



This is the 1st Affidavit
of Frank Lin in this case and
was made on March 29, 2018

No. S-174308
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.

PLAINTIFF

AND:

WEDGEMOUNT POWER LIMITED PARTNERSHIP, WEDGEMOUNT POWER (GP) INC., WEDGEMOUNT POWER INC., THE EHRHARDT 2011 FAMILY TRUST, POINTS WEST HYDRO POWER LIMITED PARTNERSHIP by its general partner POINTS WEST HYDRO (GP) INC., CALAVIA HOLDINGS LTD., SWAHEALY HOLDING LIMITED, BRENT ALLAN HARDY, DAVID JOHN EHRHARDT, 28165 YUKON INC., PARADISE INVESTMENT TRUST and SUNNY PARADISE INC.

DEFENDANTS

AFFIDAVIT

I, FRANK LIN, of 6911 Southpoint Drive, Podium B03, in the City of Burnaby, in the Province of British Columbia, SOLEMNLY AFFIRM and say as follows:

1. I am the Director, Interconnections and Shared Assets at British Columbia Hydro and Power Authority (“**BCH**”), a stakeholder in these proceedings, and as such have personal knowledge of the facts and matters hereinafter deposed to, or where I do not possess such personal knowledge, I have stated the source of my information and belief, and in all such cases do verily believe it to be true. I have worked at BCH for 18 years in various roles.
2. I have reviewed the Affidavit #1 of Bruce Chow made January 19, 2018 (the “**Chow Affidavit**”). Capitalized terms used in this Affidavit, but not otherwise defined, have the meaning set out in the Chow Affidavit.

3. All projects in the SOP require reports to assess, among other things, the design, engineering and cost of the project. A report is also required regarding the interconnection of the IPPs plant to the BCH grid. BCH prepares the interconnection report. That report remains in draft until it is accepted by the IPP.
4. In connection with the EPA between BCH and Wedgemount, BCH and Wedgemount entered into a facilities study agreement dated April 27, 2015 (the “**Facility Study Agreement**”). Attached and marked as **Exhibit “A”** is a true copy of the Facility Study Agreement.
5. Pursuant to the Facility Study Agreement:
 - (a) BCH would perform interconnection studies to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to connect Wedgemount’s project to BCH’s distribution system (the “**Interconnection Facilities Study**”); and,
 - (b) Wedgemount would be responsible for all costs incurred by BCH in connection with the Interconnection Facilities Study.
6. An Interconnection Facilities Study sets the schedule and the costs for completing the project, and allows BCH to enter into an interconnection agreement with the IPP. The final Interconnection Facilities Study is a schedule to the interconnection agreement. A project cannot reach COD without an interconnection agreement.
7. The Wedgemount project cannot be connected to the BCH distribution system (i.e. reach commercial operation) until the Interconnection Facilities Study is finalized and all the necessary capital upgrades are completed, including Wedgemount confirming its route and its commitment to cover its expenses.
8. As far as I am aware, this was the first power project of its kind that Wedgemount (or its principals David Ehrhardt and Brent Hardy) were involved in. In addition to this power project, Wedgemount was also involved in residential subdivision work for a real estate project in the same area.

9. The Wedgemount project involves a complicated scope of work for interconnection because of the project's location and the nature of BCH's infrastructure in that area.
10. The Wedgemount project was delayed by, among other things:
 - (a) in November 2014, a Wedgemount requesting a change to the cable routing through its subdivision;
 - (b) between January 2015 and April 2015 BCH stopped work on the Interconnection Facility Study because Wedgemount failed to make payments required. The BCH work was re-started in April 2015 when partial payment was received; and
 - (c) in December 2015, Wedgemount requested a new routing for cables, with a view to reducing costs. This change in routing necessitated revisions to the study. It took approximately six months for AMEC, the external consultant retained for this portion of the Interconnection Facilities Study work, to complete these revisions.
11. On August 16, 2016, BCH issued the draft Interconnection Facilities Study. Attached and marked as **Exhibit "B"** is a true copy of an email (without attachments) dated August 16, 2016 from BCH to Wedgemount regarding the draft Interconnection Facilities Study.
12. In late August 2016, Wedgemount advised BCH that it likely would not be able to continue to fund its project.
13. In early September 2016, Wedgemount and its lender Industrial Alliance Insurance and Financial Services Inc. ("IA") met members of the BCH interconnections group to discuss a path forward for the project. Among other things, Wedgemount and IA advised us that the schedule and costs identified in the draft Interconnection Facilities Study rendered the project uneconomic. At that time, Wedgemount and IA mentioned that they would require relief under the EPA with respect to the COD date.
14. The BCH interconnections group handles the technical aspects of projects, including completing the reports necessary for the project to connect to the BCH grid and reach

commercial operations. The BCH interconnections group does not address contractual issues regarding EPAs.

15. Based on my experience with similar projects, and BCH's policies and procedures in these matters, whenever contractual issues arise in the course of discussions between the BCH interconnections group and an IPP, interconnections advises the IPP that they would need to speak to someone else within BCH about the terms of the EPA.
16. In this case, we advised Wedgemount that questions regarding its EPA, and any requests for "relief" regarding COD needed to be directed to the procurement group. The interconnections group does not address COD dates, other than working with the IPP on technical aspects necessary to achieve COD.
17. The BCH interconnections group continued to work with Wedgemount to move the project towards implementation and to avoid delays. For example:
 - (a) On September 12, 2016, Ketki Shah advised Wedgemount the vegetation clearing needed to be completed in the fall 2016 in order to avoid delays. Attached and marked as **Exhibit "C"** is a true copy of an email dated September 12, 2016 from Ketki Shah to David Ehrhardt and Brent Hardy.
 - (b) On September 22, 2016, Ketki Shah advised Wedgemount of various issues to be resolved, and that Wedgemount had not provided sufficient funds for BCH to move forward. Attached and marked as **Exhibit "D"** is a true copy of an email dated September 22, 2016 from Ketki Shah to David Ehrhardt and Brent Hardy.
18. In February 2017, Wedgemount advised BCH that Wedgemount and IA required protection against revenue loss if COD went beyond July 31, 2017 and requested, among other things cost certainty regarding the remaining interconnections scope and work and cost sharing between BCH and Wedgemount. Attached and marked as **Exhibit "E"** is an email dated February 15, 2017 that I sent to Peter Zell.
19. The request for protection against revenue loss is an extraordinary request.

20. BCH considered the request in good faith, but in order to properly assess and consider the request, we had to confirm the scope of work and the resulting cost and schedule. This was not possible until Wedgemount completed its deliverables.
21. On February 23, 2017, I attended a meeting with Wedgemount where they presented a schedule for construction that estimated COD in July 2017. At that meeting, BCH advised Wedgemount that their proposed schedule was problematic because, among other things, the project did not have all necessary permits and the design for construction hadn't been approved. From an interconnection standpoint, their proposed connection date was unreasonable. Attached and marked as **Exhibit "F"** is a true copy of an email dated February 24, 2017 from Russell Dobie of BCH to Peter Zell and David Ehrhardt summarizing the February 23, 2017 meeting and BCH's concerns regarding their proposed COD of July 2017.
22. On March 12, 2017, I attended a meeting with Wedgemount and others regarding the project. At this meeting, the parties agreed to work to bring the project to COD as quickly as possible, but BCH noted that the date ought to be realistic. Wedgemount requested that BCH extend the existing termination of the EPA from September 2017 "until such time that COD is reached". I agreed to discuss this request with the BCH energy procurement group. As noted above, the interconnections group does not address contractual issues, such as extensions of dates under an EPA. Attached and marked as **Exhibit "G"** is a true copy of an email dated March 20, 2017 from Brett Robinson attaching the meeting minutes for the March 10, 2017 meeting.
23. On March 31, 2017, I advised Brett Robinson that as long as the parties were working towards a solution, BCH would not terminate the EPA. BCH did not amend the EPA or extend the termination date from September 2017. Attached and marked as **Exhibit "H"** is a true copy of an email dated April 1, 2017 from Brett Robinson to me and others responding to my March 31, 2017 email.
24. In early May 2017, Wedgemount proposed a meeting agenda that included an alternate route and the process for extending COD to May 2018. Wedgemount cancelled the

meeting because it was continuing to work through issues with IA. Attached and marked as **Exhibit "I"** is a true copy of the email string regarding the May 2017 meeting.

