

Canadian Utilities Limited

**Strategic Acquisition of
Renewable Generation Assets**

October 5, 2022



Strategic Acquisition of Renewable Generation Assets

Legal Notice

Forward-Looking Information

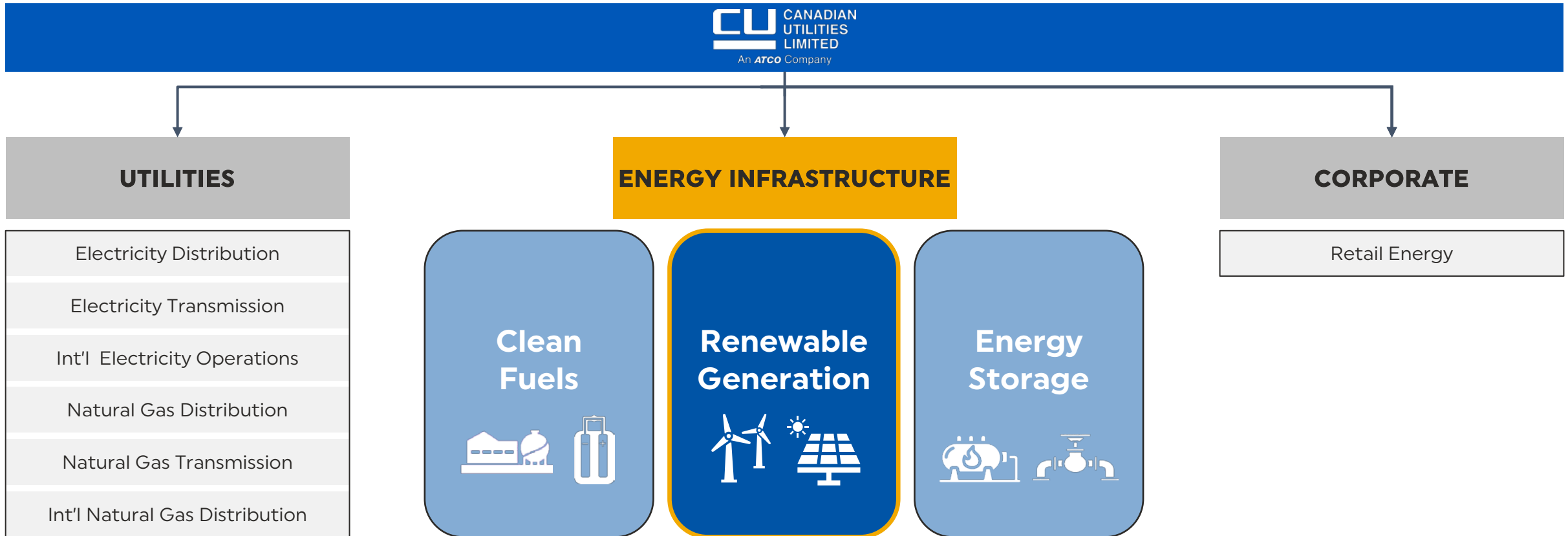
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Organizational Structure



This transaction provides immediate scale and rapidly advances the Renewable Generation pillar of our energy transition strategy

Transaction Overview

Acquisition Highlights

A wind and solar generation portfolio with assets in premier renewable energy geographies in Alberta and Ontario.

Purchase Price¹

\$730M

Expected Close

January 3, 2023

Acquired Asset Highlights

4 Operating wind assets, totaling 252 MW complement existing renewables portfolio

+

Development pipeline of > 1.5 GW² of attractive wind and solar projects create a path to future growth

+

Strategic land position in premier renewables locations spanning ~140,000 acres

1. Final purchase price subject to change based on customary closing adjustments and pre-emptive rights for the Magrath Wind (10 Net MW) and Chin Chute Wind (10 Net MW) assets.

2. For solar assets, MW shown throughout this presentation are MW_{AC} and refer to generating capacity available for direct export to the grid after consideration of inverter limits.

