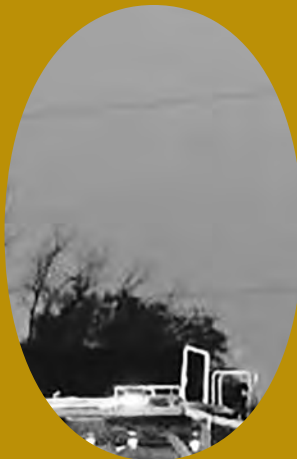


# ZEROING **IN**



ANNUAL  
REPORT  
2021



# AT A GLANCE

We safely and efficiently manage our regulated electricity distribution network, while revitalizing our assets and ensuring grid capacity to provide for our customers' needs today and in the future. Oshawa

Power is zeroing in on diversification with strategic and practical investments that support solid returns and meet the evolving needs of our customers as a leading enabler of integrated critical energy and communications infrastructure.

## Assets at a Glance, 2021

# 60,917 Customers

**9**  
Municipal  
Substations

**13**  
New Durham  
Broadband Customers

**225**  
Peak Demand  
Served

**145.7<sup>2</sup>**  
Service  
Area

**179 KM**  
Installed Fibre across  
the Durham region

**707**  
Station  
Capacity

**11,278**  
Distribution  
Poles

**537 KM**  
Overhead primary  
circuit length

**243-44 kV**  
In Service Switches

**6913**  
Distribution  
Transformers

**546 KM**  
Underground primary  
circuit length

**734-13 kV**  
In Service Switches  
kV Switches

## Other Generation Assets

**10.5 MW**  
Solar, Wind & CHP Power  
output (owned)

**11.2 MW**  
Solar, Wind & CHP Power  
output (managed)

**2**  
Control Centres

**2**  
EV Charging Stations

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## LAND ACKNOWLEDGEMENT

Oshawa Power and its affiliates, EnerFORGE and Durham Broadband acknowledge that we work on treaty land that is steeped in rich Indigenous history and is the present-day home to many First Nations, Metis, and Inuit people. Oshawa Power acknowledges that we gather on the traditional territories of the Mississaugas of Scugog Island First Nation.

May we reflect on our roles and work at building a collaborative partnership, working towards reconciliation, and consider together a better future.

Some resources to access as allies to all Indigenous communities are:

- The Truth and Reconciliation Commission outlines 94 Calls to Action in response to the findings of the consultations with Indigenous survivors [Truth and Reconciliation Report](#)
- [First Nation Council](#), Mississaugas of Scugog Island
- Métis, Indigenous, and non-Indigenous People are invited to learn and celebrate Métis history, values, culture, and languages through [Metis Nation of Ontario, Oshawa, and Durham Council](#).

- [CAREA Community Health Centre](#) is a community organization that offers a variety of Indigenous Programs in Oshawa and other Durham communities.
- Support Indigenous-led initiatives that support equitable treatment for Indigenous people in Canada health care: <https://www.fnha.ca/about/compliments-and-complaints>

# JOINT LETTER FROM THE CHAIR AND PRESIDENT & CEO

*Reflecting on 2021, it was a year of ever-changing work environments for customers and Oshawa Power and Utilities Corporation (OPUC) staff. Many customers worked from home and children had virtual schooling. More than ever, people needed to trust the promise of dependability and reliability of our system and our employees responded with projects and services to deliver on this promise.*



**Ivano Labricciosa**  
President and CEO



**Denise Carpenter**  
ICD.D, GCB.D  
Board Chair

“*Building long-term sustainability for the company and community is paramount. We are prepared to forge a renewable energy path, with new solutions and assets built from our century's worth of experience and expertise.*”

Board Chair, Denise Carpenter, ICD.D, GCB.D

**Zeroing in on reliability.** We've stayed reliable by focusing on our robust asset renewal program that renews assets near the end of life to improve our grid automation and increase the reliability for our customers.

In 2021, the Distribution construction department completed 23 projects staying well within budget. The result at year-end showed an average of less than one outage per customer and a restoration time of under 45 minutes — thanks to the efforts of the dedicated power line technicians that restored power safely and quickly, resulting in our best year ever in terms of system reliability.

**Zeroing in on safety.** Our team of dedicated professionals surpassed the 5-year mark with no lost-time injuries (LTI), an incredible achievement in our industry. We achieved a perfect score on the ESA Public Safety Audit and a 90% score on the external COR® Audit. Our commitment to safety also extended to the general public and the team can be found providing education to customers, developers, and contractors to ensure that they can be safe around our infrastructure.

**Zeroing in on customer support.** As a community-based utility, our responsibility and focus is to provide reliable and economical service to the residents and businesses of Oshawa. The Ontario Energy Board approved our rate application for five years this past year. Enabling our Capital Investment program to continue upgrading our aging infrastructure. Increasing grid automation will provide safe, reliable energy to Canada's fastest-growing city — adding strength to our overall system.

Our commitment to timely service was evident in 2021 with 100 % of new connection requests completed on time and 97% of calls to the call center answered within 30 seconds, exceeding the 65% metric set by the Ontario Energy Board (OEB).

This past year, our staff found ways to connect with customers impacted by the pandemic through site visits, outbound calls, and promoting available relief programs, including the CEAP, LEAP, and our very own Oshawa Power Compassion Fund. The Covid-19 Energy Assistance Program (CEAP) reached over 362 customers, providing financial support of just over \$213,928. The team also advocated for additional CEAP funds, and was successful in securing an additional \$50,000. Oshawa Power contributed \$56,383 to the Low-Income Energy Assistance Program (LEAP) program in 2021, supporting 111 recipients through the program, administered by the United Way, Durham and the Compassion Fund, an Oshawa Power solely funded program that helped 49 families with contributions of \$8,058.

**Zeroing in on sustainable growth.** The five-year strategic plan is focused on growing the utility to accommodate the City's rapid growth by increasing the company's value for the benefit of the City of Oshawa, our sole Shareholder.

We did this by increasing our generation and telecom assets to keep residents of the Durham Region connected. EnerFORGE's generation capacity increased by 30% by purchasing the company's first wind generation project. In 2021, EnerFORGE operationalized the ZooShare biogas project, which processes 15,000 tonnes of food waste a year, the equivalent of enough power for approximately 250 homes.

**Zeroing in on broadband solutions.** Oshawa Power has been in the dark fibre business for 20 years and, in 2021, launched a new subsidiary, Durham Broadband, to meet the growing need for internet services and solutions. Durham Broadband officially received its third CRTC license and held an in-person brand launch at All or Nothing Brewhouse, one of our first customers.

**Zeroing in on community.** Oshawa Power staff regularly works with City staff, Council, and the City CAO, among other stakeholders. Projects have included energy conservation, community engagement, and economic development. Recently, EnerFORGE has completed the Del Park Combined Heat and Power Plant (CHP), capable of offering a 24/7 warming center and providing emergency heat and electricity for North Oshawa in case of a natural disaster.

