

RENEWABLE SUBSCRIPTION SERVICE TERMS

GENERAL

The customer is a Person who owns/rents a dwelling located in Saskatchewan and wishes to procure RECs representing environmental attributes related to the production of Renewable Electricity in Saskatchewan from the City of Saskatoon (the “Customer”);

The City of Saskatoon offers a voluntary REC subscription service (the “Renewable Subscription Service” or “Service”) to assist its customers in achieving their own sustainability goals and demonstrating their commitment to reducing greenhouse gas emissions in Saskatchewan, by providing customers with the ability to subscribe for RECs, which RECs will include an entitlement to all environmental attributes associated with the generation of Renewable Electricity;

The City of Saskatoon owns, operates and/or has entered into purchase agreements with the developers of various electricity generation facilities which produce Renewable Electricity or RECs for the delivery to the City (each such facility, a “Renewable Facility” and collectively, the “Renewable Facilities”); and

The City of Saskatoon and the Customer are entering into this Agreement to confirm the terms on which the Customer will subscribe for RECs in connection with Renewable Electricity generated by some or all of the Renewable Facilities from time to time.

1. DEFINITIONS

The following words and terms will have the following meanings:

- (a) “Agreement” means this Renewable Subscription Service Terms between the Parties as may be amended from time to time.
- (b) “Application Form” means the Renewable Subscription Service application form completed by the Customer.
- (c) “Business Day” means any day, excluding Saturdays, Sundays and any other days which are statutory holidays in the City of Saskatoon.
- (d) “Customer” has the meaning set out in the recitals to this Agreement.
- (e) “Customer Property” means those buildings and facilities owned or operated by the Customer within the City of Saskatoon and described in the Application Form, as may be revised, replaced or supplemented from time to time, in accordance with Article 8.
- (f) “Defaulting Party” has the meaning given to that term in Article 10.
- (g) “Early Termination Date” has the meaning given to that term in Article 10.3.

- (h) “Effective Date” shall mean the date the Customer agrees to be bound by the terms of the Renewable Subscription Service under the Application Form beginning on the start date of the current billing cycle when the application is processed.
- (i) “Environmental Attribute” means, with respect to a Renewable Facility, any positive attribute directly associated with, or that may be derived from, a quantity of Renewable Electricity generated by that Renewable Facility having decreased environmental impacts relative to certain other generation facilities or technologies, and that is capable of being measured, verified or calculated by a certifying authority, which may include:
 - (i) any credit, reduction right, off-set, allowance, allocated pollution right, certificate or other unit resulting from the actual or assumed reduction, displacement or off-set of greenhouse gas or other emissions as a result of the generation of electricity from the Renewable Facility;
 - (ii) any credit, reduction right, off-set, allowance, allocated pollution right, certificate or other unit, resulting from the reduction, removal or sequestration of emissions at or from the Renewable Facility; and
 - (iii) all revenues, entitlements and benefits arising directly from items (i) or (ii) above, but excludes: (i) energy, capacity, reliability, or other power attributes of the Renewable Facility; (ii) tax credits or deductions, financial incentives, filed rates, feed-in tariffs, grants or subsidies associated with the construction or operation of, or generation of electricity by, the Renewable Facility or use of particular fuels; (iii) credits, benefits, emissions reductions, offsets, and allowances used for, or required to comply with, applicable laws or requirements in connection with operating the Renewable Facility or other City of Saskatoon generation facilities; and (iv) benefits or proceeds from environmental incentive programs offered by Government Authorities, or benefits or proceeds from social programs, in each case including programs relating to northern or rural development, employment or skills training, or First Nations, that in either case do not require a transfer of the attributes referred to in this definition.
- (j) “Event of Default” has the meaning given to that term in Article 10.
- (k) “Force Majeure Event” has the meaning given to that term in Article 6.
- (l) “Government Authority” means any federal, provincial or local governments or any of their boards or agencies, or any regulatory body.
- (m) “Monthly Allocation” means the amount (in kWhs or MWhs) of RECs from the Renewable Facilities allocated to the Customer in a given month, calculated by the percentage amount specified in the Application Form multiplied by the Monthly Load.
- (n) “Monthly Load” means the aggregate amount (in kWhs or MWhs) of electricity supplied by the City and consumed by the Customer Properties in a given month, as determined by the City’s metering equipment located at each of the Customer Properties.