25. On May 9, 2017, IA contacted me to advise that they would be putting the project into receivership.
26. At the time the Receiver was appointed, the draft Interconnection Study Report would require updates and revisions in order for it to be finalized. Among other things, there had been significant changes to the scope of the project, the route had changed and the report was out of date since it had been prepared 9 months earlier.
27. In May 24, 2017, BCH had discussions with Michael Potyok, a consultant retained by IA. Attached and marked as **Exhibit "J"** is a true copy of an email dated May 24, 2017 from Vic Rempel to Mr. Potyok outlining BCH's requirements in order to update and revise the August 2016 Interconnection Study Report.
28. I am advised by Vic Rempel, and verily believe, that Mr. Rempel and Ryan Hefflick met with the Receiver and Michael Potyok on June 6, 2017 to discuss technical issues towards updating the draft Interconnection Report. Based on an email dated June 6, 2017 from Mr. Potyok, I verily believe that at that meeting Mr. Rempel advised the Receiver and Mr. Potyok that BCH would advance completion of the Interconnection Study Report, but would require the work to be fully defined before it could do so, including details of the final route. Based on the email, I further believe that Mr. Potyok agreed to work to advance those designs. Attached and marked as **Exhibit "K"** is a true copy of an email dated June 6, 2017 from Michael Potyok to Vic Rempel and Ryan Hefflick.
29. It is not possible for BCH to complete the Interconnection Facilities Study because, among other things, Wedgemount and the Receiver have yet to finalize the distribution line routing and point of interconnection to the BCH system. BCH works with the IPP to finalize the distribution line routing and point of interconnection, but the IPP, in this case Wedgemount, has the ultimate responsibility for finalizing the route and interconnection point.

- 30. Other than the March 31, 2017 email attached as Exhibit H, responding to a specific question asked at the March 12, 2018 meeting, all of the discussions that I had with Wedgemount, IA and the Receiver were limited to technical aspects of the project. Other than my March 31, 2017 email, all questions and issues with respect to the EPA were referred to Joanne McKenna.

- 31. Based on my discussions with the BCH interconnections group, including Ryan Hefflick and Vic Rempel, I verily believe that their discussions with Wedgemount, IA and the Receiver were limited to technical aspects of the project and that all questions and issues with respect to the EPA were referred to Joanne McKenna.

- 32. Based on my involvement in this project, I believe that at all times, BCH reserved its termination rights under the EPA and maintained that its termination rights had not been waived.

AFFIRMED BEFORE ME at the City of
 Vancouver, in the Province of British)
 Columbia, this 29th day of March 2018)




 A Commissioner for taking oaths in and for)
 the Province of British Columbia)



 FRANK LIN

CHAPMANN WONG
Articling Student
BORDEN LADNER GERVAIS LLP
 1200 Waterfront Centre, 200 Burrard Street
 P.O. Box 48600, Vancouver, Canada V7X 1T2
 604-640-4116

THIS IS EXHIBIT "A" REFERRED TO IN THE AFFIDAVIT OF
FRANK LIN MADE BEFORE ME ON THE
29 DAY OF MARCH 2018



A COMMISSIONER FOR TAKING AFFIDAVITS FOR
BRITISH COLUMBIA

FACILITIES STUDY AGREEMENT

THIS AGREEMENT is dated for reference April 27, 2015.

BETWEEN:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY,
a crown corporation having its head office at 333 Dunsmuir Street,
Vancouver, British Columbia

("BC Hydro")

AND: WEDGEMOUNT POWER LIMITED PARTNERSHIP, a Limited Partnership by its
General Partner Wedgemount Power (GP) Inc.
5439 Buckingham Ave.
Burnaby, B.C. V5E 1Z9

(the "Generator")

WHEREAS:

- (A) The Interconnections and Shared Assets office of BC Hydro is responsible for distribution voltage interconnections of power generation and interconnection facilities to the BC Hydro distribution system (the "Distribution System"); and
- (B) The Generator has completed and submitted to BC Hydro a Generator Interconnection Equipment Statement (the "Application") for the potential interconnection of certain electrical generation and distribution facilities (the "Generating Facilities") at RBW substation near Whistler, British Columbia to the Distribution System;
- (C) BC Hydro has completed an Interconnection System Impact Study, R1 (the "SIS Study") and provided the results of said study to the Generator on November 28, 2014; and
- (D) The Generator has requested BC Hydro to perform the additional interconnection studies to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the interconnection SIS Study in accordance with Good Utility Practice to physically and electrically connect the Generating Facilities to the Distribution System (the "Interconnection Facilities Study"); and
- (D) BC Hydro will perform the Interconnection Facilities Study as provided in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual agreements between the Parties and for other good and valuable consideration, BC Hydro and the Generator agree as follows:

1. **Scope:** The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in the SIS Study and the Interconnection Facilities Study will be based upon the results of the SIS Study and the technical information provided by the Generator in the Application.

2. **Interconnection Facilities Study Report:** The results of the Interconnection Facilities Study will be provided to the Generator in the form of a report which will include design cost estimates, an assessment of the project interconnection requirements for the Generating Facilities, a cost estimate for required facilities to interconnect the Generating Facilities (with a design level estimate of +/-20%) and a schedule for such interconnection. The Interconnection Facilities Study Report estimated completion date will be provided to the customer once the project scope, available resources and timeline has been reviewed.

3. **Cost of the Interconnection Facilities Study:** The Generator has provided a deposit of \$195,100.00 and will provide a further deposit of \$196,350 (\$187,000 + tax) by May 29, 2015, for the performance of the Interconnection Facilities Study. The Generator is responsible for all actual costs incurred by BC Hydro, plus any applicable taxes, in completing the Interconnection Facilities Study Report. BC Hydro shall invoice the Generator for all actual costs, plus any applicable taxes. Any difference between the deposit and the invoiced amount shall be paid by or refunded to the Generator, as appropriate.

4. **Scope of Services Not Provided:** The Interconnection Facilities Study to be provided under this Agreement is limited only to the assessment of technical interconnection issues, as noted above, and such study does not include any non-technical interconnection-related issues, such as environmental and regulatory requirements, public consultation, First Nations issues and any other property-related issues arising from construction and/or operation of the Generating Facilities.

5. **No Representation As To Estimates:** All estimates and assessments provided by BC Hydro pursuant to this Agreement are non-binding. BC Hydro makes no representations as to the accuracy, usefulness or completeness of any estimate or assessment provided in the Interconnection Facilities Study or pursuant to this Agreement, and the provision of any such estimates or assessments shall not in any way limit the Generator's responsibility for the payment of actual interconnection costs.

6. **Additional Technical Information:** If, after the submission of the Application, the Generator modifies its point of interconnection, interconnection request or the technical information provided in the Application, the Generator will notify BC Hydro of such change(s) and acknowledges that this may impact the estimated costs and completion date of the Interconnection Facilities Study being conducted and may impact the System Impact Study results. BC Hydro reserves the right to request additional technical information from the Generator, as may reasonably become necessary consistent with Good Utility Practice, during the course of performing the Interconnection Facilities Study.

8. **Limitation of Liability:** Neither BC Hydro, nor its employees, officers, directors or agents, or shareholders will be liable to the Generator, or its employees, officers, directors or agents, under or in relation to this Agreement, for any indirect or consequential damages, injury or loss suffered by the Generator or its employees, officers or directors or agents, howsoever and whensoever caused, and whether arising in contract or in tort in respect of the services provided under this Agreement.

7. **Termination:** Generator may terminate this Agreement for any reason by giving BC Hydro written notice of not less than 3 (three) business days. All costs incurred by BC Hydro up to the date of termination will be due and owing by the Generator. Clauses 3 and 5 of this Agreement shall survive termination, as will any other provisions that would reasonably be expected to survive such termination.

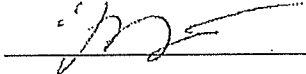
8. **Assignment:** Generator shall not assign this Agreement without the prior written consent of BC Hydro.

10. **Entire Agreement and Governing Law:** This Agreement will supersede any prior agreements, arrangements, discussions or understandings between BC Hydro and the Generator regarding the subject matter of this Agreement. This Agreement will be governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein without regard to conflicts of law principles.

11. **Counterpart/Electronic Transmission:** This Agreement may be executed in one or more counterparts and delivered by facsimile or electronic transmission, each of which when so executed shall constitute an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, each signatory having been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign, the Parties have caused this Agreement to be executed by their respective duly authorized representatives, as of the date first written above.

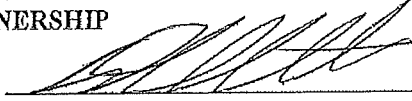
BRITISH COLUMBIA HYDRO
AND POWER AUTHORITY

Per: 

Title: Director,
Interconnections

Date: April 28, 2015

WEDGEMONT POWER LIMITED
PARTNERSHIP

Per: 

Title: Director

Date: April 29/15

THIS IS EXHIBIT "B" REFERRED TO IN THE AFFIDAVIT OF
FRANK LIN MADE BEFORE ME ON THE
29 DAY OF MARCH 2018

Cheryl

A COMMISSIONER FOR TAKING AFFIDAVITS FOR
BRITISH COLUMBIA

From: Shah, Ketki
Sent: August-16-16 3:25 PM
To: Brent Hardy; David Ehrhardt
Cc: Hefflick, Ryan; Kevin Healy (khealy@creus.ca)
Subject: Wedgemount Creek Draft Facilities Study - Part 1/4
Attachments: WGM-Draft-Facilities-study-08-16-2016-(1-99).zip

Follow Up Flag: Follow up
Flag Status: Flagged

Brent and David,

Attached is the draft Facilities study. All documents are in draft form. We will issue them as final following your review and acceptance. The Facilities study will then be an attachment to the tendered Interconnection Agreement for your project.

