



November 30, 2023

The Corporation of the Township of Rideau Lakes
1439 County Road 8
Delta, ON K0E 1G0

**RE: Rideau Energy Storage 150MW/600MWh Battery Energy Storage Facility located at the intersection of McCann Road and Little Rideau Lake Road (the "Project")
Community Vibrancy Fund Agreement**

Dear Mayor and Councillors:

Further to our delegation at the November 22nd Planning Advisory and Committee of Adjustment meeting for the Project, we are pleased to enclose a copy of a Community Vibrancy Fund Agreement (the "Agreement"), for your review and comment. If the Project obtains a contract from the IESO and reaches commercial operation, the Agreement will require Rideau Energy Storage LP to make community contribution payments of \$150,000 per year for 20 years to a Community Vibrancy Fund for the Township of Rideau Lakes (the "Township"). The fund can be used to support community-based initiatives and activities in the Township over the coming decades. Based on the Project's expected benefits to the community, including the funds to be received by the Township, we respectfully request a municipal support resolution to support the Project in the IESO RFP process.

The proposed Agreement is a legally binding contract that provides, upon the Project's Commercial Operation Date and annually thereafter, for \$150,000 annual payments to the Community Vibrancy Fund for a term of 20 years. We propose to execute the Agreement following approval of the requested municipal support resolution.

We are excited to propose the Project and to support community vibrancy and sustainability. We look forward to the Council's decision on the municipal support resolution at the December 4th Council meeting. If there are any questions about the Project or the Agreement, please do not hesitate to contact me.

Best regards,

David Biggar
Manager of Project Development
Plus Power
rideau@pluspower.com
www.rideauenergystorage.com

COMMUNITY VIBRANCY FUND AGREEMENT

THIS COMMUNITY VIBRANCY FUND AGREEMENT (this “**Agreement**”) is made as of the __ day of December 2023.

BETWEEN:

RIDEAU ENERGY STORAGE LP
(the “**Proponent**”)

- and -

THE CORPORATION OF THE TOWNSHIP OF RIDEAU LAKES
(the “**Municipality**”)

WHEREAS the Independent Electricity System Operator (the “**IESO**”) has announced a competitive process for procuring long term energy projects (“**LTI**”), whereby the IESO will select proponents to enter into contracts to provide year-round effective capacity from dispatchable new build resources, including new build hybrid electricity generation and storage facilities, registered or able to become registered in the IESO-administered markets, larger than 1 MW and which can deliver a continuous amount of electricity to a connection point on a distribution system or transmission system for at least four consecutive hours (the “**Capacity Contract**”);

AND WHEREAS the Proponent intends to submit a proposal into LTI with the objective of entering into a reliability services contract for an energy storage project located on lands within the Municipality (the “**Storage Project**”);

AND WHEREAS the Proponent has agreed to provide certain community vibrancy fund contributions (the “**Contribution**”) for the benefit of the residents of Municipality;

AND WHEREAS the Municipality has voted in favour of a support resolution for the Storage Project and has agreed to execute and deliver to the Proponent a municipal council support resolution in the IESO prescribed form or equivalent attached hereto as Schedule A (the “**IESO Municipal Council Support Resolution**”);

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the parties agree with each other as follows:

PART I – DEFINITIONS

1. In this Agreement:

“**Commercial Operation Date**” means the date on which commercial operation of the Storage Project is attained within the meaning of the Capacity Contract;

“**Community Vibrancy Fund**” shall have the meaning set forth in Section 11 of this Agreement;

“**Contribution**” means the monies payable by the Proponent to the Municipality in accordance with Part III of this Agreement;

“**Council**” means the elected municipal council of the Municipality;

“**Stub Year**” means the period of time between the Commercial Operation Date and December 31 of the same year;

“**year**” means a calendar year.

PART II – TERM

2. (a) This Agreement shall become effective on the date first above written (the “**Effective Date**”) and, subject to Section 2 (c) of this Agreement, shall continue thereafter for a period expiring on the earlier of (i) the date which is twenty (20) years following the Commercial Operation Date; or (ii) the date of termination of the Capacity Contract (the “**Term**”).

(b) In the event that the Proponent obtains an extension of the term of the Capacity Contract, the Proponent and the Municipality shall enter into good faith negotiations regarding the extension of the Term and any appropriate amendments to this Agreement.

(c) If the Commercial Operation Date does not occur within seven (7) years of the Effective Date, this Agreement shall terminate and be deemed to be null and void and of no further force or effect.

