

Market Information:

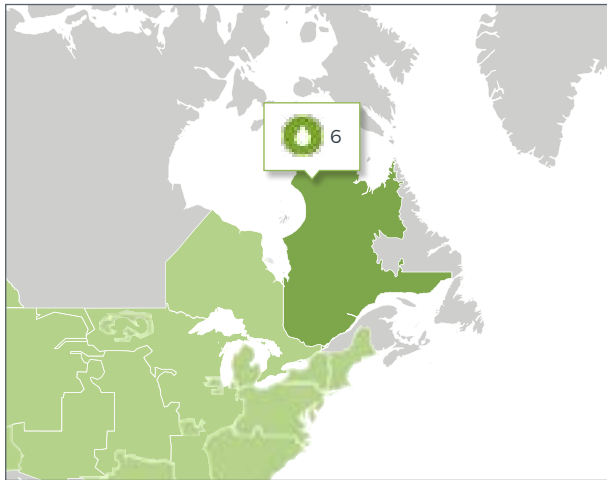
Quebec



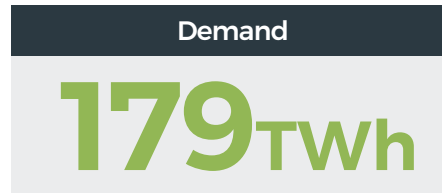
Overview

Quebec produced 94% of its electricity from hydro in 2017. Wind generation increased significantly in that time span; the province now has the second highest wind generation in Canada, after Ontario. Rural communities in northern Quebec that are not connected to the grid rely on diesel and oil for power generation. Quebec ceased nuclear generation in 2012 when the Gentilly-2 Nuclear Generating Station was shut down.

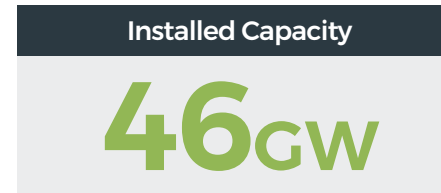
Brookfield sites



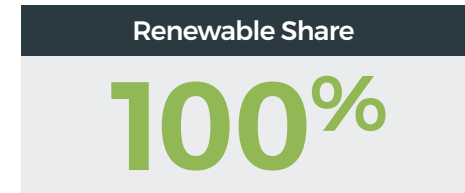
Key



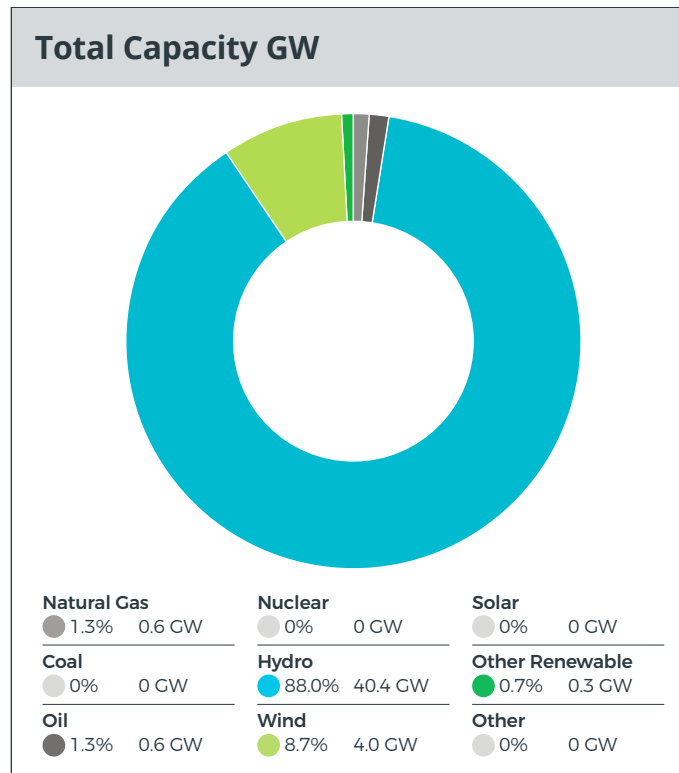
Source: National Energy Board, 2017 & Statistics Canada, 2018



