



EMBRACING EVOLUTION

Navigating the Path to Sustained Stability



Report to Shareholder
for the Year of 2023

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Thank You





**By 2050, Ontario could need more than
DOUBLE its electricity generating capacity,
from 42,000 megawatts (MW) to 88,000 MW.**

*Independent Electricity System Operator's (IESO)
Pathways to Decarbonization (P2D) Report*



WELCOME

Greater Sudbury Utilities (GSU), like all participants in Ontario's energy system, faces a high degree of uncertainty concerning the pace of the **transition from carbon-intense fuel sources to clean electricity**.

During this period of uncertainty, GSU will continue to invest in no-regrets activities such as system renewal and enhancement to ensure that our distribution system can meet all of the upcoming and shifting demands. Of course, we will remain nimble and able to respond to changing conditions by developing the capabilities required to operate the distribution system of tomorrow.



SHORT-TERM Present-2030

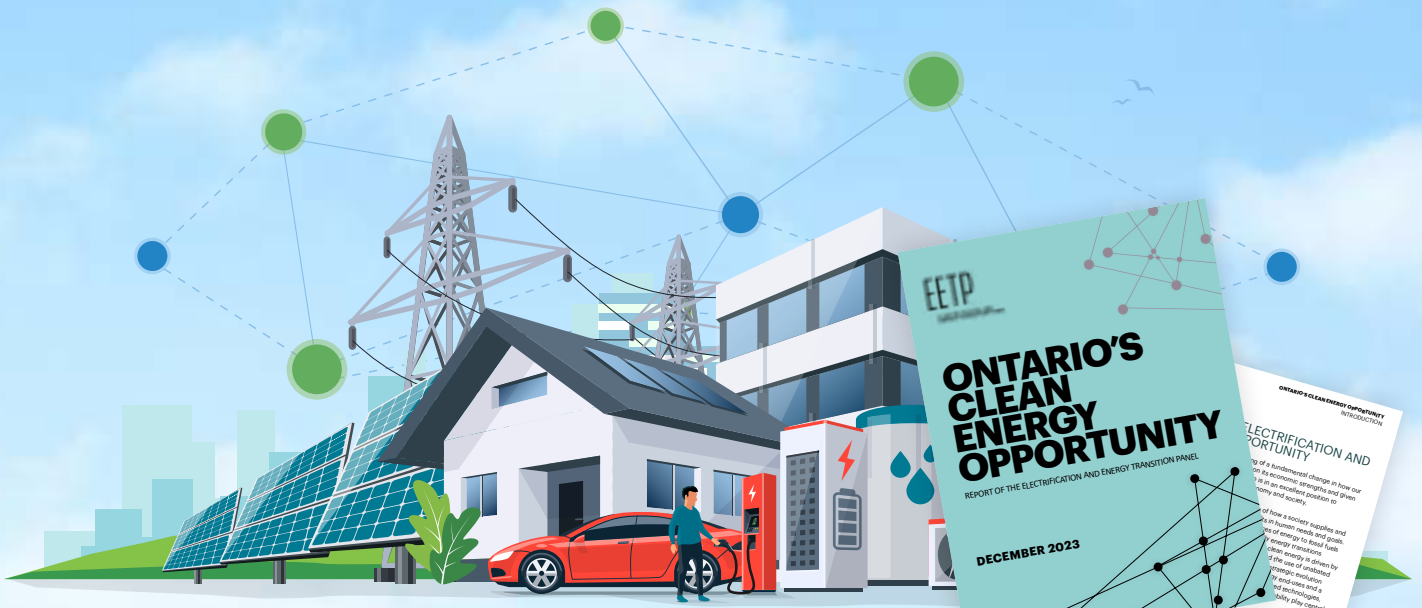
A period of innovation and change during which government is needed to provide clear leadership in setting up the planning and regulatory frameworks that will be required to support the rapid but orderly transformation, much of it customer-driven, that can be expected to intensify after 2030.

