



INDEPENDENT SYSTEM OPERATOR, OPERATING AS AESO

REQUEST FOR PROPOSALS FOR LOAD SHED SERVICES FOR IMPORTS

Request for Proposal No.: RFP 2011-001
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REQUEST FOR PROPOSALS

INSTRUCTIONS TO BIDDERS

1.0 GENERAL REQUEST FOR PROPOSAL INFORMATION

1.1 BACKGROUND ON THE AESO

- (1) The Independent System Operator operating as AESO (the "**AESO**") is a statutory corporation created pursuant to the EUA.
- (2) The AESO is responsible for the safe, reliable and economic planning and operation of the System.
- (3) The AESO provides open and non-discriminatory access to the System for generation and distribution companies and large industrial consumers of electricity. In doing so, the AESO contracts with transmission facility owners to acquire transmission services and with other parties to provide fair and timely access to the System.
- (4) 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.
- (5) The AESO ensures that Alberta's competitive electricity markets continue to operate in the best way possible, demonstrating that reliability is not compromised and that the structure is sustainable, predictable and adds long-term value.
- (6) The AESO is accountable for the administration and regulation of the provincial load settlement function.
- (7) 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.
- (8) The AESO, a not-for-profit entity, is independent of any industry affiliations and owns no transmission or market assets.

1.2 RFP BACKGROUND AND SCOPE

- (1) The Alberta-BC intertie ("**Intertie**") is one of the two interties Alberta has with adjacent jurisdictions. The Intertie was designed with a path rating of 1200 MW for imports into Alberta ("**Path Rating**"). However the Path Rating is currently restricted to a transfer capability of between 400 MW to 600 MW due to the Intertie being the single largest contingency in Alberta when imports are at high levels. The AESO is required, *inter alia*, pursuant to Section 16 of the T-Reg to restore the Intertie to, or near to the Path Rating.

- (2) In late 2009, the demand response working group (established to identify barriers to and opportunities for demand response in the Alberta market) explored an expanded load shed services product to support higher import levels and identified a revised load shed services product as a potential product for greater participation by loads within the context of Alberta's market design.
- (3) In March 2010, the AESO launched the Alberta Intertie Restoration Initiative to explore the development of specific services that could support the restoration of the Intertie. As a part of this initiative the AESO formed two working groups, one to examine import restoration and one to examine export restoration. The import restoration group's main objective was to further investigate an enhanced load shed services product and to jointly develop and design the service with the AESO. The import restoration group was comprised of thirty-five (35) members representing both the generators and loads. The working group was open to all interested parties and two (2) full day sessions were held with the group, one on June 1, 2010 in Calgary, Alberta, and the other on June 8, 2010 in Edmonton, Alberta.
- (4) Based on discussions with load participants in the demand response working group, and the effort of the import interties restoration working group the AESO determined that an enhanced load shed services product called LSSi would be the best option to pursue for restoring import capacity on the Intertie.
- (5) In November 2010, the AESO released a Request for Expressions of Interest ("EOI") to provide up to 485 MW of LSSi. Following the "Ancillary Services Procurement Process", as posted on the AESO website (<http://www.aeso.ca/files/ASProcurementProcess.pdf>), the AESO has evaluated each response and has determined that the level of response received to the EOI is contestable and at this time will proceed with a competitive RFP to procure LSSi. As part of the "Ancillary Services Procurement Process" the AESO also consulted with the Market Surveillance Administrator who have concurred that a competitive RFP process was appropriate given the level of response to the EOI.

1.3 RFP OBJECTIVES

- (1) The AESO is issuing this RFP to retain one or more service providers (individually, and collectively, the "**Service Provider**") to provide all or a portion of the volume of the Services.
- (2) The AESO intends to award one or more agreements for the provision of the Services through an open, fair and competitive RFP process. The agreement(s), if any, that are awarded pursuant to this RFP shall be substantially in the form of Schedule "I" (the "**Agreement**").
- (3) The RFP competition will be open to any legal person who proposes to provide the Services from Load which it has connected to the System and which satisfies the LSSi Requirements specified herein and in the Agreement. Any such person is invited to submit a Proposal for the provision of Services from Load which it has connected to the System in response to this RFP.

- (4) The RFP Process will commence with the issuance of these RFP Documents and will terminate on the earlier to occur of (a) the execution of the Agreement by both the Successful Bidders and the AESO, or (b) the election by the AESO to not proceed with the RFP or otherwise cancel this RFP in accordance with the terms hereof.
- (5) The AESO will evaluate the Bidders' Proposal(s) as set out in Section 6.3.
- (6) Bidders should be advised that in the event that a Bidder is selected as one of the Service Providers, the merit order of the dispatch shall be based upon pricing and offered volumes considerations, in the AESO's sole discretion.

1.4 SYSTEM REQUIREMENTS

- (1) Section 17 of the EUA specifies a number of duties to be observed and performed by the AESO, including the requirement to manage and recover the costs for the provision of Ancillary Services and the requirement to assess the current and future needs of market participants and plan the capability of the System to meet those needs
- (2) The AESO has a requirement to procure the Services (which are a type of Ancillary Service) from Facilities in order to maintain security of the System.
- (3) Facilities from which the Services are proposed to be provided must comply with the LSSi Requirements.

2.0 THE RFP DOCUMENTS

2.1 DEFINITIONS

- (1) In this RFP, capitalized terms and expressions have the meanings set forth below:
 - (a) "**Addenda**" means all documents issued by the AESO which Amend this RFP and "**Addendum**" means any one of them.
 - (b) "**AESO Representatives**" an AESO officer, employee, subcontractor, agent, representative, consultant or volunteer.
 - (c) "**Agreement**" has the meaning given to it in Section 1.3(2).
 - (d) "**Ancillary Services**" means "ancillary services" as defined in the EUA.
 - (e) "**Award Date**" means the date of selection and notification a Successful Bidder as set out in the RFP Data Sheet.
 - (f) "**Bidder**" means an entity that submits or is invited to submit a Proposal for the provision of Services other than a Disqualified Facility.

- (g) **"comply"** and **"compliance"** mean that the Proposal conforms to the requirements of the RFP Documents without material deviation or reservation.
- (h) **"Disqualified Facility"** has the meaning given to it in the RFP Data Sheet.
- (i) **"EOI"** has the meaning given to it in Section 1.2(5).
- (j) **"EUA"** means the *Electric Utilities Act*, S.A. 2003 c. E-5.1.
- (k) **"Evaluation Team"** has the meaning given to it in Section 6.2.
- (l) **"Facilities"** means one or more existing facilities (each, a **"Facility"** except in the case of a Bidder who is an aggregator, in which **"Facility"** means all of the aggregated facilities) connected to the System.
- (m) **"Governing Law"** has the meaning given to it in Section 3.9(1).
- (n) **"Intertie"** has the meaning given to it in Section 1.2(1).
- (o) **"ISO Glossary"** means the ISO Authoritative Document Consolidated Glossary.
- (p) **"Load"** means actual energy consumption by the Bidder at a Facility that is not a Disqualified Facility.
- (q) **"LSSi"** means dispatchable load shed service that automatically trips loads when system frequency drops to 59.5 Hz due to the loss of the Intertie.
- (r) **"LSSi Requirements"** means the LSSi Requirements as specified in Schedule "H".
- (s) **"LSSi Responsibilities"** has the meaning given to it in Section 2.6(1).
- (t) **"material deviation or reservation"** is one:
 - (i) that affects in any substantial way the scope, quality or supply of the Services under the Agreement arising from the RFP Process; or
 - (ii) that results in a material component of a requirement set out in the RFP Documents not being complied with.
- (u) **"Path Rating"** has the meaning given to it in Section 1.2(1).
- (v) **"Proposal"** means any offer to provide the Services in connection with this RFP as submitted by a Bidder for the AESO's consideration.

