



Operations & Reliability

REQUEST FOR PROPOSALS

Wind Power Forecasting Pilot Project Part B: The Quantitative Analysis

Note: The AESO has also issued a RFP for Part A of the Pilot Project (The Forecast). While Proponents are encouraged to respond to both RFPs, Proponents selected under this RFP will not be eligible under the RFP for Forecast

Date Issued: October 11, 2006
Submission Deadline: November 17, 2006 14:00:00 MST

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REQUEST FOR PROPOSALS

1.0 BACKGROUND

1.1 Background on the AESO and Wind Power Forecasting Work Group

- (a) The Independent System Operator for the Province of Alberta is a statutory corporation created pursuant to the *Electric Utilities Act* (Alberta), and its business or trade name is Alberta Electric System Operator ("**AESO**").
- (b) The AESO is responsible for the safe, reliable and economic planning and operation of the Alberta Interconnected Electric System ("**AIES**").
- (c) The AESO provides open and non-discriminatory access to Alberta's interconnected power grid for generation and distribution companies and large industrial consumers of electricity.
- (d) The AESO facilitates Alberta's competitive wholesale electricity market.
- (e) The AESO is focused on ensuring a fair, open and efficient market for the exchange of electric energy in Alberta and effective relationships with neighbouring jurisdictions.
- (f) The AESO is accountable for the administration and regulation of the provincial load settlement function.
- (g) The AESO is governed by an independent board, which provides advice and direction of market participants and has a diverse background in finance, business, electricity, oil and gas, energy management, regulatory affairs and technology.
- (h) The AESO operates solely in the Province of Alberta and employs approximately 220 employees working out of two locations in the City of Calgary.
- (i) The Wind Power Forecasting Work Group ("**WPFWG**"), led by the AESO, is a focus team with volunteer representatives from industry including wind developers, meteorologists, generator owners and load customers who have an interest in wind power forecasting in Alberta. The WPFWG has been formed to assist the AESO in its execution of a Pilot Project (as defined below) on wind power forecasting in Alberta.
- (j) The WPFWG consists of the representatives from the following parties:
 - Alberta Electric System Operator
 - AltaGas
 - CanWEA Representatives
 - Vision Quest
 - Shell Canada Limited
 - West Windeau Inc.,
 - TransCanada Pipelines Ltd.

- The Alberta Department of Energy
- Environment Canada
- Natural Power Consultants Ltd
- Phoenix Engineering Inc.

1.2 RFP Background and Scope

In April of 2006, the AESO released Phase 2 of the Wind Integration Impact Studies which examined the effects of increased wind development on the AIES¹. The Alberta focused Wind Integration Studies (the "Studies") have concluded that mitigating measures, such as wind power forecasting, will need to be implemented to continue to reliably integrate increasing amounts of wind power into the AIES. The Studies found that wind power forecasting was a potentially effective measure to provide the AESO with the information required to better manage the impact of wind power variability on the AIES.

Wind power forecasting has been researched and is being implemented all over the world. Different types of wind power forecasting methods are being utilized based on the geographical, technical and commercial nature of the different jurisdictions. The AESO is conducting a Pilot Project to trial different forecasting methods in Alberta.

The scope of this RFP is to solicit Proposals from Proponents to provide the technical expertise to perform objective quantitative analysis (the "**Quantitative Analysis**") of the results obtained through the concurrently issued and separate RFP for the provision of wind power forecasts for specific locations in Alberta over a one year time period (the "**Forecast**") (collectively, the "**Pilot Project**").

This RFP outlines the AESO's requirements for Proposals from Proponents to perform the Quantitative Analysis. **While Proponents are also invited to submit a proposal under the separately issued RFP for the Forecast associated with the Pilot Project (Part A), Proponents that are successful under this RFP will not be eligible under the RFP for the Forecast.**

1.3 RFP OBJECTIVES

The objective of this RFP is to solicit Proposals for to provide the Quantitative Analysis of the Wind Power Forecast Pilot Project results.

1.4 Key Business Driver

The key business driver for the Pilot Project and this RFP is to learn how to better manage the impact of wind power variability on the AIES so as to ensure continued growth of the wind industry while fairly maintaining AIES reliability.

¹ http://www.aeso.ca/files/AESO_Phase_II__Wind_Integration_Impact_Studies_final_20060718.pdf

2.0 ADMINISTRATIVE REQUIREMENTS

2.1 DEFINITIONS

In this RFP, capitalized words and expressions have the meaning set forth below, unless otherwise defined in bold in the text of this RFP:

"Addenda" means any document issued by the AESO which amends this RFP.

"Agreement" means the written Agreement resulting from this RFP and executed by the AESO and the Successful Proponent, attached in draft form to this RFP.

"Agreement Finalization Date" means the date the Agreement will be executed.

"Award Date" means the date of selection and notification of the Successful Proponent, as set out in Section 2.4.

"Governing Law" means the laws of Alberta and the applicable laws of Canada therein.

"Mandatory" means a RFP Requirement that must be met in order for a Proposal to be eligible for consideration.

"Proponent" means any person, corporation or partnership that submits, or has been invited to submit, a Proposal in response to this RFP.

"Proposal" means any offer to provide services or materials to the AESO in connection with this Request For Proposal, as submitted for AESO's consideration.

"Proposal Validity Period" means the period of 90 days after the Submission Deadline during which Proposals will remain in effect and open for acceptance by the AESO.

"Request for Proposals or RFP" means this Request for Proposals together with the Appendices all Addenda issued during the response period of the RFP.

"RFP Information" means all material, data, information, or any item in any form, whether it is in electronic or hard copy format, supplied by or obtained from the AESO under this RFP.

"RFP Requirement(s)" means those requirements as described in Appendix A.

"Submission Deadline" means the deadline for receipt of Proposals to this RFP as set out in Section 2.4.

"Successful Proponent" means the Proponent(s) selected, if any, in accordance with this RFP.

"Summary Responses" means the summary of responses to Proponent's questions regarding this RFP distributed by the AESO.

"Timetable" means the expected timetable for this RFP as set out at Section 2.4.

"Wind Power Facility" means any Wind Power Facility that connects to the Alberta Transmission System.

2.2 Appendices

The following Appendices are incorporated into and form a part of this RFP:

- (a) Appendix A - the RFP Requirements;
- (b) Appendix B - the Receipt Confirmation Form;
- (c) Appendix C - the RFP Questions Submission Form;
- (d) Appendix D - the Proposal Submission Form;
- (e) Appendix E- the Credit Request Form;
- (f) Appendix F - the Draft Agreement; and
- (g) Appendix G - Alberta Wind Regions

2.3 Priority of Documents

If there is any conflict or inconsistency between a provision of the body of this RFP and that of an Appendix, Attachment or Addendum, the terms of the body of this RFP prevails.

2.4 Timetable

- (a) The Timetable for this RFP is as follows:

Activity	Date
RFP issued on the AESO website	Oct. 11, 2006
Deadline for questions from proponents via email and facsimile submissions	Oct. 20, 2006 14:00:00 MST
Distribution of Summary of Responses	Nov. 3, 2006
Submission Deadline	Nov. 17, 2006 14:00:00 MST
Award Date	Nov. 30, 2006
Agreement Finalization Date	Jan. 15, 2007

- (b) The AESO may, without liability, cost or penalty and in its sole discretion, and at any time prior to or following the Submission Deadline, amend the Timetable.

3.0 REQUEST FOR PROPOSALS PROCESS

The AESO invites Proposals that meet the RFP Requirements.

3.1 The AESO's Right to Amend or Supplement the RFP

- (a) The AESO may, without liability, cost or penalty, amend or supplement the RFP.
- (b) **The AESO will issue amendments to the RFP by Addenda only. All Addenda will be clearly identified as such by the AESO and will be issued to only those Proponents who have submitted the Receipt Confirmation Form.** No other statement, whether oral or written, made by the AESO or an AESO representative, including the RFP Project Manager, may amend the RFP.
- (c) The Proponent must not rely on any information or instructions from the AESO or an AESO representative except the RFP and any Addenda issued.
- (d) The Proponent is solely responsible to ensure that it has received all Addenda, if any, issued by the AESO. Proponents may, in writing, seek confirmation of the number of Addenda issued under this RFP from the RFP Project Manager (as hereinafter defined).

3.2 Governing Law

This RFP and the Agreement entered into by the Successful Proponent are governed by and interpreted and enforced in accordance with the Governing Law.

3.3 Delay and Cost of Delay

The AESO will not be liable, in any way, to the Proponents for any delays, or costs associated with delays, arising from a Proponent's participation in this RFP.

3.4 Confidentiality

- (a) Each Proponent acknowledges and agrees that all RFP Information:
 - (i) will remain the sole property of the AESO and the Proponent must treat it as confidential;
 - (ii) must not be used by the Proponent for any other purpose other than submitting a Proposal in response to this RFP;
 - (iii) must not be disclosed by the Proponent to any person who is not involved in the Proponent's preparation of its Proposal without prior written authorization from the AESO; and
 - (iv) if requested by AESO, will be returned to AESO no later than ten calendar days after the request by AESO to return the RFP Information.

- (b) The Proponents and Successful Proponent(s) must not issue any public statement or news release pertaining to this RFP without the prior written consent of the AESO.

3.5 Disclosure Issues

- (a) All Proposals submitted to the AESO become the property of the AESO. All Proposals will be considered confidential and will be received and held in confidence by the AESO and, subject to this section of the RFP.
- (b) The AESO may disclose any information with respect to the Proponents and their Proposals to those members of the WPFWG included in the Evaluation Team (as defined below). Prior to their inclusion in the Evaluation Team, members of the WPFWG will be required to execute Non-disclosure Agreements with the AESO regarding their use of information with respect to the Proponents and their Proposals.
- (c) The AESO may disclose any information with respect to the Proponents and their Proposals as required by the Governing Law.

