

# Message from the Chair of the Board and President & Chief Executive Officer

**On behalf of the Board of Directors of Hydro Ottawa Holding Inc., our management and employees, we're pleased to provide this 2023 Annual Report to our shareholder, the City of Ottawa. This marks our third progress report under our 2021–2025 Strategic Direction.**

In 2023, Hydro Ottawa once again demonstrated to our customers and community that we will deliver on our mission to provide safe, reliable electricity and to enable a smart energy future, no matter what challenges come our way. In a year featuring a wide range of operational and financial pressures, our team worked tirelessly to deliver the essential services that customers rely on, to adapt to change and uncertainty in our business environment, and to deploy the innovative energy solutions which will facilitate the transition to a more sustainable way of life.

## **Navigating a landscape of continuous challenges**

On its own, 2023 presented an exceptional set of challenges for the company to manage. Foremost among these was a series of severe weather events as well as an 84-day labour strike by employees in our largest bargaining unit, representing over half of our total workforce. In addition, a turbine failed at one of our generating stations at Chaudière Falls. Interest rates also increased even higher. Individually and collectively, these developments placed tremendous strain on our operations.

But the events of 2023 shouldn't be viewed in isolation. They followed on the immediate heels of what was one of the toughest years in Hydro Ottawa's history in 2022, which featured the most devastating storm ever experienced in our community along with the most challenging economic constraints in

recent memory. What's more, beyond the back-to-back difficulties of the past two years, the trend of the last decade has been the uncertainty created by the effects of climate change, economic and public health conditions, workforce demographics, and technological transformation, just to name a few of the biggest examples.

And yet, a common thread across these shifts in our environment is Hydro Ottawa's ability to pivot and push forward, always keeping the interests of our customers at the forefront. Our success in confronting the challenges of recent years was echoed in the effectiveness of our actions in 2023. When a freezing rain storm in April caused outages for nearly half of our customers and the summer hit us with tornadoes, hail and a record number of lightning strikes, we restored power efficiently and safely, with our recovery efforts incorporating lessons learned from the 2022 derecho. When the labour strike occurred, our robust contingency plan ensured continuity in essential activities and rapid responses to outages. When our hydroelectric plant experienced an unplanned unit shutdown, we quickly adjusted our operations, optimized water flows for the remaining Chaudière Falls facilities, and engaged with the turbine manufacturer and insurer to map out a timeline for repairing the unit and returning it to service.

In short, our response to the events of 2023 confirmed the strength and agility of our business posture, and our readiness to overcome any obstacle that we encounter.

## An energy paradigm in transition — seizing the opportunity

While our business environment is not lacking in challenges, neither is there a shortage of opportunities. At present, the biggest opportunity in the global energy sector is the enormous scale of investment planned to shift away from fossil fuels and to increase the use of clean electricity. In 2023, we leveraged our position as a diversified energy provider to continue capitalizing on this opportunity and to advance numerous partnerships that are moving the needle on cutting-edge low-carbon energy solutions.

We were pleased to sign a memorandum of understanding with The Ottawa Hospital on the design and construction of an energy-efficient central utility plant, which will sustainably power the new Civic Campus and its transformative delivery of local healthcare. We also formalized our collaboration with the City on its flagship project to phase-out diesel buses in favour of a fully electrified fleet. In addition, we helped the Ottawa Airport make progress on its path towards net-zero operations.

Hydro Ottawa is focused on assisting homes, businesses and institutions with achieving their distinct decarbonization and electrification objectives. We are providing the expertise necessary to lower carbon footprints, reduce energy consumption and promote the use of local renewable resources — all of which supports the attainment of the City's Climate Change Master Plan and Energy Evolution goals.

## Committed to our community

As a municipally-owned company, Hydro Ottawa knows that we are accountable to our community both as an investment and as a contributor to the public good.

With respect to our financial performance in 2023, we generated \$24.1 million in net income, despite the risks and challenges with which we were confronted. This will result in a dividend payment of \$20 million to our shareholder. Notably, combined net revenue from our distribution, generation, energy services and fibre optic businesses increased year-over-year (totalling

\$333 million), and we were able to invest \$145.2 million into the renewal and expansion of our electric grid, power plants and other essential assets like technology systems.

In terms of community partnerships, we maintained our long-standing practice of helping our neighbours in need. Through a combination of employee giving and corporate donations, Hydro Ottawa contributed nearly \$300,000 to local organizations seeking to build stronger and healthier communities and support vulnerable groups. In addition, we launched campaigns to raise public awareness around safety and emergency preparedness and response, and undertook initiatives to increase opportunities for youth (especially young women) to pursue a career in the electricity sector.

Finally, we know that our community was impacted by last year's labour disruption, especially with service delivery levels falling short of their usual standard. We sincerely appreciate the patience shown by residents and customers during the event, and in the months afterwards as we worked diligently through the backlog of service requests and appointments.

## Leading the way forward

As we conclude our reflections on 2023, we would like to express our pride in Hydro Ottawa's commitment to service excellence, our gratitude for all of the support from customers and stakeholders, and our confidence in the company's business strategy, growth prospects and ability to maintain the community's trust.

After another year marked by overcoming adversity, we have emerged stronger, with our attention fixed on the opportunities ahead. Against the backdrop of a dynamic landscape, we will continue to invest in our people and in our infrastructure, and lead the way to a smart energy future.



**Bernie Ashe**  
Chair, Board of Directors



**Bryce Conrad**  
President and Chief  
Executive Officer