- (o) "Monthly Tariff Payment" means each monthly payment to be paid by the Customer pursuant to this Agreement, which monthly amount will be equal to the Monthly Allocation multiplied by the RSS Tariff.
- (p) "Party" means the City or the Customer, as the case may be, and "Parties" means both of them.
- (q) "Person" means and includes natural persons, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, limited liability companies, unlimited liability companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof.
- (r) "Program Year" means the period of 365 days (or 366 days in leap years) starting from the first of April, except that, if the Effective Date is a date other than April 1, the first Program Year of the Term shall commence on the Effective Date and shall end on March 31 (and such year shall therefore be pro-rated to reflect only the remaining calendar months in such Program Year) for all purposes of this Agreement.
- (s) "REC" means a renewable energy credit, certificate, allowance, green tag or other transferable indicia, howsoever entitled, representing environmental attributes created by or pursuant to a particular program or certifying authority and associated with the generation of a specified quantity of Renewable Electricity from a Renewable Facility, separate from the Renewable Electricity produced. One REC represents the environmental attributes made available by the generation of 1 MWh of Renewable Electricity.
- (t) "Regulatory Change" means a change in applicable laws or regulatory requirements (including new or revised compliance requirements) or decisions of a court or tribunal with jurisdiction, that results in:
 - (i) a material increase in the costs associated with production and/or delivery of Renewable Electricity or associated RECs; or
 - (ii) a material increase in the market price of RECs.
- (u) "Renewable Electricity" means electricity generated by a Renewable Facility from a Renewable Energy Source.
- (v) "Renewable Energy Source" means an energy resource that occurs naturally and that can be replenished or renewed within a human lifespan, including, but not limited to:
 - (i) moving water;
 - (ii) wind;
 - (iii) heat from the earth;

- (iv) sunlight; and
- (v) sustainable biomass.
- (w) “Renewable Facility” has the meaning set out in the recitals to this Agreement.
- (x) “Renewable Subscription Service” has the meaning set out in the recitals to this Agreement.
- (y) "RSS Tariff " means the surcharge amount payable per REC allocated to the Customer by the City as part of the Renewable Subscription Service contemplated by this Agreement, being \$15.00/REC, subject to adjustment in accordance with Article 7.1.
- (z) “Term” means the aggregate duration of this Agreement.

1.2 Interpretation

The word “including” or “includes” is not limiting whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar meaning) is used with reference to it.

2. TERM AND TERMINATION

This Agreement will be effective on the Effective Date and will remain in effect unless terminated earlier in accordance with the terms of this Agreement. Articles 1, 10, 12 and 13 will survive termination of this Agreement.

3. PURCHASE AND SALE OF ELECTRICITY AND RECS

3.1. Renewable Electricity Generation and Electricity Purchase and Sale

Subject to Article 6, beginning on the Effective Date, the City will, in each month during the Term, deliver Renewable Electricity from some or all of the Renewable Facilities to the Saskatoon Light & Power grid for purposes of delivering electricity to the City’s customers. During the Term, the City shall continue to make available to the Customer electricity from the Saskatoon Light & Power grid, and the Customer shall be entitled to purchase electricity from the City grid, all in accordance with the City’s standard electricity terms of service.

3.2. REC Purchase and Sale Obligations

Subject to Article 6, following the Effective Date, the City will sell to the Customer and the Customer will, in each calendar month of the Term, purchase from the City, RECs in an amount equal the Monthly Allocation.

3.3. No Sale of Renewable Electricity

For certainty, nothing in this Agreement shall obligate the City to sell to the Customer any Renewable Electricity and the purchase and sale of RECs contemplated by this Agreement shall be effected through a monthly allocation by the City to the Customer of RECs in an amount equal to the Monthly Allocation and by the retirement by the City of such RECs, on behalf of the Customer. As consideration for the

allocation and retirement of RECs hereunder, the Customer shall pay a Monthly Tariff Payment, as reflected as a separate line item from the energy and/or demand charge in the Customer's monthly invoice for electricity from the City, all as further contemplated by Article 9. Such payment shall be made in accordance with the terms and conditions applicable to payments made in the normal course under such invoices, as such terms and conditions may be supplemented by this Agreement. In the event of any conflict between the terms and conditions hereof and the terms and conditions applicable to normal course invoices referred to above, the terms of this Agreement shall take precedence.

