

# Niagara-on-the-Lake Energy Inc.

2025 Annual General Meeting



June 24, 2025 | Presented by Niagara-on-the-Lake Energy

# Corporate Structure

## Board of Directors

1. Lord Mayor Gary Zalepa
2. Councillor Adriana Vizzari
3. Jim Ryan (Chair)
4. Philip Wormwell
5. Bruce Zvaniga (Interim CAO)
6. Marc Devlin
7. Marcelo Gruosso



# Agenda

1. 2024 Activities and 2025 Plans
2. NRBN Sale
3. Rates vs. Profitability
4. Reliability performance (Outages)
5. Electrification
6. Corporate Resolutions



# 2024 Activity

- No lost time incidents
- Completed Line 1, Line 2 and Concession 7 project – completes overhead voltage conversion except the Firelanes
- Smaller projects included part of John St (underground), Firelane 12 and Carlton St. (overhead)
- 3 Switches and 6 tripsavers
- Began more targeted asset replacement program
- Customer information session on October 9 (EVs and heat pumps)
- New 4 bay garage
- New bucket truck

# 2025 Plans

- No lost time incidents
- Projects include Firelanes 2 and 4 (overhead), Mississauga St. (underground) and King St. and Johnson St. (underground)
- Continue more targeted asset replacement program
- Commence meter update program
- 3 new reclosures and 3 tripsavers
- New After Hours call centre
- New Customer facing system
- Back-up SCADA system
- New EV pick-up (Ford Lightning)



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- Sold on February 5, 2024 to Cogeco
- Variety of reasons for sale
- Proceeds of \$8.36 million cash and a \$4.27 million note repayable at end of 2026
- Continued representation on NRBN Board until 2026
- All ESNI debts repaid and tax on sale paid
- Dividend to town of \$3 million
- Remaining proceeds to be used for investments

