

2024 Call for Power Information Meeting Q&As

May 14, 2024 (virtual)

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1. How many MW is the Call seeking?

Response: Using the example of wind power, it's approximately 800 – 1,000 MW of installed capacity.

2. Is the additional equity for First Nations staged?

Response: Yes, there is more credit for 49, 50 and 51% than there is for 26-48% equity. You can refer to the RFP for these details.

3. What is a non-equity benefit?

Response: Non-equity benefits could include royalties, jobs, training, procurement, any other community investment that's given to a First Nations community that is not Equity Ownership as defined in the RFP.

4. Can the equity be to a corporate entity, acting as the development arm of the First Nation?

Response: We have a wide definition of Equity Ownership and the 'entity' (Person) that can be the equity owner. BC Hydro would need to see evidence of support from the First Nations community; as long as there is support then BC Hydro will consider it (i.e. the corporate entity, acting as the development arm of the First Nation) per the definition in the RFP.

5. Will a copy of the presentation be available from this session?

Response: Yes, the presentation along with the Q&A coming out of these sessions will be posted on our website.

6. Will non-equity benefit also require statutory declaration at COD?

Response: No, at COD BC Hydro only requires evidence of equity ownership and then again for three years post-COD. For non-equity benefits, BC Hydro only requires Form

5 to outline First Nations' support of the project. Please refer to Form 5 which outlines requirements.

- 7. If there are several First Nations communities that claim a revenue through the Forest Consultation and Revenue Sharing Agreements, does that come from the First Nation ownership or the partnership as a whole?**

Response: for this Call, it's equity ownership in the particular project. In terms of where the equity is sourced from, there are different sources for First Nations to obtain it from.

- 8. Will credit be given to letters of support from equity First Nations who are also receiving non-equity benefits?**

Response: the intent of providing an evaluation credit for the non-equity letter is to recognize additional economic benefits that are realized by Project First Nations that don't want to or cannot participate in equity ownership. The letter gives an opportunity for many First Nations to participate in a way that works for them, allowing the Call to spread benefits in different ways to many First Nations.

- 9. Does the non-equity benefit stack?**

Response: No, the non-equity benefit does not stack – i.e. one or more letters receive the same credit in the evaluation.

- 10. Can you please confirm the target date for execution of the EPAs? Is there an expected timeline for approval from the BCUC of the executed EPAs?**

Response: The target date for the execution of the EPAs is in December (see further information in Section 12 of the RFP) and in terms of the expected timelines for approval from the BCUC, that's difficult to predict, but our plan is to file the EPAs as soon as possible after execution of the EPAs. The process could take a number of months (e.g. 3+) and there are provisions in the EPA that relate to timing of the regulatory process and provisions should approvals take longer than anticipated.

- 11. For the CEAP application, do we need to submit all four items (IR form, GIDF Form, executed agreements and deposits) as one application or is the CEAP team tracking our submissions? For example we received confirmation that our IR and GIDF forms with sufficient and wanted to confirm if we need to resubmit them.**

Response: No, you don't need to resubmit the entire package. You just need to submit the information / items to address the deficiencies. If IR and GIDF are sufficient, you don't need to resubmit them.

12. For the IR submissions we had significant inconsistencies in review of very similar projects. We hope this did not result in rejection of a project based on the specific opinions of different reviewers. If we find one project was disqualified based on these inconsistent review comments, is it possible for BC Hydro to reconsider a project?

Response: It's best if you can send the specific issue or concern on the interconnection requests to CEAP2024@bchydro.com and we can get back to you.

13. Can we pay deposits from existing BC Hydro business account?

Response: You need to send deposits through a different account if you are paying through a wire-transfer an EFT. You cannot use an existing business account.

14. Can a proponent change the proposed wind turbine model from the feasibility stage to the start of SIS if a new model does not meet the proven technology requirements?

Response: The "proven" technology is generally referring to a technology type (i.e. wind, solar, etc.). If you have a wind project and you submit your CEAP IR and then change your turbine model after the fact, generally speaking that would be accepted. We did post Q&A #6 on this. BC Hydro would require that all material aspects are consistent between interconnection request and what's eventually submitted in your Proposal. We cannot accept material modifications (e.g. project size) that could impact the validity of the studies that determine the cost of the Network Upgrades that are assessed in the evaluation.

15. The CEAP IR requires extensive power system modelling as well as information from equipment specifications/datasheets. Since most projects have not gone through procurement process at this point, how can we estimate that would be available after the procurement process?