PART III – COMMUNITY VIBRANCY FUND CONTRIBUTIONS

3. Subject to Sections 4, 5, and 6, for the Stub Year and each following year during the remainder of the Term, the Proponent shall make a Contribution to the Community Vibrancy Fund in the amount of One Hundred and Fifty Thousand (\$150,000.00) Dollars.

4. The Proponent may from time to time adjust or cancel any Contribution if the economic return from the Storage Project is materially and adversely affected by a change in law or other circumstance beyond the control of the Proponent, and for so long as such

material and adverse effect exists. Prior to making its determination of such material adverse effect, the Proponent shall:

- i) engage in meaningful consultation with the Municipality;
- ii) provide to the Municipality reasonable disclosure of its reasons for considering such adjustment or cancellation; and
- iii) apply a standard of reasonableness to its determination to ensure that such determination is made in a fair, reasonable and non-arbitrary manner.

5. The Contribution for the Stub Year and the final year of the Term shall be calculated in accordance with Section 4, but prorated using the percentage that the number of days in the Stub Year or the final year of the Term, as applicable, is to an entire year.

6. The Proponent shall pay the Contribution for the Stub Year on April 30 of the first year following the Commercial Operation Date and the Contribution for each year of the Term thereafter shall be paid on April 30 of the following year, or, in the case of the final year of the Term only, the earlier of (i) April 30 of the following year or (ii) within six months of the end of the term.

PART IV - COMMUNITY SUPPORT

7. The parties shall work cooperatively throughout the Term to maintain the support of the individual residents of the Municipality, which shall include the following:

- i) The parties shall meet at least once each year to develop and review plans for ensuring that the Proponent is appropriately recognized by the Municipality and its residents for the Contribution that the Proponent is making towards the betterment of the community.
- ii) The parties shall consult and agree on specific protocols for public promotion and branding of initiatives financed in large part from the Community Vibrancy Fund to reflect the degree of financial benefit being afforded to the Municipality.

The Municipality agrees that only storage proponents who enter into an agreement substantially similar to this Agreement and make community vibrancy fund contributions (or other types of contributions) in amounts not less than those set forth in this Agreement shall be entitled to participate in the branding and promotional activities contemplated herein.

8. The Municipality agrees that it shall, upon request from the Proponent, engage in meaningful dialogue with any third parties who intervene, inquire or are otherwise involved or interested in issues concerning the development of the Storage Project.

9. The Community Vibrancy Fund Contributions are made in consideration of the Municipality's agreement to appropriately recognize the value to the community of the Storage Project and the Proponent's investment within the Municipality.

PART V - COMMUNITY VIBRANCY FUND ADMINISTRATION AND EXPENDITURES

10. The Municipality agrees to establish a community vibrancy fund financed solely by the Contribution (the "**Community Vibrancy Fund**"). The Community Vibrancy Fund shall be utilized in any lawful manner by the Municipality. The suggested categories of expenditures from the Community Vibrancy Fund include:

- i) Expenditures supporting and encouraging local businesses and business ventures within the community (including without limitation, local business improvement association activities);
- ii) land stewardship initiatives (e.g., habitat creation/improvement, tree planting, shoreline rehabilitation);
- iii) expenditures relating to development and construction of Municipality recreational facilities (e.g., arenas, parks, trails);
- iv) expenditures relating to educational programs and resources;
- v) expenditures for supporting the arts and culture within the Municipality;
- vi) expenditures for improvement of community and protective services (e.g., police, fire, EMS, healthcare);
- vii) expenditures related to roads and public municipal infrastructure; or
- viii) such other community-related activities as may be deemed important and/or beneficial by the Municipality.

11. Upon receipt and administration of the Contribution, the Municipality shall, at a minimum, institute the following processes and procedures:

- i) make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Community Vibrancy Fund;
- ii) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:
 - a. access to the Community Vibrancy Fund and all payments held therein or

transactions executed are in accordance with Municipality's general or specific authorization;

- b. transactions are recorded as necessary (a) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (b) to maintain accountability for all payments received; and
- c. the recorded accountability for all such payments held in the Community Vibrancy Fund is compared with the existing fund balance at reasonable intervals and appropriate action is taken with respect to any differences, and

12. Upon reasonable notice to the Municipality, the Proponent shall have the right to inspect all records created and maintained which relate to the transactions undertaken by the Municipality with regard to the Community Vibrancy Fund.

