

An aerial photograph of a suburban neighborhood. The foreground shows a residential street with several houses, mostly with dark roofs, and lush green trees. A white pickup truck is parked on the street. In the background, a dense line of trees separates the neighborhood from a city skyline, which includes several tall skyscrapers and a prominent tower. The sky is clear and blue.

2022 Environmental, Social and Governance Report: Spotlights

ENMAX 2022 ESG Report: Spotlights

The ENMAX group of companies is a leading provider of electricity services, products and solutions. We are headquartered in Calgary, Alberta, with operations across Alberta and Maine. Through our subsidiaries, ENMAX Power Corporation and Versant Power, we own and operate transmission and distribution utilities that safely and reliably deliver electricity to customers in Calgary and northern and eastern Maine. Through ENMAX Energy Corporation, we own and operate power generation facilities and offer a range of electricity and natural gas products and services to our customers.

At ENMAX, we are proud of our strong history of achievements in environmental, social and governance (ESG) practices and performance. This document shares the six spotlight pages from our 2022 ESG Report which demonstrate our evolution as a responsible corporate citizen and future-oriented energy provider.

SPOTLIGHTS:

- ↳ **How we help The City of Calgary meet its climate goals**
- ↳ **Evaluating the feasibility of carbon capture**
- ↳ **Understanding our scope 3 GHG emissions**
- ↳ **Becoming the power company of the future**
- ↳ **How we support access to energy**
- ↳ **How we listen to our customers**



SPOTLIGHT

How we help The City of Calgary meet its climate goals

As a future-oriented essential electricity service provider, we are committed to advancing a cleaner energy future for the benefit of our customers, the communities we operate in and our Shareholder, The City of Calgary. We recognize that climate change is an important and complex issue that impacts everyone. In July 2022, The City of Calgary shared its Climate Strategy, laying out a roadmap for achieving a net zero and climate-resilient Calgary. Some of the ways we are working to help The City of Calgary advance its climate goals include:



THE CITY OF CALGARY'S GOALS

Zero carbon neighbourhoods

- Accelerate the transition to zero emissions vehicles
- Develop a process and financial incentives to support at-home charging infrastructure and retrofit EV charging infrastructure in multi-unit residential buildings

ENMAX'S CONTRIBUTION

Preparing for electric vehicle adoption

ENMAX is continuing to invest in studies and programs to understand how Calgarians use EVs and their impact on our electricity system. We launched Charge Up, Alberta's first smart charging pilot program, to test the effectiveness of incentives on influencing what time of day EV drivers charged their vehicles. The pilot, which involved more than 160 EV drivers in Calgary, compared a control group of participants to those who received educational information, and to another group who received a small financial reward for charging their EVs at times that benefit the grid.



THE CITY OF CALGARY'S GOALS

Zero carbon energy transition

- Support on-site and neighbourhood scale low carbon energy projects
- Support the installation of solar on community buildings such as community associations and schools

THE CITY OF CALGARY'S GOALS

Net-zero grid and city

- 60 per cent reduction of GHG emissions below 2005 levels by 2030 for The City of Calgary
- Net-zero emissions by 2050 for The City of Calgary
- Clean the provincial energy supply



ENMAX'S CONTRIBUTION

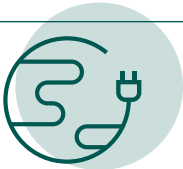
Net-zero target alignment

ENMAX is committed to playing an active role in the energy transition and in addressing climate change. Our target to achieve a 70 per cent reduction of GHG emissions below 2015 levels by 2030 and net-zero GHG emissions by 2050 is aligned with The City of Calgary's goals. Our net-zero pathway shares the avenues we are exploring and is based on our current understanding of existing, emerging and potential future technologies.

ENMAX'S CONTRIBUTION

Installing rooftop solar on community association buildings

ENMAX supported the installation of rooftop solar panels on 13 community association buildings across Calgary in 2022, with 17 more scheduled to be completed in the first half of 2023. This initiative is part of the ENMAX Community Solar Fund, a partnership between ENMAX and The City of Calgary to support renewable energy. ENMAX Energy provides both the solar equipment and oversight of the installation of the solar panels at no cost to the community association.



SPOTLIGHT

Evaluating the feasibility of carbon capture

At ENMAX, we are working to understand how carbon capture can play a role in helping us achieve our net-zero vision.