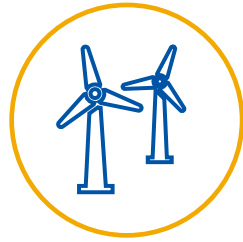
Strategic Rationale

1



**Provides
Immediate
Scale and
Future Growth
Through
Development
Pipeline**

2



**Penetration
into Wind
Market,
Underpinned
by Long-Term
Contracted
Assets**

3



**Well-Aligned
with Corporate
ESG Strategy
and Targets**

4



**Accretive to
Cash Flow and
Earnings
in 2023**

Strategic Acquisition of Renewable Generation Assets

Drives Meaningful Progress Towards Our ESG Targets

Four Key Strategic 2030 ESG Targets	Acquisition Supports Targets
Reducing net operational GHG emissions to earnings intensity by 30 per cent (Scope 1 and 2)	<input checked="" type="checkbox"/>
Reducing our customers' GHG emissions by 2 million tonnes through continued participation in renewable energy, cleaner fuels, energy efficiency and energy infrastructure and storage projects	<input checked="" type="checkbox"/>
Owning, developing or managing over 1,000 megawatts (MW) of renewable energy	<input checked="" type="checkbox"/>
Increasing net economic benefits to our Indigenous partners by 40 per cent	<input checked="" type="checkbox"/>

Clear path towards achieving our ESG target of owning, developing or managing over 1,000 MW of renewable energy by 2030

Existing Renewable
Portfolio Assets¹
179 MW



Operating Assets
Acquired²
262 MW

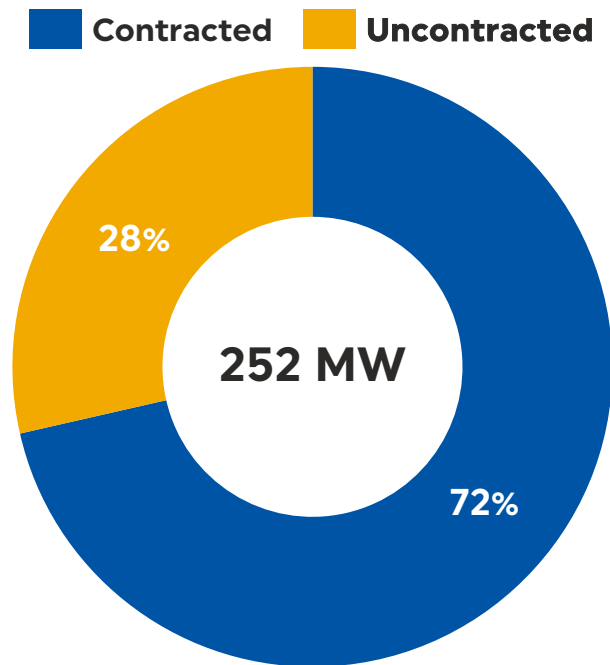


Development Assets
Acquired
> 1.5 GW

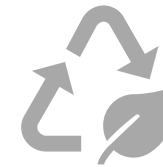
1. Existing renewable portfolio assets include operating projects totaling 76 MW, as disclosed in our 2021 Sustainability Report, as well as our Deerfoot (37 MW), Barlow (27 MW), and Empress (39 MW) Solar projects.
2. Assumes 100% of Adelaide Wind asset as Canadian Utilities will be the operator of the asset (Net Ownership = 30 MW). Remainder of this total is made up of 100% of Forty Mile Wind Phase 1 and 33.33% ownership of Magrath Wind and Chin Chute Wind assets.

Maximizing Asset Value Through High Quality PPA's

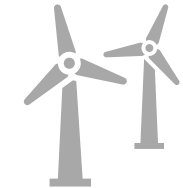
Expected Operating Asset Contractedness^{1,2}



Offtake Strategy



PPA's can be structured to service energy and environmental attribute needs of customers



Adelaide wind asset in Ontario underpinned by long-term Feed-in-tariff contract with IESO³



Alberta's deregulated energy-only market facilitates bilateral PPA opportunities



Increasing carbon prices are driving high-emitting industries to source offsets to fulfil ESG commitments

Demand for renewable offtake continues to grow and our strategy remains focused on contracting our assets in the near-term with high quality counterparties

1. Adelaide Wind is fully contracted, and advanced conversations are underway for the contracting of approximately 75% of Forty Mile Wind Phase 1.

2. Expected operating asset contractedness shown on a net capacity basis.

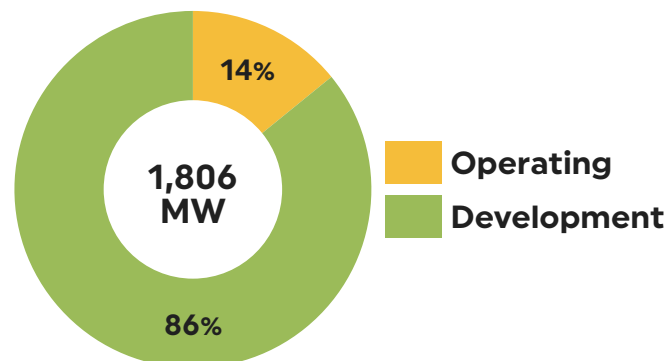
3. Long-term Feed-in-tariff contract expires in January 2035.

