount to the Supplier.

- (b) If the Supplier is or becomes a non-resident of Canada, as that term is defined in the ITA, the Supplier shall notify the OPA forthwith of such status and shall provide the OPA with all such information reasonably required by the OPA to comply with any withholding tax or other tax obligations to which the OPA is or may become subject as a result of thereof.

ARTICLE 4 STATEMENTS AND PAYMENTS

4.1 Meter and Other Data

The Supplier shall provide to the OPA access to the meter(s) in any Metering Plan to accommodate remote interrogation of the metered data on a daily basis. The Supplier shall notify the OPA of any material errors and omissions in any such data or information on a timely basis so as to permit the OPA, within a reasonable time, to advise the IESO to correct such errors and omissions pursuant to the IESO Market Rules. Upon a Party becoming aware of any errors or omissions in any data or information provided in accordance with this Section 4.1, such Party shall notify the other Party and the IESO in accordance with the IESO Market Rules, on a timely basis.

4.2 Settlement for IESO Market Participants

- (a) The OPA shall prepare and deliver a settlement statement (the "Statement") to the Supplier, within 20 Business Days after the end of each calendar month in the Term for such calendar month (the "Settlement Period"), setting out the basis for the Contract Payment with respect to the Settlement Period, as well as the basis for any other payments owing under this Agreement by either Party to the other Party in the Settlement Period. If the Term begins on a day other than the first day of the Settlement Period, the initial Statement and payment thereunder may be deferred and incorporated with that of the first full Settlement Period following the commencement of the Term. A Statement may be delivered by the OPA to the Supplier by facsimile, e-mail or other electronic means and shall include the reference number assigned to this Agreement by the OPA and a description of the components of the Contract Payment and other payments owing to the Supplier for the Settlement Period.
- (b) The Party obliged to pay under the Statement shall remit to the other Party full payment in respect of the Statement no later than the last Business Day of the month following the end of the Settlement Period to which the Statement relates, provided that where the Supplier owes the Contract Payment, the Supplier shall not be required to make such payment earlier than 5 Business Days following delivery of

the Statement (the “Payment Date”). Any and all payments required to be made by either Party under any provision of this Agreement shall be made by wire transfer to either the account designated by the Supplier in Appendix 1 – Contract Facility Description, or to the account designated by the OPA, as applicable. The account information and GST registration numbers of the Supplier and the OPA constitute Supplier’s Confidential Information and OPA’s Confidential Information, respectively, and are subject to the obligations as set out in Article 7. The Supplier shall provide its account information and GST number to the OPA in the Prescribed Form prior to achieving Commercial Operation. Either Party may change its account information from time to time by notice to the other in accordance with Section 14.6.

- (c) If the Supplier disputes a Statement or any portion thereof, the Party owing any amount set forth in the Statement shall, notwithstanding such dispute, pay the entire amount set forth in the Statement to the other Party. The Supplier shall provide notice to the OPA setting out the portions of the Statement that are in dispute with a brief explanation of the dispute. If it is subsequently determined or agreed that an adjustment to the Statement is appropriate, the OPA will promptly prepare a revised Statement. Any overpayment or underpayment of any amount due under a Statement shall bear interest at the Interest Rate, calculated daily, from and including the time of such overpayment or underpayment to the date of receipt of the refund or payment thereof. Payment pursuant to the revised Statement shall be made on the 10th Business Day following the date on which the revised Statement is delivered to the Supplier. If a Statement dispute has not been resolved between the Parties within five Business Days after receipt of notice of such dispute by the OPA, the dispute may be submitted by either Party to a Senior Conference pursuant to the terms of Section 15.1.

4.3 General Settlement Provisions

The OPA shall have the right to designate a settlement agent or implement such alternative settlement mechanisms other than as set out in Section 4.2, as it may in its sole and absolute discretion determine, provided that such alternative arrangement does not have a Material Adverse Effect on the Supplier. The OPA shall provide 30 days’ prior notice to the Supplier of any such designation or change.

4.4 Interest

The Party obliged to pay under a Statement shall pay interest on any late payment to the other Party, from the Payment Date to the date of payment, unless such late payment was through the fault of the other Party. The interest rate applicable to such late payment shall be the Interest Rate in effect on the date that the payment went into arrears, calculated daily, but shall not, under any circumstances, exceed the maximum interest rate permitted by Laws and Regulations.

4.5 Adjustment to Statement

- (a) Each Statement shall be subject to adjustment for errors in arithmetic, computation, or other matters, raised by a Party during the period of one year following the end of the calendar year in which such Statement was issued. If there are no requests for adjustment, or if any requests for adjustment in such time period have been

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(b) Notwithstanding the foregoing, the determination by the IESO of any information or matter shall be final and binding on the Parties in accordance with the IESO Market Rules, and, without limiting the generality of the foregoing, if a Statement contains an error in the data or information issued by the IESO which the IESO has corrected, then the one year limit set forth in Section 4.5(a) shall not apply to the correction of such error or the OPA's ability to readjust the Statement.

(c) Any adjustment to a Statement made pursuant to this Section 4.5 shall be made in the subsequent Statement.

The Parties shall keep all books and records necessary to support the information contained in and with respect to each Statement and payment made thereunder as well as all settlement statements and records contemplated in Section 14.2.

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ARTICLE 6 REPRESENTATIONS

6.1 Representations of the Supplier

The Supplier represents to the OPA as follows, and acknowledges that the OPA is relying on such representations in entering into this Agreement:

- (a) The Supplier is registered or otherwise qualified to carry on business in the Province of Ontario, and has the requisite power to enter into this Agreement and to perform its obligations hereunder.
- (b) This Agreement has been duly authorized, executed, and delivered by the Supplier and is a valid and binding obligation of the Supplier enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors' generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (c) The execution and delivery of this Agreement by the Supplier and the consummation of the transactions contemplated by this Agreement will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the termination, cancellation or acceleration of any material obligation of the Supplier under:
 - (i) any contract or obligation to which the Supplier is a party or by which it or its assets may be bound, except for such defaults or conflicts as to which requisite waivers or consents have been obtained;
 - (ii) the articles, by-laws or other constating documents or resolutions of the directors or shareholders of the Supplier;
 - (iii) any judgment, decree, order or award of any Governmental Authority or arbitrator;
 - (iv) any licence, permit, approval, consent or authorization held by the Supplier; or
 - (v) any Laws and Regulations,that could have a Material Adverse Effect on the Supplier.
- (d) There are no bankruptcy, insolvency, reorganization, receivership, seizure, realization, arrangement or other similar proceedings pending against or being

contemplated by the Supplier or, to the knowledge of the Supplier, threatened against the Supplier.

- (e) There are no actions, suits, proceedings, judgments, rulings or orders by or before any Governmental Authority or arbitrator, or, to the knowledge of the Supplier, threatened against the Supplier, that could have a Material Adverse Effect on the Supplier.
- (f) All statements, specifications, data, confirmations, and information set out herein are complete and accurate in all material respects and there is no material specification, data or information omitted herein which makes the statements, specifications, data, confirmation or information herein misleading or inaccurate.
- (g) The Supplier has either title or rights of access to the Site sufficient to build, operate and maintain the Contract Facility, enforceable by contract for the Term. The Access Rights provided by the Supplier to the OPA are true and correct in all material respects.
- (h) The Supplier is in compliance with all Laws and Regulations applicable to it, other than any non-compliance which, individually or in the aggregate, would not have a Material Adverse Effect on the Supplier.
- (i) Unless the Supplier has otherwise notified the OPA pursuant to Section 3.7(b), the Supplier is not a non-resident of Canada for the purposes of the ITA.
- (j) As at the date hereof, the Supplier is Controlled by Samsung and Pattern.

6.2 Representations of the OPA

The OPA represents to the Supplier as follows, and acknowledges that the Supplier is relying on such representations in entering into this Agreement:

- (a) The OPA is a corporation without share capital created under the laws of Ontario and has the requisite power to enter into this Agreement and to perform its obligations hereunder.
- (b) This Agreement has been duly authorized, executed and delivered by the OPA and is a valid and binding obligation of the OPA enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors' generally and except that equitable remedies may be granted solely in the discretion of a court of competent jurisdiction.
- (c) The execution and delivery of this Agreement by the OPA and the consummation of the transactions contemplated by this Agreement will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the termination, cancellation or acceleration of any material obligation of the OPA under:

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- (i) any contract or obligation to which the OPA is a party or by which it or its assets may be bound, except for such defaults or conflicts as to which requisite waivers or consents have been obtained;
- (ii) the by-laws or resolutions of the directors (or any committee thereof) or shareholders of the OPA;
- (iii) any judgment, decree, order or award of any Governmental Authority or arbitrator;
- (iv) any licence, permit, approval, consent or authorization held by the OPA; or
- (v) any Laws and Regulations,

that could have a Material Adverse Effect on the OPA.

- (d) There are no bankruptcy, insolvency, reorganization, receivership, seizure, realization, arrangement or other similar proceedings pending against, or being contemplated by the OPA or, to the knowledge of the OPA, threatened against the OPA.
- (e) There are no actions, suits, proceedings, judgments, rulings or orders by or before any Governmental Authority or arbitrator, or, to the knowledge of the OPA, threatened against the OPA, that could have a Material Adverse Effect on the OPA.
- (f) The OPA is in compliance with all Laws and Regulations applicable to it, other than any non-compliance which, individually or in the aggregate, would not have a Material Adverse Effect on the OPA.

ARTICLE 7 CONFIDENTIALITY AND FIPPA

7.1 Confidential Information

From the date of this Agreement to and following the expiry of the Term, the Receiving Party shall keep confidential and secure and not disclose Confidential Information, except as follows:

- (a) The Receiving Party may disclose Confidential Information to its Representatives who need to know Confidential Information for the purpose of assisting the Receiving Party in complying with its obligations under this Agreement. On each copy made by the Receiving Party, the Receiving Party must reproduce all notices which appear on the original. The Receiving Party shall inform its Representatives of the confidentiality of Confidential Information and shall be responsible for any breach of this Article 7 by any of its Representatives.
- (b) If the Receiving Party or any of its Representatives are requested or required (by oral question, interrogatories, requests for information or documents, court order, civil investigative demand or similar process) to disclose any Confidential Information in

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connection with litigation or any regulatory proceeding or investigation, or pursuant to any Law and Regulations, the Receiving Party shall promptly notify the Disclosing Party. Unless the Disclosing Party obtains a protective order, the Receiving Party and/or its Representatives may disclose such portion of the Confidential Information to the Person seeking disclosure as is required by Laws and Regulations in accordance with Section 7.2.

- (c) Where the Supplier is the Receiving Party, the Supplier may disclose Confidential Information to any Secured Lender or prospective lender, prospective purchaser or prospective investor and their respective advisors, to the extent necessary, for securing any debt or equity financing for the Contract Facility, provided that any such Secured Lender or prospective lender or investor has been informed of the Supplier's confidentiality obligations hereunder and such Secured Lender or prospective lender, purchaser or investor has completed and executed a confidentiality undertaking (the "Confidentiality Undertaking") in the form attached as Exhibit J covenanting in favour of the OPA and the Supplier to hold such Confidential Information confidential on terms substantially similar to this Article 7.
- (d) Notwithstanding the foregoing, the Supplier consents to the disclosure of (i) its name and contact particulars on the Website, (ii) the Site, Contract Capacity, Renewable Fuel(s) and Connection Point on the Website, (iii) its address for service and the name of its Company Representative to all Other Suppliers who have entered into a FIT Contract for the purposes of Sections 1.7, 1.8, 2.11, and 12.2, (iv) on a confidential basis, any information received by the OPA in respect of this Agreement, for such internal purposes as the OPA may reasonably determine from time to time, to the OPA's Representatives, and (v) aggregated data relating to the FIT Program or the FIT Contracts.

7.2 Notice Preceding Compelled Disclosure

If the Receiving Party or any of its Representatives are requested or required to disclose any Confidential Information, the Receiving Party shall promptly notify the Disclosing Party of such request or requirement so that the Disclosing Party may seek an appropriate protective order or waive compliance with this Agreement. If, in the absence of a protective order or the receipt of a waiver hereunder, the Receiving Party and/or its Representatives are compelled to disclose the Confidential Information, the Receiving Party and/or its Representatives may disclose only such of the Confidential Information to the Person compelling disclosure as is required by law and only to such Person or Persons to which the Receiving Party is legally compelled to disclose, and in connection with such compelled disclosure, the Receiving Party and/or its Representatives shall provide notice to each such recipient (in co-operation with legal counsel for the Disclosing Party) that such Confidential Information is confidential and subject to non-disclosure on terms and conditions equivalent to those contained in this Agreement and, if possible, shall obtain each recipient's written agreement to receive and use such Confidential Information on and subject to those terms and conditions.

7.3 Return of Information

Upon written request by the Disclosing Party, Confidential Information provided by the Disclosing Party in printed paper format or electronic format will be returned to the Disclosing Party and Confidential Information transmitted by the Disclosing Party in electronic format will be deleted from the emails and directories of the Receiving Party's and its Representatives' computers; provided, however, any Confidential Information (i) found in drafts, notes, studies and other documents prepared by or for the Receiving Party or its Representatives, or (ii) found in electronic format as part of the Receiving Party's off-site or on-site data storage/archival process system will be held by the Receiving Party and kept subject to the terms of this Agreement or destroyed at the Receiving Party's option. Notwithstanding the foregoing, a Receiving Party shall be entitled to make, at its own expense, and retain one copy of, any Confidential Information it receives for the limited purpose of discharging any obligation it may have under Laws and Regulations and shall keep such retained copy subject to the terms of this Article 7.

7.4 Prohibited Disclosure

Except as required by Laws and Regulations, the Supplier shall not make any public announcement, communication, statement or disclosure with regard to execution of this Agreement, commencement of construction of the Contract Facility or Commercial Operation of the Contract Facility, except as agreed to by the OPA and the Government of Ontario. The Supplier, the OPA and the Government of Ontario shall develop and agree to a process for joint communications and public announcement strategies whereby they will agree to consult, share drafts and co-ordinate with each other in advance of any such event.

7.5 Injunctive and Other Relief

The Receiving Party acknowledges that breach of any provisions of this Article may cause irreparable harm to the Disclosing Party or to any third party to whom the Disclosing Party owes a duty of confidence and that the injury to the Disclosing Party or to any third party may be difficult to calculate and inadequately compensable in damages. The Receiving Party agrees that the Disclosing Party is entitled to obtain injunctive relief (without proving any damage sustained by it or by any third party) or any other remedy with respect to any actual or potential breach of the provisions of this Article 7.

7.6 FIPPA Records and Compliance

The Supplier acknowledges that the OPA is subject to FIPPA and that FIPPA applies to and governs all Confidential Information in the custody or control of the OPA ("FIPPA Records"). The Supplier further acknowledges that third parties may, subject to FIPPA, require the disclosure of such FIPPA Records to them. In such event, to the extent that the requirement relates to FIPPA Records that the Supplier previously provided to the OPA, at the request of the OPA the Supplier shall provide a copy of any such FIPPA Records, if the Supplier continues to possess such FIPPA Records in a deliverable form at the time of the OPA's request. If the Supplier does possess such FIPPA Records in a deliverable form at such time, it shall provide the same within a reasonable time after being directed to do so by the OPA, provided that the Supplier may have a reasonable opportunity to seek recourse by all legal means to oppose disclosure of the FIPPA Records. In the event that (i) the Supplier does not provide notice to the OPA within three Business Days of the OPA's request for

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such FIPPA Records that it intends to oppose disclosure of such FIPPA Records or (ii) the OPA is required by FIPPA or otherwise to disclose such FIPPA Records, the Supplier shall forthwith deliver such FIPPA Records to the OPA (provided it continues to possess them in deliverable form). The provisions of this Section 7.6 shall survive any termination or expiry of this Agreement and shall prevail over any inconsistent provisions in this Agreement.

7.7 Confidentiality Agreement

Intentionally Deleted.

ARTICLE 8 EFFECTIVE DATE; TERM

8.1 Term

- (a) This Agreement shall become effective as of the date hereof.
- (b) The "Term" means that period of time commencing at the beginning of the hour ending 01:00 hours (EST) of the date that is the Commercial Operation Date, and ending at the beginning of the hour ending 24:00 hours (EST) on the day before the 20th anniversary of the date that is the earlier of (A) the Milestone Date for Commercial Operation and (B) the Commercial Operation Date, subject to earlier termination in accordance with the provisions hereof. Subject to Sections 8.1(c) and (d), neither Party shall have any right to extend or renew the Term except as agreed in writing by the Parties.
- (c) Where the Commercial Operation Date occurs after the Milestone Date for Commercial Operation, the OPA shall have the right, by providing notice to the Supplier no later than 180 days prior to the expiration of the Term, to extend the Term such that the Term will expire at the beginning of the hour ending 24:00 hours (EST) on the day before (i) the 20th anniversary of the Commercial Operation Date.
- (d) Where the Commercial Operation Date occurs after the Milestone Date for Commercial Operation, the Supplier shall have the option to, no later than 60 days after the Commercial Operation Date, provide notice to the OPA along with a payment in the amount of 0.15 Dollars per kW multiplied by the Contract Capacity and multiplied by the number of calendar days that the Commercial Operation Date followed the Milestone Date for Commercial Operation. Where the Supplier exercises such option, the Term shall be extended such that the Term will expire at the beginning of the hour ending 24:00 hours (EST) on the day before the 20th anniversary of the Commercial Operation Date.

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- (f) *Intentionally Deleted.*

**ARTICLE 9
TERMINATION AND DEFAULT**

9.1 Events of Default by the Supplier

Each of the following will constitute an event of default by the Supplier (each, a “**Supplier Event of Default**”):

- (a) The Supplier fails to make any payment when due or deliver, and/or maintain, the Completion and Performance Security as required under this Agreement, if such failure is not remedied within 10 Business Days after written notice of such failure from the OPA.
- (b) The Supplier fails to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Supplier Event of Default) if such failure is not remedied within 15 Business Days after written notice of such failure from the OPA, provided that such cure period shall be extended by a further 15 Business Days if the Supplier is diligently remediating such failure, and such failure is capable of being cured during such extended cure period.
- (c) The Supplier fails or ceases to hold a valid licence, permit, certificate, registration, authorization, consent or approval issued by a Governmental Authority where such failure or cessation results in, or could be reasonably expected to result in, a Material Adverse Effect on the Supplier or the Contract Facility and is not remedied within 30 Business Days after receipt by the Supplier of written notice of such failure or cessation from the OPA, provided that such cure period shall be extended by a further 30 Business Days if the Supplier is diligently remediating such failure or cessation, and such failure or cessation is capable of being corrected during such extended cure period.
- (d) Any representation made by the Supplier in this Agreement is not true or correct in any material respect when made and is not made true or correct in all material respects within 30 Business Days after receipt by the Supplier of written notice of such fact from the OPA, provided that such cure period shall be extended by a further 30 Business Days if, in the reasonable opinion of the OPA, the Supplier is diligently correcting such breach, and such breach is capable of being corrected during such extended cure period.
- (e) An effective resolution is passed or documents are filed in an office of public record in respect of, or a judgment or order is issued by a court of competent jurisdiction ordering the dissolution, termination of existence, liquidation or winding up of the Supplier, unless such filed documents are immediately revoked or otherwise rendered inapplicable, or unless there has been a permitted and valid assignment of this Agreement by the Supplier to a Person which is not dissolving, terminating its existence, liquidating or winding up and such Person has assumed all of the Supplier’s obligations under this Agreement.
- (f) The Supplier amalgamates with, or merges with or into, or transfers the Contract Facility or all or substantially all of its assets to another Person unless, at the time of

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such amalgamation, merger or transfer, there has been a permitted and valid assignment hereof by the Supplier under this Agreement to the resulting, surviving or transferee Person and such Person has assumed all of the Supplier's obligations under this Agreement (for greater certainty, a change of Control is excluded from this Section 9.1(f)).

- (g) A receiver, manager, receiver-manager, liquidator, monitor or trustee in bankruptcy of the Supplier or of any of the Supplier's property is appointed by a Governmental Authority or pursuant to the terms of a debenture or a similar instrument, and such receiver, manager, receiver-manager, liquidator, monitor or trustee in bankruptcy is not discharged or such appointment is not revoked or withdrawn within 30 days of the appointment. By decree, judgment or order of a Governmental Authority, the Supplier is adjudicated bankrupt or insolvent or any substantial part of the Supplier's property is sequestered, and such decree, judgment or order continues undischarged and unstayed for a period of 30 days after the entry thereof. A petition, proceeding or filing is made against the Supplier seeking to have the Supplier declared bankrupt or insolvent, or seeking adjustment or composition of any of its debts pursuant to the provisions of any Insolvency Legislation, and such petition, proceeding or filing is not dismissed or withdrawn within 30 days.
- (h) The Supplier makes an assignment for the benefit of its creditors generally under any Insolvency Legislation, or consents to the appointment of a receiver, manager, receiver-manager, monitor, trustee in bankruptcy or liquidator for all or part of its property or files a petition or proposal to declare bankruptcy or to reorganize pursuant to the provisions of any Insolvency Legislation.
- (i) The Supplier has made a Contract Facility Amendment that has not first been consented to by the OPA (other than in instances where such consent has been unreasonably withheld).
- (j) The Commercial Operation Date has not occurred on or before the date which is 18 months after the Milestone Date for Commercial Operation, or otherwise as may be provided herein.
- (k) The Supplier undergoes a change in Control without first obtaining the written approval of the OPA if required pursuant to this Agreement.
- (l) The Supplier assigns this Agreement without first obtaining the consent of the OPA, if required pursuant to this Agreement.

9.2 Remedies of the OPA

- (a) If any Supplier Event of Default (other than a Supplier Event of Default described in Sections 9.1(e), 9.1(g) and 9.1(h)) occurs and is continuing, upon written notice to the Supplier, the OPA may terminate this Agreement, in which event the Secured Lender, if any, shall have the rights available to it under Section 11.2(g).
- (b) If a Supplier Event of Default occurs and is continuing, the OPA may, in addition to the remedy set out in Section 9.2(a):

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- (i) set off any payments due to the Supplier against any amounts payable by the Supplier to the OPA including, at the OPA's option, the amount of any Completion and Performance Security provided to the OPA pursuant to Article 5; and
 - (ii) draw on all or part of the Completion and Performance Security, and, if the remedy in Section 9.2(a) has not been exercised, require the Supplier to replace such drawn Completion and Performance Security with new Completion and Performance Security.
- (c) Upon the occurrence of a Supplier Event of Default described in Sections 9.1(e), 9.1(g) or 9.1(h), this Agreement shall automatically terminate without notice, act or formality, effective immediately before the occurrence of such Supplier Event of Default, in which case, for certainty, the Secured Lender, if any, shall have the rights available to it under Section 11.2(g).
- (d) If the OPA terminates this Agreement pursuant to Section 9.2(a) or the Agreement is terminated pursuant to Section 9.2(c),
 - (i) if the Termination Date precedes the Commercial Operation Date, the OPA may, in its sole and absolute discretion, require the Supplier to pay as liquidated damages and not as a penalty, a sum equivalent to the amount of all Completion and Performance Security required to be provided by the Supplier as of such date, and the OPA shall be entitled to pursue a Claim for damages with respect to the amount of any portion of the Completion and Performance Security that the Supplier failed to provide but was required to provide to the OPA as of such date pursuant to Section 5.1; and in such circumstances, notwithstanding Section 9.5, the OPA's remedies against the Supplier in respect of the termination of the Agreement shall be limited to the amount of liquidated damages payable by the Supplier pursuant to this Section 9.2(d)(i); and
 - (ii) if the Termination Date is on or after the Commercial Operation Date, the OPA shall be entitled to retain all Completion and Performance Security provided by the Supplier and exercise all such other remedies available to the OPA, including pursuing a Claim for damages, as contemplated under Section 9.5.
- (e) Termination shall not relieve the Supplier or the OPA of their respective responsibilities relating to the availability of the Contract Facility and delivery of the Delivered Electricity and Environmental Attributes from the Contract Facility that relate to the Delivered Electricity, and Future Contract Related Products from the Contract Facility, or amounts payable under this Agreement, up to and including the Termination Date. The OPA shall be responsible only for the payment of amounts accruing under this Agreement up to and including the Termination Date. In addition to its other rights of set off available to it pursuant to this Agreement and at law, the OPA may hold back payment or set off its obligation to make such payment

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against any payments owed to it if the Supplier fails to comply with its obligations on termination.

9.3 Events of Default by the OPA

Each of the following will constitute an event of default by the OPA (each, an “OPA Event of Default”):

- (a) The OPA fails to make any payment under this Agreement when due, if such failure is not remedied within 10 Business Days after written notice of such failure from the Supplier.
- (b) The OPA fails to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate OPA Event of Default), if such failure is not remedied within 15 Business Days after written notice of such failure from the Supplier, provided that such cure period shall be extended by a further 15 Business Days if the OPA is diligently remediating such failure, and such failure is capable of being cured during such extended cure period.
- (c) The OPA fails or ceases to hold a valid licence, permit, certificate, registration, authorization, consent or approval issued by a Governmental Authority where such failure or cessation results in, or could be reasonably expected to result in, a Material Adverse Effect on the OPA and is not remedied within 30 Business Days after receipt by the OPA of written notice of such failure or cessation from the Supplier, provided that such cure period shall be extended by a further 30 Business Days if such failure is incapable of being cured during the initial 30 Business Day period, the OPA is diligently remediating such failure or cessation, and such failure or cessation is capable of being corrected during such extended cure period.
- (d) Any representation made by the OPA in this Agreement is not materially true or correct in any material respect when made and is not made materially true or correct within 30 Business Days after receipt by the OPA of written notice of such fact from the Supplier, provided that such cure period shall be extended by a further 30 Business Days if the OPA is diligently correcting such breach, and such breach is capable of being corrected during such extended cure period.
- (e) An effective resolution is passed or documents are filed in an office of public record in respect of, or a judgment or order is issued by a court of competent jurisdiction ordering the dissolution, termination of existence, liquidation or winding up of the OPA unless such filed documents are immediately revoked or otherwise rendered inapplicable, or unless there has been a permitted and valid assignment of this Agreement by the OPA under this Agreement to a Person which is not dissolving, terminating its existence, liquidating or winding up and such Person has assumed all of the OPA's obligations under this Agreement.
- (f) A receiver, manager, receiver-manager, liquidator, monitor or trustee in bankruptcy of the OPA or of any of the OPA's property is appointed by a Governmental Authority or pursuant to the terms of a debenture or a similar instrument, and such

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receiver, manager, receiver-manager, liquidator, monitor or trustee in bankruptcy is not discharged or such appointment is not revoked or withdrawn within 30 days of the appointment. By decree, judgment or order of Governmental Authority, the OPA is adjudicated bankrupt or insolvent or any substantial part of the OPA's property is sequestered, and such decree, judgment or order continues undischarged and unstayed for a period of 30 days after the entry thereof. A petition, proceeding or filing is made against the OPA seeking to have it declared bankrupt or insolvent, or seeking adjustment or composition of any of its debts pursuant to the provisions of any Insolvency Legislation, and such petition, proceeding or filing is not dismissed or withdrawn within 30 days.

- (g) The OPA makes an assignment for the benefit of its creditors generally under any Insolvency Legislation, or consents to the appointment of a receiver, manager, receiver-manager, monitor, trustee in bankruptcy or liquidator, of it or of all or part of its property or files a petition or proposal to declare bankruptcy or to reorganize pursuant to the provision of any Insolvency Legislation.
- (h) The OPA assigns this Agreement (other than an assignment made pursuant to Section 15.5(g)) without first obtaining the consent of the Supplier, if such consent is required pursuant to this Agreement.

9.4 Termination by the Supplier

- (a) If any OPA Event of Default occurs and is continuing, then upon written notice to the OPA, the Supplier may (i) terminate this Agreement and (ii) set off any payments due to the OPA against any amounts payable by the OPA to the Supplier. Where the Supplier has so terminated this Agreement, the OPA shall return any Completion and Performance Security it holds within 20 Business Days following receipt of a written request from the Supplier.
- (b) Notwithstanding the foregoing, if applicable, the OPA shall be responsible for payment of amounts accruing under this Agreement only up to and including the Termination Date. The Supplier may hold back payment or set off against any payments owed by it if the OPA fails to comply with its obligations on termination.

9.5 Remedies for Termination Non-Exclusive

Except as specifically provided in Section 9.2(d)(i) in this Agreement in respect of a termination of this Agreement by the OPA, but notwithstanding any other provision of this Agreement, the termination of this Agreement by either Party and the payment of all amounts then due and owing to the other Party as expressly provided in this Agreement shall not limit, waive or extinguish in any way the recourse of either Party to any remedies available to it in relation to such termination at law, in equity or otherwise, nor shall such termination affect any rights that the Indemnitees may have pursuant to any indemnity given under this Agreement.

**ARTICLE 10
FORCE MAJEURE**

10.1 Effect of Invoking Force Majeure

(a) If, by reason of Force Majeure:

- (i) the Supplier is unable to make available all or any part of the Contract Capacity or is unable to generate at the Contract Facility, or is unable to deliver from the Facility to the Connection Point, all or any part of the Delivered Electricity or Future Contract Related Products;
- (ii) all or any part of the Delivered Electricity cannot be received at or transmitted or distributed from the Connection Point; or
- (iii) either Party is unable, wholly or partially, to perform or comply with its other obligations (other than payment obligations) hereunder, including the Supplier being unable to achieve Commercial Operation by the Milestone Date for Commercial Operation,

then the Party so affected by Force Majeure shall be excused and relieved from performing or complying with such obligations (other than payment obligations) and shall not be liable for any liabilities, damages, losses, payments, costs, expenses (or Indemnifiable Losses, in the case of the Supplier affected by Force Majeure) to, or incurred by, the other Party in respect of or relating to such Force Majeure and such Party's failure to so perform or comply during the continuance and to the extent of the inability so caused from and after the invocation of Force Majeure.

- (b) A Party shall be deemed to have invoked Force Majeure with effect from the commencement of the event or circumstances constituting Force Majeure when that Party gives to the other Party prompt written notice in substantially the Prescribed Form, provided that such notice shall be given within 20 Business Days of the later of (i) the commencement of the event or circumstances constituting Force Majeure or (ii) the date that the Party invoking Force Majeure knew or ought to have known that the event or circumstances constituting Force Majeure could have a Material Adverse Effect on the development or operation of the Contract Facility. If the effect of the Force Majeure and full particulars of the cause thereof cannot be reasonably determined within such 20 Business Day period, the Party invoking Force Majeure shall be allowed a further 10 Business Days (or such longer period as the Parties may agree in writing) to provide such full particulars in substantially the Prescribed Form to the other Party.
- (c) The Party invoking Force Majeure shall use, or, in the case of Force Majeure described in Section 10.3(j), the Supplier shall cause the Manufacturing Partner to use, Commercially Reasonable Efforts to remedy the situation and remove, so far as possible and with reasonable dispatch, the Force Majeure, but settlement of strikes, lockouts and other labour disturbances shall be wholly within the discretion of the Party involved or the Manufacturing Partner, as the case may be.

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- (d) The Party invoking Force Majeure shall give prompt written notice of the termination of the event of Force Majeure, provided that such notice shall be given within 20 Business Days of the termination of the event or circumstances constituting Force Majeure.
- (e) Nothing in this Section 10.1 shall relieve a Party of its obligations to make payments of any amounts that were due and owing before the occurrence of the Force Majeure or that otherwise may become due and payable during any period of Force Majeure.
- (f) If an event of Force Majeure causes the Supplier to not achieve Commercial Operation by the Milestone Date for Commercial Operation, then the Milestone Date for Commercial Operation shall be extended for such reasonable period of delay directly resulting from such Force Majeure event. After the Commercial Operation Date, an event of Force Majeure shall not extend the Term.
- (g) If, by reason of one or more events of Force Majeure, the Commercial Operation Date is delayed by such event(s) of Force Majeure for an aggregate of more than 24 months after the original Milestone Date for Commercial Operation (prior to any extension pursuant to Section 10.1(f)), then notwithstanding anything in this Agreement to the contrary, either Party may terminate this Agreement upon notice to the other Party and without any costs or payments of any kind to either Party, and all Completion and Performance Security shall be returned or refunded (as applicable) to the Supplier forthwith.
- (h) If, by reason of Force Majeure, the Supplier is unable to perform or comply with its obligations (other than payment obligations) hereunder for more than an aggregate of 36 months in any 60 month period during the Term, then either Party may terminate this Agreement upon notice to the other Party without any costs or payments of any kind to either Party, except for any amounts that were due or payable by a Party hereunder up to the date of termination, and all security shall be returned or refunded (as applicable) forthwith.

10.2 Exclusions

A Party shall not be entitled to invoke Force Majeure under this Article 10, nor shall it be relieved of its obligations hereunder, in any of the following circumstances:

- (a) if and to the extent the Party seeking to invoke Force Majeure [REDACTED] [REDACTED] has caused the applicable event of Force Majeure by its fault or negligence;
- (b) if and to the extent the Party seeking to invoke Force Majeure [REDACTED] [REDACTED] has failed to use Commercially Reasonable Efforts to prevent or remedy the event of Force Majeure, so far as possible and within a reasonable time period, (except in the case of strikes, lockouts and other labour disturbances, the settlement of which shall be wholly within the discretion of the Party involved [REDACTED] [REDACTED])

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- (c) if and to the extent that the Supplier is seeking to invoke Force Majeure because it is able to sell any of the Delivered Electricity on more advantageous terms to a third party buyer;
- (d) if and to the extent that the Party seeking to invoke Force Majeure because of restraint by a Governmental Authority, such restraint was the result of a breach of or failure to comply with Laws and Regulations by such Party or [REDACTED]
[REDACTED]
- (e) if the Force Majeure was caused by a lack of funds or other financial cause; or
- (f) if the Party invoking Force Majeure fails to comply with the notice provisions in Sections 10.1(b) or 10.1(d).

10.3 Definition of Force Majeure

For the purposes of this Agreement, the term "Force Majeure" means any act, event, cause or condition that prevents a Party from performing its obligations (other than payment obligations) hereunder, that is beyond the affected Party's reasonable control, and shall include:

- (a) acts of God, including extreme wind, ice, lightning or other storms, earthquakes, tornadoes, hurricanes, cyclones, landslides, drought, floods and washouts;
- (b) fires or explosions;
- (c) local, regional or national states of emergency;
- (d) strikes and other labour disputes (other than legal strikes or labour disputes by employees of (i) such Party [REDACTED] or (ii) a third party contractor of such Party [REDACTED] unless, in either such case, such strikes or other labour disputes are the result or part of a general industry strike or labour dispute);
- (e) delays or disruptions (including those arising from events of Force Majeure referred to in this Section 10.3) in the construction of any Transmission System assets that are required for the Facility to Deliver Electricity;
- (f) civil disobedience or disturbances, war (whether declared or not), acts of sabotage, blockades, insurrections, terrorism, revolution, riots or epidemics;
- (g) an order, judgment, legislation, ruling or direction by Governmental Authorities restraining a Party, provided that the affected Party has not applied for or assisted in the application for and has used Commercially Reasonable Efforts to oppose such order, judgment, legislation, ruling or direction;
- (h) any inability to obtain, or to secure the renewal or amendment of, any permit, certificate, Impact Assessment, licence or approval of any Governmental Authority or the Transmitter required to perform or comply with any obligation under this

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Agreement, unless the revocation or modification of any such necessary permit, certificate, Impact Assessment, licence or approval was caused by the violation of the terms thereof or consented to by the Party invoking Force Majeure;

- (i) any unanticipated maintenance or outage affecting the Facility which results directly from, or is scheduled or planned directly as a consequence of, an event of Force Majeure; and



**ARTICLE 11
LENDER'S RIGHTS**

11.1 Lender Security

Notwithstanding Section 15.5, the Supplier, from time to time on or after the date of this Agreement, shall have the right, at its cost, to enter into a Secured Lender's Security Agreement. For greater certainty, in the case of a deed of trust or similar instrument securing bonds or debentures where the trustee holds security on behalf of, or for the benefit of, other lenders, only the trustee shall be entitled to exercise the rights and remedies under the Secured Lender's Security Agreement as the Secured Lender on behalf of the lenders. A Secured Lender's Security Agreement shall be based upon and subject to the following conditions:

- (a) A Secured Lender's Security Agreement may be made for any amounts and upon any terms (including terms of the loans, interest rates, payment terms and prepayment privileges or restrictions) as desired by the Supplier, except as otherwise provided in this Agreement.
- (b) A Secured Lender's Security Agreement may not secure any indebtedness, liability or obligation of the Supplier that is not related to the Contract Facility or cover any real or personal property of the Supplier not related to the Contract Facility, except in relation to one or more renewable generating facilities in Ontario that are owned by the Supplier. For greater certainty, a Secured Lender's Security Agreement may cover shares or partnership interests in the capital of the Supplier.
- (c) The OPA shall have no liability whatsoever for payment of the principal sum secured by any Secured Lender's Security Agreement or any interest accrued thereon or any other sum secured thereby or accruing thereunder; and the Secured Lender shall not be entitled to seek any damages against the OPA for any or all of the same.
- (d) No Secured Lender's Security Agreement shall be binding upon the OPA in the enforcement of the OPA's rights and remedies provided in this Agreement or by Laws and Regulations, unless and until a copy of the original thereof and the registration details, if applicable, together with written notice of the address of the Secured Lender to which notices may be sent have been delivered to the OPA by the Supplier or the Secured Lender; and in the event of an assignment of such Secured

Lender's Security Agreement, such assignment shall not be binding upon the OPA unless and until a copy thereof and the registration details, if applicable, together with written notice of the address of the assignee thereof to which notices may be sent, have been delivered to the OPA by the Supplier or the Secured Lender.

- (e) If the Supplier is in default under or pursuant to the Secured Lender's Security Agreement and the Secured Lender intends to exercise any rights afforded to the Secured Lender under this Agreement, then the Secured Lender shall give written notice of such default to the OPA at least 10 Business Days prior to exercising any such rights.
- (f) Any Secured Lender's Security Agreement permitted hereunder may secure two or more separate debts, liabilities or obligations in favour of two or more separate Secured Lenders, provided that such Secured Lender's Security Agreement complies with the provisions of this Article 11.
- (g) Any number of permitted Secured Lender's Security Agreements may be outstanding at any one time, provided that each such Secured Lender's Security Agreement complies with the provisions of this Article 11.
- (h) All rights acquired by a Secured Lender under any Secured Lender's Security Agreement shall be subject to all of the provisions of this Agreement, including the restrictions on assignment contained herein. While any Secured Lender's Security Agreement is outstanding, the OPA and the Supplier shall not amend or supplement this Agreement or agree to a termination of this Agreement without the consent of the Secured Lender, which consent shall not be unreasonably withheld, conditioned or delayed. Prior to any such amendment, supplement or termination, the Supplier shall provide to the OPA such Secured Lender's consent in writing. A Secured Lender must respond within a reasonable period of time to any request to amend or supplement this Agreement.
- (i) Despite any enforcement of any Secured Lender's Security Agreement, the Supplier shall remain liable to the OPA for the payment of all sums owing to the OPA under this Agreement and for the performance of all of the Supplier's obligations under this Agreement.

11.2 Rights and Obligations of Secured Lenders

While any Secured Lender's Security Agreement remains outstanding, and if the OPA has received the notice referred to in Section 11.1(d) or the contents thereof are embodied in the agreement entered into by the OPA in accordance with Section 11.3, the following provisions shall apply:

- (a) No Supplier Event of Default (other than those referred to in Section 9.2(c)) shall be grounds for the termination by the OPA of this Agreement until:
 - (i) any notice required to be given under Section 9.1 and 9.2(a) has been given to the Supplier and to the Secured Lender; and

- (ii) the cure period set out in Section 11.2(b) has expired without a cure having been completed and without the Secured Lender having taken the actions therein contemplated.
- (b) In the event the OPA has given any notice required to be given under Section 9.1, the Secured Lender shall, within the applicable cure period (including any extensions), if any, have the right (but not the obligation) to cure such default, and the OPA shall accept such performance by such Secured Lender as if the same had been performed by the Supplier.
- (c) Any payment to be made or action to be taken by a Secured Lender hereunder as a prerequisite to keeping this Agreement in effect shall be deemed properly to have been made or taken by the Secured Lender if such payment is made or action is taken by a nominee or agent of the Secured Lender or a receiver or receiver and manager appointed by or on the application of the Secured Lender.
- (d) A Secured Lender shall be entitled to the Supplier's rights and benefits contained in this Agreement and shall become liable for the Supplier's obligations solely as provided in this Section 11.2. A Secured Lender may, subject to the provisions of this Agreement, enforce any Secured Lender's Security Agreement and acquire the Supplier's Interest in any lawful way and, without limitation, a Secured Lender or its nominee or agent or a receiver or receiver and manager appointed by or on the application of the Secured Lender, may take possession of and manage the Contract Facility and, upon foreclosure, or without foreclosure upon exercise of any contractual or statutory power of sale under such Secured Lender's Security Agreement, may sell or assign the Supplier's Interest with the consent of the OPA as required under Section 11.2(f).
- (e) Until a Secured Lender (i) forecloses or has otherwise taken ownership of the Supplier's Interest or (ii) has taken possession or control of the Supplier's Interest, whether directly or by an agent as a mortgagee in possession, or a receiver or receiver and manager has taken possession or control of the Supplier's Interest by reference to the Secured Lender's Security Agreement, the Secured Lender shall not be liable for any of the Supplier's obligations or be entitled to any of the Supplier's rights and benefits contained in this Agreement, except by way of security. If the Secured Lender itself or by a nominee or agent, or a receiver or a receiver and manager appointed by or on the application of the Secured Lender, is the owner or is in control or possession of the Supplier's Interest, then the entity that is the owner or is in control or possession of the Supplier's Interest shall be bound by all of the Supplier's obligations. Once the Secured Lender or such other Person goes out of possession or control of the Supplier's Interest or transfers the Supplier's Interest in accordance with this Agreement to another Person who is at Arm's Length with the Secured Lender, the Secured Lender shall cease to be liable for any of the Supplier's obligations and shall cease to be entitled to any of the Supplier's rights and benefits contained in this Agreement, except, if the Secured Lender's Security Agreement remains outstanding, by way of security.

- (f) Despite anything else contained in this Agreement, the Secured Lender agrees that it shall not transfer, sell or dispose of the Supplier's Interest or any other interest in the Contract Facility to any Person unless such transferee or purchaser takes the Supplier's Interest or other applicable interest subject to the Supplier's obligations pursuant to this Agreement. No transfer shall be effective unless the OPA:
- (i) acting reasonably, if such transferee is at Arm's Length with the Secured Lender; or
 - (ii) acting in its sole and subjective discretion, if such transferee is not at Arm's Length with the Secured Lender,

has approved of the transferee or purchaser and the transferee or purchaser has entered into an agreement with the OPA in form and substance satisfactory to the OPA, acting reasonably, wherein the transferee or purchaser agrees to assume and to perform the obligations of the Supplier in respect of the Supplier's Interest or the other applicable interest, whether arising before or after the transfer, sale or disposition and including the posting of the Completion and Performance Security, if any, required under Article 5.

- (g) In the event of the termination of this Agreement prior to the end of the Term due to a Supplier Event of Default, the OPA shall, within 20 Business Days after the date of such termination, deliver to each Secured Lender that is at Arm's Length with the Supplier, a statement of all sums then known to the OPA that would at that time be due under this Agreement but for the termination and a notice to each such Secured Lender stating that the OPA is willing to enter into a New Agreement (the "**OPA Statement**"). Subject to the provisions of this Article 11, each such Secured Lender or its transferee approved by the OPA pursuant to Section 11.2(f) shall thereupon have the option to obtain from the OPA a New Agreement in accordance with the following terms:
- (i) Upon receipt of the written request of the Secured Lender within 30 days after the date on which it received the OPA Statement, the OPA shall enter into a New Agreement.
 - (ii) Such New Agreement shall be effective as of the Termination Date and shall be for the remainder of the Term at the time this Agreement was terminated and otherwise upon the terms contained in this Agreement. The OPA's obligation to enter into a New Agreement is conditional upon the Secured Lender (A) paying all sums that would, at the time of the execution and delivery thereof, be due under this Agreement but for such termination, (B) otherwise fully curing any defaults under this Agreement existing immediately prior to termination of this Agreement that are capable of being cured, and (C) paying all reasonable costs and expenses, including legal fees, so as to provide a full indemnity (and not only substantial indemnity), incurred by the OPA in connection with such default and termination, and the preparation, execution and delivery of such New Agreement and related agreements and documents, provided, however, that with respect to any

default that could not be cured by such Secured Lender until it obtains possession of the Contract Facility, such Secured Lender shall be entitled to the applicable cure period commencing on the date that it obtains possession to cure such default.

When the Secured Lender has appointed an agent, a receiver or a receiver and manager or has obtained a court-appointed receiver or receiver and manager for the purpose of enforcing the Secured Lender's security, that Person may exercise any of the Secured Lender's rights under this Section 11.2(g).

- (h) Despite anything to the contrary contained in this Agreement, the provisions of this Article 11 shall enure only to the benefit of the holders of a Secured Lender's Security Agreement. If the holders of more than one such Secured Lender's Security Agreement who are at Arm's Length with the Supplier and its constituent members make written requests to the OPA in accordance with this Section 11.2 to obtain a New Agreement, the OPA shall accept the request of the holder whose Secured Lender's Security Agreement had priority immediately prior to the termination of this Agreement over the Secured Lender's Security Agreements of the other Secured Lenders making such requests and thereupon the written request of each other Secured Lender shall be deemed to be void. In the event of any dispute or disagreement as to the respective priorities of any such Secured Lender's Security Agreement, the OPA may rely upon the opinion as to such priorities of any law firm qualified to practise law in the Province of Ontario retained by the OPA in its unqualified subjective discretion or may apply to a court of competent jurisdiction for a declaration as to such priorities, which opinion or declaration shall be conclusively binding upon all parties concerned.

11.3 Co-operation

The OPA and the Supplier shall enter into an agreement with any Secured Lender substantially in the form of Exhibit H for the purpose of implementing the Secured Lender's Security Agreement protection provisions contained in this Agreement. The OPA, acting reasonably, shall consider any request jointly made by the Supplier and a Secured Lender or proposed Secured Lender to facilitate a provision of a Secured Lender's Security Agreement or proposed Secured Lender's Security Agreement that may require an amendment to this Agreement, provided that the rights of the OPA are not adversely affected thereby, the obligations of the Supplier to the OPA are not altered thereby and the consent of any other Secured Lender to such amendment has been obtained by the Supplier or the Secured Lender making the request for the amendment.

ARTICLE 12 DISCRIMINATORY ACTION

12.1 Discriminatory Action

- (a) A "Discriminatory Action" shall occur if:
 - (i) either (A) the Legislative Assembly of Ontario causes to come into force any statute that was introduced as a bill in the Legislative Assembly of Ontario or

the Government of Ontario causes to come into force or makes any order-in-council or regulation first having legal effect on or after the date of the Contract Date; or (B) the Legislative Assembly of Ontario directly or indirectly amends this Agreement without the consent of the Supplier;

- (ii) the effect of the action referred to in Section 12.1(a)(i) is borne principally by the Supplier; and
- (iii) such action increases the costs that the Supplier would reasonably be expected to incur under this Agreement in respect of Delivering Electricity;

except where such action, statute or amendment is in response to any act or omission on the part of the Supplier that is contrary to Laws and Regulations (other than an act or omission rendered illegal by virtue of such action) or such action, statute or amendment is permitted under this Agreement.

(b) Notwithstanding the foregoing, none of the following shall be a Discriminatory Action:

- (i) the enactment of Laws and Regulations of general application, including an increase of Taxes of general application, or any action of the Government of Ontario pursuant thereto;
- (ii) the enactment of any statute that, more than five Business Days prior to the Contract Date,
 - (A) has been introduced as a bill in the Legislative Assembly of Ontario in a similar form as such statute takes when it has legal effect, provided that any amendments made to such bill in becoming such statute do not have a Material Adverse Effect on the Supplier; or
 - (B) has been made public in a discussion or consultation paper, press release or announcement issued by the OPA, the Government of Ontario, and/or the Ontario Ministry of Energy that appeared on the Website or the websites of the OPA, the Government of Ontario and/or the Ontario Ministry of Energy, provided that any amendments made to such public form, in becoming such statute, do not have a Material Adverse Effect on the Supplier;
- (iii) the coming into force of any regulations that, more than five Business Days prior to the Contract Date,
 - (A) have been published in the Ontario Gazette but by the terms of such regulations come into force on or after five Business Days prior to the Contract Date; or
 - (B) have been referred to in a press release issued by the OPA, the Government of Ontario and/or the Ontario Ministry of Energy that

appeared on the websites of the Government of Ontario or the Ontario Ministry of Energy, provided that any amendments made to such regulations prior to or on their coming into force do not have a Material Adverse Effect on the Supplier; and

- (iv) any new orders-in-council or regulations, the authority for the promulgation of which was created by the *Green Energy and Green Economy Act, 2009*, or the first amendment to any existing regulation, where the authority for such amendment was created by the *Green Energy and Green Economy Act, 2009*.

