

RFP APPENDIX #3

PROPOSAL LETTER

TO: BC Hydro
10th Floor, 333 Dunsmuir Street
Vancouver, BC
V6B 5R3
Attention: RFP Administrator

Full Legal Name of Proponent: _____

Project Name: _____

Pursuant to the BC Hydro Bioenergy Call for Power – Phase I issued February 6, 2008 (the “**RFP**”), the undersigned (the “**Proponent**”) hereby submits a Proposal on the following terms and conditions:

1. **Definitions:** Words and phrases defined in the RFP and used in this Proposal have the meanings given in the RFP, unless otherwise defined herein.

2. **Proposal Contents:** This Proposal consists of the following, all delivered in a sealed package marked “BC Hydro Bioenergy Call for Power – Phase I, Proposal of [insert legal name of Proponent]”, and bear a return address, concurrently herewith:

- **One original** signed and properly completed **Proposal Letter**, including Schedule A to this Proposal Letter, and **one** soft copy (in CD-ROM format) of Schedule A to this Proposal Letter (Appendix 3 to the RFP);
- **One original** signed, **six** photocopies and **one** soft copy (in CD-ROM format) of the **Project Description**, prepared in accordance with the Project Description Requirements (Appendix 4 to the RFP);
- **One original** signed, **six** photocopies and **one** soft copy (in CD-ROM format) of the properly completed **Fuel Plan**, prepared in accordance with the Fuel Plan Requirements (Appendix 5 to the RFP);
- A copy of a fully executed Feasibility Interconnection Study agreement or a Preliminary Interconnection Study agreement (as applicable) in respect of the Project and, if available, the corresponding interconnection study; and
- At the Proponent’s option, **six** photocopies and **one** soft copy (in CD-ROM format) of a variations Proposal that optimizes cost effectiveness for BC Hydro, in the form of a redlined version of the Specimen EPA and a commentary describing the reasons and benefits of the proposed variations to BC Hydro’s preferred terms and conditions;

all of the foregoing being hereby incorporated by reference into, and forming part of, this Proposal. All of the foregoing documents are submitted in 8½" x 11" – 3 ring binders.

3. **Pricing:** The attached Schedule A (Project Price Form) sets out the Proponent's proposed pricing for the Proposal.

4. **Status of RFP and Proposal:** The Proponent agrees as follows:

- (a) The RFP is not a call for tenders. The RFP and/or the submission of this or any Proposal and/or the exercise by BC Hydro of any discretion in the conduct of the RFP process, including the review and evaluation of Proposals, and/or the selection of successful Proposals, creates no contractual or other legal relationship, liability or obligation whatsoever between BC Hydro and the Proponent, except only the obligation of the Proponent to be bound by the general terms and conditions set out in section 22 of the RFP and Sections 4, 5 and 6 of this Proposal. Except as aforesaid, no such contractual or other legal relationship, liability or obligations whatsoever arise between BC Hydro and the Proponent unless and until a definitive EPA is fully executed and delivered.
- (b) The Proponent shall not have any claim for any compensation of any kind whatsoever as a result of participating in the RFP.
- (c) The Proponent is bound by, and will comply with, the terms and conditions set forth in Section 22 (General Terms and Conditions) of the RFP.

5. **Proponent Acknowledgements, Representations and Warranties:** The Proponent acknowledges, and represents and warrants to BC Hydro, as follows:

- (a) The Proponent (or an Affiliate of the Proponent) is a registered Proponent;
- (b) The Proponent has carefully reviewed the RFP, including all Addenda and other documents posted to the RFP Website;
- (c) The Proponent has undertaken such further and other review and investigation, and taken such legal, accounting, engineering and other advice as is necessary for it to determine to its satisfaction the correctness and adequacy of the price(s) and other information contained in this Proposal;
- (d) In preparing and submitting this Proposal, the Proponent has not relied upon any information furnished to it by BC Hydro, whether orally, in writing, electronically or in any other form whatsoever, except information disclosed in the RFP, or advised in writing by the RFP Administrator;
- (e) The Proponent shall provide promptly in writing to BC Hydro at its request pursuant to the RFP further information, clarification or verification concerning this Proposal, and any such further information, clarification or verification shall be true and correct in all material respects, and the Proponent shall meet with BC Hydro, if requested by it, for that purpose;
- (f) The information furnished by the Proponent and contained in the Proposal, including the Project Description, Fuel Plan and Schedule A to this Proposal Letter, is true and correct in all material respects;
- (g) None of the capacity or energy from the Project that is proposed to be made available to BC Hydro under this Proposal is:

- (i) under any contract to BC Hydro, except capacity and/or energy under any such contract that may be lawfully terminated by the Proponent; or
 - (ii) under any contract to any party other than BC Hydro, except capacity and/or energy under any such contract that may be lawfully terminated by the Proponent prior to the Guaranteed COD (as defined in the Specimen EPA).
- (h) The Proponent, or an Affiliate of the Proponent, participates as a direct or indirect co-owner of, or lender to, or otherwise supports the following Proposal(s) submitted by another Proponent:

| <u>Name of Other Proponent</u> | <u>Project Name</u> | <u>Nature of Proponent's Participation or Support</u> |
|--------------------------------|---------------------|---|
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| | | |

Note: If the foregoing item (h) is not applicable, insert "N/A" in each cell above.

- (i) The execution and delivery of this Proposal has been duly authorized by all necessary corporate (or if applicable partnership or joint venture) action or other approvals, and this Proposal has been executed and delivered by duly authorized directors, officers or other representatives of the Proponent.

6. **Joint and Several Liability:** If the Proponent is a general partnership or a joint venture or otherwise consists of two or more persons, then the liability of the partners, joint venturers or other persons under or in relation to this Proposal, including any EPA resulting from this Proposal, is joint and several and not several only.

IN WITNESS WHEREOF this Proposal has been executed by the Proponent on _____ 2008.

[IF PROPONENT IS A CORPORATION, USE THE FOLLOWING SIGNATURE BLOCK]

Full legal name of Proponent

Signature

Name: _____

Title: _____

[IF PROPONENT IS A LIMITED PARTNERSHIP, USE THE FOLLOWING SIGNATURE BLOCK]

_____, a limited partnership,
Full legal name of Proponent

by its General Partner, _____:
Full legal name of General Partner

Signature

Name: _____

Title: _____

[IF PROPONENT IS A GENERAL PARTNERSHIP, USE THE FOLLOWING SIGNATURE BLOCK]

_____, a general partnership, by its partners:
Full legal name of Proponent

Partner #1 - _____
Full legal name of Partner

Signature

Name: _____

Title: _____

Partner #2 - _____
Full legal name of Partner

Signature

Name: _____

Title: _____

[NOTE: ADD ADDITIONAL PAGES AND SIGNATURE BLOCKS FOR ADDITIONAL GENERAL PARTNERS.]

[IF PROPONENT IS A JOINT VENTURE, USE THE FOLLOWING SIGNATURE BLOCK]

_____, a joint venture, by its members:
Full legal name of Proponent

JV Member #1 - _____
Full legal name of JV Member

Signature

Name: _____

Title: _____

JV Member #2 - _____
Full legal name of JV Member

Signature

Name: _____

Title: _____

[NOTE: ADD ADDITIONAL PAGES AND SIGNATURE BLOCKS FOR ADDITIONAL JOINT VENTURERS.]