

AESO Renewable Electricity Program Round 2



Key Provisions of the Renewable Electricity Support Agreement

A Renewable Electricity Support Agreement (the "**RESA**") will be executed by the Alberta Electric System Operator (the "**AESO**") and each successful proponent (each a "**Generator**") that is selected by the AESO at the end of the competitive process. The RESA will govern the development and operation of the Generator's renewable energy project (the "**Project**") and will establish the terms and conditions upon which the Generator will be entitled to receive support payments in exchange for providing the AESO with all Renewable Attributes which are generated in relation to the Project.

This document contains a summary of proposed key commercial terms to be included in each RESA for REP Round 2. All capitalized terms, unless otherwise defined herein, shall have the meaning given to them in Appendix 1 to this document.

The RESA has been structured to align with the REP Round 2 proposal, and to support a robust, flexible and sustainable procurement process that maximizes competitive tensions to drive down the cost of supporting renewable electricity generation for Albertans. As it did in developing the RESA for REP Round 1, the AESO has drawn from commercial and procurement best practices when developing these key terms for REP Round 2, and was guided by the principle that risk should be allocated to the party best able to manage, mitigate or measure it. When risks cannot be managed, mitigated or measured by either counterparty, potential bidders may choose not to participate (which could result in a less competitive or failed competition) or may simply add significant premiums to their bids. It is the AESO's view that such risks should generally be left with the public authority.

Section	Description	
1	Parties	The parties to the RESA will be the AESO and the Generator.
2	Term	The term of the RESA (the " Term ") will commence upon execution. The Term consists of a development and construction period, which commences on execution of the RESA and ends upon commercial operation of the facility (the " Development Period "), followed by a support period which commences on commercial operation and ends 20 years after the earlier of commercial operation and the target date for commercial operation (the " Support Period "). This means that if the Generator fails to achieve commercial operation by the target date for commercial operation, the RESA will nonetheless terminate on the 20 year anniversary of such target date for commercial operation, shortening the Support Period on a day-for-day basis.
3	Target and Longstop Dates	<ul style="list-style-type: none"> • Commencement of Construction. Generator must commence construction of the facility by the specified longstop date (the "CC Longstop Date"). The CC Longstop Date for the second procurement will be June 30, 2021. If the Generator fails to commence construction by the CC Longstop Date, the AESO will have the option to terminate the RESA (in which case Generator will pay, as liquidated damages, a sum equal to the completion and performance security (i.e. \$50,000 per MW, calculated based on the contract capacity of the project) and AESO's remedies will be limited to such amount).

Section	Description
	<ul style="list-style-type: none"> • Commercial Operation. <ul style="list-style-type: none"> ○ <u>Target COD.</u> Generator shall use commercially reasonable efforts to achieve commercial operation of the facility by the specified target date for commercial operation ("Target COD"). Target COD for the second procurement will be June 30, 2021. If the Generator fails to achieve commercial operation by Target COD, the Support Period shall be shortened for each day of delay on a day-for-day basis. ○ <u>COD Longstop Date.</u> The Project must achieve commercial operation within 18 months after Target COD (the "COD Longstop Date") failing which AESO will have the option to terminate the RESA (in which case Generator will pay, as liquidated damages, a sum equal to the completion and performance security (i.e. \$50,000 per MW, calculated based on the contract capacity of the project) and AESO's remedies will be limited to such amount). • Extension of Dates. Each of the CC Longstop Date, Target COD, and COD Longstop Date will be extended for a reasonable period if an event of force majeure or a change in law delays Generator in the development or construction of the facility. • Earliest Support Payment. The Support Period (and the payment of support payments) will not be permitted to commence any earlier than April 1, 2020 (the "Earliest Support Payment Date"). This will not, however, restrict the Generator from delivering and selling electricity into the power pool prior to such date. • Generation Prior to COD. If electricity is generated and delivered to the power pool prior to commercial operation of the facility, Generator shall with respect to any such electricity which is generated: <ul style="list-style-type: none"> ○ prior to the Earliest Support Payment Date, be entitled to all power pool revenues; and ○ between the Earliest Support Payment Date and commercial operation, remit any pool revenues in excess of the strike price to the AESO.
4	<p>Commencement of Construction</p> <p>Generator will be required to use commercially reasonable efforts to achieve the following Key Development Milestones in a timely manner such that the facility can achieve commercial operation by Target COD. Commencement of construction of the facility will be deemed to have been achieved at the point when, as subsequently confirmed in writing by the AESO (acting reasonably and in a timely manner), Generator has:</p> <ul style="list-style-type: none"> • In respect of facilities which will be located on reserve lands and to the extent not previously provided to the AESO, delivered to the AESO a solicitor's opinion (in the prescribed form) confirming the Generator has secured a lease of the project lands from Her Majesty the Queen in Right of Canada (or a permitted sublease of such a lease) for a term that is not less than the Term; • In respect of facilities which will be located on Métis settlements and to the extent not previously provided to the AESO, delivered to the AESO a solicitor's opinion (in the prescribed form) confirming the Generator has