12.2 Consequences of Discriminatory Action

To the extent that there is a Discriminatory Action, then:

- (a) the Supplier, upon becoming aware of the consequences of such Discriminatory Action, shall promptly notify the OPA;
- (b) the Parties shall engage in good faith negotiations to amend this Agreement on the basis that such amendments together with the Discriminatory Action will substantially reflect the Supplier's Economics prior to the Discriminatory Action; and
- (c) if the Parties fail to reach agreement on the amendments described in Section 12.2(b), the matter shall be determined by mandatory and binding arbitration, from which there shall be no appeal, with such arbitration to be conducted in accordance with the procedures set out in Exhibit E. If the Supplier fails to participate in such arbitration, such arbitration shall nevertheless proceed, and the Supplier acknowledges that it shall be bound by the award of the Arbitrator and the subsequent amendments to this Agreement made by the OPA to implement such award of the Arbitrator.

12.3 Right of the OPA to Remedy a Discriminatory Action

If the OPA wishes to remedy or cause to be remedied the occurrence of a Discriminatory Action, the OPA must give notice to the Supplier within 30 days after the date of receipt of notice of the Discriminatory Action. If the OPA gives such notice, the OPA must remedy or cause to be remedied the Discriminatory Action within 180 days after the date of receipt of the notice of the Discriminatory Action. If the OPA remedies or causes to be remedied the Discriminatory Action in accordance with the preceding sentence, the Supplier shall have the right to obtain, without duplication, compensation for any detrimental effect the Discriminatory Action had on the Supplier's Economics only for the period during which the Discriminatory Action detrimentally affected the Supplier's Economics.

ARTICLE 13 LIABILITY AND INDEMNIFICATION

13.1 Exclusion of Consequential Damages

Notwithstanding anything contained herein to the contrary, neither Party will be liable under this Agreement or under any cause of action relating to the subject matter of this

Agreement for any special, indirect, incidental, punitive, exemplary or consequential damages, including loss of profits (save and except as provided in Sections 1.7, 1.8, 2.11 and 12.2), loss of use of any property or claims of customers or contractors of the Parties for any such damages.

13.2 Liquidated Damages

The Supplier acknowledges and agrees that it would be extremely difficult and impracticable to determine precisely the amount of actual damages that would be suffered by the OPA and the Ontario ratepayer as result of a failure by the Supplier to meet its obligations under this Agreement. The Supplier further acknowledges and agrees that the liquidated damages set forth in this Agreement are a fair and reasonable approximation of the amount of actual damages that would be suffered by the OPA and the Ontario ratepayer as a result of a failure by the Supplier to meet its obligations under this Agreement, and do not constitute a penalty.

13.3 OPA Indemnification

The Supplier shall indemnify, defend and hold the OPA, the Government of Ontario, the members of the Government of Ontario's Executive Council and their respective Affiliates, and each of the foregoing Persons' respective directors, officers, employees, shareholders, advisors and agents (including contractors and their employees) (collectively, the "**Indemnitees**") harmless from and against any and all Claims, demands, suits, losses, damages, liabilities, penalties, obligations, payments, costs and expenses and accrued interest thereon (including the costs and expenses of, and accrued interest on, any and all actions, suits, proceedings for personal injury (including death) or property damage, assessments, judgments, settlements and compromises relating thereto and reasonable lawyers' fees and reasonable disbursements in connection therewith) (each, an "**Indemnifiable Loss**"), asserted against or suffered by the Indemnitees relating to, in connection with, resulting from, or arising out of (i) any occurrence or event relating to the Facility, except to the extent that any injury or damage is attributable to the negligence or wilful misconduct of the Indemnitees or the failure of the Indemnitees to comply with Laws and Regulations, (ii) any breach by the Supplier of any representations, warranties and covenants contained in this Agreement, except to the extent that any injury or damage is attributable to the negligence or wilful misconduct of the Indemnitees, and (iii) a discharge of any contaminant into the natural environment, at or related to, the Contract Facility and any fines or orders of any kind that may be levied or made in connection therewith pursuant to Laws and Regulations, except to the degree that such discharge shall have been due to the negligence or wilful misconduct of the Indemnitees. For greater certainty, in the event of contributory negligence or other fault of the Indemnitees, then such Indemnitees shall not be indemnified hereunder in the proportion that the Indemnitees' negligence or other fault contributed to any Indemnifiable Loss.

13.4 Defence of Claims

- (a) Promptly after receipt by the Indemnitees of any Claim or notice of the commencement of any action, administrative or legal proceeding or investigation as to which the indemnity provided for in Section 13.3 may apply, the OPA shall notify the Supplier in writing of such fact. The Supplier shall assume the defence thereof

with counsel designated by the Supplier and satisfactory to the affected Indemnitees, acting reasonably; provided, however, that if the defendants in any such action include both the Indemnitees and the Supplier and the Indemnitees shall have reasonably concluded that there may be legal defences available to them which are different from or additional to, or inconsistent with, those available to the Supplier, the Indemnitees shall have the right to select separate counsel satisfactory to the Supplier acting reasonably (at no additional cost to the Indemnitees) to participate in the defence of such action on behalf of the Indemnitees. The Supplier shall promptly confirm that it is assuming the defence of the Indemnitees by providing written notice to the Indemnitees. Such notice shall be provided no later than five days prior to the deadline for responding to any Claim relating to any Indemnifiable Loss.

- (b) Should any of the Indemnitees be entitled to indemnification under Section 13.3 as a result of a Claim by a third party, and the Supplier fails to assume the defence of such Claim (which failure shall be assumed if the Supplier fails to provide the notice confirming its assumption of the defence of the Indemnitees prescribed by Section 13.4(a)), the Indemnitees shall, at the expense of the Supplier, contest (or, with the prior written consent of the Supplier, settle) such Claim, provided that no such contest need be made and settlement or full payment of any such Claim may be made without consent of the Supplier (with the Supplier remaining obligated to indemnify the Indemnitees under Section 13.3), if, in the written opinion of an independent third party counsel chosen by any of the Indemnitees or the OPA's Company Representative, such Claim is meritorious. If the Supplier is obligated to indemnify any Indemnitees under Section 13.3, the amount owing to the Indemnitees will be the amount of such Indemnitees' actual out-of-pocket loss net of any insurance proceeds received or other recovery.

13.5 Joint and Several Liability

Other than in the case of an Ontario limited partnership, if the Supplier is not a single legal entity, then all such entities that constitute the Supplier shall be jointly and severally liable to the OPA for all representations, warranties, obligations, covenants and liabilities of the Supplier hereunder.

ARTICLE 14

CONTRACT OPERATION AND ADMINISTRATION

14.1 Company Representative

The Supplier and the OPA shall, by notice in the Prescribed Form, each appoint, from time to time, a representative (a "**Company Representative**") who shall be duly authorized to act on behalf of the Party that has made the appointment, and with whom the other Party may consult at all reasonable times, and whose instructions, requests and decisions, provided the same are in writing signed by the respective Company Representative, shall be binding on the appointing Party as to all matters pertaining to this Agreement, provided that neither of the Company Representatives shall have the power or authority to amend this Agreement.

14.2 Record Retention; Audit Rights

The Supplier and the OPA shall both keep complete and accurate records and all other data required by either of them for the purpose of proper administration of this Agreement. All such records shall be maintained as required by Laws and Regulations but for no less than seven years after the creation of the record or data. The Supplier and the OPA, on a confidential basis as provided for in Article 7 of this Agreement, shall provide reasonable access to the relevant and appropriate financial and operating records and data kept by such Party relating to this Agreement reasonably required for the other Party to comply with its obligations to Governmental Authorities or to verify or audit information provided in accordance with this Agreement. Moreover, the Supplier agrees and consents to the IESO, the Transmitter and any other relevant third party providing to the OPA all relevant meter and invoice data regarding the Facility required by the OPA in order to verify the amount of Delivered Electricity. A Party may use its own employees for purposes of any such review of records, provided that those employees are bound by the confidentiality requirements provided for in Article 7. Alternatively, and at the election of the auditing Party, access shall be through the use of a mutually agreed upon third party auditor. The Party seeking access to such records in this manner shall pay the fees and expenses associated with use of the third party auditor.

14.3 Reports to the OPA

If the Supplier is required to report Outages directly to the IESO, the Supplier shall deliver to the OPA a copy of all reports, plans and notices that the Supplier is required to provide to the IESO with respect to Outages, at the same time or within one Business Day after such reports, plans and notices are delivered by the Supplier to the IESO.

14.4 Inspection of Facility

- (a) The OPA and its Representatives shall, at all times upon two Business Days' prior notice, at any time after the Contract Date, have access to the Contract Facility and every part thereof during regular business hours and the Supplier shall, and shall cause all personnel operating and managing the Contract Facility, to furnish the OPA and its Representatives with all reasonable assistance in inspecting the Contract Facility for the purpose of ascertaining compliance with this Agreement; provided that such access and assistance shall be carried out in accordance with and subject to the reasonable safety and security requirements of the Supplier and all personnel operating and managing the Contract Facility, as applicable, and shall not interfere with the operation of the Contract Facility.
- (b) The inspection of the Contract Facility by or on behalf of the OPA and its Representatives shall not relieve the Supplier of any of its obligations to comply with the terms of this Agreement. No Supplier Event of Default will be waived or deemed to have been waived by any inspection by or on behalf of the OPA or its Representatives. In no event will any inspection by the OPA hereunder be a representation that there has been or will be compliance with this Agreement or Laws and Regulations.

14.5 Inspection Not Waiver

- (a) Failure by the OPA to inspect the Contract Facility or any part thereof under Section 14.4, or to exercise its audit rights under Section 14.2, shall not constitute a waiver of any of the rights of the OPA hereunder. An inspection or audit not followed by a notice of a Supplier Event of Default shall not constitute or be deemed to constitute a waiver of any Supplier Event of Default, nor shall it constitute or be deemed to constitute an acknowledgement that there has been or will be compliance by the Supplier with this Agreement.
- (b) Failure by the Supplier to exercise its audit rights under Section 14.2 shall not constitute or be deemed to constitute a waiver of any of the rights of the Supplier hereunder. An audit not followed by a notice of a OPA Event of Default shall not constitute or be deemed to constitute a waiver of any OPA Event of Default, nor shall it constitute or be deemed to constitute an acknowledgement that there has been or will be compliance by the OPA with this Agreement.

14.6 Notices

- (a) All notices pertaining to this Agreement not explicitly permitted to be in a form other than writing shall be in writing and shall be addressed to the other Party as follows:

If to the Supplier, all contact details are set out in Appendix 1 – Contract Facility Description.

If to the OPA: Ontario Power Authority
 120 Adelaide Street West
 Suite 1600
 Toronto, Ontario
 M5H 1T1

Attention: Director, Contract Management
Facsimile: 416-969-6071
E-mail: michael.killeavy@powerauthority.on.ca

Either Party may, by written notice to the other, change its Company Representative or the address to which notices are to be sent to it.

- (b) Any notice delivered or transmitted as provided above shall be deemed to have been given and received on the day it is received, provided that it is received on a Business Day prior to 5:00 p.m. local time in the place of receipt. Otherwise such notice shall be deemed to have been given and received on the next following Business Day.
- (c) Any notices of an Event of Default and termination of this Agreement shall only be given by hand or courier delivery.

**ARTICLE 15
MISCELLANEOUS**

15.1 Informal Dispute Resolution

If either Party considers that any dispute has arisen under or in connection with this Agreement that the Parties cannot resolve, then such Party may deliver a notice to the other Party describing the nature and the particulars of such dispute. Within 20 Business Days following delivery of such notice to the other Party, a senior executive of the Supplier shall meet with a vice-president of the OPA, either in person or by telephone, (the “**Senior Conference**”) to attempt to resolve the dispute. Each Party shall be prepared to propose a solution to the dispute. If, following the Senior Conference, the dispute is not resolved, the dispute shall be settled by arbitration pursuant to Section 15.2.

15.2 Arbitration

Except as otherwise specifically provided for in this Agreement, any matter in issue between the Parties as to their rights under this Agreement may be decided by arbitration provided, however, that the Parties have first completed a Senior Conference pursuant to Section 15.1. The provisions of Exhibit E shall govern all arbitrations.

15.3 Business Relationship

Each Party shall be solely liable for the payment of all wages, Taxes and other costs related to the employment by such Party of Persons who perform this Agreement, including all federal, provincial and local income, social insurance, health, payroll and employment taxes and statutorily-mandated workers’ compensation coverage. None of the Persons employed by either Party shall be considered employees of the other Party for any purpose. Nothing in this Agreement shall create or be deemed to create a relationship of partners, joint ventures, fiduciary, principal and agent or any other relationship between the Parties.

15.4 Binding Agreement

Except as otherwise set out in this Agreement, this Agreement shall not confer upon any other Person, except the Parties and their respective successors and permitted assigns, any rights, interests, obligations or remedies under this Agreement. This Agreement and all of the provisions of this Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

15.5 Assignment

- (a) Following the Commercial Operation Date, this Agreement along with all of the rights, interests and obligations under this Agreement (including for greater certainty those rights, interests and obligations relating to Environmental Attributes) may be assigned by either Party, with the prior written consent of the other Party, which consent shall not be unreasonably withheld (except as set out in Section 15.5(b) below and as provided in Article 11). Prior to the Commercial Operation Date, neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned by the Supplier except as provided in Article 11.

- (b) For the purposes of Section 15.5(a), it shall not be unreasonable for the OPA to withhold its consent if the proposed assignment would (i) cause a Supplier to breach the obligation to own the Contract Facility as set out in Section 2.8(a), or (ii) have or is likely to have, as determined by the OPA acting reasonably, a Material Adverse Effect on the Supplier's ability to perform its obligations under this Agreement.
- (c) Notwithstanding Section 15.5(a), the Supplier may, subject to compliance with Laws and Regulations and provided that there is not existing a Supplier Event of Default that has not been remedied, assign this Agreement without the consent of the OPA to an Affiliate acquiring the Contract Facility; provided, however, that no such assignment by the Supplier or any of its successors or permitted assigns hereunder shall be valid or effective unless and until such Affiliate agrees with the OPA in writing to assume and be bound by the terms and conditions of this Agreement applicable to the Supplier, including all of the Supplier's obligations under this Agreement, including obligations of the Supplier set forth in Article 5, whereupon the representations set forth in Section 6.1 shall be deemed to be made by the Affiliate to the OPA at the time of such assignment and assumption.
- (d) If the Supplier assigns this Agreement to a non-resident of Canada as that term is defined in the ITA, and the OPA incurs any additional Taxes, at any time thereafter, solely as the result of such assignment, then payments under this Agreement by the OPA shall be reduced by the amount of such additional Taxes and the OPA shall remit such additional Taxes to the applicable taxing authorities. The OPA shall within 60 days after remitting such Taxes, notify the assignee in writing, providing reasonable detail of such payment so that the assignee may claim any applicable rebates, refunds or credits from the applicable taxing authorities. If after the OPA has paid such amounts, the OPA receives a refund, rebate or credit on account of such Taxes, then the OPA shall promptly remit such refund, rebate or credit amount to the assignee.
- (e) If a valid assignment of this Agreement is made by the Supplier in accordance with this Section 15.5, the OPA acknowledges and agrees that, upon such assignment and assumption and notice thereof by the assignor to the OPA, the Supplier shall be relieved of all its duties, obligations and liabilities hereunder.
- (f) No assignment hereunder except as contemplated by Article 11 shall be effective unless the OPA shall have first received an EDA Acknowledgement from the assignee.
- (g) The OPA shall have the right to assign this Agreement from time to time and all benefits and obligations hereunder for the balance of the Term without the consent of the Supplier to an assignee which shall assume the obligations and liabilities of the OPA under this Agreement and be novated into this Agreement in the place and stead of the OPA (except for the OPA's obligation in Section 15.5(g)(iii) which will remain in force), provided that the assignee agrees in writing to assume and be bound by the terms and conditions of this Agreement applicable to the OPA, including all of the OPA's obligations under this Agreement, and further agrees not

to make any material amendments to or terminate this Agreement after such assignment without the prior written consent of the OPA, whereupon:

- (i) the representation set forth in Section 6.2(a) shall apply to the assignee with all necessary amendments to reflect the form and the manner in which the assignee was established;
- (ii) all of the representations set forth in Section 6.2 shall be deemed to be made by the assignee to the Supplier at the time of such assignment and assumption; and
- (iii) the OPA shall be relieved of all obligations and liability arising pursuant to this Agreement; notwithstanding the foregoing, the OPA shall remain liable to the Supplier for remedying any payment defaults under Section 9.3(a) and shall remain liable for any obligations and liabilities of the assignee arising from any OPA Event of Default, provided that any notice required to be given under Sections 9.3 and 9.4(a) is given on the same day to the assignee and to the OPA. The time periods in Section 9.3 shall not begin to run until both the assignee and the OPA have been so notified.

15.6 Change of Control

- (a) Other than in accordance with Section 15.6(b), no change of Control of the Supplier shall be permitted prior to Commercial Operation, except with the prior written consent of the OPA, which consent may be withheld in the OPA's sole and absolute discretion, and delivery of an EDA Acknowledgement by the entity assuming Control of the Supplier. Following Commercial Operation, a change of Control of the Supplier shall be permitted, provided that the Supplier, within 10 Business Days following such change of Control having effect, provides the OPA with notice of such change of Control, an EDA Acknowledgement by the entity assuming Control of the Supplier, and such additional information as the OPA may reasonably require regarding the names of the Persons who Control or otherwise indirectly or directly have an ownership interest in the Supplier, following such change of Control.
- (b) Provided there is not existing a Supplier Event of Default that has not been remedied, a change of Control of the Supplier prior to Commercial Operation, under one or more of the following circumstances, is permitted without the consent of the OPA, namely:
 - (i) the Person that is the direct subject of the transaction giving rise to the change of Control of the Supplier, is not a Special Purpose Entity, or at least one Person Controlling the Supplier following such change of Control is an Affiliate of Samsung, KEPCO or the Korean Consortium, or
 - (ii) the Economic Interest of Samsung, KEPCO or the Korean Consortium is not less than 25% following such change of Control.

The Supplier shall, within 10 Business Days following such change of Control having effect, provide the OPA with notice of such change of Control, an EDA

Acknowledgement by the entity assuming Control of the Supplier, and such additional information as the OPA may reasonably require regarding the names of the Persons who Control or otherwise indirectly or directly have an ownership interest in the Supplier, following such change of Control.

- (c) For the purposes of Sections 15.6(a) and (b), a change of Control shall include a change from no Person having Control of the Supplier to any Person having Control of the Supplier, as well as a change from any Person having Control of the Supplier to no Person having Control of the Supplier.
- (d) Without limiting the generality of Section 15.6(b)(i) and by way of example only, if entity A owns entity B, and A is sold to a third party, A is the direct subject of the transaction giving rise to the change of Control; therefore if B is the Supplier, then this change of Control may be permitted pursuant to Section 15.6(b)(i) so long as A is not a Special Purpose Entity.

15.7 Provisions for Aboriginal Participation Projects

- (a) Notwithstanding Section 1.2(e) of Exhibit A, the amount of the Initial Security shall be \$5.00 per kW of Contract Capacity if, prior to the Contract Date, the Supplier has provided an Aboriginal Participation Project Declaration confirming that the Aboriginal Participation Level in respect of the Contract Facility is greater than or equal to 50%.
- (b) Notwithstanding Section 1.2(f) of Exhibit A, the amount of the Incremental NTP Security shall be \$5.00 per kW of Contract Capacity if, prior to or commensurate with the NTP Request, the Supplier has provided an Aboriginal Participation Project Declaration confirming that the Aboriginal Participation Level in respect of the Contract Facility is greater than or equal to 50%.
- (c) The Aboriginal Price Adder shall only apply to a Contract Facility (i) that is an Aboriginal Participation Project at the time the Supplier submits its NTP Request, and (ii) for which the Supplier submits an Aboriginal Participation Project Declaration confirming such, prior to or commensurate with its NTP Request.
- (d) Where a Contract Facility is not an Aboriginal Participation Project as of the date that the Supplier provides the OPA with its NTP Request, or where the Supplier fails to provide an Aboriginal Participation Project Declaration confirming such, the Aboriginal Price Adder shall not apply to such Contract Facility at any time, regardless of any change in the Aboriginal Participation Level.
- (e) Where the Aboriginal Participation Level has increased since the last Aboriginal Participation Project Declaration, the Supplier may submit a revised Aboriginal Participation Project Declaration to the OPA, only at the following times:
 - (i) commensurate with its NTP Request;

- (ii) together with the other documentation required to be provided to the OPA for the purpose of achieving Commercial Operation pursuant to Section 2.7; and
- (iii) once per Contract Year;

following which, the Aboriginal Price Adder shall be recalculated based on the increased Aboriginal Participation Level, and such increased Aboriginal Price Adder shall be effective as of the date of submission of the revised Aboriginal Participation Project Declaration.

- (f) Where the Aboriginal Participation Level has decreased since the last Aboriginal Participation Project Declaration, the Supplier shall submit a revised Aboriginal Participation Project Declaration to the OPA within 20 Business Days of such decrease, following which, the Aboriginal Price Adder shall be recalculated based on the decreased Aboriginal Participation Level, and such decreased Aboriginal Price Adder shall be effective as of the date of the decrease in the Aboriginal Participation Level. Where a Contract Facility that was an Aboriginal Participation Project as of the date that the Supplier provided the OPA with its NTP Request and for which the Supplier submitted an Aboriginal Participation Declaration along with its NTP Request ceases to be an Aboriginal Participation Project, the Aboriginal Price Adder shall cease to apply to such Contract Facility until such time as the Contract Facility restores its status as an Aboriginal Participation Project and the Supplier provides the OPA with a revised Aboriginal Participation Project Declaration confirming this.
- (g) Where the Supplier has provided any Completion and Performance Security to the OPA that has not been returned or refunded (as applicable) to the Supplier, and the Supplier has obtained the benefit of reduced Completion and Performance Security pursuant to Sections 15.7(a) or (b), where the Aboriginal Participation Level decreases from greater than or equal to 50% to below 50%, then notwithstanding Sections 15.7(a) and (b), the Supplier shall, within 20 Business Days of any such decrease, provide and maintain additional Completion and Performance Security such that the total amount of Completion and Performance Security is in accordance with the amounts set out in Section 5.2 or Exhibit A, as applicable. For greater certainty, where the Aboriginal Participation Level increases from below 50% to greater than or equal to 50%, there shall be no reduction in the amount of Completion and Performance Security already provided to the OPA.
- (h) A Supplier in respect of an Aboriginal Participation Project shall, within 20 Business Days of a request by the OPA, provide written evidence documenting the Aboriginal Participation Level that is to the satisfaction of the OPA, acting reasonably. If the evidence provided by the Supplier does not demonstrate to the satisfaction of the OPA, acting reasonably, that the actual Aboriginal Participation Level is not at least equal to the Aboriginal Participation Level being used to determine the Aboriginal Price Adder, then the Aboriginal Price Adder shall be recalculated in accordance with the documented Aboriginal Participation Level and applied retroactively to the latest date for which the Supplier can demonstrate that the Aboriginal Participation Level used to determine the Aboriginal Price Adder was accurate. Any

overpayment that resulted from an inaccurate Aboriginal Participation Level shall be paid by the Supplier to the OPA forthwith, failing which the OPA may set off any such amounts from any future payments owing to the Supplier.

15.8 Survival

The provisions of Sections 2.4(a), 2.4(g), 2.11, 3.5, 3.6, 3.7, Article 4, Article 7, 11.2(g), Article 13, Sections 14.2, 15.1, and 15.2 shall survive the expiration of the Term or earlier termination of this Agreement. The expiration of the Term or a termination of this Agreement shall not affect or prejudice any rights or obligations that have accrued or arisen under this Agreement prior to the time of expiration or termination and such rights and obligations shall survive the expiration of the Term or the termination of this Agreement for a period of time equal to the applicable statute of limitations.

15.9 Counterparts

This Agreement may be executed in two or more counterparts, and all such counterparts shall together constitute one and the same Agreement. It shall not be necessary in making proof of the contents of this Agreement to produce or account for more than one such counterpart. Any Party may deliver an executed copy of this Agreement by facsimile or electronic mail but such Party shall, within 10 Business Days of such delivery by facsimile or electronic mail, promptly deliver to the other Party an originally executed copy of this Agreement.

15.10 Additional Rights of Set-Off

- (a) In addition to its other rights of set-off under this Agreement or otherwise arising in law or equity, the OPA may set off any amounts owing by the Supplier to the OPA in connection with Sections 2.4, 3.1, 3.2, 3.5, 4.2(b), 4.4, 9.2(d) and 15.5(c) against any monies owed by the OPA to the Supplier in connection with Sections 2.4, 2.11(c), 3.1, 3.4, 3.6, 3.7(a), 4.2(b), 4.4, 5.1(c), 9.4(b), 12.3 and 15.5(c).
- (b) In addition to its other rights of set-off under this Agreement or otherwise arising in law or equity, the Supplier may set-off any amounts owing by the OPA to the Supplier in connection with Sections 2.4, 2.11(c), 3.1, 3.4, 3.6, 3.7(a), 4.2(b), 4.4, 5.1(c), 9.4(b), 12.3 and 15.5(c) against any monies owed by the Supplier to the OPA in connection with Sections 2.4, 3.1, 3.2, 3.5, 4.2(b), 4.4, 9.2(d) and 15.5(c).

15.11 Rights and Remedies Not Limited to Contract

Unless expressly provided in this Agreement, the express rights and remedies of the OPA or the Supplier set out in this Agreement are in addition to and shall not limit any other rights and remedies available to the OPA or the Supplier, respectively, at law or in equity.

15.12 Further Assurances

Each of the Parties shall, from time to time on written request of the other Party, do all such further acts and execute and deliver or cause to be done, executed or delivered all such further acts, deeds, documents, assurances and things as may be required, acting reasonably, in order to fully perform and to more effectively implement and carry out the terms of this Agreement. The Parties agree to promptly execute and deliver any

Agreement. The Parties agree to promptly execute and deliver any documentation required by any Governmental Authority in connection with any termination of this Agreement.

IN WITNESS OF WHICH, and intending to be legally bound, the Parties have executed this Agreement by the undersigned duly authorized representatives as of the date first stated above.

**K2 WIND ONTARIO LIMITED
PARTNERSHIP**

**By its general partner,
K2 WIND ONTARIO INC.**

By: _____

Name: Jeong Tack Lee
Title: Director

ONTARIO POWER AUTHORITY

By: _____

Name: Michael Lyle
Title: General Counsel and Vice
President Legal, Aboriginal and
Regulatory Affairs

documentation required by any Governmental Authority in connection with any termination of this Agreement.

IN WITNESS OF WHICH, and intending to be legally bound, the Parties have executed this Agreement by the undersigned duly authorized representatives as of the date first stated above.

**K2 WIND ONTARIO LIMITED
PARTNERSHIP**

By its general partner,
K2 WIND ONTARIO INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

ONTARIO POWER AUTHORITY

By:  _____

Name: Michael Lyle

Title: General Counsel and Vice
President Legal, Aboriginal and
Regulatory Affairs

**APPENDIX 1
CONTRACT FACILITY DESCRIPTION**

1.	CONTRACT IDENTIFICATION #	
2.	CONTRACT DATE	August 3, 2011
3.	SUPPLIER	K2 WIND ONTARIO LIMITED PARTNERSHIP
4.	SUPPLIER'S ADDRESS	<p>c/o Pattern Renewable Holdings Canada ULC Suite 105 – 100 Simcoe Street Toronto, Ontario M5H 3G2</p> <p>Facsimile: 416-979-8428 Telephone: 416-263-8025</p> <p>Attention: Colin Edwards, Senior Developer</p> <p>With copies to:</p> <p>Pattern Operators LP Pier 1, Bay 3 San Francisco, CA 94111</p> <p>Facsimile: 415-362-7900 Telephone: 415-283-4000</p> <p>Attention: Asset Administration</p> <p>And:</p> <p>Samsung Renewable Energy Inc. 55 Standish Court Mississauga, Ontario L5R 4B2</p> <p>Facsimile: 905-285-1852 Telephone: 905-285-1866</p> <p>Attention: President</p> <p>And:</p> <p>Capital Power Corporation 5th floor, TD Tower 10088 102 Avenue Edmonton, Alberta, Canada T5J 2Z1</p> <p>Attention: General Counsel</p> <p>Facsimile: 780-392-5200 Telephone: 780-392-5126</p>

And:

Capital Power Corporation
200 University Avenue, Suite 1301
Toronto, Ontario
M5H 3C6

Attention: Paul Wendelgass

Facsimile: 416-773-7470

Telephone: 416-773-7400

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- | | | | |
|-----|---|--|--|
| 5. | SUPPLIER INFORMATION | <input checked="" type="checkbox"/> Not a Non-Resident of Canada | |
| | | <input type="checkbox"/> Non-Resident of Canada | |
| 6. | CONTRACT CAPACITY | 270 MW | |
| 7. | CONTRACT PRICE | 13.5 ¢/kWh | |
| 8. | MAXIMUM ECONOMIC DEVELOPMENT ADDER | 0.27 ¢/kWh | |
| 9. | MAXIMUM ABORIGINAL PRICE ADDER | 1.5 ¢/kWh | |
| 10. | ABORIGINAL PRICE ADDER (as of the Contract Date) | 0 ¢/kWh | Aboriginal Participation Level (if applicable)
0% |
| 11. | PERCENTAGE ESCALATED | 20% | |
| 12. | BASE DATE | September 30, 2009 | |
| 13. | ACCOUNT INFORMATION | 275 00062 44202007760 Swift Code: KOEXCATT, Korea Exchange Bank of Canada | |
| 14. | MINIMUM REQUIRED DOMESTIC CONTENT LEVEL | 50% | |
| 15. | FUEL | Wind (On-Shore) | |
| 16. | SITE: | <u>Description of project area of Contract Facility:</u>
The Contract Facility will be located on approximately 18,000 acres of privately owned land (subject to lease agreements) located substantially within the township of Ashfield-Colborne-Wawanosh, Huron County, Ontario. Appendix 1-A contains a listing of turbine locations and | |

corresponding real estate parcels.

17. **CONNECTION
POINT**

IESO-Controlled Grid

Technical Description of Connection Point:

Name of Circuit - B562L & B563L

GPS Coordinates of the Connection Point Location: 43.895, -81.624

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APPENDIX 1-A SITE ACCESS INFORMATION

<u>Count</u>	<u>Turbine ID</u>	<u>X</u>	<u>Y</u>	<u>Size MW</u>	<u>PIN</u>
1	200	450069	4851493	1.824	410820010
2	201	450229	4851903	2.03	410820010
3	202	449443	4852755	1.824	410910020
4	204	449101	4853160	1.824	410910014
5	205	449390	4853171	1.824	410910015
6	206	449199	4853517	2.03	410910014
7	207	445595	4853991	2.126	410920021
8	208	449193	4855164	1.824	410900074
9	209	448809	4855175	1.824	410900074
10	210	443615	4855416	2.03	410920033
11	211	445862	4855502	1.824	410920015
12	212	448318	4855502	1.824	410900077
13	213	449347	4855577	1.824	410900074
14	214	443525	4855747	1.824	410920033
15	215	447982	4855855	1.824	410900034
16	216	448629	4856016	1.824	410900077
17	217	448267	4856000	1.824	410900034
18	218	449596	4856514	1.824	410900045
19	219	446523	4856689	1.824	410900039
20	221	449591	4857766	1.824	410890048
21	223	449761	4857992	1.824	410890048
22	224	443951	4858861	1.903	410930041
23	225	450592	4858880	1.824	410890013

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24	226	450350 4859094	1.824	410890013
25	227	450047 4859236	1.903	410890012
26	228	449694 4859298	1.824	410890011
27	229	444216 4859516	1.824	410930041
28	230	450773 4860510	2.221	410880069
29	231	451718 4861031	2.03	410880050
30	232	451992 4861025	1.824	410880053
31	233	449029 4861450	1.824	410950044
32	234	444548 4861397	1.824	410940039
33	235	451953 4861469	1.824	410880050
34	236	449375 4861731	1.824	410950044
35	237	448560 4861788	1.824	410950041
36	238	447877 4861825	1.824	410950041
37	239	449078 4861851	1.903	410950044
38	240	444720 4861702	1.903	410940010
39	242	448432 4862204	1.903	410950041
40	243	453194 4862316	1.824	410880036
41	245	452361 4862800	1.824	410880115
42	246	453606 4863140	1.824	410880108
43	247	452896 4862922	2.126	410880114
44	248	452124 4863008	1.824	410880030
45	249	452664 4863125	2.03	410880115
46	251	448510 4863323	1.824	410950029
47	252	446038 4863431	1.824	410990031
48	253	453103 4863497	1.824	410880007

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49	254	448390 4863624	1.824	410950028
50	255	452714 4863952	1.824	410880005
51	256	450014 4864181	1.903	410950009
52	257	444818 4864314	1.824	410990035
53	259	449884 4864670	2.03	410950009
54	260	445449 4864733	1.824	410990022
55	261	454821 4864689	1.824	410870081
56	262	448826 4864993	1.824	410950005
57	263	444486 4865005	1.824	410990020
58	264	444907 4865047	1.824	410990019
59	265	445558 4865098	1.824	410990022
60	266	445229 4865118	1.824	410990021
61	267	450264 4865150	1.903	410950009
62	269	449207 4865217	1.824	410950005
63	270	444808 4865389	1.824	410990019
64	271	448511 4865487	1.824	410980016
65	272	444346 4865785	1.824	410990007
66	273	446727 4865952	1.824	410980021
67	274	454144 4865924	1.824	410870054
68	275	447812 4865223	1.824	410980017
69	276	454401 4866277	1.824	410870054
70	277	453573 4866245	1.824	410870052
71	279	448388 4866367	1.824	410980013
72	280	446291 4866337	1.824	410980027
73	281	451953 4866439	1.824	410960047

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74	282	447748 4866449	1.824	410980011
75	283	453839 4866532	1.824	410870052
76	284	451128 4866599	1.824	410960051
77	285	448114 4866537	1.824	410980012
78	286	450448 4866861	1.824	410960053
79	288	446444 4866948	1.903	410980006
80	289	447281 4866949	1.824	410980007
81	290	452317 4867020	1.824	410960036
82	291	447010 4867062	1.903	410980026
83	292	451357 4866977	2.03	410960051
84	294	448059 4867123	1.824	410980010
85	295	444298 4867170	1.824	411000016
86	296	444632 4867170	1.824	411000016
87	297	452041 4867227	1.824	410960035
88	298	450581 4867212	1.824	410960053
89	299	445047 4867337	1.824	411000015
90	300	446836 4867387	1.903	410980006
91	301	455326 4867385	1.903	410870048
92	302	451091 4867420	1.903	410960031
93	304	452597 4867447	1.824	410960036
94	305	454565 4867531	1.903	410870051
95	306	446578 4867545	1.824	410980006
96	307	448677 4867581	2.03	410970039
97	308	448385 4867736	1.824	410970040
98	309	444574 4867752	1.824	411000016

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99	310	451335 4867817	1.824	410960031
100	311	448951 4867924	1.824	410970039
101	312	444424 4868096	1.824	411000008
102	313	444979 4868333	1.903	411000009
103	314	452779 4868593	1.824	410960021
104	315	444856 4868703	1.824	411000008
105	317	447144 4869137	1.824	410970051
106	318	446342 4869269	1.824	411010035
107	319	446065 4869347	1.824	411010035
108	320	453276 4869387	1.824	410960010
109	321	453702 4869366	1.824	410960010
110	322	453004 4869482	1.903	410960008
111	323	448152 4869619	1.903	410970046
112	324	452488 4869763	1.824	410960006
113	325	447844 4869827	1.824	410970046
114	326	446456 4869837	1.824	411010035
115	327	446094 4869846	1.824	411010035
116	328	453691 4869855	1.824	410960010
117	329	450203 4869995	1.824	410970025
118	330	453321 4870110	1.824	410960008
119	332	448132 4870157	1.824	410970046
120	333	452764 4870250	1.824	410960006
121	334	444182 4870340	1.903	411010027
122	335	449579 4870379	1.824	410970028
123	336	444721 4870571	2.03	411010027

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124	337	450504	4870616	1.824	410970025
125	338	444453	4870517	2.03	411010027
126	339	449482	4870800	1.824	410970009
127	340	449894	4870969	2.03	410970028
128	341	450254	4871118	1.824	410970019
129	342	449778	4871359	1.903	410970009
130	343	450567	4871372	1.824	410970019
131	344	450219	4871563	1.824	410970019
132	345	449632	4871787	1.824	410970009
133	346	450079	4871964	1.824	410970008
134	347	449169	4872096	1.824	410970006
135	348	448707	4872639	1.903	410970003
136	349	443359	4873864	1.824	411030031
137	350	443643	4873842	2.126	411030031
138	351	444182	4874757	2.221	411030033
139	352	444491	4875064	2.03	411030033
140	353	445951	4857028	1.903	410930021
141	354	448237	4852986	1.824	410910028
142	355	447880	4853158	1.824	410910027

**APPENDIX 2
STANDARD DEFINITIONS**

The following terms shall have the meaning stated below when used in this Agreement, including the Appendices and Exhibits:

1. *Aboriginal Loan Guarantee Program* means the “Aboriginal Loan Guarantee Program” administered by the Ontario Financing Authority, or any successor program or other program instituted by the Government of Ontario with substantially the same objectives.
2. *Aboriginal Participation Level* has the meaning given to it in Section 9.1 of the FIT Rules.
3. *Aboriginal Participation Project* has the meaning given to it in Section 9.1 of the FIT Rules.
4. *Aboriginal Participation Project Declaration* means, with respect to a Contract Facility or a Contract Facility, (i) a statutory declaration in the Prescribed Form setting out the Aboriginal Participation Level of such Contract Facility or Contract Facility, together with (ii) written evidence documenting such Aboriginal Participation Level that is to the satisfaction of the OPA, acting reasonably.
5. *Aboriginal Price Adder* has the meaning given to it in Section 9.1 of the FIT Rules.
6. *Access Rights* means evidence that the Supplier has provided to the OPA establishing that it has either title or rights of access to the Site sufficient to build, operate and maintain the Contract Facility, enforceable by contract for the Term, as listed in Appendix 1-A.
7. *Additional Contract Payment* has the meaning given to it in Exhibit B to this Agreement.
8. *Affiliate* means any Person that (i) Controls a Party; (ii) is Controlled by a Party; or (iii) is Controlled by the same Person that Controls a Party.
9. *Agreement* means this Power Purchase Agreement between the OPA and the Supplier.
10. *Ancillary Service* has the meaning given to it in the IESO Market Rules.
11. *Approved Incremental Costs* has the meaning given to it in Exhibit B to this Agreement.
12. *Arbitrator* has the meaning given to it in Exhibit E of this Agreement.
13. *Arm’s Length* means, with respect to two or more Persons, that such Persons are not related to each other within the meaning of subsections 251(2), (3), (3.1), (3.2), (4), (5)

and (6) of the ITA or that such Persons, as a matter of fact, deal with each other at a particular time at arm's length.

14. **Base Date** means the date set out in Appendix 1 that is the effective date of the Price Schedule used to determine the Contract Price.
15. **Blades** means the wind turbine generator blades to be manufactured at the applicable Manufacturing Partner's manufacturing plant established in Ontario and supplied to the Contract Facility.
16. **Business Day** means any day that is not a Saturday, a Sunday, or a legal holiday in the Province of Ontario.
17. **Capacity Products** means any products related to the rated, continuous load-carrying capability of the Contract Facility to generate and Deliver Electricity at a given time.
18. **Cents** or ¢ means hundredths of a Dollar.
19. **Claim** means a claim or cause of action in contract, in tort, under any Laws and Regulations, or otherwise.
20. **Commercial Operation** has the meaning given to it in Section 2.7(a) of this Agreement.
21. **Commercial Operation Date** means the date on which Commercial Operation is first attained.
22. **Commercially Reasonable Efforts** means efforts which are designed to enable a Party, directly or indirectly, to satisfy a condition to, or otherwise assist in the consummation of, a transaction, activity or undertaking contemplated by this Agreement and which do not require the performing Party to expend any funds or assume liabilities other than expenditures and liabilities which are reasonable in nature and amount in the context of the transaction therein contemplated.
23. **Company Representative** has the meaning given to it in Section 14.1 of this Agreement.
24. **Completion and Performance Security** means the financial security for the performance of the Supplier's obligations under this Agreement that the Supplier must provide to and maintain with the OPA in accordance with Article 5 of this Agreement.
25. **Confidential Information** means all information that has been identified as confidential and which is furnished or disclosed by the Disclosing Party or its Representatives to the Receiving Party or its Representatives in connection with this Agreement, whether before or after its execution, including all new information derived at any time from any such confidential information, but excluding (a)

publicly-available information, unless made public by the Receiving Party or its Representatives in a manner not permitted by this Agreement; (b) information already known to the Receiving Party prior to its being furnished by the Disclosing Party; (c) information disclosed to the Receiving Party from a source other than the Disclosing Party or its Representatives, if such source is not subject to any agreement with the Disclosing Party prohibiting such disclosure to the Receiving Party; and (d) information that is independently developed by the Receiving Party.

- 26. ***Confidentiality Undertaking*** has the meaning given to it in Section 7.1(c) of this Agreement.
- 27. ***Connection Agreement*** means the agreement or agreements required to be entered into between the Transmitter and the Supplier with respect to the connection of the Contract Facility to the IESO-Controlled Grid in accordance with the Transmission System Code and governing the terms and conditions of such connection.
- 28. ***Connection Costs*** means those costs which are payable by the Supplier related to new or modified connection facilities, as defined by the Transmission System Code, for the reliable connection of the Contract Facility to the Transmission System, as more particularly specified pursuant to the System Impact Assessment, Customer Impact Assessment and Transmission System Code for generator connections; for greater certainty, "Connection Costs" includes Transmitter Connection Costs but does not include Network Upgrade Costs.
- 29. ***Connection Point*** means the electrical connection point between the Contract Facility and the IESO-Controlled Grid where Electricity is injected into the IESO-Controlled Grid as more particularly described in the Connection Agreement.
- 30. ***Contract Capacity*** has the meaning given to it in Appendix 1 — Contract Facility Description, as amended pursuant to Section 2.1(c) of this Agreement.
- 31. ***Contract Date*** means the effective date of this Agreement, as set out therein.
- 32. ***Contract Facility*** means an approximately 270 megawatt wind farm comprising approximately 142 wind turbines, as more particularly described in Appendix 1.
- 33. ***Contract Facility Amendment*** has the meaning given to it in Section 2.1(b) of this Agreement.
- 34. ***Contract Payment*** means all payments to the Supplier under this Agreement, including payments on account of the Contract Price multiplied by Hourly Delivered Electricity, as applicable, determined for each Settlement Period in accordance with Exhibit B of this Agreement, including the Economic Development Adder.
- 35. ***Contract Price*** is set out in Appendix 1.
- 36. ***Contract Year*** means a twelve (12) month period which begins on the Commercial Operation Date or an anniversary thereof, during the Term.

- 37. **Control** means, with respect to any Person at any time, (i) holding, whether directly or indirectly, as owner or other beneficiary (other than solely as the beneficiary of an unrealized security interest) securities or ownership interests of that Person carrying votes or ownership interests sufficient to elect or appoint 50% or more of the individuals who are responsible for the supervision or management of that Person, or (ii) the exercise of de facto control of that Person, whether direct or indirect and whether through the ownership of securities or ownership interests or by contract, trust or otherwise, and **Controlled by** has a corresponding meaning.
- 38. **CPI** or **Consumer Price Index** means the consumer price index for “All Items” published or established by Statistics Canada (or its successor) for any relevant calendar month in relation to the Province of Ontario.
- 39. **Customer Impact Assessment** means a study conducted by a Transmitter to assess the impact of the connection of the Contract Facility on the other users of the IESO-Controlled Grid.
- 40. **Delivered** means, in relation to Electricity and certain Related Products, delivered to the Connection Point and successfully injected into the IESO-Controlled Grid, (which, for greater certainty, is net of Site-Specific Losses), and **Deliver** and **Delivering** have the corresponding meanings.
- 41. **Designated Activity** has the meaning given to it in Exhibit D to this Agreement.
- 42. **Disclosing Party** means, with respect to Confidential Information, the Party and/or its Representatives providing or disclosing such Confidential Information and may be the OPA or the Supplier, as applicable.
- 43. **Discriminatory Action** has the meaning given to it in Section 12.1 of this Agreement.
- 44. **Dollar** or \$ means Canadian dollars and cents, unless otherwise specifically set out to the contrary.
- 45. **Domestic Content Report** has the meaning given to it in Section 2.6 of this Agreement.
- 46. **Domestic Content Level** has the meaning given to it in Exhibit D to this Agreement.
- 47. **EcoENERGY for Renewable Power Program** means the ecoENERGY for Renewable Power program of the Government of Canada, or any substantially equivalent program or successor that is implemented by the Government of Canada from time to time.
- 48. **Economic Development Adder** means an additional payment to the Supplier in the amount set forth in a Joint Instruction or a Sole Instruction, as the case may be.
- 49. **Economic Interest** means, with respect to any Person other than an individual, the right to receive or the opportunity to participate in any payments arising out of a

return from, and an exposure to a loss or a risk of loss by, the business activities of such Person.

50. ***EDA Acknowledgement*** means an acknowledgement in favour of the OPA and in form and substance satisfactory to the OPA pursuant to which the Person giving it (i) acknowledges the provisions with respect to the Economic Development Adder in this Agreement, and (ii) acknowledges that the amount of the Economic Development Adder could be affected, and reduced, as a result of calculations of and adjustments to economic development adders with respect to other projects contemplated by the GEIA.
51. ***Electricity*** means electric energy, measured in kWh.
52. ***Emission Reduction Credits*** means the credits associated with the avoidance or reduction of emissions below the lower of actual historical emissions or regulatory limits, including “emission reduction credits” as defined in O. Reg. 397/01 made under the *Environmental Protection Act* (Ontario) or such other regulations as may be promulgated under the *Environmental Protection Act* (Ontario) or any currently applicable or future Laws and Regulations.
53. ***Environmental Attributes*** means the interests or rights arising out of attributes or characteristics relating to the environmental impacts associated with the Contract Facility or the output of the Contract Facility, now or in the future, and the right to quantify and register these with competent authorities, including:
- (a) all right, title, interest and benefit in and to any renewable energy certificate, credit, reduction right, offset, allocated pollution right, emission reduction allowance or other proprietary or contractual right, whether or not tradable, resulting from the actual or assumed displacement of emissions by the production of Electricity from the Contract Facility as a result of the utilization of renewable energy technology;
 - (b) rights to any fungible or non-fungible attributes or entitlements relating to environmental impacts, whether arising from the Contract Facility itself, from the interaction of the Contract Facility with the IESO-Controlled Grid, or because of Laws and Regulations or voluntary programs established by Governmental Authorities;
 - (c) any and all rights, title and interest relating to the nature of an energy source (including a Renewable Fuel) as may be defined and awarded through Laws and Regulations or voluntary programs, including all Emission Reduction Credits;
 - (d) all revenues, entitlements, benefits, and other proceeds arising from or related to the foregoing which may be available in connection with the Contract Facility; and

- (e) Regulatory Environmental Attributes and all of the rights, title, interest and benefit in the attributes listed in the foregoing clauses (a) to (d) related to the Regulatory Environmental Attributes,

but excluding:

- (f) payments under the Government of Canada's ecoENERGY for Renewable Power Program (or any predecessor program thereto) which may be available in connection with the Contract Facility;
- (g) any tax benefit, or other benefit under the Government of Canada's Canadian Renewable and Conservation Expenses (CRCE) or successor program which may be available in connection with the Contract Facility; and
- (h) such other items as the OPA may determine in its sole discretion at any time and from time to time, such excluded items to be posted on the Website and revised periodically.

For greater certainty, in the event that any governmental or non-governmental agency, whether provincial, federal, national or international in scope or authority, creates or sanctions a registry, trading system, credit, offset or other program relating to Environmental Attributes or their equivalent, the term "Environmental Attributes" as used in this Agreement shall include the rights or benefits created or sanctioned under any such program or programs to the extent available as a result of, or arising from, the production of Electricity or Related Products from the Contract Facility.

- 54. **EST** means Eastern Standard Time.
- 55. **Event of Default** means a Supplier Event of Default or an OPA Event of Default.
- 56. **Final Domestic Content Plan** means the Prescribed Form which the Supplier is obligated to deliver to the OPA pursuant to Section 2.4(b).
- 57. **FIPPA** means the *Freedom of Information and Protection of Privacy Act* (Ontario).
- 58. **FIPPA Records** has the meaning given to it in Section 7.6 of this Agreement.
- 59. **FIT Contract** means an agreement entered into by the OPA with respect to a Renewable Contracting Facility as contemplated by the FIT Program.
- 60. **FIT Program** means the Renewable Energy Feed-In Tariff Program established by the OPA pursuant to the FIT Rules and any prior or subsequent version of the FIT Rules.
- 61. **FIT Rules** means the rules governing the FIT Program, Version 1.5.1.

