

December 5, 2023

Mr. Damian Szybalski
Commissioner of Business, Environment and Culture
Town of Halton Hills
1 Halton Hills Dr.
Halton Hills, Ont. L7G 5G2

Re: Atura Power's Community Benefit Fund Offer for the Proposed Halton Hills Generating Station Expansion Project

Mr. Szybalski,

Thank you again for the productive discussion on Nov. 29th about how Atura Power can further benefit the well-being of the Halton Hills community through an IESO Long Term 1 (LT1) project-related Community Benefit Fund (CBF) and other potential initiatives.

It's important to first restate that the proposed expansion of the Halton Hills Generating Station (HHGS) will play a critical role in maintaining the reliability of the electricity system and providing the needed energy to decarbonize the transportation, building and heavy industry sectors of the economy which combine for approximately 75 per cent of Ontario's greenhouse gas emissions. The electricity sector, including all gas-fired generating stations, supplies 24 per cent of end-use energy in Ontario, but only about two per cent of overall GHG emissions. Increasing the use of electric vehicles and residential electric heat pumps, and ceasing the use of coal in steel mills, are the largest emission-reduction efforts underway in the province, and more reliable electricity supply is needed on the grid to complete this 'decarbonization through electrification' process.

We recognize that many municipalities are experiencing funding shortages and are hesitant to increase the level of taxation imposed on homeowners and businesses to fund community-building and enhancing programs. Therefore, Atura Power has increased our CBF offer associated with the proposed expansion to a level that's at the top-end of the funding being accepted by other municipalities in Ontario for projects under the LT1 procurement process. We propose to provide the Town of Halton Hills with \$1,100 per contract capacity megawatt (MW) for the duration of the contract length as awarded by the IESO as our final, fair, and generous offer. This offer represents an increase of \$100/MW compared to our original offer of \$1000/MW.

Our agreements with other municipalities are also based on awarded contract capacity. In the case of the proposed Halton Hills Generation Station Expansion, our awarded contract capacity may be 150 MW. However, as mentioned during our meeting, we are working diligently with the IESO to increase that capacity figure to as high as 265 MW. Our CBF offer rate of \$1,100/MW would apply to the potentially increased contract capacity, providing the Town with as much as \$3,498,000 over a 12-year contract term if awarded by the IESO. And, if the IESO extends our contract to operate the proposed expansion turbine at HHGS, Atura Power would

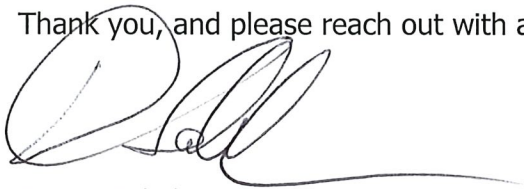
continue to contribute the CBF to the Town for the extended contract duration at the contracted capacity amount.

Community benefits were recently introduced into infrastructure projects, including the energy sector, under *Bill 6: Infrastructure for Jobs and Prosperity Act* passed in 2015. The bill requires the public sector to consider community benefits when making decisions about infrastructure investments. Although this bill regulates public sector, the concept has spread into private sector development. And, regarding dollar value, Atura Power's offer is aligned with the upper range of the market rate set throughout this IESO LT1 procurement process.

We sincerely hope Staff and Council find our offer acceptable, and we look forward to continuing and building upon our great relationship with the Town of Halton Hills where we've been a proud, strong, and active community partner since our inception in 2020.

By hosting the Halton Hills Generating Station and supporting its expansion, the Town of Halton Hills will be playing a vital role in decarbonizing the broader Ontario economy. The Halton Hills Generating Station and proposed expansion are critical infrastructure needed to maintain the reliable and cost-effective operation of Ontario's electricity system during our transition to a net-zero economy.

Thank you, and please reach out with any questions.



Darius Sokal
Senior Communications Advisor
Atura Power