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YUKON

STANDING OFFER PROGRAM

RULES

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STANDING OFFER PROGRAM RULES

1. INTRODUCTION

The Government of Yukon (**YG**) issued the *Independent Power Production Policy* in October 2015 as reviewed and updated by the YG in October, 2018 (**IPP Policy**). One of the key elements of the IPP Policy was to create a framework for the Standing Offer Program (**SOP**) designed by YG to achieve the following principles:

- (a) encourage the development of new, small and renewable energy Projects in Yukon by multiple Developers interconnecting into the Yukon Integrated System (**YIS**) or the Watson Lake Grid (**WLG**);
- (b) streamline the process for the sale by such Projects of electricity to Yukon Energy Corporation (**YEC**) on the YIS or to ATCO Electric Yukon (**AEY**) on the WLG (YEC and AEY being the Utilities);
- (c) provide for a Standard Form Electricity Purchase Agreement (**Standard Form EPA**), being the contract for the sale by such Projects of electricity by the Developer to the applicable Utility;
- (d) decrease transaction costs for Developers and the Utilities participating under the SOP; and
- (e) achieve the policy objectives of the IPP Policy in a manner which is cost-effective for ratepayers.

These Standing Offer Program Rules (**Rules**) have been developed by YG together with the Utilities in accordance with the IPP Policy to establish the Application Process governing the SOP as well as the SOP eligibility requirements, standards, applicable EPA term or duration and purchase price for energy delivered under the SOP. By OIC, YG has required that the Utilities implement the SOP in accordance with these Rules and YG will perform certain administrative functions contemplated by these Rules.

The IPP Policy supports the principles established in the *Energy Strategy for Yukon* released by YG in January 2009. YG intends to review the IPP Policy every 2 years. YG may make any amendments to the IPP Policy at any time. The Utilities are authorized to make any amendments to these Rules (including any Reference Documents) and the Standard Form EPA at any time to support the SOP and IPP Policy. Prior to making any amendments to the IPP Policy including any amendments that may require the Utilities to make corresponding amendments to these Rules (including any Reference Documents) or the Standard Form EPA, YG shall consult with the Utilities. Neither YG nor the Utilities shall have any obligation to consult with any Developers or potential applicants regarding such amendments or potential amendments. All such amendments made by YG or the Utilities (including, without limitation, amendments to the applicable purchase price) shall apply to any Developer or potential applicant which has not signed an EPA with a Utility in accordance with these Rules at the time of such amendments, whether or not such Developer has been registered in the SOP Queue. Such amendments shall not affect any EPA that has been entered into by a Developer prior to the amendment.

Capitalized terms used but not otherwise defined in these Rules have the meaning given to such term in the Glossary at the end of these Rules.

Actions of YG under the IPP Policy and these Rules may be carried out by any department or agency of YG, including YDC.

2. APPLICATION PROCESS OVERVIEW

The Application Process is comprised of the following phases each of which are described in greater detail in these Rules below:

- (a) **Pre-Application Phase** – The Pre-Application Phase shall commence upon submission by the Developer to the YG and the applicable Utility of the Pre-Application Form and other documents outlined in more detail in Section 5.1 below. During the Pre-Application Phase, YG will conduct a Pre-Application Completeness Review to assess whether the potential applicant and Project will be able to meet the eligibility requirements and are prepared to submit a complete Application to the Utility. Following the results of such review by YG, the Utility will complete the assessment on a preliminary basis and shall have the right to reject any potential applicant and Project which, in the Utility's Discretion, will not be able to meet the eligibility requirements.
- (b) **Preliminary Feasibility Assessment Phase** – During this phase, the potential applicant may conduct more detailed Project assessment, commence the process required to receive the YESAB Adequacy Confirmation, if required, and may, at its cost, initiate a System Interconnection Study with the Utility.
- (c) **Application Phase** – During this phase, a potential applicant that:
 - (i) is issued a Preliminary Eligibility Approval by the Utility under the Pre-Application Phase; and
 - (ii) has received the YESAB Adequacy Confirmation for its Project, if required,shall be entitled to submit an Application outlined in more detail in Section 5.3 below and the applicable Utility will complete the Application Review. Following the Application Review by the Utility, the Utility will either retain or reject the Application. The applicant and the Utility will commence the System Interconnection Study, at the applicant's cost, if not already completed in the Preliminary Feasibility Assessment Phase.
- (d) **EPA Execution Phase** – During this phase, if the Utility has retained the Developer's Application, the Utility may make an offer of an EPA to the Developer at which point the Developer must sign the EPA, failing which the Utility's offer of an EPA will be withdrawn.

YG and the Utilities make no representations or warranties as to the amount of time that will be required to complete these phases, whether each such party will complete all or any such phases or whether any potential applicant will be successful or rejected in this Application Process. Rejection of an applicant or a potential applicant may be determined by the applicable Utility in its Discretion in accordance with these Rules. Potential applicants are advised to read these Rules carefully and retain their own financial, engineering, legal and other technical advisors in the event they wish to participate in the Application Process.

3. ELIGIBILITY REQUIREMENTS

To be eligible for the SOP, the Developer and the Project must meet the eligibility requirements outlined below. The satisfaction of such eligibility requirements will be reviewed in each of the Pre-Application Phase and the Application Phase as follows:

- (a) **Pre-Application Phase Eligibility Assessment** - During the Pre-Application Phase, YG will conduct a Pre-Application Completeness Review to assess whether the potential applicant and Project will be able to meet the eligibility requirements and are prepared to submit a complete application to the Utility. Following the results of such review by YG, the Utility will complete the assessment on a preliminary basis and shall have the right to reject any potential applicant and Project which, in the Utility's Discretion, will not be able to meet the eligibility requirements.
- (b) **Application Phase Eligibility Assessment** - During the Application Phase, the applicable Utility to which the Application has been made as contemplated in Section 5.3 below will conduct an assessment of whether the Developer and Project meet the eligibility requirements and such Utility shall have the right to reject any Developer and the Project which, in such Utility's Discretion, do not meet the eligibility requirements. For clarity, this assessment will be conducted by YEC in respect of Projects to be interconnected into the YIS and by AEY in respect of Projects to be interconnected into the WLG. References to a Utility below means such applicable Utility having the authority to assess eligibility requirements for a specific Project.

3.1 Generation Technology

The generation technologies and energy sources must be proven to be reliable, as determined by the applicable Utility in its Discretion. Developers will be required to provide all such information as the Utility determines is necessary to assess such reliability. New generation technologies may be considered from time to time by the Utilities in their Discretion.

3.2 Eligible Energy

Energy delivered to a Utility under the EPA must be Eligible Clean Energy.

3.3 Location and System Constraints

Projects must be located in Yukon and connecting to the YIS or the WLG.

If a Developer proposes that a Project be located in part of the YIS or WLG which is in an area where a Utility has system constraints, it is anticipated that any such constraints can be addressed through System Upgrades which will become part of the System Upgrade Costs and paid for by the Developer; provided, however, that the Utilities shall have the right to reject a Project if it is proposed to be located in part of the YIS or WLG which is in an area where a Utility has system constraints.

3.4 System Wide Limits

The following system-wide limits (**System-wide Limits**) for all EPAs entered into under the SOP have been established by YG in order to meet the policy objectives of the SOP, while observing the technical limitations of each of the YIS and WLG:

<u>System/Grid</u>	<u>System-Wide Limit</u>
YIS	20,000 MWh/year
WLG	2,100 MWh/year

The Utilities shall have no Discretion to exceed the System-wide Limits contemplated above.

Each Developer shall submit the annual energy volume which is expected to be generated by the Project determined based on the maximum number of MWh which the applicable Project would generate assuming that it generated in accordance with the Nameplate Capacity after taking into account a reasonable capacity factor for the applicable Eligible Clean Energy source (the **Project Energy Volume**). A Project will be rejected if the total of the Project Energy Volume for the applicable Project together with the Project Energy Volumes of all other projects registered in the SOP Queue or contracted under signed EPAs (without duplication) would result in the Utility exceeding the System-wide Limit set out above for YIS or WLG, as applicable. The Utility shall have the right to reject or modify a Developer's proposed Project Energy Volume where it determines in its Discretion that it is not reasonable. The Utility may request any additional information it requires to assess the reasonableness of Project's Nameplate Capacity or expected generation specified in the Application, including verification by a qualified Yukon registered professional engineer.