An intense transformation affecting every part, sector and community in Ontario, leading to the establishment of a clean energy economy.



MEDIUM-TERM 2030-2050

Timeline Source: EERT (Electrification and Energy Transition Panel)



LONG-TERM Post-2050

If done well, the transition to a clean energy economy has been accomplished. It will be important to continuously plan for and manage the clean energy system to address new and emerging challenges for future generations



By building on our history and wealth of industry expertise, innovation and abundant clean energy resources, and in partnership with Indigenous communities, Ontario can prosper in the global transition to a clean energy economy. To seize this economic opportunity, government will need to align economic and social forces around the common vision and purpose necessary to navigate a multi-decade social, economic, and political process that will affect every sector and community in Ontario.

David Collie - Chair, Electrification and Energy Transition Panel
Published: January 19, 2024



\$1.65M in discounts
to CGS in
2023

OVER \$15.4 MILLION TO DATE

Making a difference in the communities we serve.



"Their competitive rates exemplify how a local company continues to find ways to employ northern qualified professionals and creates a strong, trusting working relationship with like-minded companies.

We confidently recommend Karen and her team to other businesses in our region. We look forward to a positive business relationship with Agilis Networks as we rely on a dependable digital connection throughout the workday because our work must transcend distance and travel with excellence in service."

Ian Hill, Critchley Hill Architecture Inc. • North Bay



"The onboarding process with Agilis Networks was seamless and hassle-free, which made transitioning to their services a breeze. I appreciated how they took the time to understand my needs and tailored their solutions accordingly. Overall, I couldn't be happier with my experience with Agilis Networks."