Strategic Acquisition of Renewable Generation Assets

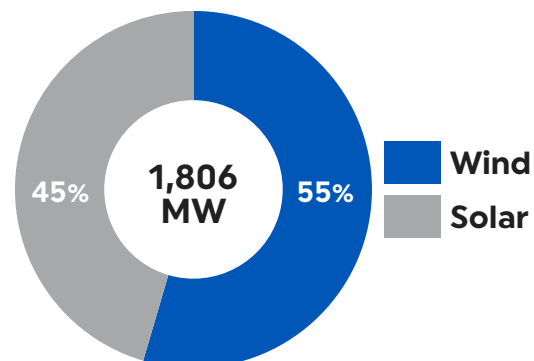
Acquired Operating Assets Overview

Acquired Operating Assets – Further Information					
Asset	Size (Net MW)	COD	Ownership	Contractedness	Partner(s)
Forty Mile Wind Phase 1 ^{1,2}	202	Late 2022	100%	Under Negotiation	None
Adelaide Wind	30	2015	75%	Contracted	Aamjiwnaang First Nation
Magrath Wind ³	10	2004	33%	Merchant	Acciona Wind Energy Canada; Enbridge Wind Power Inc.
Chin Chute Wind ³	10	2006	33%	Merchant	Acciona Wind Energy Canada; Enbridge Wind Power Inc.

Portfolio by Status (Net MW)⁴



Portfolio by Technology (Net MW)⁴



- Forty Mile Wind Phase 1 has a commercial operation date (COD) of late 2022. Forty Mile Wind Phase 1 will generate 202 MW at COD; expected to reach 226 MW by the end of 2023 through uprating initiatives.
- Advanced conversations are underway for the contracting of approximately 75% of Forty Mile Wind Phase 1.

- Final acquired ownership subject to the outcome of pre-emptive rights processes for these assets.
- Total portfolio capacity shown includes both the operating assets acquired (252MW) and the development pipeline acquired (1,554MW).

Strategic Acquisition of Renewable Generation Assets

Asset Spotlight: Forty Mile Wind Phase 1

- Forty Mile Consists of 3 Stages: Wind Phase 1, Solar, and Wind Phase 2
- Commercial operation date (COD) for Forty Mile Wind Phase 1 is expected in Q4 2022, prior to transaction close
 - Utility-scale wind facility, 30+ year operating life
 - In late-stage PPA discussions to contract the majority of project's capacity with reputable, credit-worthy counterparty that shares Canadian Utilities corporate values



Project Size:
202MW¹

Forty Mile County, AB
Located on 64,000 acres of privately held land²

1. Forty Mile Wind Phase 1 will generate 202 MW at COD; expected to reach 226 MW by the end of 2023 through uprating initiatives.
2. Transaction includes options on related privately held land.



Strategic Acquisition of Renewable Generation Assets

Acquired Development Assets Overview

Acquired Development Pipeline – Further Information			
Development Asset	Size (Net MW)	Ownership	Comments
Near-Term Development Projects			
Forty Mile Wind Phase 1 Uprating	24	100%	Completion expected in 2023
Forty Mile Solar	220	100%	AUC facility application filed; GUOC ¹ payment (Stage 5)
Forty Mile Wind Phase 2	200	100%	Legacy AUC permit in place
Mid-Stage Development Projects			
Craig Lake Wind	246	100%	Environmental surveys underway; interconnection reports completed
Kitscoty Wind	174	100%	
Early-Stage Development Projects			
4 Solar Opportunities	490	100%	Existing land lease option agreements; varying progressions of environmental studies, meteorological data collection, interconnection assessments and stakeholder consultations
1 Solar / Wind Hybrid Opportunity	200	100%	



1. GUOC refers to the Generating Unit Owners Contribution.



Appendix

Growth within Attractive Alberta Renewables Market

Alberta Renewable Market Overview



Open and deregulated energy-only market

- o Opportunity for Power Purchase Agreements ("PPA's") with credit-worthy counterparties
- o Contracted offtake at strong prices and favorable durations provides cash flow certainty and increased financeability



Alberta Renewable Energy Act target of 30% (~5GW) renewable generation by 2030, along with expected 2023 coal retirements, present a compelling case for renewable generation



