

Green Bond Use of Proceeds Allocation and Impact Report

Report #1

January 19, 2026





Sustainability isn't a goal, it's a journey we take together. Every electric bus, every energy-efficient LED, every rooftop solar panel ... that's how we drive real change and build a greener future.

Bryce Conrad

President & CEO, Hydro Ottawa Group

Corporate Profile

Hydro Ottawa Group is a diversified sustainable energy company, wholly-owned by the City of Ottawa. Our mission is anchored in leading the charge towards a smart energy future. Through our multiple subsidiaries, we deliver sustainable solutions that empower our customers and elevate our community.

From distributing electricity to the communities we serve (Hydro Ottawa Limited), running Ontario's largest municipally-owned producer of sustainable power (Portage Power), implementing innovative energy solutions (Envari Energy Solutions), to connecting the community through fibre optics (Hiboo Networks), Hydro Ottawa Group is a trusted partner in creating a vibrant, sustainable National Capital Region.

Hydro Ottawa Group has a corporate responsibility to positively impact the community in which we live through investments, partnerships, and creating a welcoming, respectful work environment. Today, we are proud to continue our history of balancing growth with environmental stewardship and social responsibility, as we lead the way to a smart and sustainable energy future.



Green Bond Framework Overview

Building on our commitment to achieving net-zero operations

Hydro Ottawa Group's Green Bond Framework reinforces our commitment to environmental sustainability and grid modernization and aligns with our 2021-2025 Strategic Direction, which focuses on 5 key change drivers: decarbonization, digitization, decentralization, diversification, and demographics. These pillars help guide our journey to **achieve net-zero operations and enable local decarbonization**.

The Framework aligns with the International Capital Market Association's ("ICMA") Green Bond Principles¹ and outlines Hydro Ottawa's approach to financing projects that deliver measurable environmental benefits through four key components:

- **Use of Proceeds**
- **Process for Project Evaluation and Selection**
- **Management of Proceeds**
- **Reporting**

In January 2025, Sustainalytics issued a Second-Party Opinion, confirming that the Framework aligns with the Green Bond Principles.



1. The Green Bond Principles ("GBP") were created by the International Capital Markets Association ("ICMA") and updated in June 2021 (with June 2022 Appendix 1). According to ICMA's website, the GBP are "voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond."

Summary of January 2025 Green Bond Offering



Issuer

Hydro Ottawa Capital Corporation



Issue Size

\$425 Million (CAD)



Annual Fixed Coupon

4.372%



Term

10 Years



Use of Proceeds

Aligned with Hydro Ottawa Group's 2025 Green Bond Framework



Second-Party Opinion

Issued by Sustainalytics

Issuance Summary

In January 2025, Hydro Ottawa Capital Corporation issued a \$425 million green bond under its updated Green Bond Framework. This 10 year bond carries a 4.372% annual coupon and is aligned with ICMA's Green Bond Principles (2021).

Eligible Use of Proceeds¹

- ✓ **Clean Energy**
- ✓ **Clean Transportation**
- ✓ **Green Buildings**
- ✓ **Energy Efficiency**
- ✓ **Biodiversity and Conservation**
- ✓ **Climate Change Adaptation**

Look-back period

The look-back period for Eligible Investments is up to 36 months prior to the date of issuance, February 1, 2022.

Allocation period

Hydro Ottawa Capital Corporation and its subsidiaries will fully allocate the net green bond proceeds to Eligible Investments within 36 months from the issuance date.

Green Bond Allocation Reporting

Hydro Ottawa Capital Corporation and its subsidiaries as at September 30, 2025² (\$ millions)

Net proceeds available for allocation to Eligible Investments

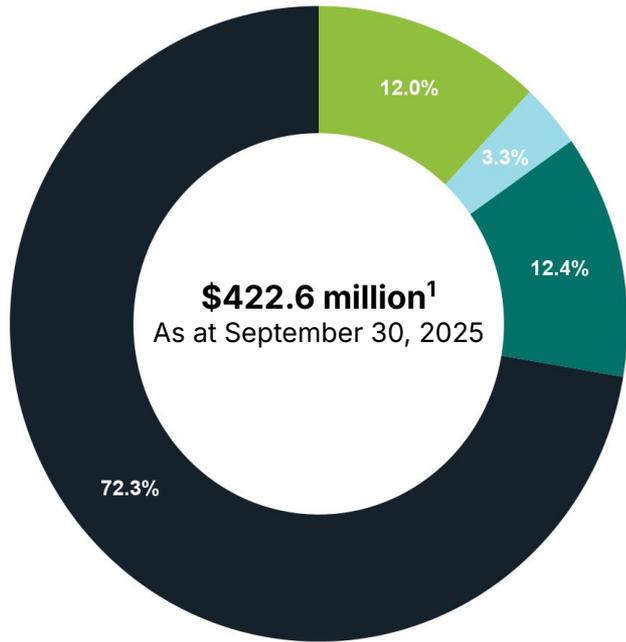
January 30, 2035, 4.372%, \$425M issuance	422.6
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Proceeds allocated to Eligible Investments:

Clean Energy	305.7
Energy Efficiency	50.6
Clean Transportation	13.8

Total proceeds allocated	370.1
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Net proceeds remaining to be allocated to Eligible Investments	52.5
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1 Allocation calculated based on total proceeds, net of issuance costs, of \$422.6 million.