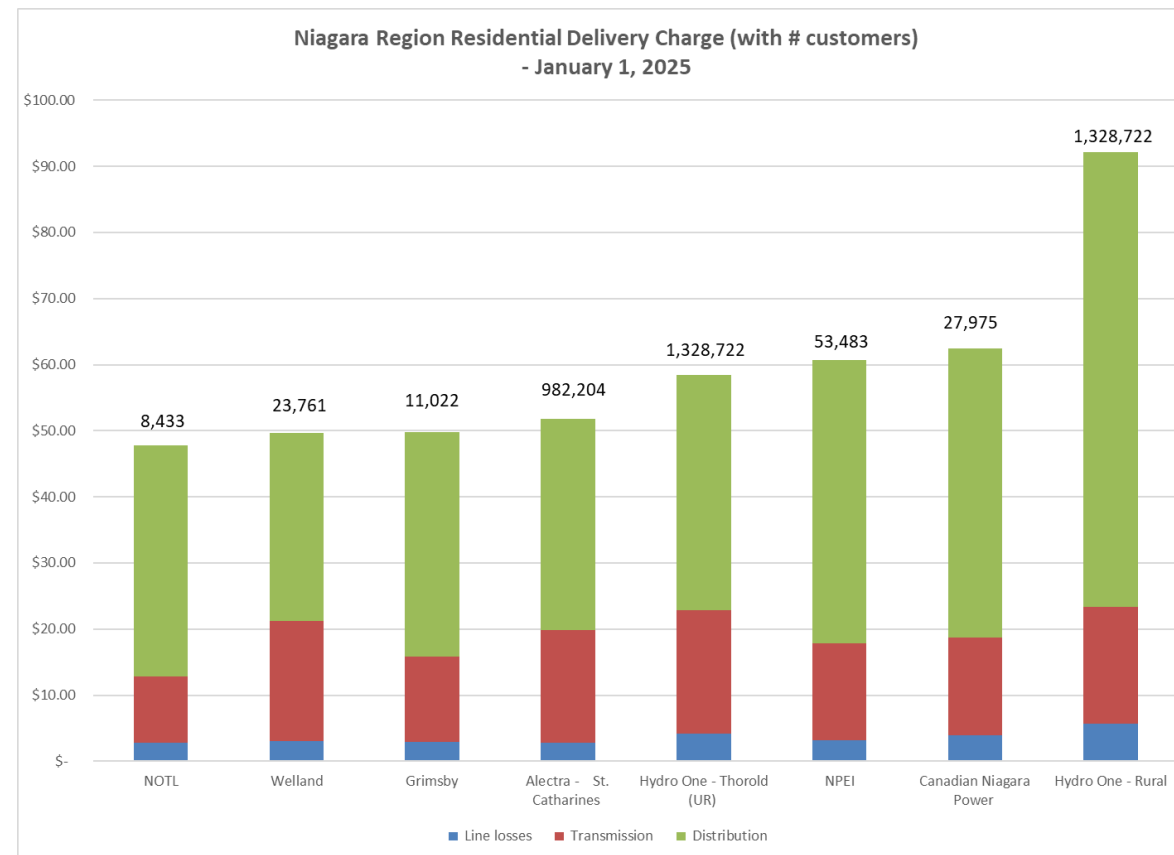
# NOTL Hydro – Rates vs. Profit

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NOTL Hydro could be making higher profits and be worth more as a business. There are things NOTL Hydro could have done over the past 20 years to make this happen. The Board of NOTL Hydro has not given this direction as all of these potential actions would have increased the rates of NOTL Hydro.

NOTL Hydro is managed to balance investing in the system and having low rates. The goal is to make the prudent investments needed to keep reliability strong while not overinvesting so as to drive up rates.

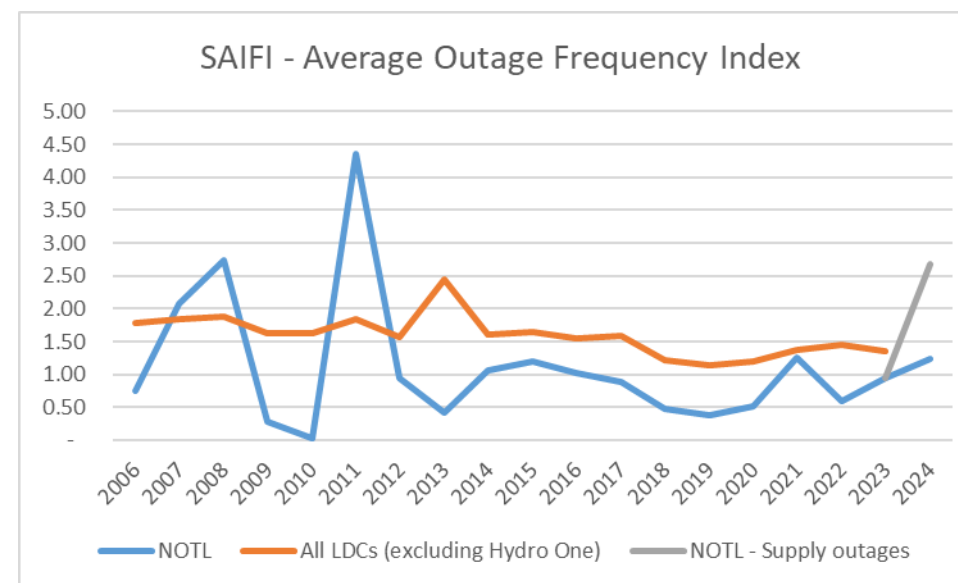
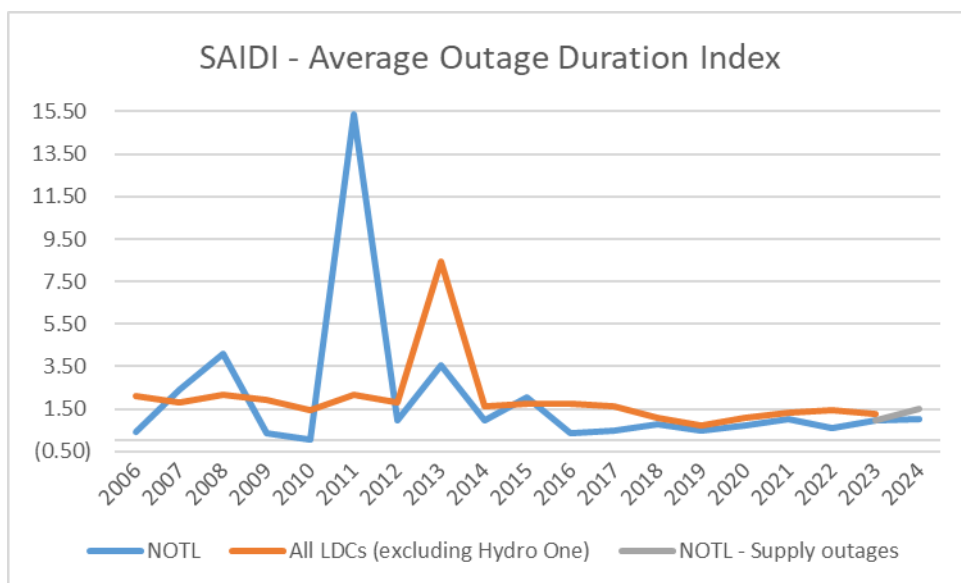