Such System-wide Limits may be increased or decreased from time to time by YG in accordance with changes to the IPP Policy and in consultation with the Utilities. In the event that the System-wide Limits are, at any time, decreased, any Developer that has not executed an EPA shall be subject to having their Application rejected if the total of the Project Energy Volume for the applicable Project together with the Project Energy Volumes of all other projects registered in the SOP Queue or contracted under signed EPAs (without duplication) would result in the Utility exceeding the revised System-wide Limit set out above for YIS or WLG, as applicable. In such circumstances, the Utility may determine, in its Discretion, which Projects shall have their Application rejected and such Discretion may be exercised without regard to, among other things, the date on which a Developer has submitted its Application relative to other Applications. Neither YG nor the Utilities shall have any liability to a Developer or any other Person resulting from such rejection of an Application.

YG will maintain the SOP Website which shall contain updates of (i) each Project (including the applicable Developer, the Project Energy Volumes and Target Developer's COD for the Project) for which a Utility has entered into an EPA and (ii) the SOP Queue which shall specify each Project (including the applicable Developer, the Project Energy Volumes and Target Developer's COD for the Project) which has been registered by a Utility under the Application Process. The order in which a Project is placed in the SOP Queue shall not grant a priority to any Project over another Project in the SOP Queue and the Utilities shall have no liability to a Developer or any other Person resulting from the entering into of an EPA for a Project that was registered in the SOP Queue after another Project. Utilities have the right to work with, evaluate or otherwise negotiate with any Developer individually or simultaneously with multiple Developers and regardless of the order of the applicable Projects in the SOP Queue. Once an EPA has been entered into in respect of a Project, such Project shall be removed from the SOP Queue.

Developers are expected to review the SOP Website for available energy volumes in the System-wide Limits. Neither YG nor the Utilities represent or warrant that the available energy volume posted on the SOP Website for System-wide Limits will be or remain available at the time Developers submit an Application or at any time during the Application Process. Developers are encouraged to contact the applicable Utility prior to submitting an Application to verify available energy volumes in the System-wide Limits.

The applicable Utility shall have the Discretion to close, at any time, the SOP Queue for YIS or WLG at which time the applicable Utility shall not accept further Applications from Developers, and, in such case, the Utilities shall have no liability to a Developer or any other Person resulting from such closure of the SOP Queue.

3.5 Project Size

Where a Project is located on the YIS, such Project may have multiple generators and must have a combined total Nameplate Capacity between 30 kW up to and including 2000 kW. Where a Project is located on the WLG, such Project may have multiple generators and must have a combined total Nameplate Capacity between 30 kW up to and including 500 kW. Such limits shall also apply to each eligible Project in a Project Cluster.

The Utility shall have no Discretion to allow a Project to exceed the limits contemplated above.

3.6 Project Clusters

Project Clusters are permitted, provided that each Project within a Project Cluster must have a separate Revenue Meter.

3.7 Yukon Incentives

A Project is not eligible for the SOP if the Project has a reasonable expectation of receiving future funding from the Micro-gen Program or other generation program with the YG; provided that, for clarity, receipt by a Project of funding under the Micro-gen Program or other generation program with the YG prior to an Application under the SOP shall not make such Project ineligible for the SOP.

3.8 Permits, Site Control and Zoning

The Application Form identifies the permits, site control and evidence of zoning that are key or standard eligibility requirements that must be satisfied by the Project.

3.8.1 Permits

If the Project is an assessable activity under YESAA, (i) prior to the Application to the Utility, the Developer must have received the YESAB Adequacy Confirmation; and (ii) prior to the execution of the EPA, the Developer must have obtained all Regulatory Agency Authorizations for the Project.

The EPA may establish certain minimum permits, licenses and approvals required under applicable laws for the EPA to be effective and whether such permits are required prior to execution of the EPA or will be required to be satisfied as a condition precedent to the EPA becoming effective. However, neither the provisions of the EPA nor any other

communication with the Utility will be construed as the Utility advising the Developer in any manner whatsoever on the nature or extent of the permits, licenses and approvals required under applicable laws by the Developer and the Developer will be solely responsible for securing all such permits, licenses and approvals required under applicable laws prior to the EPA becoming effective.

3.8.2 Site Control

The Developer must demonstrate that it has obtained the right to use the site for the Project (including, unless otherwise acceptable to the Utility in its Discretion, all areas where the generating facility and related access roads, transmission lines and other Project facilities will be built) for a period generally consistent with the Term of the EPA or a shorter period if acceptable to the Utility in its Discretion.

3.8.3 Zoning

If local government land use requirements apply to all or any part of the Project site (including all areas where the generating facility and related access roads, transmission lines and other Project facilities will be built), that part of the Project site must be appropriately zoned for the applicable Project use.

Where the Project forms part of a Project Cluster, the Utility may require the Developer to provide evidence that the permits, site control and zoning requirements are satisfied for the entire Project Cluster.

3.9 Public Utility Status

The Project must not be owned, in whole or in part, by a "public utility" for purposes of the *Public Utilities Act* (Yukon).

3.10 Target Developer's Commercial Operation Date

The Target Commercial Operation Date (**Target Developer's COD**) submitted by the Developer in the Application must be:

- (a) a reasonable estimate of the date on which the Project is expected to achieve COD with considerations for the SOP application review process, and the results of the System Interconnection Study; and
- (b) unless otherwise agreed to by the Utility, not later than three years following signing the EPA.

The Utility may request any additional information it requires to assess the reasonableness of the Target Developer's COD for the Project. If the Utility determines, in its Discretion, that the Target Developer's COD is not achievable, the Utility may reject the Application.

3.11 Projects Behind a Utility Customer Load

Projects located Behind a Utility Customer Load are not eligible to apply under the SOP.

3.12 Previous, Current and Future EPAs with the Utilities

If the Utility previously signed an EPA with respect to a Project, that Project is eligible for the SOP, provided that (i) the Project did not achieve commercial operation while the original EPA was in effect, and (ii) the original EPA has been terminated in accordance with its terms and all other post-termination conditions and restrictions in that EPA have been satisfied.

The Utility may determine in its Discretion whether or not a Project submitted to the SOP constitutes the same project as a project for which an EPA was previously signed with the Utility. Factors the Utility may consider include, but are not limited to, the location, permits, licenses and site tenure, and the Developer (including ownership structure) of the Project submitted to the SOP, relative to the prior project.

If a Project is determined to be part of a Project Cluster, and the Utility has entered into an EPA(s) for generation from any project in that Project Cluster:

- (a) where the Project is located on the YIS, the Project is eligible for the SOP provided each Project in that Project Cluster has a Nameplate Capacity between 30 kW up to and including 2000 kW; and
- (b) where the Project is located on the WLG, the Project is eligible for the SOP provided each Project in that Project Cluster has a Nameplate Capacity between 30 kW up to and including 500 kW.

If the Utility accepts an Application from a Project that is part of a Project Cluster, the Developer shall be required to pay for all System Upgrades and New Interconnection Facilities which the Utility requires to address any constraints or limitations on the delivery of energy resulting from such Project Cluster identified in the System Interconnection Study.

3.13 Environmental Attributes

All Environmental Attributes for the energy delivered to the Utility under the EPA must be transferred to the Utility. The value of the Environmental Attributes is included in the price paid for energy delivered under the SOP and is not paid separately to the Developer.

3.14 EPAs with Third Parties

A Project is not eligible for the SOP if there are any agreements with a third party or parties for the purchase and sale of electricity, or any Environmental Attributes or other ancillary services from such electricity, from any generator in the Project. Any such third party agreements must be terminated prior to submitting an Application for the SOP.

3.15 Conflicts of Interest

The Developer must not be in or have the potential to be in an actual, apparent or deemed conflict of interest as a result of entering into an EPA with the Utility. The Developer must inform the Utility, by completing and submitting a Conflict of Interest Statement form, of any disclosures required under the Utility's Contractor Standards for Ethical Conduct and any potential conflicts of interest it may have with the Utility or the Utility's directors, officers or employees. The Conflict of Interest Statement Form and the Utility's Contractor Standards for Ethical Conduct are

attached to these Rules as Exhibit "E" and Exhibit "F", respectively, and can also be found at the "Documents" page of the SOP Website.