- (w) **"Proposal Documents"** means those documents required to be included in a Proposal as outlined in Section 4.2.
- (x) **"Proposal Validity Period"** means the period of time after the Submission Deadline set out in the RFP Data Sheet for which Proposal shall be irrevocable and shall remain in effect and open for acceptance.
- (y) **"Request for Proposals"** or **"RFP"** means this Request for Proposals together with its Schedules, and all Addenda issued by the AESO prior to the Submission Deadline.
- (z) **"Required Date"** means the date on which the Service Provider shall commence provision of the Services, which for greater clarity will be the effective date of the Agreement.
- (aa) **"RFP Data Sheet"** means the RFP Data Sheet attached hereto as Schedule "A".
- (bb) **"RFP Documents"** has the meaning given to it in Section 2.3, together with all Addenda issued by the AESO prior to the Submission Deadline.
- (cc) **"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.
- (dd) **"RFP Process"** means the AESO's process to select a Service Provider.
- (ee) **"RFP Project Manager"** means the person designated as the coordinator of the RFP Process for the AESO as set forth in the RFP Data Sheet.
- (ff) **"Services"** means the services described in the RFP Data Sheet.
- (gg) **"Service Provider"** has the meaning given to it in Section 1.3(1).
- (hh) **"Submission Deadline"** means the deadline for submission of Proposals as set out in the RFP Data Sheet.
- (ii) **"Submission Envelope"** has the meaning given to it is Section 5.1(4).
- (jj) **"Successful Bidders"** means the Bidder or Bidders, if any, that are selected to be awarded an Agreement.
- (kk) **"System"** means the "interconnected electric system" as such term is defined in the EUA.
- (ll) **"Technical Submission"** means the submission outlined in Section 4.4.
- (mm) **"Timetable"** has the meaning given to it in Section 3.1(1).
- (nn) **"T-Reg"** means the *Transmission Regulation, 86/2007*

2.2 INTERPRETATION

- (1) In this RFP:
 - (a) References to Sections and Schedules herein refer to articles, sections and schedules of or to this RFP, unless the context otherwise requires;
 - (b) Any reference to time shall refer to Mountain Standard Time or Mountain Daylight Saving Time during the respective intervals in which each is in force in the Province of Alberta;
 - (c) The headings of the Sections, Schedules and any other headings, captions or indices herein are inserted for convenience of reference only and shall not in any way affect the construction or interpretation of this RFP or any provision hereof;
 - (d) Whenever the singular or masculine or neuter is used it shall be interpreted as meaning the plural or feminine or body politic or corporate, and vice versa, as the context requires; and
 - (e) Where a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires.

2.3 REQUEST FOR PROPOSALS DOCUMENTS

- (1) The Request for Proposals documents (the "**RFP Documents**") are:
 - (a) the main body of the RFP, being the Instructions to Bidders;
 - (b) Schedule "A" – the RFP Data Sheet;
 - (c) Schedule "B" – the Proposal Submission Form;
 - (d) Schedule "C" – the Credit Review Form
 - (e) Schedule "D" - the Price Form;
 - (f) Schedule "E" – the Liquidated Damages Form;
 - (g) Schedule "F" – the Volume Form;
 - (h) Schedule "G" – the RFP Questions Form;
 - (i) Schedule "H" – the LSSi Requirements;
 - (j) Schedule "I" – the form of the Agreement; and

- (k) Addenda to the RFP Documents, if any are issued by the AESO.
- (2) The RFP shall be read as a whole. The Schedules and Addenda, if any, constitute an integral part of this RFP and are incorporated by reference.

2.4 PRIORITY OF DOCUMENTS

- (1) Except as provided in Section 2.4(2), if there are any inconsistencies between the terms, conditions and provisions of the RFP Documents, the RFP shall prevail over the Schedules during the RFP Process.
- (2) If there is a conflict between the RFP and the RFP Data Sheet, the information in the RFP Data Sheet shall prevail over the RFP. If there is a conflict between the RFP and the Agreement, the terms and conditions and provisions of the Agreement shall prevail over the RFP, including the RFP Data Sheet.

2.5 DISTRIBUTION OF DOCUMENTS – ELECTRONIC DISTRIBUTION

- (1) The AESO may, in its discretion, use an on-line electronic distribution system to distribute all RFP Documents. Whether or not the RFP Process will be carried out using an electronic distribution system and the method by which such system is utilized is set out in the RFP Data Sheet.
- (2) If the AESO uses an electronic distribution system of any kind, the Bidder is solely responsible for making appropriate arrangements to receive and access the RFP Documents through that electronic distribution system.

2.6 INVESTIGATION BY BIDDER; INFORMATION PROVIDED BY THE AESO

- (1) Each Bidder is solely responsible for conducting its own independent research, due diligence, and any other work or investigations and seeking any other independent advice necessary for the preparation of Proposals, negotiation or finalization of the Agreement, and the subsequent delivery of all Services to be provided by the Service Provider from a Facility pursuant to the applicable Agreement (the "**LSSi Responsibilities**"). Nothing in the RFP Documents is intended to relieve the Bidders from forming their own opinions and conclusions with respect to the matters addressed in this RFP.
- (2) No Bidder shall claim at any time after submission of a Proposal that there was any misunderstanding with respect to the conditions imposed by the RFP Documents or claim any reliance or collateral agreement with respect to any information given or statement made with respect to the LSSi Responsibilities or the conditions thereof except as specifically provided by the RFP Documents.
- (3) No guarantee, representation or warranty, express or implied, is made and no responsibility of any kind is accepted by the AESO or AESO Representatives for the completeness or accuracy of any information presented in the RFP Documents, during the RFP Process or during the term of the Agreement. The AESO and AESO Representatives shall not be liable to any person or entity as a result of the use of any information contained in the RFP Documents provided during the RFP Process or during the term of the Agreement.

3.0 THE RFP PROCESS

3.1 TIMETABLE

- (1) The timetable for the RFP Process (the "**Timetable**") is set out in the RFP Data Sheet.
- (2) 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) If the AESO extends the Submission Deadline, all obligations of Bidders will thereafter be subject to the extended deadline.

3.2 CLARIFICATION AND QUESTIONS RELATED TO THE RFP DOCUMENTS

- (1) Bidders may request clarification of the RFP Documents by submitting all requests for clarification:
 - (a) on the "RFP Questions" form set out in Schedule "G", including the Bidder's address and telephone number;
 - (b) either:
 - (i) by e-mail to the e-mail address of the RFP Project Manager set out in the RFP Data Sheet; or
 - (ii) by hand or courier in hard copy and electronic format (floppy disc or compact disc) to the RFP Project Manager named, and at the co-ordinates set forth, in the RFP Data Sheet; and
 - (c) no later than the deadline for submission of clarification requests set out in the Timetable.
- (2) Subject to Section 3.2(3), the AESO will provide all Bidders with written responses to requests for clarification that are submitted in accordance with this Section 3.2 in a "Response to Questions Document" no later than the date set out in the Timetable. The AESO will circulate the requests for clarification and the Response to Questions Document to Bidders in accordance with the circulation method set out in the RFP Data Sheet. The Response to Questions Document is not an RFP Document and does not amend the RFP Documents.
- (3) The AESO will include, in the Response to Questions Document, all requests for clarification that have been submitted in accordance with this Section 3.2 but will not attribute the requests for clarification to any party. The AESO may, in its sole discretion:
 - (a) answer similar questions from various Bidders only once; and
 - (b) exclude submitted questions if they would require the AESO to disclose information which is subject to confidentiality restrictions.

- (4) It is the Bidder's responsibility to seek clarification from the AESO of any matter it considers to be unclear and the Bidder shall seek clarification in accordance with this Section 3.2.
- (5) The AESO shall not be responsible for any misunderstanding of the RFP Documents, the Response to Questions Document or the RFP Process on the part of the Bidder.

3.3 CONTACT PERSON/PROHIBITED CONTACTS

- (1) Bidders shall address all questions and requests for clarification with respect to this RFP Process to the AESO in accordance with Section 3.2.
- (2) If Bidders or the Successful Bidders wish to contact the AESO during the RFP Process on matters related to their Proposals, the RFP Documents or the RFP Process, they shall contact the RFP Project Manager at the co-ordinates set out in the RFP Data Sheet.
- (3) Bidders and the Successful Bidders shall not contact or make any attempt to contact:
 - (a) any AESO Representatives other than the RFP Project Manager; or
 - (b) any other Bidder;with respect to the Bidders' or the Successful Bidders' Proposals, the RFP Documents or the RFP Process.
- (4) Without limiting the generality of Section 3.3(3), Bidders and the Successful Bidders shall not contact or attempt to contact:
 - (a) any member of the Evaluation Team except the RFP Project Manager; or
 - (b) any expert or advisor assisting the Evaluation Team;on matters related to their Proposals, the RFP Documents or the RFP Process.