Oshawa Power continued its rich history of community participation with our representation on local business and community-focused committees and Boards. Supporting business efforts, including the Mayor's Economic Recovery Task Force and the Chamber of Commerce. We are also active with the Downtown Oshawa Business Alliance (DOBA) as the city emerges from the pandemic, focused on the rejuvenation of the downtown core. As we plan for the needed future skills of work, we lead by Chairing the Durham College Human Resources programming advisory committee (PAC), a critical post-secondary institution partnership.

In 2021, Oshawa Power ended the year by contributing to 4 local charities as part of its first annual local hero's charitable giving initiative. Through local nominations, in-person presentations, local judging by key figures in the community, locals could donate in their name to a local charity of their choice. Recipient charities included Big Brothers, Big Sisters, Simcoe Hall Settlement House, Simcoe Hall Foodbank, and Salvation Army Family Services.

As partners, Oshawa Power is committed to advocating for its customers and planning for the energy demands of the future of one of the fastest-growing communities in Canada.



Ivano Labricciosa  
President and CEO



Denise Carpenter ICD.D, GCB.D  
Board Chair

# OSHAWA POWER UTILITIES CORPORATION

## CORPORATION, BOARD OF DIRECTORS, LEADERSHIP TEAM

### Oshawa Power & Utilities Corporation (OPUC)

Is a diversified holding company that places the customer at the centre of its mission and vision. We are focused on demonstrating leadership and innovation with a strategic focus on providing sustainable energy solutions for the future.

Our networks organization *Oshawa Power* provides safe, reliable, and efficient electricity distribution services to over 60,000 customers in the community of Oshawa.

With our commitment to helping customers forge a sustainable future, *EnerFORGE* continues to develop, construct, finance and operate energy generation projects throughout Ontario.

Commercial customers now have access to Durham's largest fibre network, including broadband and internet services within Oshawa and Durham region, through Durham Broadband.

<p>A regulated utility distribution company serving the City of Oshawa</p>	<p>Develops, constructs and operates clean energy generation assets</p>	<p>Reliable dark fibre optic communications network in Oshawa and the Durham Region</p>

## Board of Directors



**Denise Carpenter, ICD.D, GCB.D**  
Board Chair



**Grant Buchanan**  
Chair, Project Monitoring Committee



**Dan Benoit**



**Terry Caputo**  
Chair, Finance & Audit Committee



**Jeff Coles**



**Donna Kingelin**  
Chair, HR & Governance Committee



**Isabel Meharry**



**Robert Watson**



Member, Finance & Audit Committee
 Member, Project Monitoring Committee
 Member, HR & Governance Committee

## Leadership Team

<p><b>Ivano Labricciosa</b> President and CEO</p>	<p><b>Susanna Beckstead</b> Vice President, Finance, Corporate and Business Services</p>	<p><b>Nancy Brandon</b> Director, People &amp; Business Services and Privacy Officer</p>	<p><b>Matt Strecker</b> Vice President, Engineering and Operations</p>
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# VISION AND VALUES

## OUR VISION

Meeting the evolving needs of our customers as a leading enabler of integrated critical energy and communications infrastructure.

## LIVING OUR VALUES

We are committed to excellence in all aspects of our business and operations. Through collaboration, communication, and engagement, we work together to demonstrate the following principles through our actions.

## ZEROING-IN ON OUR VALUES

Oshawa Power Utilities Corporation and its subsidiaries, EnerFORGE and Durham Broadband zero in on supporting our values. Throughout its history, the utility embraced challenges as business opportunities – where it could adapt to bring new value to its dynamic community.

Oshawa Power confidently looks forward to growing through ventures in renewable energy and unregulated services, while remaining in step with Oshawa's energy needs.

## 2021 HIGHLIGHTS BY VALUES

### Ensuring Safety and Reliability

- Oshawa Power reached 750,000 hours of no Lost-Time-Injury (LTI) for the IHSA Recognition of Performance Achievement Milestone.
- Exceeded Outage Duration and Frequency Index targets 5 years in a row.
- Successfully passed an external audit of our health and safety program to retain COR certification (Certificate of Recognition) – a nationally recognized safety program accreditation through IHSA.

### Providing Value to Our Customers

- Oshawa has the lowest utility rates in the Durham Region and one of the lowest in the province.
- Created a compassion fund, dedicated to support customers with special circumstances and those impacted by the pandemic.
- We improved our accessibility to customers – with answering calls, voicemails, and emails, while improving available self-service options through MyOshawaPower.

### Valuing Our People and Encouraging Their Development and Participation

- Three (3) Powerline Technician employees received their Journey person certification, representing four years of apprenticeship and commitment.

### Embracing Innovation and Entrepreneurial Thinking

- Renewable Power growth of windmills and solar assets by 30%.
- Zooshare Biogas project is fully operational.

### Living a Culture of Respect





- Supporting staff with new safety-driven protocols and procedures.
- Oshawa Power & EnerFORGE join Electricity Human Resources Canada Leadership Accord, committed to building a diverse and inclusive workplace.





THE LEADERSHIP TEAM FROM LEFT TO RIGHT: NANCY BRANDON, MATTHEW STRECKER, SUSANNA BECKSTEAD, SCOTT BARKER AND IVANO LABRICCIOSA.

# KEY EVENTS AND AWARDS FOR 2021

January	February	March	April	May	June	July
<ul style="list-style-type: none"><li>OEB approves 5-year rate application.</li></ul>		<ul style="list-style-type: none"><li>Lobbied for additional funds for clients in need and received an additional 50K.</li><li>Winter moratorium for disconnections extends to July 31.</li></ul> 	<ul style="list-style-type: none"><li>ZooShare Biogas project was operationalized.</li></ul> 	<ul style="list-style-type: none"><li>Del Park container arrived for the CHP installation project.</li></ul> 		<ul style="list-style-type: none"><li>eMission event held to support the education of the community towards electric vehicles began over a series of dates.</li></ul> 

## SUCCESSFUL COVID SAFETY PROTOCOL

## August

Two **Community Safety Cameras** were installed in partnership with Durham Regional Police.

## September

Launch of **SMS option** for eBilling and outage notifications.



## October

The **Jessica Markland Partnership Award** was presented to Oshawa Power for their collaboration with the ZooShare Biogas Co-operative.



**Wind Power** asset purchased in conjunction with Ottawa Renewable Energy Co-operative (OREC) Del Park CHP installation was operationalized.