Please review.

- 1) The forecasted Network Upgrades are \$ 6,281,409.
- 2) The Revenue Metering costs are \$ 54,756.

AMEC can provide further context of the increase from the conceptual level estimate in the SIS if requested. At a high level, the original scope did not anticipate how challenging the routing would be (although it was identified as a risk), it did not include undergrounding any sections, and also the changed routing has significant cost for the environmental mitigation plans.

The project plan assumes that funding is in place for the end of September. This would mean receiving the security (LoC) and also completing the internal approval process within BC Hydro. If we can advance that date, we could try to advance the work. One piece that we could do as soon as possible is the vegetation clearing. That would mean a Partial Implementation funding of \$ 120,000 would be required, depending on your schedule for providing the full LoC.

The project plan is based on securing funding by the end of September. The schedule is also adjusted to reflect the risk that the permitting is still not complete. We cannot start construction without the required permits. The delay in getting the Telus review has impacted this timeline. We need the Telus review for MoTI and the private owner's permit/approval, and we are still waiting for response from Transport Canada and the Heliport – and this is all required for Section 1.

The updated Definition study cost estimate is \$ 833,156. Along with the original deposit of \$ 374,000, you have so far provided another \$ 100,000. We will require the additional funds as soon as possible as the work done exceeds the payment on hand. You did provide a cheque in lieu of the LoC previously (for \$ 347,000 for Partial Implementation). Now that we have that LoC, if you like, we could apply that deposit towards the study work.

As the next step, if you could review and accept the draft documents we can finalize the Facilities study and tender an Interconnection Agreement. Ryan and I are available to discuss this tomorrow, just let us know when and I can set up a conference call.

Regards,
Ketki

From: Brent Hardy [mailto:brent@westwardfloors.com]

Sent: 2016, August 15 10:54 AM

To: Musha, Makoto

Cc: Sacayanan, Ferdinand; Chow, Warren; David Ehrhardt; 173981 - Wedgemount IPP - Distribution; Shah, Ketki; Kevin Healy; Wong, Kuok

Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

Good morning Makoto - thank you for the update. Can you clarify for me, are we clear to start construction next month on Section 1?

Regards

Brent

On Aug 11, 2016 4:14 PM, "Musha, Makoto" <Makoto.Musha@amecfw.com> wrote:

Hi Kevin,

Sorry for the late reply. Please see my response below in red.

I think we need to discuss with Lori on Heliport Access Road and Subdivision design.

Telus has not given us any updates yet and I told them that we need to move ahead if they don't give us confirmation by the end of this month.

Regards,

Makoto

From: Kevin Healy [mailto:khealy@creus.ca]

Sent: August-04-16 8:15 PM

To: Musha, Makoto <makoto.musha@amec.com>; David Ehrhardt <dehrhardt@telus.net>

Cc: Chow, Warren <warren.chow@bchydro.com>; Ketki Shah (ketki.shah@bchydro.com) <ketki.shah@bchydro.com>;

Brent Hardy <brent@westwardfloors.com>; Wong, Kuok <kuok.wong@amec.com>; Sacayanan, Ferdinand <ferdinand.sacayanan@amec.com>; 173981 - Wedgemount IPP - Distribution <173981_-_Wedgemount_IPP_-_Distribution@AMEC.onmicrosoft.com>

Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

I was not able to get anything firm from Telus but they are looking at works Wonder if it is worth a quick conference call

- Meeting date with Jim Hegan at MOTI: We need to discuss with Lori first if he is concerned about Heliport Access Road. She has not been available until now.

- Update on submittal to CN: We are still waiting for Telus for Section 2 crossing permit • Process to get CME approved for u/g hydro work: Approved • SLRD, MOF and Nav Canada Approval, process to finalize: We are going through Environmental review before submitting SLRD and Crown. Water Sustainability Act Notification is being submitted.

- Update of Lori's redesign: We should schedule a conference call with Lori once she is back. We don't have any updates.

- Substation update: Still waiting for the funding approval • Review budget basis: Ketki to answer

If you have any questions in this regard, please do not hesitate to contact me.

Kevin Healy, P.Eng.

Creus Engineering Ltd.

Cel: 604-817-0095

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From: Musha, Makoto [mailto:makoto.musha@amecfw.com]
Sent: July 27, 2016 12:34 PM
To: Kevin Healy <khealy@creus.ca>; David Ehrhardt <dehrhardt@telus.net>
Cc: Chow, Warren <warren.chow@bchydro.com>; Ketki Shah (ketki.shah@bchydro.com) <ketki.shah@bchydro.com>; Brent Hardy <brent@westwardfloors.com>; Wong, Kuok <kuok.wong@amecfw.com>; Sacayanan, Ferdinand <ferdinand.sacayanan@amecfw.com>; 173981 - Wedgemount IPP - Distribution <173981_-_Wedgemount_IPP_-_Distribution@AMEC.onmicrosoft.com>
Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

Thanks Kevin.

Yes, we are aware that CN Rail doesn't allow ROW over their ROW. As long as they allow us to install the poles within their ROW, we can go with the overhead proposal. Is she aware of Telus?

Despite multiple attempts to reach out Telus, they are not being responsive and we don't even know if they received a cheque. Please be aware that Telus hasn't agreed to our proposal so there is a risk.

Regards,
Makoto

From: Kevin Healy [mailto:khealy@creus.ca]
Sent: July-27-16 11:44 AM
To: Musha, Makoto <makoto.musha@amec.com>; David Ehrhardt <dehrhardt@telus.net>
Cc: Chow, Warren <warren.chow@bchydro.com>; Ketki Shah (ketki.shah@bchydro.com) <ketki.shah@bchydro.com>; Brent Hardy <brent@westwardfloors.com>; Wong, Kuok <kuok.wong@amec.com>; Sacayanan, Ferdinand <ferdinand.sacayanan@amec.com>; 173981 - Wedgemount IPP - Distribution <173981_-_Wedgemount_IPP_-_Distribution@AMEC.onmicrosoft.com>
Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

With overhead, there is a couple of trucks on side of road with temporary lane closure and traffic control, end of the day road is open With underground work the road is destroyed due to blasting so problematic to open at end of day. Road also needs revising. Will be closed for weeks on a very ugly turn. But as I indicated, I think we have solution on that. MOTI is less worried about pole work. They know there will still be closures Sara is saying apply for the poles in ROW, indicate rationale of why they cannot cross track at right angles (maintaining clearance from highway, track, creek and Forestry road restrict routing options. First pole has to be between highway barrier and track. It cannot cross at 90 degrees there because of the proximity of the creek on the other side and because there is no way to brace or guy that pole. Etc) The BC hydro tenure for poles and wires in CN ROW is via standard licensing agreement, not a registered Right of Way. IE Land titles does not allow a ROW over a ROW. The form of legal tenure for BC Hydro from CN is a license

If you have any questions in this regard, please do not hesitate to contact me.

Kevin Healy, P.Eng.
Creus Engineering Ltd.
Cel: 604-817-0095

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From: Musha, Makoto [mailto:makoto.musha@amecfw.com]
Sent: July 27, 2016 11:32 AM
To: Kevin Healy <khealy@creus.ca>; David Ehrhardt <dehrhardt@telus.net>
Cc: Chow, Warren <warren.chow@bchydro.com>; Ketki Shah (ketki.shah@bchydro.com) <ketki.shah@bchydro.com>; Brent Hardy <brent@westwardfloors.com>; Wong, Kuok <kuok.wong@amecfw.com>; Sacayanan, Ferdinand <ferdinand.sacayanan@amecfw.com>; 173981 - Wedgemount IPP - Distribution <173981_-_Wedgemount_IPP_-_Distribution@AMEC.onmicrosoft.com>
Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

Hi Kevin,

In terms of the road disruption, it will be the same with overhead work and civil work. We still have to shut the single lane because most of the section doesn't have enough space on the shoulder. Overhead work area will shift as the crew move on while civil work area will be closed longer period.

Thank you for talking to CN Rail. We need clarification on her comment below as highlighted as it is conflicting. Is she saying NO to the proposal because the poles will be within the ROW? Or BCH wouldn't have ROW granted, but CN Rail will approve the crossing with poles within their ROW??

Please let me know if we should discuss over the phone.

