

June 12, 2015

**Via Email**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, On  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2014-0194 – Ontario Power Generation Inc. – Section 92  
Application for Leave to Construct a Transmission Line, Peter Sutherland  
Senior Generating Station (formerly, New Post Creek Generating Station)  
– Name Change and Status Update on Revenue Agreement Negotiations**

The purpose of this letter is:

1. to advise the Board that the generating station, formerly known as New Post Creek Generating station, has been renamed Peter Sutherland Senior Generating Station. As previously indicated in OPG's November 26, 2014 submission, the New Post Creek Project is a partnership with the Taykwa Tagamou Nation through their development corporation, Coral Rapids Power. As part of OPG's agreement with Coral Rapids Power, OPG agreed to change the name of the generating station to Peter Sutherland Senior Generating Station and to name the partnership, PSS Generating Station LP.
2. to complete the record in OPG's application for an order or orders granting leave to construct a 115 kV transmission line for the Peter Sutherland Senior Generating Station. In its letter to OPG dated January 21, 2015, the OEB inquired as to whether a power purchase agreement had been executed between OPG and the IESO and if so, requested proof of such agreement. OPG responded on April 28<sup>th</sup>,

2015, disclosing that an agreed-upon term sheet, specifying the key terms and conditions for the revenue agreement had been approved by the OPG Board, the Coral Rapids Power Board, and the IESO Board and that an executed agreement would be expected by the end of June 2015.

I can hereby advise that a Hydroelectric Energy Supply Agreement ("HESA") has been executed between the IESO and PSS Generating Station LP. As proof of execution, some non-confidential sections of the HESA (cover page, table of contents, recitals and signatures) are attached.

Please direct any comments or questions in this matter to the undersigned.

Yours truly,

*[Original Signed by]*

Colin Anderson

cc: Fred Cass, Aird & Berlis LLP  
Carlton Mathias, OPG  
Greg Towstego, OPG  
Maia Chase, IESO

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**PETER SUTHERLAND SR. (NEW POST CREEK) HYDROELECTRIC ENERGY  
SUPPLY AGREEMENT (HESA)**

**Between**

**PSS GENERATING STATION LP**

**- and -**

**INDEPENDENT ELECTRICITY SYSTEM OPERATOR**

Dated as of the 28<sup>th</sup> day of May, 2015

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## TABLE OF CONTENTS

	Page
<u>PETER SUTHERLAND SR. (NEW POST CREEK) HYDROELECTRIC ENERGY SUPPLY AGREEMENT (HESA)</u> .....	1
<u>ARTICLE 1 DEFINITIONS</u> .....	1
<u>1.1 Definitions</u> .....	1
<u>1.2 Exhibits</u> .....	16
<u>1.3 Headings and Table of Contents</u> .....	17
<u>1.4 Gender and Number</u> .....	17
<u>1.5 [intentionally deleted]</u> .....	17
<u>1.6 IESO Market Rules and Statutes</u> .....	17
<u>1.7 [intentionally deleted]</u> .....	17
<u>1.8 [intentionally deleted]</u> .....	17
<u>1.9 [intentionally deleted]</u> .....	17
<u>1.10 Invalidity, Unenforceability or Inapplicability of Provisions and Indices</u> .....	17
<u>1.11 Entire Agreement</u> .....	18
<u>1.12 Waiver, Amendment</u> .....	19
<u>1.13 Governing Law</u> .....	19
<u>1.14 Preparation of Agreement</u> .....	19
<u>ARTICLE 2 DEVELOPMENT AND OPERATION OF THE CONTRACT FACILITY</u> .....	19
<u>2.1 Design and Construction of the Contract Facility</u> .....	19
<u>2.2 Additional Development and Construction Covenants</u> .....	21
<u>2.3 Allocation and Treatment of Transmitter Connection Costs and Network         Upgrade Costs</u> .....	22
<u>2.4 Requirements for Commercial Operation</u> .....	22
<u>2.5 Sponsor Information During Design and Construction</u> .....	23
<u>2.6 Operation Covenants</u> .....	24
<u>2.7 Metering</u> .....	27
<u>2.8 Insurance Covenants</u> .....	27
<u>2.9 Compliance with Laws and Regulations and Registration with the System         Operator</u> .....	30
<u>2.10 Supplier's Ownership of Related Products</u> .....	31
<u>2.12 TTN Equity Interest</u> .....	31

