

Application for the Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System

August 11, 2020



An application to the Board of Commissioners of Public Utilities



Hydro Place. 500 Columbus Drive. P.O. Box 12400. St. John's. NL Canada A1B 4K7 t. 709.737.1400 f. 709.737.1800 www.nlh.nl.ca

August 11, 2020

Board of Commissioners of Public Utilities Prince Charles Building 120 Torbay Road, P.O. Box 21040 St. John's, NL A1A 5B2

Attention: Ms. Cheryl Blundon Director of Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Application for the Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System

Please find enclosed Newfoundland and Labrador Hydro's ("Hydro") Application for Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System.

The estimated capital cost of the project is \$498,000 and is to be fully contributed by St. Mary's River Energy Partnership, an independent power producer from which Hydro purchases energy for the benefit of its customers in Mary's Harbour and Lodge Bay.

Hydro respectfully requests the indulgence of the Board of Commissioners of Public Utilities in expediting the regulatory review process for this application to enable the timely execution of the work outlined within.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Michael S. Ladha Legal Counsel & Assistant Corporate Secretary MSL/sk

Encl.

ecc: **Board of Commissioners of Public Utilities** Jacqui Glynn PUB Official Email

> Newfoundland Power Gerard M. Hayes Kelly C. Hopkins Regulatory Email

Consumer Advocate

Dennis Browne Q.C., Browne Fitzgerald Morgan & Avis Stephen F. Fitzgerald, Browne Fitzgerald Morgan & Avis Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis Bernice Bailey, Browne Fitzgerald Morgan & Avis

Industrial Customer Group

Paul L. Coxworthy, Stewart McKelvey Denis J. Fleming, Cox & Palmer Dean A. Porter, Poole Althouse

Iron Ore Company of Canada Gregory A.C. Moores, Stewart McKelvey

Labrador Interconnected Group Senwung Luk, Olthuis Kleer Townshend LLP

Julia Brown, Olthuis Kleer Townshend LLP



Application

hydro

IN THE MATTER OF the *Electrical Power Control Act, RSNL 1994,* Chapter E-5.1 (*"EPCA"*) and the *Public Utilities Act, RSNL 1990,* Chapter P-47 (*"Act"*), and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro ("Hydro") for an Order approving the acquisition and installation of equipment to connect and integrate a photovoltaic and battery operated storage system at Mary's Harbour, pursuant to Section 41 of the Act.

To: The Board of Commissioners of Public Utilities ("Board")

THE APPLICATION OF HYDRO STATES THAT:

A. Background

1. Hydro is a corporation continued and existing under the *Hydro Corporation Act, 2007*, is a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*.

B. Application

2. Hydro owns and operates 24 diesel generating stations, 19 of which are prime power stations,¹ serving a total of approximately 4,400 customers. One of these diesel generating stations is located in Mary's Harbour on the south coast of Labrador. Hydro purchases energy from an independent power producer at this site, St. Mary's River Energy LLP ("SMRE"), which supplies hydroelectric power. Hydro commenced purchasing energy in this community from a predecessor of SMRE in the late 1980s. SMRE wishes to provide additional energy to its energy generation capacity in the form of solar energy through a photovoltaic and battery energy storage ("PV/BESS") plant. Hydro will purchase this energy based on a rate which is calculated at 90% of Hydro's avoided diesel fuel cost.

¹ Prime power stations are not interconnected to the grid and rely on the power supplied by the diesel generation units for capacity and energy.

- 3. To be able to integrate this solar generated and battery stored energy into the Mary's Harbour electrical system and Hydro's diesel generating station, Hydro must upgrade the diesel generating station and the distribution system. This project will establish an electrical interconnection and a communication link with the PV/BESS facility. It will also integrate the PV/BESS facility with the control system at the diesel generating station so that the community can receive power from the PV/BESS facility. The project will allow for the safe and reliable operation of the PV/BESS facility, along with the hydro plant, thus reducing the amount of fuel consumed at the diesel generating station by displacing it with renewable energy. Further information regarding the justification of this work is provided in the Supplemental Capital Budget Engineering Report attached to this application as Schedule 1.
- 4. The PV/BESS facility will consist of 188 kW of photovoltaic generation and 334.5 kW/669 kWh of battery energy storage. This facility will be located approximately 350 metres from the diesel generating station. Power will be delivered to the system through a distribution line near an existing communication tower. The estimated capital cost for this project is \$498,000 and it is expected to take 16 months to complete.
- 5. SMRE will be paying all costs associated with the project, which are estimated to be \$532,860 (including a 7% operations and maintenance factor to cover future maintenance requirements) plus HST of \$79,929, for a total estimated charge to SMRE of \$612,789. A signed statement from SMRE indicating their agreement is provided in Schedule 2.

C. Newfoundland and Labrador Hydro's Request

- 6. Hydro requests that the Board make an Order approving Hydro's acquisition and installation of upgrades to its Mary's Harbour diesel station and distribution system to facilitate and accommodate the PV/BESS facility that will provide additional, purchased, renewable energy to Hydro's Mary's Harbour isolated electrical system.
- Hydro requests that the Board make an Order approving the charge to SMRE of \$532,860 plus
 HST of \$79,929 for a total estimated charge of \$612,789 as supported by the agreement
 included in Schedule 2 to this application.

D. Communications

 Communications with respect to this application should be forwarded to Michael S. Ladha, Legal Counsel & Assistant Corporate Secretary for Hydro.

DATED at St. John's in the Province of Newfoundland and Labrador this 11th day of August 2020.

NEWFOUNDLAND AND LABRADOR HYDRO

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Michael S. Ladha Counsel for the Applicant Newfoundland and Labrador Hydro, 500 Columbus Drive, P.O. Box 12400 St. John's, NL A1B 4K7 Telephone: (709) 737-1268 Facsimile: (709) 737-1782

Schedule 1

Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System



1 **Executive Summary**

- 2 Newfoundland and Labrador Hydro ("Hydro") has been purchasing power from the refurbished Mary's
- 3 Harbour River Hydro Plant, owned by St. Mary's River Energy LLP ("SMRE"), since September 2019 as per
- 4 a Power Purchase Agreement ("PPA") signed in September 2017.
- 5 SMRE has undertaken the design and implementation of a Photovoltaic and Battery Energy Storage
- 6 System ("PV/BESS facility") to complement the existing generation facilities, which include a hydro plant
- 7 and a diesel plant, in Mary's Harbour. The addition of the PV/BESS facility provides a lower cost,
- 8 renewable source of energy in comparison to the existing diesel plant, thus providing cost savings to
- 9 customers in Mary's Harbour and Lodge Bay. The existing 15-year PPA has been amended to reflect the
- 10 additional source of energy related to the integration of the PV/BESS facility (Amended PPA included as
- 11 Attachment 1).
- 12 To facilitate the interconnection of the PV/BESS facility, upgrades must be completed to Hydro's
- 13 distribution system and diesel generating station.
- 14 This project is at the request of SMRE which will be covering all costs associated with the project. The
- estimated capital cost of this project is \$498,000 and it is expected to take 16 months to complete. It is
- 16 recommended this project be undertaken in order to fulfill Hydro's obligations as per the signed PPA
- 17 and to reduce the cost of energy production in Mary's Harbour.