## November

**Leadership Accord** with Electricity HR signed as a commitment to diversity and inclusion.

**Durham Broadband** receives third and final CRTC license. Launching officially November 30.

**EnerFORGE** received in excess of 1M as part of a Grid Innovation fund studying forecasting and data disaggregation.

## December

**Charitable giving campaign** for local heroes engages the community and donates \$4,000 to local charities.



# ZEROING IN ON CUSTOMERS FIRST

## OUTPERFORMING METRICS AND DELIVERING VALUE FOR SERVICE

### Satisfaction and Service at an All-time High

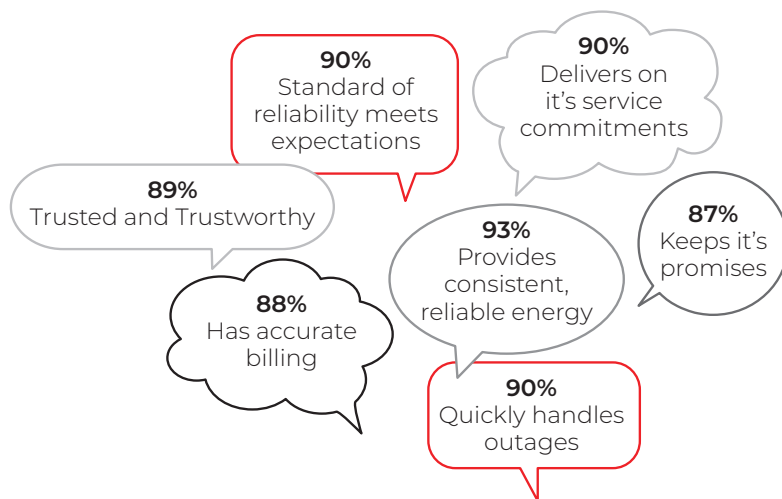
During the pandemic, we endeavored to support our customers during these difficult times. Customers were able to remain connected, receiving value for service and their rates.

Feelings of support, reliability and positive perceptions were validated through a Customer Satisfaction Survey. Oshawa Power, along with twenty-two other utility organizations participated in a survey administered by Utility PULSE, to better understand how customers viewed the services we provide.

We are pleased to share that Oshawa Power outperformed both the national and provincial averages across all meaningful metrics and **95%** of customers surveyed were satisfied with their service.

### Standard Industry Benchmark Survey

#### Utility Pulse Survey Results



### CUSTOMER SERVICE

**95% of Customers** surveyed were satisfied with their service

**My Oshawa Power** registered just over 22,529 active users

**1353 SMS** messages sent to customers

**43% of customers** registered for ebilling

**100% of scheduled connections** met on time for second year in a row!

**116 new meters** were installed

**773 new customers**

**8,070 move-in orders** completed and **8,495 move-out orders** completed

## Customer Service Enhancements

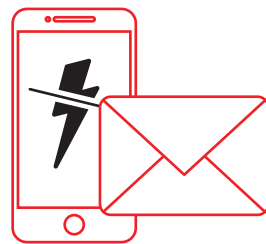
The Utility PULSE Customer Satisfaction results also validated our modernization of communications options including the website, dedicated portal, SMS options, and social media. Oshawa Power continues to invest in enhancements that are low cost, high value options to ensure rates stay low.

The online customer portal, MyOshawaPower launched in 2020, with the first full operational year in 2021. The customer service team registered just over a third of its customer base, 22,529 customers.

The addition of the self-serve portal is one of the many ways we are focusing on satisfying a growing customer base, and their desire for self-management and ability to take control of their account(s).

A new communication enhancement includes the ability for all customers to opt in to receiving SMS or email notifications regarding unexpected outages and estimated time for restoration. Since the launch of SMS, in September 2021, we sent out 1353 SMS messages regarding outages, and ebilling to keep you informed and ready.

This year, we focused on ensuring we are accessible when customers need us most, such as an outage. Now, in the event of an outage or critical hardware failure, the call center, IT, and network will now also resume seamlessly from Oshawa Power's disaster recovery site — ensuring customers feel no interruption and can always access service representatives.



“ There is a power outage in your area. Please be assured that Oshawa Power technicians have been dispatched. We anticipate this outage to be resolved in under 45 minutes. ”

## Covid-19 Support

Oshawa Power continued its focus on supporting customers that were negatively impacted by COVID-19 with financial support and programs throughout 2021 including:

- The Government of Ontario introduced the COVID-19 Energy Assistance Program (CEAP) as a temporary measure to support energy customers. Oshawa Power distributed \$128,000 by Oct 21, 2021 getting the needed support immediately.
- Oshawa Power continued the administration of \$13,000 through our Compassion Fund, and available funds reached 100's of customers in 2021, ensuring they stay connected to the services they have grown to depend upon.
- In addition, Oshawa Power contributed just over \$55,000 to the Low-Income Energy Assistance Program (LEAP) funds, providing a one-time grant for emergency situations, administered for Oshawa Power through the United Way — reaching our customers who need it the most.
- Taking a personalized approach, customer service and our technical field agents worked closely with customers, informing them of all the financial assistance programs available to them.

# ZEROING IN ON WHAT MATTERS TO YOU – RELIABILITY

## KEEPING PEOPLE CONNECTED AND THE POWER ON!

*Reliability of service is critical for customer satisfaction. Oshawa Power achieved stellar reliability results in 2021, outperforming the 5-year rolling average. In fact, customers only experienced 34 minutes of outages and less than one total outage on average. This achievement is a result of exceptional teamwork and a determined focus on capital planning and execution of rebuild projects on time and on budget.*

### Corrective

In 2021, planning and monitoring for reliability became a little easier with the addition and implementation of sixteen (16) smart switches. These 16 Supervisory Control and Data Acquisition (SCADA) devices have been strategically placed throughout the city and deliver Oshawa Power's control room, with real-time data to monitor and control equipment that deals with critical and time-sensitive materials or events. Installing these smart devices into the system is beneficial, as outages can be detected sooner and, in some cases, the power can be automatically restored.

The devices are designed to function independently of operator input. They work on their own in a team to isolate faulted sections and restore the healthy sections in less than a minute. To increase reliability, grid updates, ongoing system monitoring, and project execution by the tech services, engineering and distribution teams — the Interruption devices helped 6980 customers from experiencing an outage and the more these get added around the city, the fewer outages Oshawa will experience overall and the more efficient and reliable our service becomes. Three of our stations are fully maintained with our most extensive testing to date and 250 anomalies were detected through two infra-red scans of the entire system. By detecting these anomalies and making quick repairs, up to 250 potential outages were averted.

### Preventative and Predictive

Preventative maintenance is an important aspect to increasing the reliability & resiliency of the system. The Distribution team continued its work on the Capital Rebuild plan, replacing aging infrastructure, on time and under budget despite the effects and impacts of the ongoing global pandemic.

#### PREDICTIVE AND CORRECTIVE ACTIONS

**50 defective poles** were replaced and doing this, possible outages can be avoided.

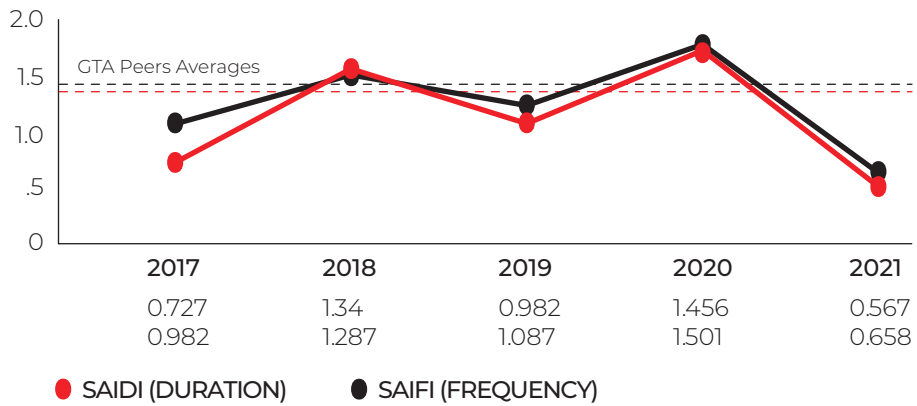
**50 transformers** combined overhead and underground

**50+ sets of inline switches**

**200 quick sleeves** replaced with stronger full tension compression sleeves

**1200 porcelain switch components** were replaced, and **200 wildlife protection devices** were installed on critical devices. By replacing these dated porcelain components and adding wildlife protection, we add resiliency to the system while improving our reliability.