Regards,
Makoto

From: Kevin Healy [mailto:khealy@creus.ca]
Sent: July-26-16 6:22 PM
To: Musha, Makoto <makoto.musha@amec.com>; David Ehrhardt <dehrhardt@telus.net>
Cc: Chow, Warren <warren.chow@bchydro.com>; Ketki Shah (ketki.shah@bchydro.com) <ketki.shah@bchydro.com>; Brent Hardy <brent@westwardfloors.com>; Wong, Kuok <kuok.wong@amec.com>; Sacayanan, Ferdinand <ferdinand.sacayanan@amec.com>; 173981 - Wedgemount IPP - Distribution <173981_-_Wedgemount_IPP_-_Distribution@AMEC.onmicrosoft.com>
Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

Jim had no issues with CME, he just had concerns about underground work because that has more of a disruption on highway operations and he wants those limited as much as possible. We should likely request a meeting with Jim and his operations staff to go through the project that way we can address his concerns.

Also talked to Sara Lovegrove at CN Rail. She indicated that "You are correct, we do not allow a utility ROW over the railway ROW, we would issue you a standard license agreement for each crossing." She had concerns over the crossing not being at 90 degrees. I explained the constraints. She indicated "When you mail me your application, please ensure you explain why you are unable to cross at a 90 degree angle in your cover letter."

If you have any questions in this regard, please do not hesitate to contact me.

Kevin Healy, P.Eng.
Creus Engineering Ltd.
Cel: 604-817-0095

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From: Musha, Makoto [mailto:makoto.musha@amecfw.com]
Sent: July 26, 2016 5:48 PM
To: Kevin Healy <khealy@creus.ca>; David Ehrhardt <dehrhardt@telus.net>
Cc: Chow, Warren <warren.chow@bchydro.com>; Ketki Shah (ketki.shah@bchydro.com) <ketki.shah@bchydro.com>; Brent Hardy <brent@westwardfloors.com>; Wong, Kuok <kuok.wong@amecfw.com>; Sacayanan, Ferdinand <ferdinand.sacayanan@amecfw.com>; 173981 - Wedgemount IPP - Distribution <173981_-_Wedgemount_IPP_-_Distribution@AMEC.onmicrosoft.com>
Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

Hi Kevin,
Please see additional comments below:

Regards,
Makoto

From: Kevin Healy [mailto:khealy@creus.ca]
Sent: July-26-16 3:21 PM
To: Musha, Makoto <makoto.musha@amec.com>; David Ehrhardt <dehrhardt@telus.net>
Cc: Chow, Warren <warren.chow@bchydro.com>; Ketki Shah (ketki.shah@bchydro.com) <ketki.shah@bchydro.com>; 'Brent Hardy' <brent@westwardfloors.com>; Wong, Kuok <kuok.wong@amec.com>; Sacayanan, Ferdinand <ferdinand.sacayanan@amec.com>; 173981 - Wedgemount IPP - Distribution <173981_-_Wedgemount_IPP_-_Distribution@AMEC.onmicrosoft.com>
Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

Just realized I had wrong Brent in email See clarification below

If you have any questions in this regard, please do not hesitate to contact me.

Kevin Healy, P.Eng.
Creus Engineering Ltd.
Cel: 604-817-0095
I am pedaling my *** off in the RIDE TO CONQUER CANCER.
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From: Musha, Makoto [mailto:makoto.musha@amecfw.com]
Sent: July 26, 2016 2:57 PM
To: Kevin Healy <khealy@creus.ca>; David Ehrhardt <dehrhardt@telus.net>
Cc: Chow, Warren <warren.chow@bchydro.com>; Ketki Shah (ketki.shah@bchydro.com) <ketki.shah@bchydro.com>; Brent Beatson (b.beatson@rizealliance.com) <b.beatson@rizealliance.com>; Wong, Kuok <kuok.wong@amecfw.com>; Sacayanan, Ferdinand <ferdinand.sacayanan@amecfw.com>; 173981 - Wedgemount IPP - Distribution <173981_-_Wedgemount_IPP_-_Distribution@AMEC.onmicrosoft.com>
Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

Hi Kevin,

Thank you for talking to Jim.
Could you clarify a few things? Please see my comments below in red.

Regards,

Makoto

From: Kevin Healy [mailto:khealy@creus.ca]

Sent: July-26-16 10:43 AM

To: David Ehrhardt <dehrhardt@telus.net>; Musha, Makoto <makoto.musha@amec.com>

Cc: Chow, Warren <warren.chow@bchydro.com>; Ketki Shah (ketki.shah@bchydro.com) <ketki.shah@bchydro.com>; Brent Beatson (b.beatson@rizealliance.com) <b.beatson@rizealliance.com>

Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

I talked to Jim Hegan at length.

His preference is to deal with this all as one.

I reinforced to him that the two sections are being done by different designers and are being driven by different factors and that the heliport has to be done ASAP to fit in with MOTI project.

He has reluctantly agreed with some conditions • He wants a single complete package of the rest of the highway works that design team is comfortable meets highway requirements - We will be submitting Section 2 overhead shortly. Then he will have everything. I think he would like the overhead and the underground together. Civil drawing was provided before. Now he has everything.

- He wants a meeting with his operations staff and he thinks should include some participation from contractors that will be involved. Contractor for which job? Overhead work and Heliport Access pole relocation work or underground civil work? I think we are expecting CME would be doing the underground work, which I think is a bigger concern of Jims. I don't know if Hydro has a contractor chosen for overhead? What is Jim's concern on using CME? Overhead work will be done by Rokstad.

- He is concerned about the underground work going to late. We have already had some conversation in general sense of how we can mitigate that impact We are aiming towards 1 section of underground civil work to be done by end of October. Agreed

- He is concerned with paving in fall. I suggested that we would do full patch this fall but mill and pave from centreline in spring. He said that will be condition of approval Is this referring to Section 3 within the subdivision? No the underground in section 1 on highway above. I think we can solve that and that CME has experience with MOTI on traffic management solutions for work on the highway We are trying to engage CME for the Civil work as requested. It has not been approved yet. Since they are not a BCH pre-qualified contractor, we are planning to appoint Rokstad as prime contractor as they are familiar with both MoTI and BCH requirements, so CME would need to comply with Prime's requirements.

I think if we get him the full set of drawings, other than heliport and then set up a meeting ASAP we will have some approvals

If you have any questions in this regard, please do not hesitate to contact me.

Kevin Healy, P.Eng.

Creus Engineering Ltd.

Cel: 604-817-0095

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From: David Ehrhardt [mailto:dehrhardt@telus.net]

Sent: July 25, 2016 7:31 AM

To: Kevin Healy <khealy@creus.ca>

Subject: FW: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

Kevin
See below

DE

From: Musha, Makoto [mailto:makoto.musha@amecfw.com]
Sent: July 24, 2016 6:13 PM
To: David Ehrhardt; Ketki Shah (Ketki.Shah@bchydro.com)
Cc: 173981 - Wedgemount IPP - Distribution; Warren Chow (warren.chow@bchydro.com); Wong, Kuok
Subject: FW: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

Hi Ketki/David,

Just so you know that MoTI permit application has been submitted.
Jim has indicated previously that an application should include the whole section and one permit will be granted to that, we need to advance Section 1 and Section 2 UG Civil work.

David, perhaps you could help us with this by talking to Jim to expedite the approval.
Please note that pole relocations near Heliport Access Road is a separate project which will be designed by BCH Squamish District Office.
We will be coordinating with Lori to have the same crews do the work for better efficiency.

We are working very hard for Section 1 95% submission. As this package requires all the permits in place, I would appreciate your cooperation. While I understand that it is important to coordinate with all the parties, I need my team to focus on our scope to get the package out as I only have limited resources and tight timeline/budget.

Thank you.

Regards,
Makoto

From: Wong, Kuok
Sent: July-22-16 4:27 PM
To: Hegan, Jim D TRAN:EX <Jim.Hegan@gov.bc.ca>; Aljanaby, Dana TRAN:EX <Dana.Aljanaby@gov.bc.ca>
Cc: 173981 - Wedgemount IPP - Distribution <173981_-_Wedgemount_IPP_-_Distribution@AMEC.onmicrosoft.com>; Musha, Makoto <makoto.musha@amec.com>; Sacayanan, Ferdinand <ferdinand.sacayanan@amec.com>
Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

Hi Jim,

The precast vault is for your information only and it was not included in the online submission. The submitted drawings mentioned in my previous email are included in the MoTI application file #2016-02510.

Since Heliport intersection project fall under another BC Hydro project, our scope is limited to double circuit upgrade and final placement of the poles after Highway grading are completed. I suppose you could review / conditional approve our application.

Please advise if this can be done.