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Attachment 1: St. Mary's River Energy Limited Partnership Amended and Restated Agreement for the Purchase and Sale of Energy



1 **1.0 Introduction**

- 2 The Mary's Harbour isolated electrical system supplies electricity to the communities of Mary's Harbour
- and Lodge Bay. It consists of a 17 km distribution line, a 2.6 MW diesel generating station, and an
- 4 independently-owned hydro plant. Together, these assets supply electricity to approximately 264
- 5 customers. To facilitate the interconnection of the newly developed PV/BESS facilities, upgrades to
- 6 Hydro's distribution system and diesel generating station must be completed.

7 2.0 Background

- 8 Mary's Harbour Hydro was the first company to establish a hydro plant in the town, and Hydro
- 9 purchased power from it between 1987 and 2007. The original hydro plant, with one 175 kW generating
- 10 unit, was connected to the system through a customer-owned underground cable.
- 11 In 2007, Hydro ceased purchasing power from the hydro plant as it had become aware of a technical
- 12 issue with the control system and was unable to continue purchasing until the issue was addressed.
- 13 Following refurbishment, Hydro resumed purchasing power¹ from the hydro plant, which continues to
- 14 be the case. SMRE identified the opportunity to design and install a PV/BESS system which produces
- 15 lower cost energy that can be sold to Hydro for the benefit of its customers.
- 16 The existing 15-year PPA has been amended to allow Hydro to purchase energy from the PV/BESS
- 17 facility at the same price as it purchases energy from the hydro plant (i.e., 90% of the average cost of
- 18 diesel fuel to produce energy at the Mary's Harbour Diesel Generating Station.)

19 3.0 Justification

- 20 The interconnection and upgrade of equipment is necessary to enable the purchase and supply of
- 21 energy. Hydro has entered into an agreement with SMRE, through the amendment of the existing PPA,
- 22 for the purchase of energy from PV/BESS system. Therefore, the work outlined within is necessary to
- 23 meet the terms of the agreement and to provide least-cost service to customers. This is a fully
- 24 contributed project, at SMRE's request, and will allow for the optimization of energy between the three
- 25 generating facilities (i.e., diesel generator, hydro plant, and PV/BESS system) to benefit customers in

¹ Occurred in September 2019. Energy was purchased as per the PPA which was signed in September 2017.



- 1 Mary's Harbour and Lodge Bay. Completion of the distribution and diesel generating station upgrades
- 2 are recommended under the conditions of the signed PPA^2

3 4.0 Identification of Alternatives

4 There are no alternatives for this project as it is required for safe and reliable operation of the PV/BESS

5 facility and is proposed to fulfill the terms of the PPA between Hydro and the Generator.

6 5.0 Project Description

- 7 This project will establish an electrical interconnection and a communication link with the PV/BESS
- 8 facility. It will also integrate the PV/BESS facility with the control system at the diesel generating station.
- 9 The objectives of this project are to allow the community to receive power from the PV/BESS facility and
- to allow for the diesel generating station to communicate with the PV/BESS facility. This will allow the
- 11 safe and reliable operation of both facilities and allow increased generation from PV/BESS facility, along
- 12 with the hydro plant, thus reducing the amount of fuel consumed at the diesel generating station.
- 13 The PV/BESS facility will consist of 188 kW of photovoltaic generation with 334.5 kW/669 kWh of
- 14 Battery Energy Storage. This facility will be located approximately 350 metres from the diesel generating
- 15 station. Power will be delivered to the system through a distribution line near an existing
- 16 communication tower. The Mary's Harbour distribution system is shown in Figure 1.

² Refer to Appendix A, Article A.1 Conditions of Supply.



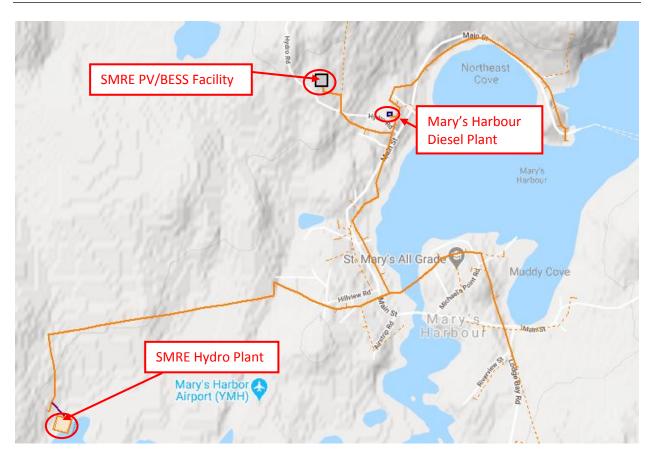


Figure 1: Mary's Harbour Distribution System

1 The estimate for this project is shown in Table 1.

Table 1: Project Estimate (\$000)			
2020	2021	Beyo	
111 1	0 5		

Project Cost	2020	2021	Beyond	Total
Material Supply	111.1	8.5	0.0	119.6
Labour	118.9	88.8	0.0	207.7
Consultant	0.0	0.0	0.0	0.0
Contract Work	66.8	29.0	0.0	95.8
Other Direct Costs	7.6	22.1	0.0	29.7
Interest and Escalation	0.0	0.0	0.0	0.0
Contingency	30.4	14.8	0.0	45.2
Total	334.8	163.2	0.0	498.0 ³

³ The quote provided to SMRE contains an additional operation and maintenance factor of 7% to cover future maintenance requirements as well as 15% HST.



