



## -- 2022 Third Quarter Update --

A quarterly report from the Board of MRPC to the Shareholder regarding material activities and events.

### Activities:

- There were no workplace injuries or near-misses this quarter.
- There were no spills or reportable environmental issues during the quarter.
- All of MRPC's revenue comes from the sale of the energy it generates. The Independent Electricity System Operator ("IESO") is committed by contract to buy all of the energy we generate at rates that are fixed in the contract. Our contract expires in 2030; we are leveraging our membership in the Ontario Waterpower Association ("OWA"), along with 34 other companies who own 69 other similar generating stations in the province, to ensure we have a viable sales contract in place by 2030.
  - Over the last year, the government of Ontario, through the Minister of Energy, has been issuing directives to the IESO to have new contracts for small hydro ready for signing by July, 2023, and mandating certain terms and conditions for those contracts.
  - MRPC has been very active in defining the needs to remain viable post-2030 and communicating with the OWA and the IESO.
  - The Mayor has provided valuable support in rallying her peers in other municipalities to support our position in communications with both the IESO and Minister.
- Last year, in recognition of the uncertainty post 2030, the Board started a multi-year strategic planning process with the goal of determining the best way for MRPC to remain an asset to its shareholder. The Board is in the middle of developing a well-defined strategic plan.
  - This process is ongoing; the Shareholder will be consulted before finalizing the plan.
- Finalized installation of the new waterfalls lighting system that was designed, purchased and installed by MRPC for the benefit of the community.
  - Mississippi Mills and Lanark County each contributed financially to this effort.

## Generation Statistics:

The chart below shows the energy generated for each month in the third quarter of 2022 as compared to the projected (2022 Budget) energy and the actual energy in the same period in 2021.

The chart shows that generation output exceeded both our 2022 projection and 2021 totals in all three months. Of particular note, total output in September was more than double the projection. Our ability to generate, and the amount we can generate, is driven by two things; viz., how much water is flowing in the river (determined by Mother Nature – we do not control this), and how well we maintain our equipment so it is available when the water is flowing (we are doing very well at this).

The quarter began with higher-than-average flows for the early part of July. With very little precipitation over the next couple of months, the flow was around the average for most of the remainder of July and August. A significant rain event in late August increased flows to well above average, which led to a great start for generation output in September. Then in mid-September, the Mississippi Valley Conservation Authority pulled a row of logs from the Carleton Place Dam, followed by another row in late September. This resulted in another flow increase and a corresponding spike in generation output.

During the quarter, generation output exceeded our projection by about 50%. Note that, in accordance with industry practice, our flow projections are based on 10-year average flows for each month.

