

April 29, 2020

### **Haldimand – Nanticoke Regional Expansion Project Expression of Interest and Capacity Request Form**

To serve a growing demand for natural gas in the Haldimand – Nanticoke region, Enbridge Gas Inc. (“**Enbridge**”) is pleased to announce this Expression of Interest to expand the existing natural gas system to serve this area (see attached map on page 3).

This Haldimand – Nanticoke Regional Expansion Project (the “**Project**”) could provide up to 50,000 m<sup>3</sup>/hour of additional natural gas capacity to serve new and existing business customers in this developing area, depending upon location. The potential Project is targeting incremental large volume commercial, industrial and greenhouse growth planned to develop over the next five to ten years and could be in-service as early as fall 2022.

Enbridge Gas recognizes that with the COVID-19 pandemic, many businesses are currently facing significant challenges however in an attempt to leverage Ontario's [Natural Gas Expansion Support Program](#) the process must move forward at this time.

The development of this Project is contingent upon sufficient market support, approval of the Project by the Ontario Energy Board (“**OEB**”) and government funding support. If sufficient demand is demonstrated, Enbridge Gas, with the support of Haldimand County, will apply for funding from the Ontario government's [Natural Gas Expansion Support Program](#), with the goal of making the Project economically viable for customers in the area. Assuming the Project is successful in obtaining adequate funding and sufficient customer interest is expressed, the estimated Hourly Allocation Factor for incremental capacity for customers would be in the range of \$250 - \$350 per m<sup>3</sup>/hour. By targeting this range, Enbridge Gas is trying to ensure the Project is economic for customers. This allocation will address the facilities needed to serve the area shown on the attached map (page 3). This allocation does not include costs that are required to serve each specific customer such as new facilities built at the customer's site. The customer allocation and any customer specific service costs will be subject to an economic review based on OEB approved guidelines.

Enbridge Gas will consider the size and location of all requests for new capacity in designing the optimal facilities. If insufficient customer interest or required government funding is not forthcoming, the Project is unlikely to proceed as proposed.

Capacity would be available for the following services, depending on market support:

1. New firm distribution service
2. Conversion of existing interruptible distribution service to firm service

This Expression of Interest process closes, and completed Expressions of Interest Bid Forms are due, no later than **12:00 p.m. EDT on May 13, 2020.**

### **Service Description and Details**

1. As this Project requires a significant capital investment by Enbridge Gas, the term of the customer's natural gas distribution contracts will be no less than five years and not to exceed 20 years; and/or may include upfront payments for capacity and/or negotiated rates above currently posted. The facilities, rates and services included in this Expression of Interest will be subject to OEB approval, securing adequate government funding, and sufficient interest being received to justify a Project.
2. Submitting an Expression of Interest form:  
If you wish to participate in this Expression of Interest in the **Haldimand – Nanticoke Regional Expansion Project**, please complete, sign and return the attached non-binding Expression of Interest Bid Form via email to [Economic.Development@enbridge.com](mailto:Economic.Development@enbridge.com). Completed forms must be returned by email on or before 12 p.m. EDT on May 13, 2020

### **Expression of Interest Process and Bid Form**

This process is designed to gauge interest in the Project and to assist Enbridge Gas with determining the optimal facility requirements to meet market needs and prepare an application to the Natural Gas Expansion Support Program. Enbridge Gas will acknowledge receipt of all Bid Forms by email on or before end of day on May 13, 2020. Enbridge Gas in its sole discretion reserves the right to reject any and all proposals received. The returned Bid Forms will be time-stamped by the date on the email.

Any suggested contractual Condition(s) Precedent that the customer proposes should be clearly articulated and attached to the Bid Form and will be considered during the capacity allocation process.

Enbridge Gas anticipates allocating capacity on a preliminary and conditional basis to successful bidders no later than June 5<sup>th</sup>, 2020. Subject to a government funding approval (expected in 4Q 2020), successful bidders will then be asked to commit to the capacity by executing a Letter of Indemnity or an Enbridge Gas Distribution Contract or Letter of Agreement to more formally support the need for the project. **Any updates to the EOI process or timelines will be posted online here:** [www.enbridgegas.com/Haldimand-NanticokeExpansion](http://www.enbridgegas.com/Haldimand-NanticokeExpansion)

If you have any questions about the Haldimand – Nanticoke Regional Expansion Project, please contact your account manager or one of the following:

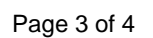
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### **Map of proposed project service area**

The map below outlines the area that is under consideration for a potential project to expand natural gas capacity. All potential large volume commercial, greenhouse or industrial customers considering developments within this area over the next five to ten years are encouraged to participate in this Non-Binding Expression of Interest. Customer economics improve with economies of scale and proximity to any potential new facilities.



## Expression of Interest Non-Binding Bid Form:

Please complete, sign and return this Expression of Interest Non-Binding Bid Form ("**Bid Form**") on or before **12:00 p.m. EDT on May 13, 2020**, via email to [Economic.Development@enbridge.com](mailto:Economic.Development@enbridge.com)

Based on the responses received through this Bid Form, Enbridge Gas will be able to define the optimal facilities required to support market needs and apply for needed funding support. Enbridge Gas will determine whether to proceed with the Project, as proposed or with a refined scope, or not at all, based on the assessment of the results from this signed Bid Form and project economics. Customers may only submit one Bid Form per property. Bid Forms will be treated as confidential and only aggregated or non-identifiable data will be used to support the Natural Gas Expansion Support Program funding application.

Property address: \_\_\_\_\_  
911 address X,Y (latitude and longitude, if known)

- ☐ **New firm natural gas needs.** An increase of existing firm gas needs at the current location (i.e. new equipment, new processes), or a new firm gas load as a result of a new build.
- New firm service, requesting \_\_\_\_\_ m<sup>3</sup>/hr; Starting Date: \_\_\_\_\_ (mmm/dd/year)
- Ultimate site potential gas needs (within next 10 years): \_\_\_\_\_ m<sup>3</sup>/hr

- ☐ **Conversion from interruptible distribution service to firm distribution service.** The amount of incremental firm distribution service needed net of any existing firm distribution service.
- Conversion of interruptible distribution service to firm service, requesting \_\_\_\_\_ m<sup>3</sup>/hr.
- Starting Date: \_\_\_\_\_ (mmm/dd/year)

### Economic Development impacts related to incremental gas needs:

Number of net new jobs related to this expansion: \_\_\_\_\_ direct + \_\_\_\_\_ indirect = \_\_\_\_\_ total

Number of current jobs at risk if economical access to gas is not available: \_\_\_\_\_

Capital investment by Customer at the site conditional on economical access to gas: \$\_\_\_\_\_

Please detail any other benefits from increased access to gas (lower GHG emissions or costs by displacing an alternative energy source etc.): \_\_\_\_\_

Total Incremental distribution service capacity (New firm + conversion): \_\_\_\_\_ m<sup>3</sup>/hour.

Total job impacts related to economical access to natural gas (total new + current "at risk"): \_\_\_\_\_ jobs

Customer Conditions Precedent: If the Customer's Expression of Interest is subject to Conditions Precedent, (please attach a separate page with details if space insufficient):

Customer's legal name: \_\_\_\_\_

Name of Authorized Representative: \_\_\_\_\_  
Please Print Signature

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2020