1 The anticipated project schedule is shown in Table 2.

Table 2: Project Schedule

Activity	Start Date	End Date		
Planning:				
Open and kick-off project	August 2020	September 2020		
Prepare schedule				
Design T&D: ⁴				
Design line extension	August 2020	September 2020		
Voltage conversion				
Procurement T&D:				
Prepare pole setting tender	August 2020	December 2020		
Procure transmission and distribution materials				
Construction T&D (2020):				
Complete line extension	August 2020	October 2020		
Voltage conversion				
Install recloser and metering tank				
Design P&C: ⁵				
Develop I/O ⁶ mapping and map points	September 2020	July 2021		
Modify PLC ⁷ logic				
Procurement P&C and Communications:				
Prepare fiber install tender	January 2021	May 2021		
Procure P&C and Communications materials				
Construction Protection and Controls:				
Implement PLC logic changes	June 2021	July 2021		
Commissioning:				
Perform integrated commissioning with PV/BESS	August 2021	August 2021		
Closeout:				
Complete as-builts and financial closeout	September 2021	November 2021		

2 6.0 Conclusion

- 3 It is recommended to proceed with this project to establish an electrical interconnection and a
- 4 communication link between the PV/BESS facility and the diesel generating station so that Hydro fulfills
- 5 all of the obligations defined in the signed PPA. This project will reduce the cost of service in Mary's
- 6 Harbour since the cost of energy from the PV/BESS facility is less than the fuel cost to produce energy at

⁷ Programmable logic controller ("PLC").



⁴ Transmission and distribution ("T&D").

⁵ Protection and Controls ("P&C").

⁶ Input/Output ("I/O").

- 1 the diesel generating station. Further, the costs of this project will be fully recovered from the owner of
- 2 the PV/BESS facility.



Attachment 1

St. Mary's River Energy Limited Partnership Amended and Restated Agreement for the Purchase and Sale of Energy



AMENDED AND RESTATED AGREEMENT FOR THE PURCHASE AND SALE OF ENERGY

THIS AMENDED AND RESTATED AGREEMENT made at St. John's, in the Province of Newfoundland and Labrador on the <u>16</u> day of <u>July</u>, 2020 (the **"Agreement"**).

- **BETWEEN:** NEWFOUNDLAND AND LABRADOR HYDRO, a corporation and agent of the Crown constituted by statute, renamed and continued by the *Hydro Corporation Act*, 2007 Chapter H-17 of the 2007 Statutes of Newfoundland and Labrador and having its head office at St. John's, in the Province of Newfoundland and Labrador, (hereinafter referred to as "Hydro") of the first part;
- AND ST. MARY'S RIVER ENERGY LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Newfoundland & Labrador, by its general partner, ST. MARY'S RIVER ENERGY GP LTD., a body corporate incorporated under the laws of the Province of Newfoundland & Labrador (hereinafter referred to as the "Generator") of the second part.

WHEREAS the Generator currently operates a 240 kW hydro generation facility ("the Hydro Facility") at Mary's Harbour, Newfoundland and Labrador, which Hydro Facility is more particularly described in Schedule C attached hereto;

AND WHEREA5 Hydro and the Generator are parties to an Agreement for the Purchase and Sale of Energy whereby Hydro purchases energy from the Generator's Hydro Facility dated as of September 22, 2017 (the "Existing PPA");

AND WHEREAS the Generator proposes to expand its renewable generation to include photovoltaic and battery energy storage system generation facilities (the "PV and BESS Facility" at Mary's Harbour, Newfoundland and Labrador, which PV and BESS Facility is more particularly described in Schedule D attached hereto; and

AND WHEREAS Hydro and the Generator desire to amend and restate the Existing PPA to allow Hydro to purchase energy from the Hydro Facility and the PV and BESS Facility;

NOW THEREFORE THIS AMENDED AND RESTATED AGREEMENT WITNESSETH that the parties agree as follows:

Application for the Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System Schedule 1, Attachment 1 Page 2 of 21

ARTICLE 1 INTERPRETATION AND TERM OF THE AGREEMENT

- 1.01 In this agreement, unless the context otherwise requires,
 - a) "Agreement" means this Amended and Restated Agreement for the Purchase and Sale of Energy, as amended, supplemented or modified from time to time in accordance with the provisions hereof;
 - b) "Commercial In-Service Date" is that date which follows the day upon which all features and equipment of the Generator's Hydro Facility in Schedule C are demonstrated to Hydro's satisfaction to be capable of operating simultaneously to deliver Power and Energy continuously into Hydro's isolated diesel system in Mary's Harbour as provided this Agreement;
 - c) "Electricity" includes Power and Energy;
 - d) "Energy" means the amount of electricity generated and delivered during a given period of time and measured in kilowatt-hours ("kWh");
 - e) "Facility" means all the Generator's generating, transmission plant and associated equipment located in Mary's Harbour and as described in Schedule C and Schedule D and connecting with Hydro's isolated diesel system in Mary's Harbour used to provide Power and Energy pursuant to this Agreement;
 - f) "Good Utility Practice" means those practices, methods or acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in Canada) that at a particular time, in the exercise of reasonable judgment, would be expected to accomplish the desired result in a manner which is consistent with laws and regulations and due concerns for reliability, safety, environmental protection, economy and expedition;
 - g) "Harmonized Sales Tax" or "HST" means all amounts eligible pursuant to Part IX of the *Excise Tax Act* (Canada), including, for greater certainty, the taxes commonly referred to as the goods and services tax ("GST") and the harmonized sales tax ("HST");
 - h) "Hydro Interconnection Point" means that point where the Hydro Facility connects to the isolated diesel system in Mary's Harbour;
 - "Hydro Point of Delivery" means the jumper connection joining the load side of the Generator's Hydro facility group operated disconnect switch to Hydro's system, specifically the three (3) phase 4.16 kV primary distribution line which is deadended on the same structure as the Generator's group operated disconnect switch.

The Hydro Point of Delivery is approximately seventy (70) meters from the Generator's Facility;

- j) "Interconnection Points" means collectively the Hydro Interconnection Point and the PV and BESS Interconnection Point;
- k) "Month" means a calendar month;
- "Power" means the amount of electrical power generated and delivered at any time and is measured in kilowatts ("kW");
- m) "Points of Delivery" means collectively the Hydro Point of Delivery and the PV and BESS Point of Delivery;
- n) "Province" means the Province of Newfoundland and Labrador;
- o) "PV and BESS Commercial In-Service Date" is that date which follows the day upon which all features and equipment of the Generator's PV and BESS Facility in Schedule D are demonstrated to Hydro's satisfaction to be capable of operating simultaneously to deliver Power and Energy continuously into Hydro's isolated diesel system in Mary's Harbour as provided this Agreement;
- p) "PV and BESS Interconnection Point" means that point where the PV and BESS
 Facility connects to the isolated diesel system in Mary's Harbour;
- q) "PV and BESS Point of Delivery" means the jumper connection joining the high side of the Generator's PV and BESS facility transformer primary bushings to Hydro's system, specifically three fused 4.16 kV disconnect switches which are located on the same structure as the Generator's PV and BESS facility transformer. The PV and BESS Point of Delivery is approximately ten (10) meters from the Generator's Facility;
- r) "Site" means the location of the Facilities and includes all land owned or leased, or to which the Generator holds an easement, for the purposes of the Facilities and connected with the objects of this Agreement;
- s) "Term" means that period that commences on the Commercial In-Service Date and continues for a period fifteen (15) years unless otherwise terminated as per Article 3 of this Agreement.
- 1.02 In this Agreement all references to dollar amounts and all references to any other money amounts are, unless specifically otherwise provided, expressed in terms of coin or currency of Canada which at the time of payment or determination shall be legal tender herein for the payment of public and private debts.