3.6 Liability for Errors

While the AESO has used considerable efforts to ensure information in this RFP is accurate, the information contained in this RFP is supplied solely as a guideline for Proponents. The information is not guaranteed or warranted to be accurate by the AESO, nor is it necessarily comprehensive or exhaustive. Nothing in this RFP is intended to relieve Proponents from forming their own opinions and conclusions with respect to the matters addressed in this RFP.

3.7 Notice

Notwithstanding anything to the contrary contained herein, all notices required to be received by the AESO from any Proponent hereunder must be in writing, and must be delivered by hand, by courier or via fax to:

The Alberta Electric System Operator
2500, 330 - 5th Ave SW
Calgary, Alberta, Canada
T2P 0L4
Fax: 403.539.2949

Attention: **Darren McCrank, P.Eng.**, Wind Power Forecasting Pilot Project,
The Quantitative Analysis, RFP Project Manager (the "**RFP Project Manager**")

4.0 PROPONENT'S PRE-PROPOSAL RESPONSIBILITIES

4.1 Submission of Receipt Confirmation Form

Proponents are advised to fill out and return the attached Receipt Confirmation Form **immediately**. All subsequent information regarding this RFP, including Addenda, will be distributed only to those Proponents who return this form and will be distributed by the method authorized on the form.

4.2 Examination of the RFP

Any Proponent planning to submit a Proposal is responsible for examining with appropriate care the entire contents of this RFP. Each Proponent is also responsible for informing itself with respect to all matters, including statutory matters, which might in any way affect the Proposal to be provided or provided.

4.3 Clarification and Questions Related To The RFP

- (a) The AESO will have resources available to respond to general questions from Proponents regarding the RFP.
- (b) These questions are to be submitted by the date set out in the Timetable, **in writing only** and in the format provided in Appendix C and **sent via fax** to: —

Attention: **Darren McCrank**
Wind Power Forecasting Pilot Project, the Quantitative
Analysis, RFP Project Manager
Fax: 403.539.2949

- (c) **No other AESO employee, consulting organization or agent of AESO is to be contacted or is authorized to respond to questions regarding this RFP.**
- (d) **All Summary Responses will be made available by the date set out in the Timetable in writing by email to all Proponents who have submitted the Receipt Confirmation Form.**
- (e) It is the responsibility of the Proponent to use the above process to contact the AESO for clarification of any matter considered unclear or to obtain any additional information required. The AESO is not responsible for any misunderstanding of this RFP on the part of the Proponent.

5.0 PROPOSAL PREPARATION

5.1 **Proposal Documents**

- (a) Each Proponent must submit a Proposal that consists of the following documents (the "**Proposal Documents**"):
 - (i) Completed Proposal Submission Form - Appendix D;

- (ii) Table of Contents, including page numbers;
- (iii) A short (one or two page) summary of the key features of the Proposal;
- (iv) The body of the Proposal, including a description of the Proponent's expertise, qualifications and references and a Pricing Submission, an Implementation Plan and an Agreement Submission (as defined below); and
- (v) Completed Credit Request Form - Appendix E.

5.2 Price Submission

The Proposal must clearly identify all costs associated with the Proposal in a price submission section (the "**Price Submission**"). We would encourage all Proponents to be as explicit as possible when providing information on costs. All pricing is to be exclusive of GST. The requested detail is as follows:

- (a) Any other cost to be incurred by a Proponent in developing and deploying the RFP Requirements, including attendance at Calgary based scoping meetings (at least two).
- (b) The quoted costs of all Proponents to this RFP must remain firm for a period of 90 days from the Submission Deadline. The fees of the Successful Proponent must remain firm for the duration of the Agreement negotiated as a result of this RFP.
- (c) Payment by AESO will be by progress payments for the development and implementation phases, and are to be tied to the acceptance of deliverables by AESO. Proponents must identify how they propose to structure progress payments and invoicing to satisfy this requirement.
- (d) In addition to Section 5.2(c), the AESO is open to alternative Price Submissions, including fixed price plus risk/reward strategies. Proponents are invited to propose appropriate strategies to accommodate such opportunities.

5.3 Implementation Plan

The Proposal must include an implementation plan (the "**Implementation Plan**") in the Proposal that fully and completely defines the work and materials necessary to develop and implement the Proposal, including:

- (a) any assumptions and constraints in developing the Implementation Plan and schedule.
- (b) Proposal risks, including the probability and impact of each risk and the proposed mitigation strategy.

- (c) the proposed scope of work for the Proposal.
- (d) a detailed Proposal schedule identifying all deliverables, activities, review and discussion of AESO milestones and dependencies.
- (e) internal AESO and external Proponent resource requirements and estimates in hours for each deliverable.
- (f) a resource plan, including identification of the resources to be used, staff to be assigned including sub-contract resources, if any, and an identification for each resource or resource group of the expected hours per phase and the per diem rate for each resource.

5.4 Agreement Submission

- (a) The Proposal must include:
 - (i) A statement that the Proponent has reviewed the form of Agreement, has no comments, concerns or issues in respect of the form of Agreement and, if selected, the Successful Proponent, is prepared to execute the form of Agreement without any amendments; or
 - (ii) A statement that the Proponent has reviewed the form of Agreement and has compiled and set forth and included within the Agreement Submission Section of the Proposal any required material amendments, additions and/or deletions which, if it were selected as the Successful Proponent, it believes must be addressed in the form of Agreement before the same would be executed. The AESO reserves the right to accept or reject any such amendments, additions and/or deletions, in full or in part, and reserves the right to incorporate such amendments, additions and/or deletions into the Agreement.
- (b) The Proposal must also clearly identify and attach any other terms, conditions or agreement(s) as requested by a Proponent in its provision of the RFP Requirements. If a Proponent includes such other terms, conditions or agreement(s) in its Agreement Submission, the AESO reserves the right to accept or reject such terms, conditions or agreement(s), in full or in part, and reserves the right to incorporate such terms, conditions or agreement(s) into the Agreement.

5.5 Joint Proposals and Subcontracting

- (a) Joint Proposals may receive consideration provided that one, if not both, of the Proponents must be prepared to take overall responsibility for the successful performance of the Agreement. The party responsible for entering into the Agreement should be clearly defined in the Proposal.
- (b) Subcontractors may be used by the successful Proponent provided that both the subcontractor and the subcontract have received the prior written approval of the AESO. Without limiting the AESO's discretion to approve subcontractors,

subcontracting to any firm or individual whose current or past corporate or other interests may, in the AESO's opinion, give rise to a conflict of interest in connection with the RFP will not be permitted.

6.0 PROPOSAL SUBMISSION, WITHDRAWAL AND MODIFICATION

6.1 Proponent's Expenses and Limit on Liability

- (a) Each Proponent is solely responsible for its own expenses in preparing a Proposal and for subsequent negotiations with the AESO, if any. If the AESO elects to cancel or delay this RFP or to reject any or all Proposals submitted or any part thereof, the AESO will not be liable to any Proponent for any claim, whether for costs or damages incurred by the Proponent in preparing the Proposal, loss of anticipated profit in connection with any final Agreement, or any matter whatsoever.
- (b) FURTHER TO THE PRECEDING PARAGRAPH, EACH PROPONENT AGREES THAT IF THE AESO COMMITS A BREACH OF THIS RFP, THE AGGREGATE AMOUNT OF DAMAGES RECOVERABLE AGAINST THE AESO BY SUCH PROPONENT FOR ANY MATTER RELATING TO OR ARISING FROM THAT BREACH, WHETHER BASED UPON AN ACTION OR CLAIM IN CONTRACT, WARRANTY, EQUITY, NEGLIGENCE, INTENDED CONDUCT OR OTHERWISE, INCLUDING ANY ACTION OR CLAIM ARISING FROM THE ACTS OR OMISSIONS, NEGLIGENT OR OTHERWISE, OF THE AESO, WILL BE NO GREATER THAN THE DEMONSTRATED AND REASONABLE PROPOSAL PREPARATION COSTS OF THE PROPONENT SEEKING DAMAGES FROM THE AESO, WHICH IN NO EVENT SHALL BE DETERMINED TO EXCEED \$10,000.00 (CND) .

6.2 Submission of Proposals

- (a) Each Proponent must submit **one original and three copies** its Proposal before the Submission Deadline.
- (b) Proponents **must also** submit a CD-ROM with copies of all files used to prepare the Proposal in MS Word, Excel, Adobe Acrobat and/or MS Project format.
- (c) Proponents must submit their Proposals by depositing them in a sealed, self addressed envelope clearly marked "**Confidential Wind Power Forecasting Pilot Project, The Quantitative Analysis RFP Response**" and delivering them by courier or hand-delivery to the AESO at the address set out below:

Alberta Electric System Operator
2500, 330 - 5th Ave SW
Calgary, Alberta, Canada
T2P 0L4

Attention: **Darren McCrank, P.Eng.** Wind Power Forecasting Pilot Project, The Quantitative Analysis, RFP Project Manager

- (d) The AESO **will not** accept or consider electronic Proposals or Proposals submitted by email.
- (e) Each Proposal will be marked with their receipt time by the AESO. Only complete Proposals received and marked before the Submission Deadline will be considered to have been received on time.
- (f) In the event of dispute, the Proposal receipt time as recorded by the AESO will prevail whether accurate or not.
- (g) Each Proponent acknowledges that it is solely responsible for the delivery of its Proposal to the AESO and assumes all risk associated with the late delivery of a Proposal.