## 5 Year Reliability



“ Climate change is impacting all of us. In 2021, we experienced extreme and unpredictable weather such as strong winds, rain and frigid temperatures that we hadn’t seen before. These elements impact the grid, making it harder to provide reliable service for our customers. Coupled with aging infrastructure and these factors, is challenging. Proudly, Oshawa Power still had the best year for reliability over the last five years. ”

Ivano Labricciosa, President and CEO.

# ZEROING IN ON GROWTH

## RESIDENTIAL AND COMMERCIAL BUILDS ON THE RISE

*As one of the fastest-growing communities in Canada, it is vital Oshawa Power prepares for the growing energy demands on grid capacity for our commercial and residential customers' needs today and tomorrow.*

### New Development

In 2020, as the world continued to struggle with Covid-19, new development and customer growth took a dip. However, in 2021, Oshawa came back stronger than ever, and as one of the fastest-growing communities in Canada with a 2.3% growth rate in 2021, Oshawa Power continued to see even more residential development and customer upgrade requests.

In 2021, Oshawa Power operationalized five hundred (500) new subdivision residential homes and 55 new commercial customers, while maintaining customer requests for service and upgrades. 100% of all connection requests delivered as part of our promise!

### Efficient Processes

Because of our continued focus on efficiency and dedicated inventory management controls, Oshawa Power was able to maintain a stable continuity of supply (materials) during the global supply chain crisis with zero disruption to the capital construction plan or emergency restoration needs.

We do this in several ways — through careful planning, inventory management, efficient management of assets, and diversification of strategic and practical investments.

In early 2021, Oshawa Power in partnership with BDO began a *system optimization* project that supports advanced planning, transparency, and visibility into the overall system for all areas of the business. Oshawa Power has been able to drastically reduce

its slow-moving inventory with the cooperation between technology services, engineering, and distribution from \$3 million to \$2 million at year-end — a 33% reduction that increased cash flow for new high-priority investments and inventory requirements.





## A new service for Our Commercial Customers

In late 2021, **Durham Broadband**, a subsidiary of Oshawa Power and Utilities Corporation succeeded in receiving its third and final CRTC license to operate commercially as a telco — giving Durham businesses a local solution and access to the largest fibre network for their broadband requirements, tailored to their specific business need; and providing additional shareholder value to support the business.

Throughout the year, the team worked to deliver the components for operational readiness and officially opened in November 2021. All or Nothing Brewhouse, one of the first commercial customers hosted the launch event.

### ZEROING IN ON GROWTH

A **33% reduction in inventory** – increasing cash flow for investment

**500** new subdivisions

**55** new commercial customers

**13** New Durham Broadband customers

**Community Safety Camera Installation** Collaboration with DRPS and Hydro One

**100%** of of all connection requests were delivered as promised



**DURHAM BROADBAND**

www.durhambroadband.com

## AUTOMATING BEER PRODUCTION WITH DURHAM BROADBAND

Proudly crafting beer in a stunning, modern brewery situated within a former 1950's Beer Store in the heart of Oshawa, the Dornan brothers are out to revolutionize craft beer.



### BACKGROUND

Eric and Jeff Dornan are from a family of entrepreneurs. With a strong background in sales and retail, they started their journey of becoming brewmasters in 2014, officially moved operations, and opened their current location in 2019.

Auspiciously located in a 1950's Beer Store, All or Nothing is becoming another Oshawa landmark—easy to see from Ritson road, with its black and yellow branding, colorful walls, ample parking, a welcoming patio, and an annual farmer's market, the brewhouse is a destination spot.

However, operating in an old building with 14-inch thick concrete walls, a huge footprint inside and outside, and multiple integrated systems, comes with a host of challenges.

### SITUATION

Modern brewing has transitioned from traditional methods to include new automated systems that monitor variables in brewing to indicate when the process is complete, enabling a more accurate quality control process. Included is a monitoring system that runs on a 24/7 timeframe that sends mobile updates. Robust internet connectivity is required—a concern for the Brewhouse, when uptime and accuracy are critical.

In such a large and overbuilt infrastructure, there is a need to operate several security systems. In an old infrastructure, there was a noticeable bandwidth drain with existing wireless solutions.

As storefront and operations become reliant on internet services for customers, communication and processes, the increasing dropped Wi-Fi connectivity created some urgency to find a more reliable provider of services.

### SOLUTION

The Brewhouse chose the Durham Broadband solution. Increased reliability, connectivity, and uptime issues are non-existent, creating peace of mind. As the traditional, tactile business becomes more online and automated, All or Nothing can trust the process as uptime, speed, and high reliability of the fibre network are no longer a concern.

### AT A GLANCE

**Challenges**

- 50-year-old infrastructure
- Large indoor and outdoor space
- Multiple connected systems
- Downtime issues

**Benefits**

- High speed & high reliability
- Lower cost than national providers
- A local solution
- Peace of mind



“

I am blown away by the speed and the reliability of the service that Durham Broadband could provide—that we were not getting beforehand. Now, we can focus on growing our business, not solving our internet issues.

As a small business, we also like knowing that we support a local option. Our dollars stay in the community, which is excellent for Oshawa and us.

**Eric Dornan**  
Co-founder

”

# ZEROING IN ON OUR PEOPLE

FOCUSED ON ENSURING SAFE ENVIRONMENTS ONSITE AND AT HOME

## People Development

As the city grows and projects are scheduled — construction and maintenance of electrical lines, Power Line Technicians (PLTN) play an integral role. To receive a PLTN journeyman certification, a four-year apprenticeship is required. Oshawa Power is pleased to have three more journeymen receive their Tickets in 2021.

Guided by a philosophy centered on personal safety and creating opportunities for collaboration and connection, the Health and Safety team worked hard to deliver a safe environment for all employees. The enactment of evolving workplace policies and procedures allowed

our business to function continually, throughout the pandemic. Oshawa Power successfully completed our COR audit, further establishing our reputation for being one of the safest workplaces in the province. The hard work of the Health & Safety team to keep people safe and adhere to guidelines was rewarded with a 90% score on our 2021 Certificate of Recognition (COR) external audit. The evaluation of our program takes place on a 3-year cycle. Congratulations to the following Power Line Technicians who received their Journeyman Tickets in 2021.



FROM LEFT TO RIGHT: MARK DINSMORE, MICHAEL CUDMORE, AND JARRETT RICHARD.

## Lost-Time Injuries – a Key Metric for Health & Safety

At the end of December, we reached 971,425 hours without a lost-time injury! Our sustained success over the past 5 years in preventing lost time injuries can be attributed to the diligent implementation of safety procedures, onsite education, return-to-work programs, ongoing management support, and the many protocols in place to support safe work practices.

