



Connection Cost Agreement

between

Elexicon Energy Inc.

and

for

the connection of

to Elexicon's Distribution System

Project Identification Number:

This Connection Cost Agreement (hereinafter “Agreement”) is made between Elexicon To Complete, (hereinafter “Generator”) and Elexicon Energy Inc., (hereinafter “Elexicon”) dated below;

WHEREAS, if applicable and attached as Schedule E, Elexicon has entered into an LDC Embedded Generation Facility Connection Cost Agreement between Elexicon and Hydro One Networks Inc., (hereinafter “Hydro One”) (hereinafter “LDC Agreement”);

AND WHEREAS the Generator operates a Generation Facility and desires to connect to Elexicon’s distribution system;

AND WHEREAS the Generator has requested and Elexicon has agreed to perform the work to connect the Generator to Elexicon’s distribution system;

AND WHEREAS the Generator and Elexicon have agreed to the terms and conditions as set out in the Agreement and the attached Schedules and the Generator has agreed to be bound by the terms and conditions of this Agreement;

NOW THEREFORE this Agreement witnesses as follows:

1. The recitals are true and correct in all material respects.
2. The Schedules attached form part of the terms and conditions of this Agreement and are described as follows:

Schedule A – Scope of Work

Schedule B – Generator Connection Work

Schedule C – Estimated Allocated Cost of Connection and Miscellaneous

Schedule D – Offer to Connect

Schedule E – LDC Agreement, attached if applicable

Schedule F – Application

3. The Generator has requested and Elexicon has agreed to perform the work required to connect the Generation Facility to Elexicon’s distribution system at the Point of Common Coupling on the terms and conditions set forth in this Agreement and as described in the attached Schedules.
4. The Generator represents and warrants to Elexicon as follows, and acknowledges that Elexicon is relying on such representations and warranties without independent inquiry in entering into this Agreement:
 - (a) the Generation Facility is fully and accurately described in the Application;
 - (b) all information in the Application is true and correct;
 - (c) if the Generator is a corporation or other form of business entity, the Generator is duly incorporated, formed or registered (as applicable) under the laws of its jurisdiction of incorporation, formation or registration (as applicable);
 - (d) the Generator has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement;
 - (e) this Agreement constitutes a legal and binding obligation on the Generator, enforceable against the Generator in accordance with its terms;
 - (f) any individual signing this Agreement on behalf of the Generator has been duly authorized by the Generator to sign this Agreement and has the full power and authority to bind the Generator; and
 - (g) the Generator is registered for purposes of Part IX of the *Excise Tax Act* (Canada) and its HST registration number is Customer To Complete.

5. Elexicon represents and warrants to the Generator as follows, and acknowledges that the Generator is relying on such representations and warranties without independent inquiry in entering into this Agreement:
 - (a) Elexicon is duly incorporated under the laws of Ontario;
 - (b) Elexicon has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement;
 - (c) this Agreement constitutes a legal and binding obligation on Elexicon, enforceable against Elexicon in accordance with its terms;
 - (d) any individual signing this Agreement on behalf of Elexicon has been duly authorized by Elexicon to sign this Agreement and has the full power and authority to bind Elexicon; and
 - (e) Elexicon is registered for purposes of Part IX of the *Excise Tax Act* (Canada) and its HST number is 886282920T0001.
6. If applicable and attached as Schedule E, the requirements, terms and conditions of the LDC Agreement as far as they are applicable to the Agreement shall be binding on the Generator and Elexicon as if the words “Elexicon” were changed to “Generator” and “Hydro One” was changed to “Elexicon”. In the event of any conflict between the terms of this Agreement and the LDC Agreement; the LDC Agreement shall govern.
7. Except as expressly set out in this Agreement, this Agreement shall be in full force and effect and binding on the parties upon the date that this Agreement was executed by Elexicon and shall expire on the date that is after the latest of:
 - (a) Elexicon performing all of the work under this Agreement;
 - (b) the Generator paying all amounts required to be paid by the Generator under the terms of this Agreement; and
 - (c) where applicable, Elexicon refunding the deposits in accordance with the terms of this Agreement.
8. For greater certainty, Elexicon shall not be obligated to execute this Agreement until such time as the Generator has paid all amounts required to be paid by the Generator upon the execution of this Agreement by the Generator, including the Connection Cost Deposit.
9. Termination of this Agreement for any reason shall not affect the liabilities of either party that were incurred or arose under this Agreement prior to the time of termination. Termination of this Agreement for any reason shall be without prejudice to the right of the terminating party to pursue all legal and equitable remedies that may be available to it including, but not limited to, injunctive relief.
10. To facilitate the connection of the Generator to Elexicon’s distribution system, Elexicon is required to execute an LDC Agreement with Hydro One. If applicable, is attached as Schedule E.