- 62. *FIT Waiver* means the waiver offered by the OPA pursuant to the “Supporting Manufacturer Supply Chain Development” direction of the Minister of Energy to the OPA under section 25.35 of the *Electricity Act, 1998* dated August 2, 2011.
- 63. *Force Majeure* has the meaning given to it in Section 10.3 of this Agreement.
- 64. *Future Contract Related Products* means all Related Products that relate to the Contract Facility and that were not capable of being traded or sold by the Supplier in the IESO-Administered Markets or other markets on or before the Contract Date.
- 65. *GEIA* has the meaning given to that term in the Recitals to this Agreement.
- 66. *GEIA Project* has the meaning given to that term in the Recitals to this Agreement.
- 67. *Generating Equipment* means equipment used by the Contract Facility in the generation of Electricity, such as wind turbines, but does not include transformers or other equipment used to transform or transmit such Electricity.
- 68. *Good Engineering and Operating Practices* means any of the practices, methods and activities adopted by a significant portion of the North American electric utility industry as good practices applicable to the design, building, and operation of generating facilities of similar type, size and capacity as the Contract Facility or any of the practices, methods or activities which, in the exercise of skill, diligence, prudence, foresight and reasonable judgement by a prudent generator of Electricity in light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, expedition and Laws and Regulations. Good Engineering and Operating Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of all others, but rather are intended to delineate acceptable practices, methods, or acts generally accepted in the North American electric utility industry.
- 69. *Government of Canada* means Her Majesty the Queen in Right of Canada.
- 70. *Government of Ontario* means Her Majesty the Queen in Right of Ontario represented by the Ministry of Energy.
- 71. *Governmental Authority* means 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, but excluding the OPA.
- 72. *HONI* means Hydro One Networks Inc.

- 73. ***Hourly Delivered Electricity*** means the Electricity generated and Delivered (net of Station Service Loads) by the Contract Facility during any hour, provided such Electricity is delivered to the Connection Point and successfully injected into the IESO-Controlled Grid.
- 74. ***Hourly Ontario Energy Price*** or ***HOEP*** has the meaning given to it by the IESO Market Rules or shall mean any replacement thereof or successor thereto.
- 75. ***HST*** means the harmonized sales tax exigible pursuant to the *Excise Tax Act* (Canada), or any successor thereto.
- 76. ***IE Certificate*** means a certificate addressed to the OPA from an Independent Engineer retained by the Supplier at the Supplier's sole expense, that complies with the requirements of Section 2.7(a)(iv) of this Agreement.
- 77. ***IESO*** means the Independent Electricity System Operator of Ontario established under Part II of the *Electricity Act, 1998* (Ontario) or its successor.
- 78. ***IESO-Administered Markets*** has the meaning given to it by the IESO Market Rules.
- 79. ***IESO-Controlled Grid*** has the meaning given to it by the IESO Market Rules.
- 80. ***IESO Market Rules*** means the rules made under Section 32 of the *Electricity Act, 1998* (Ontario), together with all market manuals, policies, and guidelines issued by the IESO, as may be amended from time to time.
- 81. ***Impact Assessment*** means a System Impact Assessment or a Customer Impact Assessment.
- 82. ***including*** means including (or includes) without limitation.
- 83. ***Incremental NTP Security*** means the amount of Completion and Performance Security specified in Exhibit A and which the Supplier is required to provide to the OPA in accordance with Section 2.4(f) of this Agreement.
- 84. ***Indemnitees*** has the meaning given to it in Section 13.3 of this Agreement.
- 85. ***Indemnifiable Loss*** has the meaning given to in Section 13.3 of this Agreement.
- 86. ***Independent Engineer*** is an engineer that is (i) a Professional Engineer duly qualified and licensed to practise engineering in the Province of Ontario; and (ii) employed by an independent engineering firm which holds a certificate of authorization issued by Professional Engineers Ontario that is not affiliated with or directly or indirectly Controlled by the Supplier or any of its constituent members and that does not have a vested interest in the design, engineering, procurement, construction, metering and/or testing of the Facility.
- 87. ***Indexed Contract Price*** means the Contract Price adjusted for increases in CPI pursuant to Exhibit B to this Agreement.

88. **Initial Security** means the amount of Completion and Performance Security specified as such in Section 1.1(d) of Exhibit A to this Agreement, which is required to be provided to the OPA upon execution of this Agreement.
89. **Insolvency Legislation** means the *Bankruptcy and Insolvency Act* (Canada), the *Winding Up and Restructuring Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada) or any analogous legislation, and the bankruptcy, insolvency, creditor protection or similar laws of any other jurisdiction (regardless of the jurisdiction of such application or competence of such law).
90. **Interest Rate** means the annual rate of interest established by the Royal Bank of Canada or its successor, from time to time, as the interest rate it will charge for demand loans in Dollars to its commercial customers in Canada and which it designates as its "prime rate" based on a year of 365 or 366 days, as applicable. Any change in the Interest Rate shall be effective automatically on the date any change to such prime rate is announced by the Royal Bank of Canada.
91. **ITA** means the *Income Tax Act* (Canada).
92. **Joint Instruction** means a joint instruction from time to time substantially in the form attached hereto as Exhibit I to the OPA by the Government of Ontario, KEPCO, and Samsung with respect to the amount of the Economic Development Adder to be paid, and the start date and end date of the period in respect of which such payment is to be made, as is specified therein.
93. **KEPCO** has the meaning given to that term in the Recitals to this Agreement.
94. **Korean Consortium** has the meaning given to that term in the Recitals to this Agreement.
95. **kW** means kilowatt and kWh means kilowatt-hour.
96. **Laws and Regulations** means:
- (a) applicable 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;
 - (e) the Transmission System Code and any other codes issued by the OEB; and

- (f) the IESO Market Rules, as well as any manuals or interpretation bulletins issued by the IESO from time to time that are binding on the Supplier.
97. ***Manufacturing Partner*** means, as applicable in the circumstances, (i) Siemens Canada Limited (or its Affiliate) with whom the Korean Consortium has arranged to establish a manufacturing plant in Ontario and to supply the Blades to the Contract Facility, or (ii) CS Wind Canada Inc. (or its Affiliate) with whom the Korean Consortium has arranged to establish a manufacturing plant in Ontario and to supply Towers to the Contract Facility or (iii) any other manufacturer agreed to in writing by the Government of Ontario and the Korean Consortium.
98. ***Market Participant*** has the meaning given to it by the IESO Market Rules.
99. ***Market Settlement Charges*** means all market settlement amounts and charges described in Chapter 9 of the IESO Market Rules.
100. ***Material Adverse Effect*** means any change (or changes taken together) in, or effect on, the affected Party that materially and adversely affects the ability of such Party to perform its obligations under this Agreement.
101. ***Material IESO Market Rule Amendment*** has the meaning given to it in Section 1.7(a) of this Agreement.
102. ***Maximum Aboriginal Price Adder*** is the amount set forth in Appendix 1 – Contract Facility Description.
103. ***Maximum Economic Development Adder*** is the amount set forth in Appendix 1 – Contract Facility Description.
104. ***Metered Market Participant*** has the meaning given to that term by the IESO Market Rules.
105. ***Metering Plan*** means a document that is provided by the Supplier to the OPA in the Prescribed Form that (i) verifies that the revenue-quality interval meter(s) conform with Laws and Regulations administered by Measurement Canada with respect to such meter(s), and (ii) provides all required information and equipment specifications needed to permit the OPA to remotely access, verify, estimate and edit for calculation purposes and/or total revenue meter readings in order to accurately determine the output of the Contract Facility at the Connection Point net of any Station Service Loads and auxiliary loads and which is updated promptly, and, in any event, within 10 Business Days after any change to the metering installation occurs.
106. ***Milestone Date for Commercial Operation*** means the date set out in Exhibit A to this Agreement by which the Contract Facility is required to attain Commercial Operation.

- 107. *Minimum Required Domestic Content Level* has the meaning given to it in Appendix 1 – Contract Facility Description.
- 108. *MVPortal* or *MV-Web* means the internet-based communications interface application for Market Participants supplied by the IESO that allows Market Participants to access physical and financial data for the IESO-Administered Markets, and includes any systems or applications that may replace, supplement or succeed MVPortal or MV-Web.
- 109. *MW* means megawatt and *MWh* means megawatt-hour.
- 110. *New Agreement* means a new agreement substantially in the form of this Agreement and for the then balance of the Term (had this Agreement not been terminated early), which may be entered into with a Secured Lender who is at Arm's Length with the Supplier or with a Person identified by such Secured Lender following an event of default under the Secured Lender's Security Agreement.
- 111. *Network Upgrades* means all additions, improvements and upgrades to the network facilities, as defined by the Transmission System Code, for the connection of the Facility to the Transmission System.
- 112. *Network Upgrade Costs* means those costs related to Network Upgrades; for greater certainty, Network Upgrade Costs do not include and are not included in Connection Costs.
- 113. *Notice to Proceed* means the notice issued by the OPA under Section 2.4(e) of this Agreement which indicates that the NTP Request is complete in all respects.
- 114. *NTP Pre-requisites* has the meaning given to it in Section 2.4(b) of this Agreement.
- 115. *NTP Request* means the submission by the Supplier of the Prescribed Form together with the NTP Pre-requisites, by which the Supplier requests the OPA to issue a Notice to Proceed.
- 116. *OEB* means the Ontario Energy Board or its successor.
- 117. *OPA* means the Ontario Power Authority and its successors and assigns.
- 118. *OPA Event of Default* has the meaning given to it in Section 9.3 of this Agreement.
- 119. *OPA Statement* has the meaning given to it in Section 11.2(g) of this Agreement.
- 120. *Other Suppliers* means all of the suppliers that have a FIT Contract or other bilateral arrangements with the OPA similar in nature to the FIT Contract.
- 121. *Outage* means the removal of equipment from service, unavailability for connection of equipment or temporary de-rating, restriction of use or reduction in performance of equipment for any reason, including to permit the performance of inspections, tests, repairs or maintenance on equipment, which results in a partial or total

interruption in the ability of the Contract Facility to make the Contract Capacity available and Deliver the Electricity from the Contract Facility.

- 122. *Party* means either the Supplier or the OPA, and the OPA and the Supplier are collectively referred to as the *Parties*.
- 123. *Pattern* means Pattern Renewable Holdings Canada ULC.
- 124. *Payment Date* has the meaning given to it in Section 4.2(b) of this Agreement.
- 125. *Percentage Escalated* means the percentage of the Contract Price that escalates on the basis of increases in CPI, as set out in the Price Schedule and in Appendix 1 – Contract Facility Description.
- 126. *Person* means a natural person, firm, trust, partnership, limited partnership, company or corporation (with or without share capital), joint venture, sole proprietorship, Governmental Authority or other entity of any kind.
- 127. *Pre-COD Facilities* means the Contract Facility or other generation facilities that are the subject of a FIT Contract or other power purchase agreement with the OPA similar in nature to a FIT Contract, where all such facilities have not achieved commercial operation under their respective contracts with the OPA.
- 128. *Pre-Construction Development Costs* means those reasonable costs incurred for the development of the Contract Facility, excluding (i) the costs of Generating Equipment, (ii) that portion of any costs charged by a Person who does not deal at Arm's Length with the Supplier that is in excess of the costs that would have been charged had such Person been at Arm's Length with the Supplier, (iii) profits, less any grants received pursuant to any government or OPA programs that the Supplier is not obligated to repay, and (iv) costs incurred with respect to GEIA Matters that are not specifically provided for in this Agreement. For greater certainty, Pre-Construction Development Costs may include reasonable costs incurred for feasibility studies; obtaining Access Rights; obtaining a Renewable Energy Approval; development of business and financial plans; negotiation of contracts relating to equipment procurement, construction and financing; reasonable non-refundable deposits on Generating Equipment; resource assessments; obtaining permits and approvals necessary to commence construction and reasonable overhead expenses allocated to the foregoing.
- 129. *Pre-Construction Liability Limit* means the amount specified in Exhibit A, expressed in Dollars, representing the maximum amount of Pre-Construction Development Costs for which the OPA will indemnify the Supplier in the event that the OPA terminates this Agreement pursuant to Section 2.4 of this Agreement.
- 130. *Pre-Dispatch Price* means the pre-dispatch price for Electricity, being the hourly price determined from the "Pre-Dispatch Schedule" for a specified number of hours in advance of clearing of the "Real-Time Market", as determined by the IESO-Administered Markets.

- 131. *Prescribed Form* means, in relation to a form, the latest version of the corresponding form appearing on the Website, as may be amended or replaced by the OPA from time to time and without notice to the Supplier.
- 132. *Price Schedule* means the schedule of prices established by the OPA from time to time, in its sole discretion, that will be used to determine the Contract Price.
- 133. *Qualifying Percentage* has the meaning given to it in Exhibit D to this Agreement.
- 134. *Receiving Party* means, with respect to Confidential Information, the Party receiving Confidential Information and may be the OPA or the Supplier, as applicable.
- 135. *Registered Facility* has the meaning given to it in the IESO Market Rules.
- 136. *Regulatory Environmental Attributes* has the meaning given to it in Section 2.11(c) of this Agreement.
- 137. *Related Products* means all Capacity Products, Ancillary Services, transmission rights and any other products or services that may be provided by the Contract Facility from time to time, excluding Environmental Attributes produced by the Contract Facility and any payments under the ecoENERGY for Renewable Power Program, that may be traded or sold in the IESO-Administered Markets or other markets, or otherwise sold, and which shall be deemed to include products and services for which no market may exist, such as capacity reserves.
- 138. *Renewable Energy Approval* means the approval issued by the Ontario Ministry of the Environment under Section 47.3 of the *Environmental Protection Act* (Ontario).
- 139. *Renewable Fuel* means wind, solar (PV), renewable biomass, biogas, landfill gas or waterpower.
- 140. *Renewable Generating Facility* means an Electricity generating facility located in Ontario which generates Electricity exclusively from one or more Renewable Fuels and delivers that Electricity through a meter in accordance with all Laws and Regulations to the IESO-Controlled Grid.
- 141. *Replacement Provision* has the meaning given to it in Section 1.8 of this Agreement.
- 142. *Representatives* means a Party's directors, officers, shareholders, employees, auditors, consultants, advisors (including economic and legal advisors), contractors and agents and those of its Affiliates and the agents and advisors of such Persons, and, in respect of the OPA, includes the Transmitter. Prior to any assignment of this Agreement by the OPA, this definition shall also include the Government of Ontario, the IESO and their respective directors, officers, shareholders, employees, auditors, consultants, advisors (including economic and legal advisors), contractors and agents.

143. *Resident* means "ordinarily resident" as that expression has been judicially interpreted for the purposes of the ITA.
144. *Retail Settlement Code* means the code established and approved by the OEB, governing the determination of financial settlement costs for electricity retailers, consumers, distributors and generators.
145. *Samsung* has the meaning given to that term in the Recitals to this Agreement.
146. *Secured Lender* means the lender(s) under a Secured Lender's Security Agreement.
147. *Secured Lender's Security Agreement* means an agreement or instrument, including a deed of trust or similar instrument securing bonds or debentures, containing a charge, mortgage, pledge, security interest, assignment, sublease, deed of trust or similar instrument with respect to all or any part of the Supplier's Interest granted by the Supplier that is security for any indebtedness, liability or obligation of the Supplier, together with any amendment, change, supplement, restatement, extension, renewal or modification thereof.
148. *Senior Conference* has the meaning given to it in Section 15.1 of this Agreement.
149. *Settlement Period* has the meaning given to it in Section 4.2(a) of this Agreement.
150. *Site* means the real property on, over, in or under which the Contract Facility is, or is to be, situated, as such property is identified in Appendix 1 – Contract Facility Description.
151. *Site-Specific Losses* means Electricity losses due to line resistance, the operation of transformers and switches, and other associated losses of Electricity generated by the Contract Facility which may occur as a result of the difference between the location of the meter and the Connection Point, as determined pursuant to loss factors applied in accordance with the Retail Settlement Code and other applicable regulatory instruments.
152. *Sole Instruction* means an instruction to the OPA by the Government of Ontario with respect to a reduction in the Economic Development Adder and when such reduction is effective.
153. *Special Purpose Entity* means a Person other than an individual that directly or indirectly owns a Renewable Generating Facility whose special or sole purpose is the ownership, direct or indirect, of Pre-COD Facilities. The special purpose of a Person shall not be considered to be the ownership, direct or indirect, of Pre-COD Facilities where the total nameplate capacity of,
- (a) all Pre-COD Facilities owned, directly or indirectly, by such Person multiplied by the percent equity interest that such Person holds in each such Pre-COD Facility,

is less than 25% of the total nameplate capacity of,

- (b) all Electricity generating facilities owned, directly or indirectly, by such Person, multiplied by the percent equity interest that such Person holds in each such Electricity generating facility.

- 154. *Statement* has the meaning given to it in Section 4.2(a) of this Agreement.
- 155. *Station Service Loads* means the Electricity used for excitation and on-site maintenance and operation of power generation facilities, including auxiliary facilities, but excludes energy consumed in association with activities which could be ceased or moved to other locations without impeding the normal and safe operation of the Contract Facility.
- 156. *Intentionally Deleted.*
- 157. *Supplier* means K2 Wind Ontario Limited Partnership, the Person identified as the Supplier in Appendix 1 - Contract Facility Description, and, as applicable, its successors and permitted assigns.
- 158. *Supplier Event of Default* has the meaning given to it in Section 9.1 of this Agreement.
- 159. *Supplier's Economics* means the net present value of the revenues from the Hourly Delivered Electricity and Related Products in respect of the Contract Facility, but not including revenues from Future Contract Related Products or Environmental Attributes, that are reasonably forecast to be earned by the Supplier, net of any costs that the Supplier would reasonably be expected to incur in respect of the Contract Facility, and taking into account any Commercially Reasonable Efforts the Supplier is reasonably expected to take to mitigate the effect of any IESO Market Rule amendments or Discriminatory Actions, such as by mitigating operating expenses and normal capital expenditures of the business of the generation and delivery of the Hourly Delivered Electricity and Related Products in respect of the Contract Facility.
- 160. *Supplier's Interest* means the right, title and interest of the Supplier in or to the Contract Facility and this Agreement or any benefit or advantage of any of the foregoing.
- 161. *System Impact Assessment* means a study conducted by the IESO pursuant to Section 6.1.5 of Chapter 4 of the IESO Market Rules to assess the impact of connection of the Contract Facility on the performance of the IESO – Controlled Grid and the reliability of the integrated power system.
- 162. *Taxes* means all ad valorem, property, occupation, severance, production, governmental charges, utility, gross production, gross receipts, GST/HST, value-added, sales, stamp, use, excise, levies, countervailing, anti-dumping and special import measures, imposts, duties including customs' duties, fees, withholdings, assessments, premiums, deductions, taxes based on profits, net income or net worth

and any other taxes or charges whatsoever, whether directly or indirectly imposed, assessed, levied or collected by any Governmental Authority, together with interest thereon and penalties with respect thereto.

- 163. *Term* has the meaning given to it in Section 8.1(b) of this Agreement.
- 164. *Termination Date* means the date on which this Agreement terminates as a result of an early termination in accordance with its provisions.
- 165. *Total Contract Price or TCP* means the Contract Price plus any Aboriginal Price Adder, as applicable.
- 166. *Towers* means the wind turbine generator towers to be manufactured at the applicable Manufacturing Partner's manufacturing plant established in Ontario and supplied to the Contract Facility.
- 167. *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.
- 168. *Transmission System Code* means the "Transmission System Code" established and approved by the OEB, which, among other things, establishes the obligations of a Transmitter with respect to the services and terms of service to be offered to customers and retailers and provides minimum technical operating standards for the IESO-Controlled Grid.
- 169. *Transmitter* means Hydro One Networks Inc.
- 170. *Transmitter Connection Costs* means those Connection Costs associated with those modifications to Transmitter-owned facilities required to connect the Contract Facility to a Transmission System that only the Transmitter can perform, and that are payable by the Supplier to the Transmitter as required by the Transmission System Code.
- 171. *Website* means the OPA's Renewable Energy Feed-in Tariff Program website at "<http://fit.powerauthority.on.ca>" or such other website as the OPA shall designate from time to time.

EXHIBIT A

CONTRACT FACILITY-SPECIFIC PROVISIONS

1.1 Technology-Specific Values

- (a) The Milestone Date for Commercial Operation is December 31, 2014.
- (b) *Intentionally Deleted.*
- (c) The Pre-Construction Liability Limit is \$400,000.00 per Contract Facility plus \$2.00 per kW of Contract Capacity.
- (d) The amount of the Initial Security is \$20.00 per kW of Contract Capacity.
- (e) The amount of the Incremental NTP Security is \$10.00 per kW of Contract Capacity.

1.2 Metering

The Supplier shall provide, at its expense, separate meter(s) and ancillary metering and monitoring equipment as required by the IESO Market Rules for Registered Facilities. The Supplier shall provide the OPA with viewing access rights only to the revenue-quality interval meter data (the “**Metering Data**”) of the Contract Facility to calculate the output of Electricity from the Contract Facility net of any Station Service Loads and inclusive for any loss adjustment factors by establishing an “Associated Relationship” between the OPA and the Connection Point of the Contract Facility within the MVPortal application tool or equivalent, at no cost to the OPA.

1.3 Metering Fundamentals

Metering for the project in which the OPA agrees to accept the Metering Data in order to calculate the output of Electricity from the Contract Facility is described below, notwithstanding any variation in the metering plan that may occur.

The Supplier will cause the Contract Facility to be connected to the IESO-controlled grid on privately-owned land at the B562/3 circuit on the existing 500kv HONI transmission line. The Supplier enters into a single connection agreement with HONI for the energy produced by the Project and injected into the IESO-controlled grid at the Connection Point. The IESO revenue meter is at the point of interconnection.

The revenue quality metering configuration and settlement data would meet all regulations, including IESO’s Market Rules. The Project will retain an approved Metering Service Provider and the metering equipment will be chosen from the Conforming Meter List.

EXHIBIT B
SETTLEMENT

1.1 Indexation

The “**Indexed Contract Price**” shall be determined as follows:

- (a) Where Appendix 1 indicates that the Percentage Escalated is zero percent, the Indexed Contract Price shall be equal to the Contract Price for all years.
- (b) If Section 1.1(a) does not apply, the Indexed Contract Price in any year “y” shall be the greater of the Indexed Contract Price in the preceding year, “y-1”, and the following calculation:

$CP_y = (1 - PE) \times \left(TCP_{BD} \times \frac{CPI_x}{CPI_{BD}} \right) + PE \times \left(TCP_{BD} \times \frac{CPI_y}{CPI_{BD}} \right)$	
where:	
CP_y	is the Indexed Contract Price applicable in calendar year “y” during the Term;
CPI_x	is the CPI applicable in the month of December immediately preceding the calendar year “x”, where “x” is the year that is the earlier of (i) year “y” and (ii) the calendar year corresponding to the Milestone Date for Commercial Operation, as such date was established on the Contract Date prior to any adjustment for Force Majeure or NTP Delay;
TCP_{BD}	Is the aggregate of the Contract Price on the Base Date and the Aboriginal Price Adder;
CPI_{BD}	is the CPI applicable to the month in which the Base Date occurs;
CPI_y	is the CPI for the month of December immediately preceding the commencement of calendar year “y”; and
PE	is the Percentage Escalated expressed as a decimal figure.

1.2 Calculation of Contract Payment

- (a) For each hour in a Settlement Period, the Contract Payment shall be an amount expressed in Dollars and equal to:
 - (i) the Hourly Delivered Electricity multiplied by the Indexed Contract Price applicable during the corresponding calendar year;

plus

- (ii) the Hourly Delivered Electricity multiplied by the Economic Development Adder, if any;

minus

- (iii) the Hourly Delivered Electricity multiplied by the greater of (A) HOEP for such hour, and (B) zero;

provided that, if in any hour the Hourly Delivered Electricity exceeds the Contract Capacity times one hour, then for the purposes of the calculation set out in this Section 1.2(a) of Exhibit B, the Contract Capacity times one hour shall be used instead of the Hourly Delivered Electricity.

- (b) The Contract Payment in respect of a Settlement Period shall be:

- (i) the sum of the Contract Payments in respect of each hour in such Settlement Period;

minus

- (ii) in relation to the sale, supply or delivery of any Future Contract Related Products, an amount equal to 80% of the difference, if positive, of the total revenues received by the Supplier from the sale of such Future Contract Related Products for that Settlement Period, less the Approved Incremental Costs. For the purposes of this Section 1.2(b) of Exhibit B, "Approved Incremental Costs" means the incremental costs incurred by the Supplier for that Settlement Period in excess of the cost of production of the Delivered Electricity, relating to the sale, supply or delivery of such Future Contract Related Products, and which costs are reasonable and have first been verified and approved by the OPA.

- (c) Where the Contract Payment in respect of a Settlement Period is a positive number, such amount shall be owed by the OPA to the Supplier. Where such amount is a negative number, the absolute value of such amount shall be owed by the Supplier to the OPA.

- (d) In the event that the Supplier fails at any time to fulfill its obligations under Section 1.2(c) of this Exhibit B and fails to cure such default within 10 Business Days of receipt of notice thereof from the OPA, the OPA shall be entitled to set off the amount owing to it by the Supplier against (i) all amounts of Economic Development Adder payable to the Supplier pursuant to this Agreement and (ii) all amounts received by the OPA from the IESO pursuant to Section 1.2(e) of this Exhibit B until such time as the payment default is cured.

- (e) As security for the Supplier's obligations under Section 1.2(c) of this Exhibit B, upon execution and delivery of this Agreement the Supplier shall provide to the OPA, in escrow, a direction in the form of Exhibit 1 to this Exhibit B

(the “**Direction**”) to the IESO to make any payments otherwise owing to the Supplier from and after the date of receipt of the Direction, until the Direction is withdrawn, rescinded or cancelled by the OPA, to and in favour of the OPA or as it may direct. The Direction shall be undated and shall be held in escrow by the OPA and may only be dated and released from escrow and delivered by the OPA to the IESO if the Supplier has defaulted in its obligations under Section 1.2(c) of this Exhibit B. Thereafter, the OPA shall remit to the Supplier, subject to the OPA’s right of set-off pursuant to Section 1.2(d) of this Exhibit B, all amounts to which the Supplier is entitled pursuant to this Agreement and the OPA shall be entitled to retain that amount which would otherwise be payable by the Supplier to the OPA pursuant to Section 1.2(c) of this Exhibit B.

1.3 IESO Instructions – System-Wide Curtailment

- (a) Insofar as the IESO issues instructions to reduce all or part of the output of the Contract Facility on an economic basis in order to mitigate over generation on the entire IESO-Controlled Grid or substantially all of the IESO-Controlled Grid, then the calculation set out in Section 1.2 of this Exhibit B shall provide for an additional Contract Payment (the “**Additional Contract Payment**”) for any hour, “h”, in which:
 - (i) either (A) the Pre-Dispatch Price for such hour “h”, as published in the immediately preceding hour “h-1” is less than \$5.00/MWh or (B) the IESO has published an over generation advisory or equivalent notice in respect of such hour “h” for the entire IESO-Controlled Grid or substantially all of the IESO-Controlled Grid;
 - (ii) the IESO has issued an instruction on an economic basis to reduce the output of the Contract Facility to a level below that which it otherwise could have achieved for that hour “h”, but for such instruction; and
 - (iii) the Supplier has complied with such instruction.
- (b) The Additional Contract Payment for any such hour shall be the Hourly Delivered Electricity foregone as a result of compliance with the IESO’s instruction multiplied by the Indexed Contract Price applicable during the corresponding calendar year, provided that such amount of foregone Hourly Delivered Electricity shall not in any case exceed the Contract Capacity times one hour.
- (c) The OPA will, acting reasonably, develop a methodology for Contract Facilities using each type of Renewable Fuel to determine the Hourly Delivered Electricity foregone as a result of compliance with an instruction from the IESO pursuant to Section 1.3(a) of this Exhibit B.
- (d) The implementation of this Section 1.3 of Exhibit B shall not trigger the amending provisions of Section 1.7 of the Agreement, except to the extent that any IESO Market Rule change has the effect of materially affecting the

Supplier's Economics notwithstanding the implementation of this Section 1.3 of Exhibit B.

**EXHIBIT 1 TO EXHIBIT B
DIRECTION**

To: Independent Electricity System Operator (the "IESO")

Re: Power Purchase Agreement ("Agreement") dated ● between the Ontario Power Authority (the "OPA") and [Supplier] (the "Supplier")

Project: ● (the "Project")

WHEREAS the OPA and the Supplier have entered into the Agreement, which provides for payment for electricity generated by the Project and delivered to [describe Connection Point] where electricity is injected into the IESO-Controlled Grid;

AND WHEREAS the Supplier in accordance with the Market Rules (including payments for ancillary service contracts with the IESO under the Market Rules) and government regulation(s) receives payments from, or makes payments to, the IESO within the timelines and frequency contained in the appropriate Market Manuals;

The undersigned hereby unconditionally and irrevocably directs the IESO to make all payments otherwise payable to the Supplier under the Market Rules, ancillary service contracts entered into under the Market Rules and government regulation(s) to the OPA or as the OPA may direct until such time as the OPA withdraws, rescinds or cancels this Direction.

The Supplier agrees to work with the IESO to make any and all necessary changes to the IESO's information systems to allow such redirection including the provision of current Market Participant names and applicable delivery points.

And this shall be your good and sufficient authority so to do.

Dated this ____ day of _____, 20 ____.

[SUPPLIER]

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT C

FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

DATE OF ISSUE:	[●]
APPLICANT:	[●]
BENEFICIARY:	Ontario Power Authority and its permitted assigns (the “Beneficiary”)
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”)

The Credit is issued in connection with the Power Purchase Agreement (the “**Agreement**”) dated [Insert Date of Agreement] as amended from time to time between the Beneficiary and the “Supplier”, as such term is defined under the Agreement.

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 stating that:

“The Supplier is in breach of, or default under, the Agreement, 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 the 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: _____

EXHIBIT D

DOMESTIC CONTENT

1.1 Calculation of Domestic Content Level

- (a) For each of the “**Designated Activities**” set out in the first column of the Domestic Content Grid below, where the Designated Activity has been performed in relation to the Contract Facility, the Contract Facility shall be allocated the corresponding “**Qualifying Percentage**” set out in the second column of such Domestic Content Grid. Where there are mutually exclusive options for a Designated Activity, only one of Qualifying Percentages shall be awarded, as appropriate.
- (b) If the Contract Facility comprises more than one of the component(s) specified in the Designated Activity, the Designated Activity must have been performed in relation to all such components forming part of the Contract Facility in order for the Designated Activity to be considered to have been performed in relation to such Contract Facility.
- (c) A Designated Activity shall not be considered to be performed in relation to a Contract Facility, where:
 - (i) some but not all aspects of the Designated Activity were performed in relation to the Contract Facility; or
 - (ii) the Supplier is unable to provide evidence satisfactory to the OPA, acting reasonably, that the Designated Activity was performed in relation to the Contract Facility.
- (d) The “**Domestic Content Level**” in respect of a Contract Facility shall be calculated, at such time and in the manner provided in Section 2.6 of this Agreement, as the sum of the Qualifying Percentages allocated to such Contract Facility in accordance with Section 1.1(a) of this Exhibit D.

1.2 Evidence of Performance of Designated Activities

- (a) As part of the Domestic Content Report, for each Designated Activity set out as having been performed in relation to the Contract Facility, the Supplier shall provide:
 - (i) documentation confirming to the satisfaction of the OPA, acting reasonably, that such Designated Activity was performed in relation to the Contract Facility, provided that any confidential information (including pricing) not necessary to verify that the applicable Designated Activity was performed in relation to the Contract Facility, may be redacted; and

- (ii) a "Consent to Verify" in the Prescribed Form, signed by the service provider corresponding to the Designated Activity, authorizing the OPA to verify that such service provider performed the Designated Activity.

Table 1: Domestic Content Grid

Designated Activity	Qualifying Percentage
1. Wind turbine blades cast in a mould in Ontario, and instrumentation that is within the blades has been assembled in Ontario.	16%
<p>2. Mutually exclusive option for pitch systems:</p> <p>(a) Geared Pitch System, where the gear wheels for the pitch system have been cut, carburized and ground in Ontario, and where the pitch system has been assembled and tested in Ontario.</p> <p style="text-align: center;">OR</p> <p>(b) Gearless Pitch System, where the mechanical components of the pitch system have been machined in Ontario, and where the pitch system has been assembled and tested in Ontario.</p> <p>Note: The maximum qualifying percentage a Supplier can claim from the combined Designated Activities listed in items 2, 4a and 4b is 5%.</p>	<p>3%</p> <p>3%</p>
3. Yaw system where the gear wheels for the yaw system have been cut, carburized and ground in Ontario, and where the yaw system has been assembled and tested in Ontario.	7%
<p>(a) Hub and hub casing, where the hub has been entirely machined in Ontario, i.e., without any pre-machining performed outside Ontario other than peeling/roughing of the part for quality control purposes when it left the smelter or forge,</p> <p>Note: The maximum qualifying percentage a Supplier can claim from the combined Designated Activities listed in items 2, 4a and 4b is 5%.</p> <p>(b) Hub assembly where all components required to be mounted to the hub are assembled in Ontario, and, any testing of the assembled hub occurs in Ontario.</p> <p>Note: The maximum qualifying percentage a Supplier can claim from the combined Designated Activities listed in items 2, 4a and 4b is 5%.</p>	<p>2%</p> <p>3%</p>

<p>4. Mutually exclusive option for drives:</p> <p>(a) For geared drive turbines that use a gearbox: Gearbox where gear wheels have been cut, carburized and ground in Ontario, and where the gearbox has been assembled and tested in Ontario. For greater certainty, the gearbox refers to the mechanism that increases the speed of rotation of the generator's shaft. Other gearboxes that are in or form part of another component, e.g. in the yaw system, are included as part of the Designated Activity relating to such other component, as applicable.</p> <p style="text-align: center;">OR</p> <p>(b) For direct drive turbines that do not use a gearbox, no Qualifying Percentage shall be awarded for gearboxes.</p>	<p>11%</p> <p>0%</p>
<p>5. Mutually exclusive option for generator and brake:</p> <p>(a) For geared drive turbines that use a gearbox: Generator and brake, where the generator has been assembled and tested in Ontario. The generator is made up of a rotor, stator, rotor bearings and structures that hold the bearings and stator. For a generator that does not form an integral part of the nacelle, the generator includes the encapsulation of the foregoing components. The manufacturing of the generator must have also included the cutting and assembly of the stator and rotor plates in addition to their winding in Ontario. If the generator uses permanent magnets, these must be installed in Ontario.</p> <p style="text-align: center;">OR</p> <p>(b) For direct drive turbines that do not use a gearbox: Generator and brake, where the generator has been assembled and tested in Ontario. The generator is made up of a rotor, stator, rotor bearings and structures that hold the bearings and stator. For a generator that does not form an integral part of the nacelle, the generator includes the encapsulation of the foregoing components. The manufacturing of the generator must have also included the cutting and assembly of the stator and rotor plates in addition to their winding in Ontario. If the generator uses permanent magnets, these must be installed in Ontario.</p> <p>Note: Maximum qualifying percentage a Supplier can claim from the combined Designated Activities listed in items 5 and 6 is 14%.</p>	<p>3%</p> <p>14%</p>
<p>6. Heat exchanger has been assembled and tested in Ontario.</p>	<p>1%</p>

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7.	Drive shaft has been entirely machined in Ontario, i.e. without any other pre-machining performed outside Ontario other than peeling/roughing of the part for quality control purposes when it left the smelter or forge.	1%
8.	Power converter where the assembly, final wiring and testing has been done in Ontario.	5%
9.	<p>For towers:</p> <p>All concrete tower sections, if any, are physically formed in Ontario; and</p> <p>All steel tower sections, if any, have been physically formed and shaped from steel plates, in Ontario.</p> <p>The steel plates used to manufacture the towers, if any, must not have been machined outside Ontario, i.e. they must not have been rolled, bent or welded outside Ontario.</p> <p>The foundation of a tower is not considered part of the tower for the purposes of this Designated Activity 10.</p>	4%
10.	<p>For towers:</p> <p>All steel that was formed and shaped into steel tower sections, if any, was processed into steel plates in a steel mill in Ontario; and</p> <p>All steel for rebar and tension wires or equivalents for concrete tower sections, if any, must have been rolled or extruded in a steel mill in Ontario, and the Portland cement used in the concrete tower sections, if any, must have been manufactured in Ontario.</p> <p>The foundation of a tower is not considered part of the tower for the purposes of this Designated Activity 11.</p>	9%
11.	Control panel and electronics, where the assembly, final wiring and testing have been done in Ontario.	2%
12.	Nacelle frame that has been manufactured entirely in Ontario using steel plates and beams that had not previously been machined, i.e. steel plates and beams that have not been bent, folded, welded, pierced or bolted outside Ontario, and without any other pre-machining performed outside Ontario other than peeling/roughing of the part for quality control purposes when it left the smelter or forge.	2%
13.	Nacelle shell where successive assembly of the armature and shell materials has occurred in Ontario.	2%
14.	Pad mount or equivalent transformers that have been wound and tested in Ontario.	2%

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15.	Grid connection, where the transformers used in the grid connection have been wound and tested in Ontario. For greater certainty, this does not include pad mount or equivalent transformers.	10%
16.	Construction costs, and on-site labour performed by individuals Resident in Ontario, provided that no more than 5% of the total person-hours of all such labour is performed by individuals that are not Resident in Ontario.	15%
17.	Consulting services, including legal, technical and accounting performed by individuals Resident in Ontario, provided that no more than 5% of the total person-hours of all such services are performed by individuals that are not Resident in Ontario.	5%
Total		100%

EXHIBIT E

ARBITRATION PROVISIONS APPLICABLE TO SECTIONS 1.7, 1.8, 2.11 AND 12.2

The following rules and procedures (the “**Rules**”) shall govern, exclusively, any matter or matters to be arbitrated between the Parties under Sections 1.7, 1.8, 2.11 and 12.2 of this Agreement.

1. **Commencement of Arbitration** – If the Parties have been unable to reach agreement as contemplated in Sections 1.7, 1.8, 2.11 or 12.2, as applicable, then the OPA shall commence arbitration by delivering a written notice (“**Request**”) to the Supplier. Within 15 Business Days of the delivery of the Request, the Parties shall jointly appoint an arbitrator who shall be familiar with commercial law matters and has no financial or personal interest in the business affairs of either of the Parties or any constituent member of the Supplier. If the Parties fail to jointly appoint an arbitrator such 15 Business Days, upon the application of either of the Parties, the arbitrator shall be appointed by a Judge of the Superior Court of Justice (Ontario) sitting in the Judicial District of Toronto Region.
2. **Conduct of Arbitration** - The arbitrator shall provide each of the Parties an opportunity to be heard and shall conduct the arbitration hearing in accordance with the provisions of the *Arbitration Act, 1991* (Ontario). Unless otherwise agreed by the Parties, the arbitrator shall render a decision within 90 days after the end of the arbitration hearing and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change this Agreement in any manner. Subject to Section 5 of this Exhibit E, the decision of the arbitrator shall be conclusive, final and binding upon the Parties. The *Arbitration Act, 1991* (Ontario) shall govern the procedures that apply in the enforcement of any award made.
3. **General** – The arbitration shall be governed by *the Ontario Arbitration Act, 1991*. Unless otherwise agreed by the Parties, the Arbitrator shall determine the conduct of the arbitral proceedings, including the exchange of statements of claim and defence, the need for documentary and oral discovery and whether to hold oral hearings with a presentation of evidence or oral argument so that the award may be made within the time period set out below.
4. **Appeal of arbitration Award** - The decision of the arbitrator may be appealed solely on the grounds that the conduct of the arbitrator, or the decision itself, violated the provisions of the *Arbitration Act, 1991* (Ontario) or solely on a question of law as provided for in the *Arbitration Act, 1991* (Ontario).
5. **Costs** – If it is necessary to enforce such award, all costs of enforcement shall be payable and paid by the Party against whom such award is enforced. Unless otherwise provided in the arbitral award to the contrary, each Party shall bear (and be solely responsible for) its own costs incurred during the arbitration process, and

each Party shall bear (and be solely responsible for) its equal share of the costs of the arbitrator.

6. **Fees** – The arbitrator shall be paid his/her normal professional fees for his/her time and attendances.
7. **Place of Arbitration** – The arbitration, including the rendering of the award, shall take place in Toronto, Ontario, which shall be the seat of the proceedings. The language used in the arbitration shall be English.

EXHIBIT F

**FORM OF SUPPLIER'S CERTIFICATE
RE COMMERCIAL OPERATION**

**SUBMIT BY E-MAIL (PDF WITH SIGNATURE) TO
michael.killeavy@powerauthority.on.ca**

Date	
Legal Name of Supplier	
Name of Facility	
Agreement Title	
Agreement Date and Contract Number	
Commercial Operation Date or Term commencement date	
Beginning of the Hour Ending	01:00 hours (EST)

WHEREAS Section 2.7(a)(v) of the Power Purchase Agreement (the “**Agreement**”) between the Supplier and the OPA dated as of ●, 2011 provides that the Contract Facility will be deemed to have achieved Commercial Operation at the point in time when, *inter alia*, the OPA has received a certificate (this “Certificate”) addressed to it from the Supplier containing certain statements with respect to the Facility, in addition to a separate IE Certificate as set out in Exhibit G of the Agreement;

NOW THEREFORE, [SUPPLIER LEGAL NAME] CERTIFIES to the OPA that:

- a) **[Independent Engineering Company Legal Name]**
 - (i) is duly qualified and licensed to practice engineering in the province of Ontario and which holds a certificate of authorization issued by Professional Engineers Ontario;
 - (ii) does not have a vested interest in the design, engineering, procurement, construction, metering and/or testing of the facility; and
 - (iii) is not an affiliate of the Supplier or any of its constituent entities nor directly or indirectly Controlled by the Supplier or any of its constituent entities.
- b) The Supplier has provided, or in the case of Section 1.1(b)(i), has caused the Independent Engineer to provide, to the OPA the following documentation required to be so provided at or prior to Commercial Operation:
 - i) Certificate of an independent professional engineer using OPA’s “Form of Independent Engineer Certificate” (OPACM-Form-016) in accordance with Section 2.7(a)(iv) of Agreement;

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- ii) As-built single line diagram in accordance with Section 2.7(a)(iii) of the Agreement;
- iii) *Workplace Safety and Insurance Act* (Ontario) clearance certificate pursuant to Section 2.9(c);
- iv) if required pursuant to Section 2.2(c), a Metering Plan that has been approved by the OPA; and
- v) Ontario Energy Board Generator License pursuant to Section 2.10(b).

Signed this ● day of ●, 201●.

[Legal Name of Supplier]

Per: _____

Name:

Title:

Per: _____

Name:

Title:

EXHIBIT G

**FORM OF INDEPENDENT ENGINEER'S CERTIFICATE
RE COMMERCIAL OPERATION**

**SUBMIT BY E-MAIL (PDF WITH SIGNATURE) TO
michael.killeavy@powerauthority.on.ca**

Capitalized terms not defined herein have the meanings ascribed thereto in the Agreement.

Date	
Legal Name of Supplier	
Name of Facility	
Agreement Title	(the "Agreement")
Agreement Date and Contract Number	
Legal Name of Independent Engineer	

WHEREAS Section 2.7(a)(iv) of the Agreement between the Supplier and the OPA dated as of ●, 2011 provides that the Contract Facility will be deemed to have achieved Commercial Operation at the point in time when, *inter alia*, the OPA has received a certificate (this "Certificate") addressed to it from an Independent Engineer containing certain statements with respect to the Contract Facility;

AND WHEREAS [Legal Name of Independent Engineer] (the "Undersigned") is the Independent Engineer appointed under the Agreement for the purpose set forth therein including for the purposes of delivery of this Certificate;

NOW THEREFORE, THE UNDERSIGNED CERTIFIES to the OPA, and acknowledges that the OPA is relying on this Certificate, that:

- (i) the Undersigned is duly qualified and licensed to practice engineering in the province of Ontario;
- (ii) the Undersigned is neither an employee nor a consultant of the Supplier or any of its constituent entities such that the majority of either the time or billings of the Undersigned during the 18 month period prior to the date hereof were devoted to the Contract Facility;
- (iii) the Undersigned is not an affiliate of the Supplier or any of its constituent entities nor directly or indirectly Controlled by the Supplier or any of its constituent entities;
- (iv) subject to Section (vi) below, the Contract Facility has been completed in all material respects, excepting punch list items that do not materially and adversely affect the ability of the Facility to operate in accordance with the Agreement;

- (v) the Connection Point of the Facility is at the location specified in Appendix 1 - Contract Facility Description – to the Agreement;
- (vi) the Contract Facility has been constructed, connected, commissioned and synchronized to the IESO-Controlled Grid such that at least 90% of the Contract Capacity for the Contract Facility is available to generate Electricity in compliance with Good Engineering and Operating Practices;
- (vii) the total installed capacity of the Contract Facility is ●; and
- (viii) the Independent Engineer reviewed the Metering Plan approved by the OPA and all calculations have been performed in accordance therewith.

Signed this ● day of ●, 201●.

[Legal Name of Independent Engineer]

Per: _____
Name: [Name, P.Eng.]
Title: [Title]

**Professional Engineer Stamp of Signing
Engineer**

EXHIBIT H

FORM OF SECURED LENDER CONSENT AND ACKNOWLEDGEMENT

CONSENT AND ACKNOWLEDGMENT AGREEMENT

THIS AGREEMENT made as of this ● day of ●, 201●,

BETWEEN:

[●], *[insert legal form of the Supplier and jurisdiction of organization]*
(the "Supplier")

- and -

[●], in its capacity as [{Secured Lender} or {insert form of Secured Lender representation, e.g., security trustee, collateral agent and trustee, etc. for and on behalf of the Secured Lenders (as defined below)}] (the "Security Agent")

- and -

ONTARIO POWER AUTHORITY, a corporation governed by the laws of the Province of Ontario (the "OPA"),

RECITALS:

- A. The Supplier and the OPA have entered into a Power Purchase Agreement dated as of ●, 2011, contract identification # ● (as amended, supplemented, restated or replaced from time to time in accordance with its terms and this agreement, the "Agreement") in order to formalize the long-term contractual arrangements for the Supplier to develop and operate the Contract Facility and to supply, directly or indirectly, Electricity and Related Products from the Contract Facility to the Connection Point;
- B. *[Note to finalization: describe structure of collateral arrangements; describe any bond issuance and related trust indentures; identify underlying security and debt documents; identify the "Secured Lenders" if they are anyone other than the Security Agent; identify any intercreditor or collateral agency arrangements];*
- C. The Supplier has agreed that it will incur Secured Debt only for the purposes of financing its acquisition, construction, re-development, ownership, operation and maintenance of the Contract Facility or the Contract Facility together with one or more other renewable generating facilities in Ontario and any refinancing of any such debt; and
- D. The Supplier has granted security against, *inter alia*, all of its right, title, entitlement and interest in and to the Agreement and the Contract Facility in favour of the Security Agent pursuant to the security agreements identified in Schedule "A", (the

“Security Agreements”), as security for its present and future indebtedness, liabilities and obligations under and in respect of the *[Note to finalization: describe underlying debt instrument(s)]* (the “Secured Debt”);

THEREFORE, the parties agree as follows:

1. Defined Terms

Unless otherwise provided in this agreement or the context otherwise requires, all capitalized terms which are not defined in this agreement have the respective meanings given to them in the Agreement.

2. Acknowledgement and Confirmation of Rights of Security Agent

The OPA acknowledges and confirms that:

- (a) the Supplier has delivered to the OPA copies of the Security Agreements **[Note to finalization: and any applicable trust indenture]**;
- (b) the Security Agreements **[Note to finalization: and any applicable trust indenture]** constitute Secured Lender’s Security Agreements for purposes of the Agreement and are binding on the OPA in the enforcement of the OPA’s rights and remedies provided in the Agreement (as contemplated by Section 11.1(d) of the Agreement); and
- (c) the Security Agent constitutes the Secured Lender for purposes of the Agreement and, without limiting the generality of the foregoing, is entitled to the benefit of the provisions of Article 11 of the Agreement in favour of a Secured Lender and is entitled to enforce the same as if the Security Agent were a party to the Agreement.

3. Covenants of the Security Agent

The Security Agent covenants and agrees with the OPA (and in the case of paragraphs (a), (d), (f) and (h) below, covenants, agrees, represents and warrants to the OPA) as follows:

- (a) Should the Security Agent commence enforcement of the Security Agreements, it will comply with the terms, conditions and obligations applicable to a Secured Lender under Section 11.2 of the Agreement as they relate to the Security Agent’s security interests in the Agreement and the Contract Facility during such enforcement.
- (b) The Security Agent agrees that it will comply with Section 11.2(f) of the Agreement.
- (c) The Security Agent **[Note to finalization: (is and will be) or (is not)]** at Arm’s Length from the Supplier.

