

Flare Gas Power Generation Program

Program Rules

This document is a summary guide to the rules of the program. Greater detail can be located in other documents associated with this program including:

- [The Application Form](#)
- [The Proforma Flare Gas Power Generation Agreement](#)
- [The Generation Interconnection Requirements at Voltages 34.5 kV and Below document](#)
- [SaskPower Electric Service Requirements](#)
- [Sample Project Single Line Drawing](#)

It should be noted that revisions to the above documents and the addition of new documents that may become pertinent to the program will be maintained in the Flare Gas Power Generation Program section of the SaskPower website located at www.saskpower.com.

1. Purpose and Intent of the Program

- Designed in consideration of the Ministry of Energy and Resource's Directive S-10, Saskatchewan Upstream Petroleum Industry Associated Gas Conservation Directive ("S-10 Directive").
- Supports small to medium sized power producers wishing to pursue the development of environmentally preferred Flare Gas Power Generation projects.
- Will assist SaskPower to reduce Green House Gas emissions.

2. Eligibility Requirements

- This program has been created to accommodate up to a total of 20 MW of individual projects sized between 100 kW and 1 MW (nameplate) that are located within SaskPower's franchise area.
- Producers with potential projects associated with facilities greater than 1 MW should contact SaskPower, IPP Development to discuss other opportunities to generate electricity for sale to SaskPower. Producers with projects smaller than 100 kW should investigate SaskPower's Small Power Producers Program.
- Projects may incorporate used equipment but Projects must adhere to good engineering and operating practices which means the ways and means used by a significant portion of the North American electric utility industry when designing and operating similar generating projects and use practices, methods, or acts generally accepted in the North American electric utility industry.

3. Application Requirements and Process Schedule

- Complete applications will be considered in the order that they are received. The submittal of an application by an Applicant and the consideration of the application by SaskPower does not commit either the Applicant nor SaskPower to proceed to a Flare Gas Power Generation Agreement.
- Applicants must submit a payment of \$1725+GST with their complete application to participate in the Flare Gas Power Generation Program. Incomplete applications will be rejected and returned to the applicants. It will be SaskPower's sole discretion in regards to whether an application is complete.
- SaskPower will target to provide an estimate to interconnect an Applicant's project within 120 days of receiving a complete application although workload and/or the complexity of the interconnection may result in it taking longer to provide the estimated interconnection cost and schedule.

- Within three months after receiving SaskPower's quote to interconnect their project, the Applicant shall notify SaskPower if they wish to proceed with their project.
- SaskPower, proceeding within its governance processes, will target to have the Flare Gas Power Generation Agreement executed within two months after the Applicant provides notice that they wish to proceed with the project.
- SaskPower will target to have its interconnection work performed within six to twelve months after signing the Flare Gas Power Generation Agreement unless otherwise negotiated with the Applicant. Complex interconnections may take longer.

4. Interconnection Considerations

- The Applicant will provide an initial payment for both the direct and indirect costs as estimated in the interconnection study. SaskPower and the Applicant will settle up for the actual costs incurred to complete the interconnection work after the work has been completed.

5. Contract Terms and Pricing

- Standardized 20 year Flare Gas Power Generation Agreement will be entered into between SaskPower and the Applicant.
- The Applicant agrees to sell to SaskPower all of the energy generated at the facility net of what is consumed behind the meter.
- There will be no penalties associated with non-delivery of electricity by the Applicant.
- The initial contract base rate, assuming the project starts generating power in 2017, will be \$ 41.28/MWh.
- Payment will escalate annually at a rate of 2.0%.
- Applicants must obtain all necessary permits and licenses prior to achieving commercial operation.
- SaskPower intends to periodically review the program and possibly make changes. SaskPower maintains the right to make changes or cancel the program at any time at its sole discretion. Program modifications will only be for newly signed contracts and will not be retroactive and will not amend executed contracts.

6. Other

- The Applicant shall supply, install and maintain the metering equipment at the Applicant's expense.
- Contract payments will be based on the electricity delivered to the point of change of ownership.
- The Applicant retains all environmental attributes and liabilities of their project.