6.3 Credit Review

By submitting a Proposal under this RFP, Proponents agree to authorize the AESO to conduct a credit review on any or all Proponents. Each Proponent must provide as part of their Proposal:

- (a) a completed Credit Request Form, as attached to this RFP,
- (b) audited financial statements of their most recently ended fiscal year, and
- (c) unaudited financial statements for the most recently completed quarter end (if available).

The AESO may request additional financial information from a Proponent to complete the credit review, and a Proponent may be requested to provide clarification to the AESO of its financial information as provided. If a Proponent does not include the completed Credit Request Form and audited and unaudited financial statements in its Proposal, or if any additional financial information requested is not provided or clarified, or if the credit review is not deemed satisfactory by the AESO, such Proponent may be precluded from further consideration under this RFP.

6.4 Withdrawal of Proposals

A Proponent may withdraw its Proposal only by giving written notice before the Submission Deadline to the RFP Project Manager. The AESO will return, unopened, any Proposal that has been withdrawn in accordance with this section.

6.5 Amendment of Proposals

Proponents may amend their Proposals after submission but only if the Proposal is amended and resubmitted before the Submission Deadline in accordance with the following:

- (a) the Proponent must withdraw its original Proposal by notifying the RFP Project Manager in writing; and
- (b) the Proponent must submit a revised replacement Proposal in accordance with the RFP Documents and no later than the Submission Deadline.

6.6 Proposal Irrevocability

Subject to the Proponent's right to withdraw before the Submission Deadline, the Proponent's Proposal will be irrevocable and will remain in effect and open for acceptance for the Proposal Validity Period.

6.7 Late Proposals

Any Proposals received by the AESO after the Submission Deadline will be disqualified under this RFP and will be promptly returned to the Proponent, unopened, at the mailing address indicated on the envelope containing the Proposal.

7.0 PROPOSAL OPENING AND EVALUATION OF PROPOSALS

7.1 Opening of Proposals

The Evaluation Team (as defined below) will begin review of the Proposals on the first business day following the Submission Deadline.

7.2 Evaluation Team

The AESO and WPFWG will establish an evaluation team for the purpose of evaluating Proposals (the "**Evaluation Team**").

7.3 Evaluation Process

- (a) Upon receipt of Proposals, the Evaluation Team will screen each Proposal to ensure the Proposal's compliance with the requirements of this RFP. Determination and acceptance of any deviation will be by the AESO at its sole and arbitrary discretion, and the AESO reserves the right to accept or refuse any response deviation from the requirements of this RFP.
- (b) The AESO reserves the right to seek response clarification from a Proponent to assist in making its evaluation.

7.4 Evaluation Criteria

The Evaluation Team will evaluate all Proposals on the basis of the following criteria:

(a) **Mandatory Criteria**

The following are Mandatory requirements. Proposals not clearly demonstrating that they meet these requirements will be excluded from further consideration during the evaluation process and will be disqualified.

Mandatory Criteria
(i) The complete Proposal must be received by the AESO before the Submission Deadline.
(ii) The proposal must be in English.

(iii) One original and three copies of the Proposal must be submitted with one completed Proposal Submission Form with original signature(s).
(iv) CD-ROM with copies of all files used to prepare the Proposal in MS Word, Excel , MS Project format and/or Adobe Acrobat must be submitted.
(v) Proposals must clearly identify acceptance of the Agreement attached as Appendix E , or identify any proposed changes. Proposals must also clearly identify any other terms, conditions or agreement(s) as requested by a Proponent in its provision of the RFP Requirements.
(vi) Proposals must include a completed Credit Request Form, audited financial statements of a Proponent's most recently ended fiscal year, and unaudited financial statements for a Proponent's most recently completed quarter end (if available).

(b) Additional Criteria

Proposal meeting all of the Mandatory criteria will be further assessed against the following additional criteria.

Additional Criteria
(i) Adherence to the requirements of this RFP.
(ii) Ability of the Proposal to support attainment of the RFP business drivers and objectives.
(iii) The amount to be paid by the AESO for the procurement of the RFP Requirements, including acquisition costs, implementation costs, technical costs (internal and/or external), and ongoing operational costs.
(iv) References who support the historical work and capabilities of the Proponent.
(v) Quality of the Proponent's proposed Implementation Plan and designated resources, including the Proponent's success and experience on similar projects and with similar customers.
(vi) The disclosure or non-disclosure by a Proponent of any potential or actual conflicts of interest such Proponent may have as a Proponent or Successful Proponent.
(vii) The ability of a Proponent to meet the timelines as identified within Appendix A.
(viii) Such other criteria as the AESO in its sole discretion, acting reasonably, considers appropriate.

8.0 ACCEPTANCE OF PROPOSALS AND AWARDING OF AGREEMENT(S)

- (a) It is the intention of the AESO to primarily use Proposals to determine the most appropriate Proponent's Proposal to meet its requirements. The Proponent or

Proponents submitting Proposals which are most advantageous and in the best overall interests of the AESO, at the AESO's sole discretion, may be invited to enter into the Agreement.

- (b) The awarding of an Agreement(s) under this RFP is subject to the AESO successfully entering into a separate agreement with a third party provider for the provision of certain data to the Successful Proponent(s) under the Request for Proposals for Part A of the Pilot Project.
- (c) If a Proponent is required by the Governing Law to hold or obtain a licence, permit, consent or authorization to carry on an activity contemplated in its Proposal, neither acceptance of the Proposal nor execution of the Agreement will be considered to be approval by the AESO of carrying on such activity without the requisite licence, permit, consent or authorization.
- (d) Notwithstanding any other provision of this RFP
 - (i) the AESO reserves the right to reject the lowest cost Proposal, any and all Proposals received, and to choose not to enter into the Agreement with any Proponents responding to this RFP;
 - (ii) The AESO reserves the right to accept or reject all or part of a Proposal. Nothing will preclude the AESO from requesting the selected Proponent to modify its Proposal to best suit the needs of the AESO; and
 - (iii) The AESO also reserves the right to cancel the RFP at its discretion.

9.0 AGREEMENT FINALIZATION AND DEBRIEFING

9.1 Agreement Finalization

- (a) Subject to Section 8.0 above, the AESO will, no later than the Award Date, notify a Proponent, in writing to the address indicated by the Proponent in its Proposal, that it has been selected as a Successful Proponent.
- (b) After the selection and notification of the Successful Proponent, if any, the AESO may finalize the terms and conditions of the Agreement with the Successful Proponent, and, as part of that process, may, in its sole discretion, negotiate changes, amendments or modifications to the Successful Proponent's Proposal.
- (c) The Successful Proponent's Proposal may form part of the Agreement by attachment and incorporation by reference. Claims made in the Proposal will constitute contractual warranties. Any provision in the Proposal may be included in the Agreement as direct provision thereof
- (d) After the selection and notification of the Successful Proponent, if any, the Successful Proponent must, no later than the Agreement Finalization Date or such later date as may be specified in written notice given by the AESO to the Proponent at the address specified by the Proponent in its Proposal, enter into and

execute the Agreement in the same form and substance as was finalized and agreed to by the Successful Proponent and the AESO pursuant to Section 9.1(b).

- (e) If a Successful Proponent fails or refuses to enter into and execute the Agreement in accordance with Section 9.1(d), the AESO may, in its sole discretion, take any one or all of the following actions:
 - (i) Provide written notice to that Successful Proponent at the address specified by that Proponent in its Proposal that the AESO is terminating all discussions to enter into the Agreement with that Successful Proponent and is cancelling its identification of a Proponent as a Successful Proponent, whereupon such Proponent acknowledges and agrees that it will not be entitled to any costs, expenses or damages of any nature from the AESO incurred or suffered by such Proponent as a result of such termination and cancellation;
 - (ii) select another Proponent to enter into the Agreement;
 - (iii) take any action in accordance with Section 8.0 above; and
 - (iv) pursue any other remedy available to the AESO under Governing Law.
- (f) The AESO may, in its sole discretion and by providing written notice to the Successful Proponent(s) at the address specified by those Proponents in its Proposal, cancel its decision to enter into an Agreement with any Successful Proponent if any material change has occurred with respect to the Successful Proponent's Proposal, whereupon such Proponent acknowledges and agrees that it will not be entitled to any costs, expenses or damages of any nature from the AESO or the AESO Representatives incurred or suffered by such Proponent or as a result of such cancellation.
- (g) Only the full execution of the written Agreement as contemplated in this Article will constitute an Agreement for the provision of the RFP Requirements, and no Proponent will acquire any legal or equitable rights relative to this RFP and the RFP Requirements until this occurs.

9.2 Notification if Not Successful

The unsuccessful Proponents will be notified by the AESO via email that they were not successful in the RFP no later than **3** business days after the Agreement Finalization Date.