- (d) The Security Agreements listed on Schedule "A" constitute all of the security granted by the Supplier in favour of the Security Agent as at the date first written above.
- (e) Except the Security Agreements [**Note to finalization:** , *any applicable trust indenture*] and any other security that is delivered by the Security Agent to the OPA in accordance with Section 11.1(d) of the Agreement, the Security Agent acknowledges that any other security granted in favour of the Security Agent will not be binding upon the OPA.
- (f) All of the security registrations made pursuant to the *Personal Property Security Act* (Ontario) in respect of the Security Agreements are set out in Schedule "A".
- (g) If the Supplier is in default under or pursuant to any Security Agreement [**Note to finalization:** *or the trust indenture*] and the Security Agent intends to exercise any rights afforded to it with respect to the Agreement, then the Security Agent will give notice of such default to the OPA at least 10 Business Days prior to exercising any such rights under the Agreement.
- (h) The Security Agent has entered into this agreement and holds the security granted pursuant to the Security Agreements.
- (i) Only the Security Agent will be entitled to exercise the rights and remedies under the Security Agreements as the Secured Lender except that in accordance with Section 11.2(g) of the Agreement, when the Security Agent has appointed an agent, a receiver or a receiver and manager, or has obtained a court-appointed receiver or receiver and manager for the purpose of enforcing the Security Agent's security, that Person may exercise any of the Security Agent's rights under Section 11.2 of the Agreement.
- (j) The address of the Security Agent to which notices may be sent pursuant to Section 11.1(d) of the Agreement is set forth in Section 5 of this agreement.
- (k) The Security Agent will provide the OPA with written notice of any change in the identity or address of the Security Agent.

4. Acknowledgment and Covenant of the Security Agent

The Security Agent (i) acknowledges the provisions with respect to the Economic Development Adder in the Agreement; (ii) acknowledges that the amount of the Economic Development Adder could be affected, and reduced, as a result of calculations of and adjustments to economic development adders with respect to other projects contemplated by the IESO; and (iii) covenants and agrees to obtain from any assignee of the Agreement on enforcement of the Security Agreements an indemnity in favour of the OPA as set forth in Section 3.4(b) of the Agreement.

5. Covenants of the Supplier

The Supplier covenants, agrees, represents and warrants to the OPA as follows:

- (a) The Security Agreements [**Note to finalization: and any applicable trust indenture**] are subject to the terms and conditions applicable to a Secured Lender's Security Agreement that are contained in Article 11 of the Agreement, and comply therewith.
- (b) The Supplier has provided to the OPA true and complete copies of the Security Agreements [**Note to finalization: and any applicable trust indenture**], and the Security Agreements [**Note to finalization: and any applicable trust indenture**] constitute Secured Lender's Security Agreements and the Security Agent constitutes a Secured Lender for purposes of the Agreement.
- (c) All of the security registrations made pursuant to the *Personal Property Security Act* (Ontario) in respect of the Security Agreements are set out in Schedule "A".
- (d) The recitals to this agreement are true and accurate and the Supplier agrees that all Secured Debt will have been incurred in connection with the acquisition, construction, re-development, ownership, operation and maintenance of the Contract Facility or the Contract Facility together with any together with one or more other renewable generating facilities in Ontario and any refinancing of any such debt.
- (e) The Supplier will provide the OPA with true and complete copies of any new or amendments to any Secured Lender's Security Agreement.
- (f) The Security Agreements as amended, supplemented, restarted or replaced from time to time, [**Note to finalization: and any applicable trust indenture**] do not and will not secure any indebtedness, liability or obligation of the Supplier that is not related to the Contract Facility, the Contract Facility together with any together with one or more other renewable generating facilities in Ontario, or the Agreement, or cover any real or personal property of the Supplier not related to the Contract Facility or the Contract Facility together with any together with one or more other renewable generating facilities in Ontario.

6. Notice

All notices pertaining to this agreement not explicitly permitted to be in a form other than writing will be in writing and will be given by facsimile or other means of electronic transmission or by hand or courier delivery. Any notice will be addressed to the parties as follows:

If to the Supplier:

-
-
-
-

Attention: ●
Facsimile: ●

If to the OPA:

Ontario Power Authority
120 Adelaide Street West
Suite 1600
Toronto, Ontario
M5H 1T1

Attention: ●
Facsimile: (416) 967-●

If to the Security Agent:

-
-
-
-

Attention: ●
Facsimile: ●

Notice delivered or transmitted as provided above will be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if a notice is delivered or transmitted after 5:00 p.m. local time or such day is not a Business Day, then such notice will be deemed to have been given and received on the next Business Day. Any party may, by written notice to the other parties, change its respective representative or the address to which notices are to be sent.

7. Successors and Assigns

Subject to complying with Sections 15.5 and 15.6 of the Agreement, the benefits under this agreement accruing to each of the parties to this agreement will extend to all their respective successors and permitted assigns, only if they agree, according to their interests, to be bound by all the provisions of this agreement (it being the responsibility of each party to give notice to each other party of such assignment and to require its successors and permitted assigns to expressly acknowledge and agree in favour of each other party to be bound by this agreement). Subject to complying with Section 15.5 of the Agreement, upon the acquisition by any such successor or permitted assign of such an interest, such successor

or permitted assign will be joined, as a party benefiting and bound by this agreement, by an appropriate further agreement supplementary to this agreement in form and substance acceptable to the OPA, acting reasonably.

8. Execution and Delivery

This agreement may be executed by the parties hereto in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles will together constitute one and the same agreement.

9. Governing Law

This agreement will be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

IN WITNESS OF WHICH, the parties have duly executed this agreement as of the date first written above.

[SUPPLIER]

[SECURITY AGENT]

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

ONTARIO POWER AUTHORITY

By: _____

Name:

Title:

SCHEDULE "A" TO EXHIBIT H

LIST OF SECURITY AGREEMENTS AND REGISTRATION DETAILS

The following Security Agreements were granted by the Supplier in favour of the Security Agent (each of which was dated●, 201●):

- (a) ●
- (b) ●
- (c) ●

The following registrations were made against the Supplier in favour of the Security Agent under the *Personal Property Security Act* (Ontario):

-

EXHIBIT I

FORM OF JOINT INSTRUCTION

TO: Ontario Power Authority

DATE: ●, 20●

RE: Green Energy Investment Agreement by and among Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy, Korea Electric Power Corporation and Samsung C & T Corporation dated January 21, 2010, as amend by the Green Energy Investment Amending Agreement dated ● (the "GEIA")

PROJECT COMPANY: _____

PROJECT NAME: _____

PROJECT SIZE: _____

**DETAILS OF
GENERATION FACILITY:** _____

**POWER PURCHASE
AGREEMENT between OPA and
the Project Company (If previously
signed):** _____

You are hereby directed that with effect from [insert date] [the commercial operation of the Project] the Economic Development Adder, as defined in the GEIA, for the PPA related to the Generation Facility is ● cents per kWh. Such amount shall apply until you receive a replacement Joint Instruction from the Parties hereto in respect of the Generation Facility in which case the Economic Development Adder shall thereafter be as set forth therein until again changed.

Unless the context requires otherwise, terms defined in the GEIA and used herein shall have the respective meanings ascribed to such terms in the GEIA.

DATED this ____ day of _____, 20__.

**HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO, as represented by the
Minister of Energy**

Name:

Title:

**KOREA ELECTRIC POWER
CORPORATION**

Name:

Title:

SAMSUNG C&T CORPORATION

Name:

Title:

**EXHIBIT J
FORM OF CONFIDENTIALITY UNDERTAKING**

TO: Ontario Power Authority
AND TO: ●

**SUBMIT BY E-MAIL (PDF WITH SIGNATURE) TO
michael.killeavy@powerauthority.on.ca**

Pursuant to Section 7.1(c) of the Contract described below, the Supplier is hereby submitting this completed Form of Confidentiality Undertaking to the Buyer. Capitalized terms not defined herein have the meanings ascribed thereto in the Contract.

Date	
Legal Name of Supplier	
Legal Name of Secured Lender	
Name of Contract Facility	
Contract Identification #	
Contract Date	

WHEREAS the Supplier is a party to the Contract;

AND WHEREAS the undersigned is a Secured Lender or prospective Secured Lender;

AND WHEREAS the Supplier wishes to disclose Confidential Information to the Secured Lender for the purposes of the financing of the Contract Facility and such disclosure is prohibited without the provision to the Buyer of this Confidentiality Undertaking;

NOW THEREFORE the Secured Lender covenants and agrees in favour of the Buyer to hold any and all Confidential Information confidential on the terms set out in Section 7.1 of the Contract as applicable to the Supplier, mutatis mutandis.

Signed this day of , 20 .

NAME OF SECURED LENDER

NAME OF SUPPLIER

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

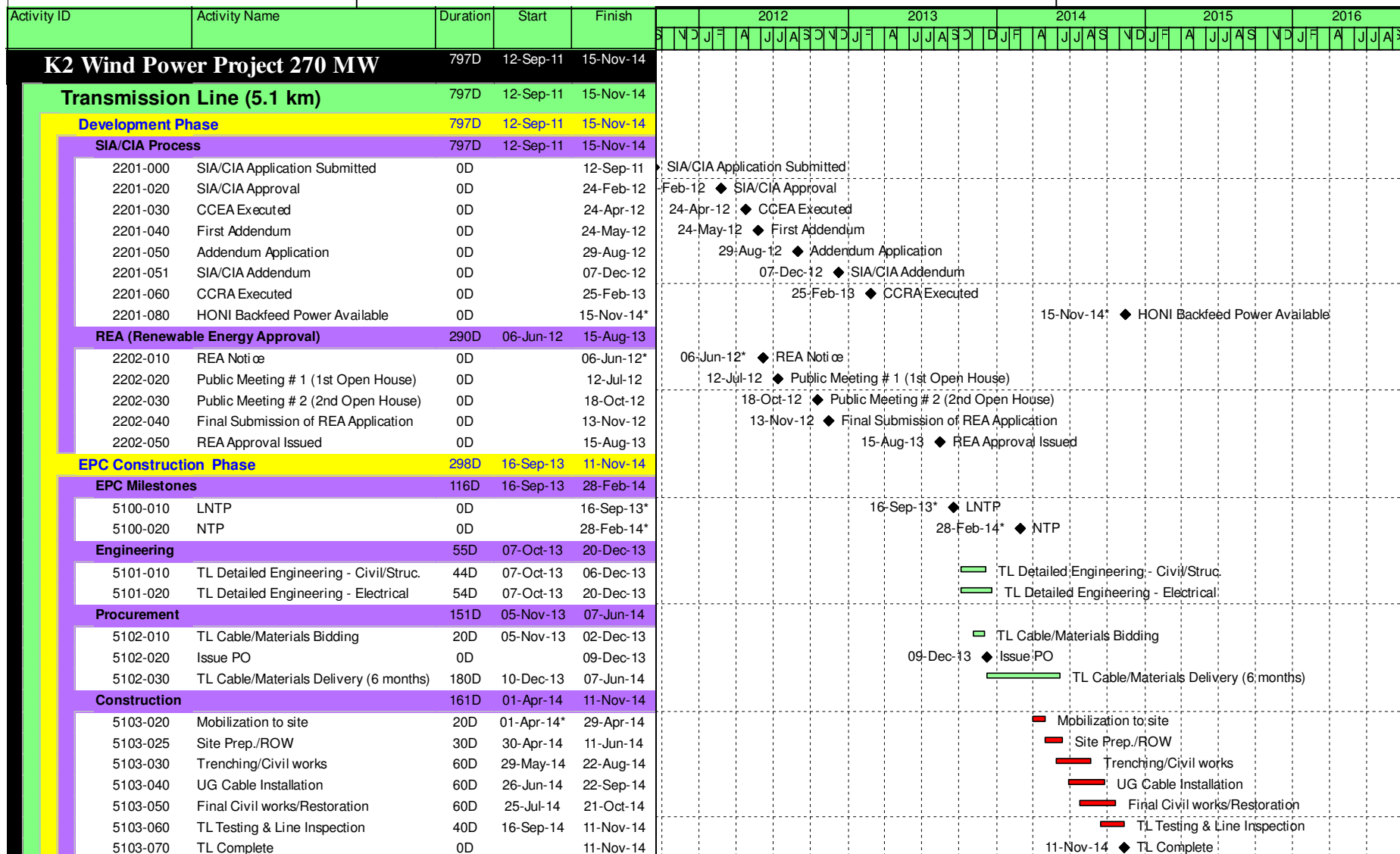
By: _____
Name: _____
Title: _____

EXHIBIT K

Intentionally Deleted.

Appendix 2

Project Schedule Rev.2



Remaining Level of Effort Remaining Work	Page 1 of 1	File Name: K2 Wind TL R2	Date	Revision	Chec...	Approved
	14-Mar-13	WO#: 161.973	14-Mar-13	Proposal Schedule Rev.2	AA	

Appendix 3

THIS ROAD USE AGREEMENT (“**Agreement**”) is made as of the ____ day of _____ , 2012

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH, a municipal corporation under the *Municipal Act, 2001*
hereinafter referred to as “**ACW**”

OF THE FIRST PART

- AND -

K2 WIND ONTARIO LIMITED PARTNERSHIP, an Ontario limited partnership,
by its general partner, **K2 WIND ONTARIO INC.**
hereinafter referred to as “**K2 Wind**”

OF THE SECOND PART

WHEREAS K2 Wind is developing an approximately 270 megawatt commercial wind energy project known as the K2 Wind Project (the “**Wind Project**”) in the Township of Ashfield-Colborne-Wawanosh (the “**Municipality**”) pursuant to a Power Purchase Agreement dated August 3, 2011, between the Ontario Power Authority and K2 Wind;

AND WHEREAS K2 Wind wishes to make use of certain Road Allowances, as hereinafter defined, to make deliveries of materials and components to, and to allow for construction, operation and maintenance of the Wind Project;

AND WHEREAS K2 Wind may wish to temporarily modify the alignment of certain Road Allowances to permit delivery or movement of oversized Wind Project components, including wind turbine blades, tower sections and nacelles;

AND WHEREAS K2 Wind also wishes to install, maintain and operate Electrical Infrastructure, as hereinafter defined, over, across, along, within or under certain Road Allowances pursuant to its statutory rights under the *Electricity Act, 1998*;

AND WHEREAS K2 Wind also wishes to connect private access roads from Wind Project turbines to the Road Allowances to permit ongoing access to the turbines during Wind Project operations;

NOW THEREFORE IN CONSIDERATION of the undertakings and agreements hereinafter expressed by the Parties, ACW and K2 Wind mutually covenant and agree as follows:

1. Interpretation

1.1 In this Agreement:

- (a) “**Applicable Law**” means all present or future applicable laws, statutes, regulations, treaties, judgements and decrees and all present or future applicable published directives, rules, policy statements and orders of any Public Authority and all applicable orders and decrees of courts and arbitrators to the extent, in each case, that the same are legally binding on the Parties in the context of this Agreement;
- (b) “**Deliveries**” is defined in Section 2.1(a);
- (c) “**Electrical Infrastructure**” means infrastructure for the transmission and distribution of electricity, including a line or lines of towers or poles and wires or cables (whether above ground or buried), for the transmission or distribution of electrical energy, and all foundations, footings, cross arms and other appliances, facilities and fixtures for use in connection therewith including without limitation, vaults and junction boxes (whether above or below ground), manholes, handholes, conduit, fiber optics, cables, wires, lines and other conductors of any nature, multiple above or below ground control, communications, data and radio relay systems, and telecommunications equipment, including without limitation, conduit, fiber optics, cables, wires and lines;
- (d) “**Entrance Work**” is defined in Section 2.1(b);
- (e) “**Entrances**” means points of access across and through the Road Allowances to be constructed by K2 Wind, as applicable, from the travelled portion of the road allowance connecting to certain private access roads that lead to Wind Project turbines and other infrastructure;
- (f) “**Force Majeure**” is defined in Section 12.2;
- (g) “**Installation Work**” means Road Work and other work involving or incidental to the installation, construction, enlargement, relocation or removal of Electrical Infrastructure and Entrances;
- (h) “**Municipality**” is defined in the first recital;
- (i) “**Party**” means ACW or K2 Wind as applicable and “**Parties**” means both ACW and K2 Wind;
- (j) “**Plans**” is defined in Section 5.1;
- (k) “**Public Authority**” means any governmental, federal, provincial, regional, municipal or local body having authority over ACW, K2 Wind, the Wind Project, the Electrical Infrastructure or the Road Allowances;
- (l) “**Repair Work**” means work involving the maintenance, repair and replacement of installed Electrical Infrastructure and Entrances that does not cause the location, elevation, position, layout or route of the Electrical Infrastructure or Entrance to materially change;

- (m) “**Road Allowance(s)**” means the common and public highways located in the Municipality that are owned or managed by ACW, and shall include ditches, driveways, sidewalks and sodded or other areas forming part of the Road Allowance and shall also include unopened Road Allowances;
- (n) “**Road Work**” is defined in Section 2.1(a);
- (o) “**Traffic Effects**” is defined in Section 4.3;
- (p) “**Transmission Work**” is defined in Section 2.1(c);
- (q) “**Tree Work**” is defined in Section 9.1;
- (r) “**Wind Project**” is defined in the first recital; and
- (s) “**Work**” means, collectively, Deliveries, Road Work, Entrance Work, Tree Work, Repair Work and Transmission Work as defined herein.

1.2 The following schedules to this Agreement are integral parts of this Agreement:

Schedule A - Plan showing applicable Road Allowances

Schedule B – Form of Acknowledgement and Consent Agreement

1.3 Nothing contained in this Agreement shall abrogate or prejudice any statutory rights held by either Party under Applicable Law, including but not limited to the *Ontario Energy Board Act, 1998*, the *Municipal Act, 2001*, the *Green Energy Act, 2009* and the *Electricity Act, 1998* as amended.

2. **Grant**

2.1 ACW grants K2 Wind the non-exclusive right to enter upon and use the Road Allowances with such persons, vehicles, equipment and machinery as may be necessary for purposes of:

- (a) transporting materials, components and equipment including overweight or over-size cargoes (subject to applicable seasonal load limitations) across or along Road Allowances to provide for the construction, maintenance, repair, replacement, relocation or removal of wind turbines for the Wind Project (“**Deliveries**”), and temporarily reconstructing or re-aligning road sections, turns and intersections on the Road Allowances to permit the passage of said overweight or over-size cargoes (“**Road Work**”);
- (b) constructing, maintaining and using Entrances to private wind turbine access roads (“**Entrance Work**”) provided that K2 Wind shall first acquire at its own expense any property rights to private lands required for the Entrance Work and shall apply for and obtain an entrance permit for each Entrance and pay the fees

for such permits, which shall not exceed the normal fees generally applicable to such applications and permits; and

- (c) installing, constructing, operating, inspecting, maintaining, altering, enlarging, repairing, replacing, relocating and removing Electrical Infrastructure over, along, across, within or under the Road Allowances in connection with the Wind Project (“**Transmission Work**”).

2.2 This Agreement shall become effective on the date that K2 Wind obtains a Renewable Energy Approval for the Wind Project under provincial law. and, unless earlier terminated, shall remain in effect until the Wind Project has been fully decommissioned and all necessary reclamation and restoration has been completed.

2.3 K2 Wind shall ensure that neither its Work nor its Electrical Infrastructure unduly interferes with the use of any Road Allowance by members of the public. Without limiting the generality of the foregoing, K2 Wind shall not be entitled to close or temporarily block any of the Road Allowances without the prior written consent of ACW, acting reasonably. K2 Wind acknowledges that the rights granted hereunder are non-exclusive, are in the nature of a License only, and do not constitute a grant of easement or any other permission other than as expressed herein in writing. ACW represents that it:

- (a) has legal and beneficial title to the Road Allowances and full power and authority to grant the rights over the Road Allowances in the manner set out in this Agreement;
- (b) has obtained the full and unconditional due authorization, execution and delivery of this Agreement by all required resolutions and other required municipal approvals; and
- (c) shall defend its title to the Road Allowances against any person or entity claiming any interest adverse to ACW in the Road Allowances during the term of this Agreement.

2.4 ACW agrees, in the event it decides to permanently close or dispose of any Road Allowance, or any part of a Road Allowance, to give K2 Wind reasonable advance written notice of such proposed closing or disposal and to grant and transfer to K2 Wind, at no cost to K2 Wind and prior to the proposed closure or disposal of the applicable Road Allowance, such easements and rights-of-way, in registrable form, over that part of the Road Allowance closed or disposed of sufficient to allow K2 Wind to preserve any part of the Electrical Infrastructure in its then existing location, to enter upon such closed or disposed of Road Allowance to perform Work in respect of such Electrical Infrastructure and to gain access to the Wind Project on the terms and conditions set out in this Agreement.

2.5 In the event that ACW decides to dispose of any Road Allowance or part thereof, ACW agrees to require the transferee or assignee of such Road Allowance, as a condition precedent to the transfer or assignment, to agree in writing with K2 Wind, in a form acceptable to K2 Wind acting reasonably, to be bound by the terms of this Agreement

and to assume ACW's obligations hereunder from and after the date of the transfer or assignment.

3. Conditions Precedent to Commencement of Work

- 3.1 K2 Wind shall not commence any Work unless and until it has obtained a Renewable Energy Approval (REA) from the Ministry of the Environment (MOE) pursuant to the provisions of the *Environmental Protection Act* and applicable regulations thereunder.
- 3.2 Prior to the commencement of any Work, K2 Wind shall arrange for and maintain liability insurance satisfactory to ACW, acting reasonably, insuring, for the joint benefit of K2 Wind, any lender(s) to K2 Wind and ACW as additional insureds, as against all claims, liabilities, losses, costs, damages or other expenses of every kind that K2 Wind, such lender(s) and ACW may incur or suffer as a consequence of personal injury, including death, and property damage arising out of or in any way incurred or suffered in connection with the Work as contemplated by this Agreement, which insurance, at a minimum, shall provide coverage with limits of liability not less than Ten Million Dollars (\$10,000,000) per incident until the Wind Project commences commercial operation and Five Million Dollars (\$5,000,000) per incident thereafter. K2 Wind shall satisfy ACW, from time to time upon reasonable request by ACW, that the premiums of such insurance have been paid and that such insurance is in full force and effect.
- 3.3 Prior to the commencement of any Work, K2 Wind and ACW shall document, by means of a video recording made by an independent consultant to be agreed upon by both Parties, or another means satisfactory to ACW acting reasonably, the then-existing condition of all Road Allowances that K2 Wind expects will or may be used for or subject to such Work, and both Parties shall receive a complete copy of such document. K2 Wind shall pay all costs thereof.
- 3.4 Prior to the commencement of any Work, K2 Wind shall provide a letter of credit to ACW in the amount of one hundred thousand dollars (\$100,000) to guarantee K2 Wind's performance of its obligations under subsection 4.4 hereof. ACW shall have the right to draw upon the security for the purpose of making repairs to the Road Allowances if K2 Wind has failed to meet its obligations in subsection 4.4 of this Agreement. ACW shall refund or release any undrawn security to K2 Wind no later than twelve (12) months after the completion of all Installation Work.

4. Work Generally

- 4.1 Notwithstanding and without limiting any other term hereof, K2 Wind agrees and undertakes that it will perform the Work at its own expense in accordance with and compliance with good engineering practices, applicable Plans and approved by ACW, this Agreement and Applicable Law.
- 4.2 K2 Wind further agrees to use commercially reasonable efforts to undertake and complete all Work so as to avoid unnecessary adverse impacts on public use of the Road Allowances.

- 4.3 Notwithstanding and without limiting any other term hereof, the Parties acknowledge that the Work from time to time may require the temporary modification of traffic patterns or the imposition of temporary restrictions on public access to or use of the Road Allowances (“**Traffic Effects**”). K2 Wind agrees to:
- (a) give five (5) days notice of anticipated Traffic Effects to ACW and to coordinate with ACW and local emergency services to minimize and mitigate any adverse impacts of the Traffic Effects and to ensure public safety; and
 - (b) use commercially reasonable efforts to maintain adequate public access to and use of the Road Allowances while Work is in progress and to remove the Traffic Effects as soon as reasonably possible following the completion of the Work.
 - (c) obtain consent from ACW (which consent shall not reasonably be withheld) in advance of undertaking any Work pursuant to this paragraph.
- 4.4 K2 Wind further agrees that, in the event that it becomes necessary to break, remove, or otherwise pierce the existing surface of any of the Road Allowances to undertake any Work, K2 Wind will in all cases repair, reinstate and restore such surface to the same or better condition which existed prior to the commencement of such Work and, further thereto, K2 Wind also agrees that it shall thereafter, for a period of twelve (12) months following completion of the applicable Work, monitor that portion of such restored Road Allowances, at the sole expense of K2 Wind, and repair any settling thereof caused by the Work, to the satisfaction of ACW, acting reasonably. In the event that K2 Wind shall fail to repair, reinstate and restore such Road Allowances, as aforesaid, then in such case, ACW may undertake the same and charge the reasonable costs thereof to K2 Wind. K2 shall provide ACW with a proposed specification for such restoration within 90 days of the execution of this Agreement.
- 4.5 K2 Wind agrees to make commercially reasonable efforts to rely on ACW road maintenance staff to implement measures to mitigate the Traffic Effects pursuant to subsection 4.3 of this Agreement and to repair, reinstate and restore the Road Allowances pursuant to subsection 4.4 of this Agreement, and K2 Wind agrees to reimburse ACW for the reasonable costs of any such work conducted by ACW staff, including ACW staff and supervisory time, and materials.
- 4.6 The Parties agree to cooperate with each other and with local emergency services and Hydro One Networks Inc. to develop and adopt protocols applicable in the event of an emergency involving the Electrical Infrastructure or the Work prior to the commencement of any Installation Work.
- 4.7 Notwithstanding any other provision of this Agreement, in the event of any emergency involving the Work or Electrical Infrastructure, K2 Wind shall notify the local emergency services immediately upon becoming aware of the situation and shall do all that is necessary and desirable to control the emergency, including such work in and to the Electrical Infrastructure or the Road Allowances as may be required for the purpose. For the purposes of this provision, “**emergency**” shall mean a sudden unexpected occasion or

combination of events necessitating immediate action. As soon as practical after the emergency is discovered, K2 Wind shall advise ACW by telephone and keep ACW advised through the emergency. If it becomes necessary for K2 Wind to exercise its emergency powers under this paragraph, K2 Wind shall forthwith make a written report to ACW of what work was done and the further work to be undertaken, if any, and seek the approval of ACW for the further work.

- 4.8 Notwithstanding the foregoing, K2 Wind shall not be required to carry out and shall not be responsible for any costs associated with any maintenance, repairs or restoration of the Road Allowances or any other road allowances other than as set out in this Agreement.

5. Installation Work

- 5.1 Prior to the commencement of Installation Work, K2 Wind shall file detailed plans with ACW that identify the location, size, elevation and scope of the Installation Work and demonstrate that the Installation Work will comply with applicable safety, technical and regulatory standards and the requirements of Applicable Law (the “**Plans**”).
- 5.2 ACW, acting reasonably and with diligence, shall review the Plans without delay after receipt from K2 Wind and either approve the Plans or advise K2 Wind in writing of any modifications or amendments to the Plans that ACW may seek and the reasons therefor. During its review of the Plans ACW shall be entitled to take into consideration any specific municipal or engineering interests affected by the Plans.
- 5.3 K2 Wind shall not proceed with the Installation Work before receiving:
- (a) written approval of the Plans from ACW, which approval shall not be unreasonably delayed, conditioned or withheld; and
 - (b) approval to proceed with the Installation Work from any other Public Authority having jurisdiction over the Installation Work, to the extent that Applicable Law requires such approval prior to the commencement of Installation Work.
- 5.4 The Parties agree that for Installation Work involving the construction or relocation of Entrances, K2 Wind shall submit applications to ACW to construct such Entrances using ACW’s standard form of application for entrances and driveways and shall pay ACW’s standard fees for such applications.
- 5.5 K2 Wind agrees to notify, prior to commencing Installation Work, any other person, entity or body operating any equipment, installations, utilities or other facilities within the Road Allowances or in the vicinity of the Road Allowances where Installation Work is to be conducted, of the details of the anticipated Installation Work so as to minimize the potential interference with or damage to such existing equipment, installations, utilities, and other facilities by the said Installation Work and so as to maintain the integrity and security thereof.

- 5.6 K2 Wind further agrees to commence, perform and complete the Installation Work in accordance with the Plans for such Installation Work approved by ACW in all material respects.
- 5.7 In the event that physical features of the Road Allowances or other obstacles or circumstances frustrate the ability of K2 Wind to complete the Installation Work in substantial compliance with the Plans approved by ACW, or render substantial compliance with the Plans commercially unreasonable, K2 Wind agrees to revise the relevant Plans and submit such revised Plans for review by ACW. ACW agrees to expedite the review of such revised Plans and shall not unreasonably condition or withhold its approval of such revised Plans.
- 5.8 K2 Wind agrees to deposit as-built drawings and plans with ACW within one hundred eighty (180) days after the completion of Installation Work showing the location and specifications of any Electrical Infrastructure installed over, along, across, under or within the Road Allowances and the location and specifications of any Entrances constructed pursuant to this Agreement.

6. Transmission Work

- 6.1 The Parties acknowledge and agree that K2 Wind, when undertaking the Transmission Work, will install Electrical Infrastructure within the Road Allowances below-grade except where below-grade installation is not practicable because of environmental, topographical or other obstacles, in which case K2 Wind shall consult with ACW with respect to installing parts or sections of the Electrical Infrastructure above grade. Locations where K2 Wind anticipates that above-grade Electrical Infrastructure may be required are tentatively shown on Schedule A. Any Plans submitted by K2 Wind in connection with Transmission Work shall identify the locations in which K2 Wind proposes to install above-grade Electrical Infrastructure and shall set out the reasons therefor. ACW agrees that it shall not unreasonably refuse to approve above-grade installation if warranted by local conditions.
- 6.2 Where practicable, if buried Electrical Infrastructure routes need to cross ACW roads, such crossings shall be constructed by boring underneath the roads instead of breaking open the surface of the roads. If buried Electrical Infrastructure routes need to cross a road in a location where a boring is not practicable for technical, right-of-way or environmental reasons, K2 Wind shall consult with ACW with respect to installing the Electrical Infrastructure through an open cut. ACW agrees that it shall not unreasonably refuse to approve an open cut installation if warranted by local conditions. K2 Wind further agrees to make commercially reasonable efforts to install the Electrical Infrastructure:
- (a) in the area between the roadside drainage ditch and the boundary of the Road Allowance, but if that is not practicable, K2 Wind shall consult with ACW ;
 - (b) at appropriate depths and/or elevations within the relevant Road Allowance so as to avoid conflicts with other existing infrastructure; and

- (c) in consistent locations within the Road Allowances such that the number of road crossings is minimized.
- 6.3 K2 Wind acknowledges and agrees that its rights under this Agreement to install Electrical Infrastructure over, along, across, within or under the Road Allowances are subject to the following rights:
 - (a) the right of free use of the Road Allowances by all persons or parties otherwise entitled to such use;
 - (b) the rights of the owners of the property adjoining any relevant Road Allowance to full access to and egress from their property and adjacent rights-of-way, highways, streets or walkways and the consequential right of such persons or parties to construct crossings and approaches from their property to any such right-of-way, highway, street, or walkway, subject to any necessary approvals from Public Authorities; and
 - (c) the rights and privileges that ACW may have previously granted to any other person or party to such Road Allowance or lands.
- 6.4 K2 Wind agrees at its sole expense to:
 - (a) mark the location of Electrical Infrastructure installed by K2 Wind within the Road Allowances with appropriate markings;
 - (b) participate in the “One Call” system to facilitate ongoing notice to the public of the location of the Electrical Infrastructure; and
 - (c) upon request of ACW through its officials or authorized agents, or otherwise, properly and accurately identify the location of any Electrical Infrastructure within the Municipality, such reports to identify the depth of the relevant portion of the Electrical Infrastructure, such request to be made in writing to K2 Wind with advance notice of ten (10) business days prior to ACW or a third party commencing work that may conflict with the Electrical Infrastructure.
- 6.5 The Parties agree and acknowledge that K2 Wind shall be entitled to relocate installed Electrical Infrastructure or Entrances on its own initiative by complying with the terms of this Agreement respecting Installation Work.
- 6.6 In the event that ACW, acting reasonably and with diligence, deems it necessary for ACW or ACW’s agents or contractors to modify or change the location of any part of the installed Electrical Infrastructure or Entrances (the “**Relocation**”), the required Installation Work shall be conducted by K2 Wind, within a reasonable period of time, in accordance with the terms of this Agreement respecting Installation Work, and the full costs of the Relocation shall be borne solely by ACW unless the Relocation is required by ACW’s Drainage Superintendent to deal with a drainage problem, in which case the costs shall be borne by K2 Wind.

- 6.7 In the event that ACW, acting reasonably and with diligence, deems it necessary that installed Electrical Infrastructure or Entrances be modified or relocated by a third party (“**Third Party Work**”), the required Installation Work shall be conducted by K2 Wind in accordance with the terms of this Agreement respecting Installation Work, and the full costs of such Installation Work shall be borne solely by the third party. ACW agrees to give K2 Wind sixty (60) days notice of the need for any such Third Party Work and to require that the relevant third party or parties bear the full cost of K2 Wind’s Installation Work and indemnify K2 Wind against all claims and liabilities arising from the required Installation Work as a condition precedent to any grant, permit or approval from ACW for the Third Party Work.

7. Repair Work

- 7.1 K2 Wind shall be entitled to conduct Repair Work without prior approval of ACW provided that:
- (a) all Repair Work complies with the requirements of Sections 4 and 9 of this Agreement; and
 - (b) K2 Wind gives at least five (5) days notice to ACW that Repair Work will occur if such Repair Work:
 - (i) will have or is likely to have Traffic Effects;
 - (ii) will involve or is likely to involve Tree Work as defined hereinafter; or
 - (iii) could present a danger to public health and safety.

8. Maintenance and Snow Clearance

- 8.1 K2 Wind acknowledges that the winter and year-round maintenance of the Road Allowances is, and will continue to be limited and that ACW does not provide twenty-four (24) hour snow maintenance on any of the Road Allowances, or any snow clearance at all on some Road Allowances. As K2 Wind may need to use uncleared Road Allowances to access Electrical Infrastructure and other components of the Wind Project, K2 Wind may clear snow from such Road Allowances from time to time and use such Road Allowances at its own risk, provided that K2 Wind shall save harmless and indemnify ACW, its servants, officers and Councillors and agents from all demands, losses, damages, costs, charges and expenses which may be claimed against ACW by any person or persons as a result of K2 Wind’s negligence in clearing snow from any Road Allowance.

9. Tree Work

- 9.1 In the event that K2 Wind, acting reasonably, deems it necessary for purposes of undertaking and completing Work, to cut, trim or remove trees or bushes growing in the Road Allowances (“**Tree Work**”), K2 Wind shall be entitled to conduct necessary Tree Work provided K2 Wind makes reasonable efforts to minimize the amount of Tree Work.

In the event that trees are removed from within the Road Allowances, K2 Wind agrees, at its sole expense, to remove the tree stump to a level below grade and to restore and remediate the surface of the Road Allowance in accordance with subsection 4.4 of this Agreement

- 9.2 In the event that Tree Work involves removal of trees from the Road Allowance, K2 Wind shall offer, in writing, to the adjacent landowner to replace, at K2 Wind's sole expense, such trees in accordance with the following protocol:
- (a) Trees below 7.5 cm dbh (diameter at breast height) will not be replaced;
 - (b) Trees 7.5 cm dbh or greater but less than 15 cm dbh will be replaced at a ratio of two (2) trees for each tree removed;
 - (c) Trees 15 cm dbh or greater but less than 30 cm dbh will be replaced at a ratio of three (3) trees for each tree removed; and
 - (d) Trees greater than 30 cm dbh will be replaced at a ratio of five (5) trees for each tree removed.
- 9.3 Written offers to replace trees pursuant to subsection 9.1 of this Agreement shall include the schedule of tree species listed on the Maitland Valley Conservation Authority Roadside/Windbreak Planting Program 2012 document and landowners receiving said offer shall be entitled to select from this schedule the tree species or mix of tree species they wish to receive as replacement trees.
- 9.4 In the event that an affected landowner does not wish to receive replacement trees, K2 Wind may, in its sole discretion, offer such trees to other neighbouring landowners or may cooperate with the Maitland Valley Conservation Authority to find suitable alternative locations for such trees within the Municipality.

10. Abandonment and Decommissioning of Electrical Infrastructure

- 10.1 During the term of this Agreement, the Parties agree that K2 Wind may elect to permanently discontinue the use of ("**abandon**") any part of the Electrical Infrastructure on at least sixty (60) days prior written notice of such abandonment to ACW specifying the part of the Electrical Infrastructure to be abandoned and the date when the abandonment will occur.
- 10.2 If K2 Wind abandons any part or all of the Electrical Infrastructure, K2 Wind shall have the right to remove such part of its Electrical Infrastructure as has been abandoned, but if K2 Wind does not remove the Electrical Infrastructure that has been abandoned, K2 Wind shall deactivate all abandoned Electrical Infrastructure and certify to ACW that such Electrical Infrastructure has been deactivated within sixty (60) days of its abandonment. If the location of any such abandoned Electrical Infrastructure interferes with the location of any construction, alteration, work or improvement undertaken by ACW, ACW may remove and dispose of so much of the abandoned and deactivated part of the Electrical Infrastructure as ACW may require for such purposes and neither Party

shall have recourse against the other for any loss, expense or damages occasioned thereby.

- 10.3 Within one hundred and eighty (180) days after the abandonment of any Electrical Infrastructure, K2 Wind shall consult with ACW in good faith to come to an agreement with respect to the decommissioning and removal or abandonment of such Electrical Infrastructure within the Road Allowances. The Parties anticipate that the principles for decommissioning articulated in the Decommissioning Report prepared for K2 Wind's "Renewable Energy Approval" application for the Project will generally apply to Electrical Infrastructure within Road Allowances. Notwithstanding the foregoing, ACW agrees that any abandoned Electrical Infrastructure buried at a depth of more than three (3) feet below the surface may be left in place and K2 Wind agrees that it shall at a minimum remove all of the above-ground components of abandoned Electrical Infrastructure from the Road Allowances at its sole cost and expense to the satisfaction of ACW, acting reasonably. Any abandoned Electrical Infrastructure that is finally left in place upon the completion of decommissioning shall become the property of ACW.

11. Assignment

- 11.1 K2 Wind may not assign this Agreement without the written consent of ACW, which shall not be unreasonably withheld, except that no consent shall be required (i) for K2 Wind to assign this Agreement to an affiliated or successor entity, or to a buyer of all or part of K2 Wind's interest in the Wind Project, provided that all payments due under this Agreement have been satisfied and the assignee agrees in writing to assume and fulfill all of the covenants, agreements, terms and provisions and to abide by all limitations set forth in this Agreement, or (ii) for purposes of securing indebtedness or other obligations respecting the Electrical Infrastructure or the Wind Project, provided that if the Secured Party realizes on the security and further assigns this Agreement, the assignee agrees in writing to assume and fulfill all of the covenants, agreements, terms and provisions and to abide by all limitations set forth in this Agreement. ACW acknowledges that a change in control of K2 Wind shall not be considered an assignment by K2 Wind of this Agreement or of any of K2 Wind's rights and obligations under this Agreement.
- 11.2 For greater certainty, K2 Wind shall be entitled to assign this Agreement and all of its rights thereunder without the consent of ACW to K2 Wind's lenders ("**Secured Parties**" or "**Secured Party**" as applicable) as security for K2 Wind's obligations to such Secured Parties which shall be further entitled to assign this Agreement and K2 Wind's rights thereunder in connection with an enforcement of their security. ACW hereby agrees to execute and deliver an Acknowledgement and Consent Agreement in favour of any applicable Secured Party or assignee thereof, in the form attached as Schedule B, or as may otherwise be agreed.
- 11.3 K2 Wind shall be entitled, with the written consent of ACW, which may not be unreasonably withheld or conditioned, to assign this Agreement to a transferee of the Wind Project other than an affiliated or successor company, and K2 Wind shall thereupon be released from any and all obligations under this Agreement from and after the date of such assignment, provided that such assignee has agreed in writing with ACW, in a form

acceptable to the assignee and ACW both acting reasonably, to be bound by the provisions of this Agreement from and after the date of the assignment.

12. Default

- 12.1 If a Party shall commit a breach of or omit to comply with any of the provisions of this Agreement (the “**Defaulting Party**”), the other Party (the “**Complainant**”) may give the Defaulting Party notice in writing specifying the breach complained of and indicating the intention of the Complainant to terminate this Agreement unless the Defaulting Party shall have remedied the breach within the period mentioned in the notice, which period shall be not less than sixty (60 days). If the Defaulting Party shall have within such notice period commenced to remedy the breach and has diligently pursued the remedying thereof, the Defaulting Party shall be allowed one hundred and fifty (150) days after the expiry of the original notice period to remedy the breach. After the expiration of the later of the applicable periods, this Agreement may, at the option of the Complainant, be terminated in which case the rights and obligations of the Parties shall be determined in accordance with Applicable Law.
- 12.2 Whenever, and to the extent that a Party will be unable to fulfil or will be delayed or restricted in the fulfillment of any obligation under any provision of this Agreement by reason of:
- (a) strikes;
 - (b) lock-outs;
 - (c) war or acts of military authority;
 - (d) rebellion or civil commotion;
 - (e) material or labour shortage not within the control of the affected Party;
 - (f) fire or explosion;
 - (g) flood, wind, water, earthquake, or other casualty;
 - (h) changes in Applicable Law not within the control of the affected Party, including the revocation by any Public Authority of any permit, privilege, right, approval, licence or similar permission in respect of the Wind Project;
 - (i) any event or matter not wholly or mainly within the control of the affected Party (other than lack of funds or any financial condition of the parties hereto); or,
 - (j) acts of God,
- (in each case a “**Force Majeure**”)

not caused by the default or act of or omission by that Party and not avoidable by the exercise or reasonable effort or foresight by it, then, so long as any such impediment exists, that Party will be relieved from the fulfillment of such obligation and the other Party will not be entitled to compensation for any damage, inconvenience, nuisance or discomfort thereby occasioned. The Party relying on Force Majeure will be required and is entitled to perform such obligation within a period of time immediately following the discontinuance of such impediment that is equal to the period of time that such impediment existed. A Party shall promptly notify the other Party of the occurrence of any Force Majeure, which might prevent or delay the doing or performance of acts or things required to be done or performed.

13. Dispute Resolution

- 13.1 In the event that either Party provides the other Party with written notice of a dispute regarding the interpretation or implementation of this Agreement (a “**Dispute**”) then both Parties shall use their best efforts to settle the Dispute by consulting and negotiating with each other in good faith to reach a solution satisfactory to both Parties. However, if the Parties do not resolve the Dispute within thirty (30) days following receipt of such notice, then either Party may provide written notice to the other Party (the “**Arbitration Notice**”) requiring resolution by arbitration and thereafter the Dispute shall be referred to arbitration in accordance with the provisions of the *Arbitration Act, 1991*.
- 13.2 The arbitration tribunal shall consist of one arbitrator appointed by mutual agreement of the Parties or, if the Parties fail to agree on an arbitrator within ten (10) days after receipt of the Arbitration Notice, then either Party may apply to a judge of the Superior Court of Justice to appoint an arbitrator. The arbitrator shall be qualified by education and training to pass upon the matter to be decided.
- 13.3 The arbitration shall be conducted in English and shall take place in Goderich, Ontario or another place mutually agreed upon by the Parties.
- 13.4 The arbitration award shall be given in writing and shall address the question of costs of the arbitration and all related matters. The arbitration award shall be final and binding on the Parties as to all questions of fact and shall be subject to appeal only with respect to matters of law or jurisdiction.
- 13.5 Except to the extent that a matter is specifically the subject of a Dispute, both Parties shall continue to observe and perform the terms and conditions of this Agreement pending the resolution of a Dispute.

14. Further Assurances

- 14.1 Each of the Parties covenants and agrees with the other that it will at all times hereafter execute and deliver, at the request of the other, all such further documents, agreements, deeds and instruments, and will do and perform all such acts as may be necessary to give full effect to the intent and meaning of this Agreement.

15. Liability

- 15.1 K2 Wind hereby acknowledges that its performance of the Work and operation of the Electrical Infrastructure and Wind Project are entirely at its own risk and ACW shall in no way and in no circumstances be responsible or liable to K2 Wind, its contractors, agents, or customers for any damage or losses in consequence thereof, regardless of how such damage or loss was suffered or incurred, other than damage or loss arising out of the negligence of, or a breach of this Agreement by, ACW, anyone directly or indirectly employed by ACW, or anyone for whose acts ACW is in law responsible.
- 15.2 K2 Wind will indemnify and save harmless ACW its servants, officers, councillors and agents from and against all claims, liabilities, losses, costs (including but not limited to legal costs as between a solicitor and his own client), damages, and other expenses of every kind that ACW may incur or suffer as a consequence of the negligent exercise of K2 Wind's rights under this Agreement, including but not limited to the Work undertaken by K2 Wind.
- 15.3 The Parties agree and acknowledge that no relationship is formed between the Parties in the nature of a joint venture, partnership, co-ownership arrangement or other similar relationship.

16. Notice

- 16.1 All notices, communications and requests for approval which may be or are required to be given by either party to the other herein shall be in writing and shall be given by delivery by courier or by facsimile addressed or sent as set out below or to such other address or facsimile number as may from time to time be the subject of a notice:

To the Corporation:

The Township of Ashfield-Colborne-Wawanosh
82133 Council Line
RR #5
Goderich, ON N7A 3Y2

Attention: Public Works Superintendent
Facsimile: 519-524-1951

To K2 Wind:

c/o Pattern Renewable Holdings Canada ULC
Pier 1, Bay 3
San Francisco, CA 94111

Attention: General Counsel
Facsimile: 415-362-7900

With a copy to:

Capital Power Corporation
70 York Street, Suite 1720
Toronto, ON M5J 1S9

Attention: Director, Business Development
Facsimile: 647-253-3710

- 16.2 Any notice, if delivered by courier, shall be deemed to have been validly and effectively given and received on the date of such delivery and if sent by facsimile with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the day it was received, whether or not such day is a business day.

17. Governing Law

- 17.1 This Agreement shall be governed by, and be construed and interpreted in accordance with, the laws of Ontario and the laws of Canada applicable in Ontario.

18. Miscellaneous

- 18.1 This Agreement may be executed by facsimile or PDF transmission and in one or more counterparts, all of which shall be considered one and the same Agreement.
- 18.2 This Agreement and the rights granted hereunder shall extend to, benefit and bind the parties hereto, their respective successors and permitted assigns.
- 18.3 The invalidity or unenforceability of any provision contained in this Agreement shall affect the validity or enforceability of such provision or covenant only and any such invalid provision shall be deemed to be severable from the balance of this Agreement, which shall be enforced to the greatest extent permitted by law.
- 18.4 No supplement, modification, amendment, or waiver of this Agreement shall be binding unless executed in writing by the Parties.
- 18.5 K2 Wind shall reimburse ACW for reasonable legal fees incurred in connection with the review of this Agreement up to a maximum of \$15,000.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective as of the date stated at the beginning of this Agreement.

**CORPORATION OF THE TOWNSHIP OF
ASHFIELD-COLBORNE-WAWANOSH**

Name:

Title:

Name:

Title:

**K2 WIND ONTARIO LIMITED
PARTNERSHIP** by its general partner, **K2
WIND ONTARIO INC.**

Name:

Title:

SCHEDULE “A”

Plan showing applicable Road Allowances

SCHEDULE "B"

ACKNOWLEDGEMENT AND CONSENT AGREEMENT

This Owner's Acknowledgement and Consent Agreement ("Acknowledgement") is made as of the ● day of ●, 201●, by and between the Corporation of the Township of Ashfield-Colborne-Wawanosh, a municipal corporation under the Municipal Act, 2001 (the "Owner") and ● (the "Agent") as agent pursuant to a credit agreement dated ●, 201● (as amended from time to time, the "Credit Agreement") among, inter alia, K2 Wind Ontario Limited Partnership (the "Borrower"), the Agent, ● and the other financial institutions from time to time party thereto, as lenders (collectively, the "Lenders") and ●, in its capacity as collateral agent under the Collateral Agency Agreement made as of ●, 201● (as amended from time to time, the "Collateral Agency Agreement") among ●, the persons who are, and from time to time become, parties thereto as guarantors, and ● (the "Collateral Agent"), as agent for the Secured Creditors (as defined therein).

WHEREAS:

A. The Borrower and the Owner entered into a Road Use Agreement dated ● (the "Agreement"), pursuant to which the Owner granted to the Borrower, inter alia, certain rights in connection with access to municipal roads (the "Rights") on the terms and conditions set out in the Agreement.

B. Pursuant to, respectively, the Credit Agreement and the Collateral Agency Agreement (and documentation delivered in connection therewith), the Agent and Collateral Agent, respectively, have been granted charges, mortgages, assignments and security interests (collectively, the "Security Interests") in all of the property, undertaking, assets, interests, rights and benefits of the Borrower, including without limitation, all of Borrower's interest in and rights under the Agreement (collectively, the "Collateral").

C. The Owner has agreed to execute and deliver this Acknowledgement to the Agent and the Collateral Agent pursuant to the provisions of the Agreement.