3.4 PUBLIC STATEMENTS AND NEWS RELEASES

The Bidders and Successful Bidders shall not issue any public statement or news release pertaining to this RFP Process without the prior written consent of the AESO.

3.5 AESO'S RIGHT TO AMEND OR SUPPLEMENT THE RFP

The AESO may, without liability, cost or penalty, amend or supplement the RFP Documents in accordance with Section 3.6.

3.6 ADDENDA/CHANGES TO THE RFP DOCUMENTS

- (1) The AESO will issue amendments to the RFP Documents by Addenda only. All Addenda shall be clearly identified as such by the AESO. No other statement,

whether oral or written, made by the AESO or an AESO Representative, including the RFP Project Manager, shall amend the RFP Documents.

- (2) The Bidder shall not rely on any information or instructions from the AESO or an AESO Representative except as set forth in the RFP Documents and any Addenda issued pursuant to this Section 3.6.
- (3) The Bidder is solely responsible to ensure that it has received all Addenda issued by the AESO. Bidders may, in writing, seek confirmation of the number of Addenda issued under this RFP from the RFP Project Manager.

3.7 DISCLOSURE ISSUES

- (1) The Bidder, by submitting its Proposal, agrees that the AESO may disclose the name of the Successful Bidders to other Bidders and the public.
- (2) The AESO may provide the Proposals to any person involved in the review and evaluation of the Proposals on behalf of the AESO and the AESO may:
 - (a) make copies of the Proposal; and
 - (b) retain the Proposal.
- (3) The AESO may disclose any information with respect to the Bidders and their Proposals as required by the Governing Law.

3.8 AESO CONFIDENTIALITY ISSUES

The Bidders acknowledge and agree that all RFP Information that the Bidders acquired during the RFP Process from the AESO:

- (a) shall remain the sole property of the AESO and Bidders shall treat it as confidential;
- (b) shall not be used by the Bidders for any other purpose other than submitting a Proposal in response to this RFP;
- (c) shall not be disclosed by the Bidders to any person who is not involved in the Bidder's preparation of its Proposal without prior written authorization from the AESO; and
- (d) if requested by the AESO, shall be returned to the RFP Project Manager no later than ten (10) calendar days after the request by the AESO to return the RFP Information.

3.9 GOVERNING LAW, ATTORNTMENT AND LIMIT ON LIABILITY

- (1) This RFP shall be governed and construed in accordance with the laws of Alberta and the applicable laws of Canada therein (the "**Governing Law**").
- (2) The Bidder agrees that:

- (a) any action or proceeding relating to this RFP Process shall be brought in any court of competent jurisdiction in the Province of Alberta and for that purpose each Party irrevocably and unconditionally attorns and submits to the jurisdiction of that Alberta court;
 - (b) it irrevocably waives any right to and will not oppose any Alberta action or proceeding relating to this RFP Process on any jurisdictional basis, including an inconvenient forum; and
 - (c) it will not oppose the enforcement against it, in any other jurisdiction, of any judgement or order duly obtained from an Alberta court as contemplated by this Section 3.9(2).
- (3) All Bidders agree that if the AESO commits a material breach of this RFP, the aggregate amount of damages recoverable against the AESO by such Bidder for any matter relating to or arising from that material 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, shall be no greater than the demonstrated proposal preparation costs of the Bidder seeking damages from the AESO.
- (4) If a Bidder 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 shall be considered to be approval by the AESO of carrying on such activity without the requisite licence, permit, consent or authorization.

3.10 BIDDERS' COSTS

- (1) Each Bidder shall bear all costs and expenses incurred by it relating to any aspect of its participation in this RFP Process, including all costs and expenses related to its involvement in:
- (a) the preparation, presentation and submission of its Proposal;
 - (b) due diligence and information gathering processes;
 - (c) preparation of responses to questions or requests for clarification from the AESO;
 - (d) preparation of the Bidder's own questions during the clarification process; and
 - (e) Agreement negotiations and discussions.
- (2) The AESO is not liable to pay such costs and expenses or to reimburse or compensate a Bidder under any circumstances, regardless of the conduct or outcome of the RFP Process. No Bidder shall hold the AESO liable for any error or omission in any part of the RFP Documents.

3.11 DELAYS AND COSTS OF DELAY

The AESO shall not be liable, in any way, to the Bidders for any delays, or costs associated with delays, in the RFP Process.

3.12 CLARIFICATION AND VERIFICATION OF BIDDER'S PROPOSAL

(1) Clarification

- (a) The AESO may, within such time frame as it determines appropriate:
 - (i) require the Bidder to clarify the contents of its Proposal;
 - (ii) require the Bidder to submit supplementary documentation clarifying any matters contained in its Proposal; and
 - (iii) seek a Bidder's acknowledgement of an AESO interpretation of the Bidder's Proposal.
- (b) The AESO is not obliged to seek clarification of any aspect of a Proposal.
- (c) Any written information received by the AESO from a Bidder pursuant to a request for clarification from the AESO as part of the RFP Process may, in the AESO's discretion, be considered as an integral part of the Proposal.

(2) Verification

- (a) The AESO may, in its sole discretion, verify any statement or claim contained in any Proposal or made subsequently in any interview or negotiation. That verification may be made by whatever means the AESO deems appropriate and may include contacting the names of persons identified in the contract information provided by the Bidder and, in addition, contacting persons or entities other than those identified by any Bidder.
- (b) In submitting a Proposal, the Bidder is deemed to consent to the AESO verifying any information from third parties and receiving additional information regarding the Bidder, its directors, officers, shareholders or owners and any other person associated with the Bidder as the AESO may require.
- (c) For the purposes of the verification in Sections 3.12(2)(a) and 3.12(2)(b), the information described may be collected from and disclosed to government and non-government organizations.

3.13 NOTIFICATION OF CHANGES OF BIDDER'S STRUCTURE

- (1) During the RFP Process, a Bidder shall notify the RFP Project Manager, in writing, of any proposed changes to its joint venture arrangements or ownership

structure from the joint venture arrangements or ownership structure set out in the Proposal.

- (2) The AESO may:
 - (a) approve the changes in the joint venture arrangements or ownership structure of a Bidder; or
 - (b) reject the Bidder's or Successful Bidder's Proposal as a result of these changes.
- (3) The AESO's approval pursuant to Section 3.13(2)(a) shall not be unreasonably withheld.

4.0 PROPOSAL CONTENT AND FORMAT

4.1 GENERAL FORMAT OF PROPOSAL

- (1) Each Bidder shall submit a Proposal that:
 - (a) is securely bound (single sided printing is encouraged) with numbered pages;
 - (b) has a title page and complete table of contents at the front of the Proposal immediately following the title page; and
 - (c) has a divider, with tabs at least at the beginning of each part of the Proposal.
- (2) The Bidder shall separate all pre-printed literature about the Bidder, if any, into a separate volume and include it with the Technical Submission. The AESO will not evaluate pre-printed literature and the Bidder is not required to submit pre-printed literature.
- (3) Each Bidder shall:
 - (a) examine all instructions, terms and conditions, forms and information in the RFP Documents and the Response to Questions Document; and
 - (b) in a clear, concise and legible manner, complete and submit all documentation and information required by Section 4.2.
- (4) The Bidders are strongly encouraged to use formatting and a font size (12 is recommended) that is readable.

4.2 CONTENTS OF THE PROPOSAL

Each Bidder shall submit a Proposal that consists of the following documents (the "**Proposal Documents**"):

- (a) a Technical Submission Section that consists of:

- (i) Part A – Proposal Submission Form;
- (ii) Part B – Technical Submission;
- (b) a Price Submission Section;
- (c) a Liquidated Damages Submission Section;
- (d) a Volume Submission Section; and
- (e) an Agreement Submission Section.