Section	Description
	<p>secured a lease of the project lands (in compliance with the requirements of applicable law) for a term that is not less than the Term;</p> <ul style="list-style-type: none"> • Obtained key Alberta Utilities Commission ("AUC") and other environmental, assessments, permits, licenses and approvals; • Delivered a statutory declaration to the AESO confirming that: <ul style="list-style-type: none"> ○ the Generator has secured financing sufficient to complete development, construction and commissioning of the facility; ○ the Generator has procured or entered into arrangements for long-lead equipment and materials which are necessary for the construction of the facility; ○ the Generator has commenced construction activities at the site of the facility; and ○ as of the date thereof, at least 25% of the ownership/equity interests in the Generator continue to be held by one or more Qualifying Indigenous Communities or Qualifying Indigenous Entities; and • Delivered to the AESO an executed copy of any security documents required by the AESO pursuant to the security provisions set forth in Section 6 below • Delivered a copy of its financial model to the AESO. <p>(each of the forgoing a "Key Development Milestone")</p>
<p>5</p>	<p>Commercial Operation</p> <p>Commercial operation of the facility will be deemed to have been achieved at the point when, as subsequently confirmed by the AESO in writing, Generator has satisfied each of the following requirements:</p> <ul style="list-style-type: none"> • the Generator has received a "non-zero offer" letter from the AESO; • the AESO has received copies of all government approvals required to construct, operate and maintain the facility; • the AESO has received a certificate from an independent engineer that: <ul style="list-style-type: none"> ○ states the facility has been completed in all material respects, excepting punchlist items that do not materially and adversely affect the ability of the facility to operate in accordance with the RESA, good industry practice and applicable laws; ○ confirms the amount of capacity that has been installed; and ○ states that the facility has been constructed, connected, commissioned and synchronized to the Alberta Interconnected Electric System or an electric distribution system, as applicable, such that 90% of the contract capacity is available to deliver electricity; • the AESO has received a statutory declaration from the Generator confirming that at least 25% of the ownership/equity interests in the Generator continue to be held by one or more Qualifying Indigenous Communities or Qualifying Indigenous Entities; and