If the Developer has any directors, officers, owners (with 20 per cent or more direct or indirect ownership in the Developer or its affiliates), or Project team members who have been directors, officers or employees of YG or the applicable Utility or its subsidiaries at any time in the two years preceding the submission of the Application, the Utility will deem there to be a conflict of interest.

The applicable Utility will review the Conflict of Interest Statement Form and each shall determine, in its Discretion, whether there is any actual, apparent or deemed conflict of interest.

3.16 Interconnection

All Projects must be interconnected to the YIS or the WLG directly through a New Interconnection Facility. Projects that would require the Utility to transmit energy other than directly to either the YIS or the WLG through the New Interconnection Facilities are not eligible for the SOP.

In the case of Projects to be interconnected to a portion of the YIS owned by AEY, AEY shall own the New Interconnection Facilities and the Developer shall be required to enter into an Interconnection Agreement with AEY. In such case, YEC shall coordinate with AEY development of the New Interconnection Facilities by AEY and the Developer shall not coordinate such activities/work directly with AEY unless otherwise agreed to by the Utilities.

The System Interconnection Study will be completed by the Utility at the Developer's cost in accordance with these Rules, whether completed during the Preliminary Feasibility Assessment Phase or during the Application Phase.

Whether the System Interconnection Study is completed during the Preliminary Feasibility Assessment Phase or during the Application Phase, following completion of such study and review and assessment of the same by the Utility, the Utility shall have the right to reject such Developer and the Project if the Utility determines in its Discretion that a Project is not technically feasible.

3.17 Consultation

Notwithstanding YG's duty to consult with First Nations, Developers are required to engage with any applicable First Nations and residents of applicable communities to seek their views and inputs early in the process. Developers must document their engagement efforts, including keeping reports, logs, letters of support, and correspondence. Developers will be responsible for all consultation with applicable First Nations and residents of applicable communities in respect of the Project, including the New Interconnection Facilities and System Upgrades. Other than in respect of System Upgrades, the Utilities shall have no responsibility for such consultation in respect of the Projects, nor will the Utilities have any obligation to assess the adequacy of such consultation by the Developer.

YG and the Utilities strongly encourage all Developers to confirm they have all of the necessary permits or permit amendments in place and to obtain information on any consultation with First Nations that may be required in relation to the Project.

4. ENERGY PRICE AND LINE LOSSES

All payments under an EPA will be administered by the applicable Utility entering into the EPA. All EPAs with Developers of Projects proposing to interconnect to the YIS shall be entered into with YEC and all EPAs with Developers of Projects proposing to interconnect to the WLG shall be entered into with AEY.

4.1 Purchase Price for Energy

The purchase price for energy (the **Energy Price**) per kWh delivered under an EPA shall be determined as follows:

- (a) for an EPA with a Developer in which the Project is interconnected to the YIS, the Energy Price for the initial calendar year shall be equal to applicable Base Fuel Price determined for such EPA in accordance with Section 4.2 below and thereafter the Energy Price for a particular calendar year shall be determined by increasing the Energy Price paid in the immediately preceding calendar year by 50% of the percentage increase, if any, in the CPI in such preceding calendar year; and
- (b) for an EPA with a Developer in which the Project is interconnected to the WLG, the Energy Price for the initial calendar year shall be equal to applicable Base Fuel Price determined for such EPA in accordance with Section 4.2 below and thereafter the Energy Price for a particular calendar year shall be determined by increasing the Energy Price paid in the immediately preceding calendar year by 100% of the percentage increase, if any, in the CPI in such preceding calendar year.

The Energy Price is the only amount payable by the Utility. There is no additional payment for Environmental Attributes, for environmental certification (as defined in the Standard Form EPA) or any other expenses.

4.2 Calculation of Base Fuel Price

The applicable **Base Fuel Price** means the following amount determined by the Utilities:

- (a) **YIS EPA** - for an EPA with a Developer in which the Project is interconnected to the YIS, the Base Fuel Price is to be equal to the YEC's average blended fuel price per kWh for thermal generation most recently approved by the YUB before the date on which the EPA takes effect; and
- (b) **WLG EPA** - for an EPA with a Developer in which the Project is interconnected to the WLG, the Base Fuel Price is to be expressed in cents per kWh and will be equal to the weighted average cost of fuel purchased by AEY for the purpose of producing electricity by means of thermal generation for the five years immediately preceding the date on which the EPA takes effect divided by the weighted average heat rate for the plant for the five years immediately preceding the date on which the EPA takes effect and, if applicable, shall account for any reduction in the maintenance, capital or other costs arising from the displacement of thermal generation as a result of the electricity generated by the Project.

4.3 Seasonal Adjustment on YIS

For Developers of Projects proposing to interconnect to the YIS, the escalated Energy Price referred to in Section 4.1 may be further adjusted based upon the month when the energy is delivered to establish the payment price for each kWh of energy delivered to the POI. The monthly delivery adjustments are contained in the Standard Form EPA.

4.4 Line Losses

The price described above applies to the quantity of energy delivered at the Point of Interconnection (**POI**) adjusted for Line Losses. Developers shall be responsible for all Line Losses between (i) the POI and (ii) the point of interconnection between the New Interconnection Facilities and the YIS or WLG, as applicable. As the applicable Revenue Meter is located at the POI, the calculation of Line Losses is based on the formula to be established in the EPA, if and when executed, based on the System Interconnection Study.

5. APPLICATION PROCESS AND REVIEW

All aspects of the application process and review contemplated below shall be administered by YG and (i) YEC in respect of Developers of Projects proposing to interconnect to the YIS and (ii) AEY in respect of Developers of Projects proposing to interconnect to the WLG.

The Application Process must be completed sequentially in the following phases, the purpose of which is to ensure that Projects that are being advanced to the Application Phase have been well scoped, appropriate study work has been conducted and the Utility's assessment of such Project in the Application Phase is streamlined so as to minimize the administrative burden on the Utilities and the Developers.

The phases of this Application Process (outlined in Figure 1 at the end of this Section 5) are:

- (a) Pre-Application Phase;
- (b) Preliminary Feasibility Assessment Phase;
- (c) Application Phase; and
- (d) EPA Execution Phase.

5.1 Pre-Application Phase

The Pre-Application Phase shall commence upon submission by the Developer to the YG and the applicable Utility of the Pre-Application Form and, if required by either party, the completed Confidentiality and Compliance Agreement signed by the Developer. The Pre-Application Form and the Confidentiality and Compliance Agreement form are attached to these Rules and can also be found at the "Documents" page of the SOP Website. The applicable Utility shall have the right to reject any Developer and the Project which, in the Utility's assessment, has failed to submit a fully completed Pre-Application Form and, if required, the signed Confidentiality and Compliance Agreement.

5.1.1 Pre-Application Completeness Review by YG

YG will conduct a preliminary assessment of whether the potential applicant and Project will be able to meet the eligibility requirements and are properly prepared to submit a complete application to the Utility (the **Pre-Application Completeness Review**). YG shall assess the information which is available to YG including through the Pre-Application Form and advise the applicable Utility if the Pre-Application Completeness Review has been satisfied.

5.1.2 Preliminary Eligibility Approval by the Utility

Prior to proceeding to the Preliminary Feasibility Assessment Phase, a potential applicant shall require confirmation from the applicable Utility that it may proceed (a **Preliminary Eligibility Approval**). The applicable Utility shall have the right to not issue such Preliminary Eligibility Approval to any potential applicant and Project which YG has advised has not satisfied the Pre-Application Completeness Review or which otherwise, in the Discretion of the Utility, will not be able to meet the eligibility requirements. Notwithstanding that a Utility issues a Preliminary Eligibility Approval to a potential applicant, such Utility reserves the right to reject at any time any potential applicant and the Project which such Utility subsequently determines, in its Discretion, will not be able to meet the eligibility requirements.

Potential applicants should be careful to include complete and accurate information in this Pre-Application Phase as any variance between the information received and assessed in this preliminary assessment and the information contained in an Application or actual Project conditions may result in a final decision that is different from the preliminary assessment. As set out in Section 1 of these Rules, the Utilities may amend the SOP Rules at any time. A change in the SOP Rules may also result in a final decision that is different from the preliminary assessment.