4.3 PART A – PROPOSAL SUBMISSION FORM

- (1) Each Bidder shall complete and execute the Proposal Submission Form attached as Schedule "B" of this RFP.
- (2) Bidders shall execute the Proposal Submission Form as follows:
 - (a) in the case of a sole proprietorship, the sole proprietor shall sign the Proposal Submission Form and have the signature witnessed;
 - (b) in the case of a limited company, an authorized signing officer shall sign the Proposal Submission Form; and
 - (c) in the case of a partnership, all partners shall sign the Proposal Submission Form and have their signatures witnessed.
- (3) Each Bidder shall disclose any direct or indirect potential or actual conflicts of interest in the Proposal Submission Form that it has or may have as a Service Provider under the terms and conditions of the form of Agreement or as a Bidder pursuant to the RFP.

4.4 PART B – CONTENTS OF THE TECHNICAL SUBMISSION

- (1) The Bidder shall prepare and submit its Technical Submission in the following format and containing the information described as follows:
 - (a) Executive Summary

The Bidder shall provide a one (1) to two (2) page summary of the Technical Submission of its Proposal.
 - (b) Demonstration of the Bidder's Understanding of the AESO's Requirements

The Bidder shall:
 - (i) provide the Required Date;

- (ii) describe the Bidder's ability to provide the Services on the Required Date and the Bidder's ability to comply with the LSSi Requirements;
 - (iii) for those Bidders who currently have a frequency relay in respect of its Facility, provide a single line diagram illustrating the location of the frequency relay, and for those Bidders who do not currently have a frequency relay in respect of its Facility, then provide:
 - (A) a single line diagram illustrating the proposed location of a frequency relay in respect of its Facility; and
 - (B) a binding letter of intent or an agreement for the supply and installation of such frequency relay (on terms and conditions acceptable to the AESO, having regard to and consistent with the requirements set forth in the RFP Documents); and
 - (iv) for those Bidders whose Facility has been in existence for greater than one (1) year, provide a one-year (1-year) hourly load profile for the Facility utilizing the most recent data available to the Bidder, and for those Bidders whose Facility has been in existence for less than one (1) year, then provide an hourly load profile for the Facility for the period of time in which the Facility has been in existence utilizing the most recent data available to the Bidder.
- (c) Financial Information
- (i) The Bidder shall provide a completed Credit Review Form. The Credit Review Form is attached as Schedule "C". By submitting a Proposal under this RFP, the Bidder hereby authorizes the AESO to conduct a credit review on it.
 - (ii) The Bidder shall provide audited financial statements of:
 - (A) the Bidder for its five (5) previous fiscal years together with interim financial statements (audited, if available); and
 - (B) an entity which may be required to provide financial support (such as a parental guarantee) in respect of any of the Bidder's obligations under the Agreement.

If the financial statements referred to above are not available, the AESO will consider alternative forms of financial information provided by the Bidder in its Proposal. The AESO may request additional financial information from the Bidder to complete the credit review, and the Bidder may be requested to provide clarification to the AESO of its financial information as provided. If the Bidder includes in its Proposal alternative

forms of financial information other than the audited and unaudited financial statements referred to above, or if any additional financial information requested is not provided or clarified, or if the credit review is not deemed satisfactory by the AESO, the Bidder may be precluded from further consideration under this RFP.

(d) Legal Information

The Bidder shall provide detailed disclosure of direct and indirect ownership of the Bidder, including any shareholding, joint venture, partnership and affiliate details of the Bidder.

4.5 PRICE SUBMISSION SECTION

The Price Submission Section shall consist of a completed Price Form. The Price Form is attached as Schedule "D".

4.6 LIQUIDATED DAMAGES SUBMISSION SECTION

The Liquidated Damages Submission Section shall consist of a completed Liquidated Damages Form. The Liquidated Damages Form is attached as Schedule "E".

4.7 VOLUME SUBMISSION SECTION

The Volume Submission Section shall consist of a completed Volume Form. The Volume Form is attached as Schedule "F".

4.8 AGREEMENT SUBMISSION SECTION

The Agreement Submission Section shall consist of:

- (1) a statement from the Bidder whether the Agreement term will be one (1) year or three (3) years from the Required Date; and
- (2) a statement that the Bidder has reviewed the form of Agreement, has no comments, concerns or issues in respect of the form of Agreement and, if selected as the Successful Bidder, is prepared to execute the form of Agreement without any amendment.

Notwithstanding the foregoing, the AESO reserves the right to make any amendments, additions and/or deletions to the form of Agreement proposed by the AESO, acting in its sole discretion, at any time during the finalization of the Agreement.

5.0 PROPOSAL SUBMISSION, WITHDRAWAL AND MODIFICATION

5.1 SUBMISSION OF PROPOSALS

- (1) Multiple Proposals may be submitted in respect of Load from a single Facility.

- (2) Each Bidder shall submit one (1) original and three (3) copies of its Proposal before the Submission Deadline. Proposals received after the Submission Deadline will be returned unopened to the sender, courier collect.
- (3) Bidders shall submit their Proposals by sending them by pre-paid courier or hand-delivery to the AESO at the address set out in the RFP Data Sheet.
- (4) Bidders shall seal their Proposal Documents as follows. The Bidder shall take the completed Proposal Submission Form and attach thereto the Technical Submission, any optional pre-printed literature about the Bidder, the Price Submission Section, Liquidated Damages Submission Section, Volume Submission Section and Agreement Submission Section. The Bidder shall then place all such Proposal Documents in a sealed envelope or package (the "**Submission Envelope**") with the Bidder's full legal name and return address, the Submission Deadline and the label "Confidential Load Shed Services for Imports Bid" clearly displayed on the outside of the Submission Envelope.
- (5) Bidders shall not submit Proposals by facsimile or other methods of electronic communication. Electronic or faxed copies of Proposals which indicate the original is to follow are likewise unacceptable.
- (6) Except as otherwise provided in the RFP Data Sheet, Bidders shall provide only hard copies of Proposals. The AESO will not accept Proposal documents electronically.
- (7) The AESO may, for the purpose of convenience, request an electronic copy of the Proposal after the Submission Deadline. If there is any difference whatsoever between the electronic copy of the Proposal and the hard copy, the hard copy of the Proposal, as submitted, shall govern.
- (8) Each Proposal will be marked by the AESO with its receipt time according to the clock at the AESO's reception desk. Only complete Proposals received and marked before the Submission Deadline will be considered to have been received on time.
- (9) In the event of a dispute, the Proposal receipt time as recorded by the AESO will prevail.
- (10) Each Bidder 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.

5.2 WITHDRAWAL OF PROPOSALS

A Bidder may withdraw its Proposal only by giving written notice before the Submission Deadline to the RFP Project Manager. The AESO shall return, unopened, a Proposal that has been withdrawn in accordance with this Section 5.2.

5.3 AMENDMENT OF PROPOSALS

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

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

5.4 PROPOSAL IRREVOCABILITY

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

6.0 PROPOSAL OPENING AND EVALUATION OF PROPOSALS

6.1 OPENING OF PROPOSALS

The AESO shall open the Submission Envelopes containing the Proposals on the first business day following the Submission Deadline as set out in the Timetable.

6.2 EVALUATION TEAM

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

6.3 STEPS IN THE EVALUATION PROCESS

- (1) Step 1 – Compliance of Proposals with the RFP Documents
 - (a) In Step 1 of the evaluation process, the Evaluation Team will open the Submission Envelope and will review the contents of such envelope to assess whether the Technical Submission Section, Price Submission Section, Liquidated Damages Submission Section, Volume Submission Section and Agreement Submission Section are in compliance with the terms and conditions of the RFP Documents, including whether all documents to be submitted in the Technical Submission Section, Price Submission Section, Liquidated Damages Submission Section, Volume Submission Section and Agreement Submission Section have been appropriately submitted.
 - (b) If, in the sole discretion of the AESO, a Proposal does not comply with the requirements set out in the RFP Documents, the AESO shall, without liability, cost or penalty, eliminate the Proposal and the Proposal shall not be given any further consideration.

