



# UPDATE TO CITY COUNCIL

*Investing in Tomorrow: Growth,  
Innovation & Community Impact*

July 14, 2025



# Positioning PUC for Growth & Community Impact

## Sector Growth Drivers

- Rising electricity demand (75% increase forecasted by 2050)
- Transition to clean energy and electrification
- Infrastructure renewal and grid modernization

## PUC's Leadership

- One of Ontario's few licensed transmitters and a national leader in smart grid innovation
- Proactively advancing generation, storage, transmission and other projects
- Strategic partnership models led by PUC are accelerating progress



# Positioning PUC for Growth & Community Impact *Cont.*

## Benefits for Our Community

- Job Creation: Local employment through capital projects and ongoing operations
- Economic Development: Reliable infrastructure attracts industry and enables business growth
- Innovation & Resilience: Modern systems ensure long-term affordability and reliability for customers
- Environmental Impact: Supporting electrification and emissions reductions
- Community Investment





# PowerShare

PUC is a founding member of PowerShare, a new alliance of Ontario utilities working together to modernize the electricity grid.

This includes integrating local energy sources like battery storage and small-scale solar, and using advanced software to manage power more efficiently.

By joining forces, PowerShare protects shared innovation and prepares local utilities to take on a bigger role in grid operations—work traditionally done by the IESO.

PUC brings valuable experience from its Sault Smart Grid project, making it a leader in this space.



# PUC-Axium Partnership (PAX):

## *Strength through Collaboration*

PUC and Axium Infrastructure are seeking to form *PAX*, a new business development partnership focused on advancing utility infrastructure projects.

- Axium Infrastructure is a Canadian-owned, long-term investor in core infrastructure assets, with a focus on stability, sustainability, and long-term value creation. As the majority owner of PUC Transmission, Axium brings deep expertise and capital to support critical energy infrastructure.
- This partnership reflects Axium's commitment to stable, long-term investments in energy, transmission, and essential infrastructure.

## **Benefits to Our Community**

- Supports job creation and local economic development
- Strengthens PUC's financial capacity to pursue more opportunities
- Enables sustainable growth in critical utility services



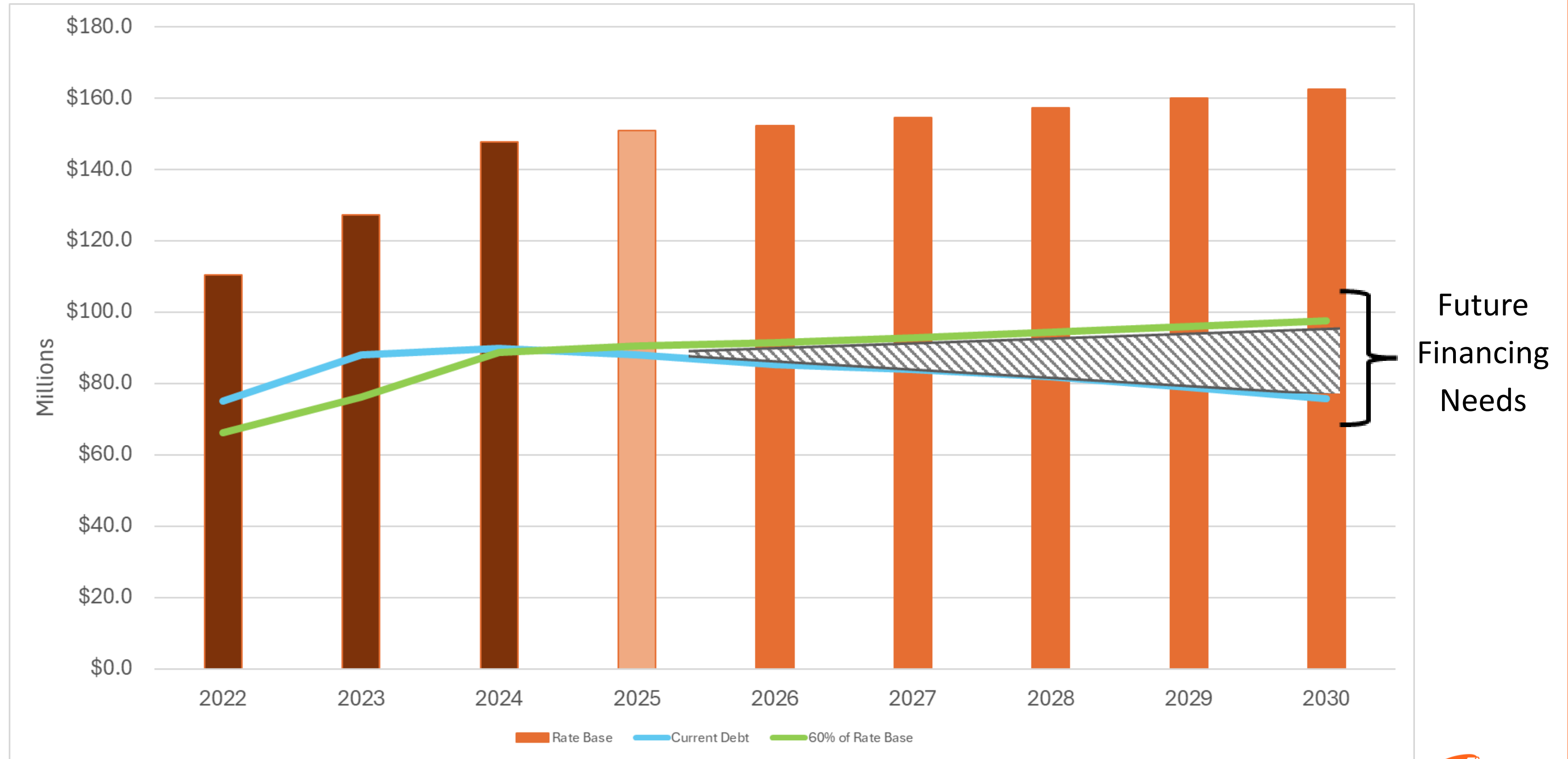
# PUC Distribution Long-Term Financing

## Key Objectives

- 1** Replace internal \$26.5M Note Payable to PUC Inc. with third-party financing providing **flexibility** and **liquidity**.
  - PUC Inc. will now earn a return on its investment in PUC Transmission through ownership (equity), rather than through a loan (debt)
- 2** Secure new credit facility for critical annual **infrastructure reinvestment** needs (\$7–8M/year).
  - Maintain optimal debt:equity ratio, aligned with OEB imposed 60:40 structure

Credit Facility	Amount	Comment
Term Loan	\$26,500,000	Note Payable to PUC Inc.
Revolving Credit Facility	\$25,000,000	NEW Debt

# PUC Distribution Long-Term Financing



# Council Resolutions

**PUC is seeking Council Support for the following:**

## **1. PowerShare Alliance Participation**

- a. Approve PUC Distribution Inc. joining PowerShare Inc. as a founding member, including a \$50,000 equity investment and authorization for all related agreements to support DSO development and access to shared IP.

## **2. PAX Partnership Formation**

- a. Approve creation of the PAX entity with Axium Infrastructure Inc., and authorize PUC Inc. to invest development capital and execute all necessary partnership agreements.

## **3. PUC Distribution Long-Term Financing**

- a. Approve the refinancing of PUC Distribution Inc., as recommended by both the PUC Inc. and PUC Distribution Inc. Boards of Directors.





**QUESTIONS?**

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