Section		Description
		<ul style="list-style-type: none"> the AESO has received a certificate from the Generator, in the prescribed form, confirming all requirements respecting commercial operation of the facility have been satisfied, together with appropriate supporting documentation; <p><u>provided</u> that commercial operation shall not in any event occur prior to the Earliest Support Payment Date.</p>
6	Security	<ul style="list-style-type: none"> Pre-COD Development Obligations. Prior to commercial operation of the facility, the Generator will be required to obtain and maintain completion and performance security (in the form of a letter of credit) in the amount of \$50,000 per MW (calculated based on nameplate capacity declared at RFQ). Post-COD Payment Obligations. The Generator will not be required to obtain and maintain any liquid security following commercial operation of the facility with respect to its obligation to make payments to the AESO when pool price exceeds strike price ("Generator Payment Obligations"); however such payment obligations will be secured pursuant to the security interests taken by the AESO (as described below). The direct lender agreement between AESO and the Generator's senior lenders will acknowledge that the AESO has priority over all General Payment Obligations which accrue prior to any termination of the RESA, but that the AESO's security will be subordinated to the senior lenders' security in all other respects. The RESA will also provide the AESO with a contractual right to set off any Generator Payment Obligations against settlement funds otherwise due and owing to the Generator. Security over the Facility. The Generator will be required to provide the AESO with security interests in the facility (including associated land rights), the proceeds from any sale of the facility, and the Generator Payment Obligations to protect against any bankruptcy or insolvency of the Generator, any non-permitted transfer of the facility by the Generator, or other events of Generator default. Senior lenders' security will have priority over AESO security except as set forth above with respect to Generator Payment Obligations.
7	AESO Administration Fee	<p>The Generator will be required to pay an administration fee to the AESO to cover the AESO's REP development, implementation and administration costs.</p>
8	Design and Construction	<p>The Generator will have the following rights and obligations in respect of the development and construction of the facility:</p> <ul style="list-style-type: none"> Standard of Care. Generator will be required to design and build the facility in accordance with good engineering and operating practices, in compliance with all applicable laws, rules, codes, permits, licenses and the RESA. Facility Modification. Generator will not be permitted to materially modify, vary or amend the specifications or features of the facility (as set out in the specifications attached to the RESA or in any manner which could reasonably be expected to result in a material increase in the capacity factor which the facilities are able to achieve) without the

Section		Description
		<p>consent of the AESO.</p> <ul style="list-style-type: none"> • Reduction of Contract Capacity. The installed nameplate capacity of the facility may not exceed the nameplate capacity declared at RFQ. If it does, the AESO will be entitled to terminate the RESA. • Provided the project remains utility scale (i.e. $\geq 5\text{MW}$), the installed nameplate capacity may be reduced to not less than 80% of the capacity set forth in the RESA in recognition of the fact that the availability of resources such as land rights and financing may change. Should the Generator reduce the nameplate capacity from what was declared at RFQ, the contract capacity will be correspondingly reduced. Any such reduction will <u>not</u> result in a strike price adjustment.
9	Connection Requirements	Generator will be responsible, at its cost, for all facility connection requirements which are required to deliver electricity to the connection point.
10	Metering	The facility shall be separately metered and Generator shall, at its cost, provide separate revenue quality meters and associated equipment.
11	Approvals	Generator will be required to obtain and maintain any governmental approvals, permits, or licenses required to perform or comply with its obligations under the RESA.
12	Reporting	Generator will be subject to regular reporting requirements with respect to the Project (both pre-COD and during the Support Period, including in respect of matters relating to its equity participants and the Indigenous Participation Requirement), as determined by the AESO from time to time in its discretion. Generator shall also, as requested by the AESO, provide any and all information necessary to confirm or register the Renewable Attributes associated with Generator's renewable electricity produced at the facility.
13	Renewable Attributes and Funding from other Governmental Authorities	<ul style="list-style-type: none"> • Renewable Attributes. Generator shall, in exchange for the support payment, transfer title to all Renewable Attributes to the AESO. • Other Government Funding. Generator shall provide written notice to the AESO of any application it makes relating to any funding or incentives that may be provided by any governmental authority in relation to the facility and thereafter shall provide AESO with copies of all correspondence respecting such application. Where such funding or incentive is paid or provided based on capacity of or generation at the facility (i.e. based on kW, kWh, MW or MWh), the Generator shall within 30 days of receipt of any such funding or incentive payment, pay to the AESO 50% of any such payment. The Generator may not seek other funding or incentives that are provided or offered by the Government of Alberta with respect to renewable generation projects. <p>For further clarity, the above provisions and restrictions only apply to the Generator (i.e. they do not apply to funding or incentives obtained by any Qualifying Indigenous Community, Qualifying Indigenous Entity or other equity participant in the Generator).</p>

