

ADDENDUM

Conditions of Service 2021

Conditions related to cryptographic use applied to blockchains

In decision D-2021-160, the Régie de l'énergie approved changes related to cryptographic use applied to blockchains.

This addendum sets out the modifications that were approved by the Régie de l'énergie in decision D-2021-160 and that came into effect on December 9, 2021. It also shows the provisions that were temporarily suspended on January 10, 2023, pursuant to Régie decision 2023-002.



CHAPTER 1

SCOPE OF APPLICATION

ADDITION OF SECTION 1.3

1.3 Request for cryptographic use applied to blockchains submitted under the process for allocating the balance of the dedicated block

This section is temporarily suspended.

The provisions of these conditions of service apply to *service requests*, requests for modification of an existing *service contract*, and *connection requests* for an *electrical installation* where at least 50 kilowatts (kW) of *installed capacity* will be dedicated to *cryptographic use applied to blockchains*, submitted as part of the process for allocating the balance of the *dedicated block* of power, as well as to the *contracts* associated with those requests, according to the following terms and conditions:

Provisional allocation of dedicated block

Upon receiving your *service request*, request for modification of an existing *service contract*, or *connection request*, Hydro-Québec will provisionally allocate to you the requested amount of power for *cryptographic use applied to blockchains*, on a first-come, first-served basis, provided there is power remaining to be allocated from the *dedicated block* and that the request is complete and valid. Hydro-Québec may deny your request if it is incomplete or invalid or if you provide incorrect information.

Your request must be made *in writing* according to the provisions of the following sections of these conditions of service, as applicable:

- Section 2.1, in the case of a *service request*;
- Section 13.9, in the case of a request for *contract* modification;
- Section 8.1, in the case of a *connection request*.

You may make only one request per project. It must be for at least 50 kW and at most 50 MW of *installed capacity* for *cryptographic use applied to blockchains*.

<p>Official allocation and liquidation of dedicated block</p>	<p>The requested amount of power for <i>cryptographic use applied to blockchains</i> is considered officially allocated to you as of one of the following dates, as the case may be:</p> <ul style="list-style-type: none"> - in the case of a <i>service request</i>, the date on which Hydro-Québec sends you a confirmation of the main characteristics of your <i>contract</i> as provided for in Section 2.1; - in the case of a <i>contract modification request</i>, the date on which Hydro-Québec sends you a <i>written</i> confirmation as provided for in Section 13.9; - in the case of a <i>connection request</i>, the date on which the <i>agreement for major work</i>, mentioned in Section 10.1.3, is signed.
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<p>Request processing in specific cases</p>	<p>If, when your request is received, all of the power in the <i>dedicated block</i> has already been officially or provisionally allocated, Hydro-Québec will place you on a waiting list and process your request later, on a first-come, first-served basis, in the event of the withdrawal of a request submitted under the current section or the termination of a <i>service contract</i> related to a request submitted under this section.</p> <p>If your request is for a quantity of power that exceeds the quantity of unallocated power in the <i>dedicated block</i>, you can choose the quantity of unallocated power or decide to be put on the waiting list mentioned above.</p>
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Withdrawal of request or termination of service contract	<p>If you withdraw your request or terminate your <i>service contract</i> related to a request submitted under this section, or if you withdraw your request or terminate your service contract related to a request submitted under a request for proposals, Hydro-Québec will release the quantity of power for <i>cryptographic use applied to blockchains</i> that was allocated to you and make it available as quickly as possible to the first <i>customer(s)</i> on the waiting list mentioned in this section or, failing such a list, to any other <i>customer(s)</i> who submit a request.</p> <p>In the case of a <i>connection request</i>, Hydro-Québec may charge you for withdrawal costs as provided for in Section 10.1.6.</p>
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PART III

CONNECTION REQUESTS



CHAPTER 8

SUBMISSION OF CONNECTION REQUEST AND DETERMINATION OF WORK INCLUDED IN BASIC SERVICE

MODIFICATION TO "REQUIRED INFORMATION" IN SECTION 8.1

8.1 Connection request

Required information	<p>Your <i>connection request</i> must include all the mandatory information prescribed in Schedule I. If you fail to provide this information or if you provide incorrect information, Hydro-Québec may refuse your request.</p>
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CHAPTER 9

CALCULATION OF THE AMOUNT TO BE PAID FOR WORK NOT INCLUDED IN BASIC SERVICE

MODIFICATION TO SECTION 9.7.7

9.7.7 Electrical installation for cryptographic use applied to blockchains

If your *connection request* is for an *electrical installation* where at least 50 kilowatts (kW) of *installed capacity* will be dedicated to *cryptographic use applied to blockchains*, you must assume the entire cost of the work required to make the connection.

