GRIDSHARE NON-WIRES ALTERNATE PROGRAM RULEBOOK

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1. GrandBridge Energy GridShare Non-Wires Alternative Program

GridShare is GrandBridge Energy Inc.'s (GBE's) Non-Wires Alternative Program (*GridShare NWA program*) designed to relieve capacity constraints, defer or avoid infrastructure investments, and enhance grid resiliency through:

- **Leveraging existing local Demand Response (DR) resources**: *capacity market participants* are incentivized to reduce load during peak hours.
- **Leveraging existing local Distributed Energy Resources (DERs)**: Incentivizing *capacity market participants* with behind-the-meter (BTM) generation and smart energy solutions to utilize those assets and reduce their demand on the grid during peak hours.
- **Market Participation**: Running a *capacity auction* for DR and BTM DERs, allowing for competitive procurement of capacity and ensuring GBE is obtaining these resources in the most efficient manner for its customers and *capacity market participants*.

Key **program benefits** include:

- Helps to defer or avoid transformer station and *distribution system* expansions, mitigating customer impacts.
- Accelerates business and residential connections, avoiding connection wait times.
- Supports economic growth, enabling new commercial and industrial development.
- Decreases asset overloads, thereby enhancing network reliability.
- Enhances grid resiliency, mitigating power outage risks.
- Enhances DER integration, by providing flexibility in balancing supply and demand based on grid constraints.
- Provides a data driven method to determine DR requirements for each station separately, resulting in optimized asset planning.
- Provides an advanced machine-learning based platform for daily station-level load forecasting and DR decision making, resulting in optimized asset operations.
- Empowers customers with energy choices, enhancing participation in Ontario's clean energy transition.

By implementing these solutions, GBE aims to:

- Align with the Ontario Energy Board's (OEB) regulatory framework for cost-effective grid planning and Framework for Energy Innovation, designed to guide the integration of DERs into Ontario's electricity distribution systems.
- Keep electricity costs stable for customers, while improving reliability.
- Enable the transition towards a future Distributor System Operator (DSO) model by integrating DERs into core grid decision-making.

2. GridShare NWA Program Implementation

GBE will implement its *GridShare NWA program* through an annual *capacity auction* in specified *service territories*. GBE will not be in direct control of *capacity auction resources* and will not be responsible for dispatching them. Instead, GBE will issue *standby notices* and *activation notices* to *capacity market participants* in the applicable *target areas* who will need to take the necessary action to comply with their *capacity obligations* by appropriately dispatching their *capacity auction resource(s)*. GBE may also issue additional activation notices beyond contracted monthly activations, or *emergency activation notices*, both of which *capacity market participants* may choose to comply with on a voluntary basis.

There are three phases to the implementation of GBE's *GridShare NWA program*:

1. **Procurement** – the *auction period*.
2. **Operations** – issuance of *standby notices*, *activation notices* and *emergency activation notices* to *capacity market participants* during the *obligation period*, per grid requirements of the applicable *target areas*.
3. **Settlement** – monthly calculation and payment from GBE to *capacity market participants*.

An organization interested in participating in the *GridShare NWA program* as a *capacity auction participant* may register either as a *direct participant* or an *aggregator* via GBE's GridShare NWA registration web-portal during the *auction registration period*. Approved *capacity auction participants* will subsequently be invited to submit a *capacity auction offer* via the web-portal, during the *auction offer period*. The *capacity auction offer* would consist of *price-quantity pairs*, i.e. offer price ($/MW-day) and offer capacity (MW).

Selected *capacity auction participants* for a *target area* will execute a *participant agreement* with GBE to become *capacity market participants* for the next *obligation period*. Separate *participant agreements* will be used for *direct participants* and *aggregators*. The *participant agreement* will include the *capacity obligation*, and payment terms between GBE and the *capacity market participant*.

GBE shall not issue or execute any *participant agreement* in respect of a *capacity auction resource* located within a *target area* unless and until the OEB has approved the inclusion of such *target area* in the *GridShare NWA program* and its associated funding, in a form and substance satisfactory to GBE.

During the *obligation period*, GBE will utilize the committed capacity in full or in part to manage peak demand at its transformer stations.

GBE will publish a *pre-auction report* on GBE's *capacity auction website* (https://www.grandbridgenergy.com, or such other *website* as GBE may designate from time to time) prior to the start of the *auction registration period* which will include the following parameters for the applicable *capacity auction* for the applicable *target areas*:

- relevant dates for the *capacity auction* process
- *target auction capacity*
- *obligation period*
- *availability window*
- the maximum duration for each activation
- relevant dates
- *capacity auction reference price*
- *contracted monthly activations*
- *capacity incentive payment price*
- *emergency activation payment price*
- A non-performance factor
- Key dates for the settlement and payment process

The roles and responsibilities of each *party* are laid out in Table 1.

Role	Responsibilities
Capacity Auction Participant	• **Complete *registration* via secure web-portal during annual *auction registration period*, in order to confirm eligibility (see Section 4)** • **If approved by GBE, submit the *capacity auction offer* via secure web-portal during the annual *auction bidding offer* (see Section 6)** • **If selected by GBE, execute the *participant agreement* with GBE within a time frame stipulated in the offer to contract with GBE.**
Capacity Market Participant	• **Ensure *capacity obligation* is available for delivery prior to *obligation period*** • **Prepare for *activation* when put on standby (see Section 10)** • **Respond to *activation notices* as per *capacity obligation*** • **During the *obligation period*, report *outages* to GBE as soon as the *capacity market participant* becomes aware of the situation.** • **Respond to *emergency activation notices* (see Section 11)**
GBE	• **Review eligibility and communicate with *capacity auction participants*** • **Review *capacity auction offers* for each *target area* and selects *capacity market participants* (see Section 9)** • **Execute *participation agreements* with selected *capacity auction participants*** • **During the *obligation period*, issue *standby notices*, *activation notices* and *emergency activation notices* to *capacity market participants* (see Section 10 and 11)** • **Perform measurement and verification (M&V) activities (see Section 16)** • **Issue settlement statements and payments (see Section 13)**

Table 1: Roles and Responsibilities

Figure 1 outlines the roles and responsibilities of each *party*.