Section		Description
14	Operational Covenants	<p>Generator will be required to comply with the following operational covenants:</p> <ul style="list-style-type: none"> • Own/Lease the Facility. Generator shall own or lease the facility during the term of the RESA. • Operating Standard. Generator shall operate the facility in accordance with good engineering and operating practices and all applicable ISO rules, permits, licenses, approvals, laws, codes and standards. • Facility Modification. Except as otherwise permitted under the RESA, Generator will not be permitted to materially modify, vary or amend the specifications or features of the facility (as set out in the specifications attached to the RESA) without the consent of the AESO. • Operation and Maintenance. Generator shall be solely responsible for the operation and maintenance of the facility, including obtaining and maintaining in good standing all required governmental approvals. • Fuel Sources. The facility shall not use any sources or fuels other than the designated renewable fuels (except for non-renewable fuel which may be permitted in respect of any biomass facilities). • Fuel Supply Agreements. Generator shall use commercially reasonable efforts to maintain or enter into any necessary fuel supply agreements (only applicable to biomass facilities). • Resource Rights. Generator shall ensure that any necessary resource rights remain in effect during the term (for example, waterpower rights for hydro).
15	Ancillary Services	Generator will <u>not</u> be permitted to sell ancillary services.
16	Settlement Provisions	<ul style="list-style-type: none"> • Contract Price. For each hour in any month, the RESA support payment will equal the metered electricity generated by the facility (capped at the contract capacity) multiplied by the difference between the strike price and the pool price. • Payment. For each hour in any month, if the difference calculated is positive, the AESO shall pay such amount to the Generator. If, however, the difference calculated is negative (i.e. when pool price exceeds the strike price), the Generator shall pay the absolute value of such amount to the AESO. Settlement for each month shall occur on the same date that power pool settlement occurs under the ISO rules.
16.1	Change to Pool Price	The contract will include a mechanism for adopting, if necessary, a replacement reference price for purposes of determining the support payments in the event the current pool price ceases to be published, is replaced, or if the manner in which it is calculated and/or reported is materially altered.
17	Indexation and Payment Adjustments	20% of the strike price (i.e. an approximation of the percentage allocated to operation and maintenance costs) will be adjusted by any change in the Consumer Price Index (Alberta, all items) (“CPI”).

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18	<p data-bbox="272 300 427 327">Curtailment</p> <p data-bbox="537 300 1409 464">AESO and Generator will share the risk of Forgone Energy (as defined below) with Generators bearing the risk up to an annual threshold of 200 hours multiplied by the Contract Capacity and the AESO bearing the risk and compensating the Generator for all Forgone Energy in excess of such threshold.</p> <p data-bbox="537 495 1425 659">Forgone Energy will be defined to include the notional amount of renewable electricity that would have been generated and delivered by the facility when it is synchronized to the Alberta grid, but for the issuance of dispatch instructions or other directives from the AESO curtailing or limiting generation as a result of transmission constraints.</p> <p data-bbox="537 690 1377 814">The availability of the facility will be taken into account in any Forgone Energy calculations, and, for greater certainty, the Generator will not be compensated pursuant to the curtailment provisions for lost generation relating to:</p> <ul data-bbox="537 846 1422 1031" style="list-style-type: none"> <li data-bbox="537 846 906 873">• facility outages or de-rates; <li data-bbox="537 894 1422 953">• transmission or connection outages which result in the facility not being synchronized with the Alberta grid; or <li data-bbox="537 974 1422 1031">• the application of the supply surplus rules when the supply of electricity available at zero dollar (\$0) exceeds system load. <p data-bbox="537 1052 1409 1146">The Forgone Energy calculations will also take into account any over-generation on the part of the Generator as a result of failing to comply with the AESO's dispatch instructions or directives.</p>
19	<p data-bbox="272 1182 464 1209">Change in Law</p> <ul data-bbox="537 1182 1430 1881" style="list-style-type: none"> <li data-bbox="537 1182 1430 1881">• Designated Changes. The RESA will include change in law provisions pursuant to which Generator will receive schedule and financial relief with respect to changes to: <ul data-bbox="581 1293 1425 1667" style="list-style-type: none"> <li data-bbox="581 1293 1425 1524">○ any laws, regulations, rules (including ISO rules) or orders by GoA or any Alberta governmental or regulatory authority (or any court in respect of such laws, regulations, rules or orders) which: <ul data-bbox="630 1404 1360 1589" style="list-style-type: none"> <li data-bbox="630 1404 1360 1524">▪ are directed at the Renewable Electricity Program, any Generator, the rules, regulations, or terms and conditions governing generators (whether or not renewable), or any RESA; or <li data-bbox="630 1535 1360 1589">▪ otherwise relate to occupational health and safety, the environment, or a sales tax; or <li data-bbox="581 1610 1425 1667">○ any interpretation, reinterpretation or administrative position relating to any such laws, regulations, rules or orders; <p data-bbox="630 1688 1409 1803"><u>provided</u> that such changes materially delay the development and construction of the facility, increase the costs Generator would reasonably be expected to incur, or affect the volume of electricity which Generator is able to produce.</p> <p data-bbox="630 1814 1386 1881">Notwithstanding the foregoing, change in law schedule and cost relief will <u>not</u> be provided:</p>