Appendix "A" attached to and forming part of the Request for Proposals issued by the Alberta Electric System Operator on **October 11, 2006**

RFP REQUIREMENTS

In order to receive full consideration during evaluation, Proposals should include a detailed response to any or all of the following tasks:

The Quantitative Analysis

- Proposals must explain how Proponents propose to perform the Quantitative Analysis of the results of the Forecasts and how such results would be presented. The Forecasts will be submitted to Proponents in two parts. The "**Forecasted Meteorological Data**" (data such as, but not limited to, wind speed, wind direction, air density, air temperature) and the "**Power Conversion**" of the Forecasted Meteorological Data to Wind Power Facility output. Where Forecasted Meteorological Data is from a future Wind Power Facility (i.e., a site where meteorological data is available, but no Wind Power Facility exists), Proponents will be given a Power Conversion model(s) to convert to Wind Power Facility output. The Proponent will also be given the real-time meteorological data to run through the same Power Conversion model(s) for comparison against the Forecast. Forecasts will be from approximately 15 existing and future Wind Power Facilities.
- At a minimum, consistent analysis must be performed on:
 - The general accuracy of the Forecasts.
 - The accuracy of the Forecasts at the different time frames studied (T-1 hr to T-48 Hr)
 - The accuracy of the Forecasts at different hours of the day and seasons of the year.
 - Comparing all the above between Alberta Wind Regions, as defined in Appendix G.
 - The accuracy of the Forecasted Meteorological Data before running through the Power Conversion models.
 - The accuracy of the Power Conversion.
 - Potential co-variance from given data samples.
 - The accuracy of the Forecast at different wind speeds or different points of a Wind Power Facility's power curve.
 - The relative comparison between Forecasts from two or more providers.
 - The validity of the Forecast methodology used and what are the strengths and weaknesses.
- Proposals must include discussion regarding:
 - proposed measures for accuracy and comparisons (including absolute accuracy, normalized prediction error expressed per unit of capacity or energy and adjusted evaluation criteria such that 100% wind farm availability is assumed)
 - proposed measures for data completeness
 - levels of completeness at which datasets will be determined unsuitable for analysis
 - any additional assumptions that may be required or may need to be considered
 - proposed analysis of occurrence of extreme errors

<ul style="list-style-type: none">○ proposed analysis of occurrence of non-systematic errors○ proposed measures for improvement on persistence prediction.										
<ul style="list-style-type: none">• Proposals must indicate whether Proponents can meet the following project schedule for reporting:<table border="0"><tr><td>○ 1st quarterly evaluation report</td><td>3.5 months after start date (projected for Jan 07)</td></tr><tr><td>○ Preliminary evaluation report</td><td>3.5 months after start date</td></tr><tr><td>○ 2nd quarterly evaluation report</td><td>6.5 months after start date</td></tr><tr><td>○ 3rd quarterly evaluation report</td><td>9.5 months after start date</td></tr><tr><td>○ Final Evaluation Report</td><td>12.5 months after start date</td></tr></table>	○ 1 st quarterly evaluation report	3.5 months after start date (projected for Jan 07)	○ Preliminary evaluation report	3.5 months after start date	○ 2 nd quarterly evaluation report	6.5 months after start date	○ 3 rd quarterly evaluation report	9.5 months after start date	○ Final Evaluation Report	12.5 months after start date
○ 1 st quarterly evaluation report	3.5 months after start date (projected for Jan 07)									
○ Preliminary evaluation report	3.5 months after start date									
○ 2 nd quarterly evaluation report	6.5 months after start date									
○ 3 rd quarterly evaluation report	9.5 months after start date									
○ Final Evaluation Report	12.5 months after start date									
<ul style="list-style-type: none">• Proposals must indicate the data and data format that will be required in order to perform the analysis of the Forecast as described in The Forecast RFP issued by the AESO on October 11, 2006.										

Appendix "B" attached to and forming part of the Request for Proposals issued by the Alberta Electric System Operator on **October 11, 2006**.

RECEIPT CONFIRMATION FORM

RFP Project Title: **Wind Power Forecasting Pilot Project, The Quantitative Analysis**
Closing Date: **November 17, 2006 14:00:00 MST**

To receive further information about this Request for Proposal please return this form to:

Attention: **Darren McCrank, The Quantitative Analysis RFP Project Manager**
Alberta Electric System Operator
2500, 330 - 5th Ave. S.W.
Calgary, Alberta T2P 0L4
Fax: (403) 539-2949

Proponent:

Street Address:

City/Province:

Postal Code:

Mailing Address (if different):

Phone Number:

Facsimile Number:

Contact Person (including Title):

E-mail address:

We intend to submit a Proposal.

Please send us any further correspondence about this Request for Proposals by:

Courier collect Courier name and account no.:

Mail Fax E-mail

(Note: if neither box above is ticked, further correspondence will be sent by mail.)

Appendix "C" attached to and forming part of the Request for Proposals issued by the Alberta Electric System Operator on October 11, 2006

RFP QUESTIONS SUBMISSION FORM

Telephone number:

Facsimile number:

E-mail Address:

RFP or Agreement Section Reference	Question

Appendix "D" **attached to and forming part of the Request for Proposals issued by the Alberta Electric System Operator on October 11, 2006**

PROPOSAL SUBMISSION FORM

TO: Alberta Electric System Operator
2500, 330 - 5th Avenue S.W.
Calgary, AB T2P 0L4
Attention: Darren McCrank, Wind Power Forecasting Pilot Project, The Quantitative Analysis RFP Project Manager

RE: Request for Proposals for Wind Power Forecasting Pilot Project, The Quantitative Analysis issued by the Alberta Electric System Operator on October 11, 2006 (the "RFP")

1. Proponent Information

(a) Proponent's legal name and any other name under which it carries on business:

(b) Proponent's address, telephone and facsimile numbers:

(c) Name, address, telephone, e-mail and facsimile numbers of the contact person(s) for the Proponent:

(d) Name of the person who is primarily responsible for the Proposal:

(e) Whether the Proponent is an individual, a sole proprietorship, a corporation, a partnership, a joint venture, an incorporated consortium or a consortium that is a partnership or other legally recognized entity:

- (f) Name(s) of the proprietor, where the Proponent is a sole proprietor, each of the directors and officers where the Proponent is a corporation; each of the partners where the Proponent is a partnership and applicable combinations of these when the Proponent is a joint venture whichever applies:

--

2. Offer

With respect to the above noted RFP, we confirm as follows:

- (a) capitalized terms used in clauses (b) through (g) below have the meanings given thereto in the RFP;
- (b) we have examined the RFP and confirm that we have received all pages of the RFP;
- (c) we have made any necessary inquiries with respect to Addenda issued by the AESO and have ensured that we have received and examined all Addenda to the RFP;
- (d) by the submission of our Proposal we submit a binding offer to provide the RFP Requirements in accordance with the terms and conditions of the Agreement, unless otherwise discussed in our Agreement Submission section of our Proposal; for the compensation set out in the Price Submission section of our Proposal and in accordance with the RFP;
- (e) our Proposal is based on the terms and conditions of the RFP;
- (f) the prices contained in our Price Submission section are based on the terms and conditions of the RFP; and
- (g) we agree to hold our Proposal open for acceptance until the expiration of the Proposal Validity Period set out in the RFP.

We affirm and declare that we have sufficiently informed ourselves in all matters affecting the cost of the Proposal, that we have checked our Proposal for errors and omissions and that the prices stated in this Proposal are each correct and as intended.

3. Conflict of Interest and Confidential Information

- (a) We confirm that we do not have any actual or perceived conflict of interest or any other type of unfair advantage in submitting our Proposal or performing or observing the contractual obligations set out in the Agreement, except to the extent that such conflict of interest or potential conflict of interest is disclosed in this Proposal Submission Form.
- (b) We confirm that we have not had access to any AESO confidential information, other than the RFP itself, with respect to this RFP, except as disclosed as follows:

(1) Conflict of Interest

The following are existing or potential conflicts of interest:

1.
2.
3.

[Proponent to add more rows if necessary.]

OR

We confirm that we do not have any existing or potential conflicts of interest.

[Proponent to strike out and initial statements that are NOT APPLICABLE.]

(2) Confidential Information

In addition to the RFP, we have access to the following confidential information relating to the RFP.

1.
2.
3.

[Proponent to add more rows if necessary.]

OR

We confirm that we have not and do not have access to any confidential information relating to the RFP other than the RFP.

[Proponent to strike out and initial statement that is NOT APPLICABLE.]

Capitalized terms used, but not defined herein, have the meanings ascribed to them in the RFP.

Dated this ____ day of _____, 2006.

Company/Partnership Name

Print Name and Title of Person Signing

Authorized Signature

Appendix "E" attached to and forming part of the Request for Proposals issued by the
Alberta
Electric System Operator on October 11, 2006



CREDIT REQUEST FORM _____ :
The Independent System Operator,
operating as the AESO
2500, 330 5th Avenue SW
Calgary, Alberta T2P 0L4

Applicant's Legal Name		Applicant's business name, if any	
<input type="text"/>		<input type="text"/>	
Check applicable status of Applicant			
<input type="checkbox"/> corporation <input type="checkbox"/> partnership			
Address of Principal Place of Business			
<input type="text"/>			
City	Province/ State	Postal code / Zip	Main Corporate Telephone No.
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Type of Relationship with the AESO (application for unsecured credit)			
<input type="checkbox"/> Energy Market Participant <input type="checkbox"/> Transmission Customer			
Type of Business			
<input type="checkbox"/> Rated Public / Private Corp <input type="checkbox"/> Non-rated Public / Private Corp <input type="checkbox"/> Rated Government/Statutory Entity <input type="checkbox"/> Non-Rated <input type="checkbox"/> Government/Statutory Entity			
Applicant is a (check all applicable categories)			
<input type="checkbox"/> Generator <input type="checkbox"/> Power Marketer <input type="checkbox"/> Retailer <input type="checkbox"/> Self-Retailer <input type="checkbox"/> Distribution Company <input type="checkbox"/> Direct Connect Transmission Customer (demand) <input type="checkbox"/> Direct Connect Transmission Customer (supply)			
Unsecured Credit Ratings			
Select One:		Select one:	
Moody's:	<input type="text"/>		<input type="text"/>
DBRS:	<input type="text"/>		<input type="text"/>
S&P:	<input type="text"/>		<input type="text"/>
Credit Contact	Telephone	Fax	E mail
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other Information			
1. Has the Applicant filed for, or been in bankruptcy at anytime during the past 7 years?		<input type="text"/>	
2. Is the Applicant an affiliate of an existing AESO participant / customer or an affiliate of an entity providing a corporate guarantee for an existing AESO participant?		<input type="text"/>	
If yes, Participant's / Customer's name	<input type="text"/>	Guarantor	<input type="text"/>

Conditions

- a) The information provided by the Applicant in and with this application true and accurate.
- b) The Applicant has read, and understands the ISO Rules and will comply with the terms of the ISO Rules currently in effect, or as modified from time to time.
- c) The Applicant acknowledges its responsibility to provide the AESO with financial reports on a timely basis and prompt notification of material changes to its financial condition.
- d) The Applicant specifically authorizes the AESO to investigate on an ongoing basis, the Applicant's credit history and creditworthiness.
- e) The Applicant acknowledges that the AESO can provide the information to a third party, on a confidential basis, for the determination of a proxy credit rating.