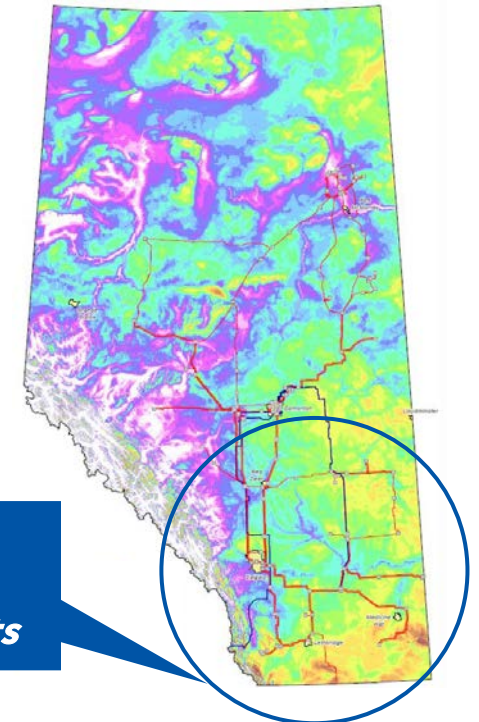
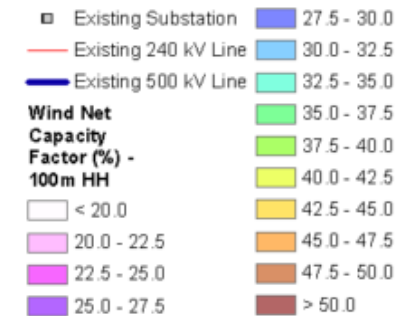
Federally mandated carbon price rising to \$170/t by 2030

- o Customers pursuing their own ESG initiatives create strong demand for environmental attributes



Alberta has one of the strongest wind and solar resource profiles in the country

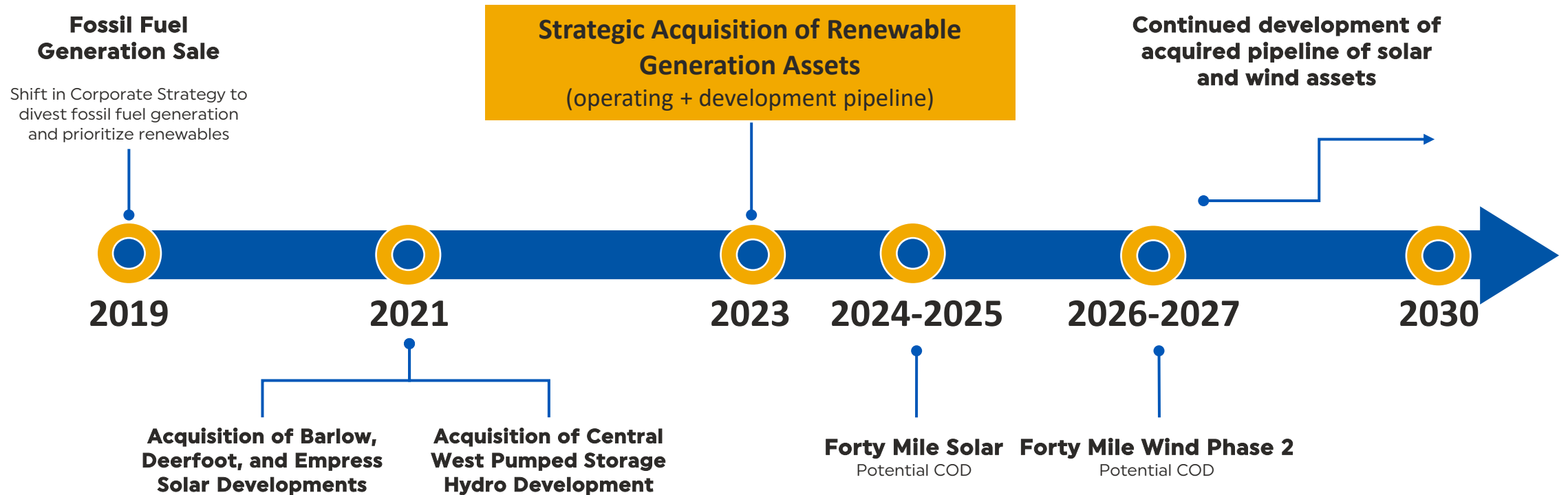
Alberta Wind Resource Potential¹



Alberta's deregulated energy-only market and deep demand for environmental attributes create a strong business case for owning, developing, and managing renewable energy in Alberta

Strategic Acquisition of Renewable Generation Assets

Renewable Portfolio Progression





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