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	<ul style="list-style-type: none"> ○ with respect to changes to any such laws, regulations, rules or orders (including Generator's regulatory approvals) which in any way relate to: greenhouse gas emissions (and restrictions and reporting thereon), emission performance credits, emission offsets, carbon offsets, carbon-pricing, or carbon-related taxes, levies or fees, or other carbon-related charges or payments, including without limitation the <i>Climate Change and Emissions Management Act</i> (Alberta) and its regulations, the <i>Climate Leadership Implementation Act</i> (Alberta) and its regulations, the <i>Oil Sands Emissions Limit Act</i> (Alberta) and its regulations, and the <i>Environment and Sustainable Resource Development Grant Regulation</i> (Alberta); or ○ where the Generator had prior notice of the change, where the change is in response to any action by Generator which is contrary to law or where the change is permitted by the RESA. ● Consequences of Designated Changes. If a designated change results in a net increase or decrease in Generator's costs or the volume of electricity which Generator is able to produce, payments under the RESA will be adjusted as necessary to keep the Generator in the same financial position in respect of the RESA, after giving effect to such designated change, as it would have been in had such designated change not occurred. Changes to Generator's net capital costs will be addressed through lump sum payments and changes to net operating costs will be addressed through an adjustment to the strike price.
20	<p>Force Majeure</p> <ul style="list-style-type: none"> ● Definition. "Force Majeure" or "FM" will be defined as any event, cause or condition that prevents a party from performing its obligations (other than payment) – but only to the extent it could not have been reasonably anticipated by, and is beyond the reasonable control of, the party claiming FM. For greater certainty: <ul style="list-style-type: none"> ○ FM <u>will</u> include: general industry strikes, delays or disruptions in the construction of certain transmission or distribution facilities, restraint by government orders/judgements, and the inability to obtain or renew any permit/licence/approval required for performance (unless the revocation or modification was caused by the inaction of the party seeking to invoke FM). ○ FM <u>will not</u> include: inability to procure feed stock/fuel, an appeal of the Permit and Licence in respect of the Project – unless Generator is ordered to cease construction, and the inability to obtain consent/approval of the AESO pursuant to the terms of the agreement. ● Performance Excused. A party affected by an event of FM is excused from performance (other than payment) during the existence of such event. ● Schedule Relief. If FM delays the commencement of construction or the occurrence of commercial operation, then the CC Longstop Date, Target COD, and COD Longstop Date will be extended for such reasonable period of delay directly resulting from such FM event. The occurrence of an event of FM which occurs after commercial operation of the facility will not extend the term.