13. The Municipality shall provide a written report of monies received and expenditures made out of the Community Vibrancy Fund, including a detailed description of the projects on which funds were spent, no later than March 1 of each year of the Term following the first year that the Contribution is received by the Municipality.

PART VI – MUNICIPALITY SUPPORT OF STORAGE PROJECT

14. Within seven (7) days of the Effective Date (or such shorter period of time as may be required to comply with the LT1) the Municipality shall provide to the Proponent an original signed copy of the Municipal Council Support Resolution confirming to the IESO its support for the Storage Project.

PART VII – ASSIGNMENT

15. If the Proponent sells or transfers the Storage Project it shall provide notice thereof to the Municipality and shall ensure that the transferee acknowledges this Agreement and agrees to be fully bound by and perform the duties and obligations of the Proponent hereunder, in the same manner as if such person was an original signatory to this Agreement. The Proponent will thereafter be released from its obligations under this Agreement.

16. Neither this Agreement nor any of the benefits or burdens hereunder shall be assigned, in whole or in part, by the Municipality.

PART VIII – LOCAL LABOUR

17. The Proponent will use commercially reasonable efforts to hire local suppliers of labour and materials, to the extent available and to the extent that such local suppliers are competitive in respect of the construction and operation of the Storage Project. The foregoing undertaking shall be subject to all such suppliers' compliance with the domestic

content requirements set forth in the Capacity Contract.

PART IX – GENERAL

18. All invoices, notices and communications to the Proponent in connection with this Agreement shall be addressed to:

Rideau Energy Storage LP
Attn: David Biggar, Manager of Project Development
1780 Hudges Landing Blvd, Ste 675
The Woodlands, TX 77380 USA

19. All invoices, notices and communications to the Municipality in connection with this Agreement shall be addressed to:

The Corporation of the Township of Rideau Lakes
1439 County Road 8
Delta, ON K0E 1G0

Attention:
Email:

20. Any invoices, notices or other communications required or permitted to be given or made under this Agreement shall be in writing, and shall be properly given or made if:

- (a) delivered in person during normal business hours and left with the addressee or any other responsible employee at the relevant address set out herein, or
- (b) telexed, telecopied or sent by other means of recorded electronic communication provided receipt thereof is electronically confirmed.

21. The Proponent will provide the Municipality with notice of the applicable LT I and Capacity Contract scheduling, including notice of the Commercial Operations Date and expiry of the Capacity Contract.

22. Any party to this Agreement may from time to time change its address for notices by giving notice to the other party in the manner as herein provided.

23. No amendment to this Agreement shall be permitted, except by a written instrument executed by both parties.

24. The acceptance of a breach or non-fulfillment of any provision of this Agreement shall not constitute acceptance of a further breach or non-fulfillment of either the same provision, or any other provision of this Agreement.

25. This Agreement shall be governed by and interpreted in accordance with the laws

of the Province of Ontario and the Federal laws of Canada applicable therein.

26. This Agreement constitutes the entire agreement or understanding between the parties with respect to the subject matter hereof and supersedes all prior negotiations and documents in relation thereto, and each party acknowledges that there are no collateral representations or warranties made by either in respect of the subject matter of this Agreement.

27. If any term or provision of this Agreement, or the application thereof to any person or circumstance shall, to any extent, be determined by judicial order or decision to be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held to be invalid, shall be enforced to the fullest extent permitted by law.

28. This Agreement may be executed in counterparts, all of which shall be deemed an original, and all of which together shall constitute a single instrument.

IN WITNESS WHEREOF this Agreement has been executed by the parties by their authorized signing officers to be effective as of the date first set out above.

**THE CORPORATION OF THE
TOWNSHIP OF RIDEAU LAKES**

RIDEAU ENERGY STORAGE LP

Per: _____
Name:
Office: Mayor

Per: _____
Name:
Title:

Per: _____
Name:
Office: Deputy Mayor

Per: _____
Name:
Title
I/We have the authority to bind the
Corporation

SCHEDULE "A"
IESO MUNICIPAL COUNCIL SUPPORT RESOLUTION

This page sets out the instructions for completing the Prescribed Form – Evidence of Municipal Support.

All capitalized terms used in these instructions and the Prescribed Form – Evidence of Municipal Support, unless otherwise stated, have the meanings ascribed to them in the LT1 RFP.

