Montreal LNG project in operation

Regional market Trends
Northeast Gas Association
May 2017
Gaz Métro

A GROWING ENERGY BUSINESS

2006
- $2.8 billion in assets
- 206,000 customers

2016
- $7.4 billion in assets
- 510,000 customers

- Natural gas distribution in Québec
- Natural gas distribution in Vermont
- Natural gas transportation and storage
- Non-regulated activities

- Natural gas distribution in Québec
- Natural gas and electricity distribution in Vermont
- Natural gas transportation
- Energy production
- Energy, storage and other services
Our energies

Gaz Métro is actively committed to a better energy future

Natural gas  Biomethane  Wind energy  Cow Power  Solar energy
Acquisition of Standard Solar

Significant acquisition in the Solar PV Industry

• Gaz Métro is acquiring 100% of Standard Solar, Inc. shares.
• Standard Solar is a leading solar energy firm specializing in the development and financing of commercial solar electric systems across the United States. Head office is located in Maryland.
• The deal expands Gaz Métro’s presence and expertise in a U.S. market in which solar capacity is expected to reach 29% by 2040 (from 2% in 2015).

About Standard Solar

• A player led by a seasoned and skilled management team, with a portfolio of projects up and running or under development.
• Dedicated to making distributed generation (DG) solar more accessible to businesses, institutions, governments and utilities.
• With a portfolio of construction-ready projects for a total of nearly 80 MW, a significant development pipeline, and over 100 MW of solar generation capacity under management service, Standard Solar is a trusted and respected company in the U.S. solar energy market.
Gaz Métro
A regional energy provider

- Natural gas network
- Blue Road
- Natural gas as a fuel
- Liquefied natural gas
- Liquefaction, storage and regasification plant
- Underground storage
- Biomethane
- Wind Park
- Hydroelectricity
- "Cow power" and solar energy
Near 50 years of expertise in liquefied natural gas

The ONLY LNG plant in Québec

Total capacity of almost 10 BCF / year

600 TONS/Day

More than 6,000 truck loads since 2011
Montreal Expansion Project
3 loading docks
Expansion of the LSR plant

INCREASE IN LIQUEFACTION CAPACITY – 120M$

- August 15, 2014: Final approval of the project
- December 2016: End of construction
- April 24, 2017: Final commercial commissioning

Timeline:
- Spring 2015: Start of construction
- Winter 2016: Installation of the cold box
6.8 Bcf LNG unit operating in Montreal
Multiple applications of liquefied natural gas (LNG)

LNG DEVELOPMENT AND SUPPLY

- Heavy transportation
- Marine transport
- Industrial sector and mines off network
- Northern Québec regions

LNG provides energy solutions with economic and environmental benefits
Stornoway opts for natural gas

- **Renard diamond project**
  (680 miles north of Montréal)

- LNG chosen instead of diesel to **supply the project’s electricity**
  - ↓42% GHG emissions
  - ↓$8M to $10M OPEX/year

- Deliveries started in February 2016

- ~3 truckloads / Day
### LNG for Gas Utilities – cases study

<table>
<thead>
<tr>
<th>Large Utility</th>
<th>Local Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>• LNG supply for the refilling seasons – medium term agreement (320 miles south of Montréal)</td>
<td>• LNG supply for the winter season – short term agreement (300 miles south of Montréal)</td>
</tr>
<tr>
<td>• Interest in diversifying their LNG supply</td>
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</tr>
<tr>
<td>• Started summer 2016: 3 truckloads per day / April-Nov</td>
<td>• Peak Shaving - Winter 2016: Just in time deliveries</td>
</tr>
<tr>
<td>• Summers 2017 and 2018: ~9 truckloads per day / April-Nov</td>
<td>• LNG delivered by Gaz Métro to customer’s facility</td>
</tr>
<tr>
<td>• LNG sold at the rack in Montreal</td>
<td></td>
</tr>
<tr>
<td>LNG transportation contracted by the LDC</td>
<td></td>
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</tbody>
</table>
More than 3.5 BCF delivered in the USA since 2013
An open book way to do business

<table>
<thead>
<tr>
<th>Items</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gaz Métro's System Gas</strong></td>
<td></td>
</tr>
<tr>
<td>Commodity</td>
<td>Market, reviewed by Regulator</td>
</tr>
<tr>
<td>Pipeline transportation</td>
<td>Regulated</td>
</tr>
<tr>
<td>Distribution</td>
<td>Regulated</td>
</tr>
<tr>
<td><strong>Liquefaction</strong></td>
<td></td>
</tr>
<tr>
<td>Fixed fee for contract period</td>
<td>Customized - market based</td>
</tr>
</tbody>
</table>
# LNG Supply From Gaz Métro

<table>
<thead>
<tr>
<th>Transparent</th>
<th>All components of the commodity delivered to users are approved by a regulator (<em>Régie de l’énergie</em> or <em>NEB</em>) and the liquefaction fee is customized and fixed for the contract period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs based</td>
<td>Gaz Métro LNG upstream’s components are costs based (no profit – pass through)</td>
</tr>
<tr>
<td>Stable</td>
<td>By using the Gaz Metro WACOG, commodity price fluctuations are reduced</td>
</tr>
<tr>
<td>Commodity</td>
<td>Commodity price is based on the Dawn price index, which is one of the most liquid points in North America</td>
</tr>
<tr>
<td>Availability</td>
<td>Recent Expansion provides capacity for incremental service</td>
</tr>
<tr>
<td>Environmentally friendly</td>
<td>Gaz Métro’s LNG is produced from renewable sources of electricity</td>
</tr>
</tbody>
</table>
A nearby source of LNG

• Flexible LNG deliveries: between April and November / on a continued annual basis / winter needs only

• Exchange rate represents a significant benefit

• Free trade Canada-USA

• Gaz Metro to provide a delivered service where Gaz Métro will manage all the logistics to ensure delivery, including:
  • Transportation
  • Customs clearance
  • 8 trailers are available