# Reliability

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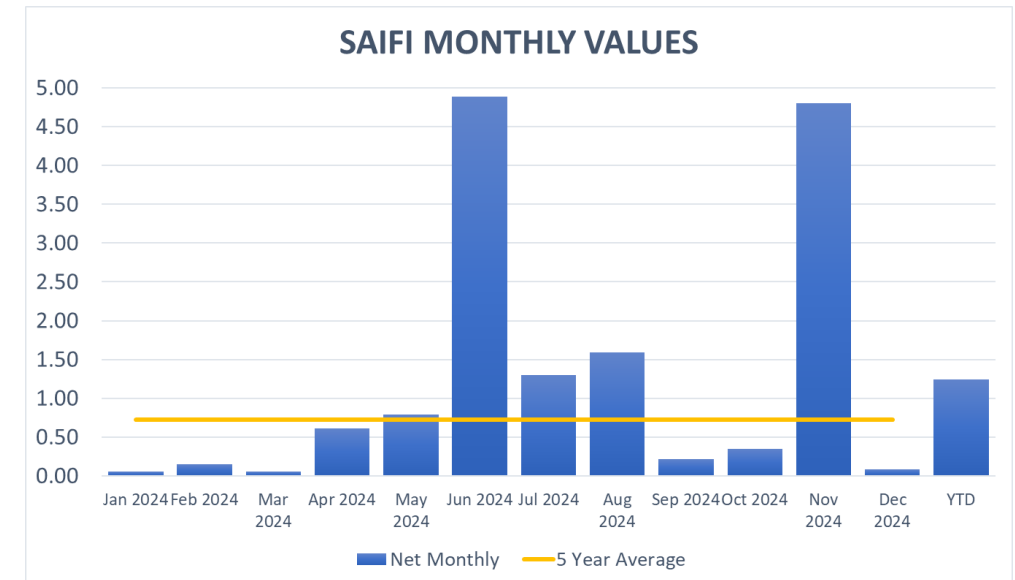
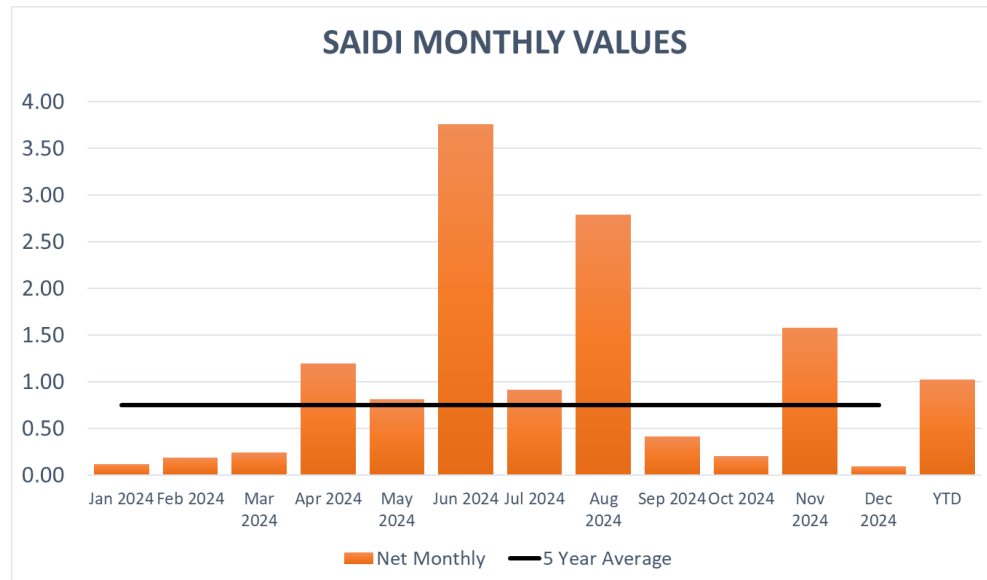
We had more outages last year though three were the result of loss of supply from Hydro One.