- 1.03 Words in this Agreement importing the singular number shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders.
- 1.04 Where a word is defined anywhere in this Agreement, other parts of speech and tenses of the same word have corresponding meanings.
- 1.05 Wherever in this Agreement a number of days are prescribed for any purpose, the days shall be reckoned exclusively of the first and inclusively of the last.
- 1.06 The headings of all the articles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 1.07 Any reference in this Agreement to an Article, a Clause, a sub-Clause or a paragraph shall, unless the context otherwise specifically requires, be taken as a reference to an article, a Clause, a sub-Clause or a paragraph of this Agreement.
- 1.08 This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original, but all of such counterparts together shall constitute one and the same instrument. Signatures delivered by facsimile or electronic mail shall be deemed for all purposes to be original counterparts of this Agreement.
- 1.09 This Agreement shall become binding upon execution and, subject to the early termination provisions contained herein, shall remain in effect for duration of the Term.

ARTICLE 2 CONDITIONS FOR THE DELIVERY OF ELECTRICITY

- 2.01 The terms and conditions detailed in Schedule A, Schedule B, Schedule C, and Schedule D which schedules form a part of this Agreement, shall apply to the delivery of Electricity.
- 2.02 Should there be any greenhouse gas or similar emission credits or other negotiable rights or interests arising from environmental attributes of either the ownership or the operation of the Generator's Facilities, they shall be vested in Hydro to be assigned, traded, retained or otherwise dealt with in any manner as Hydro may in its sole discretion determine.

ARTICLE 3 TERM OF AGREEMENT

Application for the Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System Schedule 1, Attachment 1 Page 5 of 21

- 3.01 Except as otherwise provided herein, this Agreement shall continue in force for a period of fifteen (15) years commencing on the Commercial In-Service Date, and thereafter shall continue in force for an indefinite term; provided that either party may:
 - (a) provide one (1) year written notice to the other party to terminate this Agreement during its original fifteen (15) year term, provided a minimum period of nine (9) years from the Commercial In-Service Date has passed; or
 - (b) provide (1) month written notice to the other party to terminate this Agreement after its original fifteen (15) year term.
- 3.02 Subject to Articles 4, 5 and 6, Hydro will purchase Electricity from the Generator commencing on the Commercial In-Service Date for Electricity delivered to the Hydro Point of Delivery and commencing on the PV and BESS Commercial In-Service Date for Electricity delivered to the PV and BESS Point of Delivery.

ARTICLE 4 AVAILABILITY OF ELECTRICITY

- 4.01 Subject to the provisions of this Agreement, the Generator shall sell Electricity exclusively to Hydro, and Hydro agrees to purchase all such Electricity delivered to the Points of Delivery; provided that Hydro has sufficient load to absorb the Electricity, subject to Clause 4.02.
- 4.02 The Generator shall put in place the appropriate controls and mechanisms to ensure that the Power produced from the Generator's Facilities does not cause the total output from Hydro's Mary's Harbour diesel generating plant to fall below thirty (30) percent of the prime power rating of the smallest diesel generating unit in service in the Mary's Harbour diesel generating plant.
- 4.03 If at such time in the future Hydro wishes to change the installed capacity of in the Mary's Harbour diesel generating plant, it shall do so at its sole and unfettered discretion. At such time, the Generator will be required to update its control system as appropriate.
- 4.04 Subject to the provisions of this Agreement, Hydro shall sell electricity to the Generator only at such times that Electricity is not being delivered to Hydro. The Generator shall design its system to ensure that the battery energy storage system is only charged from the Generator's Facility unless express permission is provided by Hydro.

ARTICLE 5 DELIVERY OF ELECTRICITY AND METERING

Application for the Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System Schedule 1, Attachment 1 Page 6 of 21

- 5.01 Electricity shall be at a nominal frequency of sixty (60) hertz and at a nominal voltage as outlined in Schedule C and Schedule D attached hereto. The maintenance of the nominal voltage at the Points of Delivery shall constitute the supply of Electricity.
- 5.02 The metering plant to be used under this Agreement shall be furnished and installed by Hydro, at the Generator's Expense, in a suitable place to be provided by the Generator at the Site and shall be furnished and installed in such a manner as to register accurately the total amount of Power and Energy delivered to Hydro to determine the amount of Energy to be purchased by Hydro.
- 5.03 The revenue metering equipment to be purchased and installed by Hydro pursuant to Clause 5.02 shall be of a type approved for revenue metering by the Measurement Canada, a department of the Government of Canada.
- 5.04 Where practical, the metering equipment required under Clauses 5.02 will be installed at the Interconnection Points. Where necessary, adjustments will be made to all meter readings to account for transformer, transmission and distribution line losses between the metering points and the Interconnection Points.
- 5.05 Authorized employees of Hydro and officials acting on behalf of the appropriate department of the Government of Canada shall have the right of access to all meters at all reasonable times, for the purpose of reading, inspecting, testing, repairing or replacing the metering equipment installed pursuant to Clause 5.02 hereof. However, the said authorized employees shall not interfere with the operations of the Generator except to the extent such interference is required as a result of the work being performed, in which case, such interference shall be kept to the minimum amount of time necessary, all in accordance with Good Utility Practice.

ARTICLE 6 BILLINGS, RATES AND CHARGES

- 6.01 Payment for Energy made available for the Generator under this Agreement shall be subject to the provisions of Schedules A and B and to the rates outlined therein.
- 6.02 The Generator shall render its accounts monthly and Hydro will, within twenty (20) days after the date of receiving such account, make payment in lawful money of Canada at the appointed office of the Generator or by means of direct deposit into a Canadian bank account of the Generator. Any amounts in arrears or overdue to the Generator after expiration of such twenty (20) days shall bear interest, before and after judgment, at the prime rate of Bank of Nova Scotia plus two percent (2%) annually until such balance is paid.

Application for the Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System Schedule 1, Attachment 1 Page 7 of 21

- 6.03 Payment for Energy made available by Hydro under this agreement shall be at Rates, rules and regulations regularly applied by Hydro in the Community of Mary's Harbour at the time of any such sale or sales.
- 6.04 The Generator and Hydro acknowledge that, notwithstanding any other provision of this Agreement, any amounts payable by Hydro to the Generator pursuant to this Agreement exclude HST and include all other Taxes. If the Generator is required to collect from Hydro an amount of HST with respect to the provision of any goods or services supplied pursuant to this Agreement, such amounts shall be identified separately on the invoice. All invoices shall include Generator's HST registration number.

