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For Immediate Release

Balancing Pool to Consult with Customer Representatives about the Reasonableness of Power Purchase Arrangement (“PPA”) Terminations

CALGARY, ALBERTA, July 4, 2017

In late 2015 / early 2016, various PPA Buyers elected to return their respective PPAs to the Balancing Pool under the terms of the arrangements. The Balancing Pool is of the view that terminating a subset of these PPAs is in alignment with the organization’s mandate requiring it to manage its generation assets in a commercial manner and to conduct itself in a fashion that is not contrary to a fair, efficient, and openly competitive (“FEOC”) market.

Specifically, the Balancing Pool considers it reasonable to terminate the Sundance A, Sundance B, and Sundance C PPAs.

Under Section 97 of the Electric Utilities Act (the “Act”), “the Balancing Pool may... terminate [a] power purchase arrangement if the Balancing Pool:

- “Consults with representatives of customers and the Minister about the reasonableness of the termination,
- “Gives to the owner of the generating unit to which the power purchase arrangement applies 6 months' notice, or any shorter period agreed to by the owner, of its intention to terminate, and
- “Pays the owner or ensures that the owner receives an amount equal to the remaining closing net book value of the generating unit, determined in accordance with the power purchase arrangement, as if the generating unit had been destroyed, less any insurance proceeds.”

To facilitate the consultation process with customer representatives, the Balancing Pool has prepared an information package that provides the relevant background on the Balancing Pool, the PPAs, and the Balancing Pool’s view that it is reasonable for the Sundance PPAs to be terminated. The Balancing Pool has identified a number of customer representatives that will be provided the information package and given the opportunity to provide written feedback

regarding the reasonableness of the potential PPA terminations. In addition, the information package has been made publically available on the Balancing Pool's website <http://www.balancingpool.ca>.

The customer representatives identified that will be given the opportunity to provide feedback include:

- Utilities Consumer Advocate (UCA)
- City of Calgary
- Alberta Direct Connect (ADC)
- Industrial Power Consumers Association of Alberta (IPCAA)
- Consumers Coalition of Alberta (CCA)
- Alberta Irrigation Projects Association (AIPA)
- Alberta Urban Municipalities Association (AUMA)
- Alberta Association of Municipal Districts and Counties (AAMDC)
- Alberta Federation of Rural Electrification Associations (AFREA)
- EQUUS REA

If a customer representative is not on the list above and wishes to request the opportunity to provide its own feedback, the representative should make the request in writing and to articulate why it believes its interests are materially different from those of the groups already identified. Please send such requests to Benjamin Chappell at ben.chappell@balancingpool.ca no later than July 11th, 2017.

For more information or for media inquiries, please contact:

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