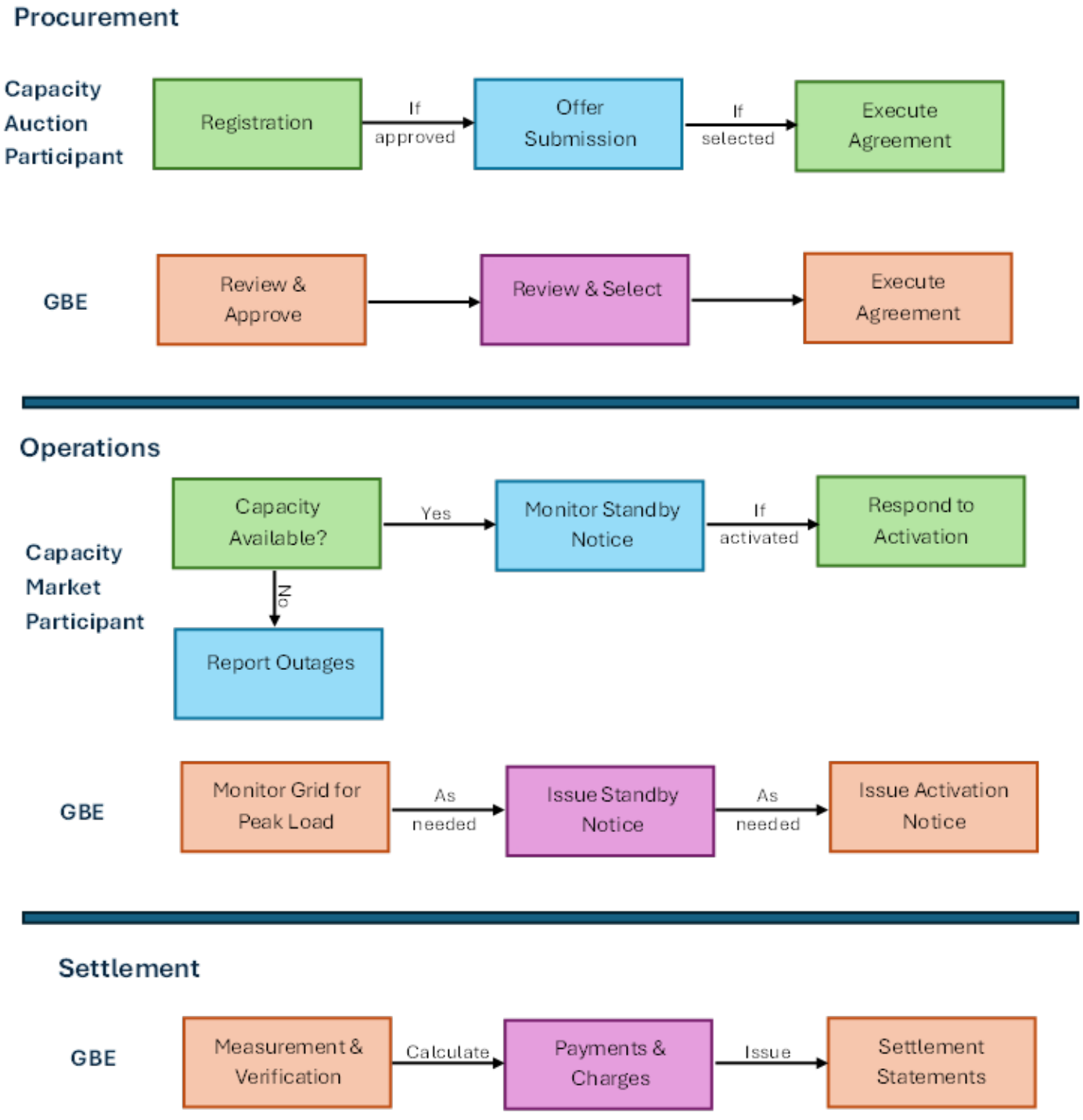


Figure 1: Roles and Responsibilities

3. Target areas & capacity

GBE is implementing the *GridShare NWA program* across two *target areas*. One capacity auction will be conducted in the *target area* comprising **Preston TS**, **Galt TS and MTS#1 (GridShare North),** and a separate capacity auction will be conducted in the *target area* comprising **Brant TS, Brantford TS, and Powerline MTS (GridShare South).** See the *pre-auction report* for details regarding the applicable *target auction capacity* for each *target area*.

Figures 2 and 3 identify the *target area* for the *GridShare NWA program* in 2027, subject to final OEB approval.

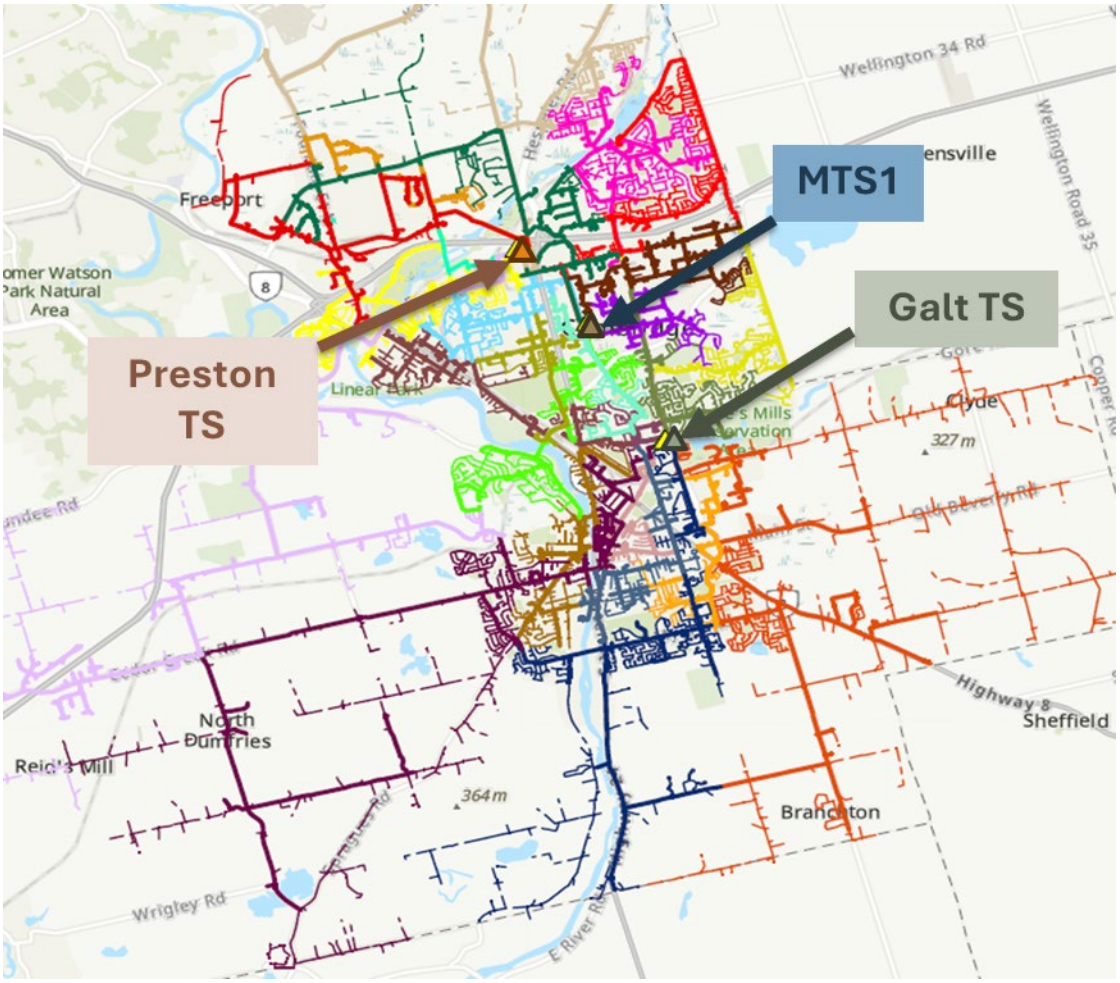


Figure 2: GBE *GridShare NWA Program* – Target Areas, North Service Territory (GrandBridge Cambridge)