ARTICLE 7 INSURANCE

- 7.01 The Generator shall at its own expense acquire and maintain, during the original fifteen (15) year term of this Agreement or in the absence of its termination any time thereafter, Comprehensive General Liability Insurance of not less than two million dollars (\$2,000,000.00) inclusive for any one (1) accident or occurrence (the Policy).
- 7.02 Prior to supplying Hydro with Power, the Generator shall provide Hydro a certificate of insurance that shall be updated annually.
- 7.03 The Policy shall have Hydro as additional named insureds and shall contain a cross liability clause.
- 7.04 The Policy shall not be cancelled, reduced, restricted, terminated or changed in any way or allowed to lapse without at least thirty (30) days written notice to Hydro, sent by prepaid registered mail to the head office of Hydro. In the event the Policy is cancelled, revised, restricted, terminated, changed or lapses the Generator shall immediately replace the Policy.
- 7.05 In the event that Comprehensive General Liability Insurance is not effected to the satisfaction of Hydro, Hydro may effect such insurance as described in this Article 10 and pay the premium in respect thereof. In such a case, Hydro may set off the payment of any such premium against any amounts owed by Hydro to the Generator pursuant to this Agreement. Any action in this respect shall in no way change or reduce the Generator's responsibilities and liabilities under this Agreement.

ARTICLE 8 SAFETY

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8.01 The Generator and Hydro actively encourage the use of the best safety practices in the construction and operation of their respective facilities. Both parties shall ensure that all applicable safety laws and regulations are adhered to with respect to the Facility and the associated operations throughout the Term hereof. In addition to requirements elsewhere for operation of the Facility, Generator acknowledges that for construction activities Hydro endorses the Certificate of Recognition Safety Program of the Newfoundland and Labrador Construction Safety Association (NLCSA). Accordingly, Generator agrees to ensure that, prior to the commencement of performance of construction activities at the Site, the general contractor and all subcontractors obtain and deliver proof of a valid Certificate of Recognition from the NLCSA or similar accreditation/ safety program acceptable to Hydro. Where Generator performs construction activities itself it shall be considered a contractor for the purposes of this clause.

ARTICLE 9 ENVIRONMENT

- 9.01 Hydro, through its environmental policy, commits to compliance with legal and other requirements, to prevention of pollution, and to continual improvement.
- 9.02 Generator shall ensure protection of the environment at the Facility, and, Generator and its contractors must be aware of potential environmental impacts during construction and operation of the Facility. Generator shall ensure that its employees, agents, and its contractors and their employees and agents comply with all applicable environmental laws, regulations, permits and requirements of federal, provincial and municipal authorities and, on a best effort basis, Generator shall ensure that its contractors comply with the Hydro's aforementioned environmental policy (which is available at the website: https://www.nlhydro.com/environment/environmental-policy/).
- 9.03 Generator shall provide Hydro with copies of environmental permits, approvals and monitoring studies prior to commencement of the relevant work.

ARTICLE 10 ARBITRATION

- 10.01 Any dispute or differences between the parties hereto concerning this Agreement which cannot be resolved or settled by the said parties shall be settled by final and binding arbitration in the City of St. John's, Newfoundland, at the request of either party pursuant to the provisions of the Arbitration Act (Newfoundland and Labrador), subject to the specific terms hereof.
- 10.02 The party desiring arbitration shall notify the other party of its intention to submit any dispute(s) or difference(s) to arbitration as well as a brief description of the matter(s) to be

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submitted for arbitration.

- 10.03 Should the parties fail to agree on a single arbitrator to settle the relevant dispute(s) or difference(s) within fifteen (15) days of delivery of the aforesaid notice, then each such party shall within thirty (30) days thereafter nominate an arbitrator having expertise with respect to the subject matter(s) under dispute (failing which nomination by a party, the arbitrator nominated by the other party may proceed to determine the dispute alone as he or she shall deem fit) and the two (2) arbitrators so selected shall select a chairperson of the arbitral tribunal of similar expertise to act jointly with them.
- 10.04 If said arbitrators shall be unable to agree in the selection of such chairman within thirty (30) days of the expiry of the aforesaid thirty (30) day arbitrator nomination period, the chairman shall be selected as contemplated in the *Arbitration Act* (Newfoundland and Labrador).
- 10.05 The costs of the arbitration shall be borne by the parties hereto as may be specified in the determination of the arbitrator(s). The arbitrator(s) shall further be authorized to retain such legal counsel and other professional advisors to provide any advice to the arbitrator(s) as the arbitrator(s) deem appropriate.
- 10.06 The decision of the single arbitrator or any two (2) of the three (3) arbitrators, as the case may be, shall be non-appealable, final and binding with respect to the issue(s) in dispute.

ARTICLE 11 PREVIOUS AGREEMENTS

11.01 This Agreement contains all the terms and conditions agreed on by the parties and no other previous Agreements, written or verbal, respecting the subject matter of this Agreement shall be deemed to exist, or to bind either party.

ARTICLE 12 PERMITS AND LAWS

12.01 The Generator shall obtain and pay for any and all permits, licenses or easements necessary or required for the delivery of Electricity pursuant to the provision of this Agreement. The Generator shall comply fully with all laws, regulations and ordinances of the proper public authorities in connection with the performance of its duties under this Agreement.

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ARTICLE 13 MODIFICATION OF AGREEMENT

- 13.01 If at any time during the continuance of this Agreement the parties shall deem it necessary or expedient to make any alteration or addition to this Agreement, they may do so by means of a written agreement between them which shall be supplemental to and form part of this Agreement.
- 13.02 Any amendment, change or modification of this Agreement shall be binding upon the parties hereto or either of them only if such amendment, change or modification is in writing and is executed by each of the parties to this Agreement by its duly authorized officers or agents and in accordance with its regulations or by-laws.
- 13.03 Hydro shall have the right to terminate this agreement if the Generator has not completed the interconnection to the Interconnected Grid, and delivered electricity to the Interconnection Points within two (2) years of the execution date of this Amended and Restated Agreement.

ARTICLE 14 SUCCESSORS AND ASSIGNS

14.01 This Agreement shall extend to and be binding upon and enure to the benefit of Hydro and of the Generator, and to their respective successors and assigns, provided that the Generator shall not be entitled to assign its entire interest in this Agreement or any portion thereof without the written consent of Hydro.