The preliminary assessment by YG and the Utility in the Pre-Application Phase is based on the information provided to YG and the Utility and the SOP Rules in effect at the date of the preliminary assessment. A preliminary assessment is not binding on YG or either Utility and shall in no way give any potential applicant any rights in the Application Process or any right to enter into an EPA with the Utility.

5.1.3 Pre-Application Meeting

Potential applicants to the SOP are strongly encouraged to request a meeting or conference call with YG and the applicable Utility at any time prior to submitting a Pre-Application Form. The purpose of the pre-application meeting is to review the SOP Rules, the Application Process, the Standard Form EPA, the interconnection requirements and study costs, First Nations consultation requirements and other matters required to facilitate the Application Process, such as available energy volume within the System-wide Limits, basic interconnection information and other topics that may be the subject of a preliminary assessment. To arrange a pre-application meeting or conference call, Developers should submit a request for such meeting by email to the SOP Administrator at *IPPAAdministrator@gov.yk.ca*. The SOP Administrator shall then coordinate with the Utility.

5.2 Preliminary Feasibility Assessment Phase

A potential applicant that is issued a Preliminary Eligibility Approval by the Utility shall be entitled to proceed to the Preliminary Feasibility Assessment Phase. The purpose of this phase is to facilitate more detailed Project assessment by the potential applicant. Potential applicants are strongly encouraged to contact the Utility early in the planning process to discuss the interconnection concept and feasibility for their Project.

During this phase, the potential applicant may conduct more detailed Project assessment, commence the process required to receive the YESAB Adequacy Confirmation, if required, and may, at its cost, initiate a System Interconnection Study with the Utility.

During this phase, the Utility shall have the right to reject any potential applicant and Project which, in the Utility's assessment, is not technically feasible.

5.3 Application Phase

A potential applicant that is issued a Preliminary Eligibility Approval and has received the YESAB Adequacy Confirmation, if required, for its Project shall be entitled to proceed to the Application Phase described below.

5.3.1 Submitting an Application

To apply for the SOP, the Developer must submit the following:

- a completed Application signed by the Developer, with applicable exhibits, in electronic form; and
- if required by either the Developer or the applicable Utility, a completed Confidentiality and Compliance Agreement signed by the Developer (if not previously submitted with a pre-application meeting or preliminary assessment request),

by email to the SOP Administrator and the applicable Utility in accordance with Section 9 of these Rules or by designated upload site specified by the SOP Administrator.

The Application Form and Confidentiality and Compliance Agreement are attached to these Rules and can also be found at the "Documents" page of the SOP Website.

5.3.2 Application Review

(a) **Completeness Review** – Upon receipt of the Application, the Utility will provide the Developer with a written acknowledgement and will perform a completeness review to ensure that it has all the information required to proceed with the Application Review. At a minimum, the Developer will have submitted the following in order to commence the Application Review:

- a signed Application;
- all exhibits marked for inclusion by the Developer;
- if required, a signed Confidentiality and Compliance Agreement; and

- the YESAB Adequacy Confirmation, if required.

The Utility reserves the right to require additional information and/or documents including verification as to the good standing of the Developer before commencing the Application Review. The Utility may reject the Application in the event the Developer fails to provide such additional information and/or documents.

In the event the Application is incomplete, the Utility may request additional information or clarification from the Developer. Depending upon how much information is missing from the Application, the Utility will either (1) keep the Application and request submission of the missing information subject to Section 5.7 of these Rules or (2) reject the Application.

The Utility will notify the Developer in writing upon completion of the completeness review.

- (b) **Eligibility Review and Application Review** – The Utility will perform an eligibility review and the Application Review.

An eligibility review assesses whether the Developer and the Project meet, or will be able to meet, the eligibility requirements described in Section 3 of these Rules. Except in respect of Outstanding Permits described below, the Utility will reject an Application that has not met the eligibility requirements upon submission of the Application.

The Utility recognizes that the eligibility requirements in Section 3 of these Rules require that all necessary permits, licenses or approvals have been received by the Developer and that receipt of certain of such permits, licenses or approvals may not be achievable by the time of submission of the Application (**Outstanding Permits**). Accordingly, the Utility has the right to conduct the Application Review notwithstanding that such Outstanding Permits have not been received by the Developer and require that such Outstanding Permits be received prior to the EPA becoming effective. Where a Project is an assessable activity under YESAA, in no circumstances will the Application Review commence prior to the Developer receiving the YESAB Adequacy Confirmation.

In the event the Utility is unable to confirm the Project's eligibility under the SOP, the Utility may request additional information or clarification from the Developer. Depending upon how much information is missing from the Application, the Utility will either (1) keep the Application and request submission of the missing information subject to Section 5.7 of these Rules or (2) reject the Application.

The Utility will notify the Developer in writing of the results of the Application Review and whether the Application is retained or rejected following completion of this step.

- (c) **Registration Under the Available System-wide Limits** – For each Application that is retained following completion of the steps described in Section 5.3.2(b) of these Rules, the Utility will notify YG and YG shall register the Project (including the applicable Developer, the Project Energy Volumes and Target Developer's COD for the Project) in the SOP Queue on the SOP Website. The Utility will notify the Developer in writing upon completion of the registration by YG, provided that neither YG nor the Utility make any representation or warranty that such registration provides the Developer any right to enter into an EPA.

5.3.3 Review of System Interconnection Study

- (a) For each Application that is retained following completion of the steps described in Section 5.3.2 of these Rules, the Utility will, at the Developer's cost, conduct the System Interconnection Study, unless such System Interconnection Study has been previously completed by the Utility for the Developer during the Preliminary Feasibility Assessment Phase under Section 5.2 of these Rules. The Developer must file a complete System Interconnection Study application with the Utility for the System Interconnection Study and pay the applicable study fees specified by the Utility within 28 Days following the request by the Utility, or the Application may be rejected. The Utility shall not be required to perform or commit to perform any work relating to the System Interconnection Study unless and until the Developer has paid in advance the estimated amount of such costs required by the Utility delivered a complete System Interconnection Study application.
- (b) If the Developer submits a System Interconnection Study application with a Plant Capacity and Nameplate Capacity or other material information that is not the same as the Plant Capacity and Nameplate Capacity or other information described in the Application, the Application will be rejected.
- (c) Upon completion of the System Interconnection Study, the Utility will review the System Interconnection Study to determine whether the Utility is ready to support the Project's interconnection to the YIS or WLG, as applicable. Without limiting any other rights of the Utility to reject an Application under these Rules, the Utility may reject an Application if the System Interconnection Study indicates that the proposed New Interconnection Facilities and System Upgrades are not capable of being completed at least 90 Days prior to the Target Developer's COD specified by the Developer in the Application.
- (d) Developers should note that a System Interconnection Study may become out-of-date and invalid if further studies or steps are not commenced within the time required by the Utility.
- (e) The Developer shall notify the Utility and other Governmental Authorities, including YESAB and other permitting or licensing agencies, having jurisdiction over the Project of any changes to the Project arising from the System Interconnection Study or other work completed since the submission of the original Application or the YESAB Adequacy Confirmation. In such case, the Developer will be required to submit a Statement of Project Changes to the Utility and the Utility will determine whether the Application needs to be re-submitted by the Developer for review based on the nature of any changes submitted in the Statement of Project Changes. If the Developer is required to re-submit the Application, the Utility shall notify YG that the Application has been rejected and YG shall remove the Developer and the Project from the SOP Queue.

5.4 EPA Execution Phase

Provided (i) the Developer's Application has not been rejected following completion of the steps described in Section 5.3 of these Rules and (ii) where a Project is an assessable activity under YESAA, the Developer has received such Regulatory Agency Authorizations for the Project, the Developer shall be entitled to proceed to the EPA Execution Phase described below.

