

Hydro Ottawa enters into agreement with Hydro-Québec to acquire remaining hydroelectric assets at Chaudière Falls

OTTAWA – June 20, 2016 – Today, Minister of Energy, Glenn Thibeault and Minister of Infrastructure, Bob Chiarelli joined Hydro Ottawa’s President and CEO, Bryce Conrad and Chair of Hydro Ottawa’s Board of Directors, Jim Durrell, to announce that Hydro Ottawa has entered into a purchase and sale agreement with Hydro-Québec to acquire the remaining 33 per cent interest in the Ottawa River Ring Dam and a 27 megawatt hydroelectric generating station, Centrale Hull 2, on the Gatineau side of Chaudière Falls.

Hydro Ottawa’s existing portfolio at Chaudière Falls includes six run-of-the-river hydroelectric generation plants, a 67 per cent interest in the Ring Dam, and all water rights. In 2014, Hydro Ottawa announced a 40-year contract with the former Ontario Power Authority (now merged with the Independent Electricity System Operator) to expand its Chaudière Falls site with a new 29 megawatt facility, scheduled to be completed in 2017.

Once this acquisition is complete, Hydro Ottawa will own 100 per cent of the hydroelectric facilities at the Chaudière site on both sides of the Ottawa River – signifying even greater possibilities to grow Ottawa’s green energy capacity for the future.

Hydro Ottawa is already the largest municipally owned producer of green energy in Ontario with a generation capacity of 79 megawatts (enough to power 62,000 homes a year). The acquisition aligns with Hydro Ottawa’s *2012-2016 Strategic Direction* to increase the utility’s supply of clean energy to customers, and by pursuing low-risk opportunities with stable long-term returns.

The closing of this acquisition, subject to conditions, is expected to occur in the third quarter of 2016.

QUICK FACTS

- This acquisition will have no impact on electricity rates for Hydro Ottawa customers.
- Hydro Ottawa has more than 100 years of experience operating hydroelectric plants at Chaudière Falls.
- Negotiations are ongoing with the Independent Electricity System Operator to secure a power purchase agreement for Centrale Hull 2 and Gatineau No. 1 (already owned by Hydro Ottawa) to be connected to the Hydro Ottawa distribution system in order to sell electricity to the province of Ontario. The two hydroelectric stations have a total output of 39 megawatts (MW).
- Hydroelectric facilities have minimal impact on the environment because they don’t produce pollution or greenhouse gases. Instead they rely on the natural flow of their

- water source, and can generate power 24 hours a day, seven days a week, all year long.
- In 2015, Hydro Ottawa acquired 10 run-of-the-river hydroelectric facilities from Fortis Inc. in Ontario and nearby New York State, representing installed green energy capacity of 31-megawatts.
 - Hydro Ottawa's other generation portfolio also includes majority shares in landfill gas-to-energy facilities at the Trail Road landfill site in Ottawa and the Laflèche landfill site in Moose Creek, Ontario.

QUOTES

“Sustainability is the future, and environmentally responsible generation is the key to achieving it. That’s why increasing renewable power is a top business priority for Hydro Ottawa. This acquisition opens up a world of possibilities to one of the largest remaining hydroelectric sites in the province, and we’re very excited about what the future has in store for our community, Ottawa residents and our shareholder, the City of Ottawa.”

- Bryce Conrad, President and Chief Executive Officer

“Hydro Ottawa continues to do innovative investments that are strategic and for the betterment of our city. This acquisition represents a significant growth opportunity in the renewable generation field that builds on our existing assets at Chaudière. Clean, sustainable run-of-the-river hydroelectric facilities are simply responsible long-term planning for a brighter future.”

- Jim Durrell, Chair, Board of Directors

“Chaudière Falls is a perfect example of Ottawa’s leadership, and it represents an important infrastructure expansion. This acquisition will allow Hydro Ottawa to grow its green energy capacity for the future. Hydro Ottawa’s expansive portfolio at Chaudière Falls contains smart, stable investments that will increase the utility’s ability to supply its customers with clean, reliable and affordable electricity. Congratulations, Ottawa.”

- Bob Chiarelli, Ontario Minister of Infrastructure

“As Ontario’s newly appointed Minister of Energy, I’m pleased to celebrate Hydro Ottawa here today. Their acquisition of the remaining hydroelectric assets at Chaudière Falls is an important step towards a green energy future for all Ontarians. And it builds on the expansions already underway, which will reduce greenhouse gas emissions by 115,000 metric tons of carbon dioxide per year. Hydro Ottawa is an industry leader in reducing greenhouse gas emissions, and continues to provide, clean, reliable power to energy customers in the Ottawa area.”

- Glenn Thibeault, Ontario Minister of Energy

“On behalf of City Council, I am pleased that Hydro Ottawa is increasing its supply of green renewable energy, enough to power 22,500 more homes a year.”

- Jim Watson, Mayor of Ottawa

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