ARTICLE 15 GOVERNING LAW AND FORUM

15.01 This Agreement shall be governed by and interpreted in accordance with the laws of the Province and the federal laws of Canada applicable therein and, subject to Article 10, every action or other proceeding arising hereunder shall be determined exclusively by a court of competent jurisdiction in the Province, subject to the right of appeal to the Supreme Court of Canada where such appeal lies.

ARTICLE 16 ACCESS TO INFORMATION

16.01 Where under the Province's *Access to Information and Protection of Privacy Act, 2015* it is permitted to maintain the confidentiality of the business terms contained within this

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Agreement, Hydro shall maintain such confidentiality and shall not release such information to any third party.

ARTICLE 17 ADDRESS FOR SERVICE

- 17.01 Subject to Clauses 17.02 and 17.03, any notice, request or other instrument which is required or permitted to be given, made or served under this Agreement by either of the parties hereto shall be given, made or served in writing and shall be deemed to be properly given, made or served if personally delivered, or sent by email, or mailed by prepaid registered post, addressed, if service is to be made
 - (a) on Hydro, to:

Newfoundland and Labrador Hydro Hydro Place P.O. Box 12400 St. John's, NL A1B 4K7

Attention: Vice President General Counsel and Corporate Secretary Email: GYoung@nlh.nl.ca

(b) on the Generator, to:

St. Mary's River Energy Limited Partnership c/o St. Mary's River Energy GP Ltd. 1801 Hollis St, Suite 1205 Halifax, NS B3J 3N4

Attention: President Fax: (902) 425-7840 Email: <u>contracts@naturalforces.ca</u>

With a copy to:

McInnes Cooper 1969 Upper Water St., Suite 1300 Purdy's Wharf Tower II Halifax, NS B3J 2V1 Attention: Michael Simms Application for the Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System Schedule 1, Attachment 1 Page 12 of 21

Fax: (902) 425-6350 Email : Michael.simms@mcinnescooper.com

- 17.02 Any notice, request or other instrument given, made or served as provided in Clause 17.01 shall be deemed to have been received by the party hereto to which it is addressed, if personally served on the date of delivery, or if mailed three (3) days after the time of its being so mailed, or if sent facsimile transmission, one (1) day after the date of sending.
- 17.03 Either of the parties hereto may change the address to which a notice, request or other instrument may be sent to it by giving to the other party to this Agreement notice of such change, and thereafter, every notice, request or other instrument shall be delivered or mailed in the manner prescribed in Clause 17.01 to such party at the new address.

IN WITNESS WHEREOF Newfoundland and Labrador Hydro and St. Mary's River Energy Limited Partnership have each executed this Agreement by causing it to be executed in accordance with its by-laws or regulations and by its duly authorized officers or agents, the day and year first above written.

THE CORPORATE SEAL of Newfoundland and Labrador Hydro was hereunder affixed in the presence of:

Geoff Young VP, General Counsel & Corporate Secretary

Ron LeBlanc VP, Operations & NLSO

Robert Apold, Director

Witness

DULY EXECUTED by St. Mary's River Energy Limited Partnership, by its general partner, St. Mary's River Energy GP Ltd. in accordance with its Regulations or By-Laws in the presence of:

Witness

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SCHEDULE A

Terms and Conditions for Delivery of Electricity

ARTICLE A.1 CONDITIONS OF SUPPLY

- A.1.1 The Generator shall arrange for, at its expense, the interconnection between its facilities and Hydro's Facilities. The Generator shall be financially responsible for the necessary modifications of Hydro's Facilities to enable Hydro to utilize the delivered Electricity in circumstances and in a manner that provide for the proper protection and safe operation of Hydro's Facilities. Hydro shall provide to the Generator an estimate of all costs to be incurred by Hydro to interconnect the Generator and the Generator shall provide advance payment to Hydro for these costs. Upon the completion of the interconnection, an adjustment shall be made so that if the actual cost exceeds the estimate, the difference shall be paid by the Generator to Hydro forthwith, provided that the Generator shall not be required to pay more than fifteen percent (15%) more than the estimated cost. If the actual cost is less than the estimate, the difference shall be reimbursed to the Generator by Hydro.
- A.1.2 The Generator shall assume financial responsibility for all power system components deemed necessary by Hydro on the Generator's side of the Points of Delivery including transformation, switching and auxiliary equipment such as synchronizing and protection equipment.
- A.1.3 It is agreed that Hydro may require the Generator to follow appropriate operating procedures not substantially different from those procedures followed for Hydro's own generators. Operating procedures amongst others will provide for routine switching operations for example, for scheduled maintenance or for emergencies including forced outages and unexpected contingencies as well as a line of communication between Hydro and the Generator. These procedures are to enable Hydro to safely interrupt the flow of Electricity from the Generator. In addition, Hydro has a work protection code that has certain requirements for its contractors and their employees. Depending on system configuration, there may be periods where Hydro will not be able to purchase power from the Generator for the purpose of establishing safe work zones on Hydro's system. Hydro will provide the Generator with copies of the operating procedures with all revisions or additions and its work protection code.
- A.1.4 Except for abnormal operating conditions, variations from any nominal frequency or nominal voltage shall not exceed appropriate ranges of tolerable values. The Generator shall be responsible for installing protective equipment to protect its own property and operations from variations in frequency and voltage or from temporary delivery of other

Application for the Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System Schedule 1, Attachment 1 Page 14 of 21

than three (3) phase power. In no event shall Hydro be liable to the Generator for any loss, damage or injury resulting directly or indirectly from variations in frequency or voltage, or for temporary delivery of other than three (3) phase power.

- A.1.5 The Generator agrees to provide suitable transforming equipment and all other electrical equipment from the Points of Delivery of the Electricity, including electrical equipment Hydro deems necessary from time to time during the continuance of this Agreement, for the safety and security of the operation of Hydro's Facilities. All of the said equipment of the Generator shall be subject to the approval of Hydro and shall be installed, maintained and operated in a manner satisfactory to Hydro. Until such approval has been given, Hydro shall not be bound to receive or supply any Electricity under this Agreement or, if receipt or supply has commenced, to continue same.
- A.1.6 The Generator shall operate in such a manner so as not to cause disturbance or fluctuations to Hydro's Facilities, or interference with communication systems or control circuits of Hydro or of any third party. The Generator shall take remedial measures at its own expense by way of installing suitable apparatus or otherwise as may be necessary to reduce any disturbance or fluctuations or any interference with the communication systems or control circuits to a tolerable level. In any event, the Generator shall indemnify Hydro from all claims and demands made against Hydro, or its officers, directors, employees or agents, by any third party in consequence of failure of the Generator to perform its obligations under this Section.
- A.1.7 Where Hydro has installed on its Facilities equipment for automatic reclosing of circuit breakers after an interruption of the supply of Electricity, it shall be the obligation of the Generator to provide at its own expense, adequate protective equipment for all its facilities that might be adversely affected by such reclosing equipment, and as well, such equipment as may be required for the prompt disconnection of any of the Generator's apparatus that might affect the proper functioning of the reclosing equipment. Hydro will co-operate with the Generator and use its best endeavours with a view to mutual agreement as to the reclosing time of the equipment, but failing such agreement, the decision of Hydro as to that time shall be final.
- A.1.8 The Generator agrees to provide free of charge or rent a convenient and safe space for the meters and other service entrance equipment of Hydro on or in the Generator's premises and further agrees that no one who is not a properly authorized agent of Hydro or otherwise lawfully entitled to do so shall be permitted or suffered to repair, remove, inspect or tamper with any of the said meters and equipment and that the properly authorized agents of Hydro shall, at all reasonable hours, have the right to read, inspect, repair, replace and remove any of the said equipment and have free access for that purpose of the said premises.