5.4.1 EPA Preparation

The following shall apply to the EPA preparation:

- (a) The Utility expects that the Standard Form EPA will not be modified except as may be necessary for a Project. (See Section 7.2 of these Rules)
- (b) Developers are encouraged to carefully review the Standard Form EPA prior to submitting an Application. The Utility will not consider any changes proposed by Developers to the Standard Form EPA in their Application or otherwise. The Utility may reject an Application that contains proposed changes to the Standard Form EPA.
- (c) The Utility may advise the Developer of required changes to the Standard Form EPA based on a review of the Application. The Utility then expects to provide the Developer with a draft EPA for the Developer's review and comment. If required, the Utility may also exchange subsequent drafts with the Developer. Once the Utility sends a draft EPA to the Developer, the Developer is expected to provide its response and comments to the Utility within a commercially reasonable period of time. Failure to do so may result in rejection of the Application.
- (d) For each Application that is retained following completion of the steps described above in this Section 5.4.1:
 - (i) the Utility will request that the Developer completes and submits a Statement of Project Changes that identifies any changes to any information in the Application; and
 - (ii) the Utility will prepare a final draft EPA and present it to the Developer for review and comment.

The Developer is required to submit such a Statement of Project Changes and provide comments on the final draft EPA within a commercially reasonable period of time or the Application may be rejected.

5.4.2 EPA Offer and Acceptance

- (a) After completion of the process described in Section 5.4.1 of these Rules, including the filing of all required documents, the Utility will send the Developer either an offer of an EPA or a notice of rejection of the Application.
- (b) If the Developer wishes to accept the offer of an EPA, the Developer must sign the EPA and deliver it to the Utility at the address specified in Section 9 of these Rules. If the Developer has not delivered the signed EPA within 28 days following the offer, the Utility's offer of an EPA may be withdrawn upon notice by the Utility.
- (c) Subject to Section 5.4.2(d) of these Rules, the Utility will send a fully signed EPA to the Developer after receipt by the Utility of the signed EPA from the Developer.

- (d) The Utility may withdraw an offer of an EPA, without liability, at any time prior to delivery of the fully-signed EPA to the Developer.

5.5 Amending Applications

Developers may amend an Application at any time prior to delivery of an offer of an EPA by the Utility to the Developer. Any such amendment may extend the Utility's Application review and EPA offer timelines.

Developers should note that any amendments that may result in a change to a System Interconnection Study may invalidate or impact the System Interconnection Study. If the System Interconnection Study is impacted (as determined by the Utility) or the Project Energy Volume available from the Project is impacted prior to execution of an EPA by both the Utility and the Developer, the Application may be rejected.

5.6 Withdrawing Applications

Developers may, by written notice to the Utility, withdraw a submitted Application, without liability, at any time prior to signing an EPA; provided that Developers shall remain liable for all costs incurred by the Utility under Sections 5.2, 5.3.3, 6.1 and 6.5 of these Rules.

5.7 Request for Further Information/Meetings

The Utility may, but is not required to, request further information, clarification or verification concerning an Application or other communication received from a Developer. Failure to respond to such a request within 28 Days after the date of the request may result in rejection of an Application. The Utility may telephone or meet with any Developer or group of Developers at any time prior to or following submission of any Application or Applications.

5.8 Due Diligence and Consultation

The Utility may, but is not required to, undertake any investigation or inquiries and/or undertake any consultation with any Governmental Authority or any other Person or group as the Utility considers necessary in its Discretion with respect to a Developer, a Project, and/or an Application and may, in reviewing an Application, consider any information received as a result of such investigation, inquiry and/or consultation.

5.9 Rejecting Applications

The Utility may accept or reject any Application and may decide to offer or not to offer an EPA to a Developer at its Discretion. The Utility may reject an Application at any stage in the Application Review process notwithstanding any prior decision by the Utility in the Application Review process or prior completion of any step in the Application Review process. Without limiting any other rights of the Utilities to reject an Application under these Rules, the reasons for rejection of an Application and/or a decision not to offer an EPA to a Developer may include, but are not limited to:

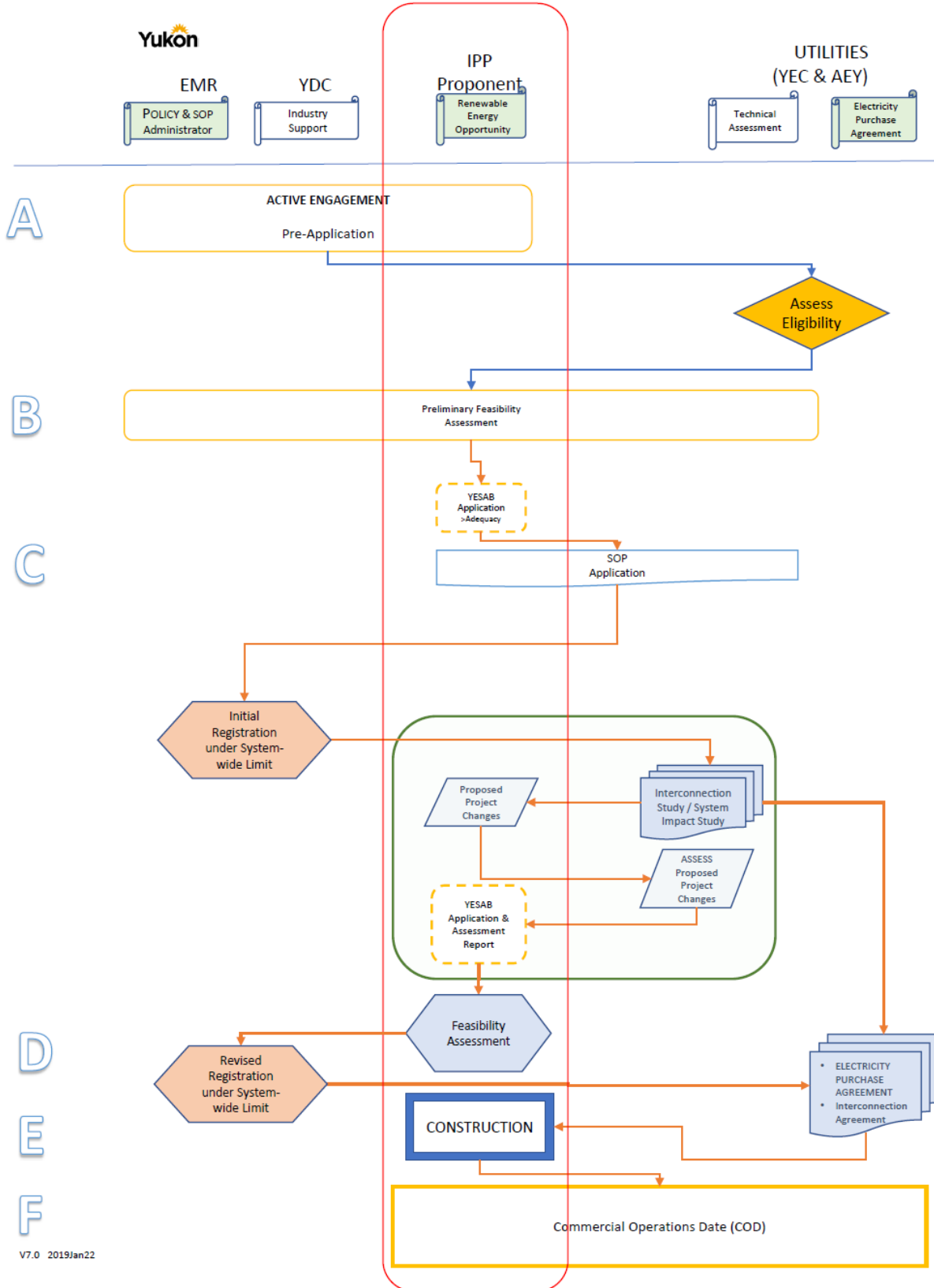
- (a) an incomplete Application;
- (b) an Application does not meet the eligibility requirements set out in Section 3 of these Rules;

- (c) failure to respond to a request by the Utility for additional information, failure to respond to or accept Project-specific EPA changes requested by the Utility and/or failure to file a System Interconnection Study application or Statement of Project Changes within the required time limits;
- (d) a System Interconnection Study becomes invalid at any time prior to execution of an EPA by both the Utility and the Developer;
- (e) a System Interconnection Study indicates that the proposed New Interconnection Facilities and System Upgrades are not capable of being completed at least 90 Days prior to the Target Developer's COD specified by the Developer in the Application;
- (f) an Application proposes Standard Form EPA amendments that are not acceptable to the Utility, in its Discretion;
- (g) an Application for a Project that the Utility determines requires material Standard Form EPA amendments or that is too complex to be an appropriate Project for the SOP;
- (h) an Application for a Project that will result in any costs being borne by the Utility that are not acceptable to the Utility;
- (i) a Developer fails to pay costs required to be paid by it in accordance with these Rules;
- (j) an Application in respect of which any of the information included in the Application is not satisfactory to the Utility in any respect; or
- (k) an Application in respect of which the Utility determines that the Developer has, or by entering into an EPA, would have, an actual, apparent, or deemed conflict of interest.