Authorization

The undersigned represent(s) that he/she/they has/have the authority to bind the Applicant to enter into this Application and commit the Applicant to comply with the terms and conditions of the Application.

Applicant Name

Signature	Title
Printed Name	Date
Signature	Title
Printed Name	Date

Checklist

The following financial information must accompany this Application:

- Audited financial statements for the most recent fiscal year;
- Financial statements for the most recent financial quarter;
- A general description of the Applicants business, its business risk and how it manages its business risks;
- Listing of company officers and board of directors;
- Management Discussion and Analysis (if available)

Appendix "F" attached to and forming part of the Request for Proposals issued by the Alberta Electric System Operator on October 11, 2006

FORM OF SERVICES AGREEMENT

THIS AGREEMENT made as of the [DATE] day of [MONTH], [YEAR]

BETWEEN:

Independent System Operator, operating as AESO, a body corporate with offices in the City of Calgary, in the Province of Alberta (hereinafter referred to as "AESO")

AND:

[SERVICE PROVIDER NAME], a body corporate with offices in the City of Calgary, in the Province of Alberta (hereinafter referred to as the "Service Provider")

WHEREAS:

- A: The AESO issued a Request for Proposals for services dated [insert date], (such request for proposal, including any addenda or amendment, is herein referred to as the "RFP")
- B: Pursuant to the RFP, the Service Provider submitted a Proposal to the AESO to provide services which the AESO is interested in accepting; and
- C: The Service Provider desires to provide the services and the AESO desires to purchase the services from the Service Provider, upon and subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants hereafter set forth, the parties agree as follows:

1.0 SERVICE PROVIDER OBLIGATIONS

1.1 PERFORMANCE OF THE SERVICES

- (a) The Service Provider will carry out the scope of work to be performed by it as specified in its Proposal, a copy of which is attached hereto and incorporated into this Agreement as Schedule A (the "**Services**").
- (b) The Service Provider represents and warrants to the AESO that it has the skills required to perform the Services and that it will do so diligently and carefully and to the best of its ability in accordance with generally recognized business and professional standards.
- (c) The Service Provider will ensure that all equipment used in connection with the Services is at all times in accordance with manufacturers' guidelines, all applicable laws and industry recommended practices.

1.2 LOCATION OF SERVICES
The Services will be delivered to or performed at the offices of the AESO as provided in the Proposal, unless otherwise agreed to by the parties.

1.3 HOURS OF SERVICES
The Services will be performed by the Service Provider at the times and locations as provided in the Proposal. If Services are to be performed at the offices of the AESO, they will be performed during the AESO's normal working hours, which are 5 days a week, 8 hours a day. Access to the AESO's working environment outside of normal working hours will be provided by the AESO as required.

1.4 REPRESENTATIVES
The representative of the AESO (the "**AESO Representative**") will be [**AESO REPRESENTATIVE**], or such other persons as may be designated in writing to the Service Provider by the AESO Representative. The representative of the Service Provider (the "**Service Provider's Representative**") will be [**SERVICE PROVIDER REPRESENTATIVE**], or such other persons as may be designated in writing to the AESO by the Service Provider. Any matter requiring the consent or agreement of the parties may be determined by the AESO Representative and the Service Provider's Representative.

1.5 INDIVIDUAL PERFORMING SERVICES
The Services will be performed for the Service Provider by certain of the Service Provider's key personnel assigned to perform specific assigned tasks or duties or activities of the Services ("**Key Personnel**"). The Service Provider must not utilize any other individual or party in the performance of the Services without the prior written consent of the AESO. The Key Personnel are listed in Schedule B. The Service Provider may not remove any of the Key Personnel from the work or accomplish tasks, duties or activities of any specified Key Personnel utilizing other personnel without the AESO's prior written consent. The Service Provider must replace Key Personnel so removed only with an individual approved by the AESO. If the AESO notifies the Service Provider that it considers certain of the employees of the Service Provider or any of its subcontractors

unacceptable for the performance of the Services, the Service Provider must promptly effect the removal and replacement of the employees specified in the AESO's notice.

2.0 TERM AND TERMINATION

2.1 DURATION OF AGREEMENT

The term of this Agreement will commence on [DATE] [MONTH], [YEAR] and will continue until [DATE] [MONTH], [YEAR], subject to renewal or earlier termination in accordance with Sections 2.2, 2.3 or 2.4 respectively (the "**Term**").

2.2 RENEWAL

This Agreement may be renewed on such terms and for such length of time as the AESO and the Service Provider may agree in writing from time to time, provided that the Service Provider has satisfactorily performed its obligations hereunder.

2.3 TERMINATION ON NOTICE

- (a) The AESO shall have the right to terminate this Agreement without cause or to suspend the Services at any time on 10-business days notice to the Service Provider of such termination or suspension.
- (b) If the AESO terminates this Agreement in accordance with this section, the following provisions shall apply:
 - (i) The Service Provider shall, on receipt of notice of termination stop any new work of the Services. In addition, in no event will the Service Provider be entitled to payment for Services in excess of 80 hours from the effective date of giving of notice to the date of termination of this Agreement. Upon receipt or delivery of the notice of termination, the Service Provider shall take all reasonable steps necessary to minimize any costs arising from the commitments made prior to the receipt of the notice of termination;
 - (ii) The Service Provider shall, in the period prior to the effective date of termination and at the cost of the AESO, assemble in an orderly fashion, all documents and other information (including information in electronic form) relating to the Services and deliver the same to the AESO;
 - (iii) The Service Provider shall, subject to having complied with its obligations pursuant to this Agreement, be entitled to be paid for the Services performed prior to the date of termination, the amount to be paid therefore as provided for by this Agreement; plus for all disbursements and expenses made prior to the date of termination, the amount to be reimbursed therefore as provided for by this Agreement; and

- (iv) Upon payment, the AESO shall have no further liability to the Service Provider or persons under contract to the Service Provider for any sum whatsoever including without limitation, loss of profit, or any other losses suffered by the Service Provider or persons under contract to the Service Provider resulting from the early termination of a portion of the Services or the entire Agreement.
- (c) The Service Provider may terminate this Agreement at any time upon 30-calendar days advance written notice to the AESO.

2.4 TERMINATION FOR CAUSE

- (a) If and whenever either party fails to perform and comply with any material provision of this Agreement and persists in such failure for five (5) days following delivery of a notice by the other party requiring that such party remedy such failure, then the party giving such notice may terminate this Agreement by notice in writing to the other.
- (b) The AESO may terminate this Agreement immediately:
 - (i) upon the death of any one of the Key Personnel;
 - (ii) in the event any one of the Key Personnel are injured or suffer from any illness or disability which, in the sole discretion of the AESO, renders any one of the Key Personnel incapable of participating in the Services to the degree required by the AESO; or
 - (iii) in the event any one of the Key Personnel cease to be employed by or cease to provide their services to the Service Provider.
- (c) Notwithstanding the foregoing, if the Service Provider becomes insolvent, makes an assignment for the benefit of creditors, files a petition in bankruptcy, or if bankruptcy or receivership proceedings are instituted against the Service Provider, the AESO by notice with immediate effect, may terminate this Agreement, whereupon the AESO will be relieved of all further obligation hereunder other than for payment of the reasonable value, determined by the AESO, of the portion of this Agreement performed by the Service Provider. Termination will be without prejudice to any other rights or remedies the AESO may have against the Service Provider.

2.5 WAIVER OF DAMAGES

Upon termination of this Agreement pursuant to either Section 2.3 or 2.4 hereof, any claims for damages by the Service Provider on account of such termination, including without limitation all claims for loss of anticipated profit, are hereby waived and the sole remedy for such termination will be to receive all amounts due and not previously paid to the Service Provider for Services provided prior to receipt of such notice.

2.6 SURVIVAL

The provisions of Sections and Articles 3.2, 4.0, 5.0, 6.3, 7.0, 8.0, 9.0, 10.0 and 12.0 will survive the termination of this Agreement for either the time provided for in such Section or the longest period provided by law.

3.0 INDEPENDENT SERVICE PROVIDER

3.1 GENERAL

The Service Provider, in performing the Services hereunder, is an independent Service Provider and neither the Service Provider nor its employees, agents, subcontractors or any of the Key Personnel will be deemed to be employees, agents, subcontractors, or Key Personnel of the AESO. The AESO is interested only in the objectives to be achieved by the Service Provider in rendering the Services and the full conduct and control of the provision of the Services will be solely with the Service Provider. In performing the Services hereunder, neither the Service Provider nor its employees, agents, subcontractors or Key Personnel will receive the benefits received by the AESO's employees.

3.2 NO AUTHORITY

Without limiting the provisions of Section 3.1, the Service Provider has no authority to act or to hold the Service Provider out as agent of the AESO or to bind the AESO to perform any obligations to any third party and the Service Provider must so inform all third parties with whom the Service Provider deals in the performance of the Services hereunder. The Service Provider must not use the name of the AESO in any advertisement or promotional or marketing material or, without the use of any such name, suggest or imply in any such material that the Service Provider has a relationship with the AESO, without the prior written consent or direction of the AESO.

