

Hedge Rebate Product

This is a product unique to Bruce Power Direct. The Hedge Rebate Product pays you a 25% rebate if prices fall below your contract price. If prices fall by the time your contract expires we'll give you some money back.

We developed this product in the months soon after the 2009 recession at a time when customers found themselves with hedges purchased at 2008 prices and were locked into those contracts with no relief in sight. If they had purchased a Bruce Power Direct rebate product they would have gotten something back.

At Bruce Power Direct we want to build a long term partnership with our customers. This product is part of that strategy. What other supplier is offering to give you money back?

Example

	Price	Volume Hedged	# of hours in the year	Annual Cost of 1 MW
Purchase a hedge for 2009 in 2008	\$55	1 MW	8760	\$482k
Actual price for 2009	\$29	1 MW	8760	\$254k
Rebate Paid to You				\$57k

The Hedge Rebate can be applied to a peak, off-peak or baseload structured block product.

Common Questions

Why do you only offer the rebate on structured block products?

The answer is simpler than you may think. We need a transparent reference price to calculate the rebate. With a load following product you have a custom price. If we tried to apply a rebate to a load following product you would have no way to estimate or track the rebate. With a peak, off-peak, or baseload product the prices are readily available and transparent. You can track the progress of your rebate through the life of your contract.

I would purchase a 25% rebate if I thought 2009 was going to happen again but I think that risk is really low. Can I pick a smaller hedge percentage, say 10%?

Absolutely. At Bruce Power Direct we will work with you to develop a hedging strategy that works for your risk tolerance and your expectation of the market direction. If you think there is a low risk of prices falling but want to protect yourself from that risk with a smaller rebate we would be happy to price it for you.

For the Detail Oriented

	Peak	Off-Peak	Baseload
Days	Mon – Fri	Mon – Fri; Sat, Sun	Mon – Sun
Daily Hours	16	8 (Mon – Fri), 24 (Sat, Sun)	24
Period (HE)	8 – 23	1 – 7; 24 (Mon – Fri) 1 – 24 (Sat, Sun)	
Settlement	1. Settle through your utility with Distributor Consolidated Billing 2. Settle directly with Bruce Power Direct with a Contract for Differences (CfD)		
Term	3 Year Product		