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A.1.9 Hydro may from time to time make tests to determine the electrical characteristics of the Generator's supply of Electricity and may install and use meters and equipment, which it deems necessary.

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ARTICLE A.2 CONTRACT PERFORMANCE

- A.2.1 If at any time the Generator fails to perform any of its obligations affecting operation under this Agreement including failing to operate as required by this Agreement by any operating procedures, then Hydro may give notice thereof to the Generator, which notice may be given by telephone to an employee of the Generator by an employee of Hydro and the Generator shall immediately remedy the said failure. In case of continued failure for more than fifteen (15) minutes after the notice, Hydro may discontinue the receipt of all Electricity or any part thereof and shall not be obliged to resume receipt of Electricity until the Generator has remedied the failure. The Generator shall designate in writing to Hydro the name of the employee to whom notices under this Section are to be given, and in default of such designation or in the event of said employee not being immediately available to receive any such notice, the Generator agrees the notice may be given by telephone or otherwise to any other employee of the Generator.
- A.2.2 If the Generator fails to perform any obligations under this Agreement, Hydro may give written notice to the Generator that unless the obligation is completely fulfilled within a specified period after mailing of the notice, Hydro shall discontinue the receipt of Electricity. If the Generator continues in default in respect of the obligation beyond the period specified in the notice, Hydro may discontinue the receipt of Electricity and may refuse to resume receipt of Electricity until the Generator has fulfilled its obligation. The right to discontinue the receipt of Electricity in this Section is in addition to and not in limitation of any other right provided elsewhere in this Agreement to discontinue the receipt of Power for failure of the Generator to perform a particular obligation.
- A.2.3 Notwithstanding that Hydro may have discontinued the receipt of Electricity to the Generator by reason of failure by the Generator to perform any of its obligations under this Agreement, or that Hydro has discontinued receipt of Electricity upon the request of the Generator, such discontinuance shall not be construed as a breach of contract by Hydro to receive Electricity from the Generator under this Agreement, nor shall such discontinuance relieve the Generator from its obligations to deliver Electricity in accordance with the provisions of this Agreement, and such provisions shall continue in force until termination of the Agreement, unless Hydro otherwise agrees in writing.
- A.2.4 Either party shall have the right to interrupt the supply or receipt of Electricity at any time to the extent necessary to safeguard life or property or for the purpose of construction, maintenance, operations, repair, replacement or extension of their equipment or works. Either party shall limit the duration of such interruptions as much as practicable and, except in emergencies, shall give to the other party adequate warning of its intention to interrupt the supply or receipt of Electricity.
- A.2.5 If the Generator's inability to make Electricity available or Hydro's inability to take Electricity is in either case attributable to an Uncontrollable Event or the Electricity is

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interrupted by the Generator, or Hydro for any of the purposes described in Section A.2.4, then no party shall be liable to the other for damages or breach of contract. The term "Uncontrollable Event" shall be deemed to be a cause reasonably beyond the control of either the Generator, or Hydro which inability includes but without limitation, strike of the Generator's, or Hydro's employees, damage or destruction by the elements, fire, explosion, war, the Queen's enemies, legal acts of the public authorities, insurrection, Act of God, or inability to obtain or transport essential services, materials, products or equipment because of the effect of similar causes on the Generator's, or Hydro's suppliers or carriers, accident to the electrical generation or delivery system including Hydro's Facilities. Application for the Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System Schedule 1, Attachment 1 Page 18 of 21

SCHEDULE B

Calculation of Energy Payment

Hydro agrees to pay for Energy delivered in each Month of the Term of this Agreement, an amount calculated by application of the following formula:

$$EP_{ji} = ED_{ji} \times \left(\frac{FC_{ji}}{EFF_{i-1}} \times 0.90\right)$$

Where:

- *j is the Month for which payment is payable;*
- *i is the calendar year in which Month j falls;*
- *EP_{ji} is the total Energy payment for Energy delivered in Month j of calendar year i in Canadian Dollars;*
- *ED_{ji} is the Energy delivered by the Generator to Hydro under the Terms of this Agreement in Month j of calendar year i in kWh;*
- *FC_{ji} is the average fuel cost for diesel fuel consumed in Hydro's diesel generating plant serving the community of Mary's Harbour in Month j of calendar year i in Canadian Dollars per litre and*
- *EFF*_{*i*-1} *is the average plant efficiency of Hydro's diesel generating plant serving the community of Mary's Harbour as determined below.*

EFF_{i-1} is the greater of either:

(a) 3.245 kWh/litre of fuel, which is the average plant efficiency of Hydro's Mary's Harbour diesel generating plant for the years 2014, 2015 and 2016;

or

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$(b) \frac{kWh_{i-1}}{FUEL_{i-1}}$

Where:

kWhi-1is the total Energy produced at Hydro's
diesel generating plant serving the
community of Mary's Harbour in the
calendar year immediately preceding the
year for which payment is due, in kWh;FUEL_i-1is the total number of litres of diesel fuel
consumed in Hydro's diesel generating plant
serving the community of Mary's Harbour in
the calendar year immediately preceding the
year for which payment is due;

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SCHEDULE "C"

Hydro Project Generation Characteristics

Generator:	Canadian Hydro Components 900mm Kaplan
Location:	Mary's Harbour, Newfoundland and Labrador
Nominal Voltage at	
Delivery Point:	4160 V
Type of Generator:	Kaplan, Axial Flow
Generator Nameplate	240 kW
Rating:	

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SCHEDULE "D"