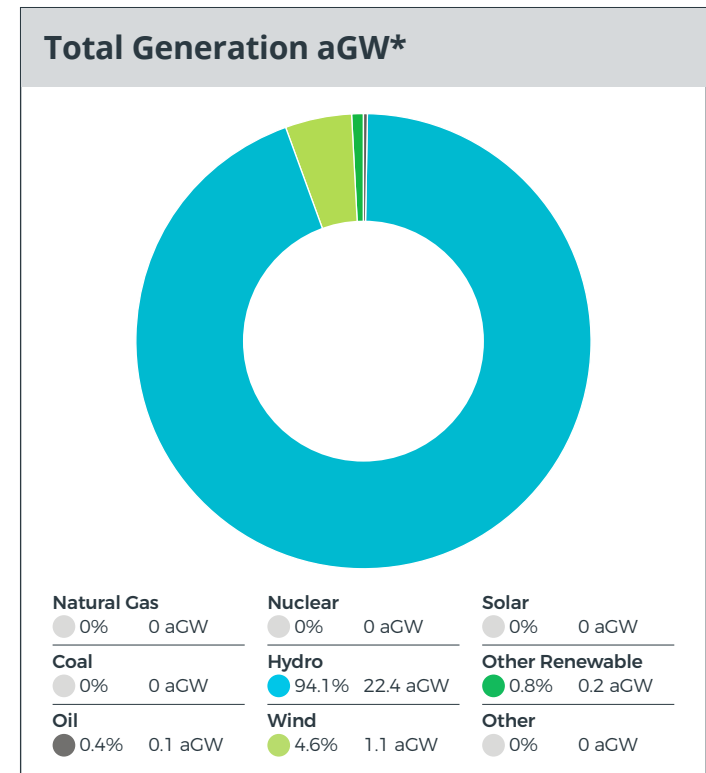
Source: National Energy Board, 2017 & Statistics Canada, 2018



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*aGW is the average hourly electricity demand over the year

Market Design

How is the market structured?

Quebec has a vertically integrated electricity market. The province is served by the provincial utility Hydro-Quebec. Independent power producers may provide power to the utility under Power Purchase Agreements (PPAs).

What are the geographic boundaries of the market?

The market covers the province of Quebec and is interconnected with the province of Ontario to the west and the Maritime provinces to the east, as well as the New England states and New York to the south.

What are the relevant price and delivery zones?

The Régie de l'énergie is responsible for setting electricity rates. Nodal pricing does not exist in Quebec except for at interconnections with neighboring regions.

Can I buy long-term power in the traded markets?

There is no liquid market for buyers to hedge price risk in Quebec. Long-term power purchases are generally not available in Quebec. Due to the vertically integrated nature of the market, the provincial utility is solely responsible for supplying all local load – end-consumer energy demand.

Who do I need to contract with to buy power?

Consumers receive power from their local utility (the utility covering the geographic area in which the load is located). The province is served by the provincial utility Hydro-Quebec.

Retail choice is not available in Quebec.

How are system costs and other social charges levied?

In general, a bill can be broken into three components: generation, transmission and distribution. In a vertically integrated market, these costs reflect the local cost of the utility.

How do I prove I've bought renewable power?

A REC (Renewable Energy Certificate) tracking system has not been adopted in Quebec. Generators located anywhere in the U.S. or Canada may register with the North American Renewables Registry. Renewable generation may also be eligible for certification and tracking in regions outside of Quebec.

How are RECs (Renewable Energy Certificates) procured? N/A

Are renewable Power Purchase Agreements (PPAs) available? No

Are Green Tariffs available? No

What are the key institutions?

Regulators

- The Régie de l'énergie regulates and oversees the electricity industry in the province
- The North American Electric Reliability Corporation (NERC) is a not-for-profit international regulatory authority whose mission is to assure the reliability and security of the bulk power system in North America
- The National Energy Board (NEB) is responsible for regulating international and certain interprovincial power lines in Canada, as well as electricity exports

Key Government Departments

- The ministère de l'Énergie et des Ressources naturelles is responsible for setting the policy and legislative framework for Quebec's electricity system

System Operator

- Hydro-Quebec