3.3 OTHER WORK

Nothing contained in this Agreement will restrict, nor be construed so as to restrict, the right of the Service Provider to provide services similar to those described herein to third parties provided that the provision of such services to third parties will not materially adversely affect the Service Provider's ability to provide the Services to the AESO hereunder and will not put the Service Provider in a conflict of interest.

4.0 GENERAL WARRANTIES

4.1 The Service Provider warrants that the recommendations, guidance, and performance of the Service Provider under this Agreement will:

- (a) be in accordance with sound professional standards and the requirements of this Agreement and without any material defects; and

(b) will not infringe on the intellectual property rights of any third party.

4.2 Additionally, with respect to the Service Provider's activities under this Agreement, the Service Provider warrants that:

- (a) it is duly constituted and validly subsisting under the laws of its jurisdiction of incorporation;
- (b) there are no actions, suits or proceedings pending or, to the knowledge of the Service Provider, threatened against the Service Provider or any of its affiliates seeking relief which would prevent or materially hinder the Service Provider's performance of the Services contemplated by this Agreement;
- (c) neither the Service Provider, nor any of its predecessors,
 - (i) has committed any act of bankruptcy;
 - (ii) is insolvent, or has proposed, or given notice of its intention to propose, a compromise or arrangement to its creditors generally;
 - (iii) has any petition or other proceedings for an order in bankruptcy filed against it, made a voluntary assignment in bankruptcy, taken any proceeding with respect to any compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound-up, taken any proceeding to have a receiver appointed of any part of its assets, has had any encumbrancer take possession or any of its property; or
 - (iv) has had an execution or distress become enforceable or become levied on any part of its property.
- (d) it has the right to enter into this Agreement;
- (e) it will observe and abide by all applicable laws and regulations, including those of the AESO regarding conduct and safety on any premises under the AESO's control;
- (f) it has good and marketable title to any goods delivered under this Agreement and in which title passes to the AESO; and
- (g) it has the right and ability to grant the license granted on any product in which title does not pass to the AESO.

4.3 The warranty regarding professionalism and material defects in Section 4.1 is a one-year warranty. If any product produced as a result of the provision of the Services fails to comply with these warranties, and the Service Provider is so notified in writing, the

Service Provider will correct such failure with all due speed at the Service Provider's sole expense.

5.0 GENERAL EXCLUSION OF WARRANTIES

5.1 The Service Provider makes no warranties, express or implied, other than those express warranties contained in this Agreement. The Service Provider also makes no warranties of merchantability or fitness for a particular purpose except as follows: if the Service Provider has been engaged to design something to meet a particular need for the AESO, then the Service Provider does warrant that such design will meet the particular need.

6.0 COMPENSATION

6.1 COMPENSATION

The AESO will pay to the Service Provider for performing the Services compensation in the manner set forth in Appendix A and subject to the following conditions:

[This section to be completed subject to the Pricing Submission set out in the Successful Proponent's Proposal and upon the AESO's approval of the same]

6.2 INVOICE FOR SERVICES

Unless otherwise specified in this Agreement, on or before the 15th day of each month the Service Provider will submit to AESO a monthly invoice for the portion of the Work performed during the preceding month, such invoice to be prepared and calculated utilizing the hourly rates or percentage fee schedule and for reimbursable expenses set forth in Schedule A attached hereto. The Service Provider will accompany such invoices with time sheets, third party invoices and similar supporting documentation. The Service Provider will reference this Agreement on each invoice.

All invoices must be sent to the following address:

Alberta Electric System Operator
2500, 330 - 5th Avenue SW
Calgary, Alberta
T2P 0L4
Attention: Accounts Payable

6.3 INDEMNIFICATION OF AESO

The Service Provider assumes full responsibility for and indemnifies and saves harmless the AESO from and against all claims, demands, charges, taxes or penalties arising out of any obligations to withhold or make payment of any and all federal, provincial and local

taxes or contributions imposed or required under the *Unemployment Insurance Act* (Canada), the *Canada Pension Plan Act* (Canada) and the *Income Tax Act* (Canada) with respect to the Service Provider.

6.4 GOODS AND SERVICES TAX

The Service Provider warrants that it is a registrant for GST purposes and must at all times provide such GST number on invoices or provide documentation to the AESO of exemption status. The Service Provider will charge and the AESO will pay any goods and services tax ("**GST**") imposed under Part IX of the *Excise Tax Act* (Canada) which may be exigible in relation to the Services.

6.5 PAYMENT

The AESO will pay all invoices submitted in accordance with section 6.2, within thirty (30) days of receipt of the invoice unless the AESO provides notice to the Service Provider within such period that it is disputing the invoices. The AESO will be entitled to withhold the disputed amount until a contrary determination is made.

6.6 ACCESS TO RECORDS

The Service Provider must maintain proper and accurate records for the Services performed. The AESO may review and inspect these records at any time during the performance of the Services or within one (1) year following completion of the Services for purposes of substantiating the invoices submitted by the Service Provider under this Agreement. The Service Provider must allow the AESO access to such records at all reasonable times.

7.0 CONFIDENTIALITY

7.1 CONFIDENTIAL INFORMATION

The Service Provider acknowledges that in order for the Service Provider to perform the Services, the AESO will disclose to the Service Provider or arrange for a third party data provider (the "**Data Provider**") to disclose to the Service Provider during the Term hereof trade secrets and confidential information in the possession of the AESO or in the possession of the Data Provider and owned by the AESO or companies affiliated, associated or related to the AESO or the suppliers or clients of the AESO or by the Data Provider ("**Related Parties**") and acquired through the expenditure of time, effort and money, including but not limited to meteorological data and the locations from which such data is obtained (the "**Location**"), computer programs, know-how, financial information, and business plans (collectively and individually hereinafter referred to as the "**Confidential Information**").

7.2 OWNERSHIP

The Service Provider acknowledges that Confidential Information is and will be the sole and exclusive property of the AESO or Related Parties. The Service Provider acknowledges and agrees that the Service Provider will not acquire any right, title or interest in and to the Confidential Information.

7.3 LIMITED DISCLOSURE AND REPRODUCTION

The Service Provider must keep strictly confidential the Confidential Information and must take all necessary precautions against unauthorized disclosure of the Confidential Information during the Term and thereafter. Without limiting the generality of the foregoing, the Service Provider must not, directly or indirectly, disclose, allow access to, transmit or transfer the Confidential Information to a third party, other than to each of its own officers, representatives and employees or subcontractors as may be necessary to evaluate or further the Services or as required by law, without the AESO's prior written consent, nor will the Service Provider copy or reproduce the Confidential Information, except as may be reasonably required to perform the Services.

The Service Provider further agrees to advise its officers, representatives and employees or subcontractors who have access to the Confidential Information of their above obligations hereunder and require them to adhere thereto.

7.4 DISCLOSURE OF THE LOCATION

Without limiting the generality of Sections 7.2 and 7.3, the Service Provider agrees that, during the Term and thereafter, it will not provide any information to the AESO relating to the Location associated with any meteorological data provided to it by the Data Provider.

7.5 LIMITED USE

The Service Provider, during the Term and thereafter, must not use the Confidential Information in any manner except as reasonably required to perform the Services. Without limiting the generality of the foregoing, the Service Provider further agrees that during the Term and thereafter, it will not use or exploit the Confidential Information for creating, marketing, or aiding in the creation or marketing, of any business line which is competitive with any business line developed by or for, the AESO.

7.6 EXCLUSION

The obligations of the Service Provider under Sections 7.3, 7.4 and 7.5 do not apply to Confidential Information which:

- (a) at the time of disclosure is readily available to the public other than through a breach of this Agreement;
- (b) is lawfully disclosed to the Service Provider by a third party who has a legal right to make such disclosure; or
- (c) the Service Provider can establish, through written records, was in its possession prior to the date of first disclosure of the Confidential Information to the Service Provider by the AESO.

7.7 RETURN

The Service Provider, upon request by the AESO and in any event upon the termination of this Agreement, must immediately return to the AESO or to the Data Provider the Confidential Information and all copies thereof in any form whatsoever which are in the possession, charge, control or custody of the Service Provider, together with all other equipment or information provided to the Service Provider by the AESO or by the Data Provider during the Term.

If requested by the AESO, the Service Provider must provide an officers' certificate confirming deletion and/or the return of all such copies, equipment and information and that it has taken measures to ensure that the individual and any other party permitted pursuant to this Agreement to perform any part of the Services has not retained any copies or reproductions, electronic or otherwise.

7.8 NO BREACH OF OTHER OBLIGATIONS

The Service Provider acknowledges and represents to the AESO that the Service Provider's performance as a Service Provider of the AESO will not breach any agreement to keep confidential the proprietary information of any prior client or employer of the Service Provider or any third party. The Service Provider also acknowledges and represents to the AESO that the Service Provider has not brought to the AESO, and will not use in the performance of the Services, any confidential materials or documents of any former client or employer of the Service Provider or third party. The Service Provider further acknowledges and represents that it is not a party to any agreement or obligation with any third party which conflicts with any obligations of the Service Provider under this Agreement.

7.9 PROTECTION OF AESO'S COMPUTER SYSTEMS

The Service Provider must take all reasonably necessary precautions to protect the integrity of the AESO's computer systems. In the event that software and/or document files need to be distributed to the AESO by the Service Provider from a computer or computing environment not part of the AESO's computing infrastructure, or from the AESO to the Service Provider, then prior to distribution, the distributing party must run a virus scan on the software and/or document files to check for known viruses. The distributing party must use the latest released version of a recognized virus scanning software (including the latest released virus definitions) or agree mutually on the virus scanning software and specific versions of said software (hereinafter referred to as the

"**Virus Scanning Software**") on any compact disc (CD), data or other media supplied. If required, the Service Provider's Representative will contact the AESO Representative to agree on acceptable Virus Scanning Software. In the case that the AESO's or the Service Provider's computing system is infected by a virus found to be traced back to the distributing party's activities and detectable by the Virus Scanning Software, the distributing party will be liable for the cost(s) of: (i) curtailing the impact of said virus; (ii) correction of all affected system(s) and/or (iii) replacement of affected system(s) with functionally equivalent system(s).