NOW THEREFORE in consideration of the sum of Two Dollars (\$2) paid by each of the Agent and the Collateral Agent to the Owner and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Owner hereby acknowledges, covenants and confirms to each of the Agent and the Collateral Agent, as follows:

1. The Owner consents to the creation of the Security Interests.
2. The Owner acknowledges that, following an event of default by the Borrower under the Credit Agreement or an event of default as defined in the Collateral Agency Agreement (each, an "Event of Default"), the Agent, the Lenders, the Collateral Agent or the Secured Creditors or any nominee or designee thereof or any receiver or receiver-manager (collectively, an "Agent Party") shall have the right to enforce the Security Interests, including, without limitation, the right to enjoy and enforce the rights of the Borrower under the Agreement and, in the course of the enforcement of such rights, shall be entitled to assign, transfer or otherwise dispose of the

Borrower's rights and interest in and under the Agreement, provided that in exercising such rights the Agent Party shall assume all of the liabilities and obligations of the Borrower under or in connection with the Agreement.

3. The Owner agrees:

- (a) to give each of the Agent and the Collateral Agent written notice (at the addresses below) of any default by the Borrower under the Agreement, concurrent with the delivery of such notice to the Borrower;
- (b) that if the Borrower fails to cure the breach or default identified in such notice, the Agent, the Collateral Agent or any other Agent Party may, but in no way shall be obligated to, cure such default and the Owner shall not terminate the Agreement or exercise any other remedy under the Agreement if the Agent, the Collateral Agent or any other Agent Party within 60 days of the date of receipt of the notice in section 3(a) above by the Collateral Agent is proceeding to cure such breach or default;
- (c) that upon a default by the Borrower under the Agreement, it shall not exercise any right to terminate if the Agent, the Collateral Agent or any other Agent Party or a nominee thereof agrees to assume the rights and obligations of the Borrower under the Agreement;
- (d) that if the Agreement is terminated or surrendered for any reason prior to the expiry of the term thereof, whether as a result of a default by the Borrower thereunder or otherwise, the Owner shall give notice of such termination to each of the Agent and the Collateral Agent and shall offer to enter into a new or replacement agreement (the "Replacement Agreement") with the Agent, the Collateral Agent or another Agent Party or other person designated by, as applicable, the Agent, the Collateral Agent or other Agent Party, which Replacement Agreement shall be upon the same terms and conditions as the Agreement; and
- (e) that if within 30 days of receipt of the notice referred to in item (d) above, the Agent or the Collateral Agent requests a Replacement Agreement, the Owner shall enter into such Replacement Agreement with, as applicable, the Agent, the Collateral Agent or another Agent Party or other person designated by the Agent or the Collateral Agent. Notwithstanding any of the foregoing, the Agent Party confirms and acknowledges that the Owner shall not be liable to the Agent Party for the non-delivery of any notice pursuant to subparagraph (a) above.

4. The Agent covenants and agrees with the Owner that during any period the Agent exercises its Security Interests and (either directly or indirectly through an Agent Party) forecloses upon the Agreement, or succeeds to the interest of the Borrower under the Agreement, it will assume all of the obligations of the Borrower under or in connection with the Agreement during such period, and thereafter observe and perform all of the Borrower's obligations under the Agreement.

5. The Collateral Agent covenants and agrees with the Owner that during any period the Collateral Agent exercises its Security Interests and (either directly or indirectly through an Agent Party) forecloses upon the Agreement, or succeeds to the interest of the Borrower under the Agreement, it will assume all of the obligations of the Borrower under or in connection with the Agreement during such period, and thereafter observe and perform all of the Borrower's obligations under the Agreement.
6. The Owner confirms and acknowledges that in the event that either the Agent or the Collateral Agent assigns, transfers or otherwise disposes of its interest in the Agreement pursuant to its Security Interests (a "Transfer"), and upon such assignee or transferee covenanting and agreeing in writing with the Owner to assume and perform all of the covenants and obligations of the Borrower pursuant to the Agreement, each of the Agent and the Collateral Agent shall, thereupon and without further agreement, be freed and relieved of all liability with respect to the Agreement from and after the effective date of such Transfer.
7. All notices hereunder shall be in writing, delivered by courier or sent by registered mail, return receipt requested, or by telecopy, to the respective parties and the addresses set forth on the signature page or at such other address as the receiving party shall designate in writing.
8. This Acknowledgement may be executed in any number of counterparts, shall be governed by the laws of the Province of Ontario and binds and inures to the benefit of the Agent, and its successors and assigns, the Collateral Agent, and its successors and assigns and shall be binding upon the Owner and its successors and assigns.
9. Each of the parties hereto agrees to do, make and execute all such further documents, agreements, assurances, acts, matters and things and take such further action as may be reasonably required by any other party hereto in order to more effectively carry out the true intent of this Acknowledgement.

10. The provisions of this Acknowledgement shall continue in effect until the Owner shall have received the written certification of the Agent and the Collateral Agent that all amounts advanced, and obligations arising, under the Credit Agreement and all Obligations (as defined in the Collateral Agency Agreement) have been paid and performed in full.

IN WITNESS WHEREOF this Acknowledgement is executed by the parties.

NOTICE OF ADDRESS:

CORPORATION OF THE TOWNSHIP OF
ASHFIELD-COLBORNE-WAWANOSH

By:
Name:
Title:

By:
Name:
Title:

We have authority to bind the Corporation

NOTICE OF ADDRESS:

[NAME OF AGENT] as Agent for the
Lenders and Secured Creditors

By:
Name:
Title:

I have authority to bind the Corporation.

NOTICE OF ADDRESS:

[NAME OF COLLATERAL AGENT] as
Agent for the Lenders and Secured Creditors

By:
Name:
Title:

I have authority to bind the Corporation.

This COMMUNITY BENEFITS FUND AGREEMENT (the “**Agreement**”) is entered into as of _____, 2012 (the “**Effective Date**”)

BETWEEN:

**THE CORPORATION OF THE TOWNSHIP OF
ASHFIELD-COLBORNE-WAWANOSH**, a municipal
corporation under the *Municipal Act, 2001*

hereinafter referred to as “**ACW**”

– AND –

K2 WIND ONTARIO LIMITED PARTNERSHIP, a limited
partnership having its registered office in the Province of Ontario

hereinafter referred to as “**K2 Wind**”

WHEREAS K2 Wind is developing a wind energy project known as the K2 Wind Project (the “**Project**” or the “**Wind Project**”) in the Municipality pursuant to a Power Purchase Agreement dated August 3, 2011, between the Ontario Power Authority and K2 Wind (the “**PPA**”);

AND WHEREAS K2 Wind and ACW (each a “**Party**” and collectively the “**Parties**”) wish to ensure that the Wind Project delivers benefits to all residents of the Municipality;

AND WHEREAS in order to further the goal of delivering Wind Project benefits to the Municipality, the Parties have agreed that ACW will establish and administer a community benefits fund to which K2 Wind will make donations;

AND WHEREAS the Parties have developed a mutual understanding of the scope, commercial terms and legal issues related to the establishment and administration of the Fund;

AND WHEREAS the Parties expect to enter into an agreement governing K2 Wind’s use of road allowances in the Municipality;

NOW THEREFORE IN CONSIDERATION of the undertakings and agreements hereinafter expressed by the Parties, ACW and K2 Wind mutually covenant and agree as follows:

1. Interpretation

1.1 In this Agreement,

(a) “**Additional Payments**” is defined in Section 4.7;

- (b) **“Annual Payments”** means K2 Wind’s annual donations to the Fund, as calculated pursuant to this Agreement;
- (c) **“Arbitration Notice”** is defined in Section 10.1;
- (d) **“Available Nameplate Capacity”** is defined in paragraph 4.1(a);
- (e) **“Commercial Operation Date”** means the Commercial Operation Date as defined in the PPA;
- (f) **“Dispute”** is defined in Section 10.1;
- (g) **“Dollars per Megawatt Factor”** is defined in paragraph 4.1(c);
- (h) **“Effective Date”** means the date of this Agreement;
- (i) **“Fund”** means the community benefits fund to be established by ACW pursuant to this Agreement;
- (j) **“Fund Report”** is defined in Section 3.2;
- (k) **“Incremental Tax Payment”** is defined in Section 4.6;
- (l) **“Municipal Projects”** means those projects developed or identified in accordance with this Agreement that are intended to be funded in whole or in part by the application of monies paid into the Fund;
- (m) **“Municipality”** means the Township of Ashfield-Colborne-Wawanosh;
- (n) **“Payment Offsets”** is defined in Section 4.4;
- (o) **“PPA”** is defined in the first recital;
- (p) **“Project”** and **“Wind Project”** are defined in the first recital;
- (q) **“Project Agreements and Permits”** means, collectively, agreements with ACW and permits and approvals required from ACW in connection with the Project, including, without limitation, the Road Use Agreement, agreements for the use of municipal property for purposes of Project infrastructure, building permits, severance consents, crossing permits, road entry permits and other required development agreements and approvals;
- (r) **“Road Use Agreement”** means an agreement between ACW and K2 Wind addressing the location of Project infrastructure in road allowances in the Municipality and related construction matters and the use of roads in the Municipality for the transportation of heavy and oversize loads to Project sites; and
- (s) **“Term”** is defined in Section 2.1.

- 1.2 The following schedule to this Agreement is an integral part of this Agreement:

Schedule A – List of Fees

- 1.3 Nothing contained in this Agreement shall abrogate or prejudice any statutory rights held by either Party under any applicable statutes including but not limited to the *Ontario Energy Board Act, 1998*, the *Municipal Act, 2001*, the *Green Energy Act, 2009* or the *Electricity Act, 1998*, as amended.
- 1.4 This Agreement is contingent upon the Parties entering into a mutually acceptable Road Use Agreement.
- 1.5 Within 30 days after the execution of this Agreement and a Road Use Agreement, the Parties shall issue a joint press release announcing this Agreement and the establishment of the Fund. K2 Wind may also make and publish announcements from time to time concerning the existence of the Fund and its features, including the projected contributions of K2 Wind.

2. Term

- 2.1 The “**Term**” of this Agreement shall be twenty (20) years, commencing upon the Commercial Operation Date of the Project as defined in the PPA. This Term coincides with the production term established in the PPA. If the term of the PPA is shortened or the PPA is terminated, then the Term shall be shortened to match the remaining term of the PPA. If the term of K2 Wind’s PPA is extended, or K2 Wind otherwise continues to operate the Wind Project after the expiration or termination of the PPA, then the Parties shall enter into good faith negotiations to extend the Term and amend this Agreement as appropriate to reflect K2 Wind’s continued operation of the Project under the circumstances then prevailing.

3. Establishment and Governance of the Fund

- 3.1 ACW shall establish the Fund by opening a reserve account in a Canadian Chartered Bank into which K2 Wind’s Annual Payments shall be deposited and held separate from all other accounts and funds held by ACW.
- 3.2 ACW shall provide to K2 Wind an annual accounting report on the status of the Fund, including but not limited to a reconciliation of all Annual Payments as against all disbursements and expenditures from the Fund, and on the calculation of any Payment Offsets (the “**Fund Report**”).
- 3.3 ACW shall, upon the request of K2 Wind acting reasonably, provide a full accounting of the Fund and the consideration of Payment Offsets, and shall permit K2 Wind or its agents to review Fund records and the data used by ACW to prepare the Fund Report and consider Payment Offsets, including without limitation financial records, correspondence and audit reports.

- 3.4 In respect of a request made by K2 Wind under Section 3.3, the Parties shall adhere to the following protocol:
- (a) K2 Wind's request shall be in writing and shall specify the nature of the request within the scope of Section 3.3;
 - (b) If a full accounting is requested, ACW shall provide same, certified by its Treasurer, within thirty (30) days of receipt of the request;
 - (c) ACW shall promptly respond to any follow up questions from K2 Wind regarding the full accounting;
 - (d) If a request is made by K2 Wind to review Fund records and data used to prepare the Fund Report and/or to consider and calculate Payment Offsets, ACW shall, within thirty (30) days of receipt of the request, make such documents available for review, during municipal business hours at ACW's offices, by K2 Wind and its consultants;
 - (e) None of the Fund records and data used by ACW shall be considered confidential or be otherwise withheld from K2 Wind or the public;
 - (f) K2 Wind may request that all, or some, of the documents be copied and provided to K2 Wind, and K2 Wind shall reimburse to ACW the reasonable cost of providing said copies; and
 - (g) Any disagreement under this Section 3.4 shall be considered a Dispute under Section 10 of this Agreement if it cannot be promptly resolved between the Parties.
- 3.5 ACW acknowledges and agrees that expenditures from the Fund by ACW shall be made only to support the Municipal Projects enumerated in this Agreement.
- 3.6 ACW shall establish and administer the Fund in accordance with and in compliance with all applicable law and any internal corporate codes of conduct applicable to the administration of the Fund and the expenditures of moneys by ACW.

4. Financial Donations to the Fund

- 4.1 K2 Wind agrees to make financial donations to the Fund in annual lump-sum payments (each an "**Annual Payment**") for each calendar year during the Term, as follows:
- (a) Subject to any Payment Offsets in accordance with Section 4.4, the Annual Payment for a particular year shall be calculated by multiplying the aggregate nameplate capacity of the Project that is available for operation at the beginning of that year, expressed in megawatts net of any turbine de-rating (the "**Available Nameplate Capacity**") by a factor of \$2,600 per megawatt (the "**Dollars per Megawatt Factor**"), adjusted for inflation as described in paragraph (c) below.

- (b) For the first calendar year of the Term, the Available Nameplate Capacity shall be determined as of the Commercial Operation Date. For any subsequent calendar year, the Available Nameplate Capacity shall be determined as of January 1 of that year, provided that if a turbine is out of service on January 1 of a particular year but is brought back into service before March 1 of that year it shall be deemed available for operation for that year.
 - (c) Reflecting the fact that 20 percent of the power price payable to K2 Wind under the PPA is subject to escalation, the Dollars per Megawatt Factor shall be adjusted on January 1 of each year by 20% of the percentage that the CPI for the immediately preceding December exceeds the CPI for January 2014.
- 4.2 K2 Wind shall be responsible for making Annual Payments to the Fund on the basis of the Available Nameplate Capacity of its Wind Project only, and not on the basis of the nameplate capacity of, or the electricity generated by, any other wind project that may be located in or operating in the Municipality, and not on the basis of money donated or paid into the Fund or similar funds by the operators of such other wind farms as may be located in or operating in the Municipality.
- 4.3 K2 Wind's Annual Payment to the Fund shall be paid yearly in a lump sum in respect of each calendar year, with the first payment being made within ninety (90) days after the Commercial Operation Date, and payments in subsequent years being made on or before September 30 of each year. The Annual Payments for the first and last partial calendar years of the Term shall be prorated using the percentage that the number of days in each such partial year is to 365.
- 4.4 K2 Wind's Annual Payment to the Fund shall be reduced, or rebated by ACW, as the case may be, on a dollar-for-dollar basis (the "**Payment Offset**") for
 - (a) that portion of municipal, county and education property taxes levied by ACW in the year of the Annual Payment that is attributable to:
 - (i) increases in tax rates applicable to wind turbines, distribution and transmission lines, transformer stations, access roads or other related infrastructure and real property that are enacted or come into effect after the Effective Date, to the extent such increases exceed rates of increase in the CPI by more than 50% during the period of time from the Commercial Operation Date through the date of the increase in tax rates; and
 - (ii) increases in the assessed values of wind turbines, distribution and transmission lines, transformer stations, access roads or other related infrastructure and real property after the Effective Date, to the extent such increases exceed (A) the previous year's assessed values by more than 50% or (B) the values that would have been assessed in 2011 (if the Wind Project as then existing had existed in 2011) by more than 150% (whichever exceedance is greater); and

- (b) the amount of any new charges, levies, deductions or taxes that may in the future be charged, applied or assessed by any governmental authority, including the Ontario Power Authority, against the Wind Project or revenues therefrom or to K2 Wind in respect of the Wind Project or revenues therefrom, other than income taxes of general application.
- 4.5 ACW shall consider and calculate any Payment Offset applicable under Sections 4.4(a)(i) and 4.4(a)(ii) by June 30 of each year during the Term, and shall advise K2 Wind of the results. K2 Wind shall advise ACW as soon as practicable of the amount of any new charges, levies, deductions or taxes within the meaning of Section 4.4(b). If the total amount of the Payment Offset cannot be determined for the year for which the Annual Payment is due before the Annual Payment must be paid by K2 Wind, so as to permit a reduction of the Annual Payment, then ACW agrees to promptly rebate to K2 Wind the amount of the Payment Offset under Sections 4.4(a)(i) and 4.4(a)(ii) once it has been determined. In all instances the amount of the Annual Payment paid by K2 Wind shall be reduced, in accordance with Section 4.4(b), by the amount of any new charges, levies, deductions or taxes in that year made or to be made by K2 Wind.
- 4.6 K2 Wind has agreed with the owners of lands on which wind turbines and other Project infrastructure will be located that it will reimburse them for the portion of their property taxes that is attributable to Project leases and infrastructure. To assist K2 Wind in making such payments to landowners, ACW agrees, subject to receiving the written consent of the landowner in each case, to send K2 Wind duplicate copies of property tax bills for those parcels on which Project infrastructure is located, as identified to ACW by K2 Wind.
- 4.7 Schedule “A” lists the current application and permit fees of general application which ACW intends to impose or expects will be imposed on K2 Wind related to the Project. ACW agrees that if K2 Wind is required to pay fees for Project Agreements and Permits in addition to those set out in Schedule “A,” or fees exceeding the fees set out in Schedule “A” by more than the percentage increase in the Ontario Consumer Price Index (All Items) after the Effective Date (“**Additional Payments**”), K2 Wind shall be entitled to reduce its first Annual Payment to the Fund by the amount of such Additional Payments, and if the amount of such Additional Payments is not fully recovered by reducing the first Annual Payment, subsequent Annual Payments shall be reduced until the Additional Payments have been fully recovered. For greater certainty, Additional Payments shall include any portion of Building Permit fees related to or calculated with respect to wind turbine components other than the foundation.

5. Landowner Contact Information

- 5.1 K2 Wind may make annual payments directly to the registered owner or owners, as shown on the tax roll for each year, of each parcel of land in the Municipality that is improved, as of the Effective Date, with a residential dwelling that is located wholly or in part within one kilometre of any Wind Project turbine. To facilitate such payments, ACW shall annually give K2 Wind a list of landowner contact information as shown on

the tax roll for parcels to be identified to ACW by K2 Wind, such list to be provided within 30 days after ACW receives the tax roll.

6. Use of the Fund

- 6.1 ACW agrees that the Fund shall be used exclusively for Municipal Projects as herein enumerated, and for no other purpose.
- 6.2 ACW shall consult with K2 Wind in advance of selecting Municipal Projects to be financed in whole or in part by monies from the Fund and ACW shall give due consideration to any comments or input that K2 Wind may offer with respect to selection of said Municipal Projects.
- 6.3 Prior to any material or significant expenditure of monies from the Fund ACW shall :
 - (a) Present such expenditure and the relevant Municipal Project as agenda items to be considered for approval by ACW's Council during a scheduled public meeting; or
 - (b) If public approval of the expenditure by ACW's Council is not required or is not appropriate, give K2 Wind ten (10) days notice in writing in advance of the expenditure from the Fund, specifying the intended expenditure.
- 6.4 ACW acknowledges and agrees that ACW must have the legal jurisdiction to undertake and finance the Municipal Projects selected for funding through the Fund. The Parties agree that the following Municipal Projects located wholly within the Municipality are generally appropriate for funding through the Fund:
 - (a) Undertakings relating to energy sustainability, including but not limited to municipal renewable energy systems, vehicle fleet efficiency upgrades, building energy efficiency upgrades, and conservation programs;
 - (b) Land stewardship initiatives including but not limited to natural habitat creation and improvement, tree planting, and shoreline rehabilitation;
 - (c) Public recreational facilities, including but not limited to the construction, renovation or rehabilitation of public arenas, parks and trails;
 - (d) Community and protective services, including but not limited to police, fire, emergency medical services and healthcare;
 - (e) Roads and municipal servicing infrastructure;
 - (f) Education and job training programs;
 - (g) Property tax relief for residents and businesses in the community as may be permitted under the *Municipal Act, 2001* for certain purposes; and

- (h) Other community related activities sanctioned by the community through public approval by the Council of ACW.
- 6.5 ACW agrees to publically acknowledge the contribution made by K2 Wind to any Municipal Projects, services, programs or activities funded in whole or in part by monies from the Fund. This shall be done in consultation with K2 Wind through appropriate signage or other advertising, branding or promotional opportunities, provided that any costs shall be the responsibility of K2 Wind.

7. Compliance with ACW Requirements

- 7.1 ACW acknowledges that K2 Wind has consulted in good faith with ACW with respect to material development decisions in respect of the Project, including without limitation a review and consideration of ACW's Wind Turbine Development Policy, as set out in By-Law No. 66-2010. ACW acknowledges that the Project is governed by provincial requirements for a Renewable Energy Approval under the Environmental Protection Act and other applicable provincial laws, regulations, guidelines and policies, which address and pre-empt certain requirements of ACW's Wind Turbine Development Policy, and that the Project has been designed in consideration of and substantially meets the requirements of those parts of ACW's Wind Turbine Development Policy that are not addressed or pre-empted by provincial laws, regulations, guidelines and policies, in a manner satisfactory to ACW. The foregoing is without prejudice to the right of ACW to submit specific comments to the Ministry of the Environment with respect to the Project in the municipal consultation form pursuant to the Renewable Energy Approval process.
- 7.2 If, as a result of statutory or regulatory amendments made after the Effective Date, the Project is required to comply with ACW's zoning by-law or other requirements in respect of land uses or site plan approval, ACW shall, in a timely manner, consider such approvals, variances and consents as may be required to enable the Project to proceed as currently planned.
- 7.3 ACW agrees to process all applications and requests made by K2 Wind to ACW on an expeditious basis and without delay, including but not limited to applications for Project Agreements and Permits, and ACW shall direct such resources as are necessary to ensure expeditious review of said applications and requests.

8. Liability

- 8.1 K2 Wind shall not incur any liability in any way related to the Municipal Projects, including without limitation the selection, financing, construction, operation, maintenance, repair and replacement of the Municipal Projects. ACW hereby agrees to indemnify and hold harmless K2 Wind in relation to the Municipal Projects in all respects, including from and against any and all losses, claims, actions, suits, proceedings, causes of action, demands, damages, judgments, executions, liens, liabilities, costs, charges, fees and expenses in connection with loss of life, personal injury, or damage to property, economic loss, or any other loss or injury whatsoever, in

any way related to a Municipal Project funded in whole or in part by monies from the Fund.

- 8.2 There is no relationship between the Parties in the nature of a joint venture, partnership, co-ownership arrangement or other similar relationship.

9. Default

- 9.1 Without prejudice to any other rights or remedies it may have, either Party shall be entitled to terminate this Agreement if the other Party (the “**Defaulting Party**”) fails to perform any material covenant or obligation hereunder and such failure is not remedied within fifteen (15) days after written notice of such failure is given to the Defaulting Party, provided that such cure period shall be extended by a further thirty (30) days from the expiry of the first notice if the Defaulting Party is diligently attempting to remedy such failure and such failure is capable of being cured within such extended cure period.
- 9.2 K2 Wind shall be entitled to terminate this Agreement if ACW passes any resolution or by-law which prevents the Project from proceeding substantially as proposed. This does not include any resolution or by-law passed by ACW in furtherance of the provisions of this Agreement. The foregoing is also without prejudice to right of ACW to submit specific comments to the Ministry of the Environment with respect to the Project in the Municipal Consultation form pursuant to the Renewable Energy Approval process.

10. Dispute Resolution

- 10.1 In the event that either Party provides the other Party with written notice of a dispute regarding the interpretation or implementation of this Agreement (a “**Dispute**”) then both Parties shall use their best efforts to settle the Dispute by consulting and negotiating with each other in good faith to reach a solution satisfactory to both Parties. However, if the Parties do not resolve the Dispute within thirty (30) days following receipt of such notice, then either Party may provide written notice to the other Party (the “**Arbitration Notice**”) requiring resolution by arbitration and thereafter the Dispute shall be referred to arbitration in accordance with the provisions of the *Arbitration Act, 1991*.
- 10.2 The arbitration tribunal shall consist of one arbitrator appointed by mutual agreement of the Parties or, if the Parties fail to agree on an arbitrator within ten (10) days after receipt of the Arbitration Notice, then either Party may apply to a judge of the Superior Court of Justice to appoint an arbitrator. The arbitrator shall be qualified by education and training to pass upon the matter to be decided.
- 10.3 The arbitration shall be conducted in English and shall take place in Goderich, Ontario or another place mutually agreed upon by the Parties.
- 10.4 The arbitration award shall be given in writing and shall address the question of costs of the arbitration and all related matters. The arbitration award shall be final and binding on the Parties as to all questions of fact and shall be subject to appeal only with respect to matters of law or jurisdiction.

- 10.5 Except to the extent that a matter is specifically the subject of a Dispute, both Parties shall continue to observe and perform the terms and conditions of this Agreement pending the resolution of a Dispute.

11. Further Assurances

- 11.1 Each of the Parties covenants and agrees with the other that it will at all times hereafter execute and deliver, at the request of the other, all such further documents, agreements, deeds and instruments, and will do and perform all such acts as may be necessary to give full effect to the intent and meaning of this Agreement.

12. Governing Law

- 12.1 This Agreement shall be governed by, and be construed and interpreted in accordance with, the laws of Ontario and the laws of Canada applicable in Ontario.

13. Assignment

- 13.1 K2 Wind may not assign this Agreement without the written consent of the Corporation, which shall not be unreasonably withheld, except that no consent shall be required (i) for K2 Wind to assign this Agreement to an affiliated or successor entity, or to a buyer of all or part of K2 Wind's interest in the Project, provided that all payments due under this Agreement have been satisfied and the assignee agrees in writing to assume and fulfill all of the covenants, agreements, terms and provisions and to abide by all limitations set forth in this Agreement, or (ii) for an assignment given by K2 Wind for purposes of securing indebtedness or other obligations respecting the Project, provided that if the secured party realizes on the security and further assigns this Agreement, the assignee agrees in writing to assume and fulfill all of the covenants, agreements, terms and provisions and to abide by all limitations set forth in this Agreement. For purposes of this section, a change in control of K2 Wind shall not be considered an assignment of this Agreement by K2 Wind.

- 13.2 This Agreement shall not be assignable by the Corporation, either absolutely or as security, but shall enure to the benefit of any successor to the Corporation resulting from an amalgamation or other reorganization under the *Municipal Act, 2001* or similar future legislation.

14. Negotiations and Related Costs

- 14.1 Each Party shall bear its own costs and expenses in connection with the preparation, negotiation, authorization, execution and delivery of this Agreement, except that ACW shall be reimbursed by K2Wind for reasonable legal fees incurred in connection with the review of this Agreement up to a maximum of \$15,000.

15. Notices

- 15.1 All notices, communications and requests for approval which may be or are required to be given by either party to the other herein shall be in writing and shall be given by

delivery by courier or by facsimile addressed or sent as set out below or to such other address or facsimile number as may from time to time be the subject of a notice:

To the Corporation:

The Township of Ashfield-Colborne-Wawanosh
82133 Council Line
RR #5
Goderich, ON N7A 3Y2

Attention: Administrator/Clerk-Treasurer
Facsimile: 519-524-1951

To K2 Wind:

c/o Pattern Renewable Holdings Canada ULC
Pier 1, Bay 3
San Francisco, CA 94111
Attention: General Counsel
Facsimile: 415-362-7900

With a copy to:

Capital Power Corporation
70 York Street, Suite 1720
Toronto, ON M5J 1S9

Attention: Director, Business Development
Facsimile: 647-253-3710

- 15.2 Any notice, if delivered by courier, shall be deemed to have been validly and effectively given and received on the date of such delivery and if sent by facsimile with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the day it was received, whether or not such day is a business day.

16. Miscellaneous

- 16.1 No supplement, modification, amendment, or waiver of this Agreement shall be binding unless executed in writing by the Parties.
- 16.2 Each obligation of the Parties hereto contained in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.
- 16.3 The invalidity or unenforceability of any provision or covenant contained in this Agreement shall affect the validity or enforceability of such provision or covenant only and any such invalid provision or covenant shall be deemed to be severable from the

balance of this Agreement, which shall be enforced to the greatest extent permitted by law.

- 16.4 Each covenant in this Agreement is a separate and independent covenant and a breach of covenant by either Party will not relieve the other Party from its obligation to perform each of its covenants, except as otherwise provided herein.
- 16.5 This Agreement may be executed by facsimile or PDF transmission and in one or more counterparts, all of which shall be considered one and the same Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives to be effective as of the Effective Date stated at the top of this Agreement.

**CORPORATION OF THE TOWNSHIP OF
ASHFIELD-COLBORNE-WAWANOSH**

Name:
Title:

Name:
Title:

**K2 WIND ONTARIO LIMITED
PARTNERSHIP** by its general partner, **K2
WIND ONTARIO INC.**

Name:
Title:

SCHEDULE “A”

List of Fees

BUILDING FEES

New Commercial, Industrial or Institutional and additions thereto:

\$60.00 plus \$0.50 per square foot of floor area

Wind Turbines:

\$60.00 plus \$12.00 per thousand of actual value of construction of footings and foundation.

9-1-1 PROPERTY SIGNS

Blade + Hardware \$45.00

ROAD DEPARTMENT

Entranceways

\$35.00 permit fee, \$300.00 + HST refundable deposit. A refund of \$300.00 + HST shall be refunded to the owner within 30 days upon completion and inspection.

Appendix 4



46 Victoria Street North • Goderich, ON N7A 2R6 • 519.524.2760

March 4, 2013

Name
Address Line
City, Province
Postal Code

Re: Letter of Comment to the Ontario Energy Board - K2 Wind Power Project

Dear:

We wish to acknowledge receipt of the form letter that you recently signed and sent to the Ontario Energy Board Secretary regarding the Leave to Construct Application for the K2 Wind Power Project ("the Project"). K2 Wind would like to provide information to you in response to concerns raised in that letter, although many of your comments are outside the scope and jurisdiction of the Ontario Energy Board (the "Board") in this proceeding.

The use of agricultural land (Outside Board Scope)

The letter comments on the use of agricultural lands in relation to wind projects. After construction, each turbine and its access road would on average use approximately one acre of land, depending on the length of the access road. The land will be restored for agricultural use following decommissioning of the Project.

Many of the landowners participating in the Project actively farm their land. They have told us of their deep commitment to farming, and their desire for a future in farming. We've worked closely with landowners on the locations of turbines and access roads so they can maximize land usage for farming activities.

Surplus power (Outside Board Scope)

K2 Wind is responding to the Ontario government's policy to develop additional sources of renewable power in the province. The design, implementation and long-term planning of Ontario's electricity markets are at the ultimate direction of the Government of Ontario. The surplus base load generation in Ontario results from the large percentage of provincial electric generation from nuclear power plants that cannot be curtailed, combined with reduced electric consumption since the recession of 2007-08.

Property values (Outside Board Scope)

The letter expresses concerns relating to property values in relation to wind projects, noting that there will be an "inevitable devaluation." We do not see any evidence for this view.

Based on recent information from the Municipal Property Assessment Corporation (MPAC), property values have continued to increase in many areas of Ontario where wind projects either exist or are proposed for development. For example:

- In Huron County, residential property values increased by an average of approximately 14.8% since 2008; farmland has increased by approximately 65.3% since 2008.

www.k2wind.ca

- In Bruce County, residential property values increased by an average of approximately 15.8% since 2008; farmland has increased by approximately 50.7% since 2008.
- In Grey County, residential property values increased by an average of approximately 16.3% per since 2008; farmland has increased by approximately 51.2% since 2008.

More information is available at www.mpac.ca.

There are a number of studies that have taken a detailed look at the impact of wind turbines on property values. A 2010 report by Canning Consultants Inc. studied 83 properties in the Chatham-Kent Region, finding that: "In the study area where wind farms were clearly visible, there was no empirical evidence to indicate that rural residential properties realized lower sale prices than similar residential properties within the same area that were outside of the view shed of a wind turbine." Copies of this and other studies on this matter can be found on the website of the Canadian Wind Energy Association at: www.canwea.ca/talkingaboutwind.

Transmission Line

K2 Wind is proposing to build a 230 kV transmission line that would connect the Project's transformer station to the substation. The transmission line would be buried underground, both within the municipal road allowance and on private lands. The underground cables which would be used contain a number of safety features which provide both electrical insulation and physical protection, to ensure that electricity is safely contained, and to protect the cables from damage in the event of accidental contact. The cables would be buried a minimum of 1.1 metres below the ground. A warning tape would be buried above the line, and underground cable markers would be installed in the road allowance every 20 metres, to mark the line's location. K2 Wind will ensure that all work completed is in compliance with applicable local and provincial safety codes, including but not limited to the Ontario Electrical Safety Code and the National Electrical Safety Code. K2 Wind will also join and maintain member status in the Ontario "One Call" service, to assist with in-field locates of the transmission line, as well as its other underground infrastructure.

The decision to locate the transmission and collector lines underground, wherever possible, was made in response to feedback from the community. We heard from several community residents and the Township Council, in its Wind Turbine Development Policy, who wanted K2 Wind to make efforts to bury its power lines to minimize the visual impact of equipment and infrastructure associated with the Project. K2 Wind listened to this request and as a result, almost all power lines for the Project will be buried.

Notice of Posting on the Environmental Registry

As part of the Renewable Energy Approval (REA) process, information about the Project has now been posted on the Environmental Registry of the Environmental Bill of Rights, 1993 (EBR) <http://www.ebr.gov.on.ca>. A 45-day public comment period commenced on February 15, 2013 and extends to April 1, 2013. This comment period allows community members to have an additional opportunity to provide feedback regarding the proposed Project directly to the Director of the Ministry of the Environment (MOE). The posting is located under Environmental Registry number 011-8307. Comments about the Project can be provided on the above mentioned website and can also be submitted to:

Shannon McNeill, Senior Project Evaluator, Ministry of the Environment – Operations Division
Environmental Approvals Branch
2 St. Clair Avenue West, Floor 12A
Toronto, Ontario M4V 1L5
Telephone: 416-326-6089 Fax: 416-314-8452
Toll Free Phone: 1-800-461-6290

Notice of the posting on the EBR was published in local newspapers and is available on our Project website at www.K2Wind.ca. Additionally, the final REA reports for the Project have been made available for review on the Project website.

We recognize that many in the community have concerns and on-going questions related to the K2 Wind Power Project and wind power in general. The K2 Wind Project Team has undertaken extensive work to share Project information with the community and to understand the community's questions and concerns regarding the Project and will continue to do so. Further information regarding the Project is available on K2 Wind's website at www.K2Wind.ca.

If you have any further questions, please contact us at 519.524.2760 or K2Wind@capitalpower.com.

Sincerely,

A handwritten signature in blue ink, reading "Paul F. Wendelgass". The signature is fluid and cursive, with the first name "Paul" being more prominent than the last name "Wendelgass".

Paul F. Wendelgass
Project Lead, K2 Wind

CC: Secretary, Ontario Energy Board

First Name	Last Name	Address 1	Address 2	City	Province	Postal Code
Anita L.	Frayne	84947 Bluewater Hwy	RR 3	Goderich	ON	N7A 3X9
Chris	MacLennan	RR 3		Goderich	ON	N7A 3X9
Melissa	MacLennan	RR 3		Goderich	ON	N7A 3X9
George	Adams	35966 Dungannon Road	RR 1	Dungannon	ON	N0M 1R0
Steve	Adams	RR 1		Dungannon	ON	N0M 1R0
Donna	Adams	RR 1		Dungannon	ON	N0M 1R0
Paul D.	Adams	RR 3		Goderich	ON	N7A 3X9
Susan	Brindley	RR 3		Goderich	ON	N7A 3X9
Jessica	Adams	RR 3		Goderich	ON	N7A 3X9
Sarah	Adams	RR 3		Goderich	ON	N7A 3X9
Becky	Adams	RR 3		Goderich	ON	N7A 3X9
Alec	MacLennan	RR 3		Goderich	ON	N7A 3X9
Wes	Hackett	RR 2		Lucknow	ON	N0G 2H0
Margaret	MacLennan	RR 3		Goderich	ON	N7A 3X9
Scott	Wilson	34180 Zion Road	RR 3	Goderich	ON	N7A 3X9
Luanne	MacLennan	RR 3		Goderich	ON	N7A 3X9
Don	MacLennan	RR 3		Goderich	ON	N7A 3X9
A	Hackett	36418 RR 2		Lucknow	ON	N0G 2H0
C.	Skinner-Wilson	34180 Zion Road	RR 3	Goderich	ON	N7A 3X9
Brian	Taylor	RR 3		Goderich	ON	N7A 3X9
Jack	McDonald	RR 3		Lucknow	ON	N0G 2H0
Kerri	Murray	85998 Halls Hill Line	RR 3	Lucknow	ON	N0G 2H0
Donald	Gilson	734 Stuoffer Street		Lucknow	ON	N0G 2H0
Jim	Farrish	RR 7		Lucknow	ON	N0G 2H0
Jack and Mary	Farrish	RR 7		Lucknow	ON	N0G 2H0
Charlene	Alton	36275 Belfast Road	RR 7	Lucknow	ON	N0G 2H0
Donald M.	Alton	36275 Belfast Road	RR 7	Lucknow	ON	N0G 2H0
Colleen	Zinn	RR 7		Lucknow	ON	N0G 2H0
Terry	Zinn	RR 7		Lucknow	ON	N0G 2H0
Katie	Brown	359 Clyde Street		Lucknow	ON	N0G 2H0
Dennis and Ashley	Andrew	35582 Zion Road		Lucknow	ON	N0G 2H0
Ken	Meriam	RR 3		Lucknow	ON	N0G 2H0
Donna	Meriam	RR 3		Lucknow	ON	N0G 2H0
Rosa	Meriam	RR 3		Lucknow	ON	N0G 2H0
Gloria	Hackett	36665 Belfast Road	RR 7	Lucknow	ON	N0G 2H0
Wayne	Hackett	RR 7		Lucknow	ON	N0G 2H0
Johanna	Scott	85839 Kerry's Line	RR 7	Lucknow	ON	N0G 2H0
Martin	Scott		RR 7	Lucknow	ON	N0G 2H0
Philip F.	McCann	36427 Belfast Road	RR 7	Lucknow	ON	N0G 2H0
Geraldine	McCann	36427 Belfast Road	RR 7	Lucknow	ON	N0G 2H0
Ed	Courtney		RR 7	Lucknow	ON	N0G 2H0
Jesse	Scott	359 Clyde Street		Lucknow	ON	N0G 2H0
Greg	Hackett	RR 3		Lucknow	ON	N0G 2H0
Emma	Hackett	85999 Hall's Hill Line		Lucknow	ON	N0G 2H0
Christine	Hackett	RR 3		Lucknow	ON	N0G 2H0
Ella	Miller	85763 Creek Line	RR 2	Lucknow	ON	N0G 2H0
Albert L.	Miller	85763 Creek Line	RR 2	Lucknow	ON	N0G 2H0
Susan A.	Miller	85763 Creek Line	RR 2	Lucknow	ON	N0G 2H0
Mary A.	Miller	85763 Creek Line	RR 2	Lucknow	ON	N0G 2H0
Clara A.	Miller	85763 Creek Line	RR 2	Lucknow	ON	N0G 2H0
Esther A.	Miller	85763 Creek Line	RR 2	Lucknow	ON	N0G 2H0
Sarah A.	Miller	85763 Creek Line	RR 2	Lucknow	ON	N0G 2H0
Miriam A.	Miller	85763 Creek Line	RR 2	Lucknow	ON	N0G 2H0
Jacob J.	Miller	37571 Glens Hill Road	RR 2	Auburn	ON	N0M 1E0
John	Miller	37571 Glens Hill Road	RR 2	Auburn	ON	N0M 1E0
Atlee	Stutzman	85078 Lucknow Line	RR 2	Lucknow	ON	N0G 2H0
Emma	Miller	37571 Glens Hill Road		Auburn	ON	N0G 1E0

First Name	Last Name	Address 1	Address 2	City	Province	Postal Code
Annie	Miller	37607 Glens Hill Road	RR 2	Auburn	ON	NOG 1E0
Annie J.	Miller	37128 Glens Hill Road	RR 2	Auburn	ON	N0G 1E0
Barbara J.	Miller	37571 Glens Hill Road	RR 2	Auburn	ON	N0G 1E0
Edward	Miller	31601 Glens Hill Road	RR 2	Auburn	ON	N0G 1E0
William J.	Miller	37571 Glens Hill Road	RR 2	Auburn	ON	N0M 1E0
Mrs. Noak	Stutzman	84407 Property Line Road	RR 2	Auburn	ON	N0M 1E0
Lydia N.	Stutzman	84407 Property Line Road	RR 2	Auburn	ON	N0M 1E0
Susie	Stutzman	85078 Lucknow Line	RR 2	Lucknow	ON	N0G 2H0
Mary	Shetler	85078 Lucknow Line		Lucknow	ON	N0G 2H0
Barbara	Stutzman	85078 Lucknow Line	RR 2	Lucknow	ON	N0G 2H0
William	Shetler	85078 Lucknow Line	RR 2	Lucknow	ON	N0G 2H0
Martha	Stutzman	85078 Lucknow Line	RR 2	Lucknow	ON	N0H 2H0
Lizzie	Shetler	84486 Property Line Road		Auburn	ON	N0M 1E0
Noah	Stutzman	RR 2		Auburn	ON	N0M 1E0
Noah	Stutzman	RR 2		Auburn	ON	N0M 1E0
Iva	Miller	85287 St. Augustine Line	RR 2	Lucknow	ON	N0G 2H0
Levi J.	Stutzman	37512 Belfast Riad	RR 2	Lucknow	ON	N0H 2H0
Edna	Miller	37430 Belgrave Road	RR 2	Lucknow	ON	N0G 2H0
Annie	Miller	37430 Belgrave Road	RR 2	Lucknow	ON	N0H 2H0
William	Shetler	37466 Belgrave Road		Lucknow	ON	N0H 2H0
Esther	Shetler	37466 Belgrave Road	RR 2	Lucknow	ON	N0G 2H0
Uriah	Miller	85722 Belgrave Road	RR 2	Lucknow	ON	N0G 2H0
Rebecca	Miller	37522 Belgrave Road	RR 2	Lucknow	ON	N0G 2H0
Mary	Byler	37473 Belgrave Road	RR 2	Lucknow	ON	N0G 2H0
Martha	Stutzman	37182 Belfast Road	RR 2	Lucknow	ON	N0G 2H0
Rebecca	Miller	85336 Lucknow Line		Lucknow	ON	N0G 2H0
Eli	Stutzman	37718 Belgrave Road	RR 2	Lucknow	ON	N0G 2H0
Andrew	Stutzman	37718 Belgrave Road	RR 2	Lucknow	ON	N0G 2H0
Emma	Miller	37718 Belgrave Road	RR 2	Lucknow	ON	N0G 2H0
Lewis H.	Miller	37748 Belgrave Road	RR 2	Lucknow	ON	N0G 2H0
Noah	Stutzman	85395 Creek Line	RR 2	Lucknow	ON	N0G 2H0
Edna	Stutzman	85395 Creek Line	RR 2	Lucknow	ON	N0G 2H0
Gideon S.	Miller	85542 Creek Line		Lucknow	ON	N0G 2H0
Elizabeth J.	Miller	85542 Creek Line	RR 2	Lucknow	ON	N0G 2H0
Jacob	Shetler	38122 Belfast Road	RR 2	Lucknow	ON	N0G 2H0
John L.	Shetler	38122 Belfast Road	RR 2	Lucknow	ON	N0G 2H0
Carla	Stachura	36726 Hawkins Road		Goderich	ON	N7A 3Y3
Dorrie	Brady	1632 Jubilee Drive		London	ON	N6G 5K4
Jim	Hogan	35751 Zion Road	RR 3	Lucknow	ON	N0G 2H0
Karla	Hogan	84690 Bluewater Highway	RR 3	Goderich	ON	N7A 3X9
Lisa	Courtney	36525 Belfast Road	RR 7	Lucknow	ON	N0G 2H0
Mary Frances	Frayne	5 Jacksway Crescent	Apt 219	London	ON	N5X 3T6
Michael	Stachura	36726 Hawkins Road		Goderich	ON	N7A 3Y3
Ron	Brady	1632 Jubilee Drive		London	ON	N6G 5K4
Robert	Brown	82855A Culbert Road		Goderich	ON	N7A 3X9
Tom	Hogan	85523 Division Line	RR 7	Lucknow	ON	N0G 2H0
Shannon	Hogan	85523 Division Line	RR 7	Lucknow	ON	N0G 2H0
Sandra	McWhinney	83461 River Mill Line	P.O Box 331	Goderich	ON	N7A 3Y3
Sara	Stachura	36726 Hawkins Road		Goderich	ON	N7A 3Y3
Tom	Hogan	84690 Bluewater Highway	RR 3	Goderich	ON	N7A 3X9
Tom	Melady	7265 Line 34	RR 2	Dublin	ON	N0K 1E0
Ruth	Ritchie	36666 Zion Road	RR 3	Lucknow	ON	N0G 2H0
William	Melick	440 Bayfield Road		Goderich	ON	N7A 4E7
Barbara	Carroll	RR 1		Bayfield	ON	N0M 1G0



46 Victoria Street North • Goderich, ON N7A 2R6 • 519.524.2760

March 6, 2013

George Alton
36365 Belfast Road, RR7
Lucknow, Ontario
N0G 2H0

Re: Letter of Comment to the Ontario Energy Board - K2 Wind Power Project

Dear Mr. Alton,

We wish to acknowledge receipt of the letter that you recently sent to the Ontario Energy Board Secretary regarding the Leave to Construct Application for the K2 Wind Power Project ("the Project"). K2 Wind would like to provide information to you in response to concerns raised in that letter, although many of your comments are outside the scope and jurisdiction of the Ontario Energy Board (the "Board") in this proceeding.

Project Mapping (Outside Board Scope)

Maps showing the proposed collector lines and the transmission line are included within the Project's Renewable Energy Approval (REA) documents on the Project website. If you would like a hard copy of a map showing all proposed collector lines, please contact the Project team.

Transmission Line

K2 Wind is proposing to build a 230 kV transmission line that would connect the Project's transformer station to the substation. The transmission line would be buried underground, both within the municipal road allowance and on private lands. The underground cables which would be used contain a number of safety features which provide both electrical insulation and physical protection, to ensure that electricity is safely contained, and to protect the cables from damage in the event of accidental contact. The cables would be buried a minimum of 1.1 metres below the ground. A warning tape would be buried above the line, and underground cable markers would be installed in the road allowance every 20 metres, to mark the line's location. K2 Wind will ensure that all work completed is in compliance with applicable local and provincial safety codes, including but not limited to the Ontario Electrical Safety Code and the National Electrical Safety Code. K2 Wind will also join and maintain member status in the Ontario "One Call" service, to assist with in-field locates of the transmission line, as well as its other underground infrastructure.

The decision to locate the transmission and collector lines underground, wherever possible, was made in response to feedback from the community. We heard from several community residents and ACW Township Council, in its Wind Turbine Development Policy, who wanted K2 Wind to make efforts to bury its power lines to minimize the visual impact of equipment and infrastructure associated with the Project. K2 Wind listened to this request and as a result, almost all power lines for the Project will be buried.

Stray voltage

Wind turbines do not contribute to stray voltage. Stray voltage may result from imbalances on the

www.k2wind.ca

electrical distribution system, particularly in rural areas, in areas where the distribution system may be less robust. Wind energy has been incorrectly associated with stray voltage because wind turbines are often installed in agricultural areas. Stray voltage is not a consequence of wind energy but rather changes in the use pattern of the existing electrical system. K2 Wind will attempt to minimize the risk of stray voltage and ensure the Project is built and maintained within acceptable levels as prescribed by all applicable codes and standards. We will investigate any situation in which a farmer suspects that the operation of K2 Wind may be affecting his or her livestock, although we are not aware of any ways by which livestock could be affected. Studies, reports, and other information on stray voltage can be found on the Ontario Energy Board's website about this issue at www.ontarioenergyboard.ca.

K2 Wind plans to install the transmission line and almost all of the collector lines underground. This means that the risk of K2 Wind causing any stray voltage issues on the local distribution system is extremely low, because the cables are physically separated from the local distribution system by a considerable distance, beyond which they could induce stray voltage into the distribution neutral lines.

Electromagnetic Fields (EMF)

The K2 Wind Project team continues to look towards industry experts with regards to wind turbines and public safety. Health Canada has indicated there is no clear human health effects associated with EMF. Wind turbines themselves do not cause health problems related to electromagnetic fields. Additional information on EMF is available from Health Canada at <http://www.hc-sc.gc.ca/hl-vs/iyh-vsv/envIRON/magnet-eng.php>.