Regards,
Kuok Wong, P.Eng.
D +1 604 664 4907

From: Hegan, Jim D TRAN:EX [mailto:Jim.Hegan@gov.bc.ca]

Sent: July-21-16 4:27 PM

To: Wong, Kuok <kuok.wong@amec.com>; Aljanaby, Dana TRAN:EX <Dana.Aljanaby@gov.bc.ca>
Cc: 173981 - Wedgemount IPP - Distribution <173981_-_Wedgemount_IPP_-_Distribution@AMEC.onmicrosoft.com>;
Musha, Makoto <makoto.musha@amec.com>; Sacayanan, Ferdinand <ferdinand.sacayanan@amec.com>
Subject: RE: Information Submission Confirmation - File # 2016-02510 Wedgewood IPP

Hi Kuok,

The only attachment in your email was the typical precast vault drawing. Also, you will need to work with Dana Aljanaby, Ministry's Project Manager of the Heliport Hwy Intersection Project for pole placement works within their limits of construction. Once this has been established and I receive conformation from the Project Mgr., I can process the permit, assuming all other works meet our standards and all else is in order.

Regards,

Jim Hegan
Area Development & Operations Technician
Squamish Area Office
Phone 604 898-4791

MOTI WEB LINKS:

Home Page <http://www.gov.bc.ca/tran/>
Permits and Development <http://www.th.gov.bc.ca/permits/index.asp>

From: Wong, Kuok [mailto:kuok.wong@amecfw.com]
Sent: Thursday, July 21, 2016 3:04 PM
To: Hegan, Jim D TRAN:EX
Cc: 173981 - Wedgemount IPP - Distribution; Musha, Makoto; Sacayanan, Ferdinand
Subject: RE: Information Submission Confirmation - File # 2016-02510

Hi Jim,

I have uploaded both revised plans for Heliport expansion and section 2 underground proposal for your review. The revised heliport expansion proposal will satisfied 90km/hr clear zone of 7m. The 220m underground section has proven too long for a straight run, therefore a manhole will be needed on highway shoulder for cable pulling. Manhole specs is included in the attachment. Please let me know if you have any questions/concerns regarding our proposal.

Regards,

Kuok Wong, P.Eng.
D +1 604 664 4907

-----Original Message-----

From: eDAS@gov.bc.ca [mailto:eDAS@gov.bc.ca]
Sent: July-21-16 2:31 PM
To: Wong, Kuok <kuok.wong@amec.com>
Subject: Information Submission Confirmation - File # 2016-02510

Dear Kuok Wong

We have received information for your application having file number (2016-02510). You can access the file at <https://posse.th.gov.bc.ca/DAP/Default.aspx?PossePresentation=PermitApplication&PosseObjectId=6062448&PosseParent=Tasks>

Sincerely,

Jim Hegan
Area Development Operations Technician
(604) 898-4791
Jim.Hegan@gov.bc.ca

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Version: 2016.0.7688 / Virus Database: 4627/12676 - Release Date: 07/24/16

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FRANK LIN MADE BEFORE ME ON THE
29 DAY OF MARCH 2018



A COMMISSIONER FOR TAKING AFFIDAVITS FOR
BRITISH COLUMBIA

From: Shah, Ketki
Sent: September-12-16 11:35 AM
To: Lin, Frank
Subject: FW: WGM - Follow up from our meeting last week

My apologies, You should have been cc'd.

From: Shah, Ketki
Sent: 2016, September 12 11:31 AM
To: David Ehrhardt (dehrhardt@telus.net); Brent Hardy
Cc: Hefflick, Ryan
Subject: WGM - Follow up from our meeting last week

David and Brent,

Following our meeting with you and your Lenders last week, we have met with our project delivery group in an effort address your primary concerns that were raised.

We have asked our project delivery team to do the following:

- Request AMEC for a senior PM and/or provide more senior level oversight on the project management requirements of this project given the complexities that are being faced.
- Provide an accounting of expenditures to date on the Facilities Study. We have approximately \$50k left on hand for this work.
- Provide additional detail behind the cost estimate in the Facilities Study.
- Prepare a tender document for the Section 1 work. It was agreed that this work can go to bid and that the best way to determine the costs of this work is to submit a tender. The tender award would be subject to the project receiving funding. The tender period typically takes 12 weeks from initiation so unfortunately it will take that length of time to determine whether there will be savings realized compared to the unit cost estimate provided. The costs to prepare the tender may exceed the balance of funds on hand. We will receive an estimate of that effort in the next couple of days. These are costs that would be incurred anyway and are already a part of the overall estimate, I only mention them specifically now as funding is running out and we may need additional funds to see this through.

Vegetation Clearing is a critical path item that needs to be completed this Fall or else the schedule will be delayed significantly. If the vegetation clearing is not completed this Fall, it would be pushed back to Spring and we have been informed the bird nesting season starts March 5th and will require the nesting surveys to be done. As we are at the end of our funds to do this work, could you please provide a Letter of Credit for \$155,000 this week otherwise the vegetation clearing, and ultimately the entire project schedule will be delayed? Let me know when you will provide this and I can start the paperwork to avoid any delays.

Regards,
Ketki

THIS IS EXHIBIT "D" REFERRED TO IN THE AFFIDAVIT OF
FRANK LIN MADE BEFORE ME ON THE
29 DAY OF MARCH 2018



A COMMISSIONER FOR TAKING AFFIDAVITS FOR
BRITISH COLUMBIA

From: Shah, Ketki
Sent: September-22-16 10:38 AM
To: David Ehrhardt (dehrhardt@telus.net); Brent Hardy
Cc: Hefflick, Ryan
Subject: WGM project update

David and Brent,

The Project Delivery Team has provided the report below for WGM:

ISSUES AND ASSOCIATED ACTIONS TO RESOLVE

1. Vegetation Clearing

- A) Obtain agreement from BC HYDRO Vegetation coordinator for the section 1 vegetation clearing.
- B) Finalize and submit section 1 drawings to MoTI for approval of vegetation clearing.
- C) Conduct due diligence by obtaining confirmation from BC HYDRO Properties to ensure required permits, if any, from crown or private owners in section 1 are in place with respect to vegetation clearing.
- D) Obtain confirmation from BC HYDRO Aboriginal Relations to confirm there are no first nations implications in section 1. (potential cultural site or village site, ungulate zone). This is a low probability as section 1 is in the existing ROW.

2. First Nations

Engaging the BC HYDRO Aboriginal Consultation team to resolve the cross country section of the project (potentially this might include WGM as part of the consultation process).

Note: This resolution is required to manage the optics and sensitivities of the First Nations for vegetation clearing in section 1.

3. Section 1 Labour Estimate Validation

Perform the necessary procurement steps/strategy to validate (only) the construction labour estimate.

Resolving these issues promptly might allow us to complete the vegetation clearing for Section 1 this Fall (and before the bird nesting season) and work towards a construction start in 2017 as soon as possible, and also allow us to validate the construction labour costs.

IMMEDIATE ACTION ITEM:

As there is only \$ 9 k remaining for the Facilities study, we have insufficient funding to move forward. Until additional project funds are in place we cannot expend the effort to provide an estimate of cost/time in order to execute on the above strategy. Therefore, in order to move forward we require an immediate response to the following:

- 1. Please advise us if the available funding for the Transmission portion of the project (the Letter of Credit for the Early Engineering and Procurement) can be allocated to the Distribution project. A response is required **no later than Monday Sept 26th**.
- 2. Additional funding will be required to replace the funds allocated to the Distribution work from the Transmission funds as per above, and to proceed further with the project.

Thanks,
Ketki

THIS IS EXHIBIT "E" REFERRED TO IN THE AFFIDAVIT OF
FRANK LIN MADE BEFORE ME ON THE
29 DAY OF MARCH 2018

Chy Wly

A COMMISSIONER FOR TAKING AFFIDAVITS FOR
BRITISH COLUMBIA

From: Lin, Frank
Sent: February-15-17 9:32 AM
To: 'Peter Zell'; Hefflick, Ryan
Cc: Brett Robinson; David Ehrhardt; Rempel, Vic
Subject: RE: Follow-up from meeting 170207

Peter, I have no further update for you. As both Ryan and I indicated to you last week, I don't believe fixed price contract and schedule for section 1 of the project will stand in the way of a solution. We need to think a bit more about the same for station work. There is no point talking about final solution until we know what the gap is that is standing in the way of a viable project. For that to happen, we all need to know the cost of section 1 (BCH responsibility) and cost of section 2+3 (Eco-flow). With that information in hand, we will get together and hammer out a solution and I will then escalate to Greg and get his guidance/approval with very specific asks as opposed to generalities.

I hope this helps. If not, please feel free to call.

From: Peter Zell [mailto:pzell@ecoflowenergy.com]
Sent: 2017, February 15 8:43 AM
To: Hefflick, Ryan
Cc: Lin, Frank; Brett Robinson; David Ehrhardt
Subject: Re: Follow-up from meeting 170207

Frank,
Late last week Ryan indicated that you were to be meeting with Greg Reimer yesterday (Ryan was going to be away) This is just a quick follow up note to check to see how your meeting went and if there is anything that we can do to help the advancement toward a final resolution?

