

USER GUIDE

The Aboriginal Loan Guarantee Application form is to be used to apply for support under the Aboriginal Loan Guarantee Program (ALGP). The Ontario Financing Authority (OFA) may require information that is additional or supplementary to the information required by this form. If the submitted application is incomplete, it may be returned by the OFA or there may be a delay in processing the application.

If you have any questions on completing this application, please contact us at algp@ofina.on.ca.

If there is insufficient space in any field, please provide any additional information in the space on the bottom of page 6, noting the Section and Question number to which your comments apply, or attach additional documents as necessary.

Request for Financial Assistance

The information requested in this section pertains to the proposed equity investment by the applicant.

The applicant is to indicate:

- the total equity investment it proposes to make in the project;
- the nature and timing of the proposed equity investment it proposes to make (e.g., lump sum at project inception, phased over construction term, etc.);
- the amount of any equity loan it will need to make that investment;
- the total amount of the loan guarantee (the lesser of the total equity loan or 75% of the total equity investment); and
- the total period of the loan guarantee (generally, the period in which an eligible applicant is able to pay off the loan will be no longer than half the period of the purchase agreement – i.e., either a FIT or non-FIT contract – of the underlying project).

PART 1 – APPLICANT, PARTNER & PARTNERSHIP INFORMATION

SECTION A – APPLICANT

1. Enter the exact legal name of the entity that is requesting the loan guarantee.
2. Eligible applicants to the program must be incorporated.
3. Enter the date on which the Aboriginal Corporation (AC) was incorporated.
4. The governing jurisdiction will generally be the same as the jurisdiction in which the AC was incorporated.
5. The primary contact is the person with whom the OFA and its agents will communicate with regard to the information in this application.
6. Eligible principals include First Nations, Métis Organizations or Tribal Councils. Individuals are precluded from having an ownership stake in the Aboriginal Corporation requesting support under the ALGP. Please provide community names, addresses, community type and the ownership stake of each shareholder of the AC.
7. Officers and Directors include senior executives and members of the Board of Directors of the Aboriginal Corporation.

SECTION B – PROJECT PARTNER

1. Enter the exact legal name of the entity which will be the Project Partner of the AC listed in Section A.
2. Indicate the legal form of the Project Partner.
3. Enter the date on which the Project Partner was registered, created or incorporated.
4. Indicate the governing jurisdiction of the Project Partner.
5. Indicate the capacity in which the Project Partner is involved in the underlying project.
6. The primary contact is the person with whom the OFA and its agents will communicate with regard to the information in this application.
7. List past involvement of the project partner with similar projects and provide the status (e.g. operational, in construction) of

such projects. Please provide at least one reference for each project identified. The OFA reserves the right to contact the reference to verify / do further diligence on the stated role of the project partner. Please attach additional documents describing this involvement if the space provided is insufficient.

8. Please provide the names, addresses, positions and ownership stakes of the key principals of the Project Partner including major shareholders, officers, partners and directors.

SECTION C – PARTNERSHIP ARRANGEMENT

The information requested in this section pertains to the partnership arrangements between the applicant and partner(s) in the project.

1. Indicate type of partnership.
2. If applicable, enter the name of the General/Managing Partner.
3. If applicable, enter names of all the Limited Partners.
4. Enter the name of the Project Operator, i.e., the name of the firm that will operate the facility after it is constructed.
5. Enter the name of the Operator – Construction, i.e., the name of the firm that will manage the construction of the project.
6. Please provide names, addresses, positions and ownership stakes of the key principals of the Project Partnership including major shareholders, officers, partners and directors.

PART 2 – PROJECT INFORMATION

SECTION D – PROJECT OVERVIEW

The information in this section pertains to the project for which the Applicant is seeking financial assistance.

1. Enter the exact legal name of the Project here.
2. Enter the date on which the Project Partnership was created.
3. Indicate the governing jurisdiction of the Project.
4. Indicate the geographical location of the Project. Eligible projects must be located in Ontario.
5. Proponents of FIT projects, as well as proponents of non-FIT projects for which the Ontario Power Authority is the purchasing party, must be registered with the Ontario Power Authority.
6. For FIT projects, indicate the OPA registration number of the Project Proponent in this field.
 - Proponents of FIT projects will be assigned a registration number upon registering with the OPA that is unique to the Proponent.
 - The OPA will also assign a separate application ID for each project for which the proponent seeks a FIT contract. This application ID is to be entered separately in field 12 below.

For non-FIT projects, please indicate the OPA contract identifier in this field.

7. Indicate whether the project is a renewable energy or transmission project. If the project is for renewable energy, please indicate the renewable type.
8. Eligible projects will need to be connected to a transmission or distribution system.
9. Enter the name of the Transmitter or Distributor here.
10. Indicate the name-plate capacity of the Project here.
11. Indicate the type of contract here.
12. Please enter the FIT application ID in this field or other OPA identifier (e.g., contract identifier) for non-FIT projects.
13. For FIT projects, indicate whether the project is eligible for the Aboriginal Price Adder and, if yes, the value per kWh of energy produced.
14. Please provide the name of the Purchasing Party or Regulator (for transmission projects).
15. Indicate whether a regional-scale environmental assessment (EA) or Renewable Energy Approval (REA) is required and the expected completion date.
16. Please list and briefly describe any factors/issues/permits that may need to be addressed in order for the project to move forward.
17. Indicate whether the project is on reserve or traditional lands. Please also provide any additional details affecting the status of these lands.
18. Please indicate any other federal or provincial programs from which the Project is or will be seeking support.

SECTION E – OTHER BUSINESS INFORMATION

The information in this section pertains to the service providers of the Project Partnership. Contact information for the project's bank, accountant, solicitor and insurance agent is requested in case the OFA or its agents need to obtain additional information in the course of conducting a due diligence assessment of the application. Please append names of additional providers to the application if necessary.