K2 Wind's position is consistent with the consensus of large health organizations, such as Health Canada, the Federal-Provincial-Territorial Radiation Protection Committee and the World Health Organization, which have reviewed the literature related to EMF and possible adverse health effects. In addition, EPRI (Electric Power Research Institute) has established the largest electric and magnetic field health program in the world, and plays a pivotal role in resolving scientific questions regarding potential effects of EMF. EPRI has contributed over \$150 million towards EMF research. EPRI participated in both the IARC (International Agency for Research on Cancer) and NIEHS (National Institute of Environmental Health Sciences) studies, and contributed to the WHO (World Health Organization) study. After more than 35 years of research addressing health outcomes, EPRI has concluded that there is no conclusive evidence that magnetic fields adversely affect the health of human beings. For more information, please visit EPRI's website regarding EMF at <http://emf.epri.com/>.

As mentioned above, the Project Team plans to utilize underground electrical cables. The cables will be installed in close proximity in sets of three, one for each phase of electricity. Installing cables in this way is very effective at reducing EMF, because the electrical fields produced by each phase cancel each other out. This type of cable is very common in both wind power and non-wind power applications, and is known to not pose significant harm or risk to nearby homes, businesses, animals or people (applicable research is described in the above paragraph).

Property values (Outside Board Scope)

The letter expresses concerns relating to property values in relation to wind projects, noting that there will be an "inevitable devaluation." We do not see any evidence for this view.

Based on recent information from the Municipal Property Assessment Corporation (MPAC), property values have continued to increase in many areas of Ontario where wind projects either exist or are proposed for development. For example:

- In Huron County, residential property values increased by an average of approximately 14.8% since 2008; farmland has increased by approximately 65.3% since 2008.
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More information is available at www.mpac.ca.

There are a number of studies that have taken a detailed look at the impact of wind turbines on property values. A 2010 report by Canning Consultants Inc. studied 83 properties in the Chatham-Kent Region, finding that: "In the study area where wind farms were clearly visible, there was no empirical evidence to indicate that rural residential properties realized lower sale prices than similar residential properties within the same area that were outside of the view shed of a wind turbine." Copies of this and other studies on this matter can be found on the website of the Canadian Wind Energy Association at: www.canwea.ca/talkingaboutwind.

Water Contamination (Outside Board Scope)

Regarding your comments about water, we wish to note that the turbine base is quite shallow (less than 3 metres deep) with respect to groundwater and should not impact local groundwater quality. The type of excavations that would be used for the turbine foundations would be comparable in depth and size to those which would be made to construct a relatively large house. Turbine construction is not expected to pose a risk to groundwater quality or quantity. In the event that groundwater is encountered during the excavation for the foundation there would need to be some water removal, similar to any excavation. Mitigation has been proposed for monitoring the local groundwater such that if there are impacts to the local groundwater they can quickly be identified and corrected. Local groundwater wells would be monitored, as appropriate, at the approval of the landowner to watch for any impact to groundwater levels. In the event that an environmental incident occurred it would be immediately handled to protect the environment, including the groundwater.

Cost of wind power (Outside Board Scope)

K2 Wind is responding to the Ontario government's policy to develop additional sources of renewable power in the province. The design, implementation and long-term planning of Ontario's electricity markets are at the ultimate direction of the Government of Ontario. The surplus base load generation in Ontario results from the large percentage of provincial electric generation from nuclear power plants that cannot be curtailed, combined with reduced electric consumption since the recession of 2007-08.

Notice of Posting on the Environmental Registry

As part of the Renewable Energy Approval (REA) process, information about the Project has now been posted on the Environmental Registry of the Environmental Bill of Rights, 1993 (EBR) <http://www.ebr.gov.on.ca>. A 45-day public comment period commenced on February 15, 2013 and extends to April 1, 2013. This comment period allows community members to have an additional opportunity to provide feedback regarding the proposed Project directly to the Director of the Ministry of the Environment (MOE). The posting is located under Environmental Registry number 011-8307. Comments about the Project can be provided on the above mentioned website and can also be submitted to:

Shannon McNeill, Senior Project Evaluator, Ministry of the Environment – Operations Division
Environmental Approvals Branch
2 St. Clair Avenue West, Floor 12A
Toronto, Ontario M4V 1L5
Telephone: 416-326-6089 Fax: 416-314-8452
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Notice of the posting on the EBR was published in local newspapers and is available on our Project website at www.K2Wind.ca. Additionally, the final REA reports for the Project have been made available for review on the Project website.

We recognize that many in the community have concerns and on-going questions related to the K2 Wind Power Project and wind power in general. The K2 Wind Project Team has undertaken extensive

work to share Project information with the community and to understand the community's questions and concerns regarding the Project and will continue to do so. Further information regarding the Project is available on K2 Wind's website at www.K2Wind.ca.

If you have any further questions, please contact us at 519.524.2760 or K2Wind@capitalpower.com.

Sincerely,

A handwritten signature in blue ink, reading "Paul F. Wendelgass". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul F. Wendelgass
Project Lead, K2 Wind

CC: Secretary, Ontario Energy Board

March 4, 2013

Carla Stachura
36726 Hawkins Road
Goderich, Ontario
N7A 3Y3

Re: Letter of Comment to the Ontario Energy Board - K2 Wind Power Project

Dear Ms. Stachura,

We wish to acknowledge receipt of the e-mail that you recently sent to the Ontario Energy Board Secretary regarding the Leave to Construct Application for the K2 Wind Power Project ("the Project"). K2 Wind would like to provide information to you in response to concerns raised in that letter, although many of your comments are outside the scope and jurisdiction of the Ontario Energy Board (the "Board") in this proceeding.

Health Study (Outside Board Scope)

The provincial government has reviewed numerous studies that have already been conducted to establish regulatory requirements for wind projects in Ontario. K2 Wind is continuing with the Renewable Energy Approval ("REA") process and will meet those requirements in our work on the Project. Overall, we remain confident that – following provincial regulations – wind is a safe and environmentally responsible form of power generation. K2 Wind acknowledges that Health Canada's recently announced study has the potential to further contribute to the scientific literature and global knowledge base in this area, but we do not expect it to change the fundamental conclusions reached by a large number of studies around the world, that wind power is safe and environmentally responsible.

Setbacks (Outside Board Scope)

The Ontario government sets regulations regarding the planning and operating of wind farms within the province, including turbine setback distances from residences, roads and property lines. The government's current requirements are for turbines to be a minimum setback of 550 metres from non-participating landowners' homes. This setback is intended to ensure that sound levels generated by the Project do not exceed 40 dBA at these homes. This level is the sound one would hear in a quiet office or a common bedroom.

Property values (Outside Board Scope)

The letter expresses concerns relating to property values in relation to wind projects, noting that there will be an "inevitable devaluation." We do not see any evidence for this view.

Based on recent information from the Municipal Property Assessment Corporation (MPAC), property values have continued to increase in many areas of Ontario where wind projects either exist or are proposed for development. For example:

- In Huron County, residential property values increased by an average of approximately 14.8% since 2008; farmland has increased by approximately 65.3% since 2008.

- In Bruce County, residential property values increased by an average of approximately 15.8% since 2008; farmland has increased by approximately 50.7% since 2008.
- In Grey County, residential property values increased by an average of approximately 16.3% per since 2008; farmland has increased by approximately 51.2% since 2008.

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Transmission Line

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The decision to locate the transmission and collector lines underground, wherever possible, was made in response to feedback from the community. We heard from several community residents and Ashfield-Colborne-Wawanosh Township Council, in its Wind Turbine Development Policy, who wanted K2 Wind to make efforts to bury its power lines to minimize the visual impact of equipment and infrastructure associated with the Project. K2 Wind listened to this request and as a result, almost all power lines for the Project will be buried.

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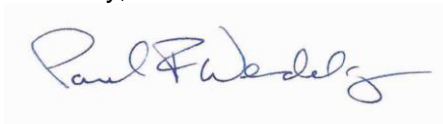
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Sincerely,

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Paul F. Wendelgass
Project Lead, K2 Wind

CC: Secretary, Ontario Energy Board

March 4, 2013

Helen Forster
RR 1
Ripley, Ontario
N0G 2R0

Re: Letter of Comment to the Ontario Energy Board - K2 Wind Power Project

Dear Ms. Forster,

We wish to acknowledge receipt of the letter that you recently sent to the Ontario Energy Board Secretary regarding the Leave to Construct Application for the K2 Wind Power Project ("the Project"). K2 Wind would like to provide information to you in response to concerns raised in that letter, although many of your comments are outside the scope and jurisdiction of the Ontario Energy Board (the "Board") in this proceeding.

Noise and Vibration (Outside Board Scope)

The Ontario government sets regulations regarding the planning and operating of wind farms within the province, including turbine setback distances from residences, roads and property lines. The government's current requirements are for turbines to be a minimum setback of 550 metres from non-participating landowners' homes. This setback is intended to ensure that sound levels generated by the Project do not exceed 40 dBA at these homes. This level is the sound one would hear in a quiet office or a common bedroom. The Project's Noise Assessment report is available on the Project's website at www.K2Wind.ca.

In December 2009, an international panel of experts conducted the most thorough review of its kind ever produced by a group of medical or scientific professionals on the subject of wind turbine sound and health effects. According to the panel of experts, "The ground-borne vibrations from wind turbines are too weak to be detected by, or to affect, humans" and "There is nothing unique about the sounds and vibrations emitted by wind turbines." To view this study, *Wind Turbine Sound and Health Effects – An Expert Panel Review* online, please visit www.canwea.ca/talkingaboutwind or contact the Project team if you would like a hard copy of the report.

Transmission of Electricity

K2 Wind would deliver power into the provincial grid which would meet or exceed the standards set by the transmitter (Hydro One Networks) and the System Operator (IESO). K2 Wind would work with Hydro One and IESO to address any issues which come up related to the interaction of our gathering system and the Hydro One distribution network.

Health (Outside Board Scope)

K2 Wind operates within a highly regulated industry. Whether we are planning, developing or operating a facility, like a wind project, there are regulations we must meet. The K2 Wind Project team continues to look towards industry experts with regards to wind turbines and public safety.

- To date, much study has been done on the effects of environmental sound on human health.

- Government Medical Agencies (e.g. Chief Medical Officer of Health of Ontario, Australian National Health and Medical Research Council, Chatham-Kent Public Health Unit) have reached the conclusion there does not appear to be a direct link to impact on human health, although there may be an annoyance aspect for some people.
- Ontario's Chief Medical Officer of Health has stated the following:

"...while some people living near wind turbines report symptoms such as dizziness, headaches, and sleep disturbance, the scientific evidence available to date does not demonstrate a direct causal link between wind turbine noise and adverse health effects. The sound level from wind turbines at common residential setbacks is not sufficient to cause hearing impairment or other direct health effects, although some people may find it annoying".

***The Potential Health Impact of Wind Turbines –
Chief Medical Officer of Health Report, Dr. Arlene King – May 2010***

- The Project would meet current application Ministry of the Environment guidelines regarding the planning, construction and operation of the K2 Wind Project.

Overall, we remain confident that – following provincial regulations – wind is a safe and environmentally responsible form of power generation.

Cost of Wind Power (Outside Board Scope)

K2 Wind is responding to the Ontario government's policy to develop additional sources of renewable power in the province. The design, implementation and long-term planning of Ontario's electricity markets are at the ultimate direction of the Government of Ontario. The surplus base load generation in Ontario results from the large percentage of provincial electric generation from nuclear power plants that cannot be curtailed, combined with reduced electric consumption since the recession of 2007-08.

Sharing Benefits (Outside Board Scope)

K2 Wind is working with the Township of Ashfield-Colborne-Wawanosh (ACW), regional businesses and area residents to ensure the community shares in the value and benefits of the Project. The direct economic benefits to the community from K2 Wind are estimated to be \$5 to \$6 million annually or over \$100 million over the 20 year life of the Project.

In August 2012, K2 Wind announced a new benefit for landowners who own homes within one kilometre of a Project turbine, the substation or the transformer station, and who are not already participating in the Project through land lease option agreements. The Community Renewable Energy Benefit (the "Benefit") will provide an annual payment of \$1,500 to eligible landowners over the 20-year life of the Project. The Benefit is voluntary. There are no restrictions on how landowners can spend the Benefit, and participation in the program in no way limits an individual's ability to comment or express opinions on the Project. The Energy Benefit is the direct result of input we received from local-area residents, who asked us to share additional benefits of the Project with the community. The Energy Benefit is not considered compensation and is entirely voluntary.

Property values (Outside Board Scope)

The letter expresses concerns relating to property values in relation to wind projects, noting that there will be an "inevitable devaluation." We do not see any evidence for this view.

Based on recent information from the Municipal Property Assessment Corporation (MPAC), property values have continued to increase in many areas of Ontario where wind projects either exist or are proposed for development. For example:

- In Huron County, residential property values increased by an average of approximately 14.8% since 2008; farmland has increased by approximately 65.3% since 2008.

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More information is available at www.mpac.ca.

Transmission Line

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If you have any further questions, please contact us at 519.524.2760 or K2Wind@capitalpower.com.

Sincerely,

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Paul F. Wendelgass
Project Lead, K2 Wind

CC: Secretary, Ontario Energy Board

March 4, 2013

Dr. Ross McKittrick, Ph.D.
Professor of Economics
University of Guelph
50 Stone Road East, 7th Floor MacKinnon
Guelph, ON N1G 2W1

Re: Letter of Comment to the Ontario Energy Board - K2 Wind Power Project

Dear Dr. McKittrick:

We wish to acknowledge receipt of the letter that you recently signed and sent to the Ontario Energy Board Secretary regarding the Leave to Construct Application for the K2 Wind Power Project (“the Project”). K2 Wind would like to provide information to you in response to concerns raised in that letter, although most of your comments are outside the scope and jurisdiction of the Ontario Energy Board (the “Board”) in this proceeding.

Surplus power (Outside Board Scope)

K2 Wind is responding to the Ontario government’s policy to develop additional sources of renewable power in the province. The design, implementation and long-term planning of Ontario’s electricity markets are at the ultimate direction of the Government of Ontario. The surplus base load generation in Ontario results from the large percentage of provincial electric generation from nuclear power plants that cannot be curtailed, combined with reduced electric consumption since the recession of 2007-08.

Employment Resulting from the Project (Outside Board Scope)

The K2 Wind Project will benefit the entire community, including providing direct and indirect employment opportunities. Over 600,000 person hours of direct employment and thousands of hours of indirect employment will be created during the 18-month construction period for the Project. We estimate that the construction payroll will be between \$25-30 million. During operations we anticipate there to be 18 to 24 permanent full-time local employees, generating about \$1.5 million of employment income each year. Annually, we will require at least \$150,000 to \$200,000 of additional services and materials from the local market.

In addition, K2 Wind is supporting the renewal of Ontario’s manufacturing sector. Hundreds of jobs will be created through the manufacturing of turbine blades and towers, development-stage work for construction trades, and ongoing operations, maintenance and support services.

Transmission Line

K2 Wind is proposing to build a 230 kV transmission line that would connect the Project’s transformer station to the substation. The transmission line would be buried underground, both within the municipal road allowance and on private lands. The underground cables which would be used contain a number of safety features which provide both electrical insulation and physical protection, to ensure that electricity is safely contained, and to protect the cables from damage in the event of accidental contact. The cables would be buried a minimum of 1.1 metres below the ground. A

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Sincerely,



Paul F. Wendelgass
Project Lead, K2 Wind

Cc: Secretary, Ontario Energy Board



46 Victoria Street North • Goderich, ON N7A 2R6 • 519.524.2760

March 4, 2013

Cecilia Miltenburg
36002A Belgrave Road
RR 7 Lucknow, Ontario
N0G 2H0

Re: Letter of Comment to the Ontario Energy Board - K2 Wind Power Project

Dear Ms. Miltenburg,

We wish to acknowledge receipt of the letter that you recently sent to the Ontario Energy Board Secretary regarding the Leave to Construct Application for the K2 Wind Power Project ("the Project"). K2 Wind would like to provide information to you in response to concerns raised in that letter although many of your comments are outside the scope and jurisdiction of the Ontario Energy Board (the "Board") in this proceeding.

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Intervenor Status

Regarding your comments on the group which filed for intervenor status, as you may be aware, the Ontario Energy Board has granted intervenor status to the ACW Residents Group. The Ontario Energy Board will proceed with the matter by way of written hearing.

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Sincerely,



Paul F. Wendelgass
Project Lead, K2 Wind

CC: Secretary, Ontario Energy Board

March 4, 2013

Michael Stachura
36726 Hawkins Road
Goderich, Ontario
N7A 3Y3

Re: Letter of Comment to the Ontario Energy Board - K2 Wind Power Project

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Sincerely,



Paul F. Wendelgass
Project Lead, K2 Wind

CC: Secretary, Ontario Energy Board

March 4, 2013

Heinz and Maureen Puhlmann
85089 Simpson Lane
RR #3 Goderich, ON
N7A 3X9

Re: Letter of Comment to the Ontario Energy Board - K2 Wind Power Project

Dear Mr. and Mrs. Puhlmann,

We wish to acknowledge receipt of the form letter that you recently sent to the Ontario Energy Board Secretary regarding the Leave to Construct Application for the K2 Wind Power Project ("the Project"). K2 Wind would like to provide information to you in response to concerns raised in that letter although many of your comments are outside the scope and jurisdiction of the Ontario Energy Board (the "Board") in this proceeding.

The use of agricultural land (Outside Board Scope)

The letter comments on the use of agricultural lands in relation to wind projects. After construction, each turbine and its access road would on average use approximately one acre of land, depending on the length of the access road. The land will be restored for agricultural use following decommissioning of the Project.

Many of the landowners participating in the Project actively farm their land. They have told us of their deep commitment to farming, and their desire for a future in farming. We've worked closely with landowners on the locations of turbines and access roads so they can maximize land usage for farming activities.

Surplus power (Outside Board Scope)

K2 Wind is responding to the Ontario government's policy to develop additional sources of renewable power in the province. The design, implementation and long-term planning of Ontario's electricity markets are at the ultimate direction of the Government of Ontario. The surplus base load generation in Ontario results from the large percentage of provincial electric generation from nuclear power plants that cannot be curtailed, combined with reduced electric consumption since the recession of 2007-08.

Property values (Outside Board Scope)

The letter expresses concerns relating to property values in relation to wind projects, noting that there will be an "inevitable devaluation." We do not see any evidence for this view.

Based on recent information from the Municipal Property Assessment Corporation (MPAC), property values have continued to increase in many areas of Ontario where wind projects either exist or are proposed for development. For example:

- In Huron County, residential property values increased by an average of approximately 14.8% since 2008; farmland has increased by approximately 65.3% since 2008.

- In Bruce County, residential property values increased by an average of approximately 15.8% since 2008; farmland has increased by approximately 50.7% since 2008.
- In Grey County, residential property values increased by an average of approximately 16.3% per since 2008; farmland has increased by approximately 51.2% since 2008.

More information is available at www.mpac.ca.

There are a number of studies that have taken a detailed look at the impact of wind turbines on property values. A 2010 report by Canning Consultants Inc. studied 83 properties in the Chatham-Kent Region, finding that: "In the study area where wind farms were clearly visible, there was no empirical evidence to indicate that rural residential properties realized lower sale prices than similar residential properties within the same area that were outside of the view shed of a wind turbine." Copies of this and other studies on this matter can be found on the website of the Canadian Wind Energy Association at: www.canwea.ca/talkingaboutwind.

Transmission Line

K2 Wind is proposing to build a 230 kV transmission line that would connect the Project's transformer station to the substation. The transmission line would be buried underground, both within the municipal road allowance and on private lands. The underground cables which would be used contain a number of safety features which provide both electrical insulation and physical protection, to ensure that electricity is safely contained, and to protect the cables from damage in the event of accidental contact. The cables would be buried a minimum of 1.1 metres below the ground. A warning tape would be buried above the line, and underground cable markers would be installed in the road allowance every 20 metres, to mark the line's location. K2 Wind will ensure that all work completed is in compliance with applicable local and provincial safety codes, including but not limited to the Ontario Electrical Safety Code and the National Electrical Safety Code. K2 Wind will also join and maintain member status in the Ontario "One Call" service, to assist with in-field locates of the transmission line, as well as its other underground infrastructure.

The decision to locate the transmission and collector lines underground, wherever possible, was made in response to feedback from the community. We heard from several community residents and the Ashfield-Colborne-Wawanosh Township Council, in its Wind Turbine Development Policy, who wanted K2 Wind to make efforts to bury its power lines to minimize the visual impact of equipment and infrastructure associated with the Project. K2 Wind listened to this request and as a result, almost all power lines for the Project will be buried.

Notice of Posting on the Environmental Registry

As part of the Renewable Energy Approval (REA) process, information about the Project has now been posted on the Environmental Registry of the Environmental Bill of Rights, 1993 (EBR) <http://www.ebr.gov.on.ca>. A 45-day public comment period commenced on February 15, 2013 and extends to April 1, 2013. This comment period allows community members to have an additional opportunity to provide feedback regarding the proposed Project directly to the Director of the Ministry of the Environment (MOE). The posting is located under Environmental Registry number 011-8307. Comments about the Project can be provided on the above mentioned website and can also be submitted to:

Shannon McNeill, Senior Project Evaluator, Ministry of the Environment – Operations Division
Environmental Approvals Branch
2 St. Clair Avenue West, Floor 12A
Toronto, Ontario M4V 1L5
Telephone: 416-326-6089 Fax: 416-314-8452
Toll Free Phone: 1-800-461-6290

Notice of the posting on the EBR was published in local newspapers and is available on our Project website at www.K2Wind.ca. Additionally, the final REA reports for the Project have been made available for review on the Project website.

We recognize that many in the community have concerns and on-going questions related to the K2 Wind Power Project and wind power in general. The K2 Wind Project Team has undertaken extensive work to share Project information with the community and to understand the community's questions and concerns regarding the Project and will continue to do so. Further information regarding the Project is available on K2 Wind's website at www.K2Wind.ca.

If you have any further questions, please contact us at 519.524.2760 or K2Wind@capitalpower.com.

Sincerely,

A handwritten signature in blue ink, reading "Paul F. Wendelgass". The signature is fluid and cursive, with the first name "Paul" and last name "Wendelgass" clearly legible.

Paul F. Wendelgass
Project Lead, K2 Wind

CC: Secretary, Ontario Energy Board

March 4, 2013

Marvin Scott
85839 Kerry's Line
RR 7 Lucknow, ON
N0G 2H0

Re: Letter of Comment to the Ontario Energy Board - K2 Wind Power Project

Dear Mr. Scott,

We wish to acknowledge receipt of the form letter that you recently signed and sent to the Ontario Energy Board Secretary regarding the Leave to Construct Application for the K2 Wind Power Project ("the Project"). K2 Wind would like to provide information to you in response to concerns raised in that letter although many of your comments are outside the scope and jurisdiction of the Ontario Energy Board (the "Board") in this proceeding.

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Tree Removal

K2 Wind will be consulting with Huron County, the Township of ACW and the Maitland Valley Conservation Authority (MVCA) regarding tree planting and replacement as a result of potential impacts from the Project to existing trees on road allowances. Although the intent is to avoid tree removal in significant woodlands, tree removal may be necessary within the road allowances that overlap with significant woodlands for health and safety reasons. In the event that tree removal is required, it will be completed in consultation with the MVCA and a certified arborist. As appropriate, and in consultation with the relevant parties (government, conservation authority, adjacent landowner), K2 Wind will replace trees removed with tree species native to the ecoregion in an alternate location. The preferred option is to plant replacement trees at a suitable location on the landowner's property. If a suitable location is not available on the landowner's property, a suitable offsite location within the Project area will be identified through consultation with MVCA and/or ACW Township.

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If you have any further questions, please contact us at 519.524.2760 or K2Wind@capitalpower.com.

Sincerely,

A handwritten signature in blue ink, reading "Paul F. Wendelgass". The signature is fluid and cursive, with the first name "Paul" being more prominent.

Paul F. Wendelgass
Project Lead, K2 Wind

CC: Secretary, Ontario Energy Board

Appendix 5

Generation Facility Connection and Cost Recovery Agreement

between

K2 WIND ONTARIO LIMITED PARTNERSHIP

and

Hydro One Networks Inc.



for

CONNECTION OF GENERATION FACILITY

This Generation Facility Connection and Cost Recovery Agreement made in duplicate as of the 25th day of February, 2013.

I. K2 Wind Ontario Limited Partnership (the “**Generator Customer**”) has requested and Hydro One Networks Inc. (“**Hydro One**”) is agreeable to performing the work required to connect the Generation Facility to Hydro One’s transmission system at the Connection Point on the terms and conditions set forth in this agreement, Schedules “A” – Scope of Work- Work Chargeable to Generator Customer, “B” – Scope of Work- Work Not Chargeable to Generator Customer, “C” - Generator Connection Work, “D” - Estimated Capital Contribution, Payment Schedule and Miscellaneous, “E” – Statement of Engineering and Construction Costs, “F” – Form of Grant of Easement in Gross, “G” - Form of Access Easement, “H” - Form of Early Access Agreement, “I” – Form of Agreement of Purchase and Sale and the Standard Terms and Conditions V2012-2 attached hereto (the “**Standard Terms and Conditions**” or “**T&C**”) (collectively, the “**Agreement**”).

II. Each party represents and warrants to the other that:

- (a) it is duly incorporated, formed or registered (as applicable) under the laws of its jurisdiction of incorporation, formation or registration (as applicable);
- (b) it has all the necessary corporate power, authority and capacity to enter into the Agreement and to perform its obligations hereunder;
- (c) the execution, delivery and performance of the Agreement by it has been duly authorized by all necessary corporate and/or governmental and/or other organizational action and does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a violation, a breach or a default under or give rise to termination, greater rights or increased costs, amendment or cancellation or the acceleration of any obligation under (i) its charter or by-law instruments; (ii) any contracts or instruments to which it is bound; or any laws applicable to it;
- (d) any individual executing this Agreement, and any document in connection herewith, on its behalf has been duly authorized by it to execute this Agreement and has the full power and authority to bind it;
- (e) the Agreement constitutes a legal and binding obligation on it, enforceable against it in accordance with its terms;
- (f) it is registered for purposes of Part IX of the *Excise Tax Act* (Canada). The HST registration number for Hydro One is 87086-5821 RT0001 and the HST registration number for the Generator Customer is 852324284 RT0001 ; and
- (g) no proceedings have been instituted by or against it with respect to bankruptcy, insolvency, liquidation or dissolution.

IIIA. Subject to Subsection IIIB below, and provided that:

- (a) the Generator Customer executes and delivers this Agreement to Hydro One by no later than end of business day February 22^d, 2013 (the “**Execution Date**”); and
- (b) the Generator Customer makes all of the payments specified in Section 2.1 of Schedule “D” of this Agreement by the dates specified therein;

Hydro One agrees to use reasonable efforts to:

- (i) ensure that the part of the Hydro One Work required such that the Generation Customer owned 500 kV substation known as K2 Wind CGS may be connected to Hydro One’s transmission system at 500 kV circuit B563L through the proposed Ashfield Switching Station (the “SS”) that would be constructed, owned and operated by Hydro One is ready for energization to feed construction power radially to the Generation Customer’s Facilities (the “**Backfeed Work**”) by November 15, 2014 (the “**Backfeed Date**”); and
- (ii) have that part of the Hydro One Work required to be constructed, installed, commissioned and energized in order for the Generator Customer to synchronize the Generator Customer’s Facilities to Hydro One’s transmission system (the “**Synchronization Work**”) completed by December 15, 2014 (the “**Ready for Service Date**”), or such earlier date after the Backfeed Date as determined by Hydro One, acting reasonably;

B. Any one or more of the following occurrences may delay the Hydro One Work; and if the Hydro One Work is thereby delayed, the Generator Customer acknowledges and agrees that the Backfeed Date and/or the Ready for Service Date specified in Subsection IIIA above may be postponed by Hydro One, and Hydro One shall not be responsible for any losses or damages suffered as a result of any delays associated with any of the foregoing to the extent that the said occurrences delay the Hydro One Work:

- (a) the Generator Customer does not fully complete all of the Generator Customer Connection Work (including, but not limited to the Generator Customer's Facilities being fully constructed) in accordance with the terms and conditions of this Agreement and is not ready for commissioning by September 15, 2014;
- (b) the Generator Customer not being in compliance with all of its obligations under this Agreement;
- (c) Hydro One not being able to obtain outages from the IESO required for any portion of the Hydro One Work when required;
- (d) the IESO making any changes to any portion of the Hydro One Work or the scheduling of all or any portion of the Hydro One Work;
- (e) Hydro One having to perform a full class Environmental Assessment or an individual Environmental Assessment in respect of all or a portion of the Hydro One Work;
- (f) Hydro One not receiving or obtaining prior to the dates upon which Hydro One requires any or one or more of the following under any Applicable Laws, which it will make commercially reasonable efforts to obtain:
 - (i) environmental approvals, permits or certificates;
 - (ii) land use permits from the Crown; and
 - (iii) building permits and site plan approvals;
- (h) Hydro One having to use its employees, agents and contractors performing the Hydro One Work elsewhere on its transmission system or distribution system due to an Emergency (as that term is defined in the Transmission System Code) or an Event of Force Majeure;
- (i) Hydro One not being able to obtain materials or equipment required from suppliers in time to meet the project schedule for any portion of the Hydro One Work after making commercially reasonable efforts to obtain same;
- (j) the Generator Customer not obtaining, on Hydro One's behalf, all of the easement and other land rights that Hydro One requires the Generator Customer to obtain on Hydro One's behalf in accordance with the terms of this Agreement as identified in Schedule "D" by the dates specified in Schedule "D";
- (k) where applicable, Hydro One not receiving Leave to Construct by the Approval Date specified in Schedule "D" of the Agreement;
- (l) the Generator Customer not authorizing the expenditure of Premium Costs if Hydro One seeks authorization under Section 14 of the T&C; and
- (m) the Generator Customer not obtaining its REA by [REDACTED] which date is 20 Business Days prior to the date that Hydro One needs to perform alterations or construction at the proposed site(s) of the Hydro One Work in order for Hydro One to meet the Backfeed Date and the Ready for Service Date specified above as Hydro One does not submit its Class EA screen-out to the Ministry until the Generator Customer has obtained its REA;
- (n) the Generator Customer's REA being stayed, suspended or revoked;
- (o) the Generator Customer's REA is appealed and after expeditiously reviewing same, Hydro One determines, subject to the terms set forth in Schedule "A", Part 8 of this Agreement, that the nature and basis of the appeal materially impacts Hydro One's ability to use or rely on or continue to use or rely on the Class EA screen-out that that Hydro One is preparing or has prepared and submitted;;
- (p) the Generator Customer failing to maintain compliance with any terms or conditions of its REA;
- (q) Hydro One not being able to rely upon and use the Generator Customer's Environmental and Archaeological Studies, Provincial and Federal Agency Feedback, Notifications and Consultation Records for the purposes of Hydro One obtaining any environmental approvals (including, but not limited to its, Class EA screen-out), permits or certificates required in respect of all or any portion of the Hydro One Work; and
- (r) Hydro One encountering delays due to any persons challenging the adequacy or sufficiency of the Environmental and Archaeological Studies and/or the Consultations in respect of all or any portion of the Hydro One Work.

C. Should Hydro One not be able to rely upon and use the Generator Customer's Environmental and Archaeological Studies, Provincial and Federal Agency Feedback, Notifications and Consultation Records

(collectively, the "Generator's REA Documents"), in whole or in part, for the purposes of Hydro One obtaining any environmental approvals, permits or certificates (including, but not limited to its, Class EA screen-out) required in respect of all or any portion of the Hydro One Work, Hydro One and the Generator acknowledge and agree that:

- (1) Hydro One will be entitled to recover from the Generator Customer any additional costs for any additional studies or work required to be performed in order for Hydro One to submit its Class EA screen-out or submit another Class EA screen-out for all or any portion of the Hydro One Connection Work, as the case may be; and
- (2) Hydro One shall not be entitled to recover any damages from the Generator Customer or its consultants in respect of Hydro One's inability to rely upon the Generator's REA Documents, in whole or in part.

D. The Generator Customer acknowledges and agrees that the Backfeed Date and the Ready for Service Date may be materially affected by difficulties with obtaining or the inability to obtain all necessary land rights and/or environmental approvals, permits or certificates.

IV. Subject to Section 19 of the T&C, this Agreement shall be in full force and effect and binding on the parties as of the date first written above and shall expire on the In Service Date (the "**Term**"). The obligation to pay any amount due and payable under the terms of this Agreement shall survive the termination of the Agreement.

V. Any written notice required by this Agreement shall be deemed properly given only if either mailed or delivered to the Secretary, Hydro One Networks Inc., 483 Bay Street, North Tower, 15th Floor, Toronto, Ontario M5G 2P5, fax (416) 345-6240 on behalf of Hydro One, and to **(insert title, address and fax number)** on behalf of the Generator Customer. A faxed notice will be deemed to be received on the date of the fax if received before 4 p.m. or on the next Business Day if received after 4 p.m. Notices sent by courier or registered mail shall be deemed to have been received on the date indicated on the delivery receipt. The designation of the person to be so notified or the address of such person may be changed at any time by either party by written notice.

VI. Acknowledgements re. Appeal of Generator Customer's REA

INTENTIONALLY DELETED

VII. Acknowledgements re. Letter Agreement

Hydro One and the Generator Customer are parties to a Pre-CCRA Letter Agreement for Advance Payment of Engineering Design Work and Procurement of Certain Equipment Prior to Execution of a Generation Facility Connection and Cost Recovery Agreement for K2 Wind Ontario Limited Partnership Project dated July 17, 2012; (the "**Letter Agreement**");

- (i) pursuant to which the Generator Customer provided an Advance Payments of \$540,000.00 (plus HST in the amount of \$70,000.00 (the "**Advance Payment**") for performance of the Advance Work (as that term is defined in the Study Agreement) (hereinafter referred to as the "**Study Agreement Advance Work**"); and
- (ii) which required that the scope of the Study Agreement Advance Work to be performed by Hydro One would be included in the Scope of Work and the cost estimate under this Agreement;
- (iii) which required that the Advance Payment be credited against the amounts payable by the Generator Customer under the terms of this Agreement; and
- (iv) which provided that the Letter Agreement would be superseded by this Agreement.

VIII. Additional Provisions :

The Generator Customer and Hydro One agree that notwithstanding anything to the contrary in the T&C:

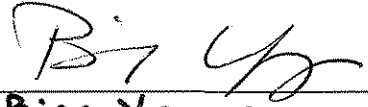
- (a) that the Generator Customer may assign this Agreement to an affiliate of Pattern Renewable Holdings Canada ULC, Samsung Renewable Energy, Inc. or Capital Power Corp. or to a person under common control by such persons, to whom the Generator Customer's interest in the Generation Facility is transferred and, provided that such transferee enters into an assumption agreement with Hydro One to assume all of the Generator Customer's obligations in this Agreement, the Generator Customer will be released from its obligations hereunder;
- (b) that the Generator Customer may disclose Hydro One's Confidential Information as required for the development and operation of the Generation Facility including to the Generator Customer's affiliates, joint venture partners and their respective affiliates, any governmental authority including the Ontario Power Authority, the IESO, any LDC and its affiliates, or any Lenders or potential lenders or investors, contractors, subcontractors, consultants, suppliers, agents or legal, financial or professional advisors (collectively, the "Third Parties") subject to the Generator Customer taking all precautions as may be reasonable and necessary to prevent unauthorized use of Hydro One's Confidential Information by such Third Parties but which shall not prevent any disclosure that may be required by law or regulatory requirements. The Generator Customer is solely responsible to ensure that the Third Parties are bound by the confidentiality terms of this Agreement and that the Generator Customer shall defend, indemnify and hold harmless Hydro One from and against all suits actions, damages, claims and costs arising out of any breach of the confidentiality terms of this Agreement by any one or more of the Third Parties. With respect to the return or destruction of Confidential Information, the receiving party may nevertheless maintain a single confidential copy in the office of its general counsel of the Confidential Information as a record of the material provided hereunder, and the receiving party shall not be deemed to have retained or failed to destroy any Confidential Information which is in electronic form if such information is deleted from local hard drives so long as no attempt is made to recover such information from servers or back-up sources; and
- (c) that the definition of "Lender" also includes any public or private entity providing or considering providing financing (including credit support and hedges) in connection with the Generation Facility, including such entity's directors, officers, employees and independent contractors or its consultants, agents or legal, financial or professional advisors.

IX. This Agreement:


- (i) subject to Section 30 of the Standard Terms and Conditions, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior oral or written representations and agreements concerning the subject matter of this Agreement;
- (ii) shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (iii) may be executed in counterparts, including facsimile counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by the signatures of their proper officers, as of the day and year first written above.

HYDRO ONE NETWORKS INC.


Name: Bing Young
Title: Director, System Development.
I have the authority to bind the Corporation.

K2 WIND ONTARIO LIMITED PARTNERSHIP,
BY ITS GENERAL PARTNER K2WIND ONTARIO INC.


Name: Colin Edwards
Title: Director

I have the authority to bind K2 Wind Ontario Inc. K2 Wind Ontario Inc. has the authority to bind the Limited Partnership.

Schedule "A": Scope of Work – Work Chargeable to Customer

Hydro One will provide project management, engineering, equipment and material, construction and commissioning of new and modified Hydro One facilities for all work pertaining to the Connection of the Generator Customer's Facilities to Hydro One's transmission system and described in this Schedule "A".

The scope of the work is based on the requirements from:

- the IESO's System Impact Assessment (SIA) Report dated February 24, 2012 (CAA ID #2011-452;
- the IESO's System Impact Assessment (SIA) Addendum Reports dated June 15, 2012 (CAA ID #2011-452;
- the IESO's System Impact Assessment (SIA) 2nd Addendum Reports dated December 7, 2012 (CAA ID #2011-452;
- Hydro One's Customer Impact Assessment (CIA) Report dated February 24, 2012;
- Hydro One's Customer Impact Assessment (CIA) Addendum Report dated June 15, 2012; and
- Hydro One's Customer Impact Assessment (CIA) 2nd Addendum Report dated December 4, 2012.

Hydro One, or its agents, will supply and install all materials and equipment not specifically described herein that are required or may be necessary to complete the work for the purpose required.

Introduction:

The Generator Customer is developing 270 MW of wind energy generation located in Huron County, Ontario. The Generation Facility will consist of 140 Siemens 2.3 MW wind turbines connected to 10 (ten) 34.5 kV collector feeders in groups of 13 to 16 wind turbines. Five of the collector will be connected directly onto a 34.5/500 kV transformer in the Generator Customer owned 500 kV generating station to be called K2 Wind Customer Generating Station (the "CGS" or K2Wind CGS") and the other five collector circuits will be connected into an intermediate 34.5/230 kV Generator Customer transformer station and then connected to K2 Wind CGS via an underground 230 kV cable and then transformed to 500 kV. The Generator Customer owned K2 Wind CGS will be connected to Hydro One's transmission system at 500 kV circuit B563L by a new Hydro One owned switching station to be named Ashfield SS which is proposed to be located

between the Bruce B SS and Longwood TS at approximately 62.5 km from Hydro One's Bruce B SS. Ashfield SS will be located just East of and adjacent to Hydro One's B562/563L Right-Of-Way (ROW).

K2 Wind CGS will be located adjacent to Ashfield SS. At K2 Wind CGS, the power will be transformed to 500 kV nominal via two transformers rated at 530/230 kV 96/128/160 MVA and 530/34.5 kV 105/140/175 MVA. The 500 kV bus at K2 Wind CGS will connect to the new Hydro One 500 kV class bus at Ashfield SS.

Part 1: Line Work

Hydro One will perform the following activities and/or provide the following deliverables associated with Lines Engineering work related to the construction of Ashfield SS, the connection of the Generator Customer's Facilities to Ashfield SS and the connection of Ashfield SS to Hydro One's transmission system: .

Ashfield SS – Connection to Transmission System:

Sectionalize existing circuit B563L Activities:

- Sectionalize circuit B563L into two new sections known as B563A and A565L as shown in Figure 1 below.

Figure 1 – Ashfield SS and K2 Wind CGS

- Temporary move middle phase of circuit B563L on tower #234 towards tower shaft, reinforce middle arm to accommodate change as required
- Construct one (1) new dead-end tower similar to V1H-A (+20' ext) approximately 23 m (c/c) from existing tower #234, with additional arms to provide line drop and loop support
- After new dead-end tower is built, dead-end circuit B563L on the new tower; existing tower will carry circuit B562L only, transfer one sky wire to new dead-end tower
- Check the integrity of existing tower structures, making modifications where necessary
- Design and install foundations and structures

High Voltage Line Drops and Intermediate Tapping Structures:

For B563A section:

- Design and provide high voltage line drops into Ashfield SS by building three (3) new tapping structures
- String all three phases from one end of new dead-end tower structure to 3 new tapping structures and then on to the 500 kV ring bus.

For A565L section:

- Design and provide high voltage line drops into Ashfield SS by stringing all three phases from one end of new dead-end tower structure to the other and then on to 500 kV ring bus.
- Size the new 500 kV line tap conductors to be at least 4-bundle 585 kcmil, with skywire to be 7#5.
- Provide and install insulators and line hardware required for line tap work.

1.1 General

The specific line engineering work will cover the following activities /deliverables to be performed/provided by Hydro One:

- Design and prepare drawings for line layout for the 500 kV line taps into Ashfield SS
- Optimize line tap location, orientation and type of structures
- Design line tapping arrangement and produce line tapping drawings
- Provide sag and tension for conductor and ground wire
- Design and prepare drawings footings, structural, and electrical/hardware
- Where Hydro One deems necessary, install appropriate solutions to address public safety concerns regarding the facilities being constructed by Hydro One, which may include, but is not limited to, safety enclosures and signage.
- Update all existing drawings as required
- Provide bill of materials for engineered line components
- Provide final design documents including registration into SAP
- Provide technical support to construction

- Participate in project team meetings
- Prepare stringing charts as required

Assumptions/Notes:

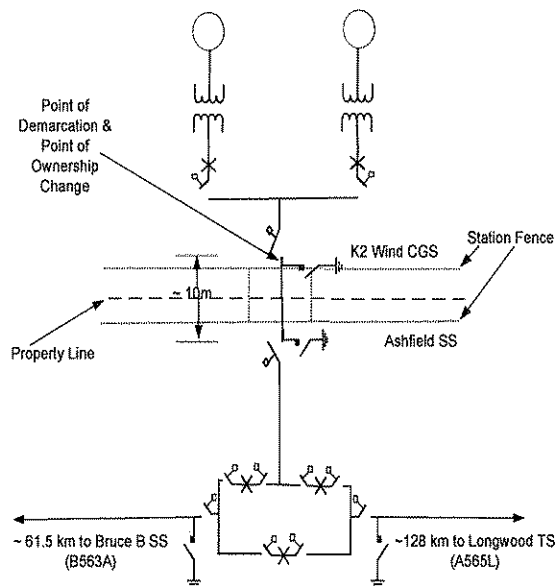
- i. Ownership of required lands on commercially reasonable terms are obtained and easements where/ if required, are in place. Generator Customer to provide Hydro One access for surveying and testing purposes of lands required for Hydro One Work by [REDACTED] as required by Hydro One.
- ii. That normal, stable soil conditions exist and permanent soil erosion and sediment controls will not be required at the new dead-end tower or tapping structures. Soil condition suitable for augured/spread footings,
- iii. That there is no pipeline at the new dead end or tapping tower structure locations, other than field drainage tiles and it is assumed that these will not impact Hydro One's current design,
- iv. That there is no low voltage line interfering with the new structure designs
- v. If Mid-Span Opener's (MSO's) required, will be at locations that are easily accessible by line-repair or bucket truck
- vi. Outages are available when required.
- vii. Access to the site is available,
- viii. Build temporary access road if required,
- ix. Orientation of line entrance structures inside station fence suitable for line angle, and

Ashfield SS – Connection to K2 Wind CGS:

Assumptions/Notes:

- i. Hydro One will provide a 500 kV rigid bus interface from/near the motorized line-disconnect switch in Ashfield SS for the connection to the Generator Customer Facility. The 500 kV rigid bus extension and fence enclosure between the Generator Customer Facility switchyard, K2 Wind CGS, and Hydro One's Ashfield SS will be supplied by Hydro One.
- ii. There is approximately 10 m between K2 Wind CGS and Ashfield SS. The property line to be about the mid-point of the distance between Ashfield SS and K2 Wind CGS, hence the properties will be abutting.
- iii. The point of demarcation of the 500 kV interface connection is to be at the jaw side of the K2 Wind CGS line disconnect switch. Hydro One will assume ownership of the ~10m interface 500 kV rigid bus extension and the Generator Customer to own the interface support structure including insulators.

Figure 1: Interface of Ashfield SS and K2 Wind CGS



Part 2: Station Engineering

Hydro One's Ashfield SS 500 kV switchyard will sectionalize the Bruce x Longwood B563L circuit at tower #234 approximately 61.5km from Bruce B SS into the following sections B563A and A565L, refer to Figure 1. Ashfield SS includes, but is not limited to, three high voltage circuit breakers, motorized line disconnect switches, breaker disconnect switches, ground switches, permanent building housing protection, control and telecommunication ("PC&T") equipment, station service facilities, CVT's and 500 kV bus work.

Hydro One will perform the following activities and/or provide the following deliverables associated with Station Engineering work related to the construction of Ashfield SS, the connection of the Generator Customer's Facilities to Ashfield SS and the connection of Ashfield SS to Hydro One's transmission system:

2.1 500 kV class Station Work:

- Design, provide and install all 500 kV buswork (including 8" rigid bus and /or strain conductor) to 63 kA symmetrical short-circuit current, 1800 kV BIL and a continuous summer rating of 4000A;

- Provide and install three (3) high voltage circuit breakers rated with 570 kV maximum continuous operating voltage, 2 cycles rated interrupting time, 4000A, and at least 50 kA symmetrical short circuit current;

- Provide and install six (6) 550 kV, three phase, motor operated breaker disconnect switches;

- Provide and install two (2) sets of 500 kV, three phase, motor operated line disconnect switches complete with motor operated ground switch on the jaw side of the main switch, as line disconnect switches for incoming 500 kV circuits.

- Provide and install six (6) single phase, 500 kV motor operated interrupter type ground switches, three for each incoming 500 kV circuit.

- Provide and install one (1) 500 kV three phase motor operated disconnect switch complete with an air break, motor operated ground switch on the jaw side of the main switch which isolates Ashfield SS from K2 Wind CGS

- Design, provide and install the AC & DC station service sources and associated equipment, specifically two (2) 1000 kVA, 27.6 kV/600 V AC station service transformers.

- Provide and install one (1) 500 kV permanent relay building with two (2) relay rooms, two DC SS rooms, two AC SS rooms, two battery rooms and one Office/P&C Documentation Room – only the shell c/w all required electrical, mechanical and sanitary services;

- Design, provide and install cable trench systems (for A and B P&C&T Systems).

- Design, provide and install lightning protection.

- Design, provide and install foundations and structures.

- Provide and install approximately 362 station post insulators rated at 500 kV and 1800 kV BIL.

- Provide and install nine (9) 500 kV CVT's

- Design, provide and install facilities for connection of a non-permanent Diesel generator as a third AC station service source.

- Provide Project Management throughout the project.

Assumptions/Notes:

It is assumed the Generator Customer will share the results of the engineering/technical study that may include testing by the manufacturer of the high voltage breaker capability.

2.2 Ashfield SS Civil

2.2.1 General

- Design and prepare site for Ashfield SS substation construction including but not limited to grading (Hydro One to cooperate with County/Municipal requirements), drainage, culverts and chain link fence with gate.
- Provide land grading ensuring a level base for construction work for new substation (note that a two-tier grading pattern may be implemented due to slope of site).
- Design and prepare drawings for station & relay building layouts, single line diagrams, grading of station, station drainage, foundations and structures etc.
- Prepare design packages, reports as built documentation etc. required to obtain construction approvals and operation permits
- Provide and install manholes, storm sewer, sub-drains and crushed stone.
- hydro-seed/sod station perimeter.
- Perform chemical analysis of soil samples on excavated soil to be disposed
- Review equipment manufacturers drawings
- Create bill of material and request purchasing of material
- Participate in commissioning of civil work

Assumptions/Notes:

- i. The unencumbered construction access road from Glens Hill Road to the Ashfield SS site property line as specified by Hydro One will be built by Hydro One to allow Hydro One to commence the construction portion of Hydro One Work on [REDACTED]. This construction road will become the permanent access road for Ashfield SS after

completion of construction. Hydro One to determine whether to pave road by end of construction period.

- ii. Wood fencing on Eastern side of station enclosing the interface between Ashfield SS and K2 Wind CGS.

- iii. Estimate based on Generator Customer's topographic survey.

- iv. Estimate assumes the excavated soil is not contaminated and is subject to on-site storage. Soil chemical tests to be conducted to confirm soil chemical properties.

- v. Soil & groundwater conditions assumed normal (no soil reinforcement or de-watering is required). Subsoil assumed of medium permeability thus requiring sub-surface drainage.

- vi. Depth of topsoil is assumed to be 0.3m.

- ix. Municipal (site) and MOE approvals are required. Municipality may also require review/permits by other regulatory authorities

- x. Environmental Compliance Approval (ECA) for drainage is required.

- xi. Soil conditions at proposed location can support spread type footings or augured type footings.

- xii. Second source of AC station service to be provided by the Generator Customer Facility. The voltage is to be 27.6 kV and brought to the edge of the Ashfield SS site.