If the Application is rejected, the Developer can request an information meeting with the Utility to discuss the reasons for the rejection.

A rejected Application can be resubmitted at a later date provided the deficiencies or issues noted as reasons for rejection have been addressed. A rejected Application will have its Project Energy Volume deregistered from the SOP Queue.

Figure 1 – Application Process



6. INTERCONNECTION

All aspects of the interconnection process shall be administered by YEC for Projects on the YIS or AEY for Projects on the WLG. All inquiries should be directed to the applicable Utility in accordance with Section 9 of these Rules.

INTERCONNECTION REQUEST PROCESS

6.1 Interconnection Requirements

All generators connected to the YIS or WLG are required to meet the applicable Utility's technical interconnection requirements. In order to determine these requirements and assess the impacts to the Utility's system from the proposed interconnection for the purpose of identifying the required network upgrades, technical studies, including a System Interconnection Study, must be performed. These studies provide cost estimates of the required upgrades. Following the completion of these studies, the Utilities may adjust the Target Developer's COD proposed by any Developer for a Project.

The System Interconnection Study will be completed by the Utility at the Developer's cost in accordance with these Rules. Following completion of the System Interconnection Study and review and assessment of the same by the Utility, the Utility shall have the right to reject such Developer, the Project and the applicable Application (if the Developer has proceeded to the Application Phase) set out in Section 3.16 of these Rules.

6.2 Direct Interconnections

All Projects are required to be directly interconnected to the Transmission System or Distribution System. A valid System Interconnection Study is required for all Projects. The Plant Capacity in the System Interconnection Study must be equal to the Plant Capacity in the Application and EPA.

All interconnection studies are a part of the interconnection process. For further information regarding the System Interconnection Study referred to above, please contact the applicable Utility at the address described in Section 9 of these Rules.

6.3 Early Contact and System Interconnection Study Timing

Developers are strongly encouraged to contact the Utility early in the planning process to discuss the interconnection concept and feasibility for their Project.

As previously noted, a System Interconnection Study may become invalid if further studies or further steps are not commenced within the time required by the Utility. Accordingly, the Utilities recommend Developers file their System Interconnection Study application with the Utility at the time they submit their Application.

6.4 Interconnection Issues

For questions related to interconnection including the process for completion of a System Interconnection Study, please contact the applicable Utility in accordance with Section 9 of these Rules.

Complete details on the interconnection process can be found at:

<https://yukonenergy.ca/energy-in-yukon/standing-offer-program>

RESPONSIBILITY FOR COSTS

6.5 Interconnection Study Costs

The Developer will be responsible for the costs of the System Interconnection Study and any other studies required for the interconnection of the Project to the YIS or WLG, as applicable. The Developer shall be required to pay the Utility, in advance, the estimated costs of such studies. The Utility and the Developer will true up such costs to actuals within a reasonable period of time following completion of the studies.

6.6 Transmission Costs

Subject to the provisions of Section 4.4 respecting Line Losses, the Developer will not be responsible for the cost to transmit power sold under the EPA from the POI.

6.7 New Interconnection Facilities Costs and Ownership

The Developer will be responsible for all New Interconnection Facilities Costs. An estimate of these costs will be provided in the System Interconnection Study. The Developer shall be required to pay the Utility, in advance, the estimated costs of the New Interconnection Facilities. The Utility shall not be required to perform or commit to perform any work relating to the New Interconnection Facilities unless and until the Developer has paid in advance the estimated amount of such costs required by the Utility in respect of the New Interconnection Facilities. The Utility and the Developer will true up such costs to actuals within a reasonable period of time following completion of the New Interconnection Facilities.

The Utility will construct (or cause to be constructed), own and operate the New Interconnection Facilities. All New Interconnection Facilities located within the service area of a Utility will be owned by such Utility and will become part of the YIS or WLG, as applicable. For certainty, in respect of Projects to be interconnected to a portion of the YIS which is the service area of AEY, AEY shall own the New Interconnection Facilities and YEC shall coordinate with AEY development of the New Interconnection Facilities by AEY.

6.8 System Upgrade Costs and Ownership

The Developer will be responsible for all costs of the System Upgrade Costs. An estimate of these costs will be provided in the System Interconnection Study. The Developer shall be required to pay the Utility, in advance, the estimated costs of the System Upgrade Costs. The Utility shall not be required to perform or commit to perform any work relating to the System Upgrade Costs unless and until the Developer has paid in advance the estimated amount of such costs required by the Utility in respect of the System Upgrade Costs. If such amounts are paid in advance by the Developer, the Utility and the Developer will true up such costs to actuals within a reasonable period of time following completion of the System Upgrade Costs.

The Utility will construct (or cause to be constructed), own and operate the System Upgrades. All System Upgrades located within the service area of a Utility will be owned by such Utility and will become part of the YIS or WLG, as applicable. For certainty, in respect of Projects to be

interconnected to a portion of the YIS which is the service area of AEY, AEY shall own the System Upgrades constructed in the service area of AEY, and YEC shall coordinate with AEY development of the System Upgrades by AEY.

6.9 Cost Sharing of New Interconnection Facilities and System Upgrade Costs

In the event that a new Developer connects to existing New Interconnection Facilities which were paid for by one or more other Developers (the **Prior Developers**) within the five years prior to the date of the new Developer's Commercial Operation Date, such new Developer will be required to pay to the Utility a share of the costs paid by such Prior Developers for such New Interconnection Facilities and/or any System Upgrades, such share to be determined by the Utility in its Discretion. The Utility will pay such amount paid by the new Developer to the Prior Developers.

6.10 Revenue Meters

The Utility shall be responsible to install and maintain an appropriate revenue class Revenue Meter for the Project which is tested and sealed and approved for revenue purposes by Measurement Canada. The costs of such Revenue Meter shall be included in the New Interconnection Facilities and paid for by the Developer. An estimate of these costs will be provided in the System Interconnection Study. The Revenue Meter shall be located at the POI between the Developer's Project and the New Interconnection Facilities installed by or on behalf of the Utility and installed in accordance with the Utility's revenue metering requirements. Disputes in respect of the accuracy of such meter shall be resolved in accordance with the EPA.

7. ELECTRICITY PURCHASE AGREEMENT

Developers of Projects (i) proposing to interconnect to the YIS shall enter into the EPA with YEC and (ii) proposing to interconnect to the WLG shall enter into the EPA with AEY. All aspects of the Standard Form EPA will be administered by the applicable Utility and references to a Utility below means such Utility.

7.1 Standard Form EPA

The Standard Form EPA is in the form attached to these Rules and is also available at the "Documents" page of the SOP Website.

The Standard Form EPA is based on a "standard" type of Project and Developer. For example, the Standard Form EPA assumes that the Project consists of a new generator that has a direct and independent interconnection through the New Interconnection Facilities to YIS or WLG, as applicable, and will have a Revenue Meter that measures output only from the Project and no other electricity generators. The Standard Form EPA also assumes that the Developer is a corporation. If a Project is part of a Project Cluster, separate EPAs shall be required in respect of each Project within the Project Cluster.

7.2 EPA Changes

The Utility does not anticipate that any changes will be necessary to the Standard Form EPA with respect to any Application, however, if determined by the Utility in its Discretion due to the technical aspects of the Project, the Utility may change the Standard Form EPA as required based on the information in the Application.

As outlined in Section 5.4.1 of these Rules, Developers are encouraged to carefully review the Standard Form EPA prior to submitting an Application. The Utility, in its Discretion, shall have the right to reject any changes proposed by Developers to the Standard Form EPA in their Application or otherwise. The Utility may reject an Application that contains proposed changes to the Standard Form EPA which are not acceptable to the Utility, in its Discretion.

