

IESO Generation Contract Overview

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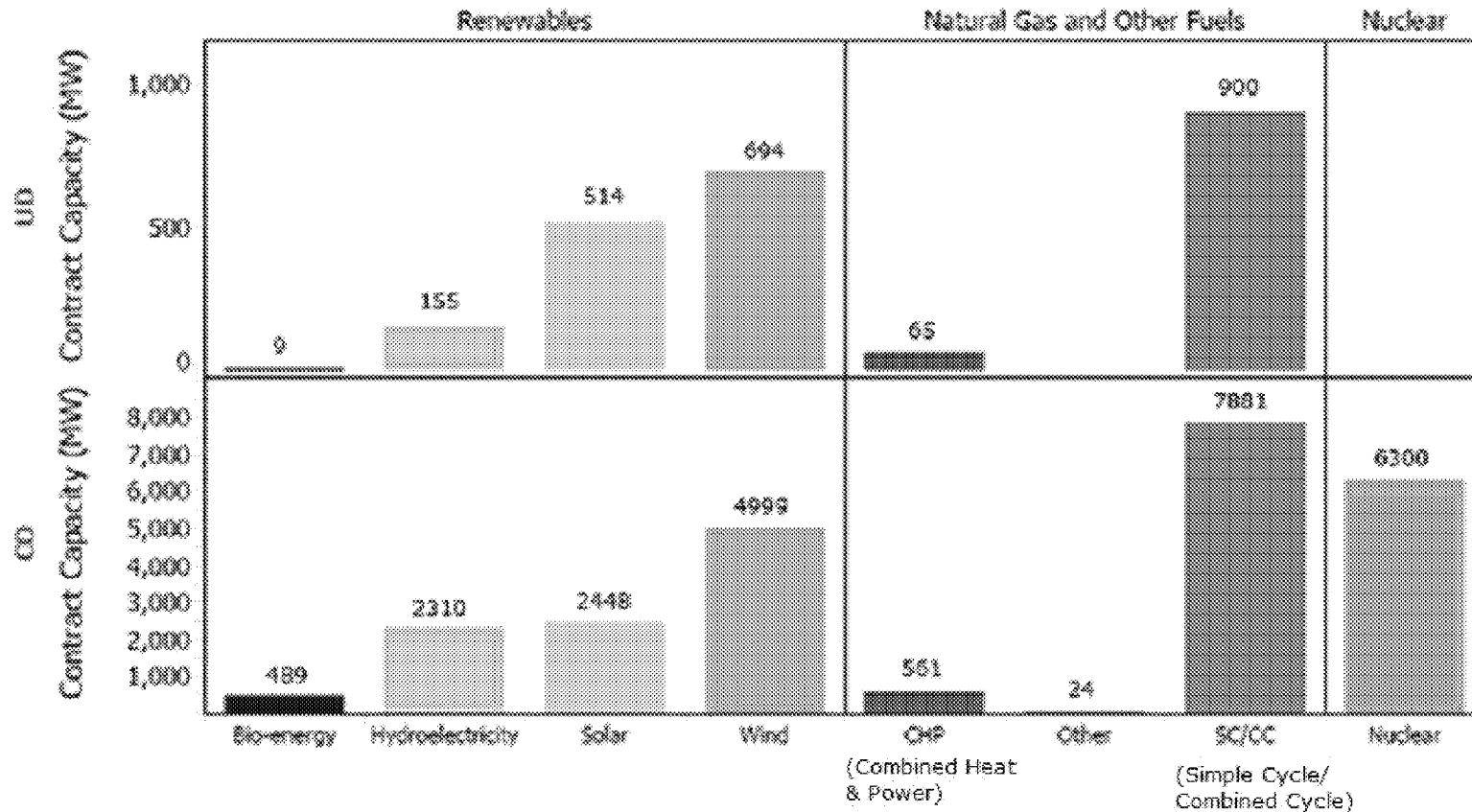
CEO, Independent Electricity System Operator

June 12, 2018

Confidential

IESO Contracted Generation (megawatts)

(as at May 31, 2018)



Legend:

UD = Under Development

CO = Commercial Operation

Feed-in Tariff & Large Renewable Procurement Contracts - Milestones

- Pre- Notice to Proceed (Feed-in Tariff) / Pre- Key Development Milestones (Large Renewable Procurement)
 - Stage for permitting, financing, engineering, etc.
- Post- Notice to Proceed (Feed-in Tariff) / Post- Key Development Milestones (Large Renewable Procurement)
 - Stage for construction, connection, commissioning
- Commercial Operation Date (Feed-in Tariff & Large Renewable Procurement)
 - Facility is generating

Feed-in Tariff Contracts (under development as of May 31, 2018)

Fuel Type	Pre- Notice to Proceed	Notice to Proceed Issued	Total
Solar	280.3 MW 763 contracts	86.0 MW 272 contracts	366.3 MW 1,035 contracts
Wind	0.6 MW 2 contracts	393.4 MW 3 contracts	394 MW 5 contracts
Water	40.6 MW 24 contracts	6.0 MW 2 contracts	46.6 MW 26 contracts
Bioenergy	6.2 MW 22 contracts	2.6 MW 10 contracts	8.8 MW 32 contracts
TOTAL	327.7 MW 811 contracts	488.0 MW 287 contracts	815.7 MW 1,098 contracts

Large Renewable Procurement Contracts (under development as of June 11, 2018)

Fuel Type	Pre-KDM	KDM submitted*	KDM confirmed*	Total
Solar	19.9 MW 3 contracts	-	120 MW 4 contract	139.9 MW 7 contracts
Wind	139.5 MW 3 contracts	100 MW 1 contract	60 MW 1 contract	299.5 MW 5 contracts
Water	15.5 MW 4 contracts	-	-	15.5 MW 4 contracts
TOTAL	174.9 MW 10 contracts	100 MW 1 contract	180 MW 5 contracts	454.9 MW 16 contracts

Feed-in Tariff & Large Renewable Procurement Contracts – Concepts

PRE – Notice to Proceed / Key Development Milestones

IESO termination right prior to issuing Notice to Proceed / confirming Key Development Milestones

- Completion and Performance Security is returned
- Supplier can recover Pre-Construction Development Costs incurred prior to Termination Date
 - Recoverable costs capped at prescribed Pre-Construction Liability Limit
- Pre-Construction Liability Limits (Feed-in Tariff & Large Renewable Procurement)
 - Solar (\$250,000 + \$10/kW)
 - Bioenergy, On-Shore Wind (\$400,000 + \$2/kW)
 - Waterpower (\$500,000 + \$20/kW)

Feed-in Tariff & Large Renewable Procurement Contracts – Concepts

- IESO may issue a Notice to Proceed Deferral Notice prior to the Notice to Proceed response deadline
 - Deferral can be up to 365 days
 - Pre-Construction Liability Limit is increased by Notice to Proceed Daily Delay Amount (3.3 – 6.7 cents / kW / day)
- The Large Renewable Procurement has no analogous deferral concepts for Key Development Milestones

Feed-in Tariff & Large Renewable Procurement Contracts – Concepts

POST - Notice to Proceed / Key Development Milestones

Optional Termination (Feed-in Tariff 4 & 5, Large Renewable Procurement)

- IESO termination right prior to the Commercial Operation Date
- If Optional Termination occurs after the IESO has issued the Notice to Proceed, the Supplier is paid the “Optional Termination Sum”
 - “Optional Termination Sum” formula specified in contract to compensate debt and equity