



## 1. APPENDICES

The Appendices to this Agreement comprise part hereof, and are identified as follows:

Appendix "A"            Application and Contract for Electric Service, between the Customer and OWLP

Appendix "B"            OWLP Drawing -

## 2. DEFINITIONS

In and for the purpose of this Agreement, the following definitions shall apply, except where the context indicates otherwise:

- 2.1 "Agreement" means this agreement together with Appendix "A" and Appendix "B" hereto, as amended from time to time by the written agreement of the parties.
- 2.2 "Cogeneration Facility" means the generator and all equipment associated with the cogeneration unit at the Customer's premises, and all equipment required for the operation, protection, control, metering, and monitoring of this unit.
- 2.3 "Island Operation" means energization by the Customer of cogeneration generation that is isolated from OWLP sources of supply.
- 2.4 "Isolating Device" means a drawout-type circuit breaker or disconnect switch of appropriate ratings, which may be locked in the open position and whose contacts are clearly visible in the open position.
- 2.5 "Load Displacement" means supply of a portion of the Customer's electrical load by the cogeneration facility, which is not intended to deliver electrical output to the utility system.

- 2.6 "OWLP System" means the electrical distribution system of OWLP and all the systems connected herewith.
- 2.7 "Parallel Operation", "Operation", or "Operate" means connection and operation of the cogeneration facility in electrical parallel with the OWLP system.
- 2.8 "Synchronism" means the condition that exists when the voltages, phase rotations, and phase angles of the OWLP system and the generator are identical.
- 2.9 "Backup Supply" means electrical energy and capacity made available by OWLP to replace output of the Customer's cogeneration facility.
- 2.10 "Facilities Charge" means a charge to the Customer for the use, occupancy or reservation of OWLP plant by the Customer.

### 3. CONNECTION

- 3.1 The Customer shall have the right to connect the cogeneration facility with the OWLP system, subject to the terms and conditions set forth in this Agreement.
- 3.2 The Customer shall provide, install and maintain at its expense all necessary equipment to protect:
- (a) the safety of OWLP employees, its contractors, agents, and the public;
  - (b) the security and integrity of the OWLP system;
  - (c) the safety of OWLP plant and apparatus, and
  - (d) the quality of electricity supplied on the OWLP system.
- 3.3 The Customer shall provide, install, and maintain at its expense all equipment that shall be necessary from time to time during the continuance of this Agreement:

- (a) to correct any operation of the cogeneration facility that may adversely affect the OWLP system, and
  - (b) to accommodate modifications on the OWLP system.
- 3.4 Without limiting the generality of Paragraphs 3.1, 3.2 and 3.3, the Customer shall provide, install and maintain at its expense:
- (a) all equipment deemed necessary by OWLP pursuant to Paragraphs 3.2 and 3.3.
  - (b) an isolating device between the cogeneration facility and the OWLP system, at a location satisfactory to OWLP.
  - (c) a circuit breaker between the generator and the OWLP system, at a location satisfactory to OWLP. The said circuit breaker shall have adequate ratings and shall automatically disconnect the cogeneration unit from the OWLP system in case of any of the faults or abnormal conditions specified herein.
  - (d) a means of automatically synchronizing the generator with the OWLP system, and means to prevent connection of the generator with the OWLP system except when synchronism exists.
  - (e) all equipment required to automatically disconnect the generator from the OWLP system in the event of abnormal conditions, including but not limited to:
    - (i) overcurrent
    - (ii) overvoltage
    - (iii) undervoltage
    - (iv) overfrequency
    - (v) underfrequency
    - (vi) voltage imbalance

- (vii) current imbalance
  - (viii) loss of excitation
  - (ix) loss of synchronism
  - (x) generator motoring
  - (xi) excessive flow of real or reactive power
  - (xii) power flow from the cogeneration facility into the OWLP system
  - (xiii) momentary or sustained loss of supply on the OWLP system when operating in parallel
  - (xiv) unstable, abnormal, or fault conditions in the cogeneration facility, and
  - (xv) unstable, abnormal, or fault conditions on the OWLP system.
- (f) a continuously available communication link suitable to OWLP and all necessary equipment to enable OWLP to perform the following functions from its System Control Centre:
- (i) monitor the status of the aforesaid circuit breaker as "OPEN", "CLOSED" OR "TRIPPED",
  - (ii) monitor the real and reactive power output of the generator.