3.4. Retirement of RECs

RECs to be sold and purchased in accordance with this Agreement will be held and retired by the City, for and on behalf of the Customer, in compliance with applicable certifying program requirements and/or applicable regulatory standards and in accordance with Article 5.1.

3.5. Purchase of Additional Renewable Energy Certificates

The City may, in its sole discretion, purchase renewable energy certificates from electricity generation facilities which produce renewable electricity from a Renewable Energy Source and which are not owned or operated by the City and allocation to the Customer of renewable energy certificates related to such renewable electricity shall be deemed to be sufficient delivery of RECs for purposes of this Agreement.

4. REPRESENTATIONS AND WARRANTIES REGARDING RECS

4.1. Representations and Warranties Regarding RECs

The City will be deemed to have represented and warranted to the Customer at the time of purchase and sale of RECs as contemplated by this Agreement that:

- (a) the City has good and marketable title to the RECs;
- (b) the City has not sold the RECs in question to any other Person; and
- (c) the environmental attributes represented by the RECs have not been included in, nor will they be included, in the City's own greenhouse gas emissions targets or other reduction calculations.

Unless specified above, no representation or warranty regarding the particular requirements for RECs (or associated environmental attributes) will be deemed to have been given. The City makes no claims respecting certification or verification of RECs (or associated environmental attributes) except as set out above.

4.2. No Other Representations or Warranties

Except as expressly provided in this Agreement, all other representations or warranties, written or oral, express or implied, including any representation or warranty of merchantability or fitness for any particular purpose are hereby expressly disclaimed. Without limiting the generality of the foregoing, except as expressly provided in this Agreement, the City makes no representation: (i) that the RECs sold

and purchased hereunder will meet any particular requirements or will have any particular use or value or will be eligible for any particular renewable portfolio standard, green pricing program or governmental or voluntary compliance program or will offset, avoid, reduce or obtain credit for any reduction of pollutants or air emissions created by the Customer's or any other Person's electric generating facilities or any other facilities; or (ii) as to whether Renewable Electricity supplied hereunder will be generated by any specific Renewable Facility.

5. RETIREMENT OF RECS

5.1. The City's Actions Regarding Sale and Retirement of RECs

The City will take all administrative actions reasonably required to ensure that ownership of the RECs sold as contemplated by this Agreement are appropriately credited to, and retired on behalf of, the Renewable Subscription Service.

6. FORCE MAJEURE / UNIT OUTAGES

6.1. The term "Force Majeure Event" means an event or circumstance not within the reasonable control of, and not as a result of the negligence of, the Party invoking Force Majeure, and, subject to the foregoing, includes without limitation:

- (a) natural disasters including, hurricanes, tornados, earthquakes, landslides, floods, washouts, and major storms;
- (b) fires or explosions;
- (c) strikes, lockouts or other labour disturbances;
- (d) civil disturbances, sabotage, war, acts of terror, blockades, insurrections, vandalism and riots;
- (e) epidemics or pandemics, excluding specific legal or regulatory requirements or restrictions which exist as at the date of this Agreement and relate to the existence or management of Covid 19;
- (f) actions or restraints by Government Authorities, or the order of any court or the directive or ruling of any Government Authority or administrative body;
- (g) inability to obtain or delay in obtaining or revocation or amendment of any permit, authorization or approval of any Government Authority required to perform or comply with any obligation under this Agreement, unless the inability, delay, revocation or modification of any such necessary permit, authorization or approval was caused by the breach or violation of the terms thereof or consented to by the Party invoking a Force Majeure Event;

Without limiting the foregoing, a Force Majeure Event may include a Regulatory Change. Lack of funds will not constitute a Force Majeure Event.

6.2 Reliance on Force Majeure Event

A Party will not be considered to be in breach of this Agreement to the extent that a failure to perform its obligations under this Agreement (including a failure by the City to satisfy the representations and warranties in Article 4.1 at the time of delivery of RECs under this Agreement) is due to a Force Majeure Event.