INSTRUCTIONS APPLICABLE TO ALL PRESCRIBED FORMS:

- a. The first page of a Prescribed Form should be marked with the name of the Long-Term Reliability Project that is the subject of the Proposal. The Proponent should use the name given to the Long-Term Reliability Project in the Prescribed Form – Proponent Information, Declarations and Workbook.
- b. This instruction page is not required to be submitted as part of the completed Prescribed Form.
- c. The Prescribed Form is required to be submitted electronically via email to the IESO at LT.RFP@ieso.ca.
- d. Information provided in each Prescribed Form should be consistent with the information provided in the Proposal.
- e. Where the Prescribed Form has multiple pages, the pages of the Prescribed Form should be kept together in the Proposal in sequential order.
- f. Where a blank field for a section/page reference is provided in a Prescribed Form, enter the section/page reference of the Proposal where the substantiating evidence for that particular item can be found.
- g. Apart from the completion of any blanks, drop down lists, check boxes or similar uncompleted information in a Prescribed Form, no amendments may be made to the wording of a Prescribed Form.
- h. Each Prescribed Form must be completed in its entirety. Fields marked <if applicable> must be completed if applicable to the Proposal. If not applicable, they should be marked " Not Applicable".
- i. If a signature is required for a Prescribed Form, the Prescribed Form must be signed by a person with authority to bind the Proponent. The Prescribed Form may be printed, signed and scanned, or may be signed digitally through Adobe (Digital ID, or Fill and Sign), Apple Preview or DocuSign.
- j. With the exception of this instruction page, instructions within a Prescribed Form will be enclosed in brackets.

INSTRUCTIONS SPECIFIC TO THIS PRESCRIBED FORM:

- k. To be awarded Rated Criteria points pursuant to Section 4.3(c) of the LT1 RFP, a Proponent is to complete and submit in the Proposal a) the main body of this Prescribed Form and b) the applicable evidence of Municipal Support Confirmation, as indicated in Section 2, from each Local Municipality with authority over the Municipal Lands.
- l. Where the Municipal Support Confirmation is in the form of a Municipal Support Resolution, the Municipal Support Resolution must be dated no earlier than February 17, 2023.
- m. The Municipal Support Confirmation must be provided in Exhibit B.
- n. Councils of Local Municipalities have the option of using the form of Municipal Support Resolution provided in Exhibit A, should they so choose. A Blanket Municipal Support Resolution is an acceptable alternative to a Municipal Support Resolution.

GUIDANCE FOR MUNICIPALITIES:

The IESO is undertaking the LT1 RFP to competitively procure year-round capacity from dispatchable New Build and Eligible Expansion resources, including New Build and Eligible Expansion facilities incorporating Electricity generation and storage that (i) are registered or able to become registered in the IESO Administered Markets; (ii) larger than one (1) MW; and (iii) can deliver a continuous amount of Electricity to a connection point on a Distribution System or Transmission System during the Qualifying Hours for:

- (i) at least four (4) consecutive hours in the case of Electricity Storage Facilities; or
- (ii) at least eight (8) consecutive hours in the case of Non-Electricity Storage Facilities.

The LT1 RFP provides Proponents with the opportunity to obtain Rated Criteria Points, which will be used to more favourably position their Proposal in the LT1 RFP evaluation process. Four (4) Rated Criteria points are available for evidence of having obtained support from each Local Municipality in whose jurisdiction(s) the Long-Term Reliability Project is proposed to be located.

Should a Local Municipality wish to support a particular Long-Term Reliability Project, a group of Long-Term Reliability Projects, or one or more particular technology types, they must either pass a Municipal Support Resolution (project-specific) or a Blanket Municipal Support Resolution.

Local Municipalities are encouraged to use the template Municipal Support Resolution in Exhibit A. Should a Local Municipality wish to develop its own resolution, the resolution must:

- (A) identify:
 - (i) the Proponent;
 - (ii) the name, technology and Maximum Contract Capacity of the Long-Term Reliability Project; and

- (iii) the Municipal Lands that are subject to the authority of the Local Municipality; and
- (B) state that the Local Municipality supports the development, construction and operation of the Long-Term Reliability Project on the applicable Municipal Lands. The statement in such resolution may be qualified as being solely for the purposes of enabling the Proponent to receive Rated Criteria Points under the LT1 RFP or to satisfy its obligations under any contract awarded under the LT1 RFP, and does not supersede any applicable permits or approvals under applicable Laws and Regulations that may be required for a particular Long-Term Reliability Project.