8.0 OWNERSHIP OF DELIVERABLES

8.1 All custom work done by the Service Provider and covered by this Agreement will be treated as "work for hire" on behalf of the AESO, with all rights, title, and interest in all intellectual property that come into existence through the performance of the Services, being assigned to the AESO. Additionally, the Service Provider waives any author rights and similar retained interests in custom-developed material. The Service Provider will provide the AESO with all assistance reasonably needed to vest such rights of ownership in the AESO provided however, the Service Provider will retain ownership of all tools, methods, techniques, standards, and other development procedures, as well as generic and pre-existing shells, subroutines and similar material incorporated in any product delivered to the AESO.

9.0 COPYRIGHT

9.1 AESO OWNERSHIP

The Service Provider acknowledges that the Service Provider may create works in which copyright will subsist, or which will be patentable inventions, and agrees that the AESO is the first owner of copyright or patentable inventions. To confirm, the AESO's ownership of the copyright or patent in Canada and elsewhere in the world, the Service Provider hereby sells and assigns to the AESO, the entire right, title and interest in and to the copyright or patent as well as the right to receive any copyright or patent registrations for such works.

9.2 FURTHER ASSURANCE

The Service Provider agrees to do all things and execute without further consideration, such further assurances, confirmatory assignments, applications and other instruments as may reasonably be required to obtain copyright or patent registrations for such works and documentation and vest the copyright or patent registrations in the AESO, its successors and assigns.

9.3 WAIVER

The Service Provider waives as against the AESO, its successors, assigns and licensees, all moral rights which the Service Provider may have or will acquire in respect of the copyright in the works created during the Term. The Service Provider must obtain in favour of the AESO, its successors and assigns and licensees, a waiver of moral rights from all individuals providing any authorship in connection with such works.

9.4 MORAL RIGHTS

In addition, the Service Provider agrees to enforce the moral rights in and to any copyright or other product developed by the Service Provider under the provisions of this Agreement, as against others as directed by and at the cost of the AESO or any successor in interest to the AESO.

10.0 SOFTWARE

10.1 It is the Service Provider's responsibility to ensure the AESO has all licences to use any software that may be supplied by the Service Provider pursuant to this Agreement

11.0 INSURANCE

11.1 The Service Provider, at its own expense must carry insurance covering this Agreement in not less than the following kinds and amounts:

- (a) Employer's Liability Insurance covering each employee or Key Personnel engaged in the Services, to the extent of \$2,000,000 where such individual is not covered by Worker's Compensation;
- (b) Comprehensive General Liability Insurance (including coverage for all non-owned automotive units) including products and completed operations and contractual liability covering the Services, with a combined single limit of \$2,000,000 for each occurrence for bodily injury, death or property damage;
- (c) Professional Liability Insurance covering the Service Provider, each employee and Key Personnel engaged in the Services, with a limit of liability of \$2,000,000 per claim of professional negligence or misconduct; and
- (d) Automobile Public Liability Insurance covering all vehicles, owned, leased, operated and/or licensed by the Service Provider, with a combined single limit of \$2,000,000 for each occurrence for bodily injury, death or property damage.

11.2 Each policy as described must name the AESO as an additional insured and must provide a waiver of subrogation against the AESO. Each policy must also contain a provision obligating the insurer to provide the AESO thirty (30) days written notice of cancellation or material change to the policy.

11.3 The Service Provider, at the AESO's request and cost, will obtain such additional insurance coverage with insurance carriers satisfactory to the AESO as the AESO may require.

11.4 At the AESO's request, the Service Provider will furnish the AESO with certificates setting forth the required insurance coverage.

12.0 LIABILITY AND INDEMNITY

12.1 GENERAL

The Service Provider is liable for and will reimburse the AESO and will indemnify and hold the AESO, its affiliates, members, officers, employees, servants and agents, harmless from all losses, expenses (including without limitation all legal expenses on a solicitor and its client basis), damage and injury to property and persons, all claims (whether in contract or tort) arising from any breach of contract, negligence or willful misconduct of the Service Provider, any person under contract to the Service Provider or any of its subcontractors in the performance of the Services. The Service Provider will be responsible for the defense of any suit brought against any of the foregoing, on account of any such claim and will satisfy any judgment against the AESO, its members, officers, employees, servants and agents, resulting therefrom. The AESO may, however, participate in the defense of any suit to which it is a party without relieving the Service Provider of its responsibility for the defense of the suit. The AESO will forthwith, upon receiving notice of any suit brought against it, deliver to the Service Provider full particulars thereof and render all reasonable assistance requested by the Service Provider in the defense thereof.

12.2 DEFENSE OF CLAIMS

If a restraining order or preliminary injunction is granted, the Service Provider will make reasonable efforts by giving of a satisfactory bond, or otherwise, to secure the suspension of any such restraining order or injunction. If in any such suit the performance of the Services or any part thereof, or the product developed as part of the Services is held to constitute an infringement and its use is permanently enjoined, the Service Provider will at once, at the Service Provider's sole cost, make every reasonable effort to secure for the AESO a license authorizing the continued use of such product. If the Service Provider is unable to secure such license within a reasonable time it will, at its own expense and without impairing performance requirements, either replace the products created by the Services with non-infringing products or modify the Services, in addition to indemnifying and saving harmless the AESO as aforesaid.

12.3 LIMITATION OF LIABILITY

In no event will the total of the liabilities and indemnities of the Service Provider, its successor and assigns under this exceed the limits of the insurance as specified in Section 11.1.

13.0 ASSIGNMENT

This Agreement must not be assigned or subcontracted by the Service Provider without prior written consent of the AESO, which consent may be arbitrarily withheld.

14.0 GENERAL TERMS

14.1 This Agreement is exclusively governed by and construed in accordance with the laws of the Province of Alberta.

- 14.2 If any provisions of this Agreement are invalid under any applicable statute or rule of law, they are, to that extent, omitted, but the remainder of this Agreement will continue to be binding upon the parties hereto.
- 14.3 If there is any conflict or inconsistency between the body of this Agreement and that of an Appendix, the provision of the body of this Agreement will prevail.
- 14.4 The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections to this Agreement.
- 14.5 This Agreement will inure to the benefit of and be binding upon the successors and permitted assigns of the Service Provider and the AESO respectively.
- 14.6 This Agreement may only be amended by written instrument executed by the AESO and the Service Provider.
- 14.7 Time is of the essence.
- 14.8 Delay or failure of performance by Service Provider will not constitute default under this Agreement nor give rise to any claim for damage to the extent that such delay or failure is caused by occurrences beyond the reasonable control of Service Provider, including acts of war whether or not declared, public disorders, riots, strikes, or acts of God including lightning, earthquakes, storms, landslides, floods and washouts. Lack of money, however, will not operate to excuse or permit any delay in or failure of performance of this Agreement.
- 14.9 This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof and there are no collateral or other statements, understandings, covenants, agreements, representations or warranties, written or oral, relating to the subject matter hereof. This Agreement supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties or the predecessors relating to the subject matter of this Agreement.
- 14.10 Any word in this Agreement is deemed to include the masculine, feminine, neuter, singular or plural form thereof as the context may require.
- 14.11 Each party will appoint and maintain an attorney in Alberta for service of process in respect of actions, suits or proceedings arising out of or in connection with this Agreement or the transactions contemplated hereby and will advise the other party from time to time of the name and address of such attorney, provided that it will not change the attorney so appointed or terminate the appointment unless (and no change or termination will be effective until) they have previously given written advice to the other party of

anew attorney in Alberta for such purpose, in which case this proviso will again apply in respect of the new attorney so appointed.

- 14.12 This Agreement may be executed and delivered by the parties in counterparts (each of which shall be considered for all purposes an original) and by facsimile and when a counterpart has been executed and delivered by each of the parties, by facsimile or otherwise, all such counterparts and facsimiles will together constitute one agreement.

15.0 ERRORS, OMISSIONS OR DISCREPANCIES

- 15.1 The documents comprising this Agreement are complementary and interdependent, and are to be construed as a whole.
- 15.2 If the Service Provider discovers any errors, omissions, discrepancies or conflicts in this Agreement, the Service Provider must, before proceeding with the Services, immediately so inform the AESO Representative in writing. The AESO Representative will decide the intent of this Agreement and make any corrections that may be required, which will be final and binding upon the Service Provider. If the Service Provider fails to provide the written notice as aforesaid, the Service Provider will without additional compensation make any and all corrections, additions, changes or modifications to the Services as may be required by the AESO Representative to resolve the aforesaid errors, omissions, discrepancies or conflicts to the satisfaction of the AESO Representative, whose decision will be final and binding on the Service Provider. Failure of the Service Provider to provide the written notice as aforesaid and to obtain a change notice from the AESO Representative prior to proceeding with the Services also be conclusively deemed to be a waiver by the Service Provider of all rights to claim any additional compensation or damages as a result of such errors, omissions, discrepancies or conflicts.
- 15.3 Any errors or omissions in this Agreement or in any part thereof will not relieve the Service Provider of its responsibility to perform the Services reasonably required, pursuant to generally accepted practice governing the type of work being performed.

16.0 DISPUTE RESOLUTION

16.1 DISPUTES

In the event any dispute, claim, question or difference, (the "**Dispute**") arises with respect to this Agreement or its performance, enforcement, breach, termination or validity, such Dispute shall be resolved in accordance with this section.