6.3 Notice/Due Diligence to Overcome

Any Party rendered unable to fulfill any of its obligations by reason of a Force Majeure Event must give prompt notice of such fact and must exercise reasonable diligence in efforts to remove such inability within a reasonable time period, provided that the settlement of strikes, lockouts or blockades shall be wholly within the sole and unfettered discretion of the Party involved. If oral notice is provided, it will be promptly followed by written notice.

6.4 Unit Outages

The RECs delivered in accordance with this Agreement are “unit contingent”, and, without limitation to any other provisions of this Article 6, the City will be excused from the obligation to deliver RECs in respect of any time when, and to the extent that, one or more of the Renewable Facilities is not operating or is derated for any reason, with the result that aggregate RECs available for allocation and sale to the Customer is less than the amount of RECs to be allocated and sold pursuant to Article 3.2. In such circumstances, the number of RECs delivered to the Customer and any other buyer of RECs from the Renewable Facilities pursuant to the City’s Renewable Subscription Service will be prorated.

6.5 Equipment and Renewable Energy Sources

Without limitation to any other provisions of this Article 6, the City will not be considered to be in breach of this Agreement to the extent that a failure to perform its obligations under this Agreement (including a failure to satisfy the representations and warranties in Article 4.1 at the time of delivery of RECs under this Agreement) is due to:

- (a) impossibility of obtaining transport of major equipment;
- (b) equipment malfunction or failure at one or more Renewable Facilities or related transmission facilities, whether related to planned maintenance or otherwise, which cannot be overcome by the City, using commercially reasonable efforts, in a sufficiently timely manner as to allow delivery of RECs in accordance with this Agreement; or
- (c) inability of any Renewable Facility to produce Renewable Electricity to full capacity due to scarcity of any Renewable Energy Source for any period of time.

In the event of such circumstances, the City shall give written notice of such fact to the Customer and shall exercise reasonable diligence in efforts to remedy such circumstances within a reasonable time period. If such circumstances prevent the City from performing its obligations under this Agreement for a period greater than 90 days following delivery of such notice, then either party shall have the

right to terminate this Agreement without cost or penalty. For certainty, the Customer shall have no right to seek damages or other costs or expenses upon such termination.

7. REGULATORY CHANGE

7.1. Regulatory Change

Subject to Article 7.3, and without limitation to any provisions of Article 6, in the event of a Regulatory Change after the Effective Date, the Parties agree to following the Regulatory Change, adjust the RSS Tariff, which the Parties agree should fairly reflect the impact of the Regulatory Change on the costs associated with the production and/or delivery of Renewable Electricity or associated RECs as contemplated by this Agreement and/or the market value of RECs associated with Renewable Electricity.

7.2. Termination Right

If the Parties are unable to agree on the new RSS Tariff within 30 days of both Parties becoming aware of a Regulatory Change, the City may, in its sole discretion, immediately terminate this Agreement upon written notice to the other Party.

7.3. Automatic Termination

To the extent that any action taken by a Government Authority or court or tribunal with jurisdiction renders delivery of RECs under this Agreement illegal under applicable laws or regulatory requirements, this Agreement will terminate with immediate effect.

8. CUSTOMER PROPERTIES AND MATERIAL CHANGES

8.1. Material Change to Customer Details

Material changes to Customer details will require the Customer to resubmit the Application Form. The City may, in its sole discretion, request such additional information as the City may require to assess the City's ability to accommodate the Customer's request and retains the right of refusal to any such request.

8.2. Decrease in Monthly Allocation Percentage

At any time during the Term, the Customer may provide the City with notice that it wishes to decrease the percentage input for calculation of its Monthly Allocation. The City will then calculate the Monthly Allocation, and allocate RECs to the Customer, in accordance with such decreased amount in their next billing cycle.

9. PAYMENT

9.1. The City Statement

After the Effective Date, the City will include in each of the Customer's normal course monthly electricity invoices, an additional amount payable by the Customer, being the Monthly Tariff Payment, which will be reflected as a separate line item from the energy and/or demand charge otherwise included in such invoice. Following the end of each Program Year, the City will review the Monthly Allocations for such

Program Year made and if the number of RECs delivered by the City is less than the agreed number the Customer shall be credited an amount equal to the deficiency to reconcile with the agreed amount under the Service.