The LDC Agreement is executed by Elexicon solely for the benefit of the Generator. The Generator is bound by all of the terms, conditions and covenants imposed on Elexicon by Hydro One. This includes all costs imposed on Elexicon by Hydro One to permit the connection and ongoing operation of the Generator.

11. Any notice, demand, consent, request or other communication required or permitted to be given or made under or in relation to the Agreement shall be given or made by courier or other personal form of delivery; by registered mail; by facsimile; or by electronic mail.

Notices to the Generator shall be addressed to:

(Tel)
(Fax)

Notices to Elexicon shall be addressed to:

Kevin Whitehead
VP, Asset Management
Elexicon Energy Inc.
55 Taunton Road East
Ajax, Ontario L1T 3V3

(Tel) 905-427-9870
(Fax) 905-619-0210

A notice, demand, consent, request or other communication shall be deemed to have been made as follows:

- (a) where given or made by courier or other form of personal delivery, on the date of receipt;
- (b) where given or made by registered mail, on the sixth (6th) day following the date of mailing;
- (c) where given or made by facsimile, on the day and at the time of transmission as indicated on the sender's facsimile transmission report; and
- (d) where given or made by electronic mail, on the day and at the time when the notice, demand, consent, request or other communication is recorded by the sender's electronic communications system as having been received at the electronic mail destination.

12. The Generator acknowledges and agrees that the Generator has read and understands Section 6.2.4.1 of the Distribution System Code (hereinafter "the Code"). Furthermore unless the Generation Facility is a Capacity Allocation Exempt Small Embedded Generation Facility or the Generator is not an Embedded Retail Generator, the Generator acknowledges and agrees that upon the occurrence of any of the events described in Subsection 6.2.4.1e ii., iii., iv. and v. of the Code:

- (a) Elexicon shall remove the Generator's capacity allocation;
- (b) the Generator's Capacity Allocation Deposit and/or any Additional Capacity Allocation Deposit paid pursuant to the terms of this Agreement are hereby forfeited by the Generator and will be retained by Elexicon in a deferral account for disposition by the OEB, and;
- (c) this Agreement will be deemed to be terminated and any unspent Connection Cost Deposit will be returned to the Generator in accordance with Section 19 of the Standard Terms and Conditions.

For the purposes of Subsection 6.2.4.1e.v of the Code, a default of this Agreement shall include a Generator Default. Elexicon shall give the Generator written notice of a Generator Default and allow the Generator thirty (30) calendar days from the date of receipt of the notice to rectify the Generator Default, at the Generator's sole expense.

13. This Agreement:

- (a) except as expressly provided herein, constitutes the entire Agreement between the parties with respect to the subject-matter hereof and supersedes all prior oral or written representations and agreements of any kind whatsoever with respect to the subject matter hereof;
- (b) shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein; and
- (c) may be executed in counterparts, including facsimile counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement.

IN WITNESS WHEREOF, the Generator and Elexicon have executed this Agreement in duplicate, as of the Execution Date written below.

Type in Generator Name Here

Name:

Title:

Name:

Title:

I/we have the authority to bind the Corporation.

Elexicon Energy Inc.

Name: Kevin Whitehead

Title: VP, Asset Management

I have the authority to bind the Corporation.

Execution Date: _____

SCHEDULE "A": SCOPE OF WORK

Part A: Elexicon Connection Work

Elexicon will provide project management, engineering, equipment and materials, construction, commissioning and energization for all work required to be performed in respect of Elexicon's distribution system in order to Connect the Generation Facility at the PCC.

This specification roughly describes the line and station works that Elexicon will provide to connect the Generation Facility to Elexicon's distribution system. This specification is based on the "high-level" results from the Impact Assessment and may change materially which may have a material impact on the In-Service Date and/or the Allocated Cost of Connection. Exceptions to the specifications are identified within each sub-project plan. All materials and equipment removed will be scrapped at site unless specifically stated otherwise.

Connection Assets:

Elexicon will:

Elexicon To Complete

Upstream Costs:

Elexicon To Complete

Part B: Hydro One Work

The following work will be performed by Hydro One Networks Inc., on its system in order for Elexicon to connect the Generation Facility:

Elexicon To Complete

Part C: Changes to Scope of Work

Any change in the scope of the Elexicon Connection Work as described in this Agreement whether they are initiated by the Generator or are Non-Customer Initiated Scope Changes, may result in a change to the Estimated Allocated Cost of Connection and the schedule, including the In-Service Date.