- (c) The Bidder's submission of a poor quality Proposal shall not be considered a failure to comply but will affect the assessment of the Proposal.
- (d) If, during Step 1 of the evaluation process or at any time during the RFP Process, the AESO determines that a Proposal is non-compliant pursuant to Section 6.3(1)(b), the Evaluation Team or the AESO shall declare the Proposal to be non-compliant and the Proposal shall not be given any further consideration.
- (e) For the purpose of clarity, each Bidder acknowledges and agrees that the AESO's evaluation of compliance with the RFP Documents is not an evaluation of absolute compliance and that the AESO may waive failures to comply that, in the AESO's sole discretion, do not constitute a material deviation or reservation.

(f) Step 2 – Review of the Technical Submission Section, Price Submission Section, Liquidated Damages Submission Section, Volume Submission Section and Agreement Submission Section

In Step 2 of the evaluation process, the Evaluation Team will review the Technical Submission Section, Price Submission Section, Liquidated Damages Submission Section, Volume Submission Section and Agreement Submission Section of the Proposals having regard to those evaluation criteria identified in Section 6.3(1)(h).

(g) Step 3 – Ranking the Proposals

- (i) In Step 3 of the evaluation process, the Evaluation Team will rank only those Proposals that have met all requirements in Steps 1 through 2 of the evaluation process.

(h) Evaluation Criteria

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

- (i) compliance with the requirements and terms of this RFP;
- (ii) compliance with Governing Law;
- (iii) the Bidder's ability to comply with the LSSi Requirements;
- (iv) the Arming Price stated in the Price Form;
- (v) the operational characteristics of the Facility, including expected reliability and load profile availability, size and operating history (including load profile which is consistently similar to the amount of Services to be contracted) of the Facility;

- (vi) whether the AESO has received an adequate number of Proposals for the provision of the Services at volumes, from Facilities and for periods of time which are satisfactory to the AESO, in its sole discretion;
- (vii) the ability of the Bidder to provide the Services for the term of the Agreement and for such option periods as are specified in the Agreement;
- (viii) the disclosure or non-disclosure by a Bidder of any direct or indirect potential or actual conflicts of interest such Bidder may have as a Service Provider or Bidder;
- (ix) the ability of the Bidder to operate and maintain the Facility and provide the Services on the Required Date;
- (x) the financial standing or resources available to the Bidder;
- (xi) the volume stated in the Volume Form;
- (xii) the liquidated damages stated in the Liquidated Damages Form;
- (xiii) location of the Facility; and
- (xiv) such other criteria as the AESO in its sole discretion, acting reasonably, considers appropriate.

7.0 GENERAL EVALUATION AND DISQUALIFICATION PROVISIONS

7.1 AESO DISCRETION IN DETERMINING COMPLIANCE AND RANKING

- (1) The AESO shall determine, in its sole discretion:
 - (a) the membership of the Evaluation Team;
 - (b) whether a Proposal is in compliance with the RFP Documents;
 - (c) the relative weighting of the evaluation criteria set out in Section 6.3(1)(h);
 - (d) the number of Service Providers selected as a Successful Bidder to provide the Services;
 - (e) the volume and term of the Services and the number and capacity of Facilities from which such Services will be provided by a Service Provider (in each case, having regard to the parameters set forth in the "Description of Services" portion of the RFP Data Sheet);
 - (f) the rankings of the Proposals; and
 - (g) whether a Proposal or a Bidder:

- (i) is disqualified; or
- (ii) will cease to be considered in the evaluation process.

7.2 DISQUALIFICATION

- (1) The AESO may, in its sole discretion, disqualify a Proposal or cancel its decision to make an award under this RFP, at any time prior to the execution of the Agreement by the AESO, if:
 - (a) the Proposal is determined to be non-compliant pursuant to Section 6.3(1);
 - (b) the Bidder fails to cooperate in any attempt by the AESO to verify any information provided by the Bidder in its Proposal;
 - (c) the Bidder contravenes Section 3.3;
 - (d) the Bidder fails to comply with Governing Law;
 - (e) the Proposal contains false or misleading information;
 - (f) the Proposal, in the opinion of the AESO, reveals a material conflict of interest as described in Section 4.3(3);
 - (g) the Bidder misrepresents any information provided in its Proposal;
 - (h) there is evidence that the Bidder, its employees, agents, consultants or representatives colluded with one or more other Bidders or any of its or their respective employees, agents, consultants or representatives in the preparation or submission of Proposals;

8.0 SUCCESSFUL BIDDERS

- (1) The AESO shall determine the Successful Bidder or Successful Bidders in accordance with the ranking of Bidders pursuant to Section 6.3(1)(g).
- (2) Notwithstanding anything else to the contrary in this RFP, if the AESO, in its sole discretion, is of the opinion:
 - (a) that a Bidder has submitted a price that is too low to be sustainable and to ensure the delivery of the Services in accordance with the Agreement;
 - (b) that all or some portion of the Bidders have submitted prices that in the AESO's view are not competitive or that the price submitted by Bidders is the result of an exertion of market power by one or more Bidders to the detriment of a competitive procurement process pursuant to this RFP; or
 - (c) that a Bidder has submitted an Agreement Submission Section that indicates that the Bidder has not understood the Agreement;

the AESO may decline to award an Agreement to that Bidder.

9.0 RIGHTS OF THE AESO TO ACCEPT OR REJECT PROPOSALS

- (1) The AESO may, in its sole discretion and at any time during the RFP Process:
 - (a) reject any or all of the Proposals;
 - (b) accept any Proposal;
 - (c) if only one (1) Proposal is received, elect to accept or reject it;
 - (d) accept any Proposal, as to a portion of the quantity (in megawatts) of the Services specified therein, if the AESO determines (acting reasonably, having regard to the technical and other capabilities of the Facility) that a Service Provider could not feasibly contract for the entire quantity of the Services set forth in a Proposal;
 - (e) elect not to proceed with the RFP;
 - (f) alter the Timetable, the RFP Process or any other aspect of this RFP; and
 - (g) cancel this RFP and subsequently advertise or call for new Proposals for the subject matter of this RFP.

Without limiting the generality of the foregoing, in submitting a Proposal, each Bidder acknowledges that:

- (i) the AESO may elect to exercise its rights under Section 9.0(1) if the AESO determines, in its sole discretion, that there was insufficient competition amongst the Bidders to produce an effective RFP Process; and
 - (ii) the AESO is not necessarily issuing this RFP to obtain Services at the best possible price, but rather to obtain Services (in a competitive environment) that meets the needs of the System, as determined by the AESO, in its sole and absolute discretion, and, as such, the AESO may elect to accept any Proposal which (having regard to all of the evaluation criteria set forth in Section 6.3(1)(h)) may not have the lowest price.
- (2) If the AESO determines that all or a significant portion of Proposals submitted are non-compliant, not competitive, not technically adequate or not responsive to the requirements of the System, the AESO may, in its sole discretion:
 - (a) take any action in accordance with Section 9.0(1); or
 - (b) carry out a process whereby all Bidders are directed to correct the deficiencies in their Proposals for re-submission, without a change in their Price Submission Sections.

- (3) The AESO shall not be liable for any expense, cost, loss or damage occurred or suffered by any Bidder, or any person connected with any Bidder, as a result of any action referred to in Section 9.0(1) or 9.0(2).
- (4) Subject to any requirements of the Governing Law to the contrary, the AESO will not be obligated to release any information relating to the evaluation of Proposals.