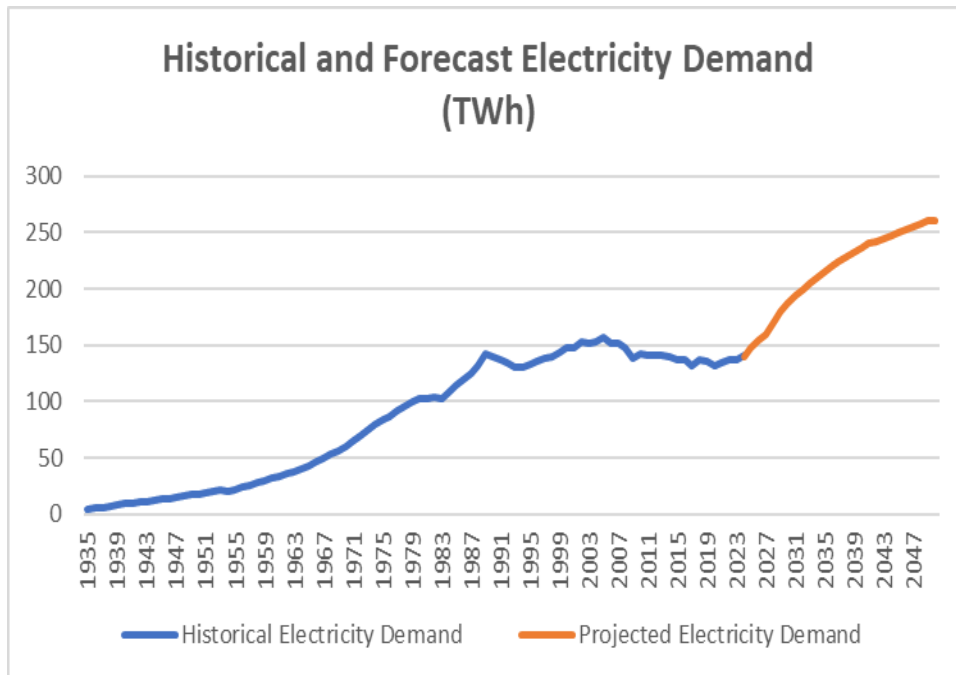


# Reliability

Outages were bad in the summer and November. Causes included loss of supply, trees, accidents, wildlife and equipment problems.



# Electrification



Electricity demand is expected to grow 75% (2.2% per year) by 2050 due to a number of trends including:

- Increased demand for electricity due to conversion to non-carbon sources of power for transportation, heating and industrial processes
- Increased demand for electricity due to growing digital economy (cloud-based systems, AI, data centres) and population growth
- Increased demand of electricity due to new or growing industries (greenhouses, cyber-currencies, mining)

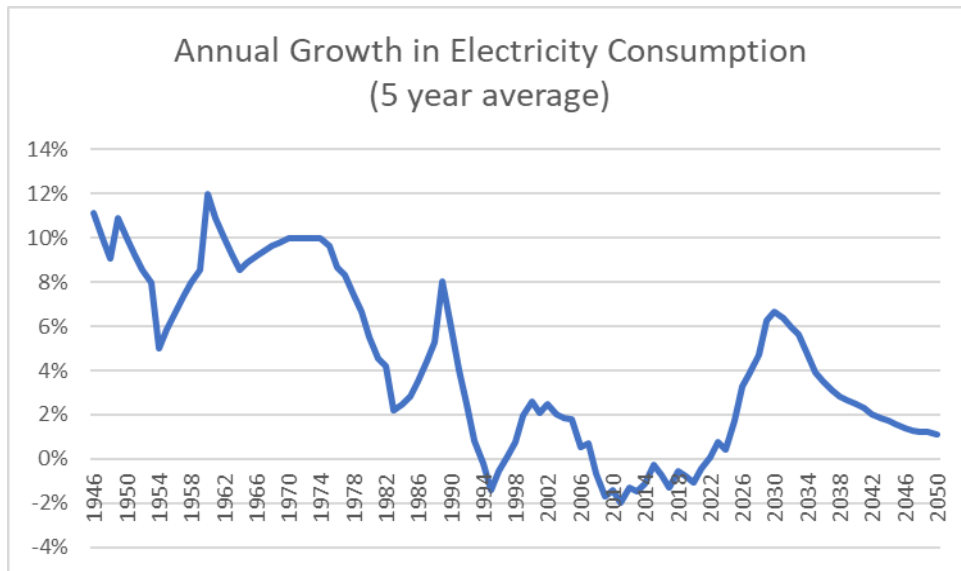
At the same time climate change is putting added stress on electricity grid