All scope changes initiated by the Generator must be made in writing to Elexicon. Elexicon will advise the Generator of any cost and schedule impacts of the scope changes initiated by the Generator. Elexicon will advise the Generator of any material cost and/or material schedule impacts of any Material Non-Customer Initiated Scope Changes.

Elexicon will not implement any scope changes initiated by the Generator until written approval has been received from the Generator accepting the new pricing and schedule impact.

Elexicon will implement all Non-Customer Initiated Scope Change(s) until the estimate of the cost of the Non-Customer Initiated Scope Change(s) made by Elexicon reaches 10% of the total Estimated Allocated Cost of Connection. At that point, no further Non-Customer Initiated Scope Change(s) may be made by Elexicon without the written consent of the Customer accepting new pricing and schedule impact. If the Customer does not accept the new pricing and schedule impact, Elexicon will not be responsible for any delay in the In-Service Date as a consequence thereof.

Note:

Portions of the work described in Part A and Part B above may not be performed by Elexicon or Hydro One, as the case may be, until after the Generation Facility has been connected to Elexicon's distribution system, including, but not limited to, changes to Elexicon's or Hydro One's documentation for their respective facilities.

SCHEDULE “B”: GENERATOR CONNECTION WORK

Part 1: General Project Requirements

The Generator shall:

- (a) enter into a Connection Agreement with Elexicon at least thirty (30) days prior to the first Connection to Elexicon’s distribution system;
- (b) ensure that project data is made available or provided to Elexicon as required by Elexicon;
- (c) ensure that the work performed by the Generator and others required for successful installation, testing and commissioning of protective and metering equipment is completed as required to enable Elexicon witnessing and testing to confirm satisfactory performance of such systems;
- (d) obtain a certificate of inspection or other applicable approval to be issued or given by the Electrical Safety Authority in relation to the Generator’s Facilities;
- (e) provide a dedicated dial-up business telephone circuit for the metering equipment in accordance with Elexicon requirements;
- (f) provide telephone communication between Elexicon’s Operator and the Generator’s Operator;
- (g) make any changes to the Generator’s Facilities required for compliance with the *Electrical Safety Code*;
- (h) complete its engineering design and provide Elexicon with detailed electrical drawings at least six (6) months prior to the In-Service Date mutually agreed by the parties or as reasonably required by Elexicon; and
- (i) Provide a cover that is signed by a Professional Engineer registered in Ontario.

Items (d), (e), and (f) of Part 1 above shall survive the termination of this Agreement.

Part 2: Line tap and Grounding Related Issues

The Generator shall furnish and install a disconnection switch at the Point of Common coupling (PCC) for the Generation Facility that opens, with a visual break, all ungrounded poles of

the connection circuit. The disconnection switch at the PCC shall be rated for the voltage and fault current requirements of the Facility, and shall meet all applicable CSA standards, ESA requirements, and all other Applicable Laws. The switch enclosure, if applicable, shall be properly grounded. The disconnection switch at the PCC shall be accessible at all times, located for ease of access to Elexicon’s personnel, and shall be capable of being locked in the open position.

Part 3: Tele-protection at the Generator’s Facilities

Elexicon To Complete

Part 4: Telecommunications

Prior to the Connection of the Generator’s Facilities, the Generator will:

Elexicon To Complete

Part 4 shall survive the termination of this Agreement.

Part 5: Contestable Work

Elexicon To Complete

Part 6: Revenue Metering

Prior to connection of the Generator’s Facilities to Elexicon’s distribution system to take or deliver any power, the Generator will be responsible for all costs for Elexicon to supply and install a four quadrant interval metering facility in accordance with, but not limited to, the requirements of Distribution System Code, Measurement Canada, Retail Settlement Code and Elexicon. The Generator may make other arrangements for the metering facility installation that are acceptable to Elexicon and must submit the drawings and specifications for Elexicon’s review to determine if the metering location, design and any applicable loss calculations are acceptable to Elexicon. Elexicon will own and maintain the interval metering facility and dedicated dial-up business telephone circuit if, such circuit is required. The Generator will be responsible for all leasing costs associated with the metering telephone circuit.

Prior to connection of the Generator’s Facilities to Elexicon’s distribution system to take or deliver any power, the Generator will provide to Elexicon the necessary information so that Elexicon may arrange for registration of the meter point with IESO, if

applicable, and arrange for totalization table and settlement systems updates.

Prior to connection of the Generator's Facilities to Elexicon's distribution system to take or deliver any power, if the Generator is a primary metered generator, the Generator shall procure new high accuracy current transformers that meet ANSI 0.15s (the "CTs"). The Generator shall also ensure that the CTs have manufacturer warranties for a period of at least two (2) years with such warranties being transferable to Elexicon. The Generator shall be deemed to have transferred the CTs to Elexicon for \$1.00 immediately prior to the Generator signing the Connection Agreement.