10.0 AGREEMENT FINALIZATION AND DEBRIEFING

10.1 AGREEMENT FINALIZATION

- (1) Subject to Sections 8.0(2) and 9.0, the AESO will notify the Successful Bidders, in writing, that it has been selected as a Successful Bidders.
- (2) At the time the Successful Bidders are notified pursuant to Section 10.1(1) the AESO will send to the Successful Bidders for execution a duly executed copy of the Agreement (as so finalized by the AESO and the Successful Bidders), executed by the AESO.
- (3) The Successful Bidder shall, no later than five (5) business days after receipt of the Agreement or such later date as may be specified in written notice given by the AESO:
 - (a) enter into and execute the Agreement; and
 - (b) submit to the AESO any initial prudential security as defined and identified in such Agreement.
- (4) If a Successful Bidder fails or refuses to enter into and execute the Agreement and provide the documentation in accordance with Section 10.1(3), the AESO may, in its sole discretion, take any one or all of the following actions:
 - (a) terminate all discussions to enter into the Agreement with that Successful Bidder and cancel its identification of a Bidder as a Successful Bidder, whereupon such Bidder acknowledges and agrees that it shall not be entitled to any costs, expenses or damages of any nature from the AESO or the AESO Representatives incurred or suffered by such Bidder as a result of such termination and cancellation;
 - (b) select another Bidder to enter into the Agreement;
 - (c) take any action in accordance with Section 9.0(1); and
 - (d) pursue any other remedy available to the AESO under Governing Law.
- (5) The AESO may, in its sole discretion, cancel its decision to enter into an Agreement with a Successful Bidder if:
 - (a) the AESO elects to exercise its discretion pursuant to Section 7.2, 8.0(2), 9.0 or 10.1(4);

- (b) a change in the joint venture arrangements or ownership structure of the Successful Bidder has occurred which has not been approved by the AESO in accordance with Section 3.13(2) and (3); or
- (c) any other material change has occurred with respect to the Successful Bidder or Successful Bidder's Proposal;

whereupon such Bidder acknowledges and agrees that it shall not be entitled to any costs, expenses or damages of any nature from the AESO or the AESO Representatives incurred or suffered by such Bidder or as a result of such cancellation.

10.2 NOTIFICATION IF NOT SUCCESSFUL

The unsuccessful Bidders shall be notified by the AESO in writing as to their failure in the RFP Process no later than the number of days set out in the RFP Data Sheet after the Award Date.

THIS IS SCHEDULE "A" TO THE REQUEST FOR PROPOSAL DATED MARCH 21, 2011 ISSUED BY THE INDEPENDENT SYSTEM OPERATOR, OPERATING AS AESO

RFP DATA SHEET

RFP SECTION REFERENCE AND DESCRIPTION	ITEM
RFP Section 1.2(1) - Description of Services	<p>The AESO is seeking LSSi for up to the following maximum quantity (in megawatts) on a per Facility basis, from the following minimum number of Facilities and for the following minimum periods of time:</p> <p>Minimum period of time: one (1) or three (3) years</p> <hr/> <p>—</p> <p>Minimum number of Facilities: 1</p> <hr/> <p>—</p> <p>Minimum/Maximum quantity (in megawatts): 1/150 on a per Facility basis</p> <hr/> <p>—</p> <p>A Service Provider shall provide the Services (or the portion for which it is a Successful Bidder) in accordance with the terms of the Agreement.</p>
RFP Section 1.3(3) – Disqualified Facilities	<p>1. Bidders are not permitted to submit a Proposal in response to this RFP for the provision of Services from any Facility if they do not meet the eligibility requirements set forth in the LSSi Requirements.</p>
RFP Section 2.5(1) - Electronic Distribution System	<p>The AESO will use an electronic distribution system in this RFP Process.</p> <p>The electronic distribution system that will, and the method by which it will, be used is set out below:</p> <p>(a) on the date of this RFP, the AESO shall distribute the RFP Documents by posting same on its web site at www.aeso.ca and by mailing same to certain (but not all) persons who the AESO believes may have interest in submitting a Proposal. Thereafter, the AESO will only supplement the RFP Documents by posting on its web site any Addenda to the RFP which become available. In addition, the AESO's response to RFP questions pursuant to Section 3.2(2) will be posted on its website;</p> <p>(b) potential Bidders who wish to receive information to be provided by the AESO pursuant to the RFP Process shall, no later than the Submission Deadline, contact the RFP Project Manager at the co-ordinates set out in this RFP Data Sheet and provide the RFP Project Manager with such potential Bidders' contact information, including a contact name and e-</p>

RFP SECTION REFERENCE AND DESCRIPTION	ITEM																											
	<p>mail address for such potential Bidder;</p> <p>(c) all potential Bidders who comply with the procedure specified in paragraph (b) above shall, subject to paragraph (d) below, thereafter receive all information to be (or which has already been) distributed by the AESO pursuant to the RFP Process. All such information will be provided to such potential Bidders by way of e-mail delivery to the e-mail address provided to the RFP Project Manager pursuant to paragraph (b) above; and</p> <p>(d) only those Bidders that have submitted a Proposal as of the Submission Deadline shall be entitled to receive any information to be distributed by the AESO pursuant to the RFP Process from and after the Submission Deadline. All such information will be provided to such Bidders by way of e-mail delivery to the e-mail address provided to the RFP Project Manager pursuant to paragraph (b) above.</p>																											
RFP Section 3.1 – Timetable	<p>Timetable:</p> <table border="0"> <tr> <td data-bbox="488 1003 521 1031">(a)</td> <td data-bbox="570 1003 911 1031">Issuance of RFP Documents</td> <td data-bbox="1247 1003 1430 1031">March 21, 2011</td> </tr> <tr> <td data-bbox="488 1066 521 1094">(b)</td> <td data-bbox="570 1066 967 1094">Technical Workshop in Edmonton</td> <td data-bbox="1247 1066 1430 1094">March 31, 2011</td> </tr> <tr> <td data-bbox="488 1129 521 1157">(c)</td> <td data-bbox="570 1129 938 1157">Technical Workshop in Calgary</td> <td data-bbox="1279 1129 1430 1157">April 1, 2011</td> </tr> <tr> <td data-bbox="488 1192 521 1220">(d)</td> <td data-bbox="570 1192 1052 1251">Deadline for Bidders to Submit Requests for Clarification/Questions</td> <td data-bbox="1219 1192 1430 1251">April 7, 2011 5:00:00 p.m. MST</td> </tr> <tr> <td data-bbox="488 1287 521 1314">(e)</td> <td data-bbox="570 1287 1049 1314">Issue Response to Questions Document</td> <td data-bbox="1263 1287 1430 1314">April 14, 2011</td> </tr> <tr> <td data-bbox="488 1350 521 1377">(f)</td> <td data-bbox="570 1350 1133 1409">Last day for issuance of Addenda (Except Addenda related to Timetable changes)</td> <td data-bbox="1263 1350 1430 1377">April 21, 2011</td> </tr> <tr> <td data-bbox="488 1444 521 1472">(g)</td> <td data-bbox="570 1444 1016 1503">Deadline for Submission of Proposals (the "Submission Deadline")</td> <td data-bbox="1219 1444 1430 1503">May 5, 2011 5:00:00 p.m. MST</td> </tr> <tr> <td data-bbox="488 1539 521 1566">(h)</td> <td data-bbox="570 1539 711 1566">Award Date</td> <td data-bbox="1138 1539 1430 1566">On or after May 19, 2011</td> </tr> <tr> <td data-bbox="488 1602 521 1629">(i)</td> <td data-bbox="570 1602 992 1629">Notification to unsuccessful Bidders</td> <td data-bbox="1252 1602 1430 1629">August 3, 2011</td> </tr> </table>	(a)	Issuance of RFP Documents	March 21, 2011	(b)	Technical Workshop in Edmonton	March 31, 2011	(c)	Technical Workshop in Calgary	April 1, 2011	(d)	Deadline for Bidders to Submit Requests for Clarification/Questions	April 7, 2011 5:00:00 p.m. MST	(e)	Issue Response to Questions Document	April 14, 2011	(f)	Last day for issuance of Addenda (Except Addenda related to Timetable changes)	April 21, 2011	(g)	Deadline for Submission of Proposals (the " Submission Deadline ")	May 5, 2011 5:00:00 p.m. MST	(h)	Award Date	On or after May 19, 2011	(i)	Notification to unsuccessful Bidders	August 3, 2011
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RFP SECTION REFERENCE AND DESCRIPTION	ITEM
RFP Section 3.2(1) - RFP Project Manager	<p>The RFP Project Manager is Daniel Clark. The co-ordinates of the RFP Project Manager are:</p> <p style="padding-left: 40px;">Independent System Operator, operating as AESO 2500 Calgary Place 330 - 5th Avenue S.W. Calgary, AB T2P 0L4</p> <p style="padding-left: 40px;">Attention: Mr. Daniel Clark Fax: 403-539-2509 E-mail: commercial.services@aeso.ca</p>
RFP Section 3.2(2) - Method of Circulation of Response to Questions Document	<p>The Response to Questions Document will be circulated by way of the electronic distribution system specified, and in the manner provided, above.</p>
RFP Section 5.1(3) - Address of Submission	<p>Bidders shall submit their Proposals to the AESO at the following address:</p> <p style="padding-left: 40px;">Independent System Operator, operating as AESO 2500 Calgary Place 330-5th Avenue S.W. Calgary, AB T2P 0L4</p> <p style="padding-left: 40px;">Attention: Mr. Daniel Clark</p>
RFP Section 5.4 - Proposal Validity Period	<p>The Bidder's Proposal shall remain in effect and open from and after the Submission Deadline until the earlier to occur of (a) the AESO electing to not proceed with this RFP or otherwise cancel this RFP in accordance with the terms hereof, and (b) the AESO issuing a notice to such Bidder pursuant to RFP Section 10.2. In no event shall the Proposal Validity Period extend beyond ninety (90) days after the Submission Deadline.</p>
RFP Section 10.1(1) – Award Date	<p>The AESO will notify the Successful Bidder that it has been selected as a Successful Bidder on or after May 15, 2011.</p>
RFP Section 10.2 – Notification if Not Successful	<p>The AESO will notify each unsuccessful Bidder that it has not been selected as a Successful Bidder no later than ninety (90) days following the Submission Deadline.</p>