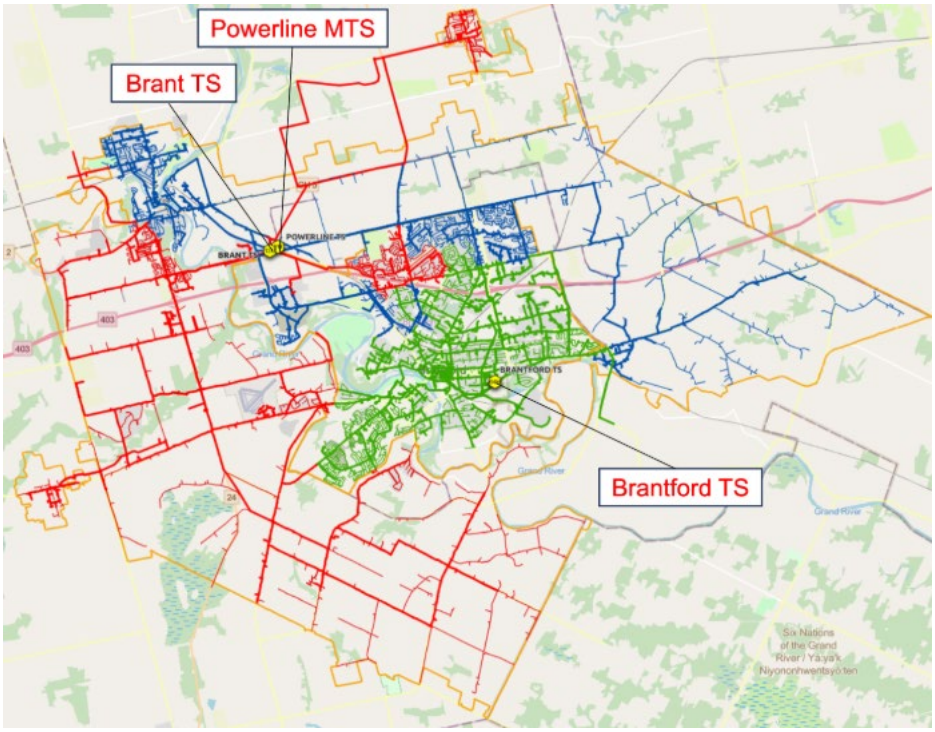


Figure 3: GBE GridShare NWA Program – Target Areas, South Service Territory (GridShare South)

4. Registration and Eligibility

Interested *capacity auction participants* will have the opportunity to register for GBE's *GridShare NWA program* through the web-portal accessible through the *website* during the *auction registration period*.

By participating in the *GridShare NWA program*, each *capacity auction participant* agrees to abide by the terms and conditions associated with use of the web-portal as set out in Appendix I.
During the registration process, *capacity auction participants* will be asked to:

- Provide user details such as name and contact information of a natural person with binding authority.
- Create an organizational profile.

4. Submit resource information for the applicable *target areas*, including account number and capacity.
5. Meet the eligibility requirements for the applicable *target areas* set out in Appendix B of these *program rules*.

See Appendix B for details on eligibility criteria.

See Appendix C for details on completing the registration process.

5. Offer Submission

Once GBE determines that the *capacity auction participant* is eligible for the *GridShare NWA program* for a *target area* (see Section 4), the *capacity auction participant* will be invited to submit a *capacity auction offer* for the applicable *target area* during the *auction offer period*. If a *capacity auction participant* has multiple eligible *capacity auction resources* located in different *target areas*, then the *capacity auction participant* may be invited to submit a *capacity auction offer* in multiple *target areas*.

Capacity auction offers for each applicable *target area* can be submitted as laminations - i.e. different *price-quantity pairs* from the same *capacity auction resource*. For example, if the total capacity of their resource is 5 MW, they might offer the first 1 MW at $100/MW-day, the next 2.5 MW at $200/MW-day, and the remaining 1.5 MW at $300/MW-day. It must be noted that while the capacities can be offered in any order, the price must be offered in ascending order only.

See Appendix D for details on submitting a *capacity auction offer*.

6. Obligation Period

The *obligation period* for the *GridShare NWA program* is outlined in the *pre-auction report*.

7. Availability Window

The *availability window* during an *obligation period* for the *GridShare NWA program* is outlined in the *pre-auction report*.

8. Selection

Selection of eligible *capacity market participants* for a *target area* will be based on a competitive market-based process – the *capacity auction*. Once the *auction offer period* closes, the *capacity auction offers* submitted for a *target area*, in the form of *price-quantity pairs,* will be mapped to obtain a *demand curve* for such *target area* (see this illustrated for Offer 2 in Figure 4 below).

Capacity offers for a *target area* received will be stacked from lowest to highest price.

If two or more capacity offers for a *target area* are priced the same, they will be stacked according to their submission times in the increasing order.

In general, the lowest-priced *capacity offers* for a *target area*, below and up to the *target auction capacity*, will be cleared (subject to these *program rules)*.

The *capacity auction participants* with the cleared capacity offers for an applicable *target area*, will be selected to execute the *participant agreement* with GBE. A *capacity auction participant* may be selected to execute a *participant agreement* for one or more *target area*. *Capacity auction participants* that successfully execute a participant agreement with GBE will become *capacity market participants*.

Given that GBE will only procure up to the *target auction capacity* for a *target area*, the final *capacity offer* that sets the *capacity auction clearing price* for a *target area* may only partially clear, i.e. that only part of the capacity offer by that *capacity auction participant* may be contracted (see this illustrated for Offer 5 in Figure 4).

There are several variants of capacity market final state with implications on *capacity auction clearing price* and quantity procured for a *target area*, as provided in Appendix E.