- 3.5 The Customer shall provide, install and maintain at its expense all necessary equipment to protect the cogeneration facility and the Customer's other electrical installations from variations in frequency, voltage, and phase balance, and from faults, circuit reclosing and other abnormal conditions on the OWLP system.
- 3.6 The Customer shall provide, install and maintain at its expense all necessary equipment to operate, protect, control, monitor, and meter the cogeneration facility.
- 3.7 The Customer shall provide OWLP with such plans, specifications and other information as OWLP may require for review, comment, or approval during design and construction of the cogeneration facility.

- 3.8 All equipment shall be provided, installed and maintained subject to the approval of OWLP. Such approvals will be of a general nature only and shall not relieve the Customer of any responsibility for the correct application, installation or operation of the equipment.
- 3.9 The Customer shall comply with all applicable laws and regulations and shall obtain and maintain all necessary licences, permits and approvals for the cogeneration facility.
- 3.10 All electrical equipment in the cogeneration facility shall be provided, installed and maintained in accordance with the Electrical Safety Code.
- 3.11 The Customer shall provide OWLP with an accurate one-line electrical diagram of the cogeneration facility as finally built and approved for service, showing all main electrical connections, protection, controls, and metering together with such other information as OWLP may require. The said diagram and other information shall be appended to this Agreement as Appendix "B", and the Customer shall keep the said diagram with OWLP at all times.
- 3.12 The Customer shall not cause or permit any modifications or change in the cogeneration facility that may affect the OWLP system, without the prior consent of OWLP.
- 3.13 The Customer shall provide free of rent or charge a safe location satisfactory to OWLP for its metering equipment. The Customer shall also provide free of rent or charge telecommunication lines satisfactory to OWLP for use with its metering equipment and RTU.
- 3.14 The Customer shall permit only the duly authorized employees or agents of OWLP or persons otherwise lawfully entitled to do so, to read, inspect, repair, adjust, or remove any metering equipment.
- 3.15 OWLP shall have the right at all times to read, inspect, repair, adjust, replace, or remove any meter or other property of OWLP and the Customer shall provide free access to OWLP for that purpose.

- 3.16 OWLP shall have the right at all time to inspect the aforesaid isolating device and circuit breaker, and the Customer shall provide free access to OWLP for that purpose.
- 3.17 The Customer shall always maintain free, safe and convenient access for OWLP to the circuit breaker, isolating devices and metering equipment specified herein, and the Customer shall keep the equipment free from all obstructions, hazards, and encumbrances.
- 3.18 The Customer agrees that if this Agreement shall be terminated for any reason whatsoever, OWLP may enter the premises of the Customer to remove all equipment owned by OWLP.

4. **OPERATION**

- 4.1 The Customer shall have the right to operate the cogeneration facility in parallel with the OWLP system, subject to the terms and conditions set forth in this Agreement.
- 4.2 The Customer shall not function in island operation from the OWLP system except with the express permission of OWLP and the Customer shall obtain such permission from the OWLP System Operator prior to such operation.
- 4.3 Without limiting the generality of Paragraphs 4.1 and 4.2, at the option of OWLP the Customer may operate in parallel with the OWLP system, provided that:
  - (a) the Customer is not in default of any of its obligations under this Agreement,
  - (b) the OWLP system is in a normal operating condition,
  - (c) all protection and controls of the cogeneration facility are correctly in service, and

