

APPENDIX 8C

UTILITY PAYMENT

1. INTERPRETATION

In this Appendix, in addition to the definitions set out in Schedule 1 to this Agreement:

“**Energy Analysis Report**” means the report to be prepared in accordance with Section 5.1 of this Appendix;

“**Utility Charges**” means charges for Energy and water consumption and sewage surcharges;

“**Utility Payment**” means the amounts set out in Appendix 8C, Table 1;

“**Utility Payment Review**” means the review set out in Appendix 8C Section 3;

“**Utility Payment Adjustment**” means the amount calculated in accordance with Appendix 8C Section 3(3)(b);

“**Utility Payment Review Report**” means the report set out in Appendix 8C Section 3(4);

The provisions of this Appendix 8C do not prejudice or limit the provisions of Schedule 3 [Design and Construction Specifications] to this Agreement.

2. ENERGY SUPPLY AND CONSUMPTION

2.1 Energy Supply

During the Operating Period, the Province will from time to time as required enter into contracts with Utility Companies for the supply of Utilities, including Energy, and in accordance with Section 2.2 of this Appendix 8C, Project Co will be responsible for all payments related to such contracts. The provisions of Section 2.11 of Appendix 4C [Operations and Maintenance Services] will apply to such contracts.

2.2 Utility Payment

- (a) Project Co will pay all amounts due under the Utility Contracts in accordance with the terms of the Utility Contracts.
- (b) The Province will pay Project Co the Utility Payment monthly as part of the Services Payment. The amounts set out in Table 1 below constitute the Utility Payment as of the Effective Date:

Table 1

Payment Period after Service Commencement Date	Electricity	Natural Gas	Diesel Fuel	Water	Sewer	Utility Payment (\$ as of Effective Date)
Month 1	\$9,410.42	\$3,597.17	\$196.69	\$344.00	\$291.97	\$13,840.25
Month 2	\$8,767.81	\$2,884.39	\$196.69	\$344.00	\$291.97	\$12,484.86
Month 3	\$9,489.07	\$2,891.99	\$196.69	\$344.00	\$306.57	\$13,228.32
Month 4	\$9,150.02	\$1,929.26	\$196.69	\$361.20	\$291.97	\$11,929.14
Month 5	\$10,329.56	\$1,569.07	\$196.69	\$344.00	\$321.16	\$12,760.48
Month 6	\$11,268.26	\$1,228.83	\$196.69	\$378.40	\$306.57	\$13,378.75
Month 7	\$11,147.82	\$1,029.26	\$196.69	\$361.20	\$306.57	\$13,041.54
Month 8	\$11,986.81	\$1,144.25	\$196.69	\$361.20	\$321.16	\$14,010.11
Month 9	\$10,710.09	\$1,241.19	\$196.69	\$378.40	\$291.97	\$12,818.34
Month 10	\$9,557.43	\$1,882.69	\$196.69	\$344.00	\$321.16	\$12,301.97
Month 11	\$9,130.14	\$2,863.48	\$196.69	\$378.40	\$306.57	\$12,875.28
Month 12	\$9,348.62	\$3,219.87	\$196.69	\$361.20	\$291.97	\$13,418.35

- (c) The Parties intend the Utility Payment to match payments for Utility Charges as closely as possible such that neither Project Co nor the Province materially over or under pay at any point.
- (d) No later than 90 days prior to Service Commencement, Project Co shall revise the Utility Payment using the then anticipated outcome for the Design and Construction Energy Target and then contracted unit costs for each component of the Utility Payment. Project Co shall submit its proposed Utility Payment to the Province in accordance with Appendix 4G [Operating Period Review Procedure].

