

## **Draft Conceptual Terms for an Agreement with SNGRDC**

### **OVERVIEW**

To further a discussion on a potential agreement with Six Nations of the Grand River, represented by Six Nations Elected Council (SNEC) and its wholly-owned corporation – Six Nations of the Grand River Development Corporation (SNGRDC), and Ontario (together, the Parties) this document sets out conceptual terms for a potential agreement (Final Agreement) between the Parties. The purpose of the Final Agreement would be to expedite the completion of the Niagara Reinforcement Project (NRP) while providing an option for SNGRDC to take advantage of connection capacity if Ontario re-launches renewable generation procurement programs. The Parties acknowledge that there is no binding legal obligation as a consequence of this document unless and until a definitive agreement is executed by the Parties.

### **KEY TERMS OF A POTENTIAL AGREEMENT**

#### **1) Completion of the Niagara Reinforcement Project**

- a. SNGRDC to work with Hydro One and other partners as appropriate to complete the Niagara Reinforcement Project (NRP).
- b. Ontario's set aside commitment (outlined in terms below) will take effect if the NRP is in service by January 1, 2019 and the commitment would remain until January 1, 2034.
- c. Ontario will assist SNGRDC in securing an Aboriginal Loan Guarantee from the Ontario Finance Authority to obtain an equity ownership in the NRP.
- d. Ontario will enter into separate discussions to reach a capacity funding agreement to support SNGRDC in researching, negotiating, and executing the Final Agreement.
- e. Ontario and SNGRDC agree to continue to discuss projects of mutual interest going forward such as microgrids and storage.

#### **2) Renewable Energy capacity set-aside**

Should Ontario or the Independent Electricity System Operator (IESO) proceed with a renewable energy procurement program in the future (ending January 1, 2034) for which projects located in Haldimand County, Brant County, Niagara Region, and Hamilton Region are eligible, SNGRDC would be granted a capacity set aside for renewable energy projects governed by the terms below:

- a. **Amount.** The total amount of the renewable set aside would be 300MW, which can include one or more projects. The set aside is for renewable energy projects that include wind, solar, hydroelectric or biomass projects.
- b. **Location.** The set aside capacity would be available for projects connecting to the NRP and the 230kV circuits that connect to Nanticoke Transformer Station. Connection to 500kV circuits that terminate at the Nanticoke Transformer Station would also be included, if determined by the IESO to be technically feasible and not detrimental to the operation of the Ontario electricity system.

- c. **Procurement Context / Pricing.** The set aside capacity would be determined by the IESO and be based on bid prices under the broader renewable procurement program. Pricing would include any indigenous participation price adders implemented under the program. All other procurement program requirements would need to be met by the SNGRDC-partnered projects taking advantage of the set aside.
- d. **Capacity Carry-Forward.** If less than 300 MW of the set aside capacity is procured in any future procurement program, the balance would continue to be held for future opportunities until January 1, 2034.
- e. **Participation of the Mississaugas of the New Credit (MNCFN).** Projects would be SNGRDC-partnered or led renewable generation projects, and will be required to demonstrate that such projects have employed commercially reasonable efforts to gain project support from the Mississaugas of the New Credit.

### 3) Early Termination

If the NRP has been completed (in-service and electrified) and the Final Agreement is unilaterally terminated in advance of January 1, 2034 by Ontario, a termination fee of \$15 million would be paid to SNGRDC.

### 4) Consultation Acknowledgment

- a. The Parties acknowledge that the community consultation undertaken by SNGRDC between October 15, 2017 and December 15, 2017 has as one of its purposes to ensure that the relevant rights-based and other concerns of the Six Nations community with the NRP are canvassed by the SNEC and, as determined by SNEC, brought to the attention of Ontario, so that such concerns can be addressed or reasonably accommodated by Ontario.
- b. Execution of the Final Agreement is contingent upon Ontario fulfilling any duty to consult and accommodate that may be triggered by the NRP and on fulfilling any other legally required engagement or other legal obligations in respect of the NRP, and on SNEC acknowledging and agreeing in the Final Agreement that any such obligations of Ontario have been fulfilled to the satisfaction of SNEC. Ontario agrees to act in good faith and to use all reasonable efforts on its part to fulfil all such obligations.