



February 24, 2016

## **Battle River 5 PPA - Buyer Termination**

On December 11, 2015 the Balancing Pool received formal notice from Enmax PPA Management Inc. ("ENMAX") of its intention to terminate the Battle River 5 PPA effective January 1, 2016.

ENMAX's decision was triggered by the increased costs that will be imposed on Battle River 5 and other large emitters under the changes to the Specified Gas Emitters Regulation and related Climate Change Emissions Management Fund that became effective January 1, 2016 and that served to increase the cost of carbon and thereby increasing compliance costs for Battle River 5.

On January 27, 2016 the Balancing Pool sent a letter to ENMAX verifying the occurrence of an extraordinary event and confirming their right to terminate the Battle River 5 PPA pursuant to Article 4.3 (j) thereof.

Given ENMAX's decision to terminate, the Balancing Pool becomes the default Buyer of the Battle River 5 PPA and we will be responsible for offering the capacity into the market and making the Capacity and Energy Payments to ATCO Power.

The Balancing Pool will have the options of continuing to hold the PPA, reselling the PPA, or terminating the PPA by paying the Owner a Termination Payment equal to the Net Book Value. The Balancing Pool held a Board meeting on January 21, 2016 to review our options with respect to the Battle River 5 PPA development. A decision was tabled pending further considerations of our options.

For further information:

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