Response: You can get information from the manufacturer, an electrical consultant or by referencing other existing projects. Estimating that information is possible at the feasibility study stage. As you go through the system impact studies and facilities studies, you will refine that information as you procure the equipment.

16. Can you provide details on timeline and method for payment. When invoice will be distributed and how payment can be expected between May 16 and 21, 2024 deadline?

Response: You will receive an invoice and an associated invoice number. The payment has to be received by May 21 at 5 pm and must reference the invoice number. BC Hydro accepts EFT, cheque, or wire transfer.

17. Can we change plant site before September 16 if we find a better site for our 200 MW plant?

Response: Once a CEAP IR is submitted, the point of interconnection cannot change.

18. Can BC Hydro post wire transfer details on the Call for Power website in order to allow proponents to commence any internal Accounts Payable department requirements with sufficient time to send payment?

Response: No, we cannot post on our website. Please see update above regarding interconnection requests/feasibility study deposits payments.

19. Do we have any flexibility to microsite the point of interconnection location between the CEAP information request and bid submission or during the interconnection process if we stay on the same circuit and consider the same max project capacity or size? The flexibility will help but not affect the CEAP interconnection request studies completed on the specific interconnecting line.

Response: Yes, as long as you stay on the same circuit, and as long as the study results don't change, we can accommodate minor changes to the point of interconnection.

20. Does the plan for site control need to include the interconnection and point of interconnection or just the interconnecting transmission line?

Response: As outlined in Schedule 3, we are looking for evidence of site control for the transmission facilities all the way to the point of interconnection . The Proponent should demonstrate that it has obtained or has a plan to obtain access/control, agreements to acquire access/control, of all properties on the project site.

21. Can you expand to the Optional Capacity Commitment? i.e. would a BESS option be considered for a wind project proposal.

Response: the proponent needs to determine if their design of the wind project with BESS is capable of delivering the energy to meet the requirements specified on slide 43.

22. Can a First Nations equity owner also be considered for a non-equity economic benefits letter?

Response: The intention is the non-equity economic benefits letter come from Project First Nations that are not equity owners, so economic benefits are spread widely among Project First Nations and Proposal First Nations (refer to Form 5 for more information).

23. Are there other instances where the bid security would be forfeited?

Response: BC Hydro outlines in Section 7 of the RFP all of the provisions on when bid security would be returned – proponents are encouraged to review those provisions.

24. For projects on crown land, is it sufficient to have a plan to demonstrate intentions to obtain an Investigative License, or does an application for an Investigative License application need to be submitted?

Response: Site control is not included as an eligibility criterion. We understand that not everyone will have their licenses in place at the time of bid submission, but we want evidence that you have taken steps to secure the licenses by outlining your plan to secure them. So we would be looking for either the license itself, accepted application, or proof that the application has been submitted.

25. Q: For private lands, it is unclear if we need to provide a plan or agreements (options to lease) for all properties on the Project site (including transmission lines). Could you specify the minimum requirements stemming from the Schedule?

Response: This is not an eligibility requirement, but proponents need to demonstrate that you are in the process of obtaining access control agreements.

26. How will BC Hydro rank the line items on the proposal content requirements slide in terms of overall proposal evaluation? Could any of these be used to disqualify a bidder even if they are able to provide the bid security? Which would these be?

Response: Information pertaining to this question was provided later in the RFP process portion of the presentation (Section 11: Evaluation)

27. Proponents should be advised that the procurement process will be monitored in real time by fairness monitor and that monitor is available to proponents if they have fairness concerns.

Response: This is a very important part of the process. John Singleton will be acting as an independent Fairness Monitor for this process. He will be provided with full access to all documents, meetings and information related to the administration of the RFP that the Fairness Monitor, in its discretion, decides is required. He will also be kept fully informed by BC Hydro of all documents and activities associated with the administration of the RFP. The Fairness Monitor is also available to the Proponents should fairness concerns arise during the RFP process.

28. Will non-Canadian contracting and financing sources be disadvantaged in this 2024 Call for renewable power?

Response: Non-Canadian contracting will not be disadvantaged by BC Hydro, however there may be specific labour requirements under the Federal government's Investment Tax Credit program. The source of financing is requested in Form 6 which will be considered in the financial risk assessment. Proponents are encouraged to seek independent professional advice in relation to their particular circumstances.