Section		Description
		<ul style="list-style-type: none"> • Termination for Extended FM. Either party may terminate in cases of any single event of Generator invoked FM which lasts 18 months (or multiple events which last 24 months in aggregate).
21	Liability and Indemnification	<p>Generator will indemnify the AESO and the GoA from all claims, losses and damages in relation to: (i) any occurrence or event relating to the facility; (ii) any breach of Generator’s representations, warranties and covenants; and (iii) the discharge of contaminants at or related to the facility and any fines in connection therewith; <u>provided</u> that the foregoing indemnities will not apply to the extent the damage/injury is attributable to the negligence or wilful misconduct of the indemnified parties.</p>
22	Insurance	<p>Generator will be required to obtain and maintain the following insurance:</p> <ul style="list-style-type: none"> • From Commencement of Construction to COD. All insurance required under applicable laws as well as such insurance that a prudent person would obtain, including "all-risk" property insurance covering not less than the probable maximum loss of the facility, "all-risk" equipment breakdown insurance, "wrap-up" liability insurance and "commercial general liability" insurance with a rider to include environmental incidents. • From and after COD. All insurance required under applicable laws as well as such insurance that a prudent person would obtain.
23	Termination – Events of Generator Default	<ul style="list-style-type: none"> • Generator Events of Default. “Events of Generator Default” will be defined to include: <ul style="list-style-type: none"> ○ Standard Events of Default. Standard events of default including Generator bankruptcy or insolvency, breach of representations and warranties, and uncured material breaches of the RESA. ○ CC Longstop Date. Failure to commence construction of the facility by June 30, 2021. ○ COD Longstop Date. Failure to achieve commercial operation of the facility within 18 months after Target COD. ○ Failure to Hold Permits. Failure to hold a valid licence, permit or approval, where such failure results in, or could reasonably be expected to result in, a material adverse effect on the Generator or the facility. ○ Breaches with respect to the Facility. Failure of the Generator to own or lease the facility or Generator materially modifying the facility in violation of the terms of the RESA. ○ Failure to Comply with Indigenous Participation Requirements. Failure to comply with the Indigenous Participation Requirement. • Remedies for Generator Events of Default. <ul style="list-style-type: none"> ○ Termination. If a Generator Event of Default occurs and is continuing, AESO may terminate the agreement upon written notice to Generator, except in relation to bankruptcy / dissolution defaults, in which case the agreement will terminate automatically.

Section	Description	Description
		<ul style="list-style-type: none"> ▪ <u>Prior to Commercial Operation.</u> If termination for a Generator Event of Default occurs prior to commercial operation of the facility, Generator will pay, as liquidated damages, a sum equal to the completion and performance security (i.e. \$50,000 per MW of Contract Capacity) and AESO's remedies are limited to such amount. ▪ <u>After Commercial Operation.</u> If termination for Generator Event of Default occurs after commercial operation of the facility, the AESO may exercise all remedies it has at law or equity, including pursuing a claim for damages. The RESA will include a specified methodology for calculating the "mark-to-market" damages in the case of a Generator Event of Default. ○ Exercise Security. As described in the security section above, the AESO will hold security as protection against Generator Events of Default.
24	Termination – Events of AESO Default	<ul style="list-style-type: none"> • AESO Events of Default. "AESO Events of Default" will include standard events of default (e.g. failure to make payments, failure to perform a material covenant, or bankruptcy). • Remedies for AESO Events of Default. Generator may terminate the agreement for an AESO Event of Default. Any such termination which occurs pre-COD shall result in termination payments from the AESO which are the same as in the case of termination for AESO convenience. For any such termination post-COD, Generator shall retain any other remedies available to it at law or equity, including pursuing a claim for damages. The RESA will include a specified methodology for calculating the "mark-to-market" damages in the case of an AESO Event of Default.
25	Termination – AESO Convenience	<ul style="list-style-type: none"> • Termination for Convenience Right. <u>Prior to commercial operation of the facility,</u> the AESO may terminate the RESA for convenience by providing up to 30 days' notice (and the AESO may issue a stop work notice to stop further work in notice period). The AESO does not have a right to terminate the RESA for convenience after commercial operation of the facility. • Termination Prior to Construction Commencement. For any such termination which occurs prior to commencement of construction of the facility, the Generator's exclusive remedy is payment of qualifying pre-construction development costs incurred prior to the termination date, which amount shall not exceed \$8 million. • Termination Post Construction Commencement. For any such termination which occurs after commencement of construction of the facility, the AESO will pay the Generator a termination payment equal to the aggregate of: <ul style="list-style-type: none"> ○ the amount of any project financing and any related termination or breakage costs; ○ the amount of any equity invested, plus a return on equity to the date of termination equal to the equity internal rate of return ("IRR"); and