## Personal Protective Equipment (PPE) Training, and Safety Plans

Over 395 hours of training were logged by the H&S team members. PPE was always available and provided for all Oshawa Power staff; thanks to the efficient inventory planning and procurement processes in place. In 2021, the H&S team focused on developing site-specific safety plans for Regent Park District Energy System and the ZooShare Biogas site location. The team created and adapted policies and procedures to better fit the needs of changing business environments, supporting the growth of the safety program in unique environments.

## Checking in with Each Other

Our IT and Human Resources departments were kept busy improving and enhancing the work from anywhere philosophy that emerged throughout the pandemic. Projects include enhancing secured network access for remote working and creating a failover support system for business continuity planning. Collaboration and communications tools were added to support the new protocols in place along with a distributed workforce. Wellness continued to be an important aspect and wellness checks were introduced to support employees' mental health and identify self-care options and opportunities.



DISTRIBUTION AND HEALTH AND SAFETY TEAM

### HEALTH & SAFETY

**971,425 hours** without a lost time injury (LTI)

**395 hours** of safety training

**90% score** on COR audit score

**Implemented over 100 personal wellness checks**

# ZEROING IN ON ENERGY CHANGES, FOR A GROWING COMMUNITY

## ENABLING THE EVOLVING NEEDS OF OUR COMMUNITY AND CUSTOMERS

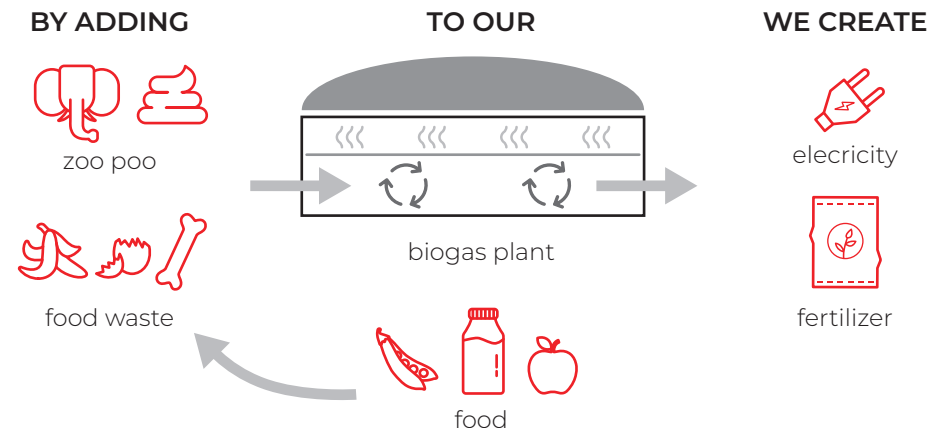
Our teams are focused on building a sustainable future for communities with critical infrastructure, innovation, and creativity for an energy-conscious public. Throughout 2021, projects from EnerFORGE, a subsidiary of Oshawa Power zeroed in on sustainable growth, reducing greenhouse gases, obtaining clean energy assets, and creating opportunities to shift to sustainable renewable energy. Achieving affordable, clean energy for communities requires zeroing in on opportunities and collaborating with various partner networks to create a circular economy.

### Reducing Greenhouse Gases

In 2021, Toronto Zoo, Loblaw Companies Ltd. (Loblaw), and EnerFORGE, completely operationalized ZooShare, the first project of its kind in Canada, second in North America; an innovative project that turns zoo manure and food waste into renewable natural gas that feeds the generator that feeds the grid.

Adding to the strategic portfolio of low-carbon energy projects will allow the building of new value propositions in the production of renewable natural gas, hydrogen fuel cells, and carbon offset projects. Developing innovative collaborations such as this will be critical to Canada's goal of achieving net-zero emissions by 2050.

### ZooShare Process



### Zeroing in on ZooShare 2021 Stats



**Combined Heat and Power (CHP)** another exciting collaboration for combining heat and power was completed in partnership with the City of Oshawa to help reduce greenhouse gases. EnerFORGE was commissioned to install a 600kW combined heat and power plant at the Delpark Homes Centre.

The natural gas-fired system generates heat and electricity to help increase the facility's efficiency while providing backup heat and power during any grid interruptions, to one of our community's important emergency warming centres and busiest leisure facilities. Helping our shareholders strengthen facilities for our shared residential customers through the regulated and unregulated business.

Although it is not 100 percent renewable energy, it will be able to generate electricity and heat simultaneously, it will over the lifetime of the project, take the equivalent of approximately 4,000 Canadian homes off-grid.

## SOLAR POWER

In 2021, there was an increase in our solar power. With an acquisition of Clinton and R1 solar projects, we increased the solar footprint in generation by 30%. This past year also saw the repowering of the Civic Centre site.



DELPARK CONTAINER ARRIVING FOR THE COMBINED HEAT AND POWER (CHP) INSTALLATION.



## Increasing Investment in Renewable Energy and Assets

With an innovative spirit and an entrepreneurial mindset, EnerFORGE, added to its energy infrastructure, strengthening the overall renewable assets while building steady returns for its sole shareholder, the City of Oshawa.

In 2021, EnerFORGE along with equity partner, Ottawa Renewable Energy Co-operative (OREC) announced the acquisition of Quixote One Wind Energy Project, a renewable generation portfolio located in Bruce County, in southern Ontario. The acquisition diversified the company's generation portfolio with the addition of the portfolio's first utility-scale wind asset.

As Electric Vehicle (EV) adoption and electrified transportation increase globally, Oshawa Power, in partnership with the Region of Durham, Plug'n Drive, and a network of more than 20 local car dealerships focused efforts locally to increase awareness and availability of electrified vehicles.

Partially funded by a \$50,000 grant from Natural Resources Canada, a series of multi-day events were held to provide further access and education regarding electric vehicles for drivers across the Durham Region. The event was launched in Oshawa with Mayor Carter promoting the transition to electrified transportation.

The events' highlights were the ability to test drive electric vehicles (EVs), with over 240 residents taking part. Of those drivers, a survey revealed that more than 75% of participants are seriously considering adopting an EV with their next vehicle purchase.

Because of careful planning and the revitalization projects, Oshawa Power is prepared to easily integrate the addition of new EVs purchased into the grid as more electric vehicles become registered by residents.

QUIXOTE ONE WIND TURBINE LOCATED IN BRUCE COUNTY IS A FIRST FOR A UTILITY-SCALE WIND ASSET IN THE GENERATION PORTFOLIO.

## Research and Funding

On November 10, 2021, Oshawa Power was awarded a multi-million dollar Grid Innovation Fund grant from the IESO in partnership with Peak Power. This collaborative project would improve granularity and system-level forecasting. Oshawa Power will benefit from Smart Meter data that can be analyzed and disaggregated to provide valuable planning and energy demand insights. In addition, identification of EV and other DER growth through energy profile pattern recognition, identifying high-energy users for targeted demand response and other personalized customer programs.

Improvements in system and feeder level forecasting will result in more accurate regional system planning and IESO forecast improvements and help all Ontario Utilities better understand how to use the existing grid to connect and serve growing needs.