- 4.4 OWLP shall have the right for any good and substantial reason and without prior notice:
- (a) to refuse or withdraw permission for the Customer to operate,
  - (b) to disallow parallel operation of the cogeneration facility,
  - (c) to disconnect the cogeneration facility from the OWLP system, or
  - (d) to discontinue the supply of electricity to the Customer.
- 4.5 Without limiting the generality of Paragraph 4.4, OWLP may disallow operation, disconnect the cogeneration facility, or discontinue the supply of electricity to the Customer for any good and substantial cause, including but not limited to the following reasons:
- (a) when the Customer is in default of any of its obligations under this Agreement;
  - (b) for protection of the safety of persons or plant;
  - (c) when the OWLP system is in an abnormal operating condition;
  - (d) when work protection is required on the OWLP system or the Customer's equipment;
  - (e) when load shedding is required;
  - (f) when the cogeneration facility is adversely affecting the OWLP system;
- 4.6 The Customer shall operate the cogeneration facility to prevent any disturbance, fluctuation, surge, or interference with the OWLP system, or the electrical circuits or equipment of any other customer.



- 4.7 Without limiting the generality of Paragraph 4.6, the Customer shall operate the cogeneration facility so as:
- (a) to maintain a generator power factor as close as practicable to unity, and in no case to operate at a power factor less than 0.9 leading or lagging, and
  - (b) to maintain voltages, currents, phase balance, frequency, power, power factor, power quality, and other electrical quantities within limits satisfactory to OWLP.
- 4.8 The Customer shall operate the cogeneration facility so as to prevent the delivery of power from the Customer's premises into the OWLP system.
- 4.9 All faults and abnormal conditions as described in this Agreement shall be sensed and cleared by the Customer's protection and control equipment in a manner satisfactory to OWLP.
- 4.10 All communications in respect to operation shall be made between the OWLP System Operator and the Customer's representative. A Customer's representative shall be available to OWLP at all times.
- 4.11 The correct operation of the cogeneration facility and all of its protection and control devices shall be demonstrated to OWLP each year or otherwise as may be required by OWLP.
- 4.12 The Customer shall follow operating procedures satisfactory to OWLP and the Customer shall comply with all operating directions given by OWLP in respect to the cogeneration facility.
- 4.13 OWLP will endeavour to give advance warning of its intention to disallow operation of disconnect the cogeneration facility and will limit the duration of such interruptions as far as practicable.

- 4.14 If at any time the Customer shall fail to perform any of its obligations in respect to operation, OWLP may give notice thereof by telephone or otherwise to the Customer and the Customer shall immediately remedy the said failure. In case of continued failure following such notice, OWLP may disallow operation, disconnect the cogeneration facility, or discontinue the supply of electricity to the Customer, and OWLP shall not be obliged to permit operation or resume supply until the failure has been remedied.
- 4.15 Notwithstanding that OWLP may have disallowed operation, disconnected the cogeneration facility, or discontinued the supply of electricity to the Customer, such action shall not be construed as a breach of contract by OWLP and shall not relieve the Customer of its obligations under this Agreement.

## 6. LIABILITY

- 6.1 The Customer shall assume all risk, liability, and obligation in respect to loss, damage, or injury to property or persons (including death) which loss, damage, or injury shall have been due to the construction, operation, or maintenance of the cogeneration facility, except to the degree that such loss, damage, or injury shall have been due to the negligence of OWLP, its employees, or its agents.
- 6.2 Without limiting the generality of Paragraph 6.1, the Customer shall be solely responsible for the costs of all damage to equipment of the Customer, OWLP and other customers, which damage shall be due to the construction, operation, or maintenance of the cogeneration facility.
- 6.3 The Customer shall release, indemnify, and save harmless OWLP from all risk, liability, and obligation assumed by the Customer under this Agreement, and all claims and demands in connection therewith.
- 6.4 The Customer shall effect and keep in force at all times during the continuance of this Agreement an insurance policy which shall include OWLP as an insured party by added endorsement. The said policy shall cover claims by third parties arising from death, loss, damage, or injury to persons, property, process or

public liability, in a limit not less than three million dollars (\$3,000,000.00) for each occurrence or accident. The said insurance policy shall be subject to review and adjustment each year on the anniversary date of this Agreement.