29. Will projects in Ktunaxa amakis - (roughly The Columbia River system) will be penalized as an 'adder' as it is far from Kamloops or the mainland?

Response: We don't look at this as a penalty, but what it does reflect is additional cost of incremental firm transmission to our load centre at the South Coast. Projects that are generally north and east of the Kamloops area contribute to need for additional high voltage transmission to the Lower Mainland, so we will be applying an adder. We aren't anticipating this to be a significant differentiation between proposals given that most of the geographic area of the province is outside of this boundary. From a fairness perspective, when we are evaluating projects, we do take these additional costs into account as projects that are located in the Lower Mainland do not contribute to our need for additional high voltage transmission, and projects on Vancouver Island may actually defer our need for additional high voltage transmission which is why those projects would receive a credit in the evaluation.

30. Are there any criteria that are showstoppers?

Response: Proponents must meet all of the minimum eligibility requirements (pass/fail). Beyond this, we are looking for a complete Proposal. Incomplete or insufficient information will prevent us from evaluating a proposal adequately. It's in the proponents' best interest to include as much information as possible.

31. Will there be an update to the Evaluation Price Adjuster Formulas (dated January 17, 2024)

Response: We are not planning to post an update to these formulas as nothing has changed since then – this continues to be a resource to refer to for Proponents.

32. Is a letter of credit sufficient for the performance security amount of \$60,000 per MW of installed capacity?

Response: Yes - specifics on the letter of credit are provided in the EPA.

33. Are there any price escalation provisions based on inflation or CPI index over the PPA term?

Response: (see slide 38 of the session presentation) - there are escalation provisions – These are also outlined in Section 1.1 of the EPA.

34. Can the contract term be shorter than 30 years? 25 years is normally accepted for solar power plants?

Response: The contract term cannot be shorter than 30 years. We did extensive consultation on the term and 30 years is where we landed based on feedback from participants, including those with solar projects.

- 35. Given that proponents are only receiving payment instructions today the new anti-fraud banking rules (which delays ETF set-up) and the fact that this weekend is a bank holiday; would BC Hydro consider extending the payment deadline by one week, to ensure proponents can meet deadlines and BC Hydro obtains the maximum amount of bids for greater competition?**

Response: We must receive payments before the IR Submission Date for the proponents to move to the Feasibility Study. We are aware some organizations don't prefer EFT, so we made a wire-transfer option available. We are seeing some proponents taking an advantage of wire-transfer and the payments are received in 1-2 days. We recommend the proponents use wire-transfer as a faster payment option if the EFT set-up is a concern. We also have a cheque option so if you send by courier in order to meet the deadline.

- 36. On the basis of the CIB loan documents and the consultation with BC Hydro that took place in developing them, is it fair to assume that BC Hydro will not be seeking to benefit from any portion of the ITC afforded to proponents?**

Response: We have not hard-wired the ITC into our documentation, so there is no requirement for bidders to pass on the benefits of the ITC program, or other cost reduction opportunities that a bidder may have access to. However, as it is a competitive process, we believe that bidders will consider these factors in developing a competitive bid.

- 37. A combined question. Has BC hydro and the permitting authorities discussed the possibility of the permitting requirements forcing the reduction of size for projects? i.e. If proponents are locked into a size based on the CEAP and RFP process, but is then required to say drop a turbine or significant acreage for panels as a result of the permitting process how will that affect the EPA?**

Response: Firstly, IPPs consider many variables when determining the optimal size for their project. On the EPA side, changes to Seller's Plant (e.g., reduction in size) that would be subject to BC Hydro's consent and may require additional consultation with First Nations depending on whether there is an impact as a result of the change.

- 38. Instructions for interconnection requests/feasibility study deposits payments: For those who haven't received interconnection request / feasibility study deposits payment instructions and your specific invoice number, BC Hydro will be sending them to you by end of day May 14. We previously asked you to inquire through CEAP 2024 email, but in order to minimize the number of emails to the CEAP inbox, BC Hydro will send an email to you. This will help proponents prepare for a payment within your organization so that you can make sure to meet the May 21 deadline. With this approach, you can actually make a payment regardless of whether your Interconnection Request becomes a valid or not. If you make a payment but cannot address deficiencies on time and your IR becomes invalid, BC Hydro will refund your full deposit back to you after May 21. You will all receive an invoice number by email today so you can understand the process for**

payment. If, for some reason, you do not receive instructions and an invoice, please reach out to CEAP2024@bchydro.com.