- xiii. Since Alstom confirmed their 500 kV switches and breakers can operate continuously up to 570 kV, the switchyard was conceptually designed and estimated using all 500 kV rated disconnect switches and breakers

- xiv. Station designed to comply with the physical separation of "A" and "B" protection and control equipment and associated cabling

- xv.. No underground facilities such as utility feeders or gas lines which would affect the proposed construction.

- xviii. That archaeological assessment will be completed by the Generator Customer for land area identified as Ashfield SS including land under the power lines at the connection to circuit B563L.

Risks to Timelines and Costs:

- i. Risk that the local municipality will question the proximity of the proposed station to any water channels near the site. If so, the station may have to be relocated.

- ii. Risk that the proposed station may appear within the flood plain. If so, station relocation, elevation of the station finish grade and flood protection measures may be required.

- iii. Risk that the regulatory authorities may require an installation of water quality control structure at the drainage outlet since the site runoff will be discharged directly to the creek. This will add approximately \$100 k to the final cost, with no schedule impact.

2.2.2 Structural

- Design station main electrical equipment, physical layout plans, drawings, and design brief for civil and structural design specification documents
- Prepare civil and structural specifications for substation above-ground main electrical and ancillary equipment and facilities
- Prepare civil and structural specifications for substation below ground services and foundations
- Provide bus support structures, line terminating structure, CVT and foundations to accommodate the new equipment
- Carry out a Geotechnical study if the Generator Customer's Geotechnical Study Report unavailable or unsuitable, if required will impact project timeline

2.2.3 AC Service

- Provide a 3-phase, 27.6 kV rural feed (at least 7 km overhead/underground extension) to Ashfield SS as a primary AC station service source.
- Supply and install cables for breaker's AC power supply in cable pan and/or prefabricated cable trench;
- Provide and install Automatic Transfer Switch (ATS) and associated enclosure;
- Provide relay settings for ATS;
- Provide and install station service transformers, fuses, load break switches, AC distribution panel boards as required for station service;
- Coordinate AC station service 3 phase, 27.6 kV with Generator Customer's K2 Wind CGS and with the Generator Customer and Hydro One Distribution as required, any feeder line easements required will be obtained by the Generator Customer in accordance Part 10 of Schedule C.

2.2.4 Grounding

- Design, provide and install ground grid to achieve safe GPR and step and touch potentials in compliance with the requirements of the Code, and

Carry out grounding study and GPR study.

Part 3: Protection and Control Engineering

Hydro One will perform the following activities and/or provide the following deliverables associated with Protection Engineering work related to the connection of the Generator Customer's Facilities to Ashfield SS and the connection of Ashfield SS to Hydro One's transmission system:

3.1 Ashfield SS

- Design, provide and install "A" and "B" protections for the 500 kV circuit B563A.
- Design, provide and install "A" and "B" protections for the 500 kV circuit A565L.
- Design, provide and install OV/LEO protection for 500 kV circuit B563A
- Design, provide and install OV/LEO protection for 500 kV circuit A565L
- Design, provide and install "A" and "B" protections for the line running between Ashfield SS and K2 Wind CGS. Protection scheme to be a duplicated two-ended line current differential protection scheme. "A" group to use GE L90 and "B" group to use Schweitzer SEL-311L relay modules.
- Design, provide and install 500 kV breaker "A" and "B" protection relay modules for the three 500 kV breakers at Ashfield SS. Protections to include but not limited to: Breaker Failure protection, Reclose and Trip protection modules.
- Design, provide and install "A" and "B" Special Protection System (SPS) protection modules for logic and interface to the BSPS
- Design, provide and install "A" and "B" protection modules to generate trip signals to send to the Generator Customer's K2 Wind CGS to trip both their 500 kV transformer breakers in the event Ashfield SS breakers exhibit breaker failure or are otherwise not able to clear a fault.
- Design, provide and install "A" and "B" protection modules to receive trip signals from the Generator Customer's K2 Wind CGS to trip relevant 500 kV breakers at Ashfield SS in the event K2 Wind CGS 500 kV breakers exhibit breaker failure or are otherwise not able to clear a fault.
- Design, provide and install "A" and "B" fuse & link racks for CT/CVT cabling inputs from CVTs and breaker bushing mounted CTs.

- Design, provide and install “A” and “B”: groups DC station service systems.

- Design, provide and install “A” and “B” groups AC station service systems.

- Design, provide and install DC ground detection modules

- Design, provide and install DC Distribution & Monitoring, and Disturbance Fault Recorder (DFR) cabinets.

- Design, provide and install cable runs from the relay building to: 500 kV breakers, disconnect switches, ground switches and CVTs

3.2 Bruce B SS: Line Protections

- Modify B563L (B563A) “A” and “B” line distance protection relay modules to account for Ashfield SS.

- Modify B563L (B563A) LEO (Line End Open) line protection relay modules and associated breaker protections to account for Ashfield SS.

- Design and provide new digital relay protection modules for 500 breaker H5L563.

3.3 Bruce B SS: Bruce Special Protection Scheme

- Modify existing BSPS equipment to accommodate the addition of Ashfield SS.

- Modify “A” and “B” BSPS interfaces into the BSPS’s Bruce Local and Inter-area Stability (BLIS) scheme to account for Ashfield SS.

- Provide the capability to generate Generation Rejection (G/R) signals (A&B plus their duplicates) from the BSPS for rejection of K2 Wind CGS and its associated wind farm connections.

3.4 Longwood TS

- Modify B563L (A565L) “A” and “B” line distance protection relay modules to account for Ashfield SS

- Modify B563L (A565L) LEO line protection relay modules and associated breaker protections to account for Ashfield SS.

- Design and provide a new “B” LEO/SPS protection relay modules for the 500 kV circuit A565L for LEO status into the BSPS/BLIS.

3.5 General

The specific Protection and Control Engineering work will cover the following activities/deliverables:

- Design and issue Elementary Wiring Diagrams (EWDs), Connection Wiring Diagrams (CWDs) and electrical arrangement (E/A) drawings for Bruce B SS, Ashfield SS and Longwood TS

- Revise existing drawings including reviewing drawings provided by the relay manufacturers

- Procure protection equipment

- Revise all single-line diagrams to show new protection changes

- Prepare and issue Protection Description document

- Issue new protection settings

- Revise control building E/A at Ashfield SS, Longwood TS and Bruce B SS to show new equipment arrangement

- Issue new cable lists

- Co-ordinate between relaying, control, metering, drafting, field P&C and construction

- Participate in project meetings and site visits

- Provide technical support to field P&C

- Mark and forward all FMPs to head office for final issue of ‘As Built’

- Perform COVER activities during commissioning

- Provide to the Generator Customer, all necessary information on Ashfield SS required by the Generator Customer’s engineers for preparation of relay settings, fault calculations and logic.

- Review documents and drawings of the Generator Customer’s protection equipment, single lines, Elementary Wiring Diagrams (EWD) drawings, relay settings and other interface documentation.

Assumptions/Notes:

- i. All protection work at K2 Wind CGS and all other wind energy facilities installed as part of the Generator Customer's project, is the responsibility of the Generator Customer. Hydro One may help coordinate commissioning of the line protections with the Generator Customer.
- ii. The physically and geographically diverse fibre telecom links (A main, A alternate, B main and B alternate) will be available between Ashfield SS and the Generation Facility to facilitate the new differential protection. The Generator Customer to provide these telecom links.
- iii. Hydro One will not perform protection design duties/activities for the Generator Customer or their designated consultant.
- iv. Outages are available when required.
- v. Although Ashfield SS has been designated as essential to the power system by the IESO, as currently assessed it has been found not to be part of the Bulk Power System (BPS) at this time. However Ashfield SS must participate in the Bruce Special Protection System "BSPS" and thus its protection system must comply with NPCC Directory #7 for special protection systems, protections must be redundant and physically and geographically diverse.
- vi. Existing Longwood TS and Bruce B SS stations are NPCC BPS facilities; hence standard "A" and "B" protective relaying is to be provided at these stations with full duplication and separation for those existing facilities that are NPCC BPS in accordance with NPCC criteria for such facilities.

Part 4: Teleprotection Engineering

Hydro One will perform the following activities and/or provide the following deliverables associated with Teleprotection Engineering work related to the connection of the Generator Customer's Facilities to Ashfield SS and the connection of Ashfield SS to Hydro One's transmission system :

4.1 Ashfield SS

- Design, provide and install teleprotection channels to facilitate Permissive/Transfer Trip (PT/TT), Line End Open (LEO) and Bruce Special Protection System Generation Rejection (BSPS G/R). Both A & B protection systems to use redundant (Main & Alternate) teleprotection and telecommunication paths.

- For B563A main path to Bruce B SS: design, provide and install Contact Transfer Module (CTM)/RFL IMUX over digital microwave for connection through Wingham TS for connection to Bruce B SS
- For B563A alternate path to Bruce B SS: design, provide and install NSD570 technology over Power Line Carrier (PLC) for connections to Bruce B SS
- For A565L main path to Longwood TS: design, provide and install CTM/RFL IMUX over digital microwave for connection through Wingham TS for connection to Longwood TS
- For A565L alternate path to Longwood TS: design, provide and install NSD570 technology over PLC for connection to Longwood TS.
- For line differential protection: design, provide and install main and alternate paths to K2 Wind CGS using dark fibre.
- For BSPS G/R signals to K2 Wind CGS: design, provide and install CTM over the dark fibre

4.2 Bruce B SS

- Reconfigure all associated BSPS teleprotection outputs associated with B563L; decommission all teleprotection equipment/drawings/alarms associated with B563L.
- For B563A main path to Ashfield SS: design, provide and install on RFL IMUX over digital microwave & SONET via Wingham TS for connection to Ashfield SS
- For B563A alternate path to Ashfield SS: design, and install NSD570 technology over PLC for connection to Ashfield SS

4.3 Longwood TS

- Reconfigure all associated BSPS teleprotection outputs associated with B563L; decommission all teleprotection equipment/drawings/alarms associated with B563L.
- For A565L main path to Ashfield SS: design, provide and install CTM/RFL IMUX over digital microwave & SONET via Wingham TS for connection to Ashfield SS

- For A565L alternate path to Ashfield SS: design, provide and install NSD570 technology over PLC for connection to Ashfield SS.
- Design and provide new LEO/SPS module for the 500 kV circuit A565L for Line-End-Open status into the BSPS/BLIS.

4.4 Bruce B SS (site of the BSPS)

- Reconfigure all associated BSPS teleprotection outputs associated with B563L.
- For BSPS G/R (A&B) signals main path to K2 Wind CGS: design CTM over RFL IMUX over digital microwave & SONET to Ashfield SS; and then using SEL-2595 CTM over the dark fibre to K2 Wind CGS.
- For BSPS G/R (A&B) signals alternate path to K2 Wind CGS: NSD570 technology over PLC to Ashfield SS; and then using SEL-2595 CTM over the dark fibre to K2 Wind CGS

4.5 General

The specific Teleprotection Engineering work will cover the following activities/deliverables:

- Provide overall system and specific site design
- Provide a complete design package as per applicable standards
- Provide connection to Telco
- Provide alarm points (SCADA) for Hydro One sites
- Produce associated P/Rs,
- Produce new drawings as required
- Revise/Approve site Drawings
- Review/approve any field design changes and process FMPs
- Prepare NOMS and change request tickets (as required) for HOT and Hydro One outages
- Provide information to Protection Engineering to complete protection EWD/CWDs
- Provide technical assistance to Field P&C and Station Construction with test and commissioning procedures
- Participate in project and coordination meetings;
- Attend site meetings as required; and
- Final commissioning and end to end testing of the teleprotection and G/R systems will be a joint effort of the Generator Customer's staff and Hydro One P&C personnel

Assumptions/Notes

- i. Estimate includes removals or modification of existing 937 tone and PLC carrier equipment.
- ii. Assumes that there will no longer be direct PLC channels between Bruce B SS and Longwood TS
- iii. Status of B563A and A565L must be modeled in the BSPS and thus Ashfield SS teleprotection channels are to be provided with full duplication and separation in accordance with NPCC criteria.
- iv. With due regard for the requirement for Hydro One to generate a G/R signal and for the Generator Customer to accept a G/R signal within 9 months of notification from the IESO for the Generator Customer's participation in the BSPS Generation Rejection scheme, it is recommended that K2 Wind CGS telecommunication and teleprotection interfacing with Hydro One to be provided with full duplication and separation in accordance with NPCC criteria .

Part 5: Control Work (SCADA)

Hydro One will perform the following activities and/or provide the following deliverables associated with Control Engineering work related to the connection of the connection of the Generator Customer's Facilities to Ashfield SS and the connection of Ashfield SS to Hydro One's transmission system:

5.1 Ashfield SS

- Design, provide and install new SCADA LAN infrastructure at the 'A' and 'B' PC&T rooms at Ashfield SS PC&T building to accommodate new status/measurement quantities/alarms

5.2 Bruce B SS

- Modify existing 500 kV Bulk Electricity System (BES) SCADA LAN infrastructure to accommodate modified "A" and "B" protections
- Modify existing station RTU to include hard-wired protection and new-protection status/alarms

5.3 Longwood TS

- Modify existing 500 kV Bulk Electricity System (BES) SCADA LAN infrastructure to accommodate modified "A" and "B" protections
 - Modify existing station RTU to include hard-wired protection and new-protection status/alarms
- ##### 5.4 Hanover TS

- Modify the Transmission Network Management System (NMS) gateway configuration at Hanover TS for the incorporation of Ashfield SS and the Generator Customer SCADA data.

5.5 General

- Design and issue drawing production to reflect RTU changes – Electrical Arrangements (E/A), Elementary Wiring Diagram (EWD) and Connection Wiring Diagram (CWD).
- Preparation of telemetry tabulation of functions in conjunction with protection, telecom, electrical and other groups to determine point requirements for new and modified facilities at Ashfield SS, Bruce B SS and Longwood TS.
- RTU configuration and hardware expansion as required, on-site testing and commissioning in conjunction with field P&C, provision/facilities of SCADA master database changes.
- Modify/expand existing SCADA LAN infrastructure and other necessary SCADA equipment to support the Generator Customer activities such as SCADA point review/validation and NMS submission to Hydro One's OGCC in Barrie.
- Provide hubsite support and point verification testing.
- Meet IESO requirements related to new assets as required.
- Assist the Generator Customer to ensure all real-time telemetry facilities comply with Hydro One requirements.
- Prepare bill of materials for new equipment for use in material requisitions
- Participate in Project Meetings
- Prepare Documentation

Assumptions/Notes:

- i. SCADA data is provided by the Generator Customer in a timely manner.
- ii. At K2 Wind CGS, "Communication Channel Failure" alarms shall annunciate to the control system of the Generation Facility. If both communication channels fail at the same time then the Generator Customer shall be required to disconnect from the transmission system (Ashfield SS).

- iii. Programmable Synchrocheck relays required at Ashfield SS for manual closing of breakers from OGCC.

iv. The preferred method of SCADA connectivity would be a direct ICCP (Inter-Control Center Communications Protocol) connection from the Generation Facility to OGCC. However DNP to Hanover TS hub-site will be acceptable as an alternative option. Hydro One being reasonable will provide adequate notice to the Generator Customer when the hub-site facility is being decommissioned and the date Generator Customer must migrate to ICCP.

v. The Generator Customer shall arrange and pay for a Leased S4T4 circuit from K2 Wind CGS to Hanover TS to transmit SCADA quantities to Hydro One. The Generator Customer is to procure, pay all costs and will be fully responsible for this circuit.

Part 6: Telecommunication Engineering

Hydro One will perform the following activities and/or provide the following deliverables associated with Telecommunication Engineering work related to the connection of the Generator Customer's Facilities to Ashfield SS and the connection of Ashfield SS to Hydro One's transmission system:

6.1 Ashfield SS

- Main telecom path for B563A (between Ashfield SS and Bruce B SS) to be digital microwave radio and Hydro One SONET via Wingham TS
- Alternate telecom path for B563A (between Ashfield SS and Bruce B SS) to be Power Line Carrier (PLC) on B563A
- Main telecom path for A565L (between Ashfield SS and Longwood TS) to be digital microwave radio and Hydro One SONET via Wingham TS
- Alternate telecom path for A565L (between Ashfield SS and Longwood TS) to be Power Line Carrier (PLC) on A565L
- Main telecom path to K2 Wind CGS: Install one 48 fibre single mode cable from the 500 kV PC&T Building to the demarcation point for routing to the Generator Customer's Facilities (Notes i & ii);
- Alternate telecom path to K2 Wind CGS: Install one 48 fibre single mode cable from the 500 kV PC&T Building to the demarcation point for routing to the Generator Customer's Facilities (Notes i & ii);
- [REDACTED]



- Install new digital PLC on B563L for Ashfield SS SCADA to Hanover TS hub-site as the alternate path for Ashfield's SCADA data.
- Install one 24 fibre multimode cable for K2 Wind CGS SCADA and other real time data to Ashfield SS to use by Ashfield SS (Notes i & ii)
- Install a 50 pair Bell metallic cable entrance which will terminate in Opto-isolators located in the 500 kV PC&T building for a station voice circuit phone.
- Install a new communication (~70 m) tower at Ashfield SS to support the microwave radio link to Wingham TS (one licensed space diversity 7GHz link between Ashfield SS and Wingham TS). Microwave radio link to have OC-3 capacity.



- Conduct a GPR study for Ashfield SS
- Physical security material to be provided and installed.

6.2 Hanover TS

- Install analog modem at Hanover TS that will connect to K2 Wind CGS via S4T4 circuit for transmission of SCADA quantities

6.3 Wingham TS

- Integrate one SONET terminal and one DCN/NMS rack at Wingham TS into HONI SONET telecommunication system. This will also require a new telecom 48VDC battery system.

6.3 General:

- Prepare Fibre Design and Installation Packages (DIP) for cable routing, trenching, room layouts, and rack configurations. DIP will also contain the Fibre Patch Panel Access (FFPA) port assignments, splicing, labelling and fibre testing.
- Prepare a DIP for MW radio and associated waveguide, antenna, T1 multiplexers, Security Communication Equipment and SCADA circuitry.
- Prepare or revise Telecom circuit schematic drawings for Ashfield SS, Bruce B SS, Longwood TS and Wingham TS
- Prepare and submit radio license requests to Industry Canada

- Prepare and submit microwave tower approvals to NAV Canada and Transport Canada.
- Conduct interference study with Frequency Coordination System Association (the "FCSA")

Assumptions/Notes:

- i. Demarcation points for telecom links between K2 Wind CGS and Ashfield SS to be buried pull boxes located just outside Ashfield SS property. Hydro One to provide pull boxes and exact location during construction.
- ii. To avoid splicing the fibres, the Generator Customer to provide fibre plus slack for extension from the pull boxes into the Ashfield SS relay building. The Generator Customer to coil the slack at the demarcation point pull boxes for Hydro One to pull and terminate into Ashfield SS relay building. Note the pull boxes are able to hold a splice box if splicing is required. Demarcation sites to be confirmed/settled during execution phase.
- iii. Demarcation of the metallic cable is the remote side of the optical isolator.
- iv. The Generator Customer is responsible for procurement and monthly fees of the main and alternate communication circuits at K2 Wind CGS site where and if required. Main and alternate telecom circuit between K2 Wind CGS and Ashfield SS to be physically diverse.
- v. The existing communication tower at Wingham TS is structurally capable of handling the load of new antennas. If not, structural reinforcement may be required.

Part 7: Metering

Hydro One will perform the following activities and/or provide the following deliverables associated with Revenue Metering work related to the connection of the Generator Customer's Facilities to Ashfield SS and the connection of Ashfield SS to Hydro One's transmission system:

- For the AC Station Service (ACSS) primary feed from the LDC: LDC will install a Retail Meter.

Part 8: Environmental Engineering

Hydro One will perform the following activities and/or provide the following deliverables associated with Environmental Engineering work related to the construction of Ashfield SS, the connection of the Generator Customer's Facilities to Ashfield SS and the connection of Ashfield SS to Hydro One's transmission system::

- For the transmission line tap and Ashfield SS only, Hydro One will provide all environmental

engineering planning, design and construction stage services and ensure that all environmental aspects of this project are in, and remain in compliance with all applicable federal, provincial and municipal legislation, and with all Hydro One's internal policies, procedures and HODS (Hydro One Document System) documents.

- For the transmission line tap and Ashfield SS only, Hydro One will perform the work required to obtain all environmental permits and approvals, including the full Class EA via the EA Screen-out process. Hydro One will not file its EA Screen-out Report until such time as the Ministry of Environment has issued the Generator Customer's REA .

- Provide construction support by advising on compliance with EA requirements/commitments, and responding to environmental issues, helping to minimize environmental effects and arrange for remedial action where appropriate.

- Review Generator Customer's environmental documents/specifications as required.

- Review any appeal(s) of the Generator Customer's REA to determine the nature and basis of the appeal(s) and whether there is a material impact on Hydro One's ability to use or rely on or continue to use or rely on the Class EA screen-out that that Hydro One is preparing or has prepared and submitted, within 10 business days of the date that the Generator Customer provided Hydro One with a copy of all documentation filed with any appeal(s), including, but not limited to the appeal(s) filed with the Environmental Review Tribunal (the "REA Appeal Submission Date"). In the event that Hydro One determines, acting reasonably, that there is sufficient evidence in or associated with such appeal such that Hydro One cannot continue to use or rely on the Class EA screen-out that Hydro One is preparing or has prepared and submitted, Hydro One will notify the Generator Customer in writing, within 12 business days following the REA Appeal Submission Date that it is withdrawing Class EA Screen-out that it has submitted or will not be submitting the Class EA Screen-out it has prepared, as the case may be.

- Monitor environmental impact during construction

- Estimate includes 1 Public Information Centre plus additional tasks as required.

- Soil testing and laboratory assessment as required to identify any potential soil contamination.

- Graphics and photo simulations to support EA and PIC, supporting communications products for PIC such as panels, brochures, newspapers, advertisements and notification mail outs, if required.

- Perform Heritage Assessment, if required

- Provide landscape PIC graphics and simulations, if required

- Provide landscape design and drafting.

- Provide Station Emergency Response Plan (ESP)

Assumptions/Notes:

- i. If required, an Environmental Compliance Approval (ECA) for drainage will be obtained by Hydro One in accordance with required timeline;

- ii. Estimate prepared based on the site selected by the Generator Customer for their project

- iii. A building permit for the PC&T buildings is required and will be obtained by Hydro One in accordance with the required timeline.

- iv. *Hydro One will not have to perform a full class Environmental Assessment or an individual Environmental Assessment ;

- v. Hydro One is able to rely upon and use the Generator Customer's Environmental and Archaeological Studies, Provincial and Federal Agency Feedback, Notifications and Consultation Records for the purposes of Hydro One obtaining any environmental approvals, permits or certificates required in respect of all or any portion of the Hydro One Work ;

- vi. *That no federal or provincial land is involved triggering a Federal EA or the requirement for an MNR work permit respectively;

- vii. *That there are good access roads for connection of the Generation Facility to Ashfield SS and that no water crossing will be needed;

- viii. *That the Generator Customer will complete and that the Ministry of Tourism, Culture and Sport will accept the archaeological assessment report (Stage I and Stage II and Stage III if required) for the access roads and tap connection location (Ashfield SS) submitted by the Generator Customer for this project, prior to the start of construction, which report will support the Class EA screen-out to be prepared by Hydro One for the connection facilities.

- ix. *No significant natural environmental issues

- x. *Work will not require Species at Risk permits

- xii. No provision has been included for issues associated with specific property ownership concerns .

- xiii. Legal right to enter properties for survey purposes (legal, soil, biological and archaeological) will

be obtained in a timely manner and in a voluntary entry bases.

xiv. *Hydro One OEB Section 92 approval is not required.

xv. *Additional studies/information requests by regulatory agencies are not included.

xvi. *Any requirements for archaeological assessments are not included.

xvii. Municipal, regional and MOE approvals will be obtained in a timely fashion.

xviii. *Recommendations stated in the Generator Customer's archaeological assessment will be accepted by the Ministry of Culture Tourism and Sport.

xix.. *No Municipal Site Plan Approval is required.

xx. No Storm Water Management Plans are required.

xxi.. No permanent site de-watering due to high groundwater table

xxii.. Building Permit costs are estimates only and will vary depending on municipality and/or township.

The parties agree that the Assumptions/Notes marked with an asterisk above will be deemed satisfied and will be given no effect, including with respect to the schedule for Hydro One's performance of the Hydro One Work, 30 days after the date on which Hydro One files its EA Screen-out Report.

Risks:

i. Project schedule may change if the Generator Customer requires a Stage 4 Archaeology Assessment on the lands that requires to complete Hydro One Work..

ii. Project delays if not given enough lead time for the environmental permits, license and approvals mentioned in this estimate.

Refer to Schedule C – paragraph 10 for Generator Customer REA requirements.

Part 9: Field Services

Hydro One will perform the following activities / provide the following deliverables associated with Field Services work:

9.1 Construction and Commissioning Services

- Construct and commission system in accordance with the approved design: "MOE Certificate of Approval-Industrial Sewage Works" and "Environmental Specification" where applicable

- Hold Commissioning and Transfer of Control meeting on-site with the Commissioning Team as per SP0364

- Complete and provide Grid Ops with the following as part of project commissioning:

- Commissioning Meeting Report

- Field Report of Placing Equipment in Service form

- Transfer of Control of Equipment form

- Update C of A system Operating and Maintenance Manual where applicable

- Update Station's Emergency Response Plan (including associated drainage sketch(s)) and/or Fire Safety Plan as appropriate

- Provide digital picture log of key system component construction/installation

- Define Outage Plan and arrange for appropriate outages

- Provide construction management including removal and installation of all materials and equipment on site, and

- Provide Health and Safety training to Construction Staff on site in accordance with Hydro One's Policies.

Assumptions/Notes:

i. The O&M Manual must include a complete updated drawing package. If the revised drawings are not available at the time of the commissioning meeting, two (2) copies of field mark prints of systems and drainage works must be provided to Grid Ops at the commissioning meeting with the revised O&M Manual drawings to be provided within 1 month of the commissioning meeting

ii. The O&M manual must include original manufacturers' manuals, vendor contact and equipment-order information for all installed electrical/mechanical equipments such as pumps, nivotesters, relays, probes, floats, etc...

iii. All nameplate data are to be documented and supplied as part of the O&M Manual package

iv. Manuals for electrical equipments can be stand-alone documents however they are required to be

referenced in the O&M Manual and issued to the Commissioning Team at the time of commissioning.

9.2 COVER

- Carry out witness verifications (COVER) at Generator Customer facilities in accordance with Hydro One COVER document

Notes:

- i. Commissioning will be based on typical commissioning procedures and practices for protection verifications, i.e. no communications with remote ends
- ii. Hydro One will not be involved in line protection commissioning at the Generation Facility; and
- iii. Hydro One will test the Generator Customer's telecom equipment rack back-to-back with Hydro One equipment at Ashfield SS.
- iv. Hydro One may test the Generator Customer's telecom equipment rack back-to-back with Hydro One equipment at Longwood TS and Bruce B SS if required.

9.3 Quality Control

9.3.1 Applicable Standards, Codes, Guidelines

- Execute all work in accordance with the applicable standards as per the scope described in this Schedule A.

Note:

- i. Auditing and monitoring may occur on all projects by various parties, both internal and external, to ensure that work is being carried out as designed and as mandated by the design.

9.3.2 Health and Safety Requirements

- Use current versions of the following documents or procedures:
 - i. Occupational Health and Safety Act (OHSA).
 - ii. Hydro One Corporate Safety Rules & Regulations
 - iii. Engineering Services Health & Safety Program.
 - iv. All applicable Federal, Provincial, Municipal Statutes, By-laws and Codes

- v. Field Job Planning folders to be used for each site prior to commencement of work, and
- vi. Pre-job safety meetings prior to commencement of work to identify safety hazards.
- vii. Ensure that all personnel and visitors to construction site must wear the following personal protective clothing:

- Currently approved hard hat
- Safety shoes with green patch and dielectric rating
- Safety glasses, and
- Other applicable protective equipment as required for specific tasks.

Note:

- i. All visitors to construction site and subcontractors working on site(s) must have completed the safety/site orientation training and must sign in on the Construction Visitor Board immediately upon arrival at the site.

9.4 Power Outages

- Assist Construction in defining the Outage Plan and arranging for outages required for line work.

9.5 Station Soil Condition

- Assume that rock excavation and trenching will not be required; and

- Assume that sheet piling and de-watering will not be required.

9.6 Spill Management

- Ensure spill risks and appropriate spill management measures are considered as part of this project in accordance with HODS SP0785.

9.7 Underground Facilities

- Assume that there are no other underground facilities such as utility feeders or gas pipelines which would affect the proposed construction.

9.8 Clarification

- The Hydro One Work does not address and does not include any joint use of pole line facilities agreement and associated land leases, road allowance occupation permits or easement arrangements that the Generator Customer and Hydro One's distribution business unit may enter into before, during or after construction of Generator Customer's Facilities.

9.9 Real Estate

Hydro One will:

- Review and where necessary, be involved in the negotiation of, the agreements (including easements) and approvals to be obtained by the Generator Customer on behalf of Hydro One referenced in Section 10 of Schedule 'C' under the heading "Hydro One Easements and Other Land Agreements Required from Third Party for the Hydro One Work. Such easements shall be substantially in the form of Hydro One's standard form easement documents.
- provide the Generator Customer with the requisite information on the locations and dimensions of the lands associated with the easements, land acquisition and permits referenced in Section 10 of Schedule "C" in sufficient time to permit the Generator Customer to obtain said easements, reference plans, land and permits within the timeframes referenced in Part III of this Agreement.

Schedule “B”: Scope of Work – Work Not Chargeable to Customer

Hydro One will provide project management, engineering, equipment and materials, construction, commissioning and energization for all work described in this Schedule “B”.

Schedule "C": Generator Customer Connection Work

Part 1: General Project Requirements:

The Generator Customer will:

- (a) enter into a Connection Agreement with Hydro One or where applicable, amend its existing Connection Agreement with Hydro One at least 14 days prior to the first Connection;
 - (b) ensure that project data is provided to Hydro One in accordance with Subsection 10(c) of the T&C;
 - (c) install metering facilities in accordance with the Market Rules;
 - (d) provide a dedicated communication circuit for remote access to the metering equipment in accordance with the Market Rules;
 - (e) provide a dedicated telephone line for direct communication between Hydro One's Ontario Grid Control Centre ("Hydro One OGCC") operator and the Generation Facility control room operator (the real time contact to be listed in the Connection Agreement can be a toll free (1-800...) phone number which should go directly to the Generator Customer's real time contact and not an automated teleprompt/voice recording as it may require an immediate response from the Generator Customer) and will provide round-the-clock monitoring and control of the Generator Customer's facilities;
 - (f) ensure that the work to be performed by the Generator Customer required for successful installation, testing and commissioning of protective, teleprotection, telecommunication and metering equipment is completed as required to enable Hydro One COVER verification to confirm satisfactory performance of such systems;
 - (g) perform a geotechnical survey and soil testing on Hydro One's behalf in accordance with Hydro One's technical specifications of the tap location provided by Hydro One and provide the results of such work by [REDACTED]; and
 - (g) satisfy all other requirements specific to the Connection.
- All 500 kV equipment at K2 Wind CGS is to be capable of operating continuously between 490kV and 554 kV in accordance with the Market Rules and SIA requirements for this project.
 - The 500 kV circuit breakers and related equipment shall be rated based on the site specific requirements, which may require higher ratings than standard 500 kV ratings. The Generator Customer shall perform an engineering/technical study in order to determine site specific 500 kV equipment rating requirements and verify breaker capability. The

specific ratings shall be subject to Hydro One acceptance.

- Provide suitable boundary fence for the Generator Customer switchyard section that meet applicable safety standards;

- Coordinate site substation construction with Hydro One consisting of, but not limited to, survey, site preparation, land grading, grounding, imported fill, embankment and construction of ditches for storm drainage; and

Part 2: Line Work

None.

Part 3: Station Work

The Generator Customer's K2 Wind CGS facility will be located to the East of Ashfield SS switchyard and the demarcation point will be 500 kV rigid bus work located just inside Ashfield SS station fence. The 500 kV interface rigid bus between Ashfield SS and K2 Wind CGS will be supplied and installed by Hydro One. The Generator Customer shall perform the following activities and/or provide the following deliverables associated with Station Engineering work:

- For connection to Ashfield SS, provide the K2 Wind CGS interface rigid bus support structure(s) complete with insulation, foundations and ground grid. Interface bus structure must be at adequate height, phase separation and ground clearances suitable for connection of the 500 kV overhead rigid bus extension coming from Ashfield SS
- Provide information on phase rotations at the supporting structures;
- Complete grounding, site preparation, fencing, imported fill, embankment, construction of ditches for storm drainage for K2 Wind CGS;
- Provide and install a 500 kV motor operated line disconnect switch complete with a ground switch on the jaw side of the disconnect switch at K2 Wind CGS between the 500 kV bus at K2 Wind CGS and the incoming 500 kV rigid bus extension interface for connection to Ashfield SS .
- Provide the secondary 27.6 kV source of AC station service to Ashfield SS from K2 Wind CGS. The 27.6 kV feed to be brought to the edge of the Ashfield SS site, with sufficient cable .

- Coordinate Generator Customer's station electrical arrangement equipment (rigid/strain bus, post insulators, associated hardware, terminating structures and foundations) with Hydro One.

- The Generator Customer shall design and construct the grounding system for the Generation Facility to meet the requirements of the Electrical Safety Code (Ontario), the Transmission System Code and the requirements set out in the Connection Agreement without relying on Hydro One's grounding system;

Assumptions/Notes:

The Generator Customer will perform an engineering/technical study in order to determine site specific 500 kV equipment rating requirements and verify breaker capability. The specific ratings shall be subject to Hydro One acceptance.

- Hydro One will provide a 500 kV rigid bus interface from/near the motorized line-disconnect switch in Ashfield SS for the connection to the Generator Customer Facility. The 500 kV rigid bus extension and fence enclosure between the Generator Customer Facility switchyard, K2 Wind CGS, and Hydro One's Ashfield SS will be supplied by Hydro One.

- There is approximately 10 m between K2 Wind CGS and Ashfield SS. The property line to be about the mid-point of the distance between Ashfield SS and K2 Wind CGS, hence the properties will be abutting.

- The point of demarcation of the 500 kV interface connection is to be at the jaw side of the K2 Wind CGS line disconnect switch. Hydro One will assume ownership of the ~10m interface 500 kV rigid bus extension and the Generator Customer to own the interface support structure including insulators.

- Hydro One is planning to build Ashfield SS grounding grid to meet a maximum fault level of 50kA.

- Generator Customer is responsible for future upgrades to K2 Wind CGS ground grid in accordance with paragraph 24.3 of the Connection Agreement and the Transmission System Code.

- Generator Customer and Hydro One to coordinate AC station service 3 phase, 27.6 kV between K2 Wind CGS and Ashfield SS as required. Any feeder line easements required will be obtained by the Generator Customer on behalf of Hydro One in accordance with Part 10 of this Schedule C.

Part 4: Protection Engineering Work

The Generator Customer shall perform the following activities and/or provide the following deliverables associated with Protection work:

- Provide protection documentation relating to relay settings at the Generation Facility for proper coordination with Hydro One relay settings

- Coordinate with Hydro One for a current differential protection scheme for the 500 kV connection between K2 Wind CGS and Ashfield SS. Protection schemes to be consistent/compatible with Hydro One protection scheme used at Ashfield SS.

- The Generation Facility 500 kV main output transformer breakers are not allowed to auto-reclose.

- Protective relaying must be set to ensure that equipment remains in-service for voltages between 94% of the minimum continuous value and 105% of the maximum continuous value in accordance with the Market Rules and SIA requirements for this project.

- Submit for Hydro One's review the following interface documents and drawings;

1. Operating single-line diagrams and schematic single-line diagrams, complete with measuring instrument ratings and relay devices;
2. Protection tripping matrix, interlocking system and logic diagrams;
3. Protection equipment technical documentation;
4. Control and protection EWD drawings; and
5. Relay settings and calculations;

- Coordinate between relaying, control, metering, drafting, field P&C and construction with Hydro One; and

- Provide technical support to Hydro One's field P&C.

- Participate in Hydro One COVER activities during commissioning.

- Fully duplicated, physically separated and geographically diverse protection and telecommunication system must be installed as outlined in the Transmission System Code (TSC)

- Install protection trip modules that will ensure fault clearance if the Generator Customer exhibits breaker failure on either of its 500 kV breakers at K2 Wind CGS. The trip signals from the Generation

Facility is to be initiated from either of the 500 kV breaker failure protection of the 500 kV K2 Wind CGS breakers. Trip signals to be sent to Ashfield SS.

- Ensure that the Generation Facility receives trip signals from Ashfield SS to ensure fault clearance if an Ashfield SS breaker(s) exhibits breaker failure.
- Install a Disturbance Recording device to record power swings on the wind farm facility in accordance with the specifications to be provided by Hydro One and/or the IESO.

Assumptions/Notes

- i. Hydro One will use fibre-based line current differential schemes between Ashfield SS & K2 Wind CGS.
- ii. That outages are available when required; and
- iii. That Hydro One will not be engaged in the design, procurement and installation of protective relays or equipment for the Generator Customer or their designated consultant
- iv. Hydro One Protection/teleprotection scheme will use current differential relays, L90 and SEL-311L

Part 5: Teleprotection Engineering Work

Generator Customer will provide teleprotection for K2 Wind CGS based on the following design consideration:

- Fully duplicated, physically separated and geographically diverse protection and telecommunication system must be installed as outlined in the Transmission System Code (TSC)
-
- All teleprotection channels must support digital and/or analog communications
- Provide a complete design package complete with EWD/CWDs for interfacing with Hydro One teleprotection system;
- The Generator Customer is responsible for site GPR (Ground Potential Rise) study for K2 Wind CGS

Part 6: SCADA RTU

The Generator Customer shall:

- Provide SCADA RTU functionality to meet Hydro One configuration and communications protocol and to comply with IESO technical and performance requirements.
- The Generator Customer shall arrange and pay for a Leased S4T4 circuit from K2 Wind CGS to Hanover TS to transmit SCADA quantities to Hydro One. The Generator Customer is to procure, pay all costs and will be fully responsible for this circuit.
- Provide a port and a modem to transmit to Hydro One (Hanover TS) the required telemetry quantities. The modem and protocol details will be to Hydro One's requirements.
- Provide SCADA data over a S4T4 connection between the Generation Facility and Hanover TS ;
- Provide status information of disconnect switches and circuit breakers at the Generation Facility including measured quantities such as, MW flow, Mvar flow and phase-to-phase voltage at 500 kV, 230 kV and 34.5kV buses to Hydro One OGCC as well as protection and communication failure alarms.
- Conform to Hydro One OGCC finalized alarms, status and telemetry table lists;
- Submit a complete telemetry list for all data originating the Generation Facility to OGCC NMS System;
- Coordinate Point Verification Testing of SCADA points;
- Provide technical assistance to Hydro One's Field P&C and Station Construction with test and commissioning procedures; and
- Participate in Hydro One COVER activities during commissioning.

Assumptions/Notes:

- i. Fulfilling IESO requirements for customer telemetry is the responsibility of the Generator Customer
- ii. The Generator Customer will ensure that they provide the IESO with a complete telemetry list for all data originating from their system.
- iii. At K2 Wind CGS, "Communication Channel Failure" alarms shall annunciate to the control system of the Generator Customer Facility. If both communication channels fail at the same time then the Generator

Customer shall be required to disconnect from the transmission system (Ashfield SS).

iv. The preferred method of SCADA connectivity would be a direct ICCP (Inter-Control Centre Communications Protocol) connection from the Generator Facility to OGCC. However DNP to the Hanvover TS hub-site will be acceptable as an alternative option. Hydro One will provide notice to the Generator Customer when the hub-site facility is being decommissioned and the Generator Customer must migrate to ICCP.

v. With due regard for the requirement for Hydro One to generate a G/R signal and for the Generator Customer to accept a G/R signal within 9 months of notification from the IESO for the Generator Customer's must participate in the BPS Generation Rejection scheme, thus if it is recommended that K2 Wind CGS telecommunication and teleprotection interfacing with Hydro One to be provided with full duplication and separation in accordance with NPCC criteria

Part 7: Telecommunication Engineering

The Generator Customer shall:

- Provide the Main telecom path from K2 Wind CGS to Ashfield SS by installing one 48 fibre single mode cable from K2 Wind CGS relay building(s) to the demarcation point, buried pull box just outside of Ashfield SS for routing into the Ashfield SS relay building to facilitate the new differential protection (Notes i & ii);
- Provide the Alternate telecom path from K2 Wind CGS to Ashfield SS by installing one 48 fibre single mode cable from K2 Wind CGS relay building(s) to the demarcation point, buried pull box just outside of Ashfield SS for routing into the Ashfield SS relay building to facilitate the new differential protection (Notes i & ii)
- Main and alternate fibre paths to be physically and geographically diverse in accordance to NPCC Directory #7
- Provide communications cable entrance facility and cable protection at the Generation Facility (K2 Wind CGS)
- Provide one 24 fibre multimode cable for the Generator Customer's Facilities SCADA and other real time data to Ashfield SS's telecom point of demarcation (buried pull box just outside Ashfield SS).

Assumptions/Notes:

- i. Demarcation points for telecommunication between K2 Wind CGS and Ashfield SS to be buried pull boxes located just outside Ashfield SS property. Hydro One to provide buried pull boxes .
- ii. To avoid splicing the fibres, the Generator Customer to provide fibres plus slack for extension from the pull boxes into the Ashfield SS relay building. The Generator Customer to coil the slack at the demarcation point pull boxes for Hydro One to pull and terminate into Ashfield SS relay building. Note the pull boxes are able to hold a splice box if splicing is required. Demarcation sites to be confirmed/settled during execution phase.
- iii. The Generator Customer is responsible for all telecommunication links between Ashfield SS and K2 Wind CGS up to the demarcation point.

Part 8: Revenue Metering

The Generator Customer shall:

- Provide a revenue metering system in accordance with the Market Rules.
- For the ACSS secondary feed from the Generator Customer to Ashfield SS: Generator Customer to install a retail meter so that Hydro One and the Generator Customer can perform annual settlement reconciliation as required.

Part 9: Requirements – Environmental, First Nations and Archaeological Studies, Provincial and Federal Agency Feedback, Notifications and Consultation Records

The Generator Customer shall:

- include the location of the connection facilities being built by Hydro One as part of the Hydro One Work (including any associated construction access and laydown areas) in the Environmental and Archaeological Studies, Notifications and Consultations ;
- provide Hydro One with copies of the Environmental and Archaeological Studies, Notifications and Consultation records and applicable correspondence;
- provide Hydro One with any relevant feedback from the provincial and federal government agencies such as Ministry of Tourism and Culture ("MTC"), Ministry of Environment ("MOE"), Ministry of Natural Resources ("MNR") and the Department of Fisheries

and Oceans ("DFO"), including any applicable Ministry Sign-offs;

- provide Hydro One with any agreements, written or oral, with the Crown on Duty to Consult obligations.
- provide Hydro One with copies of all documentation related to the appeal(s) of its REA, including, but not limited to the appeal(s) filed with the ERT within 3 business days after the appeal(s) have been filed with the ERT.

Notes:

- Hydro One's facilities cannot be approved under the Generator Customer's REA but Hydro One does need to rely the Generator Customer's Environmental and Archaeological Studies, Notifications and Consultations (including records of same) for the purposes of obtaining any environmental approvals, permits or certificates that it requires in respect of all or any part of the Hydro One Work in the interest of time

Part 10: Real Estate

The Generator Customer shall obtain the land rights described in Section 3.8 of Schedule "D" on Hydro One's behalf in accordance with the requirements of this Agreement, including, but not limited to Section 17 of the T&C,

Part 11: Documentation

The Generator Customer shall have provided Hydro One with the following Connection Interface Documents for review by Hydro One in the Implementation Connection phase:

Group A:

- IESO application-for information only.
- Single-line drawings showing ratings of all electrical equipment, such as disconnect switches, bushing potential devices, CVTs, power transformers, grounding transformers, grounding resistors, breakers, etc.
- GPR study and associated station ground design.
- Entrance structure (electrical & structural)
- General arrangement of the Generation Facility

Group B:

- DC station service 1 line showing ratings of all electrical equipment such as batteries, chargers, etc.
- Information on switchgear fault ratings
- HV surge arrester specification
- RTU configuration/communications protocol
- Teleprotection AC and DC EWD including information on proposed vendor equipment
- Line protection AC and DC EWD
- Transformer protection, AC and DC EWD
- Disconnect switch or HV breaker AC and DC EWD
- LV breaker (transformer & bus tie breakers) AC and DC EWD
- Breaker failure (transformer & bus tie breakers) AC and DC EWD
- HV equipment operating and protection philosophy

Group C:

- Power transformer and generator nameplate ratings
- Relay settings including relay logic diagrams, coordination studies and fault calculations.
- Commissioning procedure

Group D:

- Preliminary and final generator data, including excitation system performance, automatic voltage regulator (AVR), power factor regulator, power system stabilizer, static exciter and speed governor to ensure compliance with all applicable reliability standards required under the IESO Market Rules.
- Generator absorption / deliverance of VARs from/to Hydro One system to maintain the Generation Facility terminal voltage to a given set point.

Part 12: Technical Requirements for Wind Farm Operation and Control

As the Generation Facility is a wind farm greater than 10 MVA, the Generator Customer shall comply with the requirements given below and forming a part hereof.

12.1 Remote Controller

- The Generator Customer is not required to have a permanently manned Control Room, but may, for example, operate the Generation Facility from a Remote Controller using a computer link. The Remote Controller must be permanently manned 24 hours a day, seven days a week.
- If the Remote Controller is more than 2 km from the Generation Facility, secure communications shall be provided between the Remote Controller and the Generation Facility.

12.2 Operational Control

The Generator Customer is responsible for safe operation of the Generation Facility in accordance with the requirements of the Transmission System Code and the Market Rules.

a) Ride-Through Capabilities

To comply with Chapter 4, Appendix 4.2, Item 3 of the Market Rules, the Generator Customer is required to provide the ability to ride-through voltage, power swings and frequency events caused by power system disturbances outside of the Generation Facility. This is to ensure that generation does not trip for faults remote from Hydro One Facilities into which they feed. However it will trip for all faults on a radial connection to the Generation Facility without any attempt at reclosing.

b) Start-Up Sequences

The start-up sequence should be staggered with a separation of at least 1.5 seconds between start-ups or limited to a maximum step-voltage change of 3% separated by at least 70 seconds from a similar step. For a minimum step-voltage change of 0.4 %, for instance, the time interval could be reduced to 1 second between steps.

The voltage step limit will apply in all cases except the disconnection of the Generation Facility as the result of a fault.

c) Shut-Down Sequences

With regards to shutting down the Generation Facility, except for electrical faults on the Hydro One Facilities or on the Generation Facility, no more than 25% of the registered capacity of the Generation Facility may be tripped simultaneously.

d) Disconnection

If the wind speed increases above a pre-determined upper limit, each individual wind turbine generator will stop automatically. The wind turbine will restart once the wind speed has decreased below this limit for a defined period of time .

In the event that the Generation Facility gets disconnected from the IESO-Controlled Grid, even momentarily, it is required that the return or reconnection of the Generation Facility to the IESO-Controlled Grid should not be made without prior approval from IESO/OGCC operator. This mode

of operation applies whenever the Generation Facility is disconnected from the IESO-Controlled Grid.

12.3 Reactive Power

The Generator Customer shall install all reactive compensation devices and their control equipment in accordance with the System Impact Assessment to meet the power factor range of 0.9 lagging (under-excited) to 0.95 leading (over-excited) but also to compensate for reactive power consumption on wind turbine generators, step-up transformers and distributed feeders and to react to sudden momentary dips in voltage commonly seen in gusty wind conditions which could add stress to Hydro One's transmission system.

- The Generator Customer shall install capacitor bank(s) according to the System Impact Assessment.
- Reactive power control equipment to be designed consistent with the SIA to ensure that voltage declines/rises at the Connection Point on switching operations will be less than the 4% limit specified in Reference 1 of Appendix 4.4 of the Market Rules
- Capacitor bank(s) dispatches are to be based on a pre-set voltage at the Connection Point under all generating conditions .

12.4 Frequency Control

The IESO-Controlled Grid operates at 60 Hz and is normally maintained within + 0.5 Hz.

- The Generation Facility must be capable of continuously supplying its rated active power output (given sufficient wind speed) at the wind turbine generating unit terminals within the system frequency range of 59.5 Hz to 60.5 Hz. The Generator Customer shall set the frequency control in accordance with the requirements of NPCC document A-3, Table I
- The Generation Facility is required to trip if the system frequency is outside the range of 57 Hz to 62 Hz to ensure that the New or Modified Generating Facility does not remain connected to an unstable island system. The Generation Facility should be tripped within 1 second; and
- Power should be reduced at a minimum rate of 2% of the Generation Facility output per 0.1 Hz deviation of system frequency above 60.4 Hz. No additional wind turbines may be started while the frequency is above 60.4 Hz.