Pursuant to the LT1 RFP, Proposals that did not receive the formal support of the local jurisdictional authorities of all the project communities in which the Long-Term Reliability Project is located in the form of a support resolution may be required under the LT1 Contract to be awarded pursuant to the LT1 RFP to submit such support resolution for compliance with its obligations.

Though the Municipal Support Confirmation may impact the rank of the Proponent's Proposal in relation to other Proposals received by the IESO, it does not guarantee a contract will be offered to the Proponent under the LT1 RFP.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Capitalized terms not defined herein have the meanings ascribed to them in the LT1 RFP.

Section 1 – Information of the Proponent and the Long-Term Reliability Project

a.	Unique Project ID of the Long-Term Reliability Project: <Enter Unique Project ID>	
b.	Name of the Long-Term Reliability Project: <Enter name of the Long-Term Reliability Project>	
c.	Legal name of the Proponent: <Enter legal name of the Proponent>	
d.	Property Identification Number (PIN), or if PIN is not available, municipal address or legal description of Properties included in the Municipal Lands < insert PIN(s) (if a PIN is not available, use Municipal Address or legal description) or Grid Cell(s), if applicable>	
e.	List of all Local Municipalities with authority over the Municipal Lands: <insert name of the Local Municipality>	Local Municipality 1: Local Municipality 2 (if applicable):

Section 2 – Municipal Support Confirmation

a.	The form of Municipal Support Confirmation used for Local Municipality 1 named above in Section 1(e), attached in Exhibit B, is:	A Municipal Support Resolution dated no earlier than February 17, 2023
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		<p>OR</p> <p>A Blanket Municipal Support Resolution</p>
b.	<p>The form of Municipal Support Confirmation used for Local Municipality 2 (if applicable) named above in Section 1(e), attached in Exhibit B, is:</p>	<p>A Municipal Support Resolution dated no earlier than February 17, 2023</p> <p>OR</p> <p>A Blanket Municipal Support Resolution</p>

I hereby confirm that I am an individual with the authority to bind the Proponent and that, if applicable, by signing this form using electronic signature, I agree to the content, terms and conditions set out in the document on behalf of the Proponent.

PROPONENT NAME: _____

Per: _____

Print Name:

Print Title:
(I have authority to bind the Proponent)

Date Signed:

**EXHIBIT A
FORM OF MUNICIPAL SUPPORT RESOLUTION**

Resolution NO: _____ Date: _____

[Note: The Municipal Support Resolution must not be dated earlier than February 17, 2023.]

WHEREAS:

1. The Proponent is proposing to construct and operate a Long-Term Reliability Project, as defined and with the characteristics outlined in the table below, under the Long-Term Request for Proposals ("**LT1 RFP**") issued by the Independent Electricity System Operator ("**IESO**").

Unique Project ID of the Long-Term Reliability Project:	
Name of the Long-Term Reliability Project:	
Legal Name of Proponent:	
Technology of the Long-Term Reliability Project:	
Maximum Contract Capacity of the Long-Term Reliability Project (in MW):	
Property Identification Number (PIN), or if PIN is not available, municipal address or legal description of the portion of the Project Site that is located on lands subject to the authority of one or more Municipalities:	

- Pursuant to the LT1 RFP, Proposals that receive the formal support of the local jurisdictional authorities of all the project communities in which the Long-Term Reliability Project is located in the form of a support resolution will be awarded Rated Criteria points for the purpose of ranking the Proposal in relation to other Proposals for a contract under the LT1 RFP; and

NOW THEREFORE BE IT RESOLVED THAT:

- The council of <insert name of Municipality> supports the development, construction and operation of the Long-Term Reliability Project on the Municipal Lands.
- This resolution's sole purpose is to enable the Proponent to receive Rated Criteria Points under LT1 RFP or to satisfy its obligations under any awarded LT1 Contract and may not be used for the purpose of any other form of approval in relation to the Proposal or Long-Term Reliability Project or for any other purpose. Rated Criteria points will be used to rank the Proponent's Proposal in relation to other Proposals received by the IESO under the LT1 RFP.

DULY RESOLVED BY THE LOCAL MUNICIPALITY

on the ___ day of _____, 20__

<Signature lines for elected representatives. At least one signature is required.>

EXHIBIT B
MUNICIPAL SUPPORT CONFIRMATION

Note: Attach the Municipal Support Confirmation.