

<Date to be inserted by IESO>

<Name>

<Title>

<Connection Applicant>

<Address1>

<Address2>

<Postal Code>



Independent Electricity System Operator

Station A, Box 4474
Toronto, ON M5W 4E5
t 905.403.6900

www.ieso.ca

Dear <Mr.> <Name>

Re: Cost Recovery Agreement in respect of an expedited System Impact Assessment

Chapter 4, Section 6 of the Market Rules gives authority to the IESO to establish procedures describing the manner and timing for the processing of *requests for connection assessments*. The corresponding Market Manual, Part 2.10: Connection Assessment and Approval (the “**Manual**”), describes the process for submitting and approving *requests for connection assessments*, including giving the IESO flexibility to establish expedited procedures for *requests for connection assessments* that are for projects that do not represent significant changes and are not expected to have a major impact on the *reliability* of the *integrated power system*. Where the IESO makes such determination, an expedited System Impact Assessment (“**ESIA**”) will be conducted.

In most cases, upgrading and/or modifying various equipment and facilities connected to the *IESO-controlled grid* should not necessitate the time and expense of a System Impact Assessment. In this regard, and pursuant to the IESO’s authority to establish expedited procedures, we recommend the following procedure, which is formalized by way of this Cost Recovery Agreement between <Connection Applicant> (the “**Connection Applicant**”) and the IESO:

- Within five business days of receiving a *request for connection assessment* from the Connection Applicant, the IESO will determine whether a System Impact Assessment is appropriate in the circumstances, and will notify the Connection Applicant of such decision. If the IESO determines a System Impact Assessment is not appropriate, the IESO will conduct an ESIA and the terms of this Cost Recovery Agreement will apply (as such terms may be supplemented by the Manual).
- The Connection Applicant will not be required to submit a deposit for an ESIA.
- The Connection Applicant will reimburse the IESO for all costs and expenses incurred by the IESO in processing and assessing each *request for connection assessment*.
- The Connection Applicant may receive a request from the IESO for additional information or clarification in respect of the Connection Applicant’s submitted materials, as more fully described in the Manual.
- The completion date for an ESIA will be negotiated between the IESO and the Connection Applicant, and may depend on the in-service date of the project and availability of IESO resources.
- The IESO will deliver the associated ESIA report, per Section 9.6 of the Manual, within the timeline agreed upon with the Connection Applicant.
- If the project requires a connection cost recovery agreement (CCRA) to be signed with the *transmitter*, the Connection Applicant will sign the “Consent for Connection Cost Recovery Agreement Status Request” form prior to the IESO’s issuance of the final ESIA report.

- The IESO will issue to the Connection Applicant and any affected *transmitters*, a Notice of Conditional Approval, Notice of Final Approval or Notice of Disapproval with Reasons, as applicable, as more fully described in the Manual.
- After the IESO has issued the ESIA report and a Notice of Conditional Approval, Notice of Final Approval or Notice of Disapproval with Reasons, as applicable, to the Connection Applicant and any affected *transmitters*, the IESO will publish the ESIA report on its website.
- The IESO will invoice the Connection Applicant quarterly for the costs and expenses incurred with conducting each ESIA during the previous quarter, or quarters, if any.
- The IESO may at any time determine that a project should undergo a System Impact Assessment instead of an ESIA, in which case the IESO and the Connection Applicant will follow the steps for the System Impact Assessment outlined in the Manual.
- This Cost Recovery Agreement will cover all subsequent ESIAs initiated by the Connection Applicant.
- Either the IESO or the Connection Applicant may terminate this Cost Recovery Agreement on 60 days prior written notice to the other party, provided, however, that the Connection Applicant will be liable to reimburse the IESO for any costs incurred to the effective date of termination for all ESIAs then under consideration.

The IESO expects this procedure will expedite the approval of routine *requests for connection assessment*.

All italicized terms used herein shall have the meaning ascribed to them in Chapter 11 of the Market Rules.

If you agree with this procedure and the terms set forth herein, please sign below and return a signed copy to the IESO in original or electronic form. The parties hereto may adopt any signatures received electronically as original signatures of the parties.

Yours truly,

 Director, Power System Assessments
 Independent Electricity System Operator

Dated and signed this ____ day of _____, 20__

AGREED TO by <Connection Applicant>:

 <Connection Applicant>

Dated and signed this ____ day of _____, 20__

cc: IESO Records