2.3 Utility Payment Review

- (a) The Utility Payment shall be reviewed and revised periodically (the “**Utility Payment Review**”), as follows:
 - (1) during the Occupying Period, Monitoring Period, Test Period and any Retest Period, semi-annually at the option of either party but not less than annually;
 - (2) from the end of the Test Period or Retest Period, as the case may be, annually.
- (b) At each Utility Payment Review the following will occur and be determined:
 - (1) Actual amounts of all payments for Utility Charges shall be reconciled with the Utility Payments made during the review period. Project Co will provide suitable documentary evidence to facilitate approval by the Province.
 - (2) Any amount over-paid by the Province or under-recovered by Project Co shall constitute the “**Utility Payment Adjustment**”, which amount, whether due to or from Project Co, shall be included on the next Project Co invoice.

- (3) Project Co will estimate the Utility Payments for the upcoming 12-month period on the following basis:
 - (A) quantities of Energy shall be consistent with the then Annual Energy Target;
 - (A) quantities of water and sewage shall be forecast by Project Co based on prior year performance and Utility planning for the upcoming year; and
 - (B) unit rates will be based on the presently contracted rates with Utility Companies.
- (2) The information in Sections 2.3(b)(1), 2.3(b)(2) and 2.3(b)(3) shall together form the “**Utility Payment Review Report**”. Project Co shall submit the Utility Payment Review Report to the Province in accordance with Appendix 4G [Operating Period Review Procedure].
- (3) Once the Utility Payment Review Report has received a “REVIEWED” comment, the Utility Payment in Table 1 will be updated.
- (b) Project Co will commence the Utility Payment Review by delivering the Utility Payment Review Report no more than five Business Days following receipt by Project Co of the last invoice for Utility Charges for the relevant period. The parties agree to complete the Utility Payment Review within ten Business Days of Project Co delivering the Utility Payment Review Report to the Province.
- (c) Failure by Project Co to deliver the Utility Payment Review Report will constitute a Medium Service Failure for each day it is outstanding.

3. WEATHER DATA MONITORING AND MEASUREMENT OF ENERGY CONSUMPTION

Project Co will:

- (a) until the end of the Test Period or the Retest Period, as the case may be, but not beyond, collect the Site Weather Data from the Weather Monitoring Station to calibrate the Energy Model to reflect actual weather conditions;
- (b) after the end of the Monitoring Period, monitor and verify consumption of each type of Energy in the Facility in accordance with International Performance Measurement & Verification Protocol (IPMVP) Volume I: Concepts and Options for Determining Energy and Water Savings and in compliance with the requirements of LEED Canada-NC, Version 1.0, EA Credit 5: Measurement and Verification.

4. ANNUAL ENERGY TARGETS

4.1 Annual Energy Target

Project Co will set the Annual Energy Target for the Energy Years after the Test Period or the Retest Period, as the case may be:

- (a) in collaboration with the Province;
- (b) in accordance with the Province’s and the Project’s ISO 14001 certification; and

- (c) based on the previous year's Energy Consumption.

5. CONTENT AND FORMAT OF THE ENERGY ANALYSIS REPORT

5.1 Energy Analysis Report

For each Payment Period following the month in which Service Commencement is achieved, together with the delivery of each Performance Monitoring Report, Project Co will deliver to the Province the Energy Analysis Report. The parties will agree upon the exact form of the Energy Analysis Report from time to time but as a minimum the Energy Analysis Report will include the following.

- (a) for each Payment Period:
 - (1) the Energy Consumption in Gigajoules for each type of Energy in that month;
 - (2) the consumption data for all other Utilities;
 - (3) Weather Data recorded for that month;
 - (4) Facility Operation Variances; and
 - (5) any other variable that affects the Energy Consumption relative to the Energy Assumptions; and
- (b) for each Contract Year (within 20 Business Days after the receipt by the Province of the last invoice containing information on all Energy use during that Contract Year):
 - (1) all of the items reported for each Payment Period in Section 5.1(a) of this Appendix, but for the Contract Year;
 - (2) the consumption of each type of Energy for the Contract Year;
 - (3) during the Test Period or the Retest Period, as the case may be, but not beyond, a revised Energy Model showing the Annual Energy Target for the upcoming Contract Year; and
 - (4) for each Contract year beyond the Test Period or the Retest Period, as the case may be, a revised Annual Energy Target for the upcoming Contract Year developed in accordance with Section 4.1 of this Appendix.