This has led to a lower tolerance for outages due to the greater reliance on electricity and electronic devices

# Electrification

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Solution is mix of growing the grid, hardening the grid and making better use of the grid

- NOTL Hydro in good shape with regards to growth due to investments that have been made in the transmission stations...concerns remain with transmission capacity
- More investments in NOTL needed to selectively harden the grid. These include:
  - The ongoing voltage conversion program and the conversion of overhead to underground in urban areas
  - Selective replacement of poles, insulators and other end-of-life assets
- More investments in NOTL needed to make better use of the grid
  - Continued investments in smart grid devices like switches
  - Investments in software to manage the smart grid
- Caution: Investing too much or too fast can drive up rates

# Corporate Resolutions

1. Approval of minutes from 2024 AGM
2. Approval of 2024 Audited Financial Statements
3. Appointment of Directors
4. Appointment of Auditor for 2025
5. Confirmation of all acts

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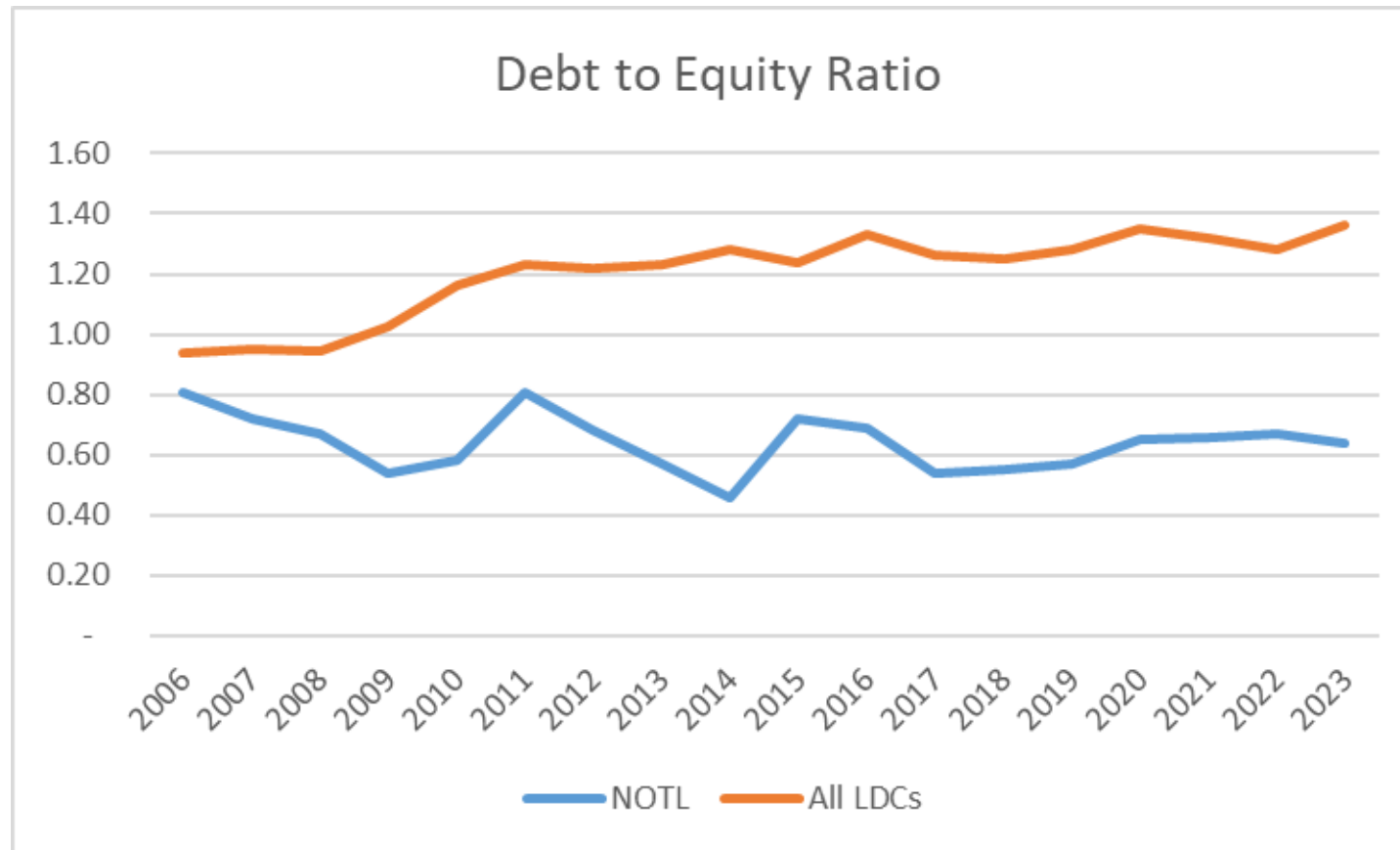
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# Appendices



