



Invitation for Expressions of Interest
for
ENVIRONMENTALLY PREFERRED POWER
PROJECTS

SaskPower
September 4, 2003

1. INTRODUCTION

Saskatchewan Power Corporation (SaskPower) has adopted a strategy to meet new load growth over the next several years using Environmentally Preferred Power (EPP). This strategy is intended to encourage low environmental impact power, utilize waste streams as a fuel source, reduce SaskPower's emissions, monetize the value of low environmental impact power, and add small generation in step with SaskPower's load requirements. As an integral component of this strategy, SaskPower intends to issue an annual Request for Proposals (RFP) for up to 15 MW of Environmentally Preferred Power each year over the next three years.

The purpose of this Invitation for Expressions of Interest (Invitation) is to seek declarations of interest from parties having potential electrical generation projects that will be eligible to participate in the 2003 Environmentally Preferred Power Program (EPP Program). Such projects must meet the criteria set out in this Invitation in order to participate in the RFP for Environmentally Preferred Power that SaskPower plans to issue in late 2003.

2. EPP PROJECT PARAMETERS

Potential EPP Projects must meet the following parameters to be eligible for SaskPower's Environmentally Preferred Power Program:

- the project must utilize wind, low impact hydro, biomass, biogas, solution flare gas, heat recovery from an existing waste heat source or solar generation technology;
- the project must meet SaskPower's Environmental Eligibility Criteria defined in Appendix A to this Invitation;
- the total generating capacity of the project must be 25 kW to 5 MW in size;
- the project is expected to be in commercial operation by October 31, 2005 or sooner;
- the project must be located within Saskatchewan;
- the net electrical output from the project must be sold to SaskPower; and
- SaskPower retains ownership of any emissions reductions arising from the displacement of thermal generation by electricity delivered from the project.

3. PROCESS

3.1 Expression of Interest Invitation

SaskPower invites parties interested in the EPP Program to declare their interest in writing by submitting, as a minimum, the Expression of Interest Form attached in Appendix 'B' to this Invitation on or before **15:00 hours CST, September 25, 2003** to:

3.4 Confidentiality

SaskPower will take all reasonable precautions to maintain the confidentiality of information submitted by the parties. SaskPower reserves the right to disclose Expressions of Interest to SaskPower's consultants for the purpose of evaluating the Expressions of Interest and to prepare a short list of qualifying EPP Projects. SaskPower, its employees, servants, agents, and consultants will not be liable for any damages resulting from any disclosure before, during or after the issuance of this Invitation and submission of an Expression of Interest.

All Expressions of Interest and supporting documentation will become the property of SaskPower.

3.5 Terms of Invitation

Interested parties should note that nothing in this Invitation requires SaskPower to select a particular project for further participation in the EPP Program, nor to proceed or continue with the EPP Program. Further, SaskPower may amend or modify this Invitation and/or defer or discontinue the Invitation, in its discretion. In such circumstances, parties submitting Expressions of Interest will be notified of SaskPower's action.

4. SELECTION CRITERIA

The purpose of this Invitation seek declarations of interest from parties having potential electrical generation projects that will be eligible to participate in the 2003 Environmentally Preferred Power program. To that end, SaskPower will evaluate the Expressions of Interest and consider, for the purposes of short listing eligible projects, those submissions that meet the following criteria:

a) EPP Project Parameters

Expressions of Interest should be submitted addressing all of the requirements set out in Section 2 of the Invitation. Those Expressions of Interest that do not meet all of the EPP Project Parameters may be excluded from further consideration at SaskPower's discretion.

b) Environmental Attributes of the proposed EPP Project

Expressions of Interest should be submitted addressing all of the relevant Environmental Eligibility Criteria for the project type as set out in Appendix A to this Invitation. Those Expressions of Interest that do not meet all of the relevant Environmental Eligibility Criteria may be excluded from further consideration at SaskPower's discretion.

In addition to the above, Expressions of Interest for projects utilizing combustion technology should include a description of feedstock (ie. source, composition and current disposition), the type of combustion technology to be employed (ie. microturbine, reciprocating engine, etc.), and the anticipated air emissions (if available from technology specifications or estimates). To assist in its selection, SaskPower may also request any supplementary information and clarification from a party during the review process.

Interested parties should note that SaskPower may waive or modify any of the selection criteria, in its sole discretion.

5. RFP CONSULTATIONS

SaskPower recognizes that the business and technical complexities to successfully compete for and ultimately develop an electrical generation project can be daunting to the parties targeted to participate in the EPP Program. In an effort to remove any unreasonable barriers to eligible EPP Projects, SaskPower intends to consult with parties submitting an Expression of Interest regarding the form and content of the upcoming 2003 RFP. Selected parties will be invited to review and provide comments on a draft copy of the RFP documents. SaskPower will assess those comments and take them into consideration when the final RFP documents are prepared. Participation in this consultation process is strictly voluntary and participants will be treated in the same manner as non-participants during the proposal submission, evaluation and selection process in the upcoming 2003 RFP for Environmentally Preferred Power.