Chris Toms, Outpacer • Barrie

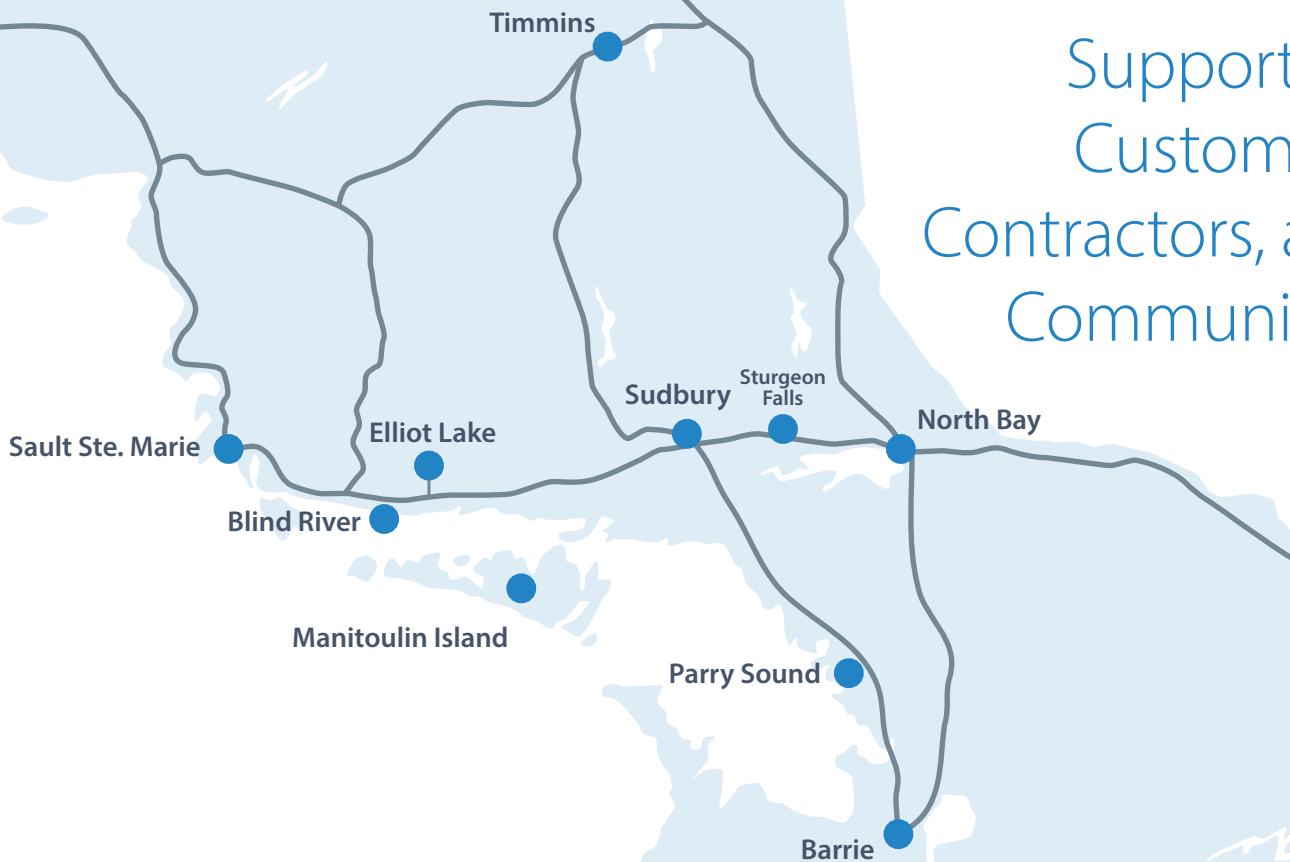


"What makes Agilis Networks stand out is the speed, and speed of service. They understand our business and understand our community. It's important to work in your community and support local."

Darryl Bobbie, Palladino Auto Group • Sudbury



Supporting
Customers,
Contractors, and
Communities



5/5

**Average Rating
Customer Satisfaction Survey**



96%

**Leaking tanks and no hot
water calls resolved within 24
hours of initial call**



99%

**General repairs and
replacements completed
within 36 hours of initial call**



"I had a wonderful experience with @home Energy! They're very down to earth, honest and have all the patience simply explaining everything. Highly recommend them, hyper local, super quick and amazing customer service!"

Julia Williams • Sudbury



"One aspect that stands out is their commitment to timely deliveries and excellent customer service. Every time we've needed assistance or had questions, they've been quick to respond and resolve any issues. This level of support is crucial for our business, as it allows us to maintain high standards with our clients. Looking forward to exploring more of what @home Energy has to offer."

Claude St.Pierre, Fern's Heating • North Bay



"We had many hot water tanks changed in our building due to the age. The workers from @home Energy organized and scheduled everything for us. The process was so smooth that we had no issues or complaints from any of the tenants. We highly recommend them!"

Sylvia Moore, MECA Properties Inc. • Sudbury





POWERING PROGRESS

ConverGen Transforms Landfill Gas into Sustainable Energy for CGS



2023

\$263K ↑

Amount of landfill gas purchased from CGS in 2023. Gas that would otherwise have been flared and wasted.

(\$219K in 2022)

2023

6.9 M kWh ↑

6.9 M kWh of electricity produced in 2023.

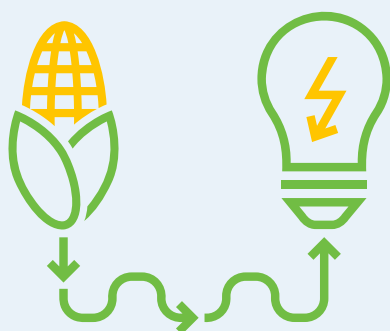
(5.75 M kWh in 2022)

2023

768 ↑

In 2023, this was enough to power 768 homes for a year.