THIS IS SCHEDULE "B" TO THE REQUEST FOR PROPOSAL DATED MARCH 21, 2011 ISSUED BY THE INDEPENDENT SYSTEM OPERATOR, OPERATING AS AESO

PROPOSAL SUBMISSION FORM

**TO: Independent System Operator, operating as AESO
2500, 330 - 5th Avenue S.W.
Calgary, AB T2P 0L4
Attention: Mr. Daniel Clark**

RE: Request for Proposals for load shed services for imports issued by the AESO on March 21, 2011 (the "RFP")

1. Bidder Information

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

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

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

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

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

2. Offer

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

- (a) capitalized terms used in this Proposal Submission Form shall have the meanings given thereto in the RFP;
- (b) we have examined the RFP Documents and confirm that we have received all pages of the RFP Documents;
- (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 Documents;
- (d) by the submission of our Proposal we submit a binding offer to provide the Services in accordance with the terms and conditions of the Agreement; for the compensation set out in the Price Submission Section of our Proposal and in accordance with the RFP Documents;
- (e) our Proposal is based on the terms and conditions of the RFP Documents;
- (f) the prices contained in our Price Submission Section are based on the terms and conditions of the RFP Documents; and
- (g) we agree to hold our Proposal open for acceptance until the expiration of the Proposal Validity Period set out in the RFP Documents.

We affirm and declare that we have sufficiently informed ourselves in all matters affecting the cost of the Services, that we have checked our Proposal for errors and omissions and that the prices stated in this Proposal are each correct and as intended. It is further understood that we, the Service Provider, will be compensated for Services provided as called for in the Agreement.

3. Conflict of Interest and Confidential Information

- (a) We confirm that we do not have any direct or indirect actual or perceived conflict of interest or any other type of unfair advantage in submitting our Proposal or performing or observing 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 colluded with any other Bidder nor have we engaged in any political or other lobbying activity with a view of influencing the outcome of this RFP Process.

- (c) We confirm that we have not had access to the AESO's confidential information, other than the RFP Documents themselves, with respect to this RFP Process, except as disclosed as follows:

(1) Conflict of Interest

The following are existing or potential conflicts of interest:

1. _____
2. _____
3. _____

[Bidder to add more rows if necessary.]

OR

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

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

(2) Confidential Information

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

1. _____
2. _____
3. _____

[Bidder to add more rows if necessary.]

OR

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

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

Dated this ____ day of _____, 2011.

Signed by person or persons authorised to
bind the Bidder in accordance with *RFP*
Section 4.3

Print Name and Title of Person Signing

Signed by person or persons authorised to
bind the Bidder in accordance with *RFP*
Section 4.3

Print Name and Title of Person Signing

Signed by person or persons authorised to
bind the Bidder in accordance with *RFP*
Section 4.3

Print Name and Title of Person Signing

Signed by person or persons authorised to
bind the Respondent in accordance with *RFP*
Section 4.3

Print Name and Title of Person Signing



THIS IS SCHEDULE "C" TO THE REQUEST FOR PROPOSAL DATED MARCH 21, 2011 ISSUED BY THE INDEPENDENT SYSTEM OPERATOR, OPERATING AS AESO

CREDIT REVIEW FORM

Bidder's Legal Name		Bidder's business name, if different		
Address of Principal Place of Business				
City	Province/ State	Postal code / Zip	Main Corporate Telephone No.	
Unsecured Credit Ratings				
Circle One: Moody's: Pos / Neg / Stable DBRS: Pos / Neg / Stable S&P: Pos / Neg / Stable Other: (please provide information)		Circle one: Aaa, Aa1, Aa2, Aa3, A1, A2, A3 Baa1, Baa2, Baa3 AAA, AA high, AA Flat, AA low, A high, A flat, A low, BB high, BBB flat, BBB low AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-		
Credit Contact	Telephone	Fax	E mail	
Other Information				
1. Has the Bidder filed for, or been in bankruptcy at anytime during the past 7 years? <input type="checkbox"/> Yes <input type="checkbox"/> No				
2. The following financial information must accompany this Application: <input type="checkbox"/> A general description of the Applicants business, its business risk and how it manages its business risks; <input type="checkbox"/> Listing of company officers and board of directors; and <input type="checkbox"/> Other financial information (if audited financial statements are not available).				
3. If available, the following financial information is to be provided with this Application: <input type="checkbox"/> Audited financial statements for the most recent fiscal year; <input type="checkbox"/> Financial statements for the most recent financial quarter; and <input type="checkbox"/> Management Discussion and Analysis.				
Conditions				
a) The information provided by the Applicant in and with this application true and accurate. b) The Applicant acknowledges its responsibility to provide the AESO with prompt notification of material changes to its financial condition. c) The Applicant specifically authorizes the AESO to investigate on an ongoing basis, the Applicant's credit history and creditworthiness.				



LSSi Request for Proposals

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.

Signature

Title

Printed Name

Date

Signature

Title

Printed Name

Date

**THIS IS SCHEDULE "D" TO THE REQUEST FOR PROPOSAL DATED MARCH 21, 2011 ISSUED BY
THE INDEPENDENT SYSTEM OPERATOR, OPERATING AS AESO**

PRICE FORM

Bidders please note, while not all definitions set forth below are required for the calculation of Arming Price the remaining definitions has been retained for convenience to allow a full calculation of Purchase Price.

The Bidder shall complete this Price Form in its entirety. The amount determined below shall be the "Arming Payment" used in determining the Purchase Price for the purposes of the Agreement, including Section 4.1 and Schedule "B" thereof. Capitalized terms used in this Schedule but not defined in the RFP shall have the meaning provided to them in the Agreement and, in addition:

1.1 Definitions

- (a) **"Actual Volume"** means the total amount of real power (in MW) being consumed by the Service Provider that is subject to LSSi.
- (b) **"Armed Volume"** means the amount of real power (in MW) agreed by the Service Provider to be Armed for LSSi following a Dispatch.
- (c) **"Arming Payment"** means the sum of all Hourly Arming Payments for the applicable Month where the Service Provider provided Armed Volume.
- (d) **"Arming Price"**, for any given hour, means **[\$[Bidder to insert amount]/MW**
- (e) **"Arming Volume"** for each Hourly Dispatch Period means the lesser of:
 - (i) 0 MW, when the average Actual Volume for such Hourly Dispatch Period is not within the tolerance band of the Dispatched Volume established in the LSSi Requirements; or
 - (ii) the Armed Volume, when the average Actual Volume for such Hourly Dispatch Period is within the tolerance band of the Dispatched Volume established in the LSSi Requirements.
- (f) **"Availability Payment"** means the sum of all Hourly Availability Payments for the applicable Month where the Service Provider was capable of responding to a Dispatch and to provide LSSi.
- (g) **"Availability Price"** means \$5/MW.
- (h) **"Availability Volume"** means for any given hour, any one of the following
 - (i) the lesser of the average Actual Volume and the minimum Offered Volume in such hour when the Dispatched Volume is 0 MW in such hour;
 - (ii) the greater of the minimum Offered Volume and the minimum Armed Volume in such hour when the Dispatched Volume is greater than 0 MW in such hour;