2. Period for use of proceeds allocation includes 36-month look-back period commencing February 1, 2022.

Impact Reporting: Cambrian Station

Cambrian Municipal Transformer Station, energized in 2022, located west of Highway 416, is currently Hydro Ottawa's largest station and was built to support demand growth in the South Nepean/Barrhaven area of Ottawa.

With 90 megawatts of capacity, equivalent to powering nearly 32,000 single homes annually, the station will provide a second source of supply to the area; relieving stress on existing facilities that were operating near capacity.

Modern protection, control, and monitoring systems improve reliability and disaster resilience already proven during severe weather events like the 2022 derecho and 2023 tornadoes. Cambrian Station is integral to Hydro Ottawa's long term distribution plan for suburban growth, ensuring continued service reliability as the area's electricity needs are expected to double in the next 20 years.

In addition to the new station, the project required a connection line to Hydro One's provincial transmission system. More than 12 kilometres of Hydro One's 115 kilovolt transmission line had to be rebuilt at double the capacity to 230 kilovolts.



Impact Reporting: Cambrian Station's Pollinator Meadow

Complementing Cambrian Station's technical and operational impact, Hydro Ottawa has transformed the surrounding lands into one of Eastern Ontario's largest pollinator habitats.

In partnership with the Canadian Wildlife Federation and the Rideau Valley Conservation Authority, a 15-acre native pollinator meadow was established in to restore natural ecosystems and support declining pollinator species such as bees and monarch butterflies.

The meadow features native wildflowers and grasses for foraging and nesting, while improving soil health and water retention. A reforested buffer zone—with approximately 2,750 native trees and shrubs—enhances ecological function by linking habitat corridors for monarch butterfly migration and local pollinators.

These efforts advance regional biodiversity goals and help offset the footprint of nearby energy infrastructure.



Impact Reporting: Pipersville Station

The Pipersville Municipal Transformer Station located near Pipersville Road and Farmer's Way in Ottawa's southeast end, is being developed to strengthen system reliability and support future electricity demand in the region.

The new transformer station will connect to Hydro One's 230 kilovolt transmission line west of Highway 417, creating a critical link between Hydro Ottawa's distribution network and the provincial grid.

The station's design incorporates low-carbon construction materials and equipment with a lower global-warming potential, aligning with Hydro Ottawa's long term sustainability commitments.

Commissioning is slated for late 2026, with the station expected to support about 20,000 customers once it is energized. The station's alignment with Hydro Ottawa's regional investment plan also ensures system resiliency and future capacity for southeast Ottawa's development.



Impact Reporting: Mer-Bleue Station

The Mer-Bleue Municipal Transformer Station (MTS) project is part of Hydro Ottawa's future planning to modernize our grid, ensure clean and reliable electricity supply and meet the projected growth in electricity demand in the eastern region in the coming years. The existing Hydro Ottawa station in the area does not have the capacity to supply anticipated future demand in the southeast growth area.

Development of the 27.6 kilovolt station began in December 2024 on the west side of Mer-Bleue Road, where the station will connect directly to Hydro One's existing 230 kilovolt transmission line.

Sustainability is central, as Mer-Bleue will feature an innovative design, procurement and construction techniques that include using lower global warming potential materials, and equipment that will address embodied carbon associated with the construction and operation of the substation.

Energization of the station is anticipated in 2027. In addition to serving existing and new communities in the east end of Ottawa, the substation will protect against weather-related events, and support new demand from the growing electrification of heating and transportation in our community.



Impact Reporting: Riverdale Transformer Station Infrastructure Upgrade

The Riverdale Transformer Station Infrastructure Upgrade Project is a key initiative in Hydro Ottawa's strategy to modernize aging assets and strengthen the city's low carbon electricity distribution network.

Riverdale Station, located in Old Ottawa East at the intersection of Riverdale Avenue and Main Street, is a distribution station built in the 1940s. The Riverdale Station Infrastructure Upgrade Project will:

- construct a new building to house electricity infrastructure on the existing property at the intersection of Riverdale Avenue and Main Street;
- install and connect new 13 kilovolt switchgear - a composition of electrical disconnect switches, fuses, and circuit breakers used to control, protect, and isolate electrical equipment in the new building; and
- install underground electricity infrastructure - specifically a new concrete encased duct in the roadway.

The Riverdale Station Infrastructure Upgrade Project will support projected growth in electricity demand for the area and provide redundancy to our system in the event of outages or future extreme weather events.



Impact Reporting: Fleet Replacement & EV Charging Infrastructure

Hydro Ottawa's fleet modernization program is advancing the transition to clean energy-efficient transportation as part of its net-zero commitment.

The biggest contributor to our Scope 1 greenhouse gas emissions — meaning those emissions generated from sources which Hydro Ottawa Group owns or directly controls — is the fleet of cars and trucks used by our employees to carry out their work. Cutting fleet emissions is not only sound environmental action, it also represents a major cost savings by reducing the amount of fuel we need to purchase to support our operations.

In 2024, Hydro Ottawa added new electric SUVs and pickup trucks, raising the share of EVs in our fleet to 15 per cent. To further support the electric mobility of our crews and employees, we installed 15 new EV chargers at our facilities, bringing the total number to 70.

Hydro Ottawa's commitment to innovative transportation extends beyond electric vehicles. Hydro Ottawa is also investing to support the electric infrastructure related to Stage 2 of Ottawa's Light Rail Transit (LRT) program, further supporting the city's clean mobility future. By supporting both road-based and rail-based electric transportation, Hydro Ottawa Group is helping to create an integrated and low-carbon transit network for the National Capital Region.



15%
fleet
electrification



70
EV chargers at
our work centres