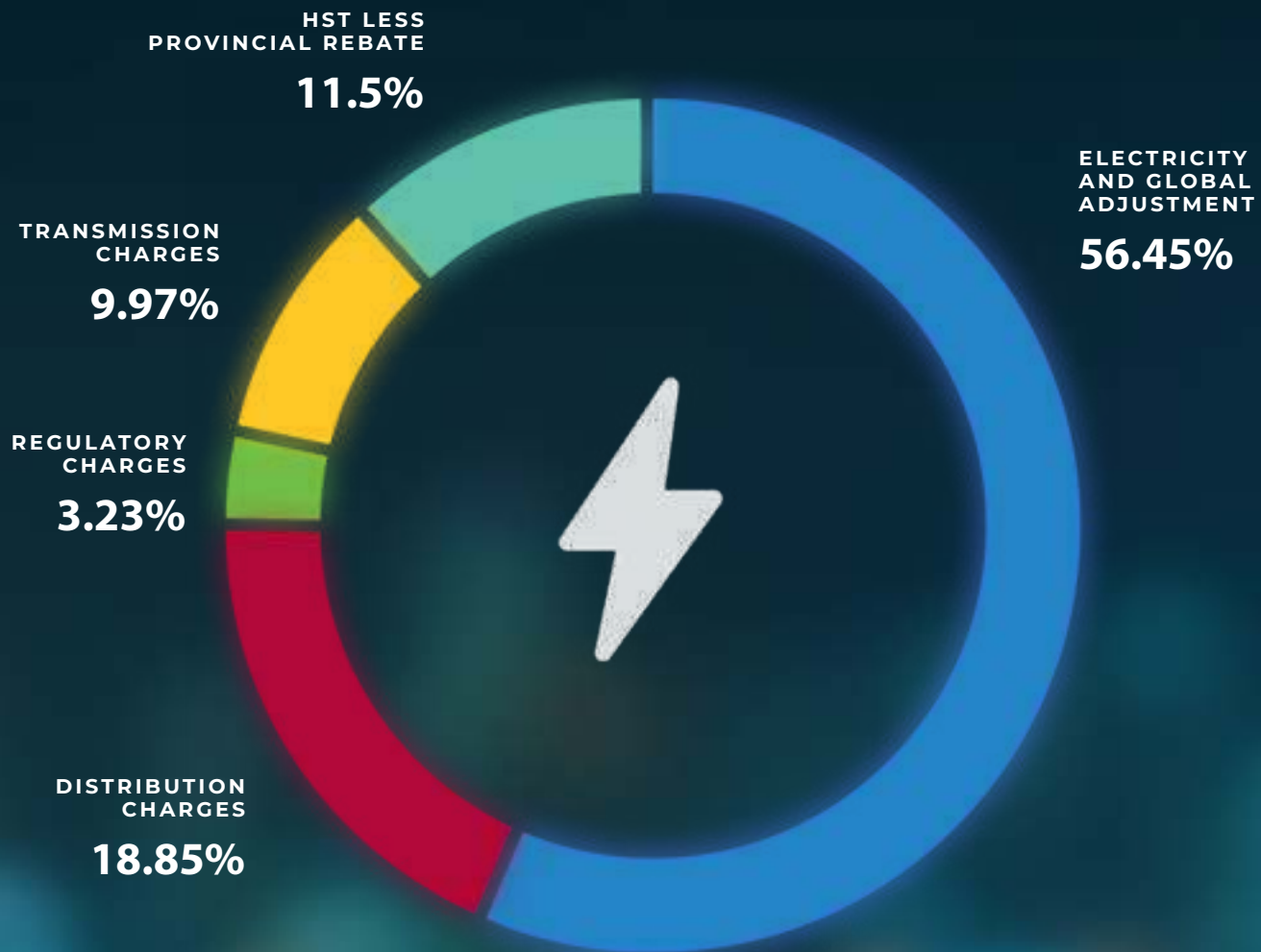
(700 homes in 2022)



How it works

Landfill gas-to-energy systems capture methane—a potent greenhouse gas released as waste decomposes—and convert it into power. By trapping this gas and using it to fuel generators, we turn a harmful emission into renewable energy. It's a smart way to reduce landfill impacts while boosting our sustainable energy supply.

Where a dollar went in 2023



Did you know? GSH collects the entire bill, but keeps only **18.85%** to maintain the distribution system. Other agencies absorb the remaining 81.15%.