If the amount you have to pay for the work required cannot be determined using the prices indicated in Chapter 20, it will be based on the *detailed cost-of-work calculation*.

Your *connection request* is considered to require *major work* in either case and will be processed as provided for in Section 10.1.3.

Payment in full must be received before Hydro-Québec will start the work.

None of the work is included in *basic service*. Moreover, no refund as provided for in Section 10.4 will apply for addition on the *distribution line* of a new *electrical installation*.

If your *connection request* is for another type of use but Hydro-Québec notes, during the 5 years following the initial energizing, that you are using it for *cryptographic use applied to blockchains*, you must pay the cost of all the work required to make the connection.

If Hydro-Québec has sent you *written* confirmation of the available capacity for *cryptographic use applied to blockchains* at the *connection point* and you have agreed to it prior to June 7, 2018, you have until March 3, 2022, to submit at least one *connection request* to avail yourself of all or part of this capacity, in which case your request will be processed according to the provisions of chapters 8 to 10 of these conditions of service. Any *connection request* for *cryptographic use applied to blockchains* submitted on or after March 4, 2022, will be processed according to the provisions of this section.

If you are a *customer* selected following a request for proposals, the connection of your *electrical installation* is conditional on the signing of a *draft-design agreement* and a *connection agreement* with Hydro-Québec.

CHAPTER 10

PROCESSING OF CONNECTION REQUESTS

MODIFICATION TO THE FIRST PARAGRAPH OF SECTION 10.1.3

10.1.3 Major work

Major work consists of *power distribution system* work of a technical complexity requiring the production of a signed and sealed engineering drawing. If your *connection request* is for an *electrical installation* where at least 50 kilowatts (kW) of *installed capacity* will be for *cryptographic use applied to blockchains*, it will be considered to require *major work* in all cases and will therefore be processed according to the terms of this section.

MODIFICATION TO "WITHDRAWAL" IN SECTION 10.1.6

10.1.6 Withdrawal of a connection request

Withdrawal	<p>Hydro-Québec considers that you have withdrawn your <i>connection request</i> in the following cases:</p> <ul style="list-style-type: none">a) You notify Hydro-Québec <i>in writing</i> that you are withdrawing your <i>connection request</i>.b) You change your <i>connection request</i>. In that case, only the portion of the work that was originally planned during the engineering phase and that will not be used in the modified <i>connection request</i> is considered withdrawn.c) You did not provide the financial guarantee provided for in Section 10.3, if applicable, when you accepted the <i>proposal for minor work</i> or the <i>estimate for major work</i>.
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**Withdrawal
(cont.)**

d) If, within *6 months*:

- you have not returned the signed *proposal for minor work* to Hydro-Québec;
- you have not returned the signed *estimate for major work* to Hydro-Québec;
- you have not returned the signed *agreement for major work* to Hydro-Québec;
- after Hydro-Québec has sent you the *agreement for major work*, you have not paid the amount for the work or the advance required by Hydro-Québec for the *civil works*, unless delayed payment has been agreed on;
- the connection was not energized on the date indicated in the *proposal for minor work* or the *agreement for major work* for a reason other than a delay attributable to Hydro-Québec, unless a postponement has been agreed on.

PART IV

RIGHTS AND OBLIGATIONS OF HYDRO-QUÉBEC AND ITS CUSTOMERS

CHAPTER 13

USE OF ELECTRICITY AND CONNECTION OF EQUIPMENT AND APPLIANCES

MODIFICATION TO SECTION 13.9

13.9 Actions requiring prior authorization

Hydro-Québec's prior authorization must be obtained for any modification of the *customer's service entrance* or electricity use, or for installation of load control equipment on the *line side* of the *metering equipment*.

Paragraph 2 is temporarily suspended.

If you already have a *service contract* and wish to modify it for *cryptographic use applied to blockchains* or to increase the *installed capacity* intended for this use as part of the *dedicated block* allocation process mentioned in Section 1.3 of these conditions of service, you must submit a *written* request for *contract* modification to Hydro-Québec. If your request is accepted, Hydro-Québec will send you confirmation *in writing*.