PV and BESS Characteristics

PV Generator:	Qty. 504 375W bifacial PV solar panels with total installed capacity of 189 kWDC
Location:	Mary's Harbour, Newfoundland and Labrador
Nominal Voltage at	
Delivery Point:	4160 V
Type of PV Generator:	CS3U-375MB-AG bifacial solar panels
Generator Nameplate Rating:	189 kWDC/187.5 kWAC
BESS:	334.5 kW / 669 kWh Lithium Ion System
Location:	Mary's Harbour, Newfoundland and Labrador
Nominal Voltage at	
Delivery Point:	4160 V
Type of BESS:	Tesla Powerpack System
BESS Nameplate Rating:	334.5 kW / 669 kWh



Schedule 2

Signed Statement of Agreement St. Mary's River Energy LTD Partnership



Application for the Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System Schedule 2, Page 1 of 4



Hydro Place. 500 Columbus Drive. P.O. Box 12400. St. John's. NL Canada A1B 4K7 t. 709.737.1400 f. 709.737.1800 www.nlh.nl.ca

REV 1 – The following is a revision to the original letter dated March 30, 2020. This revision is updated to reflect the invoice provided to St. Mary's River Energy on July 16, 2020 (dated June 30, 2020)

August 6, 2020

St. Mary's River Energy LTD Partnership C/O Allan Green 1801 Hollis Street, Suite 1205 Halifax, NS B3J 3N4

Dear Allan Green:

Thank you for your inquiry on the availability and cost of providing Special Facilities to interconnect your Photovoltaic (PV) and Battery Energy Storage System (BESS) facility located at Mary's Harbour, NL.

Newfoundland and Labrador Hydro (Hydro) has reviewed your request and has developed an estimate based on the following high level scope:

- construct line extension to customer's PV/BESS site including line conversion to 3 phase, installation of recloser, metering tank, and primary revenue meter;
- installation of fiber communications from diesel plant to recloser located on customer's site;
- modifications to diesel plant control system;
- arc flash and protection studies including changes as necessary;
- operations and maintenance factor of 7% to cover future maintenance requirements; and
- project start date during September 2020, construction and commissioning between fall 2020 and summer 2021, and project closeout during fall of 2021.

The estimated cost of this work is \$532,860.00+ \$79,929.00 (15% HST) = **\$612,789.00**.

This quote is valid until February 6, 2021. After that date, a new quotation must be calculated to reflect possible changes in labor and material costs. Hydro, however, reserves the right to make adjustments within this six (6) month period if errors are discovered in the calculation of this estimate, in which case you will be notified immediately of the change.

Hydro will not proceed with this scope of work until the full payment is received.

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St. Mary's River Energy LTD Partnership August 6, 2020 Page 2 of 4

Upon the completion of the interconnection, an adjustment shall be made so that if the actual cost exceeds the estimate, the difference shall be paid to Hydro forthwith, provided that the cost is not more than fifteen percent (15%) more than the estimated cost. If the actual cost is less than the estimate, the difference shall be reimbursed to the Generator by Hydro.

Construction of the line extension, and entitlement to any refunds or partial refunds associated with the line extension estimate, are subject to the following conditions:

 Before construction begins, Hydro requires standard easement rights for any portion of the line that will be constructed over private property. This ensures that Hydro has access to the line and equipment should the need arise. Hydro will arrange for any necessary easements. If however, easements cannot be obtained for the proposed route, an alternate route will be determined and a corresponding estimate will be calculated.

<u>Please note</u>: it generally takes 26 weeks to obtain easements from the Provincial Crown Lands Department if the line extension involves Crown Land. Permission for line construction and related work near bodies of water will take considerably longer due to stringent environmental regulations.

- Any construction, purchase or lease of improvements or additions to Hydro's property must be approved by the Board of Commissioners of Public Utilities ("Board") in advance. Any capital work referenced in this letter is subject to the approval of the Board.
- 3. Should additional customers connect to the line extension within 10 years from the date of its construction, a refund or partial refund may be available.
- 4. Hydro retains legal title to the line and may connect other customers to it at any time.
- 5. Hydro is responsible for the maintenance of the line and for its eventual replacement.
- 6. Additional conditions are outline in the Amended Power Purchase Agreement between Newfoundland and Labrador Hydro and St. Mary's River Energy Limited Partnership dated July 16, 2020.

Application for the Interconnection and Integration of the St. Mary's River Energy Photovoltaic and Battery Energy Storage System Schedule 2, Page 3 of 4

St. Mary's River Energy LTD Partnership August 6, 2020

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Newfoundland and Labrador Hydro looks forward to continue working together. If you require additional information regarding this quote, please call me directly at 709-631-2796 or 709-733-5223 or toll-free at 1-888-737-1296 between 8:30 a.m. and 4:00 p.m., Monday to Friday.

Sincerely yours,

Marcus O'Keefe Customer Services Technologist Newfoundland & Labrador Hydro

H.S.T Registration #121394928RT0001

c.c. S. Henderson, Hydro - St. John's.
W. Osbourne, Hydro - Port Saunders
L. Kingsley, Hydro - St. John's
R. Collett, Hydro - St. John's
L. Murphy, Natural Forces - Halifax
File: 460.85.50/019.1426441

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St. Mary's River Energy LTD Partnership August 6, 2020

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Agreement

St. Mary's River Energy LTD Partnership hereby confirms that it understands all of the terms and conditions referred to in the above letter and agrees that Hydro may proceed to seek approval for the providing Special Facilities to interconnect your Photovoltaic (PV) and Battery Energy Storage System (BESS) facility located at Mary's Harbour, NL from the Board of Commissioners of Public Utilities.

Dated at _____, Newfoundland this ____ day of August, 2020.

St. Mary's River Energy LTD Partnership



Affidavit

hydro a nalcor energy company

IN THE MATTER OF the *Electrical Power Control Act, RSNL 1994,* Chapter E-5.1 (*"EPCA"*) and the *Public Utilities Act, RSNL 1990,* Chapter P-47 (*"Act"*), and regulations thereunder; and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro ("Hydro") for an Order approving the acquisition and installation of equipment to connect and integrate a photovoltaic and battery operated storage system at Mary's Harbour, pursuant to Section 41 of the Act.

AFFIDAVIT

I, Ron LeBlanc, of St. John's in the Province of Newfoundland and Labrador, make oath and say as follows:

- 1. I am Vice President, Operations and NLSO for Newfoundland and Labrador Hydro, the Applicant named in the attached Application.
- 2. I have read and understand the foregoing Application.
- I have personal knowledge of the facts contained therein, except where otherwise indicated, and they are true to the best of my knowledge, information and belief.

SWORN at St. John's in the)Province of Newfoundland and)Labrador this 11th day of)August 2020, before me:)

n

Barrister – Newfoundland and Labrador

Blance

Ron LeBlanc