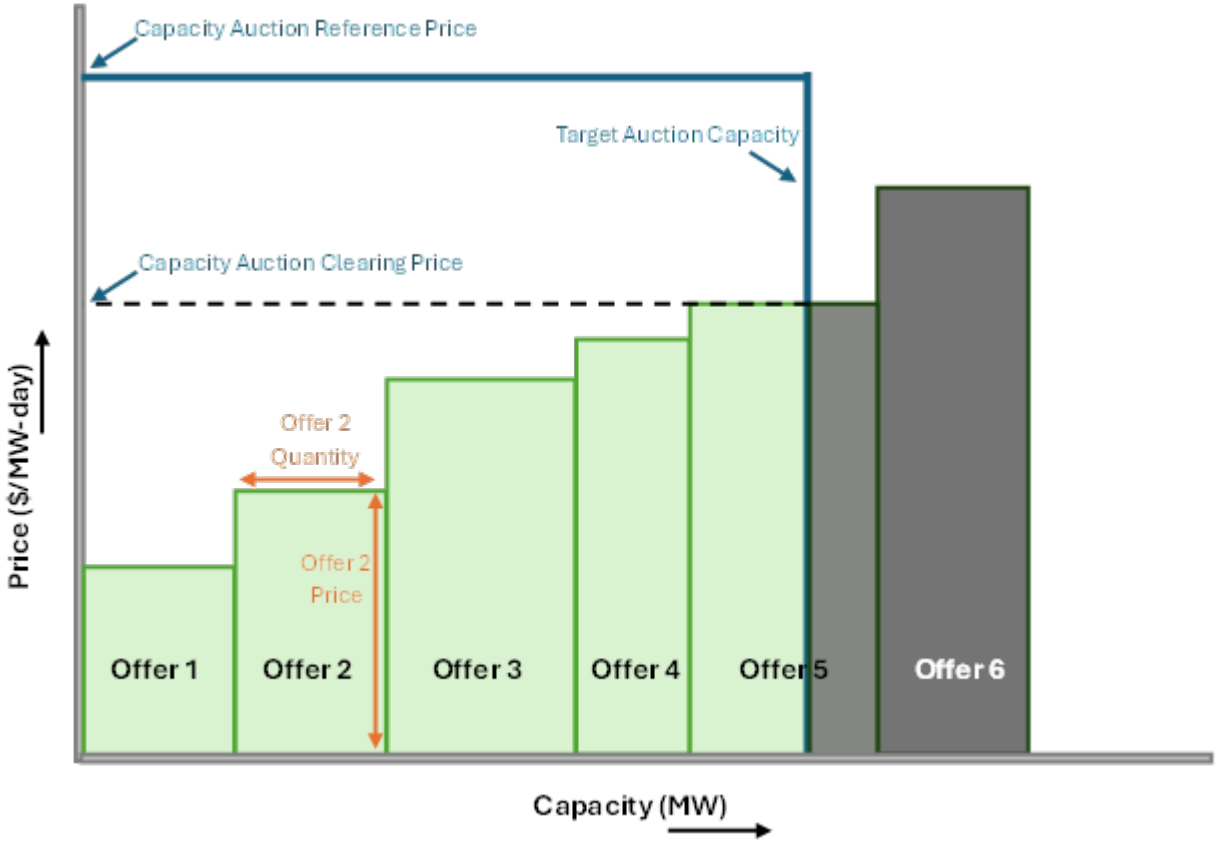


Figure 4: Demand Curve Illustration

9. *Standby Notices* and *Activation Notices*

GBE will issue *standby notices* and *activation notices* for a *target area* during the *obligation period* to *capacity market participants* based on the grid requirements of the applicable *target area* and terms of the *participant agreement*.

Based on GBE's need to manage peak demand for a *target area*, a *standby notice* may be issued by GBE via email to *capacity market participants* for that *target area* prior to 7:00:00.000 AM EST on the day of activation.

GBE will not send an *activation notice* for a *target area* to a *capacity market participant* unless GBE has previously sent a *standby notice* to the *capacity market participant* for the applicable *target area*. If the *capacity market participant* has been placed on standby pursuant to a *standby notice*, then GBE may send an *activation notice* by email to the *capacity market participant* no later than two hours prior to the commencement of the *activation period* specified in the *activation notice*.

A sample of the timelines is presented in Figure 5.

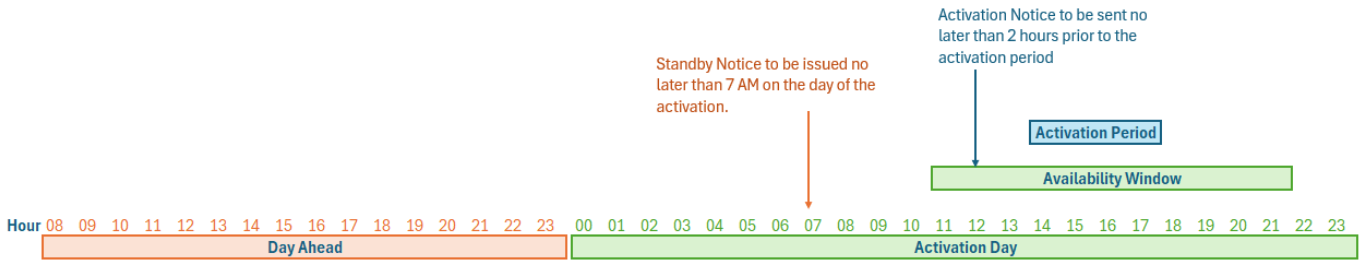


Figure 5: Standby and Activation Notice Timeline Illustration (shown in EST)

An *activation period* may occur anytime within the *availability window*. There will be no more than one *activation period* per *availability window* per day during the *obligation period*.

The *maximum number of hours per activation* will be specified for an *obligation period* in the *pre-auction report*.

All *standby notices* and *activation notices* will be issued independently for each target *area of* the *GridShare NWA program* (i.e. for GridShare North or GridShare South).

10. Emergency Activations

Based on grid requirements for the applicable *target area*, GBE may issue *emergency activation notices* during the *obligation period* to *capacity market participants*. While an *emergency activation notice* for a *target area* may be issued at any time during the *availability window*, the *emergency activation notice* will not be preceded by a *standby notice*. Unlike an *activation notice*, an *emergency activation notice* may be issued less than two hours prior to the commencement of the *emergency activation period* specified in the *emergency activation notice*.

If a *capacity market participant* complies with an *emergency activation notice*, the *capacity market participant* will be paid an *emergency activation payment* (see Section 13). A *capacity market participant* will not incur any charges for failure to comply with an *emergency activation notice* (see Section 13).

All *emergency notices* will be issued independently for each *target area* of the *GridShare NWA program* (i.e. for GridShare North, or GridShare South).

11. Capacity and Performance Payments

Capacity market participants will be eligible for three payments as part of the *GridShare NWA program* as set out in the *participant agreement*:

1. ***capacity obligation payment* ($/MW-day)** – fixed payment for every *business day* during the *obligation period*

   The *capacity obligation payment* for a month within the *obligation period* will be based on the *capacity auction clearing price*, the *capacity obligation* of the *capacity market participant*, and the number of *business days* in the month.

   ***capacity obligation payment* ($) = *capacity obligation* (MW) x *capacity auction clearing price* ($/MW-day) x number of *business days* in the month (days)**

   The maximum price GBE is willing to pay as a *capacity auction clearing price*, i.e. the *capacity auction reference price*, together with the *contracted monthly activations*, is specified for each *target area* in the *pre-auction report*.

   The *capacity auction clearing price* for a *target area* is based on the *price-quantity pairs* received during *the capacity offer period*, and as explained in Section 9 – Selection, only the lowest-priced *capacity offers*, below and up to the *target auction capacity*, will be cleared. **As such, *capacity auction participants* are encouraged to submit competitive *capacity auction offers*.**

Sample Calculation – Capacity Obligation Payment

- *capacity market participant's capacity obligation* (MW) = 2 MW (available from *participant agreement*)
- *capacity auction clearing price* ($/MW-day) = $500/MW-day (available from *capacity auction* results)
- number of *business days* in the settlement month (days) = 22 (based on settlement month)

Capacity Obligation Payment for the Settlement Month = 2 MW x $500/MW-day x 22 *business days* = $22,000 payment per month

Note: This is a sample calculation only, actual *capacity obligation payment* will depend upon the *capacity market participant's capacity obligation*, *capacity auction clearing price* and number of *business days* in the settlement month.

2. ***capacity incentive payment* ($/MWh)** – variable payment for every hour of activation above the *contracted monthly activations* as stated in the *participant agreement*, during the *obligation period*.

   The *capacity incentive payment* will vary depending on the additional *activation notices* per month that GBE sends to the *capacity market participant*, and the number of those notices to which the *capacity market participant* complies. The *capacity incentive payment* price is specified for each *target area* in the *pre-auction report*.

   ***capacity incentive payment* ($) = *delivered capacity* (MW) x *capacity incentive payment price* ($/MWh) x number of hours above *contracted monthly activation* (h)**

   Sample Calculation – Capacity Incentive Payment

   - *capacity market participant's delivered capacity (MW)* = 2 MW (available from *meter readings*)
   - *capacity incentive payment price* ($/MWh) = $250/MWh (available from *participant agreement*)
   - number of hours above *contracted monthly activations* when market participant provided capacity, during the settlement month = 5

   Capacity Obligation Payment for the Settlement Month = 2 MW x $250/MWh x 5 hours = $2,500 total payment

   Note: This is a sample calculation only, actual *capacity incentive payment* will depend upon the *capacity market participant*'s *capacity obligation*, capacity incentive payment price and number of hours above *contracted monthly activations* when market participant met capacity obligation, during the settlement month.