16.2 REPRESENTATIVES

Any Dispute shall first be submitted for resolution to the AESO Representative and the Service Provider's Representative. Any Dispute submitted to the AESO Representative and the Service Provider's Representative (collectively referred to as the "**Representatives**") within five (5) business days following submission of the dispute to the Representatives, or such further period as may be agreed in writing by the

Representatives, shall be submitted in writing by the Representatives to an officer of each party for resolution by good faith negotiations.

Each party shall designate in writing at the time of execution of this Agreement the name of the officer to act in this regard. Such designation may be changed from time to time, but only by notice in writing delivered prior to the submission of any Dispute to the officers under this subsection.

16.3 ARBITRATION

If any party delivers an Arbitration Notice to the others, then the dispute shall be forwarded to and resolved by arbitration in accordance with the *Arbitration Act* (Alberta), by a board of arbitrators in accordance with the following provisions:

- (a) the AESO shall appoint one arbitrator and the Service Provider shall appoint one arbitrator, each such being qualified by education and training and having appropriate technical expertise with respect to the matter in dispute, within ten (10) days after delivery of an Arbitration Notice from one party to the others or such longer period agreed to by the parties. If any of the parties shall fail to appoint an arbitrator within such ten (10) day period, then upon application by a party that has appointed an arbitrator, the second arbitrator shall be appointed by any Justice of the Court of Queen's Bench of Alberta. The two arbitrators thus appointed shall appoint a third arbitrator, who shall be qualified by education and training and have appropriate technical expertise with respect to the matter in dispute, within ten (10) days of the appointment of the second arbitrator. If the two arbitrators shall fail to appoint the third arbitrator within such ten (10) day period, then upon application by either party, the third arbitrator shall be appointed by any Justice of the Court of Queen's Bench of Alberta;
- (b) the board of arbitrators shall proceed promptly to determine the matters in issue and shall render its decision within thirty (30) days from the date of final submissions of the parties to the board of arbitrators, except where the parties agree to a different period of time;
- (c) the parties consent to the arbitration being conducted in Calgary, Alberta, or any other place mutually agreed upon, no later than fifteen (15) days following the appointment of the third arbitrator, at which time the parties shall present such evidence and witnesses as they may choose, with or without counsel;
- (d) the board of arbitrators shall not have the discretion to shorten or lengthen time frames for actions to be taken by a party pursuant to this Agreement with respect to any matter which is the subject of arbitration before such board of arbitrators;
- (e) each party shall be responsible for its own costs and shall share the costs associated with the arbitration equally; provided that the board of arbitrators shall have the discretion to allocate costs in a different manner;

- (f) any determination or award of the board of arbitrators made in relation to the dispute shall be final, binding and non-appealable (whether on a question of law, a question of fact, or a question of mixed fact and law);
- (g) it shall be a condition of the appointment of any arbitrator that such arbitrator shall maintain in strict confidence all documents, the transcripts of the proceedings and other materials and all information disclosed by or on behalf of the parties and shall not use the same or allow the same to be used for any purpose not collateral to such arbitration and, at the request of a party that provided any documents or other printed materials, shall return all originals and any copies of such documents and printed materials to such party. Each arbitrator shall be responsible for ensuring that its officers, employees, representatives and consultants comply with the obligation of confidentiality set forth in this Section 16; and
- (h) the board of arbitrators may make rulings with respect to the production of documents, the ability of the parties to call witnesses or any other procedural matter.

Save as otherwise expressly provided in this Agreement, the provisions of the *Arbitration Act* (Alberta) shall apply to any arbitration undertaken hereunder. Pending resolution of any dispute, the Service Provider and the AESO shall continue to perform their respective obligations under this Agreement.

16.4 COSTS

Each party shall be responsible for all legal costs incurred by it in resolving any dispute under this Section 16 and the decision of the arbitrator relating to costs shall deal only with the costs of the arbitrator.

17.0 PERMITS

- 17.1 The Service Provider must obtain and maintain all permits and licences required to authorize it to perform the Services.

18.0 NOTICES

- 18.1 Any notice or other communication to be made or given in connection with this Agreement be made or given in writing and may be made or given either by personal delivery or by registered mail to the recipient as follows:

To the AESO:

Alberta Electric System Operator
2500, 330 - 5th Avenue SW
Calgary, Alberta
T2P 0L4

Attention: Darren McCrank

Copy
to:

Alberta Electric System Operator
2500, 330 - 5th Avenue SW
Calgary, Alberta
T2P 0L4

Attention: Senior Legal Counsel

To the Service Provider:

[SERVICE PROVIDER FIRM ADDRESS]

Attention: **[SERVICE PROVIDER'S NAME]**

18.2 All notices under this Agreement will be deemed duly given upon delivery if personally delivered or five days after posting if sent by registered mail during normal postal service conditions. In the event of disruption of normal mail services all notices must be sent by personal delivery.

IN WITNESS WHEREOF, the Service Provider and the AESO have executed this Agreement as of the day and year first above written.

Independent System Operator, operating as [SERVICE PROVIDER FIRM NAME]

AESO

Per: _____

Name: _____

Title:

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

Schedule "A" attached to and forming part of the Services Agreement dated the [DATE] day of [MONTH], [YEAR] between the Independent System Operator, operating as AESO ("AESO") and [SERVICE PROVIDER FIRM NAME]. ("the Service Provider")

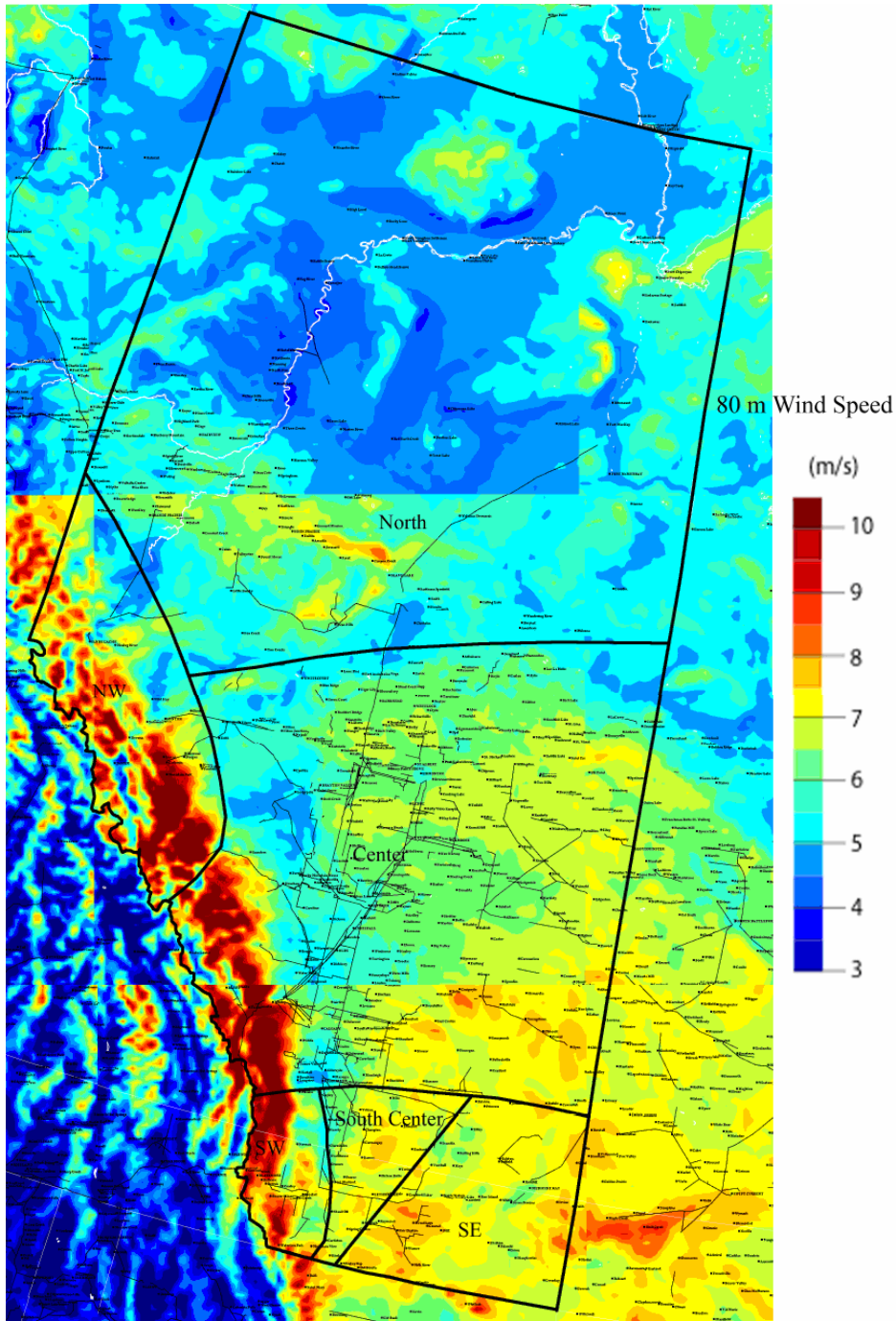
[Insert Service Provider's Proposal]

Schedule "B" **attached to and forming part of the Services Agreement dated the [DATE] day of [MONTH], [YEAR] between the Independent System Operator, operating as AESO ("AESO") and [SERVICE PROVIDER FIRM NAME]. ("the Service Provider")**

[Insert Service Provider's List of Key Personnel]

Appendix "G" attached to and forming part of the Request for Proposals issued by the Alberta Electric System Operator on October 11, 2006

ALBERTA WIND REGIONS



Land Area Forecasting for AESO

Data is obtained from www.windatlas.ca

Note: wind speed simulation in North area is suspicious

Phoenix Engineering

Note: Quantitative Analysis will not include analysis of the NW or North region as there are no existing or future Wind Power Facilities known in these areas.