Part 7: Where the Generator's Facilities do not meet the power distance test (CIA results) and Generator to install dynamic compensation equipment

Elexicon To Complete

Part 8: Documentation

Prior to Connection of the Generator's Facilities to Elexicon's distribution system, the Generator shall have provided Elexicon with the Connection interface documents as requested by Hydro One Networks Inc Project Manager assigned to this project and specified during the Hydro One Networks Inc. "kick-off" meeting for this project.

Note:

1. Each additional review / resubmission of any of the above documents will lead to additional costs to the project/proponent.
2. The requirements for the above documents are subject to change from time-to-time upon written notice to the Generator of any such changes.
3. Elexicon's review of the Generation Facility drawing/data/protection settings & witnessing of commissioning tests etc., shall be limited only to those portions of the Generation Facility that interests Elexicon and which interfaces with its distribution system.

Schedule “C”: Estimated Allocated Cost of Connection and Miscellaneous

PART 1:

1.1 Total Estimated Allocated Cost of Connection

The total estimated allocated cost of connection (excluding applicable taxes) is summarized as follows:

Elexicon Metering Cost	\$0.00
Elexicon Project Management Cost	\$0.00
Elexicon Connection Fee	\$0.00
Elexicon Expansion	\$0.00
Elexicon Renewable Enabling Improvements	\$0.00
Elexicon Upstream Costs	\$0.00
Hydro One Work	<u>\$0.00</u>

Total Estimated Allocated Cost of Connection: \$0.00

The total estimated allocated cost of connection (excluding applicable taxes) is based on the Class “C” Estimate. Notwithstanding the provision of such Class “C” Estimate to the Generator, the final allocation to the Generator of the cost of connection will be based on the Actual Cost of the Elexicon Connection Work.

1.2 Contingencies

The above estimate does not include contingencies that may be necessary in order to connect the Generation Facility to Elexicon’s distribution system. These contingencies include, but are not limited to:

- i. Generator initiated scope changes;
- ii. Changes to the scope of any Required Connection Work;
- iii. Planned outage delays/cancellations; subsequent line/equipment commissioning; and
- iv. Removal and treatment of contaminated soil during excavation.

1.3 Deposits Due On Execution of Agreement by Generator

Connection Cost Deposit:	\$0.00
Expansion Deposit:	\$0.00
Capacity Allocation Deposit:	\$0.00

PART 2: MISCELLANEOUS

2.1 Description of Generation Facility

Consists of a Elexicon To Complete located at Elexicon To Complete in the Town/City of Elexicon To Complete.

2.2 Point of Common Coupling/PCC/Point of Supply

The Generation Facility will be connected to the Elexicon To Complete Elexicon distribution feeder sourced from the Elexicon To Complete.

2.3 In-Service Date

To be mutually agreed by no later than forty-five (45) days after the latest of the date that:

- (a) Elexicon has accepted and executed the Agreement which occurs after the Generator has delivered and executed this Agreement to Elexicon; and
- (b) The Generator paid Elexicon the deposits specified above in Section 1.3 of this Schedule “C”.

In any event, the In-Service Date shall not be later than:

- (i) five (5) years from the Application date specified in Section 2.4 below for water power projects; or
- (ii) three (3) years from the Application date specified in Section 2.4 below for other types of projects.

2.4 Application Date

2.5 Elexicon's Assets

- A. Elexicon will own all equipment and facilities installed by Elexicon as part of the Elexicon Connection Work in, under, on, over, along, upon, through and crossing Elexicon's Property(ies).

Elexicon To Complete

- B. Elexicon will own the following equipment installed by the Generator in, under, on, over, along, upon, through and crossing Elexicon's Property(ies):

Elexicon To Complete

- C. Elexicon will own the following equipment installed by Elexicon as part of the Elexicon Connection Work in, under, on, over, along, upon, through and crossing the Generator's Property:

Elexicon To Complete

- D. Elexicon will own the following equipment installed by the Generator in, under, on, over, along, upon, through and crossing the Generator's Property(ies):

Elexicon To Complete

- E. Where applicable, Elexicon will own any Expansion including, any Work Eligible for Alternative Bid with the exception of any Expansion made by a Host Distributor as part of any required Host Distributor Work.

2.6 Documentation Required

Documentation describing the as-built electrical information shall include a resubmission of the information listed in Part 6 of Schedule "B" marked "as built" and signed by a Professional Engineer registered in Ontario.