**TABLE OF CONTENTS**  
(continued)

2.13	OPG Equity Interest.....	33
<u>ARTICLE 3 OPERATION OF CONTRACT FACILITY AND PAYMENT</u>		
	<u>OBLIGATIONS</u> .....	33
3.1	Operation of Contract Facility During the Term .....	33
3.2	Amount of Monthly Payment .....	33
3.3	Timing of Statement and Monthly Payment.....	33
3.4	Supplier’s Responsibility for Taxes.....	34
3.5	Sponsor’s Responsibility for Taxes .....	35
3.6	Treatment of GRC and GRC Adjustment.....	35
3.7	Adjustment for changes in Dam Safety Laws and Regulations.....	36
3.8	Decommissioning Cost Adjustment .....	37
3.9	Post Term Adjustments.....	37
3.10	Non-Residency.....	37
<u>ARTICLE 4 STATEMENTS AND PAYMENTS</u> .....		38
4.1	Meter and Other Data.....	38
4.2	<i>[intentionally deleted]</i> .....	38
4.3	Interest.....	38
4.4	Payment Account Information.....	38
4.5	Adjustment to Statement.....	38
4.6	Disputed Statement .....	39
4.7	Statements and Payment Records .....	39
<u>ARTICLE 5 CREDIT AND SECURITY REQUIREMENTS</u> .....		39
5.1	Completion and Performance Security .....	39
5.2	Composition of Security .....	40
5.3	Letter of Credit Provisions.....	41
5.4	Guarantee Provisions .....	42
5.5	Financial Statements .....	44
5.6	Notice of Deterioration in Financial Indicators .....	44
<u>ARTICLE 6 REPRESENTATIONS</u> .....		44
6.1	Representations of the Supplier .....	44

**TABLE OF CONTENTS**  
(continued)

6.2	<u>Representations of the Sponsor</u> .....	46
<u>ARTICLE 7 CONFIDENTIALITY AND FIPPA</u> .....		47
7.1	<u>Confidential Information</u> .....	47
7.2	<u>Notice Preceding Compelled Disclosure</u> .....	49
7.3	<u>Return of Information</u> .....	49
7.4	<u>Injunctive and Other Relief</u> .....	49
7.5	<u>FIPPA Records and Compliance</u> .....	50
7.6	<u>Mutual HESA Commercial Information</u> .....	50
<u>ARTICLE 8 TERM</u> .....		51
8.1	<u>Term</u> .....	51
8.2	<u>One-Time Incremental Term Extension</u> .....	52
8.3	<u>Accumulated Net Project Cost</u> .....	52
<u>ARTICLE 9 TERMINATION AND DEFAULT</u> .....		52
9.1	<u>Events of Default by the Supplier</u> .....	52
9.2	<u>Remedies of the Sponsor</u> .....	55
9.3	<u>Events of Default by the Sponsor</u> .....	57
9.4	<u>Termination by the Supplier</u> .....	58
9.5	<u>Remedies for Termination Non-Exclusive</u> .....	58
<u>ARTICLE 10 FORCE MAJEURE</u> .....		59
10.1	<u>Effect of Invoking Force Majeure</u> .....	59
10.2	<u>Exclusions</u> .....	61
10.3	<u>Definition of Force Majeure</u> .....	61
<u>ARTICLE 11 LENDER’S RIGHTS</u> .....		63
11.1	<u>Lender Security</u> .....	63
11.2	<u>Rights and Obligations of Secured Lenders</u> .....	64
11.3	<u>Cooperation</u> .....	69
<u>ARTICLE 12 DISCRIMINATORY ACTION</u> .....		70
12.1	<u>Discriminatory Action</u> .....	70
12.2	<u>Consequences of Discriminatory Action</u> .....	71
<u>ARTICLE 13 LIABILITY AND INDEMNIFICATION</u> .....		72

**TABLE OF CONTENTS**  
(continued)

13.1	<u>Exclusion of Consequential Damages</u> .....	72
13.2	<u>Sponsor Indemnification</u> .....	72
13.3	<u>Defence of Claims</u> .....	73
13.4	<u>Joint and Several Liability</u> .....	73
<u>ARTICLE 14 CONTRACT OPERATION AND ADMINISTRATION</u> .....		73
14.1	<u>Company Representative</u> .....	73
14.2	<u>Record Retention; Audit Rights</u> .....	74
14.3	<u>Reports to the Sponsor</u> .....	74
14.4	<u>Inspection of Contract Facility</u> .....	75
14.5	<u>Inspection Not Waiver</u> .....	75
14.6	<u>Performance Evaluation Protocol</u> .....	76
14.7	<u>Notices</u> .....	77
<u>ARTICLE 15 MISCELLANEOUS</u> .....		79
15.1	<u>Informal Dispute Resolution</u> .....	79
15.2	<u>Arbitration</u> .....	79
15.3	<u>Business Relationship</u> .....	79
15.4	<u>Binding Agreement</u> .....	80
15.5	<u>Assignment</u> .....	80
15.6	<u>No Change of Control</u> .....	84
15.7	<u>Survival</u> .....	84
15.8	<u>Counterparts</u> .....	84
15.9	<u>Additional Rights of Set-Off</u> .....	84
15.10	<u>Rights and Remedies Not Limited to Contract</u> .....	85
15.11	<u>Time of Essence</u> .....	85
15.12	<u>Further Assurances</u> .....	85