Best Regards,
Peter Zell, P.Eng
Cell: 250-981-1250

On Feb 9, 2017, at 08:43, Peter Zell <pzell@ecoflowenergy.com> wrote:

Ryan, Frank,
Thank you both for meeting yesterday regarding the remaining go-forward items that will allow Wedgemount to succeed. The following provides a summary of our discussion in note form, as well as a more detailed and transparent breakdown of the costs that we were discussing, and that WPLP is looking to BC Hydro to absorb. I provided additional information in the table around the breakdown of the costs that WPLP will be absorbing, that we did not discuss in detail yesterday.

1. **Schedule risk:** WPLP and the bank need protection against revenue loss for further COD delays beyond July 31, 2017 that would be directly due to permitting delays or BCH interconnection scope delays. We have built out a schedule that I have attached that indicates the permitting and Section 1 construction as being on the critical path. We have also been in discussion with contractors who feel the Section 1 construction could very easily be accelerated by using two crews starting from each end of the line. This would provide additional schedule contingency over and above the approximately 14 days currently indicated. You said that you would need to review the substation timeline to see if this could work. This is also a critical path with the 12 week duration that I have indicated.

2. **Cost certainty for Section 1 and substation work:** WPLP and the bank need cost certainty around the remaining BCH interconnection scope. The table below provides a breakdown of remaining interconnection and other costs that are directly related to the Facilities Study estimate and COD delay, using July, 31, 2017 as the new COD. The figures below are based on the revised estimate provided by Amec that totaled \$6,298,000. I have reallocated the contingency figures to the respective major construction categories and credited any unallocated contingency to BCH.
3. **IDC and overhead cost sharing:** The table below also provides a breakdown of the IDC costs as well as the "friction costs" (bank, legal, Independent Engineer, etc.) that have been incurred to date as a direct result of the delay and the bank moving toward foreclosure. We have moved these costs to be to BCH's account as we discussed. Further down in the table I have indicated the costs that WPLP will be absorbing that are directly related to shutting down the work, winterizing, demob and remob, temporary heat, security, taxes, insurance, water rental fees, etc. We had not discussed these.
4. **Other options:** We did not talk about this yesterday, but in hindsight Brett said that I should have brought it up again just in case there may be advantages to BCH through an alternate approach. WPLP would be amenable to absorbing a greater split of the above mentioned costs if there were a way to adjust other EPA terms (such as CPI escalation for the duration of the contract or for just a limited period) to preserve the NPV of the project. This is beyond our knowledge of the limitations of the EPA so we will just throw this suggestion out if it is something that could work for BC Hydro.

The bottom line is that WPLP will still be absorbing well in excess of 577 k\$ on cash and is suffering a significant impact to the project NPV as a result of the delay in revenues. We have made very good progress to date with the concept of WPLP taking over sections 2 and 3 and relocating the POI. The project requires the adjustments discussed above to allow it to be saved financially. As mentioned yesterday, we have discussed an extension with the bank and we have so far gained another week's grace. Even though this is only a verbal commitment we are confident that this will hold given the progress that has been made with your much appreciated efforts and direction.

I will call early this afternoon to follow up. If you have any questions in the meantime, please do not hesitate to call. I am in meetings but will take your call given the importance and urgency around this.

<image005.jpg>

Best Regards

Peter Zell, P. Eng.

<image006.png>

206-4840 Delta Street
Delta, BC, V4K 2T6
250-981-1250

<Sch Final Interconnection implementation 170208 subst add issue to RH.PDF>

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FRANK LIN MADE BEFORE ME ON THE
29 DAY OF MARCH 2018

Chyn Wly

A COMMISSIONER FOR TAKING AFFIDAVITS FOR
BRITISH COLUMBIA

From: Dobie, Russell
Sent: February-24-17 11:52 AM
To: Peter Zell; 'David Ehrhardt'
Cc: Lin, Frank; Hefflick, Ryan; Rempel, Vic; Chow, Warren
Subject: RE: Wedgemount Follow Up Meeting - Meeting Minutes / Schedule Concern
Attachments: Sch Final Interconnection implementation 170208 subst add issue to RH.PDF; Wedgemount Scope Clarification_Issued_ 20170223.docx

Importance: High

Hello Peter, David,

Thanks again for setting up yesterday's meeting.

One important agenda item that we did not speak to yesterday was the Schedule. I have attached the schedule you included in your email of 23 Feb 2017 at 11:19am for reference.

This schedule shows Section 1 construction starting / finishing in April / June 2017 respectively with an overall project COD in July 2017. From where we stand today, this schedule is a serious concern and may be completely unrealistic. Two simple reasons: 1) We do not have an approved IFC design and all permit approvals to construct. 2) we do not approved Implementation funding to construct. To secure implementation approval we need the customer payment. As a result, we cannot secured materials or schedule our contractors (both for the Distribution and Transmission work). Funding approval and contractor mobilization alone typically takes 2 to 3 months depending on when we receive the customer payment. In order to finalize a realistic construction schedule we need the above items to be completed.

Because BCH has not reviewed or agreed to this schedule, I would like the meeting minutes to reflect that "BCH has not agreed to the draft schedule submitted on Feb 23rd."

Also, attached for your reference, is our understanding of the scope accountabilities and ownership of the various sections of the distribution line. I hope this may help you with drafting your meeting minutes to ensure clarity and agreement.

Any questions, please do not hesitate to let me know.

Regards,
Russ

-----Original Appointment-----

From: Hefflick, Ryan
Sent: 2017, February 20 5:05 PM
To: Hefflick, Ryan; Peter Zell; Lin, Frank; Chow, Warren; Dobie, Russell; Rempel, Vic
Cc: 'David Ehrhardt'; Hefflick, Ryan
Subject: Wedgemount Follow Up Meeting
When: 2017, February 23 1:30 PM-2:30 PM (UTC-08:00) Pacific Time (US & Canada).
Where: EDME09, Mtg Rm 4

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FRANK LIN MADE BEFORE ME ON THE
29 DAY OF MARCH 2018

Chap O'Leary

A COMMISSIONER FOR TAKING AFFIDAVITS FOR
BRITISH COLUMBIA

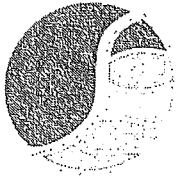
From: Brett Robinson <brxlr8@gmail.com>
Sent: March-20-17 3:02 PM
To: Hefflick, Ryan; Lin, Frank; David Ehrhardt; Peter Zell; Brett R. Robinson; Rempel, Vic
Subject: Final: Wedgemount Interconnectoin Meeting March 10, 2017
Attachments: BCH Discussion Points_Brett_Mtg Summary FL comments.docx

Please find final minutes attached for March 10, 2017 meeting with Greg Reimer.

Both Wedgemount and BC Hydro edits have been included. If I missed anything please just let me know.

Thanks for everyone's continuing support to drive efficiencies.

All the best, Brett



EFE
ECO FLOW ENERGY CORR

Meeting Summary (March 10, 2017)

Date:	2017/03/12
Subject:	Wedgemount Creek Power Interconnection
Prepared By:	Brett Robinson, Eco Flow Energy
Prepared For:	BC Hydro, Industrial Alliance and Wedgemount Power Limited Partnership (WPLP)
Attendees:	BCH: Greg Reimer, Frank Lin and Ryan Hefflick EFE: Brett Robinson, on behalf of Peter Zell Industrial Alliance: Michael Potyok, Independent Engineer WPLP: David Ehrhardt, and Dave Delainey (Conference Call)

Opening Remarks:

Discussions with the lender continue and require clarity on scope, schedule and cost for various components of the interconnection work to be completed prior to COD. Greg Reimer offered this meeting to WPLP as an opportunity to discuss the state of this project and to provide clarity around what BCH is capable of in terms of support towards all parties to moving forward on an expedited and efficient path to COD.

Discussion Points Raised:

- 1) AMEC will finish their design work for a total fixed cost of \$650,000.00 inclusive of \$547,586.00 already spent thus an incremental cost of \$102,404.00. To be provided in original format. (Not PDF)
 - a. BCH and WPLP agreed on this term but at a cost of \$675,000.00 not total \$650,000.00.
 - b. BCH to confirm the delivery of the drawings and documentation in original format.
- 2) Section #1: BCH will be responsible for Section #1 with work to be completed ahead of the July 1, 2017 COD. With several third party estimates at \$1.7M and no schedule restrictions noted, can WPLP's commitment be fixed at \$1.7M to expedite lender's agreement?
 - a. EFE, WPLP and the Lender pointed out that they all have quotes from ROC contractors which suggest that a price of \$1.7M is reasonable for this scope of work.
 - b. BCH questioned the basis of these estimates given that these ROC Contractors would not have had the benefit of the final IFC drawings. BCH has engaged Rokstad, BCH's ROC Contractor for this area to provide a cost estimate on this scope (excluding permitting). BCH is taking under consideration the option of this Rokstad estimate becoming the basis of a total fixed price for this scope of work to be completed by BCH. BCH presented an estimate of \$1.916M in the Facilities Study and cautioned that the detailed design may be

the basis for cost discrepancies for this scope. BCH gave assurances that they had instructed Rokstsd to "sharpen their pencil" on this quote which is expected on or before March 24, 2017.