9.2. Payment and Interest

The Customer will pay for Monthly Tariff Payments in accordance with the payment terms for its normal course electricity bills. Monthly Tariff Payments which are not paid by the applicable due date will accrue interest charges, prorated by days from the due date of the payment up to, and including, the date in which payment is received and at the same rate as would apply to the Customer's normal course electricity bills.

9.3. Disputed Statements

If the Customer in good faith disputes any portion of a statement or calculation delivered as provided in Article 9.1, the Customer will nevertheless pay any Monthly Tariff Payments which are due and payable and will notify the City of the dispute within 10 Business Days of receiving the applicable statement, together with a written explanation of the dispute and the amount in dispute. The Parties will use best efforts to resolve the dispute amicably and promptly.

9.4. Taxes and Fees

The Customer will be responsible for any federal, provincial or local taxes, imposed upon it in connection with the sale of RECs under this Agreement. Each Party will be responsible for the payment of any fees, including brokers fees, incurred by it in connection with the sale or retirement of RECs in accordance with this Agreement.

10. **EVENTS OF DEFAULT**

10.1. Events of Default

An event of default under this Agreement ("Event of Default") means, with respect to a Party (the "Defaulting Party"), any of the following:

- (a) the failure by the Customer to make, when due, any payment required under Article 9 of this Agreement, including payment due under disputed statements;
- (b) the unexcused material and continuous failure of the City to retire RECs required to be retired under this Agreement; or
- (c) any other material default under this Agreement, provided that, such circumstances shall not become an Event of Default unless and until the non-defaulting Party has delivered notice in writing of such circumstances to the Defaulting Party and the Defaulting Party has failed to remedy such circumstances within 15 Business Days following such notice (or where such circumstances cannot be remedied within such time period, the Defaulting Party has failed to commence to remedy and to continue to use diligent efforts to fully remedy such circumstances).

10.2 Remedies

If an Event of Default occurs and is continuing, the non-defaulting Party may, in its sole discretion, upon no less than 20 days' notice to the Defaulting Party terminate this Agreement (the effective date of such notice being the "Early Termination Date"). On the Early Termination Date, all obligations under this Agreement which would have been performed or completed after the Early Termination Date will be terminated, except as provided under Article 10.3.

10.3 Early Termination Date

Any amounts owing but unpaid in respect of RECs retired prior to the Early Termination Date will remain amounts owing under the City's normal course invoices for electricity.

11. **ADDITIONAL TERMINATION RIGHTS**

11.1. Early Termination by the City

In addition to any other right to terminate this Agreement expressly set out in any other provision of this Agreement, and in addition to all other rights and remedies the City may have under this Agreement, or at law or in equity, the City may terminate this Agreement, by notice to the Customer, if the City determines, acting reasonably, that in order for the City to meet its own obligations under Applicable Laws it requires, for its own use, the environmental attributes that would otherwise be allocated to the Customer by sale of RECs in accordance with this Agreement.

11.2. Termination for Convenience

The City may terminate this Agreement in its entirety without cause at its sole discretion upon 30 days notice to the Customer.

11.3. Termination Upon Change of Law

Without limitation to Article 11.1, and in addition to all other rights and remedies of the Parties under this Agreement, or at law or in equity, either Party may terminate this Agreement, by notice to the other Party, if it determines, acting reasonably, that as a result of a change in Applicable Laws or governmental policy, compliance with this Agreement will result in a failure of such Party to comply with Applicable Laws.

12. **DISPUTE RESOLUTION**

12.1. Reasonable Efforts

The Parties shall make all reasonable efforts to resolve all disputes arising under or relating to this Agreement by negotiation and shall provide, without prejudice, open and timely disclosure of relevant facts, information and documents to facilitate the negotiations.

12.2. Mitigation

A Party will use reasonable efforts to minimize any damages that may arise as a result of the other Party's breach or default under this Agreement.

12.3. No Punitive Damages

No Party will be required to pay special, exemplary, punitive, incidental, consequential or indirect damages (whether or not arising from a Party's negligence) to the other Party, except to the extent that the payments required to be made pursuant to this Agreement are deemed to be such damages.