**EXHIBITS**

Exhibit A	Description of Contract Facility
Exhibit B	Contract Capacity
Exhibit C	Form of Irrevocable Standby Letter of Credit

**TABLE OF CONTENTS**  
(continued)

Exhibit D	Form of Guarantee
Exhibit E	<i>[intentionally left blank]</i>
Exhibit F	<i>[intentionally left blank]</i>
Exhibit G	Form of Acknowledgement of Secured Lender's Rights
Exhibit H	Form of Force Majeure Report
Exhibit I	Arbitration Provisions Applicable to Section 1.10 and Section 15.5(f)
Exhibit J	Monthly Payment
Exhibit K	Calculation of the Incapability Factor
Exhibit L	Determination of Availability
Exhibit M	<i>[intentionally left blank]</i>
Exhibit N	<i>[intentionally left blank]</i>
Exhibit O	<i>[intentionally left blank]</i>
Exhibit P	Protocol for Treatment of Decommissioning Costs
Exhibit Q	Additional Reporting Requirements



**PETER SUTHERLAND SR. (NEW POST CREEK) HYDROELECTRIC ENERGY  
SUPPLY AGREEMENT (HESA)**

This Hydroelectric Energy Supply Agreement (HESA) is dated as of the \_\_\_\_ day of \_\_\_\_\_, 2015 between PSS Generating Station LP, a limited partnership under the laws of Ontario (the “**Supplier**”), and the Independent Electricity System Operator (the “**Sponsor**”). The Supplier and the Sponsor are each referred to herein as a “**Party**” and collectively as the “**Parties**”.

**WHEREAS** the Supplier is developing a two-generating unit, approximately 28 MW hydroelectric generating station located on the Abitibi River, with the water intake located on New Post Creek, approximately seventy-five (75) kilometres north of the town of Smooth Rock Falls, Ontario, to be known as the Peter Sutherland Sr. Generating Station (New Post Creek), as further described in Exhibit A hereto (the “**Contract Facility**”) with a targeted in-service date of late 2017;

**AND WHEREAS** on June 26, 2013 the Ontario Minister of Energy issued a directive to the Ontario Power Authority (as predecessor to the Sponsor) directing it to negotiate a financial energy supply agreement with the Supplier in respect of the Contract Facility, as clarified in a directive issued by the Ontario Minister of Energy to the Ontario Power Authority April 24, 2014;

**AND WHEREAS** the Supplier and the Sponsor wish to execute this Agreement in order to formalize the long-term contractual arrangements for the Supplier to develop and operate the Contract Facility and to supply Electricity and certain Related Products from the Contract Facility, directly or indirectly, to the IESO-Administered Markets during the Term on the terms and conditions set out herein;

**NOW THEREFORE**, in consideration of the mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

**ARTICLE 1  
DEFINITIONS**

**1.1 Definitions**

In addition to the terms defined elsewhere herein, the following capitalized terms shall have the meanings stated below when used in this Agreement:

“**Acceptable Rating Agency**” means S&P, Moody’s, DBRS or any other established and reputable debt rating agency, agreed to by the Parties from time to time, each acting reasonably, provided that with respect to a Person that is a financial institution, Fitch IBCA shall also be an Acceptable Rating Agency.

“**Accumulated Net Project Cost**” has the meaning ascribed to it in Section 8.3.



**PSS GENERATING STATION INC., as  
general partner of PSS GENERATING  
STATION LP**

By: Josephina Erzetic  
Name: Josephina Erzetic  
Title: Director

**INDEPENDENT ELECTRICITY  
SYSTEM OPERATOR**

By: JoAnne Butler  
Name: JoAnne Butler  
Title: Vice President, Markets &  
Resource Development

By: Wayne Ross  
Name: WAYNE ROSS  
Title: PRESIDENT & C.E.O.

We have authority to bind the corporation.

I have authority to bind the corporation.