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		<ul style="list-style-type: none"> ○ all decommissioning, breakage, and other costs related to winding up the Project <u>less</u> certain credit balances, the fair market value of the assets and amounts that the AESO is entitled to set off; <u>provided</u> that the payment shall <u>not</u> be less than the aggregate of the amount of any project financing and related termination and breakage costs (after taking sums held in bank accounts and insurance proceeds in account).
26	Termination – Extended Force Majeure /Other Events	<p>Extended Force Majeure. If any single event of Generator invoked force majeure lasts 18 months (or if multiple events of force majeure collectively last longer than 24 months), either party may terminate the RESA without cost or payment of any kind to either party, and all performance security will be returned or refunded.</p>
27	Financing and Consequences of Default	<ul style="list-style-type: none"> • Security Agreement. Generator will be entitled to enter a “secured lender’s security agreement” on the terms desired by Generator, except as otherwise provided in the agreement. • Direct Lender Agreement. AESO and Generator shall enter into an agreement with secured lenders in the prescribed form. • Rights and Obligations of Secured Lenders: <ul style="list-style-type: none"> ○ Secured lenders have the right to be notified and to cure events of Generator default (other than those relating to bankruptcy, winding up or failure to achieve COD or commencement of construction by the specified longstop dates). ○ Secured lenders will have standard rights to step-in, appoint a receiver, or sell Generator’s interest in the facility (provided the transferee agrees to perform the Generator’s contractual obligations and subject to AESO consent rights). • New Agreement. Following termination of the RESA prior to the end of the term due to Generator default, AESO must offer to enter a new agreement (substantially in the form of the existing RESA) with each secured lender or its designee. Each secured lender will have the option to enter such new agreement for the remainder of the term, provided that such secured lender has paid any sums due as a result of the termination, cured existing defaults, and paid AESO’s reasonable costs and expenses incurred in connection with the termination and new agreement. If more than one secured lender opts to enter a new agreement, AESO will enter the new agreement with the secured lender with the highest priority.
28	Assignment	<ul style="list-style-type: none"> • Generator Assignment Prior to Commercial Operation. Prior to commercial operation of the facility, the Generator shall not be entitled to assign any of its rights or benefits without the consent of the AESO, which may be withheld in the AESO’s sole discretion. • Assignment After Commercial Operation by Either Party. Either party can assign its rights and benefits with prior consent of the other, not to be unreasonably withheld, provided that AESO can withhold consent in certain specified circumstances, including if the Generator’s assignment would: (i) cause the Generator to breach its obligation to