### ZEROING IN ON RENEWABLE GROWTH

Expansion of portfolio to include new and varied renewable assets:

- Durham Region and Oshawa Power are in sole source discussions to support a plan for the use of **8 planned electric buses**
- **30% increased capacity** expansion of Solar and Wind generation portfolio
- **ZooShare** is operational
- Extension and expansion at **Regent Park Energy (RPEI)**
- **Expanded current services offered** to Canada's largest community housing network for distributed energy resources



MINISTER TURNBULL AT ZERO EMISSION INFRASTRUCTURE PROGRAM PROJECT

# CONNECTING WITH THE COMMUNITY

## SUPPORTING THE DEVELOPMENT OF OUR COMMUNITY

*Oshawa Power is and will always be an engaged Community Partner. As we connected with our community throughout 2021, our activities, commitments and donations were rooted in current issues. In 2021, activities included participating in discussions with Indigenous leaders about past and present issues affecting their communities and learning how we can demonstrate ally ship and strategies to build a diverse next generation of electricity and energy workers, and continuing to support those in need. We are excited to continue to develop in these areas as we move into 2022.*

### Leadership Accord

In fall 2021, our Executive Team signed the Electricity Human Resource Council's (EHRC) Leadership Accord on Diversity, Equity & Inclusion for both Oshawa Power & EnerFORGE as both a strategic and ethical step forward as leaders in the electricity industry to ensure our workplace is designing the diverse and inclusive workplace of the future. As a signatory, we have made a public commitment to improve opportunities for women, indigenous people, racialized people, and persons with disabilities, LGBTQ+, gender diverse people, and newcomers to Canada in our workplaces.

As next steps, we are undergoing our benchmark assessment with the Electricity Human Resource Council and are working to develop a 2-year action plan to implement a range of activities that support the commitments outlined in the Accord to make our contribution to systemic change in the electricity sector.

The Leadership Accord on Diversity, Equity & Inclusion is structured as commitments under three (3) pillars: Governance Practices & Organizational Policies, Education & Workplace Readiness, and Recruitment & Retention Practices.



### ZEROING IN ON COMMUNITY

- Signed the Electricity Human Resources Canada Leadership Accord
- Participated in 4 Truth and Reconciliation Discussions with Indigenous leaders and regional partners
- Supported the Backdoor Mission with furniture donations and Internet Services
- Launched the first annual Charitable Giving Campaign recognizing 4 Charities with \$1,000 donations from a winning local hero.



## Truth and Reconciliation

As part of a collective, it was an honour to sponsor Oshawa Libraries Truth and Reconciliation Speaker Series with partners across the Durham Region, including local libraries, Durham College, Ontario Tech University, student associations, and local municipal government groups, for a collaborative four-part panel discussion series with Indigenous peoples and First Nations from the Durham Region.

## Charitable Giving Campaign

### Supporting Our Kids

The ongoing Covid-19 pandemic has had an enormous impact on children in our community. Oshawa Power focused on several activities to benefit their well-being, including sponsorship of the Child Safety Team Program, which delivered materials to elementary schools intended to educate children on Fire Safety by Oshawa Fire Services. By supporting the Mayor's Gala Symphony of the Ontario Philharmonic and sponsoring their Children's Series – children from low-income households were able to attend the symphony and learn about music.

Oshawa Power ended the year by gifting \$4,000 total to 4 local charities as part of its first annual local hero charitable giving initiative. Through community-based nominations, in-person presentations, and local judging by key figures in the community, we recognized four local heroes with donations in their name to a local charity of their choice. Recipient charities included Big Brothers, Big Sisters, Simcoe Hall Settlement House, Simcoe Hall Foodbank, and Salvation Army Family Services.



LEFT TO RIGHT: IVANO LABRICCIOSA, PRESIDENT AND CEO AND LORI DAFOE, EXECUTIVE ASSISTANT, AT FIRST ANNUAL POWER OF LOCAL PEOPLE CELEBRATION.

## Diversity and Health

Oshawa Power supported the Carea Community Health Centre through support of the Mayor's Golf Tournament. As part of our commitment to diversity and inclusivity, Oshawa Power also sponsored and participated in "Steps to Inclusion" for Community Living Oshawa/Clarington, a fun walk/run race to help support those with disabilities succeed in the community. Additionally, we supported and participated in a four-part series dedicated to listening to indigenous voices and opening dialogues on reconciliation opportunities in Durham.

## Inspiring the Next Generation

Supporting the next generation of engineers, Ivano Labricciosa speaks and engages with Ontario Tech's IEEE society's research centred on the future of local power grids and distributed energy resources (DERs) Nancy Brandon, Director of People and Business Services lends her expertise through a leadership role as the chair of Durham College's, HR Program Advisory Committee.



## Energy

Committed to a sustainable future, Oshawa Power is a member of the Durham Community Energy Plan advisory committee and the Durham Region Round Table on Climate Change.

## Business

Oshawa Power is a vocal supporter of the business community, and is here to help better the city by participating in the Mayor's Economic Recovery Task Force and taking an active role in the Oshawa Chamber of Commerce. In 2021, Oshawa Power sponsored

and participated in the judging and presentation of the Sustainability Award, presented at the Business Excellence Awards.

As the business and residential community become more curious about the power of electricity, Oshawa Power and the Electric Vehicle Society of Canada have worked together since 2018 to help educate customers on the importance of EVs. In 2021, Oshawa Power sponsored a Webinar Series.

Oshawa Power and its subsidiaries will continue to work with agencies as a committed community partner.



# FINANCIAL HIGHLIGHTS



For The Year Ended December 31, 2021\*

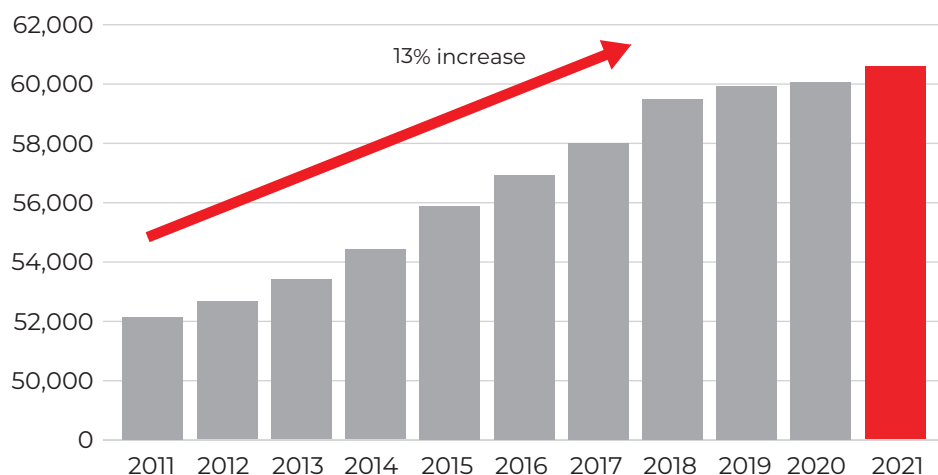
## OVERVIEW

Oshawa Power and Utilities Corporation, and its subsidiaries (collectively “Oshawa Power” or the “Company”) are incorporated under the Ontario Business Corporation Act and were formed to conduct regulated electricity distribution and other nonregulated operations that include generating heat and power, operating a fibre optic network and providing other energy management services. Oshawa Power is wholly owned by the Corporation of the City of Oshawa.