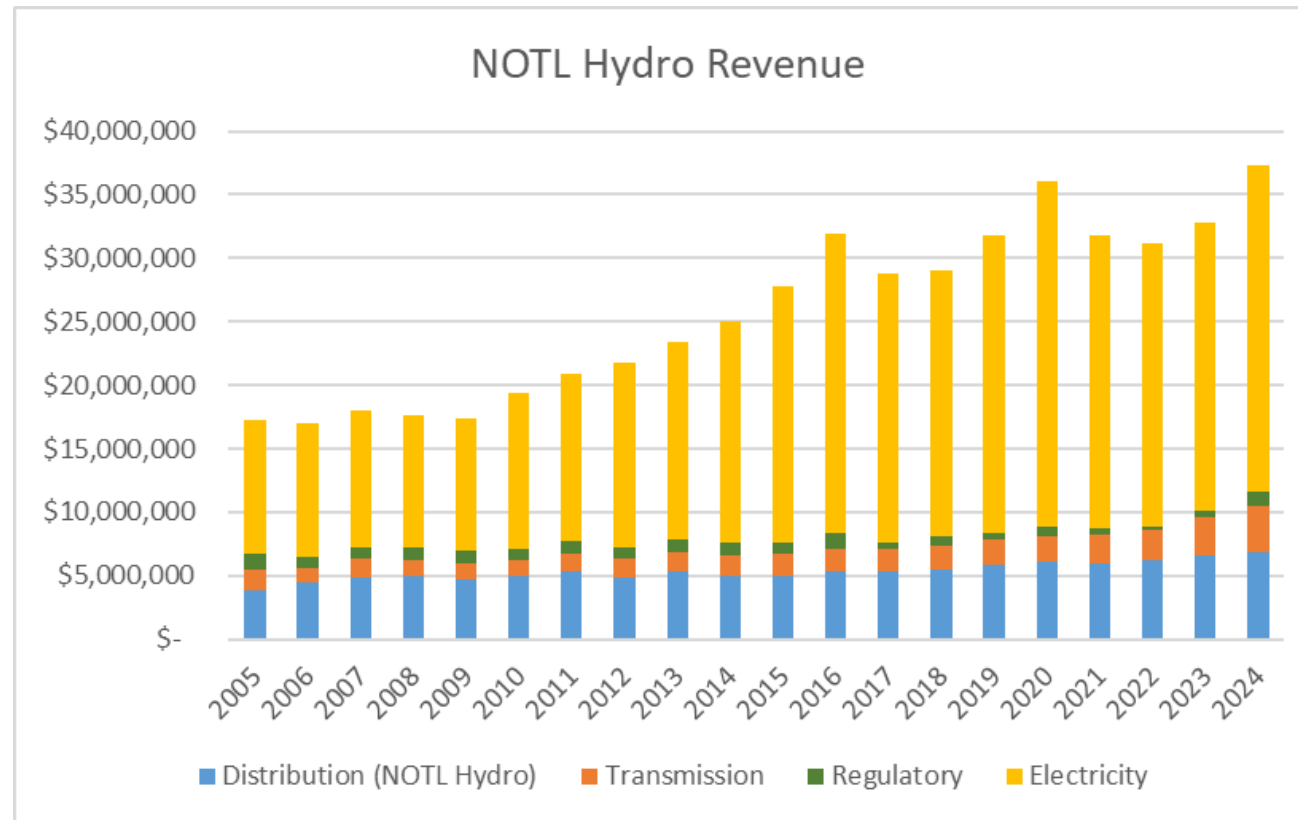
# Debt Levels

NOTL Hydro maintains a low debt level which provides flexibility in case of need or opportunity