12.5 Power Quality

The Generator Customer shall comply with industry standards and guidelines for power quality including, but not limited to, the following:

- Flicker limits are as defined in IEC 61000-3-7, "Assessment of Emission limits for Fluctuating Loads in MV and HV Power Systems", 1996
- Harmonic limits are as defined in IEEE Standard 519-1992, "Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems"
- Voltage unbalance is not to exceed 3% calculated using the following formula:

$$\text{Unbalance (\%)} = 100 \times \frac{(\text{deviation from average})}{\text{Average}}$$

12.6 Dynamic Performance Tests

Joint IESO, Hydro One and Generator Customer dynamic performance tests shall be performed once all of the Generator Customer Facilities including all wind turbine generators are fully in service. The objectives of the joint tests are to demonstrate that the performance of a representative portion of the wind farm system installed meets IESO and Hydro One requirement confirming that the wind turbine data, simulation models, operating and protection philosophies provided by the Generator Customer to Hydro One and the IESO for studies and analyses are a true and accurate copy of the original generator data.

The following dynamic performance tests shall be carried out by IESO and Hydro One with participation from the Generator Customer and/or its consultants:

- i. tests to verify that the Generation Facility is capable of operating within the 0.90 lag to 0.95 lead power factor ranges;
- ii. tests to verify that the speed/frequency regulation/response of the Generation Facility's control system to ensure it meets the requirements of the IESO Market Rules, particularly the "inertia emulation control" function within the wind farm control system;
- iii. tests to verify the Generation Facility is capable of remaining synchronized to Hydro One's transmission system following voltage step changes due to capacitor, reactor and/or static Var compensator switching; and
- iv. tests to verify that the voltage and current total harmonic distortions (THD) from measured waveform data comply with industry standards and guidelines for power quality.

The dynamic performance tests shall be carried out by the IESO and Hydro One with participation from the Generator Customer and/or its consultants at a time mutually agreed upon.

In the event that all or any one or more of the results of the above-referenced tests show that the performance of the wind turbines or systems do not meet one or more of IESO or Hydro One's requirements, the Generator Customer acknowledges and agrees that it may have to update and/or upgrade its Generation Facility and/or its Generator Customer's Facilities at its own expense should IESO or Hydro One require same within a time period acceptable to IESO and Hydro One.

12.7 Connection Agreement Requirements

The terms in this Part 12 of this Schedule "C" shall also be terms of the Connection Agreement.

Part 13: Representation and Warrantee

The Generator Customer represents and warrants to Hydro One that no synchronizing capability is required for the 500 kV main output transformer breakers at the Generation Facility as the Generation Facility wind turbines sense for voltage and self-synchronize.

This representation and warrantee shall also be a term of the Connection Agreement.

Schedule "D": Estimated Capital Contribution, Payment Schedule and Miscellaneous

Description of Project:

The Connection of the Generator Customer's Facilities and/or the Generation Facility to Hydro One's transmission system at the Connection Point, and includes any modifications to Network Facilities required for the said Connection.

Part 1: Estimated Capital Contribution

The Estimated Capital Contribution (excluding Taxes) is based on a release quality estimate which generally has a degree of accuracy of plus or minus twenty percent and it is \$56,323,000.00(excluding applicable Taxes) and is summarized as follows:

[illegible]

(*) AFUDC = Allowance for Funds Used During Construction and is the term used in the OEB accounting procedures meaning interest during construction.

Notes:

1. Amount paid for the cost estimate of the Hydro One Work performed by Hydro One is not included in the Estimated Capital Contribution, but is included in the Cost Estimate Agreement dated April 23, 2012 made between the Generator Customer and Hydro One.
2. Overheads are included in the Estimated Capital Contribution.
3. The estimated amount for contingencies includes, but is not limited to amounts associated with any planned outage delays/cancellations and subsequent equipment commissioning as well as Generator Customer Initiated Scope Changes. Any contingencies in excess of this amount will be recovered from the Generator Customer in accordance with the terms of the Agreement.
4. Capital interest is included in the Estimated Capital Contribution.
5. HST on materials is not included in the Estimated Capital Contribution.

6. Taxes are not included in the Estimated Capital Contribution.
7. The Estimated Capital Contribution does not include any amounts associated with the cost of land, easements, and other land rights to be obtained by Hydro One from third parties or from the Generator Customer for any part of the Work Chargeable to Generator Customer. The actual cost of obtaining the land and those easements and other land rights will be reflected in the actual Capital Contribution required for the Work Chargeable to Generator Customer and any Additional or Modified Work Chargeable to Generator Customer (plus applicable Taxes).
8. The Estimated Capital Contribution does not include the estimated cost of any equipment to be procured by the Generator Customer on Hydro One's behalf under the terms of this Agreement. Equipment K2 will procure for Hydro One if required per 3.3 below.
9. The Estimated Capital Contribution includes the estimated cost of the items set out in paragraphs 12.1(a) and 12.1(b) of the T&C, and it does not include the estimate of the Engineering and Construction Cost of any tests that may be performed under Section 4 of the T&C.

Part 2: Terms and Conditions

2.1 Manner of Payment of the Estimated Capital Contribution

The Generator Customer shall pay the Estimated Capital Contribution by making the following payments (plus applicable Taxes) to Hydro One on or before the payment date indicated below:

No	Payment Date	Amount (\$)	Amount Paid (%)
1	July 17, 2012 of the Pre-CCRA Letter Agreement	\$ 540,000.00 HST in the amount of \$70,200.00	1.0
2	On Execution	\$20,000,000.00 plus HST in the amount of \$2,600,000.00	35.5
4	May 1, 2013	10,000,000.00 plus HST in the amount of \$1,300,000.00	17.8
5	August 12, 2013	\$15,000,000.00 plus HST in the amount of \$1,950,000.00	26.6
6	March 1, 2014	\$10,783,000.00 plus HST in the amount of \$1,401,790.00	19.1

Note: Hydro One acknowledges receipt of Payment No. 1 under the terms of the Pre-CCRA Letter Agreement together with the applicable HST. The December 1,

2013 payment #5 has been adjusted to reflect the payments made by the Generator Customer up to and including execution.

The Parties agree that the payment schedule above may be amended, from time to time and if mutually agreeable, to reflect the actual cash flow expended by Hydro One to reduce, as much as possible, the application of AFUDC by Hydro One. In addition, during February 2014 Hydro One will review the actual cash flow expended to-date by Hydro One to determine if payment number 6 should be adjusted.

2.2 Scope Change

See Section 2.1 of the Standard Terms and Conditions.

Part 3: Miscellaneous

3.1 Connection Point

The Generation Facility will be connected to Hydro One's 500 kV B563L circuit between Bruce A TS and Longwood TS through the proposed Ashfield SS located approximately 62.5 km from Hydro One's Bruce A TS.

3.2 Generation Facility

- The Generation Facility will consist of 140 Siemens 2.3 MW wind turbines connected to 10(ten) 34.5 kV collector feeders in groups of 11 to 16 wind turbines. Five of the collector will be connected directly onto a 34.5/500 kV transformer in the Generator Customer owned 500 kV CGS and the other five collector circuits will be connected into an intermediate 34.5/138 kV Generator Customer transformer station and then connected to the Generator Customer owned 500 kV CGS via an underground 138 kV cable and then transformed to 500 kV. The Generator Customer owned 500 kV CGS will be connected to Hydro One's transmission system at 500 kV circuit B563L by a new Hydro One owned switching station to be named Ashfield SS which is proposed to be located between the Bruce TS and Longwood TS which is approximately 62.5 km from Hydro One's Bruce TS. Ashfield SS will be located just adjacent to Hydro One's B562/563L Right-Of-Way (ROW).
- Generator Customer CGS will be located adjacent to Ashfield SS. At Generator Customer CGS, the power will be transformed to 500 kV nominal via two 530/230 kV 96/128/160 MVA and 530/34.5 kV 105/140/175 transformers. The 500 kV bus at Generator Customer CGS will connect to the new Hydro One 500 kV class bus at Ashfield SS.

- The Generator Customer represents and warrants to Hydro One that:
- the number of generating units in service at the Generation Facility will have a total generating capacity of 270 MW;
- each generating unit will be able to provide reactive power in the range of 0.9 lagging to 0.95 leading power factor at its generator terminals for constant set voltage at the Generation facility;
- the Generation Facility generators will trip only as required for contingencies within the generator zone of protection and will not trip for faults outside of the generator zone of protection;
- where applicable, the special protection system facilities installed at the Generating Facility comply with the Northeast Power Coordinating Council (NPCC) Special Protection System Criteria (Document A-11) for Type 1 special protection systems.
-

3.3 Generator Customer's Facilities

The Generator's Customer's Facilities commence at the 500 kV rigid bus extension that meets Hydro One's under-hung bus work within the proposed Ashfield SS that will be located at the Connection Point and terminates at the Generation Facility.

The Generator's Customer's Facilities fibre cables will be buried within a conduit that will run from the K2 Wind CTS PC&T building to buried pull boxes to located just outside the Ashfield SS property line. The demarcation pull box sites to be confirmed/settled during execution phase. s.

3.4 Hydro One's Assets:¹

All equipment and facilities installed by Hydro One as part of the Hydro One Work in, under, on, over, along, upon, through and crossing Hydro One's Property(ies).

3.5 Documentation Required:²

Documentation describing the as-built electrical characteristics of the Generator Customer's Facilities and the Generation Facility shall include, but is not limited to, a detailed single line drawing showing electrical parameters and characteristics of the Generator Customer's Facilities and the Generation Facility and step up transformer(s), AC and DC protection elementary diagrams, and relay types and setting sheets.

¹ Cross-reference Section 8 of T&C

² Cross-reference Sub-section 11(d) of T&C

3.6 Miscellaneous:

Approval Date (III(i) of Agreement): N/A

Exceptional Circumstances - Network Construction or Modifications: None

Capital Contribution Includes Cost of Capacity Not Required by Generator Customer: No

Event of Default : N/A

3.7 Security Requirements:

Security Requirements: Nil

Security Date: N/A

3.8 Easements and Other Land Rights

All acquisitions of land by the Generator customer shall be substantially in the forms attached hereto.

Easement(s) in Gross Required: N/A

Easement in Gross Lands: N/A

Easement in Gross Term: N/A

Easement in Gross Date: N/A

Access Easement(s) Required: YES

Access Easement Lands: Part of the property described as PT LT 6 CON 7 ED ASHFIELD AS IN R26622; S/T HWP3057; TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH

Access Easement Term: In perpetuity

Access Easement Date: [REDACTED]

Easement Required for an Access Road for a Term Beyond 21 Years: YES

Early Access Agreement(s) Required: Yes

Early Access Lands: Part of the property described as PT LT 6 CON 7 ED ASHFIELD AS IN R26622; S/T HWP3057; TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH

Early Access Execution Date: on or before [REDACTED]

Title to Lands Required: Yes

Lands to be Acquired for Hydro One: for Ashfield SS. Part of the property described as PT LT 6 CON 7 ED ASHFIELD AS IN R26622; S/T HWP3057; TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH

Closing Date: [REDACTED]

Lands to be Acquired for Hydro One for the Ashfield SS 27.6 kV Station Service: If required; lands to be identified by [REDACTED] by Hydro One

Closing Date: TBD

Work Chargeable to Customer on Crown (MNR) Lands: No

Date Work Permit/Letter of Consent Required: N/A

Pipeline and/or Railway Company Approvals Required: TBD

Affected Pipeline/Railway Companies: List Companies

Railway/Pipeline Approval Date: TBD

Consultations with Third Party Encumberancers Required: TBD

Unopened Road Allowance: No

Unopened Road Allowance Lands: N/A

Municipal Confirmation Date: TBD

Generator Customer Connection and Cost Recovery Agreement CPA V2012-3

Generator Customer Connection and Cost Recovery Agreement CPA V2012-3
Schedule "E": Statement of Engineering and Construction Costs

Project Investment No.				
Ready for service date				
Project Title				
Project Description				
Material	\$ (see Note 1)			
Construction	\$			
Engineering	\$			
Overhead/ Interest	\$			
Total Cost K\$	\$			

Note 1:

This Statement of Engineering and Construction Costs will be provided to the Generator Customer with the final invoice or credit memorandum delivered in accordance with Section 12.1 of the Standard Terms and Conditions.

Schedule "F" – Form of Grant of Easement in Gross

GRANT OF EASEMENT IN GROSS

A. [NOTE – INSERT FULL LEGAL NAME OF TRANSFEROR] (the "**Transferor**") is the owner in fee simple and in possession of • (the "**Lands**").

B. Hydro One Networks Inc. (the "**Transferee**") has erected, or is about to erect, certain Works (as more particularly described in paragraph 1(a) in, through, under, over, across, and along and upon the Lands.

IN CONSIDERATION of the payment of • DOLLARS (\$) paid by the Transferee to the Transferor, mutual covenants hereinafter set forth and other good and valuable consideration, the Transferor and Transferee hereto agree as follows:

1 The Transferor hereby grants and conveys to the Transferee, its successors and assigns the rights and easement, free from all encumbrances and restrictions, the following unobstructed and exclusive rights, easements, rights-of-way, covenants, agreements and privileges for a term of twenty-one (21) years less one (1) day from and including the date of registration of this Grant of Easement (the "**Term**") (the "**Rights**") in, through, under, over across, along and upon that portion of the Lands of the Transferor being Part of Lot •, Concession •, shown as Parts • & •, on Reference Plan •R-•••• (the "**Strip**") for the following purposes:

- (a) To enter and lay down, install, construct, erect, maintain, open, inspect, add to, enlarge, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement and operate and maintain at all times in, through, under, over, across, along and upon the Strip and electrical transmission system and telecommunications system consisting in both instances of pole structures, steel towers, anchors, guys and braces and all such aboveground or underground lines, wires, cables, telecommunications cables, grounding electrodes, conductors, apparatus, works, accessories, associated material and equipment, and appurtenances pertaining to or required by either such system (all or any of which are herein individually or collectively called the ("**Works**") as in the opinion of the Transferee are necessary or convenient thereto for use as required by Transferee in its undertaking from time to time, or a related business venture.
- (b) To enter on and selectively cut or prune, and to clear and keep clear, and remove all trees (subject to compensation to Owners for merchantable wood values), branches, bush and shrubs and other obstructions and materials, over or upon the Strip, and without limitation, to cut and remove all leaning or decayed trees located on the Lands whose proximity to the Works renders them liable to fall and come in contact with the Works or which may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
- (c) To conduct all engineering, legal surveys, and make soil tests, soil compaction and environmental studies and audits in, under, on and over the Strip as the Transferee in its discretion considers requisite.
- (d) To erect, install, construct, maintain, repair and keep in good condition, move, remove, replace and use bridges and such gates in all fences which are now or may hereafter be on the Strip as the Transferee may from time to time consider necessary.

- (e) Except for fences and permitted paragraph 2(a) installations, to clear the Strip and keep it clear of all buildings, structures, erections, installations, or other obstructions of any nature (hereinafter collectively called the “**obstruction**” whether above or below ground, including removal of any materials and equipment or plants and natural growth, which in the opinion of the Transferee, endanger its Works or any person or property or which may be likely to become a hazard to any Works of the Transferee or to any person or property or which do or may in any way interfere with the safe, efficient or serviceable operation of the Works or this easement by the Transferee.
- (f) To enter on and exit by the Transferor’s access routes and to pass and repass at all times in, over, along, upon and across the Strip and so much of the Lands as is reasonably required, for Transferee, its respective officers, employees, agents, servants, contractors, subcontractors, workmen and permittees with or without all plant machinery, material, supplies, vehicles and equipment for all purposes necessary or convenient to the exercise and enjoyment of this easement subject to compensation afterwards for any crop or other physical damage only to the Lands or permitted structures sustained by the Transferor caused by the exercise of this right of entry and passageway.
- (g) To remove, relocate and reconstruct the line on or under the Strip.

2 The Transferor agrees that:

- (a) It will not interfere with any Works established on or in the Strip and shall not, without the Transferee’s consent in writing erect or cause to be erected or permit in, under or upon the strip any obstruction or plant or permit any trees, bush, shrubs, plants or natural growth which does or may interfere with the Rights granted herein. The Transferor agrees it shall not, without the Transferee’s consent in writing, change or permit the existing configuration, grade or elevation of the Strip to be changed and the Transferor further agrees that no excavation or opening or work which may disturb or interfere with the existing surface of the Strip shall be done or made unless consent therefore in writing has been obtained from Transferee, provided however, that the Transferor shall not be required to obtain such permission in case of emergency. Notwithstanding the foregoing, in cases where in the reasonable discretion of the Transferee, there is no danger or likelihood of danger to the Works of the Transferee or to any persons or property and the safe or serviceable operation of this easement by the Transferee is not interfered with, the Transferor may at its expense and with the prior written approval of the Transferee, construct and maintain roads, lanes walks, drains, sewers water pipes, oil and gas pipelines, fences (not to exceed 2 metres in height) and service cables on or under the Strip (the “**Installation**”) or any portion thereof; provided that prior to commencing such Installation, the transferor shall give to the Transferee thirty (30) days notice in writing thereof to enable the Transferee to have a representative present to inspect the proposed Installation during the performance of such work, and provided further that Transferor comply with all instructions given by such representative and that all such work shall be done to the reasonable satisfaction of such representative. In the event of any unauthorised interference aforesaid or contravention of this paragraph, or if any authorised interference, obstruction or Installation is not maintained in accordance with the Transferee’s instructions or in the Transferee’s reasonable opinion, may subsequently interfere with the Rights granted herein, the Transferee may at the Transferor’s expense, forthwith remove, relocate, clear or correct the offending interference, obstruction , Installation or contravention complained of from the Strip, without being liable for any damages cause thereby.
- (b) Notwithstanding any rule of law or equity, the Works installed by the Transferee shall at all times remain the property of the Transferee, notwithstanding that such Works are or may become annexed

or affixed to the Strip and shall at anytime and from time to time be removable in whole or in part by Transferee.

- (c) No other easement or permission will be transferred or granted and no encumbrances will be created over or in respect to the Strip, prior to the registration of a Transfer of this grant of Rights.
- (d) The Transferor will execute such further assurances of the Rights in respect of this grant of easement as may be requisite.
- (e) The Rights hereby granted:
 - (i) shall be of the same force and effect to all intents and purposes as a covenant running with the Strip; and
 - (ii) is declared hereby to be appurtenant to and for the benefit of the Works and undertaking of the Transferee described in paragraph 1(a).
- 3. The Transferee covenants and agrees to obtain at its sole cost and expense all necessary postponements and subordinations (in registrable form) from all current and future prior encumbrancers, postponing their respective rights, title and interest to the transfer of Easement herein so as to place such Rights and easement in first priority on title to the Lands.
- 4. Unless the Transferee advises the Transferor upon 60 days' prior written notice, the Term shall be automatically renewed for an additional term of twenty-one (21) years less one (1) day upon the same terms and conditions save for the right of renewal.
- 5. There are no representations, covenants agreements, warranties and conditions in any way relating to the subject matter of this grant of Rights whether expressed or implied, collateral or otherwise except those set forth herein.
- 6. No waiver of a breach or any of the covenants of this grant of Rights shall be construed to be a waiver of any succeeding breach of the same or any other covenant.
- 7. The burden and benefit of this transfer of Rights shall run with the Strip and the Works and undertaking of the Transferee and shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.
- 8. The Transferee declares, pursuant to Section 50(3)(d) of the *Planning Act*, R.S.O. 1990 c. P.13 that the Rights are being acquired, for the purpose of an electricity distribution line or an electricity transmission line within the meaning of Part VI of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, Sched. B.

[NOTE – IF TRANSFEROR ARE INDIVIDUALS ADD THE FOLLOWING CLAUSE AS #9

- 9. The Transferor represents that, except to the extent such consent has been obtained, spousal consent to this transaction is not necessary and upon registration of this Grant of Easement will not be necessary under the provisions of the *Family Law Act*, R.S.O. 1990 c.F.3

IN WITNESS WHEREOF the parties hereto have executed this Grant of Easement.

Signed by the Transferee this _____ day of _____, 2012.

HYDRO ONE NETWORKS INC.

Per: _____

Name:

Position:

I have authority to bind the Corporation.

Signed by the Transferor this _____ day of _____, 2012.

**[NOTE – INSERT FULL LEGAL NAME OF
TRANSFEROR]**

Per: _____

Name:

Position:

Per: _____

Name:

Position:

We/I have authority to bind the Corporation

[OR IF TRANSFEROR IS INDIVIDUAL]

SIGNED, SEALED AND DELIVERED

In the presence of _____)

)

)

)

Signature of Witness

)

)

)

Transferor's Signature

(seal)

Signature of Witness

)

)

Transferor's Signature

(seal)

SIGNED, SEALED AND DELIVERED) Consent Signature & Release of
In the presence of) Transferor's Spouse, if non-owner.
)
)
)
)
_____) _____(seal)
Signature of Witness

THE CHARGEЕ of land described in a Charge/Mortgage of Land dated _____

Between _____ and _____

and registered as Instrument Number _____ on _____ does

hereby consent to this Easement and releases and discharges the rights and easement herein from the said

Charge/Mortgage of Land.

Per: _____

Per: _____

I/We have authority to bind the Corporation

GRANT OF EASEMENT

A. [NOTE – INSERT FULL LEGAL NAME OF TRANSFEROR] (the "Transferor") is the owner in fee simple and in possession of • (the "Lands").

IN CONSIDERATION of the payment of • DOLLARS (\$•.) paid by Hydro One Networks Inc. (the "Transferee") to the Transferor, mutual covenants hereinafter set forth and other good and valuable consideration, the Transferor and Transferee hereto agree as follows:

1. The Transferor hereby grants and conveys unto Hydro One Networks Inc. (the "Transferee"), and its agents, servants and workmen, for a term of twenty-one (21) years less one (1) day from and including the date of registration of this Grant of Easement (the "Term") a free and uninterrupted right-of-way, in common with the Transferor and all others entitled thereto, for persons, animals, plant, machinery, material, supplies, vehicles and equipment, in, over, along and upon that portion of the lands of the Transferor being Part of Lot X, Concession X, shown as Parts X & X on Plan XR-XXXX, in the Geographic Township of X, now in the City of X, subject to the following terms and conditions which the Transferee covenants and agrees to observe and be bound by:

2. Notwithstanding the rights herein granted, the Transferor may use the lands over which the said right-of-way is hereby granted for any and all purposes of its undertaking, and if at any time or times the presence or use of the right-of-way interferes with the Transferor's use or intended use of the lands, the Transferor may give the Transferees notice to cease using the right-of-way provided that the Transferor will grant an alternative right-of-way on its adjacent lands subject to the same terms and conditions as are herein contained.

3. The rights granted herein shall be subject to all leases, licenses, or any rights of use or occupation existing at the date of this indenture, and the Transferor may from time to time renew or extend them or make new ones, so long as they do not interfere unreasonably with the rights herein granted.

4. Unless the Transferee advises the Transferor upon 60 days' prior written notice, the Term shall be automatically renewed for an additional term of twenty-one (21) years less one (1) day upon the same terms and conditions save for the right of renewal.

5. The lands to be benefitted by this Transfer of Right-of-Way are as set out in Instrument No. XXXX (XXXX Transformer Station)

[NOTE – IF TRANSFEROR ARE INDIVIDUALS ADD THE FOLLOWING CLAUSE AS #6

6. The Transferor represents that, except to the extent such consent has been obtained, spousal consent to this transaction is not necessary and upon registration of this Grant of Easement will not be necessary under the provisions of the *Family Law Act*, R.S.O. 1990 c.F.3

IN WITNESS WHEREOF the parties hereto have executed this Grant of Easement.

Signed by the Transferee this _____ day of _____, 2012.

HYDRO ONE NETWORKS INC.

Per: _____

Name:

Position:

I have authority to bind the Corporation.

Signed by the Transferor this _____ day of _____, 2012.

**[NOTE – INSERT FULL LEGAL NAME OF
TRANSFEROR]**

Per: _____

Name:

Position:

Per: _____

Name:

Position:

We/I have authority to bind the Corporation

[OR IF TRANSFEROR IS INDIVIDUAL]

SIGNED, SEALED AND DELIVERED

In the presence of _____)

)

)

)

Signature of Witness

)

)

)

Transferor's Signature

(seal)

Signature of Witness

)

)

Transferor's Signature

(seal)

SIGNED, SEALED AND DELIVERED

In the presence of _____)

)

)

Consent Signature & Release of

Transferor's Spouse, if non-owner.

_____) _____ (seal)
Signature of Witness

Schedule "H": Form of Early Access Agreement

**FORM 1 – USED FOR ACCESS TO STATION LANDS, ACCESS EASEMENT LANDS +
CONNECTION TAP EASEMENT LANDS**

THIS AGREEMENT made in duplicate _____ day of _____ 20XX
the _____

BETWEEN:

HYDRO ONE NETWORKS (hereinafter called "HONI")
INC. OF THE FIRST PART

and

(hereinafter collectively
called the "Owner")
OF THE SECOND PART

WHEREAS:

1. The Owner is the registered owner of lands legally described as **INSERT LEGAL DESCRIPTION** (the "Lands").
2. HONI will be constructing new electrical transmission facilities (the "Transmission Facilities") on a portion of the Lands more particularly described as Part ● in Plan 18R-●●●● attached as Schedule "A" and a new transmission station (the "Transmission Station") on a portion of the Lands more particularly described as Part ● in Plan 18R-●●●● attached as Schedule "B" (the "Station Lands") together with an access road (the "Access Road") to the Transmission Station on a portion of Lands more particularly shown as Parts ●,● in Plan 18R-●●●● attached as Schedule "C", all which is collectively referred to as the "Works".
3. The Owner has entered into an Agreement of Purchase and Sale with **INSERT NAME OF PROPONENT** with respect to the Station Lands.
4. **INSERT NAME OF PROPONENT** in turn will be transferring the Station Lands to HONI in fee simple once its purchase transaction with the Owner is complete.
5. The Owner is agreeable in allowing HONI to enter onto the Lands in order to commence construction of its Works subject to the terms and conditions contained herein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the lump sum of **Five Dollars (\$5.00)** now paid by HONI to the Owner, and the respective covenants and agreements of the parties

hereinafter contained and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. HONI agrees that it will enter into, with the Owner (i) an easement agreement with respect to the Access Road and (ii) an easement with respect to the Transmission Facilities (collectively the "Easements") with respect to the portion of the Lands referenced in Schedule "A" and Schedule "C". Such Easements shall be substantially in the form of HONI's standard form easement documents.
2. The Owner hereby grants to HONI, as of the date this Agreement, (i) the right to commence construction of the Transmission Facilities, the Access Road, and Transmission Station on the Lands, as shown in Schedules "A" "B" & "C" attached hereto; and (ii) the right to enter upon and exit from, and to pass and repass at any and all times in, over, along, upon, across, through and under the Lands as may be reasonably necessary, at all reasonable times, for HONI and its respective officers, employees, workers, permittees, servants, agents, contractors and subcontractors, with or without vehicles, supplies, machinery, plant, material and equipment for the purpose of commencing construction of the Transmission Facilities, Access Road and Transmission Station,
3. HONI agrees that it shall take all reasonable care in its construction practices.
4. All agents, representatives, officers, directors, employees and contractors and property of HONI located at any time on the Lands shall be at the sole risk of HONI and the Owner shall not be liable for any loss or damage or injury (including loss of life) to them or it however occurring except and to the extent to which such loss, damage or injury is caused by the negligence or willful misconduct of the Owner.
5. HONI agrees that it shall indemnify and save harmless the Owner from and against all claims, demands, costs, damages, expenses and liabilities (collectively the "Costs") whatsoever arising out of HONI's presence on the Lands or of its activities on or in connection with the Lands arising out of the permission granted herein except to the extent any of such Costs arise out of the negligence or willful misconduct of the Owner.
6. This Agreement and the permission granted herein shall automatically terminate upon the closing of the transactions contemplated by the Easements.
7. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein. The parties hereto submit themselves to the exclusive jurisdiction of the Courts of the Province of Ontario.
8. Any amendments, modification or supplement to this Agreement or any part thereof shall not be valid or binding unless set out in writing and executed by the parties with same degree of formality as the execution of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the hands of their duly authorized signing officers in that regard.

WITNESS:

INSERT NAME(S) OR COMPANY

Signature:

Print Name of Witness

Per: _____

Name:

Title:

I have authority to bind the Corporation

WITNESS:

INSERT NAME(S) OR COMPANY

Signature:

Print Name of Witness

Per: _____

Name:

Title:

I have authority to bind the Corporation

HYDRO ONE NETWORKS INC.

Per: _____

Name:

Title:

I have authority to bind the Corporation

Schedule "A"

INSERT SKETCH OR PLAN

Schedule "B"

INSERT SKETCH OR PLAN

Schedule "C"

INSERT SKETCH OR PLAN

Schedule "H": Form of Early Access Agreement

FORM 2 – USED FOR ACCESS EASEMENT LANDS + CONNECTION TAP EASEMENT LANDS

THIS AGREEMENT made in duplicate the _____ day of _____ 20XX

BETWEEN:

HYDRO ONE NETWORKS INC (hereinafter called the "HONI")
OF THE FIRST PART

and

INSERT NAME (hereinafter called the
"Owner") OF THE SECOND
PART

WHEREAS:

1. The Owner is the registered owner of lands legally described as
(the "Lands").
2. HONI will be constructing new Electrical Transmission Facilities on a portion of the Lands shown highlighted in red on Schedule "A" & "B" attached hereto.
3. The Owner is agreeable in allowing HONI to enter onto the Lands to construct its facilities in accordance with the Drawing subject to the terms and conditions contained herein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the lump sum of FIVE Dollars (\$5.00) now paid by each party to the other and the respective covenants and agreements of the parties hereinafter contained (the receipt and sufficiency of which are hereby acknowledged by the parties hereto), the parties hereto agree as follows:

1. HONI agrees that it will enter into, with the Owner, (i) an easement agreement, on HONI's standard form, with respect to the Works located on the portion of the Lands as shown hatched and highlighted in red on the attached Schedule "A" and Schedule "B" Drawings (the "Easement"); and (ii) an access easement for HONI to access the Works over a portion of the Lands shown cross-hatched and highlighted in green on the attached Schedule "A" and Schedule "B" Drawings ("Access Easement") within a reasonable period of time following execution by the parties of this Agreement.
2. The Owner hereby grants to HONI the right to enter upon the Lands for the purpose of commencing construction of the works, as of the date this Agreement is executed by both parties.
3. HONI agrees that it shall take all reasonable care in its construction practices.
4. All agents, representatives, officers, directors, employees and contractors and property of HONI located at any time on the Lands shall be at the sole risk of HONI and the Owner shall not be liable for any loss or damage or injury (including loss of life) to them or it however occurring except and to the extent to which such loss, damage or injury is caused by the negligence or willful misconduct of the Owner.
5. HONI agrees that it shall indemnify and save harmless the Owner from and against all claims, demands, costs, damages, expenses and liabilities (collectively the "Costs") whatsoever arising out of HONI's presence on the Lands or of its activities on or in connection with the Lands arising out of the permission granted herein except to the extent any of such Costs arise out of the negligence or willful misconduct of the Owner.
6. This Agreement and the permission granted herein shall automatically terminate upon the registration of the Easement.

Generator Customer Connection and Cost Recovery Agreement CPA V2012-3

7. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein. The parties hereto submit themselves to the exclusive jurisdiction of the Courts of the Province of Ontario.

8. Any amendments, modification or supplement to this Agreement or any part thereof shall not be valid or binding unless set out in writing and executed by the parties with same degree of formality as the execution of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the hands of their duly authorized signing officers in that regard.

Dated this Day of , 20XX

WITNESS:

Per:

Signature: _____

Name: _____

Name: _____

I have authority to bind the Company

WITNESS:

Per:

Signature: _____

Name: _____

Name: _____

I have authority to bind the Company

HYDRO ONE NETWORKS INC.

Per: _____

Name: _____

Title: _____

I have authority to bind the Company

Generator Customer Connection and Cost Recovery Agreement CPA V2012-3
Schedule "A"

INSERT SKETCH

Schedule "B"

INSERT SKETCH

Schedule "H": Form of Early Access Agreement

FORM 3 – USED FOR CONNECTION TAP EASEMENT LANDS

THIS AGREEMENT made in duplicate the day of 20XX

BETWEEN:

HYDRO ONE NETWORKS INC (hereinafter called the "HONI")
OF THE FIRST PART

and

INSERT NAME (hereinafter called the
"Owner") OF THE SECOND
PART

WHEREAS:

1. The Owner is the registered owner of lands legally described as
(the "Lands").
2. HONI will be constructing new Electrical Transmission Facilities on a portion of the Lands shown highlighted in red on Schedule "A" attached hereto.
3. The Owner is agreeable in allowing HONI to enter onto the Lands to construct its facilities in accordance with the Drawing subject to the terms and conditions contained herein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the lump sum of FIVE Dollars (\$5.00) now paid by each party to the other and the respective covenants and agreements of the parties hereinafter contained (the receipt and sufficiency of which are hereby acknowledged by the parties hereto), the parties hereto agree as follows:

1. HONI agrees that it will enter into, with the Owner, (i) an easement agreement, on HONI's standard form, with respect to the Works located on the portion of the Lands as shown hatched and highlighted in red on the attached Schedule "A" (the "Easement") within a reasonable period of time following execution by the parties of this Agreement.
2. The Owner hereby grants to HONI the right to enter upon the Lands for the purpose of commencing construction of the works, as of the date this Agreement is executed by both parties.
3. HONI agrees that it shall take all reasonable care in its construction practices.
4. All agents, representatives, officers, directors, employees and contractors and property of HONI located at any time on the Lands shall be at the sole risk of HONI and the Owner shall not be liable for any loss or damage or injury (including loss of life) to them or it however occurring except and to the extent to which such loss, damage or injury is caused by the negligence or willful misconduct of the Owner.
5. HONI agrees that it shall indemnify and save harmless the Owner from and against all claims, demands, costs, damages, expenses and liabilities (collectively the "Costs") whatsoever arising out of HONI's presence on the Lands or of its activities on or in connection with the Lands arising out of the permission granted herein except to the extent any of such Costs arise out of the negligence or willful misconduct of the Owner.
6. This Agreement and the permission granted herein shall automatically terminate upon the registration of the Easement.

Generator Customer Connection and Cost Recovery Agreement CPA V2012-3

7. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein. The parties hereto submit themselves to the exclusive jurisdiction of the Courts of the Province of Ontario.

8. Any amendments, modification or supplement to this Agreement or any part thereof shall not be valid or binding unless set out in writing and executed by the parties with same degree of formality as the execution of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement by the hands of their duly authorized signing officers in that regard.

Dated this Day of , 20XX

WITNESS:

Per:

Signature: _____

Name: _____

Name: _____

I have authority to bind the Company

WITNESS:

Per:

Signature: _____

Name: _____

Name: _____

I have authority to bind the Company

HYDRO ONE NETWORKS INC.

Per: _____

Name: _____

Title: _____

I have authority to bind the Company

Schedule "A"

INSERT SKETCH

Schedule "I": Form of Form of Agreement of Purchase and Sale

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made and entered into as of this ____ day of _____ 2012.

BETWEEN:

INSERT NAME OR COMPANY

(the "**Vendor**")
OF THE FIRST PART

AND:

HYDRO ONE NETWORKS INC.

(the "**Purchaser**")
OF THE SECOND PART

WITNESSETH THAT in consideration of the mutual covenants, agreements and payments herein provided, the parties hereto covenant and agree as follows:

1.0 OFFER

- 1.1 The Vendor, being the owner of the lands and premises legally described in Schedule "A" (the "Lands") hereby agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Vendor, on the terms and conditions set out in this Agreement, a portion of the Lands shown crosshatched and bolded in red on Schedule "A-1" attached hereto and being approximately ____ acres (the "Property"), upon and subject to the terms and conditions hereinafter set forth.
- 1.2 The Vendor acknowledges and understands that upon execution of this Agreement by the Vendor and the Purchaser there shall be a binding agreement of Purchase and Sale between the Purchaser and the Vendor.
- 1.3 Included in the Purchase Price is the purchase of all of the Vendor's interest in all fixtures, improvements, and appurtenances located on the Property except those listed below which are expressly excluded: NIL

2.0 PURCHASE PRICE

- 2.1 The purchase price to be paid by the Purchaser to the Vendor for the Property shall be the sum of INSERT AMOUNT (\$____.) (the "**Purchase Price**") payable as follows;

- (a) **INSERT AMOUNT (\$____.)** to be submitted by the Purchaser upon the execution of this Agreement by all parties by uncertified cheque payable to the Purchaser's solicitor as a deposit to be held in trust by the Purchaser's solicitor in a non-interest bearing account pending completion or other termination of this Agreement and to be credited on account of the Purchase Price on completion (the "**Deposit**").

- (b) The balance of the Purchase Price by uncertified cheque at the time of closing in accordance with section 3.2 (b) of this Agreement.

2.2 The parties acknowledge that the Purchase Price is based on \$_____ per acre for _____ acres of unimproved lands and the actual area of the Property shall be confirmed by a survey prepared by the Purchaser and Purchase Price shall be adjusted accordingly to the actual acreage.

3.0 CLOSING

3.1 The closing of this transaction shall take place at **2:00pm on the ___th day of _____, 20__** or such earlier time or later time and at such place as shall be agreed in writing by the parties hereto (the "**Closing**").

3.2 On Closing,

- (a) Vacant possession of the Property shall be given to the Purchaser.
- (b) Purchaser shall pay the balance of the Purchase Price to the Vendor in accordance with section 2.1 of this Agreement;
- (c) Rents, realty taxes, local improvement charges, water and unmetered utility charges and the cost of fuel as applicable shall be apportioned and allowed to the date of completion (the day itself to be apportioned to the Purchaser).
- (d) In conformance with subsections 221(2) and 228(4) of the *Excise Tax Act* R.S.C. 1985, c E-15, as amended ("the Act"), Hydro One Networks Inc. shall report and pay to the Receiver General, the Harmonized Sales Tax ("HST") applicable to the purchase and sale of the Property. For the purposes of this clause 3.2(d), Hydro One Networks Inc. warrants that it is a HST registrant in good standing under the Act, that its HST registration number is 870865821RT0001, and that it is acquiring the Property for use primarily in the course of its commercial activities.

4.0 REPRESENTATIONS AND WARRANTIES OF VENDOR

4.1 The Purchaser shall until **4:00 pm on the ___th day of _____, 20__** (the "**Inspection Period**") to satisfy itself with respect to all matters respecting the Property and the Purchaser's proposed use of the Property, including but not limited to its present state of repair and condition and any structures thereon, all encumbrances and all regulations and by-laws governing the Property, and the Vendor grants to the Purchaser the right to enter upon the Property and to conduct such inspections, surveys and tests, including but not limited to soil, ground-water, environmental or other inspections, tests, measurements or surveys, as the Purchaser, acting reasonably, deems necessary in this regard, provided the Purchaser takes all reasonable care in the conduct of such inspections, surveys and tests and restores the Property to its prior condition so far as reasonably possible following such inspections and tests. The Vendor assumes no responsibility for and the Purchaser shall indemnify and save harmless the Vendor from and against all claims, demands, costs, damages, expenses and liabilities whatsoever arising out of its presence on the Property or of its activities on or in connection with the Property during the Inspection Period.

- 4.2 If for any reason, the Purchaser, acting reasonably, is not satisfied with respect to such matters arising from its activities in Section 4.1, it may deliver a notice (the "**Notice of Termination**") to the Vendor prior to the expiry of the Inspection Period indicating that it is not satisfied with respect to such matters and desires to terminate this Agreement and release the Vendor from any further obligations. Upon delivery by the Purchaser of a Notice of Termination to the Vendor, and this Agreement shall be at an end and the Vendor shall return the Deposit to the Purchaser without deduction and neither Party shall have any further obligation to the other respecting the Agreement.

5.0 TITLE SEARCH PERIOD

- 5.1 The Purchaser shall be allowed until **4:00pm on the ___th day of _____, 20__** to investigate title to the Property at its own expense (the "**Title Search Period**"), to satisfy itself that there are no outstanding encumbrances, or liens save and except those listed in Schedule "B" attached hereto and until the earlier of: (i) thirty (30) days from the later of the last date of the title search period or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five (5) days prior to completion, to satisfy itself that there are no outstanding work orders or deficiency notices affecting the property. Vendor hereby consents to the Municipality or other governmental agencies releasing to the Purchaser details of all outstanding work orders affecting the Property and the Vendor agrees to execute and deliver such further authorizations in this regard as Purchaser may reasonably require.
- 5.2 Provided that the title to the Property is good and free from all registered restrictions, charges, liens and encumbrances except those listed in Schedule "B" attached hereto, if within the Title Search Period, any valid objection to title is made by the Purchaser in writing to the Vendor thereof, and which the Vendor shall be unwilling or unable to remove and which the Purchaser will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and the Deposit shall be returned to the Purchaser, without deduction, and the Vendor shall not be liable for any costs or damages and the Vendor and the Purchaser shall be released from all obligations hereunder, and the Vendor shall also be released from all obligations under this Agreement, save and except those covenants of the Purchaser expressly stated to survive Closing or other termination of this Agreement. Save as to any valid objection to title made in accordance with this Agreement and within the Title Search Period, and except for any objection going to the root of title, Purchaser shall be conclusively deemed to have accepted Vendor's title to the Property.
- 5.3 The Vendor and Purchaser agree that there is no condition, express, or implied, representation or warranty of any kind that the future intended use of the Property by the Purchaser is or will be lawful except as may be specifically stipulated elsewhere in this Agreement.
- 5.4 The Purchaser shall, at its expense, arrange for the preparation of the reference plan for the Property. In the event that the reference plan has not been registered against title to the Property by Closing, then the date for Closing shall be extended.

6.0 REPRESENTATIONS AND WARRANTIES OF PURCHASER

- 6.1 Purchaser shall, at its own cost, forthwith make such investigation as the Purchaser deems appropriate of the Property and Vendor's title as provided for in this Agreement and shall notify the Vendor of any objection to title, together with a complete copy of any documents and other material information related thereto prior to the expiry of the Inspection Period and Title Search Period.

7.0 INSURANCE

- 7.1 Until the completion of the sale, all buildings on the property shall be and remain at the risk of the Vendor and the Vendor shall hold all insurance policies and the proceeds thereof in trust for the parties as their interests may appear. In the event of substantial damage, the Purchaser may either (a) terminate this Agreement on written notice to the Vendor, at the earlier of five (5) business days of receiving notification of such damage, or prior to Closing, and the Deposit and accrued interest shall be returned to the Purchaser without deduction; or (b) take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on Closing.

8.0 RESTRICTIONS AND LIMITATIONS

- 8.1 This Agreement shall be effective to create an interest in the Property only if the applicable subdivision control provisions of the *Planning Act*, R.S.O. 1990, as amended, are complied with by the Vendor prior to Closing. The Vendor shall forthwith make any application to the local Committee of Adjustment or Land Division Committee for any consent that may be required pursuant to the Planning Act. In the event that any such application for consent is denied, or any condition imposed by such body is unacceptable to the Vendor, this Agreement shall be terminated and the Deposit and accrued interest returned to the Purchaser without deduction.

9.0 ADDITIONAL PROVISIONS

- 9.1 The Transfer/Deed of Land (the "**Transfer**"), save for Land Transfer Tax Affidavits, shall be prepared in registrable form by the Vendor, and the Purchaser covenants at its cost to register the Transfer on Closing. If requested by Purchaser, Vendor covenants that the Transfer Deed to be delivered on completion shall contain the statements contemplated by s. 50(22) of the *Planning Act*, R.S.O. 1990. If requested by Purchaser, the Vendor covenants that the Transfer Deed to be delivered on completion shall contain the statements contemplated by s. 50(22) of the *Planning Act*, R.S.O. 1990.
- 9.2 Except as otherwise provided herein, each Party shall be responsible to pay its own taxes, legal costs, and the cost of preparation and registration of its own documents
- 9.3 Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties or by their respective solicitors who are specifically authorized in that regard.
- 9.4 Any tender of documents or money hereunder may be made upon the Parties or their respective solicitors on the Closing day. Money may be tendered by bank draft or uncertified cheque.
- 9.5 Where this Agreement requires notice to be delivered by one party to the other, such notice shall be given in writing and delivered either personally, or by pre-paid registered post or by facsimile, by the party wishing to give such notice, or by the solicitor acting for such party, to the other party or to the solicitor acting for the other party at the addresses noted below:

To: Vendor INSERT NAME OR COMPANY
 ADDRESS

Phone:

To: Purchaser

Hydro One Networks Inc.
Real Estate Services
1800 Main Street East
Milton, ON
L9T 7S3

Courier Address: 1800 Main Street East
Milton, Ontario
L9T 2X8

Facsimile No: 905-878-8356
Phone: 416-420-4830
Attention: Rob Thomson

Such notice shall be deemed to have been given, in the case of personal delivery, on the date of delivery, and, where given by registered post, on the third business day following the posting thereof, and if sent by facsimile, the date of delivery shall be deemed to be the date of transmission if transmission occurs prior to 4:00 p.m. (Toronto time) on a business day and on the business day next following the date of transmission in any other case. It is understood that in the event of a threatened or actual postal disruption in the postal service in the postal area through which such notice must be sent, notice must be given personally as aforesaid or by facsimile, in which case notice shall be deemed to have been given as set out above.

- 9.6 The Parties acknowledge that there are no covenants, representations, warranties, agreements or conditions, express or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Agreement save as expressly set out in this Agreement and that this Agreement and all Schedules hereto constitute the entire agreement between the parties and may not be modified except as expressly agreed between the Vendor and Purchaser in writing.
- 9.7 Should any provision or provisions of this agreement be declared illegal or unenforceable, it or they shall be considered separate and severable from the Agreement and its remaining provisions shall remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.
- 9.8 No act or omission or delay in exercising any right or enforcing any term, covenant or agreement to be performed under this Agreement shall impair such right or be construed as to be a waiver of any default or acquiescence in such failure to perform, unless such waiver shall be given or acknowledged in writing.
- 9.9 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- 9.10 This Agreement shall constitute the entire Agreement between the Purchaser and Vendor and there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property or supported hereby other than as expressed herein in writing. This Agreement shall be read with all changes of gender or number required by the context.
- 9.11 This Agreement and everything herein contained shall operate to the benefit of, and be binding upon, the respective heirs, successors, permitted assigns and other legal representatives, as the case may be, of each of the Parties hereto.
- 9.12 The Vendor warrants that spousal consent is not necessary to this transaction under the provision of the *Family Law Act*, R.S.O. 1990 unless the Vendor's spouse has executed the consent hereinafter provided.
- 9.13 The Vendor represents that he is not a non-resident for the purposes of section 116 of the *Income Tax Act*, Canada,

- 9.14 Where each of the Vendor and the Purchaser retain a solicitor to complete this Agreement and where the transaction contemplated herein will be completed by electronic registration pursuant to Part 111 of the Land Registration Reform Act, R.S.O. 1990, and any amendments thereto, the Vendor and the Purchaser acknowledge and agree that the delivery of documents and the release thereof to the Vendor and the Purchaser may, at the solicitor's discretion; (a) not occur contemporaneously with the registration of the Transfer/Deed of Land (and other registrable) documentation), and (b) be subject to conditions whereby the solicitor receiving documents and/or money will be required to hold them in trust and not release them except in accordance with the terms of a written agreement between the solicitors.
- 9.15 The Purchaser agrees that it shall pay the Vendor's reasonable legal costs with respect to the Closing contemplated in this Agreement of Purchase and Sale, up to a maximum of \$1,500.00 including disbursements and HST.
- 9.16 This Agreement and any right or interest transferred hereby may be registered on title to the Property.
- 9.17 The provisions of the attached Schedules "A", "A-1" and "B" shall form part of this Agreement as if set out herein.
- 9.18 The Vendor and Purchaser agree to take all necessary precautions to maintain the confidentiality of the terms and conditions contained herein. The Vendor acknowledges that this Agreement and any information or documents that are provided to the Purchaser may be released pursuant to the provisions of the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31, as amended. This acknowledgment shall not be construed as a waiver of any right to object to the release of this Agreement or of any information or documents.

IN WITNESS WHEREOF the Parties have hereunto set their respective hands and seals to this Agreement of Purchase and Sale.

SIGNED, SEALED AND DELIVERED

In the presence of

) INSERT COMPANY NAME (if applicable)

)

)

)

)

)

Print Name of Witness

(seal)

NAME (print):

TITLE (if applicable):

If company, insert "I have authority to bind the Corporation"

SIGNED, SEALED AND DELIVERED

In the presence of

) Consent Signature & Release of

) Vendor's Spouse, if non-owner.

)

)

)

Print Name of Witness

(seal)

Name:

HYDRO ONE NETWORKS INC.

Per: _____

Name: Rob Thomson

Title: Acquisition and Special Projects Supervisor

I have authority to bind the Corporation

SCHEDULE "A" (LEGAL DESCRIPTION OF LANDS)
INSERT LEGAL DESCRIPTION

SCHEDULE "A-1" (SKETCH OF PROPERTY)
INSERT SKETCH OR PLAN

SCHEDULE "B" (List of Permitted Encumbrances)
NIL