- 3) WPLP responsible for managing the permitting on Section #1 on BCH's behalf.
 - a. Agreement on this item.
- 4) Section #2 and #3 are WPLP's scope (permitting, design and construction). Need BCH advice here. Do we need an assignment letter or other document to enable such work by WPLP?
 - a. Agreement on this item.
 - b. Any documentation to be managed through a Letter of Agreement as a precursor to the formal Interconnection Agreement (see #13 below).
- 5) BCH completes the substation for a fixed amount of \$500,000.00. To date, \$92,863.00 has already been spent on the definition thus an incremental cost of \$407,137.00.
 - a. Agreement on this item.
- 6) Roles and responsibilities. BCH and EFE/WPLP agree on their requisite team leads and agree upon a work protocol that ensures the efficient and timely completion of the project (such agreement may include minimum response times to each other on joint deliverables including regular status updates). EFE/WPLP suggest stability with current team members. For BCH, Frank Lin's group continuing leadership to interconnection with Mr Reimer as the sponsor. While EFE/WPLP will continue with Peter Zell and David Ehrhardt's leadership.
 - a. Mr. Reimer agreed to be the senior sponsor for the Project. He intimated that his door was open if EFE/WPLP had any concerns. Noted he would be away the last two weeks of June.
 - b. EFE outlined concerns around historical delays and high cost solutions from BCH execution team that is perceived to be related to AMEC shortfalls and while we are trying to focus on the strategy from here to COD, the lender and equity holders are struggling with this as a perceived high risk area going forward. BCH gave assurances that Maureen Daschuk, who is accountable for the execution team is reporting directly to Mr Reimer on progress with this file and she clearly understands the sense of urgency related to cost and schedule.
- 7) BCH and EFE/WPLP agree and acknowledge that July 1, 2017 is the target COD date and that all three organizations prepare and work to that schedule.
 - a. General agreement that all parties would work towards bringing this project to COD as soon as possible.
 - b. BCH suggested that the July 1, 2017 target COD date has not changed despite the project not making any advancement forward over the past few months. BCH commented that all parties need to be working towards a realistic date.
 - c. There was consensus that permitting for section 1 remains the biggest risk affecting the completion date of section 1.
 - d. EFE/WPLP suggests that we draft up a joint schedule. As WPLP is responsible for permitting, WPLP will provide that portion of the schedule as the basis of the joint schedule document. BCH can augment it with their scope assuming the dates are reached by WPLP on permitting.
- 8) While Frank's team will be the initial point of contact, Greg Reimer agrees to be the project's senior sponsor within BCH to expedite the process and help guide WPLP and EFE through to COD.

- a. Agreement on this item. Ryan commented that Vic would be covering over spring break.
- 9) BCH and WPLP need to confirm the following figures as soon as possible: (i) the amount of funds that WPLP has provided to BCH to date and (ii) of that amount how much remains unspent to date?
 - a. BCH has a full accounting that they will send via email.
 - b. WPLP will respond with any differences in their records in order to reconcile any differences prior to the LOA (see #13).
 - c. David E. will work with the BCH Squamish office with regard to ~ \$70K payment to BCH for the original right of way ducting materials. WPLP believes that there should be a credit on those materials. The funding provided to the BCH Squamish Office for this work is not related to any of the interconnection estimates, scope or work coming from the Generator Interconnections department and therefore is not reflected in any of our discussions about costs. Any refunds or amounts owing on this \$70k will need to be handled separately and directly between WPLP and the Squamish office.
- 10) As the interconnection is either, for all intents and purposes, a fixed price offer by BCH or within the scope of WPLP, WPLP would request that the EPA credit (approximately \$834K) be deducted from the amount required to be paid to BCH (as per this agreement) upfront.
 - a. BCH said they will consider but required more information.
 - b. WPLP to describe the proposal in more detail for R. Hefflick.
- 11) BCH agrees to extend the existing termination of the EPA from September 2017 until such time that COD is reached.
 - a. Frank Lin to discuss this request with the BCH Energy Procurement group.
- 12) Any and all other arrangements that Peter Zell had negotiated with Frank Lin as per their discussion of March 1, 2017 that have not been included above. Frank's feedback here.
 - a. No additional items raised.
- 13) How would BCH suggest that we document this agreement? Should a draft Interconnection Agreement be crafted? Other suggested approach?
 - a. BCH suggested a Letter of Agreement (LOA) that would memorialize the broad agreement between BCH and WPLP. This would be the precursor to a final Interconnection Agreement.
 - b. To be drafted by R. Hefflick.
- 14) New Item – D. Ehrhardt had requested the support of BCH to have the new phase 2 ducting, shared by the Wedge subdivision and the IPP and associated with the new DL route, be examined by Lori Grant (who had approved the design and cost associated with the original shared service) to approve the route design and confirm costs for the IPP and the subdivision.
 - a. BCH described this efficiency opportunity as an Expedited Variance request and agreed to investigate how this could work.

Next Steps:

BCH to get back with Rokstad's estimate and schedule for item 2 above on or before March 24, 2017.

WPLP to lead the expedited permitting work and provide schedule plus regular status updates to BCH.

Frank Lin will investigate how Lori Grant can provide the most effective means forward with respect to the expedited variance request.

BCH to provide an email of cost information verbally presented at the meeting.

BCH has already begun formulating a letter of agreement that will be forwarded once item 2 completed.

BCH to review standing offer credit requirements for opportunity to reduce financial commitments as a result of 95% project completion and firm responsibilities on the interconnection work remaining.

THIS IS EXHIBIT "H" REFERRED TO IN THE AFFIDAVIT OF
FRANK LIN MADE BEFORE ME ON THE
29 DAY OF MARCH 2018

Chg Wly

A COMMISSIONER FOR TAKING AFFIDAVITS FOR
BRITISH COLUMBIA

From: Brett Robinson <brxlr8@gmail.com>
Sent: April-01-17 3:03 PM
To: Lin, Frank; Peter Zell; David Ehrhardt; David Delainey; Hefflick, Ryan
Subject: Re: Final: Wedgemount Interconnectoin Meeting March 10, 2017

That's great news Frank. Thank you again for your follow up on this critical item.

Dave Delainey, As WPLP's lead on discussions with the lender, may I ask you to reflect on what is required here and share your feedback with Peter in the next week or so. That will que Peter to follow up with Frank and procurement to provide the assurances that are required.

Thank you, Brett

On Fri, Mar 31, 2017 at 11:24 AM, Lin, Frank <Frank.Lin@bchydro.com> wrote:

Brett, I have received feedback re EPA termination and I want to assure you and the lender that as long as we are working towards a solution, we will not terminate the EPA. We can sit down with our energy procurement folks and lender to hammer out the form of assurance you need.

Thanks

From: Brett Robinson [mailto:brxlr8@gmail.com]
Sent: 2017, March 31 8:54 AM
To: Lin, Frank
Subject: Re: Final: Wedgemount Interconnectoin Meeting March 10, 2017

Frank,

I wanted to recognize your leadership and say thank you again for sponsoring the extensive efforts over the last while. From my short involvement over the last three months, I felt like everyone in the meeting earlier this week was looking forward and pulling in the same direction. There have been extensive discussions with the lender the last 36 hours. I remain hopeful that the equity holders and Industrial Alliance will be able to find a path forward.

One question I meant to ask on Wednesday was around the EPA termination date of September 2017 and extending it to COD. This still feels really tight with permitting outstanding. As I recall from our previous

meeting you were going to have a conversation with the procurement group and was wondering if you had received any feedback yet.

Have a great weekend. Brett

On Mon, Mar 20, 2017 at 3:02 PM, Brett Robinson <brxlr8@gmail.com> wrote:

Please find final minutes attached for March 10, 2017 meeting with Greg Reimer.

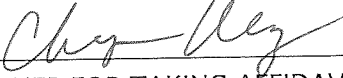
Both Wedgemount and BC Hydro edits have been included. If I missed anything please just let me know.

Thanks for everyone's continuing support to drive efficiencies.