   Additional activations will be exempt from performance charges, i.e. even if a *capacity market participant* is unable to respond to an *activation notice* for hours above the *contracted monthly activations*, a performance charge will not be applied when calculating their total payment for the settlement month.

3. ***Emergency Activation Payment* ($/MWh)** – A variable payment for every hour of an *emergency activation period* during which a *capacity market participant* complies with an *emergency activation notice*.

   The amount of the *emergency activation payment* will vary depending on the number of *emergency activation notices* per month that GBE sends to a *capacity market participant*, and the number of those notices with which the *capacity market participant* complies. The *emergency activation payment* price is specified for each *target area* in the *pre-auction report*.

   emergency activation payment ($) = delivered capacity (MW) x emergency activation payment price ($/MWh) x number of hours of emergency activation (h)

Sample Calculation – Emergency Activation Payment

- *capacity market participant*'s *delivered capacity (MW)* = 2 MW (available from *meter readings*)
- *emergency activation payment price* ($/MWh) = $500/MWh (available from *participant agreement*)
- number of hours of *emergency activation* periods when *capacity market participant* met provided capacity, during the settlement month = 2

***capacity obligation payment* for the Settlement Month = 2 MW x $500/MWh x 2 hours = $2,000 total payment**

Note: This is a sample calculation only, actual *emergency activation payment* will depend upon the *capacity market participant*'s *capacity obligation*, *emergency activation payment price* and number of hours *of emergency activation*

A failure to meet a *capacity obligation* during an *emergency activation period* will be exempt from performance charges, i.e. even if *a capacity market participant* is unable to respond to an *emergency activation notice*, a performance charge will not be applied when calculating their total payment for the settlement month.

12. Performance Charges

To ensure fair market operations and accountability on the part of c*apacity market participants,* performance charges may be applied if c*apacity market participants* are unable to meet their *capacity obligation* during the *obligation period*. These performance charges shall be in the nature of liquidated damages and not penalties.

Two forms of performance charges may be applied:

1. ***Capacity Dispatch Charge*** – this will be applied when a *capacity auction resource* is unable to deliver at least 85 percent of its *capacity obligation* during any *activation period*.

   The *capacity dispatch charge* will be based on the c*apacity market participant's capacity obligation*, the *capacity auction clearing price* and a non-performance factor.

***capacity dispatch charge* ($) = *capacity obligation* (MW) x *capacity auction clearing price* ($/MW-day) x non-performance factor (#) x 1 day**

Values for the non-performance factors are set out in *the pre-auction report*.

Sample Calculation – Capacity Dispatch Charge

- *capacity market participant*'s *capacity obligation* = 2MW (available from *participant agreement*)
- *capacity auction clearing price* = $500/MW-day (available from the results of the *capacity auction*)
- non-performance factor = 2.0 (based on settlement month)

***capacity dispatch charge* for the Settlement Month = 2 MW x $500/MW-day x 2.0 x 1 day = $2,000 total charge**

Note: This is a sample calculation only, actual *capacity discharge charge*, if applicable, will depend upon the *capacity market participant*'s *capacity obligation*, *capacity auction clearing price* and non-performance factor for the settlement month.

2. ***Capacity Obligation Charge*** – this will be applied when either:
    - a *capacity auction resource* is unable to deliver at least 85 percent of its *capacity obligation* during any *activation period* initiated for testing purposes **or** during two or more *activation periods* in the same month.

The *capacity obligation charge* will be based on the *capacity market participant's capacity obligation*, the *capacity auction clearing price* and the *number of business days in the month*.

***capacity obligation charge* ($) = *capacity obligation* (MW) x *capacity auction clearing price* ($/MW-day) x number of *business days* in the month (days)**

As such, the *capacity obligation charge* will be equal to the *capacity obligation payment* for the month.

The *capacity obligation charge* will be capped at one charge per month, and if applicable, will override the *capacity dispatch charge*, i.e., if the *capacity obligation charge* is due, then the *capacity dispatch charge* will not be due.

Sample Calculation – Capacity Obligation Charge

- *capacity market participant*'s *capacity obligation* = 2 MW (available from *participant agreement*)
- *capacity auction clearing price* = $500/MW-day (available from the results of the *capacity auction*)
- Number of *business days* = 22 (based on settlement month)

***capacity obligation* charge for the Settlement Month = 2 MW x $500/MW-day x 22 *business days* = $22,000 total charge per month**

Note: This is a sample calculation only, actual *capacity obligation charge*, if applicable, will depend upon the *capacity market participant*'s *capacity obligation*, *capacity auction clearing price* and number of *business days* in the settlement month.

13. Settlement and Payment Process

During the *obligation period*, *capacity market participants* will receive a monthly settlement statement summarizing the *capacity market participant's* expected payment for the previous month. The associated payment shall be issued on the last *business day* of the month, for the previous month. The schedule of the settlement statements and payments is specified in the *pre-auction report*.

As a minimum, each monthly settlement statement will include:

- The *capacity market participant's capacity obligation* per the *participant agreement*
- The *capacity market participant*'s *delivered capacity* in each *activation period* during the month (including any *activation period* initiated for testing purposes)
- The expected payment for the month

The expected payment is calculated as follows:

Expected Payment = Program Payment – Performance Charges, where

- Program Payment = *capacity obligation payment* + *capacity incentive payment* + *emergency activation payment*
- Performance Charges = *capacity dispatch charge* **or** *capacity obligation charge*

Under no case would the performance charges be greater than the program payment

Sample Calculation – Expected Payment for 1 month during the Obligation Period

- *capacity market participant*'s *capacity obligation* = 2 MW (available from *participant agreement*)
- *capacity market participant*'s *delivered capacity* during *activation periods* above minimum *contracted monthly activations* = 1.5 MW (available from meter readings)
- *capacity market participant*'s *delivered capacity* during *emergency activation periods* = 1 MW (available from meter readings)
- *capacity auction clearing price* = $500/MW-day (available from *capacity auction* results)
- capacity incentive payment price=$250/MWh (available from *participant agreement*)
- emergency activation payment price=$500/MWh (available from *participant agreement*)
- Number of validated *activation periods* above minimum *contracted monthly activations* = 5
- Number of validated *emergency activation periods* = 2
- Settlement Month = August
  - Number of *business days* = 22 (based on settlement month)
  - non-performance factor = 2.0 (based on settlement month)
- Number of *capacity dispatch charges* = 1
- Number of *capacity obligation charges* = 0

Payments & Charges for the Settlement Month:

- *capacity obligation payment* = 2 MW x $500/MW-day x 22 days = $22,000
- *capacity incentive payment* = 1.5 MW x $250/MWh x 5 hours additional *activation periods* = $1,875
- *emergency activation payment* = 1 MW x $500/MWh x 2 hours *emergency activation periods* = $1,000
- Program Payment = $22,000 + $1,875 + $1,000 = $24,875
- *capacity dispatch charge* = 2 MW x $500/MWh x 2.0 = $2,000
- *capacity obligation charge* = $0
- Performance Charges = $2,000 + $0 = $2,000

Expected Payment = $24,875 - $2,000 = $22,875

14. Performance Expectations and Testing

Testing

To ensure market readiness, GBE might issue a test notification, ensuring that only one test at most is carried out during an *obligation period*. *Capacity market participants* will receive notice of a test, 24 hours prior to the time of the test. In response, *capacity market participants* will be expected to fulfill their *capacity obligation* per their *participant agreement*. Should a *capacity market participant* fail to respond to a test, they will be subject to a *capacity obligation charge* (see Section 12).