13. MISCELLANEOUS

13.1. Currency

All dollar amounts referred to in this Agreement are in Canadian currency.

13.2. Governing Law

This Agreement will, in all respects, including all matters of construction, validity and performance, be governed by and construed and enforced in accordance with the laws of Saskatchewan and the laws of the Customer applicable therein. The parties hereby attorn to the Judicial Centre of Saskatoon for all disputes arising out of and in relation to this Agreement.

13.3. Assignment

No Party will transfer or assign this Agreement or any part hereof without the prior written consent of the other Party, not to be unreasonably withheld.

13.4. Severability

If any term of this Agreement, or the application thereof, is held invalid as to any person, entity or circumstance by any Government Authority or court of competent jurisdiction, then such term will remain in effect to the maximum extent permitted by law, and all other terms of this Agreement and their application will not be affected thereby but will remain in effect unless a Government Authority or court of competent jurisdiction determines that such provision is not severable from all other provisions of this Agreement.

13.5. Notices

Unless this Agreement requires otherwise, any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, will be in writing and will be deemed properly served, given or made and will become effective when delivered in person or by courier, or if delivered by email, on the next Business Day after the day on which it was emailed, to:

- (a) the Customer at the address specified in the Application Form;
- (b) the City at: Saskatoon.Light.Power@saskatoon.ca;

- (c) any Party may, by written notice to the other, change the designation or address of the person so specified as the one to receive notices pursuant to this Agreement.

13.6. Confidentiality

The terms and conditions of this Agreement and any information exchanged between the Parties pursuant to this Agreement will be kept confidential by each Party and not disclosed to any other party, except:

- (a) a Party may disclose such confidential information
 - (i) to its directors, officers and employees, and to such advisors who need to know such information and agree to treat it confidentially;
 - (ii) to the extent required to comply with applicable laws or legal processes;
 - (iii) to the extent required to be disclosed in order for the Customer to obtain the benefit of the RECs purchased hereunder; and
 - (iv) to the extent required in any proceeding to enforce any obligation under this Agreement;
- (b) to the extent required pursuant to *The Local Authority Freedom of Information and Protection of Privacy Act*, *The Freedom of Information and Protection of Privacy Act (Saskatchewan)* or the *Access to Information Act (Canada)*; the City may disclose confidential information.

The Parties are entitled to all remedies available at law or in equity to enforce or seek relief in connection with this Article 13.6. For greater certainty, either Party will be entitled to disclose the existence of this Agreement, provided that the terms of the Agreement will be treated as confidential information and subject to the restrictions above on its disclosure.

13.7 No Third Party Beneficiaries

This Agreement is made and entered into for the sole protection and legal benefit of the Parties, and no other person shall be a direct or indirect legal beneficiary of, or have any cause of action or claim in connection with this Agreement.

13.8 Waivers

Except as otherwise provided herein or as agreed by the Parties, no provision of this Agreement will be waived except in writing signed by the waiving Party. Any waiver at any time by a Party of its rights with respect to a default under this Agreement, or any other matter arising in connection with this Agreement, will not be deemed a waiver with respect to any other default or matter.

13.9 Execution in Counterparts

This Agreement may be executed in any number of counterparts including counterparts transmitted by email or other electronic means, each of which will be deemed an original, and all of which, taken together, will constitute one and the same instrument.

13.10 Representations and Warranties

Each Party represents and warrants to and covenants with the other that:

- (a) this Agreement has been or upon execution and delivery will have been duly authorized by all necessary corporate and other action;
- (b) this Agreement is a legally valid obligation of the Party, enforceable in accordance with its terms, subject to applicable bankruptcy or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or in law;
- (c) it is acting for its own account and is sophisticated, experienced and knowledgeable regarding the electricity industry and financial matters, is able to evaluate the risks and merits of the transactions contemplated by this Agreement and is not relying in any manner on the other Party for advice or analysis regarding the risks or merits of any of the transactions contemplated by this Agreement;
- (d) neither Party is a fiduciary of the other; and
- (e) that the information provided in relation to the Renewable Subscription Service is accurate.