All the best, Brett

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THIS IS EXHIBIT "1" REFERRED TO IN THE AFFIDAVIT OF
FRANK LIN MADE BEFORE ME ON THE
29 DAY OF MARCH 2018


A COMMISSIONER FOR TAKING AFFIDAVITS FOR
BRITISH COLUMBIA

From: Mercier, Heather
Sent: May-03-17 4:05 PM
To: Lin, Frank
Subject: RE: Canceled: Wedgemount update

fyi

-----Original Appointment-----

From: Peter Zell [<mailto:pzell@ecoflowenergy.com>]
Sent: 2017, May 03 3:59 PM
To: Mercier, Heather
Subject: Canceled: Wedgemount update
When: 2017, May 04 2:00 PM-3:00 PM (UTC-08:00) Pacific Time (US & Canada).
Where: BCH Burnaby EDMB03, Mtg Rm 9
Importance: High

Good Afternoon,

Please be advised that the meeting tomorrow has been cancelled because WPLP and IA are still working through the final details around the mechanics to most efficiently advance the final activities required to complete the project. We were expecting this to have been completed early this week (hence the reason for scheduling the meeting in the first place) but it just did not get done. I now expect this to be finalized by tomorrow sometime. I will reschedule the meeting for early next week, but this time only after I receive full confirmation from IA and WPLP.

I apologize for inconveniencing you and appreciate the effort that you had made to fit tomorrow's meeting time into your schedules.

Good morning,

I am hoping that you are available for an update meeting on Wednesday of this week. If the time proposed does not work then could you propose a different one. I am fairly open on Wednesday and Thursday.

The following are several items that I would like to advance some discussion on now that agreement in principal has been reached with Industrial Alliance:

1. SGIA; what needs to be done to advance this now?
2. Posting of the interconnection security (we are working on having this released by IA ASAP).
3. SLRD route vs the alternate logging road route that has been developed by Wedgemount for the purpose of expediting the SLRD
 - Logging road route preferred for the purpose of being able to obtain long term ROW agreements as part of permitting process
 - Current SLRD route would become alternate backup
 - No cost difference anticipated for sections 1, 1a, 1b and POI.
 - Can we authorize Rokstad to proceed with Section 1 with a hold on Section 1a and 1b?
4. Process for extending the COD to May 2018?
5. Other BCH concerns?

THIS IS EXHIBIT "J" REFERRED TO IN THE AFFIDAVIT OF
FRANK LIN MADE BEFORE ME ON THE
29 DAY OF MARCH 2018

Chapman Kelly

A COMMISSIONER FOR TAKING AFFIDAVITS FOR
BRITISH COLUMBIA

From: Rempel, Vic
Sent: May-24-17 11:08 AM
To: Michael Potyok (mpotyok@midgard-consulting.com)
Cc: Hefflick, Ryan; McKie, Melinda (CA - British Columbia); Chambers, Paul (CA - British Columbia)
Subject: RE: Wedgemount - Interconnection

Good Morning Michael.

The following is required prior to BC Hydro updating/revising the August 2016 Facilities Study/Project Plan and Project Interconnection Requirements (PIR).

Financial

- Full payment is required on outstanding balance/work. An invoice is being prepared for approx \$200K.
- Funding is also required to cover activities up to the execution of the Interconnection Agreement, when full security is provided.

Hwy 99 / POI

1. SLRD
 - Interconnection Customer (IC) to acquire agreement with SLRD with suitable tenure (40 years) or abandon this option
2. Forestry Road
 - IC to submit engineered dwgs to BCH Owner's Engineer for review/acceptance
 - IC to submit IFC dwgs to BCH thereafter
 - IC to submit materials list for BCH portion of this section
 - IC to acquire permits and/or SRW (or License of Occupation) for BCH & IC portions from Jurisdiction(s) having Authority (JHA)
 - BCH to re-estimate the construction costs of this section using IC's IFC dwgs, if this route is the preferred viable alternative

POI to Powerhouse

1. IC to submit overall electrical dwg to BCH from POI to Powerhouse including overhead and underground sections. ie IC private works
2. IC to submit private works civil dwg through subdivision (Riverside Dr) to:
 - a. BCH for technical and safety acceptance
 - b. JHA for permitting and approval

Please let me know if further information is required. Thanks

Victor Rempel | Manager, Distribution Generator Interconnections

BC Hydro

P 604 528 2623
E vic.rempel@bchydro.com

From: Hefflick, Ryan
Sent: 2017, May 24 5:39 AM

Begin forwarded message:

From: Michael Potyok <mpotyok@midgard-consulting.com>
Date: May 23, 2017 at 7:54:58 PM PDT
To: Ryan Hefflick <ryan.hefflick@bchydro.com>
Subject: Wedgemount - Interconnection

Hi Ryan;

Thanks for chatting earlier today. I understand that you are unavailable all day tomorrow (with the exception potentially of an early morning call). But, to the extent there are some queries we had with respect to the project, you would be willing to ask your team to take a look and perhaps be able to respond.

As discussed, we have been engaged by Deloitte to assist with the Wedgemount project.

Because of my past role in which I attended some but not all meetings, I have only partial information as it pertains to the current interconnection process.

The last meeting I attended was March 29 during which Russell had indicated an ability for Hydro to complete their required works with a fixed timeline and a fixed cost. This was contingent on timely project commitments and cost recovery. However, there was an issue potentially with the SLRD land use permit for that portion of line passing through SLRD lands.

Although it was suggested that BCH would potentially accept a short term permit (as would be acceptable to the lender) it appears that since that time, the concept has shifted to using an alternate route to a similar POI that would avoid that route.

I am seeking clarification on how that decision arose and if this concept was locked down or if further work is done.

From the perspective of the project, it will be necessary to ensure that land applications contemplate any revised route.

Also, in general, it would be beneficial in general to have a discussion with you and/or your team to fully flesh out:

- 1) any remaining issues that require resolution;
- 2) role and responsibility assignment for any required study / work toward their resolution;
- 3) immediate next steps and process in generation to finalize planning and move toward execution;
- 3) status of discussions on a DGIA or other agreements that are required to finalize project planning.

That is a big list - our motivation is to ramp fully up to speed on all of these issues quickly in order to resolve any matters from the project side as soon as practical.

I am available to discuss further in the morning if needed or perhaps will follow up with Vic after lunch time.

Best regards,


Michael

*Michael Potyok P.Eng.
Principal*

Midgard Consulting Inc.
828-1130 West Pender St
Vancouver, BC, V6E 4A4

cell: 1.604.315 3840

THIS IS EXHIBIT "K" REFERRED TO IN THE AFFIDAVIT OF
FRANK LIN MADE BEFORE ME ON THE
29. DAY OF MARCH 2018



A COMMISSIONER FOR TAKING AFFIDAVITS FOR
BRITISH COLUMBIA

From: Michael Potyok <mpotyok@midgard-consulting.com>
Sent: June-06-17 3:27 PM
To: Hefflick, Ryan; Rempel, Vic
Cc: Chambers, Paul (CA - British Columbia); McKie, Melinda (CA - British Columbia)
Subject: June 6 BCH / Deloitte Meeting Summary - Wedgemount

Follow Up Flag: Follow up
Flag Status: Completed

Ryan and Vic;

I would like to start by thanking for this morning's meeting.

I tried my best to keep notes from the meeting, but find it tough to participate in conversations and keep notes at the same time. These notes are therefore more of a summary of take aways as opposed to full meeting notes. May I request that you review and comment as needed or appropriate?

The key take aways that I took were:

- 1) Generally, BCH is in a position on your side to advance with a completion of the FS once the IC's works are fully defined. This is substantively the IFC (or near IFC) drawings from CEC detailing the final route, which contemplate a solution that provides for a longer term LOO / ROW in place for BCH owned line.
- 2) We will be working with CEC to advance those designs as soon as we can.
- 3) Additionally, we will begin to press on the Province to advance permitting on those areas over crown land. There may be a requirement to engage with BCH Properties group - to the extent that the application prepared by CMJ on their behalf but submitted directly by BCH, requires amendment. May we rely on you to facilitate an introduction should it be required?
- 4) Once we have a handle on the physical design, and have made any necessary amendments to land tenure applications, and once the Project Delivery Team is re-engaged, we would like to explore establishing a process that enables us to address outstanding items (such as finalizing tenure and CN crossing permits etc.) in parallel to completing and finalizing the FS.
- 5) You will work to issue a formal statement of account as quickly as possible in order to address previous amounts outstanding. Presuming that there is a requirement for payment for future works as we progress to a finalized FS, what accounting can be made available in order to facilitate Deloitte in keeping account current?

Thanks again,

Michael

*Michael Potyok P.Eng. MBA
Principal*

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Vancouver, BC V6E 4A4
(c) 604-315-3840

No. S-174308
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.

PLAINTIFF

AND:

WEDGEMOUNT POWER LIMITED PARTNERSHIP, WEDGEMOUNT POWER (GP) INC., WEDGEMOUNT POWER INC., THE EHRHARDT 2011 FAMILY TRUST, POINTS WEST HYDRO POWER LIMITED PARTNERSHIP by its general partner POINTS WEST HYDRO (GP) INC., CALAVIA HOLDINGS LTD., SWAHEALY HOLDING LIMITED, BRENT ALLAN HARDY, DAVID JOHN EHRHARDT, 28165 YUKON INC., PARADISE INVESTMENT TRUST and SUNNY PARADISE INC.

DEFENDANTS

AFFIDAVIT

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