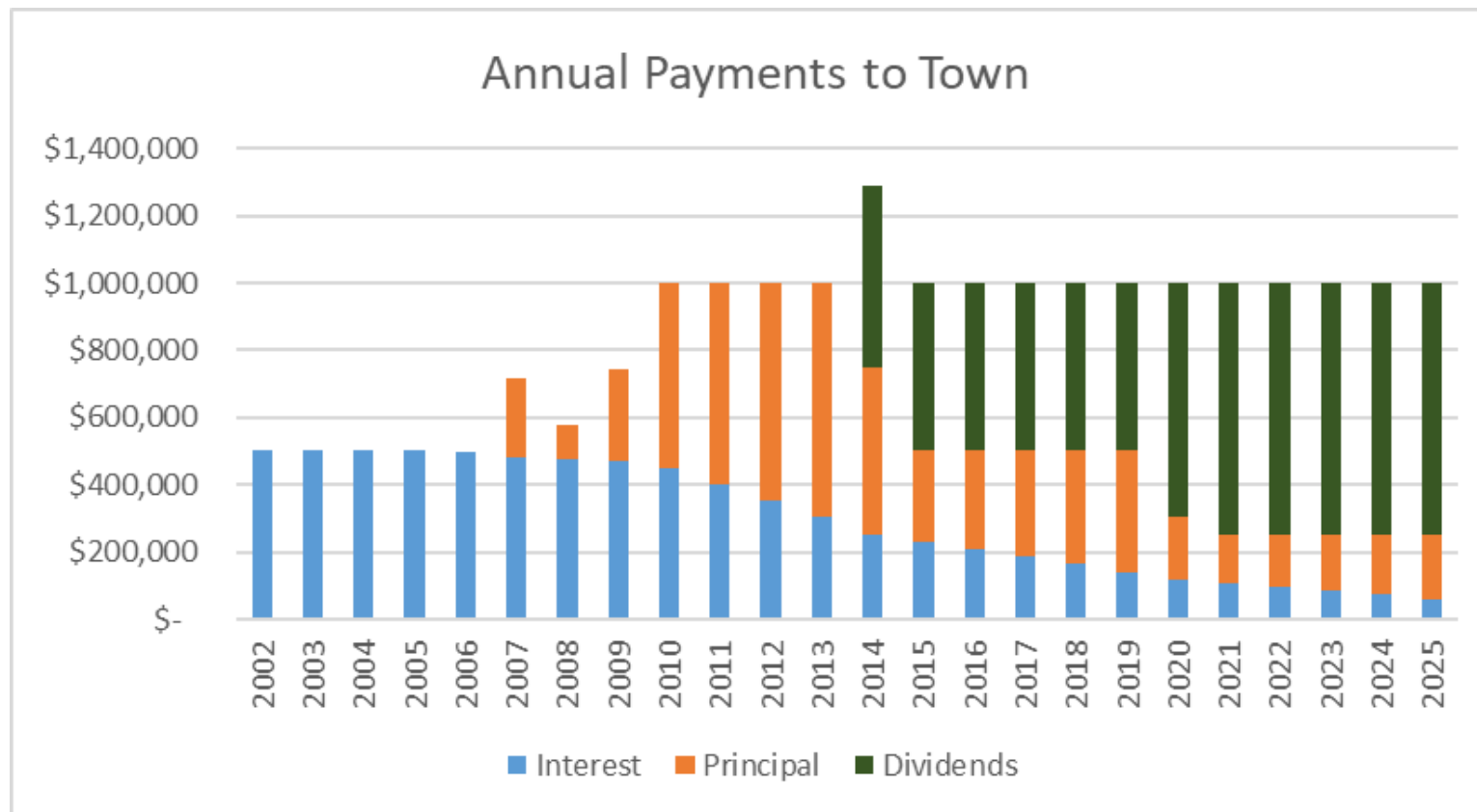
# NOTL Hydro Revenue

Only 19% of hydro revenue kept by NOTL Hydro. Remainder goes to pay for the electricity itself, its transmission and various regulatory costs.



# Annual Payment to Town

Annual Payments to Town of \$1 million helps lower property tax rates. Additional \$3 million paid in 2024 from NRBN sale proceeds.



# Book Value of NOTL Hydro

The value of NOTL Hydro increases every year as earnings are re-invested in the system.