The Company provides regulated electricity distribution services to businesses and residences in the service area of Oshawa, Ontario through its principal subsidiary Oshawa PUC Networks Inc. (“Networks”).

Oshawa Power distributed electricity to an average of approximately 74,599 customer connections (including streetlights) in 2021. There were 60,385 customer connections invoiced in December 2021: an increase of 330 or 0.5% over December 2020.

### CUSTOMER CONNECTIONS



\* Dollars expressed in thousands unless labelled otherwise

## BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Oshawa Power and Utilities Corporation and its subsidiaries: Oshawa PUC Networks Inc., Oshawa PUC Services Inc., Oshawa PUC Energy Services Inc., 2252112 Ontario Inc., 2720665 Ontario Inc., 2796687 Ontario Inc., Clinton Solar LP, 2825909 Ontario Inc., and 2825411 Ontario Inc. The Company’s consolidated financial statements have been prepared by management in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the International Accounting Standards Board (“IASB”) and interpretations as issued by the International Financial Reporting Interpretations Committee of the IASB, including accounting principles prescribed by the Ontario Energy Board (“OEB”) in the Accounting Procedures Handbook for Electric Distribution Utilities. Oshawa Power follows regulated accounting rules as prescribed by the OEB for rate-regulated enterprises. IFRS 14, Regulatory Deferral Accounts, allows the Company to utilize pre-IFRS Canadian Generally Accepted Accounting Principles with respect to the recognition of Regulatory Assets and Liabilities that address the deferral of specific non-income related cash inflows and outflows.

Regulatory assets primarily represent costs that have been deferred because it is probable that they will be recovered in future rates. Similarly, regulatory liabilities can arise from differences in amounts billed to customers for electricity services and the costs that Oshawa Power incurs to purchase and deliver these services. Certain costs and variance account balances are deemed to be regulatory assets or regulatory liabilities and are reflected in the Company’s balance sheets until the manner and timing of disposition is determined by the OEB.

## RESULTS OF OPERATIONS

### Revenue

Revenue is earned from regulated activities through Oshawa Power's principal subsidiary, Networks, and unregulated operations carried out in the Company's remaining subsidiaries.

The following table represents regulated revenue, excluding flow-through charges for the sale of electrical energy paid to the Independent Electricity System Operator ("IESO"), and aggregate revenue earned from unregulated operations for 2021 and 2020, comparatively:

	2021	2020
Regulated	\$29,177	\$27,489
Unregulated	5,485	5,286
<b>TOTAL REVENUE</b>	<b>\$34,662</b>	<b>\$32,775</b>

Total revenue increased by \$1,887 (5.8%) in 2021 with regulated revenue increasing by \$1,688 (6.1%); and unregulated revenue increasing by \$199 (3.8%).

Regulated revenue increased as a result of increased demand and consumption from commercial and industrial customers with the lifting of the COVID restrictions, as well as, increased service revenue through enhancement work and scrap metal sales.

Unregulated revenue increased \$199, or 3.8%, primarily driven by the acquisition of the wind turbine in late 2021, generating increased generation revenue.

### Expenses

Operations, maintenance and administrative ("OM&A") and energy management services ("EMS") expenses reported in 2021 and 2020 are summarized in the following table.

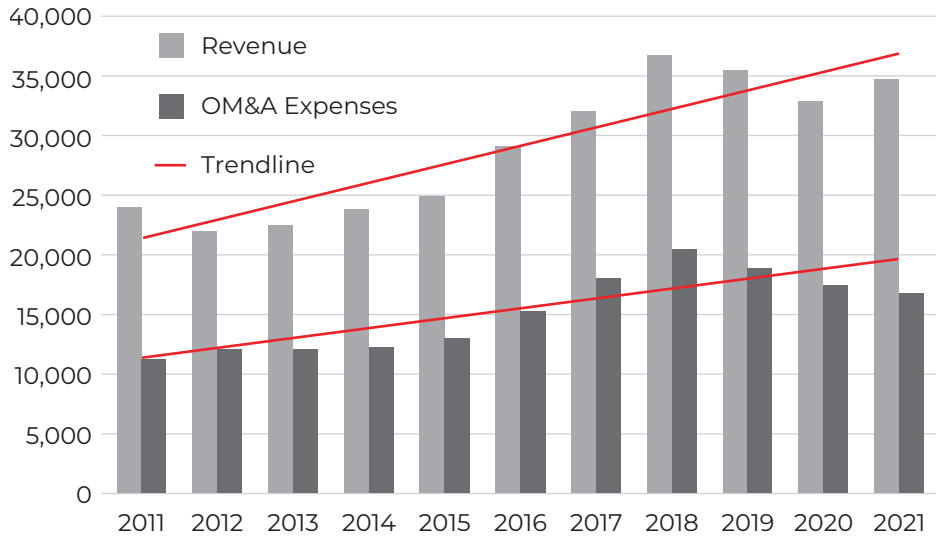
	2021	2020
Regulated	\$13,063	\$13,843
Unregulated (includes EMS)	3,648	3,564
<b>TOTAL OM&amp;A</b>	<b>\$16,711</b>	<b>\$17,407</b>

Regulated OM&A expenses decreased compared to 2020 by 5.6% (\$780) primarily due to reduced bad debts expense from the successful efforts of working with Networks customers to reduce the number of aged accounts through the identification of financial assistance opportunities, as well as, setting up of payment arrangements; partially offset by increased direct costs to support maintenance programs.

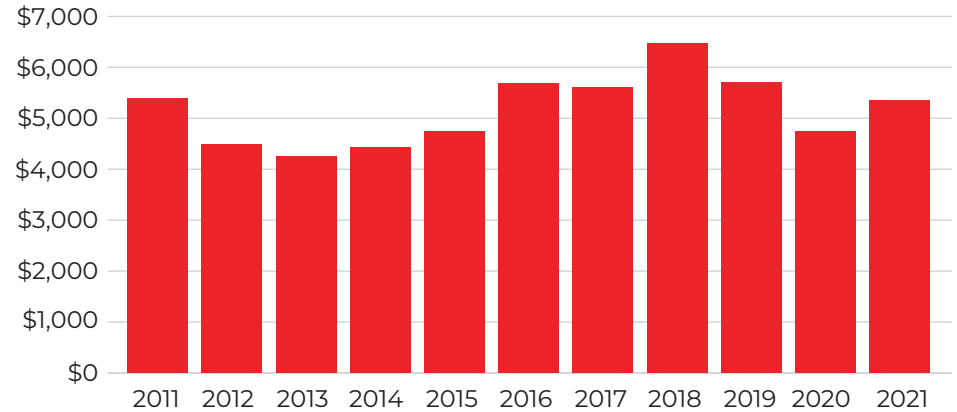
The increase in OM&A and EMS costs for the unregulated operations is attributable to the acquisition of the wind turbine in late 2021 and the ramping up of Durham Broadband services; partially offset by reduced spending on external services with the commercialization of various projects.