MARTTILA SUBSTATION

Powering Today and Tomorrow

Built in 1967, the Marttila Substation rebuild will be completed in 2024. It will be equipped with modern day technology that will **extend the substation's life for 50 years, increasing energy capacity in the area.**



System Renewal Benefits



Delivers Energy

Delivers energy to customers and is a crucial part of our grid.



Operational Flexibility

Offers enhanced operational flexibility while also supplying and backing up older substations slated for replacement within the next 5 to 10 years.



Risk Mitigation

Serves as a risk mitigation strategy, addressing load growth in EV adoption and increasing population demands on the grid.



INNOVATION

Once-in-a-generation opportunity

GSU Engineering Workshop

Like all local distribution companies (LDCs) in Canada, utilities will be part of the solution for EV integration into the energy grid. **Greater Sudbury Utilities is investing in the future of mobility by committing \$100,000, spread over four years for a new EV Lab at Cambrian College.**



"This really speaks to the strong partnership we have with our local utility. GSU is investing in this facility and providing us with the power that we need to run and test equipment."

Mike Commito, Director of Applied Research and Innovation - Cambrian College

Enabling Ontario's Energy Transition to the EV Economy

GSU CEO and President Frank Kallonen moderating a panel discussion 'Enabling Ontario's Energy Transition to the EV Economy' at BEV IN-DEPTH Mines to Mobility Conference in Sudbury. The forum included industry professionals from Siemens, Glencore, NRStor, and IESO.





INNOVATION

Continues to Develop Solutions and Initiatives to Optimize Our Operations

In 2023, The Workshop continued working on cloud first data collection solutions and data automation. Efforts were made to re-engineer and digitalize processes related to the dispatch, maintenance, tracking and public reporting of issues.

Report a Streetlight Issue

Streetlight Issue Information

Streetlight Issue*

Location (lat, lon)

Details

What is the issue? (e.g., broken, out of order, etc.)

Report by (lat, lon)

Location Information

Streetlight Map*

Use the map to select the location of the issue. The map will show the location of the issue and the location of the streetlight.

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Turning Data into Insights

A data and analytics system was implemented to support the integration and visualization of data in near real-time. New insights were developed using customer service and distribution system data. Technology and processes were implemented to facilitate the collection of asset data at high accuracy. This will help in locating key components of our infrastructure when difficult to do so such as under snowfall.

THE POWER OF US

Our Employees, Our Community

In 2023, through various initiatives, GSU employees raised **over \$15,500 for local organizations** and causes including Better Beginnings Better Futures, Elgin Street Mission, Pregnancy Care Centre & Infant Food Bank, Maison McCulloch Hospice, and Pet Save.



Our Summer Students were instrumental in raising funds by hosting three BBQs at our GSU headquarters.

Franco-Ontarian Day and LLL Hydro Box Painting.



VALUE BEYOND THE BALANCE SHEET

\$3.8M **\$87.3M** **\$1.65M**

Transferred to CGS in 2023
Annual interest paid quarterly

Transferred to CGS
Since 2000

Discounts on
Telecommunications in 2023

**For Consolidated
Financial Statements**



gsuinc.ca/corporate

VALUE BEYOND THE BALANCE SHEET

\$263K ↑

\$219 in 2022

ConverGen paid CGS for Landfill gas purchases



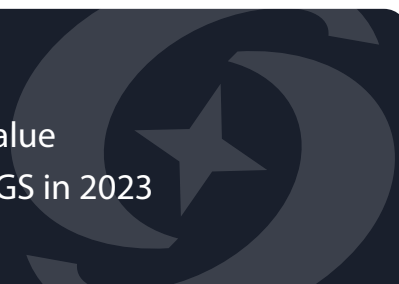
\$4.8M ↑

Since 2007

Total amount of landfill gas purchased from CGS that would otherwise be flared and wasted

\$5,700,000

Total tangible value transferred to CGS in 2023



CAPEX 2019-23

\$66.3M

(Inclusive)

CAPEX 2023

\$12.6M

CHANGE IN EQUITY

\$33.6M

(69%) Dec 31, 2019-Dec 31, 2023*



Digital Download

To download a digital copy of this report, visit the below link:



gsuinc.ca/corporate

MEET OUR BOARD

GSU is proud to have a Board of Directors with diverse skills and knowledge who are deeply committed to our mission and values of doing the right thing, acting courageously, protecting our assets, giving more, and ensuring safety is our responsibility.



