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Qulliq Energy Corporation
Société d'énergie Qulliq
Qulliq Alruyaktuqtunik Ikumatjutiit

Section: Alternative and Renewable Energy

Policy Title: Commercial and Institutional Power Producers

Policy #: 9.02

POLICY STATEMENT

QEC operates isolated electrical systems serving 25 remote communities across Nunavut that are not interconnected to larger grids. These systems have limited redundancy and unique operational constraints. The Commercial and Institutional Power Producer program was created to allow eligible customers to reduce reliance on diesel power. This program is in line with QEC's strategic pillar of "Evolve".

- **Evolve:** A focus on innovation. This entails pursuing sustainable energy solutions, integrating technology into our processes, participating in research projects, and forming strategic partnerships that enable us to innovate effectively.

GUIDING PRINCIPLES

Piliriqatigiinniq/Ikajuqtigiinniq (working together for a common cause): this program requires the input and effort of multiple partners throughout the territory to reduce harmful emissions and increase economic opportunities.

Qanuqtuurniq (being innovative and resourceful): this program utilizes new energy technologies that rely on renewable sources available in Nunavut which can be integrated into current electrical systems.

Avatittinnik Kamatsiarniq (respect and care for the land, animals, and the environment): this program will reduce harmful emissions through the expansion of renewable energy projects in the territory.

APPLICATION

This policy applies to commercial and institutional customers who want to generate electricity from eligible renewable energy sources installed on-site and sell it exclusively to QEC at the avoided cost of diesel or such other price as QEC may be able to offer in the future. CIPP interconnections must comply with QEC's technical, operational, and safety requirements for isolated microgrid environments.

PREVIOUS:
March 1, 2021

AUTHORIZED BY:

APPROVAL DATE:
XXXXX 20XX



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Commercial: Refers to a classification of Service other than Domestic or any Municipal or Private Area Street Lighting, including but not limited to:

- a) A single family residence where a business is operated within the confines of the residence and the entire residence is supplied through one meter;
- b) A common area used by an associated group of residents (for example, utility, mechanical, laundry rooms); and
- c) A multiple unit residence supplied through one meter (for example, duplex).

Eligible energy sources: Renewable sources authorized for CIPP projects including, but not limited to wind, solar, biomass, and such other energy sources as QEC may designate from time to time, subject to technical feasibility, system compatibility, and economic viability as determined solely by QEC.

Energy Purchase Agreement (EPA): A legal contract between a CIPP and QEC that details the commercial terms, as well as each party's legal obligations and rights in respect to the sale of energy from a renewable generation facility to QEC.

Generation and Connection Agreement: An agreement that a CIPP power producer signs with QEC after the renewable power generating facility has been built and is ready to be connected to the QEC power distribution system.

Interconnection study: A detailed assessment of a project's impact to the electrical grid. The results of this assessment include a technical report outlining project feasibility, technical specifications needed for the project and impacts the project would have on the distribution and generation system.

On-site: A single physical building or facility associated with one customer account and one metering point. Aggregation of multiple facilities or accounts under a single CIPP application is not permitted.

**Policy Title:** Commercial and Institutional Power Producers

Technical Interconnection Requirements (TIR): A document establishing criteria and standards that must be met to ensure that new renewable generating facility interconnections do not adversely affect the safety, quality, or reliability of QEC's distribution and generation system.

Qulliq Energy Corporation (QEC)

- Develop and maintain a document which outlines Technical Interconnection Requirements (TIR) for safety, reliability, and power quality;
- Review CIPP technical designs and operating requirements;
- Develop all commercial terms for generating facilities that outline the capacity for generation and the purchase price;
- At its sole discretion, reserve the right to disconnect a CIPP's generating facility for reasons including – but not limited to – safety, operation, maintenance, or reliability, as outlined in the EPA;
- QEC monitors available system capacity for CIPP integration and reserves the right to approve or refuse applications at its sole discretion based on capacity availability, system constraints, and operational considerations;
- QEC will perform or retain a consultant to perform interconnection studies, at the full cost of the proponent;
- QEC reserves the right to determine whether required system upgrades are performed by QEC, the proponent, or a combination of both. All such work shall be designed, reviewed, and approved in accordance with QEC standards and shall be subject to QEC inspection; and
- QEC reserves the right to curtail or limit CIPP generation output as required to maintain system stability, safety, and reliability.

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Commercial and Institutional Power Producer (CIPP)

In participating in the program, CIPPs shall:

- Meet QEC's interconnection requirements for safety, reliability, and power quality as outlined in the TIR at the time of the program application;
- Adhere to good engineering standards and operating practices, as established by QEC as well as national codes and standards;
- Be responsible for obtaining and maintaining all Government of Nunavut electrical inspection permits and all required approvals;
- Be subject to inspection and approval of their generating facilities design, equipment, and operating requirements;
- Be responsible for all costs associated with required system modifications, and connection infrastructure as determined by QEC;
- Be responsible for all costs related to interconnection studies and administrative work associated with the installation of the proposed project;
- Enter into an Energy Purchase Agreement with QEC;
- Enter into a Generation and Connection Agreement with QEC; and
- Design, construct, install, commission, operate and maintain ownership of the renewable generating facility including paying all costs associated with operation, maintenance, and decommissioning.

PROVISIONS

1. Parameters of the CIPP program

Existing institutional and commercial customers can apply to the CIPP Program at any time. All generation must take place on site and be sold to QEC in its entirety. CIPP proponents will purchase electricity from QEC for their own use at applicable local community rates.

The total allowable community power generation capacity varies by community and will be based on a technical assessment.



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2. Eligibility Requirements

Those applying to the CIPP program must provide their proposed project's energy source, capacity, and location and any other facility related data as requested by QEC, as well as identify the owner or representative of the establishment.

QEC will review CIPP applications and assess capacity availability and technical requirements and may approve or refuse the application at its sole discretion. Interconnection studies will be initiated only for applications that have been accepted by QEC.

The total renewable energy generation that may be connected shall not exceed the remaining available CIPP allocation at the time of application, as determined by QEC for the applicable feeder and community. No new applications will be approved once this limit has been reached. Available hosting capacity is assessed at the time of application and may change based on system conditions and other approved projects.

Submission of an application does not guarantee approval, interconnection, or energy allocation

3. Technical Interconnection Requirements (TIR)

The TIR establishes the technical requirements for safe and reliable interconnection of CIPP generating facilities with QEC's isolated electrical systems. The TIR is a document maintained by QEC and may be updated from time to time. CIPP projects are bound by the version of the TIR in effect at the time of execution of their Generation and Connection Agreement.

4. Commercial Terms of Reference

The commercial terms identify and define the parameters of key conditions of an EPA between CIPPs and QEC. All CIPPs must adhere to the conditions outlined in



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the commercial terms. The commercial terms outline particular areas of the agreement including:

- Cost responsibilities;
- Contract duration;
- Purchase price;
- Design and permit compliance; and
- Termination of contract.

PREOGATIVE OF EXECUTIVE COUNCIL

Nothing in this directive shall in any way be construed to limit the prerogative of Executive Council to make decisions or take action respecting commercial and institutional power production and the Government of Nunavut, outside the provisions of this policy.

CONTACT

For further information, please send your inquiries to renewableenergy@qec.nu.ca.

REVIEW & AMENDMENTS

This policy shall be reviewed periodically and updated as required to reflect changes in technology, regulatory requirements, or QEC system conditions. This policy shall remain in effect until a revised version is approved by QEC or three (3) years after the approval of this policy; whichever comes first.

PREVIOUS:
March 1, 2021

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XXXXX 20XX