Should an activation occur prior to a test, successful response to such an activation will replace the need for testing. If any activation(s) occurs after the test, the test will be counted towards the minimum *contracted monthly activations*.

Performance expectations
It is expected that *capacity market participants* will fulfill their *capacity obligation* during all activations. Please review Section 12 for a full explanation of performance charges that would apply if *capacity obligations* are not sufficiently met.

15. Measurement and Verification

Appropriate Measurement and Verification (M&V) is a key step to ensuring market integrity. For GBE's *GridShare NWA program*, the M&V process will be carried out by comparing the hourly *delivered capacity* a *capacity market participant* provides during an *activation period* against the *baseline consumption* calculated for that *capacity market participant*. For purposes of calculating *delivered capacity, GBE* will use the minimum capacity of *electricity* (MW) derived from data from *capacity market participant's* meter, as calculated by GBE in its discretion acting reasonably, taking into account *baseline consumption*, for each hour.

When calculating performance charges, GBE will use *baseline consumption* value to ensure that the *capacity market participant* met their *capacity obligation*. For example, if the *capacity market participant's capacity obligation* is 2 MW, then GBE will verify if during each hour of an *activation period* of the *contracted monthly activations*, the *capacity market participant* reduced their consumption by 2 MW from their *baseline consumption* value for the activated hours.

The *baseline consumption* for a particular hour of an *activation period* will be calculated using the last 20 *regular business days*, excluding any activation days, from a range of *business days* that go back to a maximum of 35 *business days* prior to the day on which the

activation notice or *emergency activation notice* (as applicable) was issued. If there are less than 20 *regular business days* available, then GBE will use all available *regular business days* within the maximum of 35 *business days* to calculate the baseline.

When calculating the *baseline consumption*, if needed, even *business days* prior to the *obligation period* will be deemed as *regular business days*.

Baseline consumption will be calculated as follows:

$$\textbf{Baseline Consumption}_{H} = \textbf{AvgConsumption15}_{H} \times \textbf{VariationFactor}_{H}$$

where:

- H = hour within the *activation period* for which the *baseline consumption* is being calculated
- AvgConsumption15 $_{H}$ = the average of the 15 highest consumption data values for the hour H, in the last 20 *regular business days* prior to the activation day, for the *capacity market participant*
- VariationFactor$_{H}$ = factor used to account for variation in the total consumption of the *capacity market participant* on the activation day, for hour H, in three hours immediately preceding *activation period*, when compared to total 15 highest consumption data values in the past 20 *regular business days*, for corresponding hours, and calculated as follows:

$$\textbf{VariationFactor}_{H} = \frac{(\textbf{Consumption}_{Y-2} + \textbf{Consumption}_{Y-1} + \textbf{Consumption}_{Y})}{(\textbf{AvgConsumption15}_{Y-2} + \textbf{AvgConsumption15}_{Y-1} + \textbf{AvgConsumption15}_{Y})}$$

  where:

  - Y = one hour prior to the hour to the *activation period* for which the *baseline consumption* is being calculated
  - H = an hour within the *activation period* for which the *baseline consumption* is being calculated
  - Consumption = the actual consumption data values for the hours Y, Y 1, and Y-2, on the activation day, for *auction market participant*
  - AvgConsumption15 = the average of the 15 highest consumption data values for the hours Y, Y 1, Y-2, in the last 20 *regular business days* prior to the activation day, for *capacity market participants*, except days with activations
  - The VariationFactor can only be as low as 0.8 and as high as 1.2. Therefore, the VariationFactor will be rounded either up or down if calculated as being less than 0.8 or greater than 1.2, respectively.

For an *aggregator,* changes to the measurement and values methodology are reflected in

the *participant agreement*. In the *aggregator* context, *baseline consumption* and *delivered capacity* are calculated separately for each *capacity auction resource and* aggregated as described in the *participant agreement*. Please refer to Schedule B of the *participant agreement* for *aggregators* which includes a detailed methodology applicable to *aggregators*.

Sample Calculation – Baseline Consumption Use Case

- Date of activation = 2025-Aug-11
- Hour of activation, H = 14:00 (3:00 PM)

AvgConsumption15 at 3 PM (Hour H) = 10 MW

- (Based on the 15 highest consumption values over the last 20 *regular business days* at 3 PM, i.e., 15 highest consumption values from Jul 14 to Aug 8, assuming no activations were done during this time period. Average of the 15 highest values will be considered.)

- Actual Consumption on 2025-Aug-11 at 1 PM (Hour H-2) = 9 MW
- Actual Consumption on 2025-Aug-11 at 2 PM (Hour H-1) = 8 MW
- Actual Consumption on 2025-Aug-11 at 3 PM (Hour H) = 10.5 MW
- AvgConsumption15 at 1 PM (Hour H-2) = 8.5 MW
- AvgConsumption15 at 2 PM (Hour H+1) = 10 MW
- AvgConsumption15 at 3 PM (Hour H) = 11 MW

Variation Factor = (9+8+10.5)/3 / (8.5+10+11)/3 = 0.9322

***Baseline Consumption* = 10 x 0.9322 = 9.32 MW**

Therefore, the capacity provided by the *capacity market participant*, when compared to the *baseline consumption*, on 2025-Aug-11 at 3 PM = 9.32 – 8 = 1.32 MW

Let us consider 3 *capacity obligation* scenarios:

	Capacity Obligation	Capacity Provided	% Capacity provided	Performance Charge
Scenario 1	1 MW	1.32	1.32 / 1 = 132%	No
Scenario 2	1.5 MW	1.32	1.32 / 1.5 = 88%	No
Scenario 3	2 MW	1.32	1.32 / 2 = 66%	*capacity dispatch charge*

16. Timelines

Relevant dates related to GBE's *GridShare NWA program* are outlined in the *pre-auction report*.

17. Changes to Contributor Capacity Auction Resources

A *direct participant* or an *aggregator* may modify, add or subtract *capacity auction resources* using the web-portal on the website up to the end of the *auction offer period*.

18. GridShare NWA Program Review and Amendments

a) GBE may in its discretion amend (including by suspending, if applicable) the *GridShare NWA program*, the *program rules* or the form of *participant agreement* (which, for greater certainty, shall not affect any executed contracts) in connection with a review of the *GridShare NWA program*. GBE may in its discretion amend the *GridShare NWA program*, the *program rules* or the form of *participant agreement* in response to a direction from the *IESO*, changes in *laws*, significant changes in market conditions or other circumstances as determined by GBE in its discretion.

b) Notice of any amendment as a result of a *GridShare NWA program* review will be posted on GBE's website (https://www.grandbridgenergy.com, or such other *website* as GBE may designate from time to time) at least thirty (30) days prior to the effective date of such *amendment*. Notice of any *amendment* that is not as a result of a *GridShare NWA program* review will be posted by GBE on the *website* for such time period, if any, prior to the effective date of such *amendment*, as circumstances may permit.

c) Amendments made by GBE under this Section 18 shall be without any liability whatsoever to *capacity auction participant*s or any other *person*.