Section	Description	Description
		<p>own or lease the facility (i.e. the RESA and facilities cannot be transferred or assigned to different parties) or its obligation in respect of the Indigenous Participation Requirement; (ii) have a material adverse effect on Generator's ability to perform its obligations; or (iii) adversely affect the security held by the AESO in respect of the facilities.</p> <ul style="list-style-type: none"> • Generator Assignment to Affiliate. Generator may assign its rights and benefits to an affiliate acquiring the facility, provided such affiliate becomes bound by the terms of the RESA and provides the required security. • Assignment by AESO. AESO may assign its rights and benefits without consent of Generator, <u>provided</u> the assignee agrees to be bound by the agreement and not to make any material amendments to same or to terminate same without prior consent of Generator and <u>provided further</u> the AESO remains liable for any payment defaults and obligations of the assignee arising from the replacement party's event of default.
29	Change of Control and Indigenous Participation	<ul style="list-style-type: none"> • Generator Change of Control Prior to Commercial Operation. Prior to commercial operation of the facility, no change of control (other than changes involving affiliates or changes where the original persons in control of the Generator maintain a minimum 25% interest) of Generator will be permitted without prior consent of AESO, which consent may be withheld in the AESO's sole discretion. • Generator Change of Control After Commercial Operation. Following commercial operation of the facility and subject to the Indigenous Participation Requirement, a change of control of the Generator will be permitted provided Generator, within 10 business days following such change, provides AESO with notice and such additional information as AESO reasonably requires regarding the name of the persons/entities which control or have a direct or indirect ownership interest in Generator. • Indigenous Participation Requirement. Generator shall ensure that at all times during the term of the RESA and until the third anniversary of commercial operation of the facility, at least 25% of the ownership/equity interests in the Generator are held by one or more Qualifying Indigenous Communities or Qualifying Indigenous Entities.
30	Confidentiality and FOIP	<ul style="list-style-type: none"> • Confidentiality. The RESA will contain typical and customary confidentiality provisions, which will: (i) allow Generator to release relevant information to lenders and (ii) permit AESO to disclose certain information and data relating to the Project. • Freedom of Information. The parties will acknowledge that AESO is subject to the <i>Freedom of Information and Protection of Privacy Act</i> (Alberta) and that such Act applies to confidential information in the custody and control of AESO.
31	Generator's Representations, Warranties and Other	<ul style="list-style-type: none"> • Standard Representations and Warranties. Generator will make a number of standard representations and warranties, including: authority to enter into the agreement, valid formation and due organization, due authorization, no other business being carried on, reliance on own investigations, statements of fact in proposal are true and not

Section	Description	
	Obligations	<p>misleading, plain and true disclosure of all material facts and circumstances, and no improper payments or benefits offered to the AESO or any of its agents; and Generator shall act in accordance with its anti-corruption policy.</p> <ul style="list-style-type: none"> REP Specific Representations and Warranties. Generator will make a number of representations and warranties related to the facility and the Project, including that: (i) there is no reason to believe that commercial operation of the facility may not be achieved by Target COD; (ii) Generator and the facility will comply with the eligibility requirements of the Renewable Energy Program; (iii) Generator has made all due inquiry into requirements to obtain applicable permits and licenses, and it acknowledges it will only be entitled to Force Majeure relief in respect of failure to fulfill any such requirements that were reasonably unforeseeable; (iv) Generator has not received incentives under any other environmental program in respect of the facility; and (v) Generator has not taken any action that would constitute a conflict of interest. Indigenous Participation Representations and Warranties. The Generator will represent that, as of the date of the RESA, at least 25% of the ownership/equity interests in the Generator are held by the Qualifying Indigenous Community or Qualifying Indigenous Entity identified in its RFP submission.
32	AESO's Representations, Warranties and Other Obligations	<p>The AESO will make a number of standard representations and warranties including, for example: authority to enter into the agreement, validly existing, and due authorization.</p>
33	Dispute Resolution	<p>In the event of a dispute, the parties' representatives will attempt to resolve the dispute within 10 days after a request by either party, failing which either party may: (i) in respect of certain disputes where a commercial or technical determination (as opposed to a judicial remedy) is preferred, commence binding arbitration (such arbitration to be commenced and conducted in accordance with the rules and procedures specified in the RESA, which rules shall specify that the reasons for decision will not be private); or (ii) in all other cases, commence litigation.</p>

Appendix 1

Defined Terms

In this document, the following expressions have the following meanings (and where applicable their plurals have corresponding meanings):

- "**Indigenous Participation Requirement**" means the requirement set forth in section 29 of the term sheet.
- "**Qualifying Indigenous Community**" means a First Nation community located in the Province of Alberta, a Métis Settlement located in the Province of Alberta, the Métis Nation of Alberta or the Aseniwuche Winewak Nation.
- "**Qualifying Indigenous Entity**" means a corporation, partnership, association, company or other entity which is wholly-owned by a Qualifying Indigenous Community.
- "**Renewable Attributes**" means renewable attributes associated with a Generator's facility having decreased environmental impacts through the production of renewable electricity.