\* Dollars expressed in thousands unless labelled otherwise

## TOTAL REVENUE AND OM&A EXPENSES LATEST 10 YEARS



## NET INCOME LAST TEN YEARS



## Net Income from Operations

Net income from operations (before other comprehensive income) for 2021 was \$5,309 compared to \$4,780 in 2020. The increase is attributed to variances in revenue and expense noted above, offset by higher depreciation, interest costs and income tax expense.

Net income from regulated activities increased by \$909 (23%) from \$3,952 in 2020 to \$4,861 in 2021; attributed to increased distribution and service revenues, lower bad debt expense, partially offset by higher depreciation, interest expense and higher income tax expense.

Net income earned from unregulated operations decreased to \$448 in 2021 from \$828 in 2020 (46%); driven by the timing of the wind turbine acquisition resulting in high depreciation expense relative to revenue earned in the first year of operations and increased interest expense.

## LIQUIDITY AND CAPITAL RESOURCES

### Summary

Cash and cash equivalents as of December 31, 2021 were \$18,652 compared to \$14,148 on December 31, 2020.

The long-term debt ratio in 2021 was 55% compared to 56% in 2020. The ratio decreased slightly despite the increase in debt of \$7,787. Additional financing was obtained in 2021 to finance the capital investment program to improve reliability and to acquire the wind turbine and certain solar assets.

Based upon financial covenants with its lenders and industry-acceptable norms for its capital structure, the Company has access to sufficient capital as required to support its future operating and strategic plans.

\* Dollars expressed in thousands unless labelled otherwise

## Cash Provided by Operating Activities

In 2021, operating activities reported under IFRS generated \$25,417 compared with \$10,950 in 2020; an increase of \$14,467; mainly attributed to an increase in payables which is the result of the timing of IESO payments for the cost of electricity.

## Cash Used in Investing Activities

Cash used in investing activities in 2021 and 2020 was \$21,079 and \$20,229 respectively; an increase of \$913 which includes investment in the ZooShare initiative in 2020 and the non-controlling interest in the wind turbine in 2021. Excluding the effect of these items, cash used in capital asset investment in 2021 was \$22,214, which is \$3,570 higher than the 2020 spend and is the result of investment in the wind turbine and certain solar assets, as well as, ramp-up of Durham Broadband.

As planned, Oshawa Power continues to invest in capacity constraints related to growth in the City of Oshawa and system renewal in order to maintain a track record of strong system reliability.

“The combined percentage of capital investments in System Access and System Services within the regulated affiliate, which addresses capacity and customer growth, decreased slightly from 41% in 2020 to 38% in 2021. This slight decrease is consistent with a continued focus on improving reliability and grid stability, with investment in System Renewal decreasing slightly from 54% to 53%. Investment in General Plant increased from 5% to 9% with investment in fleet and systems to provide enhanced support to Networks customers.

Total capital expenditures within the unregulated affiliates increased from 12% to 42% due to the acquisition of the wind turbine and certain solar assets, the ramp-up of Durham Broadband and the completion of construction on Oshawa Delpark Home Centre Arena’s CHP.”

CAPITAL SPEND CATEGORY	2021	2020
Regulated	58%	88%
System Access	21%	31%
System Renewal	53%	54%
System Service	17%	10%
General Plant	9%	5%
Unregulated	42%	12%
Generation	88%	–
Fibre	5%	22%
Combined Heat & Power	7%	78%
	100%	100%



## Cash Provided by Financing Activities

Cash provided by financing activities was \$166 in 2021 compared with \$17,197 in 2020. The decrease in 2021 was due to the payout of both 2020 and 2021 dividends 2021 and decreased financing received in 2021 as compared to 2020.

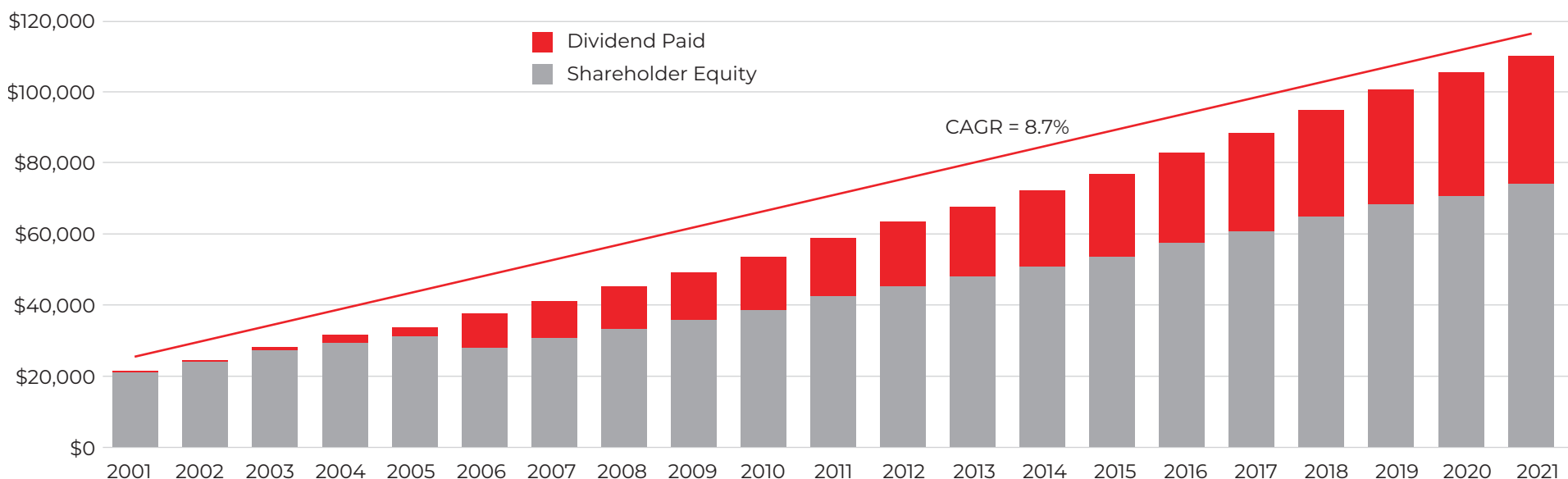
Included in cash used in financing activities were dividend payments made to the Company's shareholders in the amount of \$2,289 for 2020 and \$1,912 for 2021, both paid out in 2021.

## Shareholder Value

Shareholder value is a term used to define the Company's shareholder equity plus cumulative dividends paid (unadjusted for accumulated other comprehensive loss; that is, mid-contract gains or losses on financial instruments used to provide interest rate certainty). Cumulative shareholder value as of December 31, 2021, has increased to \$110.4 million which represents a compound annual growth rate ("CAGR") of approximately 8.7% since 2001.

The following chart is the cumulative shareholder value since 2001 and portrays a consistent focus on maximizing shareholder value which provides a reliable cash flow stream to benefit the ratepayers of the City of Oshawa.

SHAREHOLDER PAID AND CUMULATIVE DIVIDEND PAID



\* Dollars expressed in thousands unless labelled otherwise



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