- (iii) the greater of the minimum Offered Volume and the minimum Armed Volume in such hour when both the Dispatched Volume and the Trip Volume are greater than 0 MW in such hour;
- (iv) 0 MW when:
 - (A) the Arming Volume is 0 MW for such hour; and
 - (B) the Armed Volume is greater than 0 MW for such hour; or
- (v) 0 MW when a Trip does not occur in accordance with the LSSi Requirements in such hour.
- (i) **"Dispatch"** means "ancillary services dispatch", as defined in the ISO Authoritative Document Consolidated Glossary
- (j) **"Dispatched Volume"** means the amount of real power (in MW) Dispatched by the System Controller to be armed for LSSi.
- (k) **"Hourly Arming Duration"** means the number of minutes in the Hourly Dispatch Period that the load was Armed.
- (l) **"Hourly Arming Payments"** for any given hour, means the sum of all Hourly Dispatch Period Arming Payments in such hour.
- (m) **"Hourly Availability Payments"** for any given hour, means:

[Availability Volume X Availability Price]
- (n) **"Hourly Dispatch Period Arming Payment"** means for each Hourly Dispatch Period:

[Arming Volume X Arming Price X Hourly Arming Duration] / 60
- (o) **"Hourly Dispatch Period"** means, within a given hour, a period of time of no greater than sixty (60) minutes during which there is Armed Volume. For greater certainty for any given hour there may be multiple Hourly Dispatch Periods.
- (p) **"Hourly Trip Payments"** means:

[Trip Volume X Trip Price]
- (q) **"Offered Volume"** means, in any given hour, the amount of real power (in MW) offered by the Service Provider for LSSi.
- (r) **"System Controller"** means the "system controller", as defined in the ISO Authoritative Document Consolidated Glossary.
- (s) **"Trip"** means the disconnection of the Contracted Load from the System within 0.2 seconds (twelve (12) cycles) of the frequency reaching 59.50 Hz (+/- 0.02 Hz).
- (t) **"Trip Payment"** means the sum of the Hourly Tripping Payments for the applicable month where the Service Provider's LSSi Facility was Tripped.

- (u) **"Trip Price"** means \$1000/MW.
- (v) **"Trip Volume"** means, when a Trip occurs in accordance with the LSSi Requirements, the lesser of the Actual Volume and the Armed Volume.

1.2 Calculation of Purchase Price

The price to be paid by AESO to the Service Provider for the purchase of the LSSi Services under the Agreement (the **"Purchase Price"**) will be calculated on a monthly basis as the sum of:

- (a) the Availability Payment;
- (b) the Arming Payment; and
- (c) the Trip Payment.

**THIS IS SCHEDULE "E" TO THE REQUEST FOR PROPOSAL DATED MARCH 21, 2011 ISSUED BY
THE INDEPENDENT SYSTEM OPERATOR, OPERATING AS AESO**

LIQUIDATED DAMAGES FORM

The Bidder shall complete this Liquidated Damages Form in its entirety. The amount determined below shall be the "liquidated damages" used in Section 8.4(a) of the Agreement. Capitalized terms used in this Schedule but not defined in the RFP shall have the meaning provided to them in the Agreement and, in addition:

"Agreement Default" means any material misrepresentation or breach of warranty made by a Party, or the failure by a Party to perform or observe in any material respect any of the covenants or agreements to be performed by such Party under this Agreement, except for the covenants contained in Sections 8.1(a)(i), 8.1(a)(iii), 8.1(a)(iv) or 8.1(a)(v) of this Agreement, or any other agreement delivered in connection herewith;

"Insolvency Event" means, in relation to any Person, the occurrence of one or more of the following:

- (a) an order is made or an effective resolution passed for the winding-up, liquidation or dissolution of such Person;
- (b) such Person institutes proceedings for its winding up, liquidation or dissolution, or take action to become a voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a proposal, a notice of intention to make a proposal, a petition or answer or consent seeking reorganization, readjustment, arrangement, composition or similar relief under any bankruptcy law or any other similar Applicable Law or consents to the filing of any such petition, or consents to the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of all or a substantial part of the property of such Person or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they come due or commits any other act of bankruptcy, or suspends or threatens to suspend transaction of its usual business, or any action is taken by such Person in furtherance of any of the aforesaid;
- (c) a court having jurisdiction enters a decree or order adjudging such Person a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition or similar relief under any bankruptcy law or any other similar Applicable Law, or a decree or order of a court having jurisdiction for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of all or a substantial part of the undertaking or property of such Person, or for the winding up, dissolution or liquidation of its affairs, is entered and such decree, order or petition is not contested and the effect thereof stayed, or any material part of the property of such Person is sequestered or attached and is not returned to the possession of such Person or released from such attachment within twenty (20) days thereafter; or
- (d) any proceedings, voluntary or involuntary, is commenced, or an order or petition is issued, respecting such Person pursuant to any Applicable Law relating to bankruptcy, insolvency, reorganization of debts, liquidation, winding-up or dissolution;
- (e) such Person causes or institutes any proceeding for its dissolution or termination;

- (f) such Person is generally not paying its debts as they become due, or such Person makes a general assignment for the benefit of creditors.

Event of Default by the AESO

The AESO shall be in default under this Agreement upon the happening or occurrence of any of the following events, each of which shall be deemed to be an event of default with respect to the AESO for the purposes of this Agreement (an "**AESO Event of Default**"):

- (a) an Insolvency Event by or in relation to the AESO; or
- (b) an Agreement Default by or in relation to the AESO and such default has not been cured (or, to the extent such breach is incapable of being cured retrospectively, then cured prospectively) within thirty (30) days following notice thereof from the Service Provider.

Remedies on AESO Event of Default

Upon the occurrence of an AESO Event of Default, the Service Provider may terminate this Agreement by delivery of a notice of termination to the AESO and, effective as of the date of such termination, declare an amount equal to **[\$Bidder to insert amount]** immediately due and payable on account of liquidated damages.



THIS IS SCHEDULE "F" TO THE REQUEST FOR PROPOSAL DATED MARCH 21, 2011 ISSUED BY THE INDEPENDENT SYSTEM OPERATOR, OPERATING AS AESO

VOLUME FORM

The Bidder shall complete this form in its entirety.

1. Number of megawatts of Load that will be available for supply under the Agreement: _____

2. Will the Load available for a supply increase in the future? (Please select) Yes No

3. If the answer to item 2 above is yes,

a. please indicate the increase of the Load in megawatts: _____

b. please provide the timeframe for when this additional Load will be available:

[Bidder to add more rows if necessary.]

c. please provide a description of how you intend to achieve the increase in Load:

[Bidder to add more rows if necessary.]



THIS IS SCHEDULE "G" TO THE REQUEST FOR PROPOSAL DATED MARCH 21, 2011 ISSUED BY THE INDEPENDENT SYSTEM OPERATOR, OPERATING AS AESO

RFP QUESTIONS FORM

Name of Bidder: _____
Address of Bidder: _____
(including e-mail) _____

Telephone Number _____
of Bidder _____

RFP Document or Agreement Section Reference	Question



**THIS IS SCHEDULE "H" TO THE REQUEST FOR PROPOSAL DATED MARCH 21, 2011 ISSUED BY
THE INDEPENDENT SYSTEM OPERATOR, OPERATING AS AESO**

LSSi REQUIREMENTS

The LSSi Requirements can be accessed at:
http://www.aeso.ca/downloads/LSSi_Requirements.pdf



**THIS IS SCHEDULE "I" TO THE REQUEST FOR PROPOSAL DATED MARCH 21, 2011 ISSUED BY
THE INDEPENDENT SYSTEM OPERATOR, OPERATING AS AESO**

FORM OF AGREEMENT

The form of the Agreement can be accessed at:

http://www.aeso.ca/downloads/LSSi_Agreement_-_March_20_2011_FINAL.pdf