Mark Signoretti

COUNCILLOR, WARD 1

Board Chair– Greater Sudbury Utilities & Subsidiary Companies, Greater Sudbury Hydro Inc.

Born, raised, and educated in Sudbury, Mark now raises his own family here and runs a local equipment financing company as its owner and lead financier.



René Lapierre

COUNCILLOR, WARD 6

Vice-Chair – Greater Sudbury Utilities & Subsidiary Companies, Greater Sudbury Hydro Inc.

With 23 years as a paramedic, René shifted to academia in 2002, now serving as Program Coordinator for Collège Boréal's Paramedic Program since 2007.



Natalie Labbé

COUNCILLOR, WARD 7

Director – Greater Sudbury Utilities & Subsidiary Companies, Greater Sudbury Hydro Inc.

A community leader specializing in Volunteer Management and Event Planning, Natalie has been the Assistant Manager at a Sudbury Seniors Centre since 2014.



Josh Lilley

P.ENG, MBA

Director – Greater Sudbury Hydro Inc

An electrical engineer with 14 years at Hatch, Josh has managed various projects in North America's mining sector since 2001.



Valerie Richer

B.A., LL.B

Director – Greater Sudbury Utilities & Subsidiary Companies

A lawyer and former Chief of Atikameksheng Anishnawbek, Valerie has worked with the Assembly of First Nations and the Canadian Human Rights Commission.

MEET OUR BOARD



Kristine Morrissey

BCOM, CPA, CA

Director & Treasurer – Greater Sudbury Utilities & Subsidiary Companies

Kristine became President of Cambrian College in 2023 after roles including VP International and Finance. She holds a Masters Certificate in Risk Management.



Christina Visser

P.ENG., MBA, CEM

Director – Greater Sudbury Utilities & Subsidiary Companies

A Professional Engineer and Certified Energy Manager, Christina is the CEO of Sudbury's Ionic Technology Group, calling Sudbury home since 1995.



Jhonel Morvan

EAO, M.ED., PH.D.

Director – Greater Sudbury Hydro Inc.

With a rich background in education, Jhonel has been a Superintendent of Education at CSC Nouvelon in Sudbury since November 2021.



Martin Lajeunesse

MBA

Director – Greater Sudbury Hydro Inc.

Sudbury native, Martin, studied political science at Ottawa University, co-founded Place des Arts du Grand Sudbury, and now focuses on economic policy.



Kati McCartney

MSC, MBA, EP

Director & Treasurer – Greater Sudbury Hydro Inc.

Since moving to Sudbury in 2006, Kati has engaged deeply with the community, now leading FROSKR, an Environmental Services and Technology Company.



André Thibert

B.A.

Director – Greater Sudbury Utilities & Subsidiary Companies

Former General Manager at Desjardins Caisse Populaire Hanmer, André has influenced various cultural and economic boards. He holds degrees from the University of Ottawa and Laurentian University.

"Thank you for
the hard work
to restore our
power."

"Thank you very much for
your help in figuring this
out. Not something I am
used to when it comes
to utility companies. The
assistance I have received
has been top of the line!"

"Greater Sudbury Hydro
is the best. They work in
all kinds of weather and
always restore the power
quite fast. Thank you for a
job well done."

"Thank you so much
for that explanation
and response. Very
appreciated"

"Sudbury Hydro
rocks! Power was
back in about
one hour."



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