PART VI

LARGE-POWER CUSTOMERS AND BLOCKCHAIN CUSTOMERS

CHAPTER 17

CREDIT RISK FOR LARGE-POWER CUSTOMERS AND UNDERTAKINGS OF BLOCKCHAIN CUSTOMERS SELECTED THROUGH A REQUEST FOR PROPOSALS

MODIFICATION TO THE TITLE OF PART VI

PART VI – Large-Power Customers

MODIFICATION TO THE TITLE OF CHAPTER 17

Chapter 17 – Credit Risk for Large-Power Customers

MODIFICATION TO SECTION 17.1

17.1 Application

The provisions set forth in this part apply to *large-power service contracts*. They have precedence over any incompatible provision in these conditions of service and any incompatible provision of a billing or *payment arrangement* between Hydro-Québec and a *customer*, including any cancellation period stipulated in such an arrangement.

REMOVAL OF SECTIONS 17.4, 17.4.1 AND 17.4.2

17.4 Repealed.

17.4.1 Repealed.

17.4.2 Repealed.

CHAPTER 19

TYPES OF SUPPLY FOR LARGE-POWER CUSTOMERS AND BLOCKCHAIN CUSTOMERS

MODIFICATION TO THE TITLE OF CHAPTER 19

Chapter 19 – Types of Supply for Large-Power Customers

MODIFICATION TO SECTION 19.1.3

19.1.3 Service contracts for cryptographic use applied to blockchains

If you submit a *connection request* for an *electrical installation* where at least 50 kilowatts (kW) of *installed capacity* will be dedicated to *cryptographic use applied to blockchains* and your request is for an *anticipated apparent power demand* of 5 MVA or more, including *installed load*, at *medium voltage*, you must assume the entire cost of the work required to make the connection.

If the amount you have to pay for the work required cannot be determined using the prices indicated in Chapter 20, it will be based on the *detailed cost-of-work calculation*.

Your *connection request* is considered to require *major work* and will be processed as provided for in Section 10.1.3.

Payment in full must be received before Hydro-Québec will start the work.

None of the work is included in *basic service*. Moreover, no allowance will be applied to reduce the amount, nor is there any refund, as provided for in Section 10.4, for addition on the *distribution line* of a new *electrical installation*.

If your *connection request* is for another type of use but Hydro-Québec notes, during the 5 years following the initial energizing, that you are using it for *cryptographic use applied to blockchains*, you must pay the cost of all the work required to make the connection.

If Hydro-Québec has sent you *written* confirmation of the available capacity for *cryptographic use applied to blockchains* at the *connection point* and you have agreed to it prior to June 7, 2018, you have until March 3, 2022, to submit at least one *connection request* to avail yourself of all or part of this capacity, in which case your request will be processed according to the provisions of Section 19.1.1 or 19.1.2 of these conditions of service. Any *connection request* for *cryptographic use applied to blockchains* submitted on or after March 4, 2022, will be processed according to the provisions of this section.

If you are a *customer* selected following a request for proposals, the connection of your *electrical installation* is conditional on the signing of a *draft-design agreement* and a *connection agreement* with Hydro-Québec.

REMOVAL OF SECTION 19.3

19.3 Repealed.

PART VIII

TERMINOLOGY AND APPLICABLE UNITS OF MEASUREMENT

CHAPTER 21

DEFINITIONS, INTERPRETATION AND UNITS OF MEASUREMENT

REMOVAL OF DEFINITIONS

21.1 Definitions and interpretation

actual energy consumption: Repealed.

consumption undertaking: Repealed.

contract capacity: Repealed.

contract energy: Repealed.

contract LF: Repealed.

contract year: Repealed.

curtailment period: Repealed.

economic development undertakings: Repealed.

environmental undertaking: Repealed.

ramp-up: Repealed.

ADDITION OF A DEFINITION

The addition of this definition is temporarily suspended.

~~*dedicated block*: a block of 300 megawatts (MW) of capacity and associated energy reserved exclusively for *cryptographic use applied to blockchains* and allocated among *customers* through a request for proposals or the process implemented to liquidate the power not allocated through the request for proposals. This process is described in Section 1.3 of these conditions of service;~~

MODIFICATION TO A DEFINITION

~~*connection agreement*: an agreement signed between Hydro-Québec and a *customer* regarding a *service contract for cryptographic use applied to blockchains* further to a request for proposals, that states, in particular, the costs the *customer* must assume for connection of the *electrical installation* to the transmission system or *power distribution system*;~~