19. Confidentiality

a) All information provided by or obtained from GBE in any form in connection with the *GridShare NWA program*, either before or after the execution of a *participant agreement*, that is not otherwise publicly available is the sole property of GBE and must be treated as confidential, and:

   i) is not to be used for any purpose other than participating in the *GridShare NWA program* and the performance by the *capacity market participant* of its obligations under the *participant agreement*;

   ii) must not be disclosed without the prior written authorization of GBE, other than to the OEB and the *IESO* and other than to the *capacity market participant, capacity auction participant* or their employees, counsel or contractors that have a need to know that information for the purpose of participating in the *GridShare NWA program* and the performance by the *capacity market participant* of its obligations under the *participant agreement* provided the *capacity auction participant* or *capacity market participant* obtains similar confidentiality

commitments from such third parties; and

iii) shall be returned to GBE or destroyed by the *capacity auction participant* or *capacity market participant* or third party (as applicable) GBE immediately upon request of GBE.

b) All *sensitive information* will be treated as confidential by GBE and:

i) will not to be used for any purposes other than the *GridShare NWA program*; and

ii) must not be disclosed without the prior written authorization of the *capacity auction participant* or *capacity market participant* as applicable, except as otherwise provided in this Section 19.

c) Information provided by a *person* participating in the *GridShare NWA program* may be released in accordance with the provisions of the *MFIPPA* or *FIPPA*. Notwithstanding any confidentiality statement provided by the *GridShare NWA program* participant, GBE may be required to disclose information provided to it by a *GridShare NWA program* participant and is otherwise not protected from disclosure through an exemption in *MFIPPA*, *FIPPA* or any other applicable legislation, regulation or policy. *GridShare NWA program* participants should not assume that such an exemption is available.

d) Information provided by a *person* participating in the *GridShare NWA program* in relation to a *demand response resource*, including location, date, status within the *GridShare NWA program* and name of *GridShare NWA program* participant, may be disclosed by GBE on the *website* or otherwise, and such disclosure may be made on an individual basis, or on an aggregated basis with information provided by other *GridShare NWA program* participants.

e) *Persons* participating in the *GridShare NWA program* are advised that any information obtained by GBE, whether directly or indirectly, including via the web-portal or other means, may, as necessary, be disclosed on a confidential basis to the *IESO*, *NRCan*, the OEB, the Ministry of Energy and Mines, GBE's counsel, consultants and any other advisers retained for the purpose of administration of the *GridShare NWA program*.

f) If GBE or any other *person* specified in paragraph (e) above is requested or required (by oral question, interrogatories, requests for information or documents, court order, civil investigative demand, or similar process) to disclose any *sensitive information* in connection with litigation or any regulatory proceeding or investigation, or pursuant to any *laws*, GBE will promptly notify the *capacity auction participant* so that they may seek an appropriate protective order. If, in the absence of a protective order or the receipt of a waiver hereunder, GBE or other *person* is compelled to disclose the *sensitive information*, GBE or other *person* may disclose only such of the *sensitive information* to the *person* compelling disclosure as is required by *laws* and only to such *person* or *persons* to which GBE or other *person* is legally compelled to disclose and, in connection with such compelled disclosure, GBE or other *person* shall provide notice to each such recipient (in co-operation with legal counsel for the *capacity auction participant* or *capacity market participant*) that such *sensitive information* is confidential and subject to non-disclosure on terms and conditions as provided in these *program rules*.

20. Additional Rules

20.1 Reserved Rights

a) GBE reserves the right to request, at any time during the *GridShare NWA program*, any clarifications, information, documentation and statements from any *capacity auction participant* or *capacity market participant* in relation to any *registration* or *capacity auction offer* submitted by the *capacity auction participant* or *capacity market participant* or any *demand response resource* owned by the *capacity auction participant* or *capacity market participant* or any other information relevant to the *GridShare NWA program*. A *capacity auction participant* or *capacity market participant* (as applicable) will submit to GBE by email each item of information requested under this Section 20.1(a) within five (5) *business days* of the date of such request, or by such other means and within such other time frame as may be requested by GBE, failing which GBE may in its discretion terminate the *capacity auction participant's* or *capacity market participant*'s *registration* or *participation agreement* effective immediately upon notice to the *capacity auction participant* or *capacity market participant*.

b) GBE reserves the right to verify with a *capacity auction participant* or *capacity market participant*, or with a third party, any of the information set out in a *registration* or *capacity auction offer*.

c) GBE reserves the right to waive any informality or irregularity or defect, including any alteration, qualification, omission, inaccuracy or misstatement, non-compliance with these *program rules*, non-conformity (including in form, content and substance) or irregularity in a *registration* or *capacity auction offer* which is not material, including by extending any deadline set out in these *program rules*.

d) GBE reserves the right to at any time make changes to these *program rules*, the form of *participation agreement* or the *GridShare NWA program* (including substantial changes or a suspension or cancellation of the *GridShare NWA program*) without any liability whatsoever to *capacity auction participant*s, *capacity market participants* or any other *person*.

e) GBE shall not be liable for any delays in delivering the *GridShare NWA program*, including but not limited to delays in processing, reviewing, accepting or *terminating* a *registration* or *capacity auction offer*, commencing a *capacity auction* or any step pertaining to a *capacity auction*, providing a *pre-auction report* or post-auction report, or issuing a *participation agreement*.

f) GBE reserves the right to withdraw the eligibility status of a *capacity auction participant* and/or *demand response resource* if the *capacity auction participant* and/or *demand response resource*, as applicable, ceases to satisfy all of the eligibility requirements or otherwise becomes ineligible pursuant these *program rules*.

g) GBE reserves the right to withdraw the issuance of a *participation agreement* that is extended to a *capacity auction participant*, for any reason and at any time, without penalty of any kind, before the *participation agreement* is duly executed by the *parties*. A decision by GBE to *terminate* any *registration*, to withdraw the eligibility status of any *capacity auction participant* and/or *demand response resource*, or to withdraw the issuance of a *participation agreement* with a *capacity auction participant*, shall be final and binding and not subject to appeal or judicial review.

20.2 Assignment

A *capacity auction participant* shall not assign its *registration* to another *person* (including by way of amalgamation or by operation of law) without the consent of GBE. If a *capacity auction participant*

violates this Section 20.2, GBE shall be entitled to *terminate* the *registration*.

20.3 Termination

A *capacity auction participant* may terminate its *registration* from the *GridShare NWA program* at any time prior to the end of the *auction offer period* by emailing GBE at innovation@grandbridgeenergy.com. Upon confirmation by GBE in writing of the withdrawal from the *GridShare NWA program*, the *registration* shall be deemed *terminated* and the *parties* shall have no further liability to each other.