- 6.5 Nothing contained in this Agreement shall be construed as obligating OWLP to guarantee continuity of supply of electricity or availability of the OWLP system to the Customer, and OWLP shall not be held liable for any failure to maintain such supply or availability however caused. OWLP shall not be held liable for any failure or inability of the cogeneration facility to operate for any reason whatsoever.
- 6.6 The Customer shall assume all risk for the equipment of OWLP on the premises of the Customer. If any of the said equipment shall be destroyed or damaged, the Customer shall pay the cost of its repair or replacement, except where such damage results from ordinary wear and tear or the negligence of OWLP, its employees, or agents.

7. **TERM, ASSIGNMENT AND TERMINATION**

- 7.1 This Agreement shall continue in full force and effect for a period of twenty (20) years from the date first above written and thereafter for further successive periods of one (1) year each, unless earlier terminated pursuant to the provisions of this Agreement.
- 7.2 This Agreement may be terminated by six (6) months' notice in writing given by either party to the other before the expiry of the term or any renewal term.
- 7.3 The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.
- 7.4 All the terms and provisions of this Agreement shall enure to the benefit of and shall be binding upon the parties and their respective successors and assigns. This provision shall not permit or imply any permission enabling the Customer

to assign its rights under this Agreement except pursuant to the express provisions of this Agreement.

- 7.5 The Customer shall not assign or otherwise dispose of this Agreement or any of its rights, interests, and obligations hereunder, to any other party without the prior written consent of OWLP.
- 7.6 In the event that the cogeneration facility fails to operate for any twelve (12) consecutive months, this Agreement may be terminated by sixty (60) days' notice in writing given by OWLP to the Customer.
- 7.7 If the Customer shall fail to perform any of its obligations under this Agreement, OWLP may at its option give written notice thereof to the Customer and the Customer shall fulfil its obligations within the period specified by OWLP. If the Customer shall continue in default beyond the period specified by OWLP, OWLP may disallow parallel operation, disconnect the cogeneration facility, or discontinue the supply of electricity to the Customer until the Customer shall have remedied the default, and OWLP may then, at its option, given written notice to the Customer that unless the obligation is fulfilled within a specified period the Agreement shall be deemed terminated. If the Customer shall continue in default of its obligation beyond the period specified in the notice, the Agreement shall thereupon terminate. Such termination shall be without waiver of any payment which may be due or any rights, including the right to damages for such breach which may have accrued up to and including the date of such termination.
- 7.8 The right provided in Paragraph 7.7 to disallow parallel operation, disconnect the cogeneration facility, or discontinue the supply of electricity to the Customer, shall be in addition to and not in limitation of any other right provided elsewhere in this Agreement for failure of the Customer to perform a particular obligation.
- 7.9 Notwithstanding that OWLP may have disallowed operation, disconnected the cogeneration facility, or discontinued the supply of electricity to the Customer, such action shall not be construed as a breach of contract by OWLP and shall not relieve the Customer of any of its obligations under this Agreement.

8. **CAPTIONS**

8.1 The Captions of the paragraphs in this Agreement are solely for the convenience of the parties and shall not be deemed a part of this Agreement for the purpose of construing the meaning thereof nor as a limitation in the scope of the particular paragraphs to which they refer.

9. **NO PARTY DEEMED DRAFTER**

9.1 All provisions of this Agreement have been negotiated by the Customer and OWLP at "arms length" and with separate representation of legal counsel. both parties agree that neither party shall be deemed to be the draft of this Agreement and further, that in the event that this Agreement shall ever be construed by a court of law, such court shall not construe this Agreement or any provision of this Agreement against either party as the drafter of this Agreement.

10. **AMENDMENTS TO THE AGREEMENT**

10.1 This Agreement may be amended from time to time by the mutual agreement of the parties providing that any amendments shall be in writing and executed by both parties hereto.

10/24/94

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date first above written.

The Customer

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Chairman

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C.E.O.

The Orillia Water, Light and Power Commission

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Chairman

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C.E.O.