7.3 EPA Term

Developers may elect a single term under an EPA of up to the following number of years for the applicable Eligible Clean Energy:

<u>Eligible Clean Energy</u>	<u>Term Limit</u>
Wind	25 years
Hydro	40 years
Geothermal	40 years
Biomass	20 years
Solar	25 years

After the term of the EPA expires, the Utility will determine whether it is prepared to enter into negotiations with the owner of the Project regarding a new EPA for the Project. The Utility's determination will be based on its need for the electricity, prevailing market conditions, energy price, and power procurement practices at the time. If the Utility wishes to enter into a new EPA for the Project, the Utility expects that the price it offers for energy will assume that all initial capital costs for the Project have been recovered during the term of original EPA. The Utility shall not be required to enter into a renewal or new EPA and the terms of the prior EPA shall not limit the terms on which the Utility may negotiate such renewal or new EPA.

8. ADDITIONAL RULES

8.1 Costs

Developers are responsible for all costs incurred by them in connection with the SOP and this Application Process, including the costs of preparing an Application and any other submission required under the SOP, all System Interconnection Study costs and the execution and delivery of any EPA.

8.2 Nature of Process

The SOP is not a call for tenders. No legal offer, legal contract or legal duties (including any duty of fairness) or obligations of any kind whatsoever, whether express or implied, are intended to be created by or under these Rules, or by the filing of an Application, or the acceptance of an Application for review, or the review of an Application, or in any other manner whatsoever under or in connection with the SOP except for those arising under an EPA that has been signed and delivered by both the Developer and a Utility. A Utility shall have no liability whatsoever for the actions of YG or the other Utility.

8.3 Waiver

A Utility may waive any provision of these Rules, including any of the eligibility requirements, in respect of any Project which proposes to interconnect into the Distribution System or Transmission System owned by such Utility where the Utility determines in its Discretion that

such waiver would be consistent with the objectives of the SOP or is otherwise in the public interest or the ratepayers' interest. A waiver by a Utility in respect of one Project shall not bind any Utility in respect of any other Project.

8.4 Program Suspension/Cancellation

The Utilities may cancel or suspend the SOP at any time, without any liability of either YG or the Utilities to any Developer or to any other Person, where the Utilities are required to cancel or suspend the SOP by YG or as the Utilities may determine is required by the IPP Policy, the SOP OIC or any amendments thereto.

8.5 Program Amendments

As noted above, YG intends to review the IPP Policy every 2 years. YG may make any amendments to the IPP Policy at any time. The Utilities are authorized to make any amendments to these Rules (including any Reference Documents) and the Standard Form EPA at any time to support the SOP and IPP Policy all in accordance with Section 1 to these Rules.

8.6 No Liability

Neither YG nor the Utilities (including its affiliates, and their respective directors, officers, employees, contactors, subcontractors, consultants, agents and representatives) has any liability of any nature or kind whatsoever to any Person in connection with the SOP or the administration of the SOP, or information provided with respect to, or in the course of, the SOP, or the acceptance, rejection, or review of any Application, or any other decision, assessment, determination, statement, act or omission whatsoever, whether negligent or not, relating to the SOP or its administration.

8.7 Unsolicited Information Not Considered

The Utilities are not required to consider any information with respect to an Application that is not contained in the Application, or any written response to a request from a Utility for further information, clarification or verification.

8.8 Ownership of Documents

All Applications and all documents filed with an Application and all other submissions by a Developer under or in relation to the SOP will be retained by, and become the property of the applicable Utility, provided however that the applicable Utility shall not thereby acquire any ownership interest in intellectual property embedded therein.

8.9 Other Utility Power Procurement Processes

A Utility may at any time reject an Application for a Project that is the subject of a submission in any other Utility power procurement process.

8.10 Filing Requirements

If the last day for completing any act required or contemplated under these Rules falls on a day that is a Saturday, Sunday or other day recognized as a statutory holiday in Yukon, the time for

completing that act will be extended to the next day that is not a Saturday, Sunday or other day recognized as a statutory holiday in Yukon.

9. COMMUNICATION UNDER SOP

9.1 General

Communication from Developers should originate from the contact person(s) specified in the Application. Developers may change their contact persons by notice to the SOP Administrator and the applicable Utility. Developers should communicate in writing (which may include email). Developers should note that any questions or communications submitted and subsequent answers by YG and/or the Utilities respecting the SOP may be posted by YG on the SOP Website.

To avoid any potential misunderstandings and for administrative ease, Developers shall not contact the YG or the Utilities in respect of the SOP except (a) in the case of YG, through the SOP Administrator, and (b) in the case of each Utility, through the designated Utility contact person, as set out below:

(a) to the SOP Administrator

by email to: *IPPAdministrator@gov.yk.ca*

or by mail to: Yukon Government
Energy Branch
Box 2703 (EMR-206)
Whitehorse, Yukon, Y1A 2C6
Attention: SOP Administrator

(b) to YEC

by email to: *IPP@yec.yk.ca*

or by mail to: Yukon Energy Corporation
Standing Offer Program
#2 Miles Canyon Road
Box 5920
Whitehorse, Yukon, Y1A 6S7
Attention: President

(c) to AEY

by email to: *AEY_SOP@atco.com*

or by mail to: ATCO Electric Yukon
Standing Offer Program
100-1100 Front St
Whitehorse, Yukon, Y1A 3T4
Attention: Manager

YG may change the SOP Administrator at any time. The SOP Administrator and each Utility may change their contact persons at any time by notice to Developers.

10. REFERENCE DOCUMENTS

The following Reference Documents are attached to these Rules and can also be found at the "Documents" page of the SOP Website.

EXHIBIT "A"	Pre-Application Form
EXHIBIT "B"	Application Form
EXHIBIT "C"	Statement of Project Changes Form
EXHIBIT "D"	Standard Form EPA
EXHIBIT "E"	Conflict of Interest Statement Form
EXHIBIT "F"	Contractor Standards for Ethical Conduct
EXHIBIT "G"	Confidentiality and Compliance Agreement

GLOSSARY – STANDING OFFER PROGRAM RULES

All references to section numbers are to sections of these Rules, not the Application Form or Standard Form EPA, unless otherwise expressly stated.

1. **AEY and ATCO Electric Yukon** means Yukon Electrical Company Limited, doing business as ATCO Electric Yukon.
2. **Application** means the Application Form for a Project as submitted by the Developer to the Utility together with all amendments thereto filed by the Developer and all supporting documents and information filed by the Developer with the Utility with respect to the Project, including the System Interconnection Study or other studies required by the Utility and Statement of Project Changes.
3. **Application Form** means the form titled "Standing Offer Program Application Form" in the form attached to these Rules and which is also available at the "Documents" page of the SOP Website.
4. **Application Phase** means the Application Phase described in Section 5.3 of these Rules.
5. **Application Process** means all 4 phases of the process described in these Rules being the Pre-Application Phase, Preliminary Feasibility Assessment Phase, Application Phase and EPA Execution Phase.
6. **Application Review** means the review process conducted by the Utility once a completed Application has been received, as outlined in Section 5.3.1 of these Rules.
7. **Base Fuel Price** has the meaning given to it in Section 4.2 of these Rules.
8. **Behind a Utility Customer Load** means a Project with an indirect interconnection to the YIS or WLG through a facility of a Utility customer which purchases power from the Utility.
9. **Commercial Operation Date** or **COD** has the meaning given in the Standard Form EPA.
10. **CPI** means the "Canada All Items (Not Seasonally Adjusted)" Consumer Price Index as published by Statistics Canada or any successor agency thereto.
11. **Day** means any calendar day including Saturday, Sunday or Yukon statutory holiday.
12. **Developer** means the developer or owner of a Project that submits an Application under the SOP.
13. **Discretion** (whether or not capitalized) means sole, absolute and unfettered discretion unless these Rules expressly state otherwise.
14. **Distribution System** means the distribution, protection, control and communication facilities in the Yukon that are or may be used in connection with, or that otherwise relate to, the transmission of electrical energy at 35 kV or less, and includes all additions and modifications thereto and repairs or replacements thereof.
15. **Eligible Clean Energy** means wind, hydro, geothermal, biomass and solar energy sources permitted under the IPP Policy for the SOP generated by a Project located in Yukon which is directly connected into the YIS or the WLG through the New Interconnection Facilities.