Termination by GBE:

h) GBE reserves the right to *terminate* any incomplete *registration*, any *registration* that does not satisfy all of the eligibility requirements or is ineligible as set out in these *program rules*, and any *registration* where there was a breach by the *capacity auction participant* of any of the covenants, representations, warranties or other requirements in these *program rules*. If a *registration* is so *terminate*d, GBE will provide the *capacity auction participant* with notice of the reason(s) for *termination*. *Termination* by GBE may take place by notice to the corresponding *capacity auction participant* or at any time following the receipt of such *registration* by GBE. *Capacity auction participant*s and *demand response resources* that are the subject of a *terminated registration* are no longer eligible to participate in this *GridShare NWA program*.

i) GBE reserves the right to cancel all or any part of the *GridShare NWA program*, including any *target* area, or one or more *capacity auctions*, at any time and for any reason or to suspend the *GridShare NWA program* in whole or in part for any reason for such period of time as GBE shall determine in its discretion, in each case without any obligation or any reimbursement to a *capacity auction participant* or *capacity market participant*, as applicable, except as provided in the *participation agreement*.

j) GBE will not reimburse the *capacity auction participant* or *capacity market participant*, as applicable, in any manner whatsoever, in the event of *termination* for any reason, in the event of the revocation of the issuance of the *participation agreement*.

20.4 General

a) In the event the consent of GBE is required for any reason under these *program rules*, the *capacity auction participant* or *capacity market participant*, as applicable, must submit a request for such consent in writing and include in its request sufficient detail to allow GBE to make an informed decision.

b) *Capacity auction participant*s may make changes to information submitted as part of the *registration* via the web-portal during the *auction registration period*. After the *auction registration period capacity auction participants* may request changes to non-resource information submitted as part of the *registration* by emailing GBE at innovation@grandbridgeenergy.com.

c) GBE shall not be obligated in any manner whatsoever, or have any liability, to any *person*

participating in the *GridShare NWA program* in any manner, unless and until a *participation agreement* is executed with such *person*, and then only in accordance with the terms of such *participation agreement*.

d) GBE and its service providers and suppliers shall not be liable to pay a *capacity auction participant*'s costs or expenses under any circumstances. By submitting a *registration*, the *capacity auction participant* irrevocably and unconditionally waives any *claims* against GBE and its service providers and suppliers relating to the *capacity auction participant*'s costs and expenses including costs incurred to satisfy the eligibility criteria described in these *program rules*, the registration criteria or any costs associated with, if selected, entering into a *participation agreement*.

e) The *parties* acknowledge and agree that it would be difficult and impracticable to determine precisely the amount of actual damages that would be suffered by GBE and its customers as result of a failure by the *capacity auction participant* to meet its obligations stipulated in the *participation agreement*. The *capacity auction participant* further acknowledges and agrees that the liquidated damages set forth in the *program rules* and the *participation agreement* are a fair and reasonable approximation of the amount of actual damages that would be suffered by GBE and its customers as a result of a failure by the *capacity auction participant* to meet its obligations under the *participation agreement*, and does not constitute a penalty.

f) Each *capacity auction participant* and *capacity market participant* shall be solely responsible for its own costs and expenses relating to the preparation and submission of its *registration*, the development, operation, maintenance, and connection to GBE's *distribution system* of its *demand response resource*, fuel charges, and participation in the *GridShare NWA program*, whether or not a *registration* is accepted or *terminated* or the *GridShare NWA program* is cancelled, suspended, revoked, amended or revised.

g) The acceptance by GBE of a *registration* shall not be construed as:

   iii) evidence that GBE has accepted the authenticity or sufficiency of the *registration* and its supporting documentation; or

   iv) a waiver of or bar to any of GBE's rights under these *program rules* or otherwise.

h) The rights reserved by GBE in these *program rules* are in addition to any other express rights or any other rights which may be implied in the circumstances, and GBE shall not be liable for any *claim*, losses, damages, liabilities, penalties, obligations, payments, costs and expenses, costs, losses or any direct or indirect damages incurred or suffered by any *capacity auction participant* or any third party resulting from GBE exercising any of its express or implied rights under the *GridShare NWA program*, including the right to exercise its discretion hereunder. In submitting a *registration* or participating in the *GridShare NWA program*, each *capacity auction participant* agrees that it waives any rights it may have to bring a *claim* or otherwise as against GBE for failing to approve a *capacity auction participant*, approving another *capacity auction participant*, or failing to issue a *participant agreement*, as applicable.

i) In submitting a *registration* or participating in the *GridShare NWA program*, each *capacity auction participant* shall agree that, in no circumstances shall it nor any third party be entitled to recover any damages as against GBE, whether such *claim* for damages arises in contract,

warranty, equity, negligence, intended conduct, detrimental reliance or otherwise, including any action or *claim* arising from the acts or omissions, negligent or otherwise, of GBE, and including any *claim* by the *capacity auction participant* that GBE has failed to comply with these *program rules*.

j) By submitting a *registration*, the *capacity auction participant* authorizes the collection by GBE of the information set out in the *registration* and otherwise collected in accordance with the terms hereof, and the use of such information for the purposes set out in or incidental to these *program rules* and the *participation agreement*, and for the purpose of offering, managing and directing the *GridShare NWA program* generally.

20.5 Interpretation

k) **Consent.** Whenever a provision requires an approval or consent and the approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the *party* whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

l) **Currency**. Unless otherwise specified, all references to money amounts are to the lawful currency of Canada.

m) **Discretion**. Where GBE may take an action or make a determination under these *program rules*, the decision to take such action or make such determination shall be at GBE's sole and absolute discretion. Any reference to GBE's discretion in these *program rules* shall mean GBE's sole and absolute discretion.

n) **Extensions of Time**. GBE may extend the time to meet the requirements of these *program rules* at its discretion. Any failure to meet the revised time requirement shall have the same consequences as if the original time requirement had not been met.

o) **Governing Law**. These *program rules* are made under and shall be governed by and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

p) **Headings.** Headings of sections are inserted for convenience of reference only and do not affect the construction or interpretation of these *program rules*. References to Sections means Sections of these *program rules*, unless otherwise specified.

q) **No Strict Construction**. Despite the fact that these *program rules* were drafted by GBE's legal and other professional advisors, *capacity auction participant*s submitting *registrations* or *capacity market participants* acknowledge and agree that any doubt or ambiguity in the meaning, application or enforceability of any term or provision in these *program rules* shall not be construed against GBE or in favour of the *capacity auction participant* when interpreting such term or provision, by virtue of such fact.

r) **Notice**. No *person* may provide any notices or otherwise communicate with GBE in respect of a *registration* other than the primary contact provided in the *registration*, provided that a duly authorized signatory of the *capacity auction participant* may enter into a contract in relation to such *registration*.

s) **Number and Gender**. Unless the context otherwise requires, words importing the singular

include the plural and vice versa and words importing gender include all genders.

t) **Severability**. If any provision of these *program rules* or its application to any *party* or circumstance is restricted, prohibited or unenforceable, the provision shall be ineffective only to the extent of the restriction, prohibition or unenforceability without invalidating the remaining provisions of these *program rules* and without affecting its application to the other *party* or circumstances.

u) **Statutory References**. A reference to a statute includes all regulations and rules made pursuant to the statute and, unless otherwise specified, the provisions of any statute, regulation or rule which amends, supplements or supersedes any such statute, regulation or rule.

v) **Time**. Time is of the essence in the performance of the *parties'* respective obligations.

w) **Time Periods**. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next *business day* following if the last day of the period is not a *business day*.

x) **References to Time**. Any reference to time in these *program rules* shall be in the 24-hour clock and shall be read to the millisecond.