



Foundations for the Future

PUC Business Development Update

Essex Transmission Project



Sault Ste. Marie City Council Meeting | February 23, 2026

Transmission Opportunities in Ontario

The Power of Partnerships

PUC continues to focus on disciplined strategic growth, with transmission development serving as a key pillar in strengthening long-term sustainability and shareholder value.

Licensed Electricity Transmitter in Ontario

- PUC Transmission LP is a licensed electricity transmitter regulated by the Ontario Energy Board (OEB)
- Authorized to develop, construct, own, and operate transmission infrastructure in Ontario

Active Across the Province

- PUC is pursuing strategic transmission development opportunities throughout Ontario
- Partnering with communities and investors
- Supporting grid expansion aligned with Ontario's electrification and growth objectives

Essex Region Greenhouse Expansion (Project Focus)

- Supporting major greenhouse growers in the Essex region
- Developing transmission solutions to meet rapidly increasing electricity demand
- Enabling agricultural expansion and energy-intensive greenhouse growth
- Partnership with Axium Infrastructure and Essex Power Corporation



What benefits does this bring to Sault Ste. Marie?

- **Creates local employment opportunities** in Sault Ste. Marie, contributing to the city's economic growth.
 - Technical, regulatory, financial positions
- **Increase municipal-related revenues** through PUC Inc., strengthening the local tax and revenue base.
 - Ongoing annual returns
 - Development revenue
- **Strengthens PUC's long-term financial sustainability**, helping to protect customers from future cost pressures.
 - Assets under management
 - Enterprise value
- **Expands and modernizes Ontario's electrical system** to meet future development and growth needs.



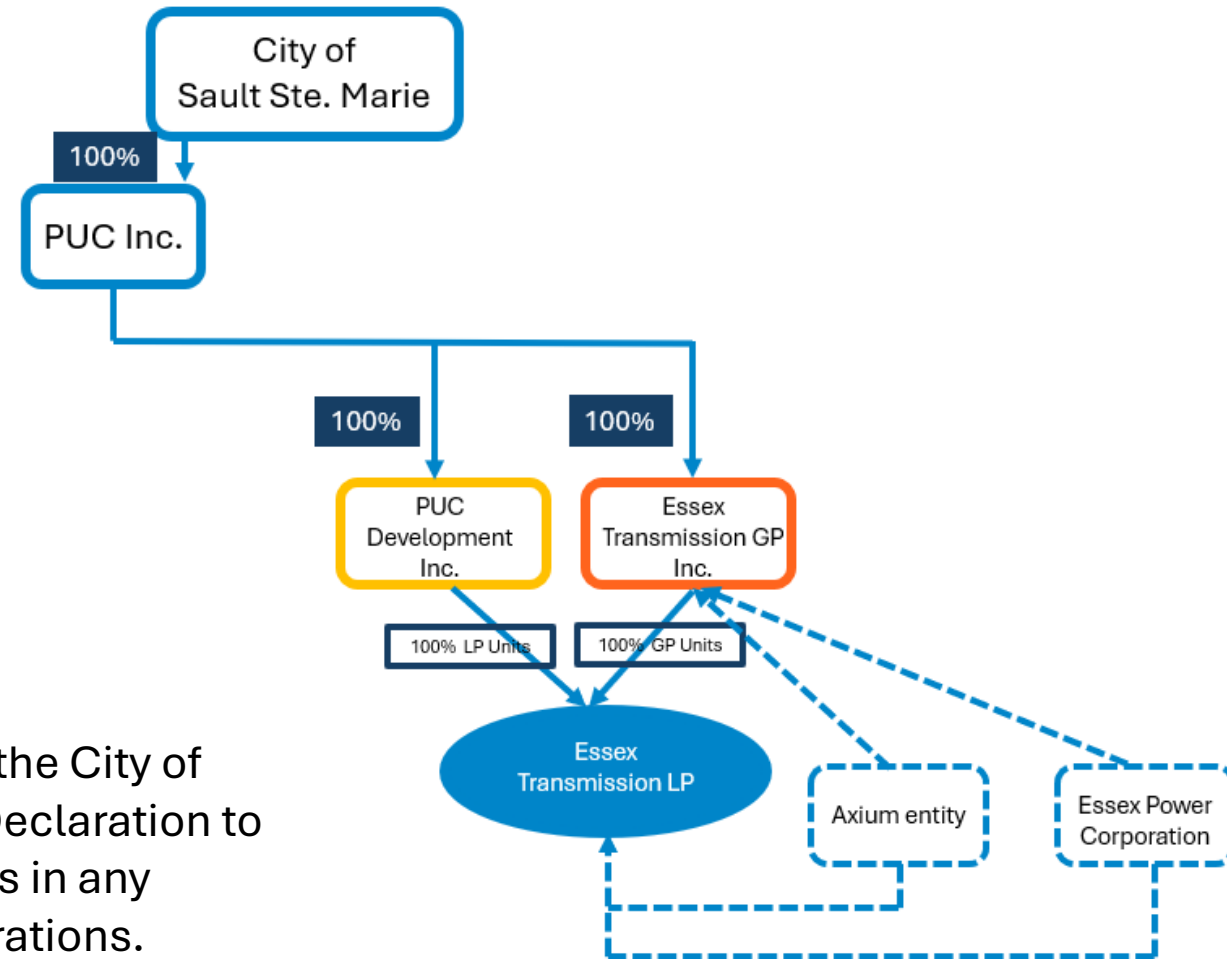
Next Steps: Entity Formation



In order to advance development of the project and meet applicable regulatory requirements, including the requirement to obtain a transmission licence from the Ontario Energy Board, PUC must establish the necessary project entities. Those entities include:

- PUC Development Inc.
- Essex Transmission GP Inc.

PUC Inc., a wholly owned municipal corporation of the City of Sault Ste. Marie, is required under its Shareholder Declaration to obtain shareholder approval before acquiring shares in any corporation other than its existing subsidiary corporations.



Resolution for Approval



CREATION OF ESSEX TRANSMISSION GP INC., AND PUC DEVELOPMENT INC.

WHEREAS, PUC Inc. is a wholly owned municipal corporation of the City of Sault Ste. Marie, and

WHEREAS, The City of Sault Ste. Marie as the shareholder of PUC Inc. has established a shareholder declaration that requires PUC Inc. seek and receive shareholder approval with respect to the taking, holding, subscribing for or agreeing to purchase the acquired shares in the capital of any body corporate other than the Subsidiary Corporations by PUC Inc.

WHEREAS, PUC Inc., along with its partners, are proposing to advance the Essex Transmission Project, a strategic infrastructure initiative intended to support regional energy reliability, enable economic development, and generate long-term financial returns through new transmission asset;

WHEREAS, the Essex Transmission Project is expected to deliver direct and indirect benefits to the City of Sault Ste. Marie by supporting local employment, enhancing PUC Inc.'s long-term financial sustainability, and increasing municipal-related revenues that can be reinvested in community services and infrastructure;

NOW, THEREFORE, BE IT RESOLVED that the Shareholder of PUC Inc. hereby:

Approves PUC Inc. acquiring shares in Essex Transmission GP Inc. and PUC Development Inc.



Questions?



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