16. **Energy Price** has the meaning given to it in Section 4.1 of these Rules.
17. **Environmental Attributes** has the meaning given to that term in the Standard Form EPA.
18. **EPA** means an electricity purchase agreement offered to a Developer under the Standing Offer Program.
19. **EPA Execution Phase** means the EPA Execution Phase described in Section 5.4 of these Rules.
20. **First Nation** means any one of the 14 First Nations in the Yukon.
21. **Governmental Authority** means any federal, territorial, local or foreign government or any of their boards or agencies, or any regulatory authority.
22. **Interconnection Agreement** means an agreement with a Utility for the interconnection of the Project to the New Interconnection Facilities.
23. **IPP Policy** means the documents entitled the *Independent Power Production Policy* released in October 2015 by YG, as amended in October, 2018, as may be further amended by YG from time to time.
24. **kV** means kilovolt.
25. **kW** means kilowatt.
26. **kWh** means kilowatt-hour.
27. **Line Losses** means losses of electricity associated with the transmission and transformation of energy and other electricity, if applicable.
28. **Micro-gen Program** means a Yukon program that allows residents of Yukon to offset their electrical consumption by connecting small-scale (less than 50 kW) renewable energy technologies to their homes or businesses while remaining connected to Yukon's electrical grid.
29. **MVA** means megavolt ampere.
30. **MW** means megawatt.
31. **MWh** means megawatt-hour.
32. **Nameplate Capacity** means the aggregate of the nameplate capacities of all the generators included in the Project. For each generator, nameplate capacity is expressed in kW and consistent with the equipment manufacturer's maximum rated generating capacity. Where the nameplate capacity is expressed in MVA, the nameplate capacity will be multiplied by the power factor stated on a generator's nameplate to determine the nameplate capacity in MW.
33. **New Interconnection Facilities** means those additions, modifications and upgrades required to interconnect the Project to the YIS or WLG, as applicable, identified in the System Interconnection Study (and as further refined in subsequent interconnection studies, if required by the Utility) and approved by the Utility, but excluding any System Upgrades. All New Interconnection Facilities become part of the YIS or WLG once the facility becomes operational.

34. **New Interconnection Facilities Costs** means all costs for the design, engineering, procurement, construction, installation and commissioning of the New Interconnection Facilities. See Section 6.7 of these Rules.
35. **OIC** means Order in Council.
36. **Outstanding Permits** means the Outstanding Permits described in Section 5.3.2(b) of these Rules.
37. **Permits** means permits, certificates, licences, approvals and other authorizations issued by any Governmental Authorities as may be required for the design, construction, ownership, operation, maintenance and decommissioning of (i) the Project and (ii) the New Interconnection Facilities.
38. **Person** means an individual, body corporate, firm, partnership, joint venture, trust, legal representative or other legal entity.
39. **Plant Capacity** means the Nameplate Capacity of the generators for a new project or a portion of the Nameplate Capacity of the generators that is allocated to the SOP where a new generator is added to existing project, expressed in kW.
40. **Point of Interconnection** or **POI** means the point at which the Project interconnects with the New Interconnection Facilities.
41. **Pre-Application Phase** means the Pre-Application Phase described in Section 5.1 of these Rules.
42. **Pre-Application Completeness Review** means the review conducted by YG in accordance with Section 5.1.1 of these Rules.
43. **Preliminary Eligibility Approval** means the preliminary eligibility assessment approval by the Utility issued pursuant to Section 5.1.2 of these Rules.
44. **Preliminary Feasibility Assessment Phase** means the Preliminary Feasibility Assessment Phase described in Section 5.2 of these Rules.
45. **Prior Developers** has the meaning given to it in Section 6.9 of these Rules.
46. **Project** means an electrical generation facility and includes all land and interests in land, buildings, equipment and material related to the generation facility as required for the generation and delivery of electrical energy to the point of delivery under the EPA. In the case of a Project that consists of incremental new generation, the "Project" for the purposes of the SOP consists of the new generator(s) and related facilities that are added to an existing generating facility.
47. **Project Cluster** means two or more existing or proposed Projects that a Utility determines in its Discretion are so closely related to each other that they should be considered a project cluster for the purposes of the SOP. A Utility will generally determine that a Project Cluster exists where the existing or proposed Projects have the following characteristics (although the Utility may conclude otherwise in its Discretion): (i) have common direct or indirect ownership or control; (ii) have common development timelines; (iii) are being developed by the same or an affiliated developer; (iv) are located in close proximity (e.g., in same watershed); and/or (v) share any tenures, permits, facilities or other infrastructure such as roads, power lines, interconnection facilities.

48. **Project Energy Volume** has the meaning given in Section 3.4 of these Rules.
49. **Reference Documents** means the documents listed in Section 10 of these Rules.
50. **Regulatory Agency Authorizations** means the issuance of those Permits which are specified as required for the Project in the YESAB assessment report recommendation to proceed issued in respect of the Project.
51. **Revenue Meter** means a meter that measures energy output and/or consumption for purposes of calculating payments under an EPA and that meets the requirements specified in the EPA.
52. **Rules** has the meaning given in Section 1 of these Rules.
53. **SOP** means the Standing Offer Program as described in these Rules.
54. **SOP Administrator** means the person appointed by YG to act as the SOP Administrator for the purposes of these Rules.
55. **SOP OIC** means that Order in Council issued by YG on January 24, 2019 regarding, among other things, the Standing Offer Program.
56. **SOP Queue** means the SOP queue maintained by YG on the SOP Website which shall specify each Project (including the applicable Developer, the Project Energy Volumes and Target Developer's COD for the Project) which has been registered by a Utility under the Application Process. The SOP Website shall maintain separately from the SOP Queue information for each Project (including the applicable Developer, the Project Energy Volumes and Target Developer's COD for the Project) for which a Utility has entered into an EPA. YG reserves the right to modify the information it maintains in the SOP Queue at any time.
57. **SOP Website** means the website with respect to the Standing Offer Program maintained by YG located at www.Yukon.ca/apply-independent-power-producer.
58. **Standard Form EPA** means the Standard Form Electricity Purchase Agreement in the form attached to these Rules and which is also available at the "Documents" page of the SOP Website.
59. **Standing Offer Program** and **SOP** means the Standing Offer Program as described in these Rules.
60. **Statement of Project Changes** means a Statement of Project Changes in the form attached to these Rules and which is also available at the "Documents" page of the SOP Website.
61. **System Interconnection Study** means a detailed interconnection study which evaluates the impact of a proposed Project on the reliability of the Utility's system and provides a planning-level estimate of the required System Upgrades and New Interconnection Facilities and associated costs.
62. **System Upgrades** means those additions, modifications and upgrades to the YIS or WLG, as applicable, identified in the System Interconnection Study (and as further refined in subsequent interconnection studies) determined by the Utility to be "interconnection network upgrades" under the applicable policies of the Utility, but excluding New Interconnection Facilities.

63. **System Upgrade Costs** means all costs for the design, engineering, procurement, construction, installation and commissioning of System Upgrades. See Section 6.8 of these Rules.
64. **System-wide Limits** has the meaning given in Section 3.4 of these Rules.
65. **Target Developer's Commercial Operation Date** or **Target Developer's COD** means the date when the Developer expects the Project to achieve COD as specified by the Developer in the Application.
66. **Term** means the term of the EPA as specified by the Developer in the Application.
67. **Transmission System** means the transmission, substation, protection, control and communication facilities owned and operated by a Utility in Yukon, and includes all additions and modifications thereto and repairs or replacements thereof.
68. **Utility** means YEC or AEY, as applicable, and **Utilities** means both such parties.
69. **WLG** means the Watson Lake Grid owned and operated by AEY.
70. **YDC** means Yukon Development Corporation.
71. **YEC** means Yukon Energy Corporation.
72. **YESAA** means the *Yukon Environmental and Socio-economic Assessment Act*, SC 2003, c 7.
73. **YESAB** means the Yukon Environmental and Socio-economic Assessment Board.
74. **YESAB Adequacy Confirmation** means, where required, the confirmation by the YESAB under YESAA that a Developer's proposal for the Project is adequate and ready to be advanced to the evaluation stage.
75. **YG** means the Government of Yukon.
76. **YIS** means the Yukon Integrated System, which is the composite of Yukon Energy's grid assets and connected AEY generation, transmission and distribution assets.