SECTION F – PROJECT FINANCIAL INFORMATION

The information in this section pertains to the financial information of the Project Partnership. The data you provide in the tables here should summarize the more detailed financial documents attached to your application.

1. Please provide estimates of the project's capital costs in the table provided.
2. Please indicate the proposed sources and amounts of funds for the project.
3. Please provide details of existing long-term financing arrangements (e.g., bank loans, mortgage bonds, debentures or other obligations not due for one year or more).
4. Please provide details of existing short-term debt obligations (i.e., any debts payable within 12 months, including operating lines of credit).

SECTION G – BENEFITS OF PROJECT TO THE COMMUNITY

Provision of the information requested in this section is optional and will not affect the eligibility of the applicant for support under the program. It is intended to help the OFA better understand its clients and the anticipated benefits of the proposed project.

1. In this field, please describe below why your community is interested in participating in the Aboriginal Loan Guarantee Program and how you think the program might benefit your community.
2. Please provide your best estimates of the number of jobs, revenues and benefits of the proposed project in the table.

Additional Information (Page 6)

Space is provided on page 6 to include additional comments for which there may have been insufficient space in the fields above. Please note the Section and Question numbers to which any additional comments apply.

SECTION H – SUPPORTING DOCUMENTS

The supporting documents are an integral part of the application. Please include these documents with your application, otherwise the application will be considered incomplete, which may delay its assessment.

Audited financial statements for both the Applicant and the Project Partner are to be included for the past three years or to the date of incorporation.

The OFA requires each application to be accompanied by a Business Plan. The OFA expects that the Business Plan should provide a comprehensive outline of how the business will be managed and operated, and it should address all relevant business and operational risks. In particular, the Business Plan should provide comfort to the OFA that its provision of a loan guarantee is reasonable in the circumstance and entails a low probability of default. The Business Plan should identify how the risks of the project will be managed and how they will be allocated amongst various project participants (suppliers, service providers, lenders and equity partners). The Plan should include an analysis of the project's financial performance under both expected and adverse scenarios. Examination of adverse scenarios is a form of "stress-testing" that will be used by the OFA to assess the probability that its loan guarantee will be called upon. OFA does not have a standard list of adverse scenarios that it will examine: these will depend on the nature of the project, its financing structure, and the allocation of project risks among project participants.

OFA expects that many elements of the Business Plan will have been developed as part of applications, where applicable, to the Ontario Power Authority (OPA) and/or to project lenders. Copies of these applications may be used to address some of the information requirements outlined below.

The Business Plan and supporting documentation should include, at a minimum, the following elements or components (not necessarily in the order or format listed below):

- **Revenue Plan.** This Plan should identify all sources of revenue for the project, including revenues from the proposed Power Purchase Agreement (PPA) or regulated rates. Forecast revenues should be linked to assumptions of operational performance. Any other sources of revenue (e.g., ecoENERGY credits) should be clearly identified.
- **Construction Plan.** This Plan should identify how the facility will be constructed, and identify strategies for mitigating the risk of construction cost overruns or construction delays. All contracts for equipment procurement and facility construction should be clearly identified. Detailed construction budgets and schedules should be included, as well as plans for meeting any domestic content requirements. Plans for interconnection with the relevant transmission or distribution system should also be included in this Plan, with the relevant connection agreements provided.
- **Regulatory Plan.** This Plan should identify all environmental licensing and permitting requirements and the status of any required approvals. The regulatory plan should identify the extent to which any performance requirements associated with licenses or permits will impact operations of the facility (e.g., a requirement to manage water levels within certain limits for a hydro-electric facility). Plans for ensuring compliance with all regulatory requirements should be provided.
- **Financing Plan.** This Plan should identify all sources of financing for the project, and their terms and conditions. Where applicable, detailed term sheets and/or signed financing agreements with lenders should be provided in Appendices to the Plan. Term sheets/ executed financing agreements should not be redacted or abridged in any manner.
- **Management Plan.** This plan should identify how the project will be managed, and identify the qualifications of all management personnel. Where a partner will provide management services through a management agreement, contracts relating to these services should be included.
- **Operational Plan.** This plan should address how the facility will be maintained and operated during the life of the project. This plan should thus identify staffing levels, including qualifications and experience of company personnel, and the proposed use of outside contractors. Assumptions with respect to planned and unplanned outages, major maintenance overhauls, and any performance degradation over time should be clearly identified. Plans should address any issues that arise because of the particular location of the generation or transmission facility (e.g., additional transportation and travel time costs). Any proposed service contracts should be appended to the Operational Plan.
- **Taxation Plan.** This Plan should identify all of the assumptions underlying the Business Plan with respect to property taxes, sales taxes, and corporate income taxes. Reliance on any tax incentives or rules pertaining to aboriginal groups should be clearly noted.
- **Detailed Financial Projections and Model.** The business plan should include pro forma financial statements for the life of the project. These statements should include income statements, statements of cash flow, statement of changes in financial position, and balance sheets. An electronic copy of the spreadsheet model (e.g., in MS Excel format) used to prepare the financial projections should be submitted with the application.

To submit your application please:

- Read and make sure you understand the *Consent to release information* and the *Tax compliance* clauses.
- Print and sign the completed application form.
- Save the electronic application form and supporting materials to a portable storage device (e.g., CD ROM, DVD ROM, USB flash drive).
- Ensure that all supporting materials in the package are included with the signed application form and electronic version of your application.

Director, Strategic Project Finance Branch
Corporate and Electricity Finance Division
Ontario Financing Authority
Suite 301, 1 Dundas Street West
Toronto, Ontario M7A 1Y7