Funding in place

In November 2022, the Government of Canada announced that 10 projects, including a potential carbon capture unit at the Shepard Energy Centre, were advanced to Phase 2 in the Innovation Science and Economic Development (ISED), Strategic Innovation Fund (SIF) Net-Zero Accelerator (NZA) process. The companies that advanced were assessed as promising early movers. These companies are primarily focused on delivering critical services and materials, including electricity generation.

Additionally, Shepard Energy Centre received a commitment for just over \$3 million in funding from the Government of Alberta through Emissions Reduction Alberta. The project is one of 11 approved for funding under the Carbon Capture Kickstart: Design and Engineering funding opportunity.



Goals of the study

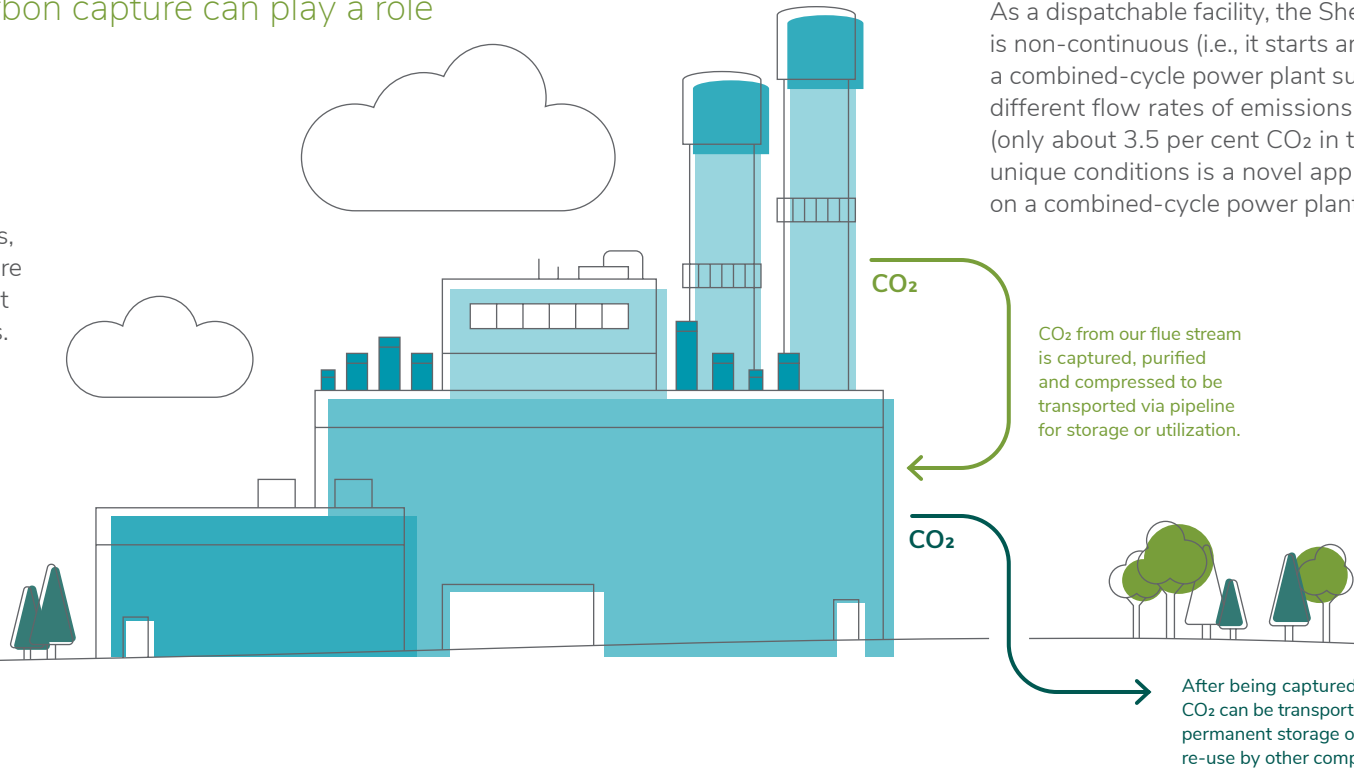
We will conduct a front-end engineering and design (FEED) study to evaluate the technical and financial feasibility of integrating a carbon capture unit at our Shepard Energy Centre. The FEED study will involve highly specialized engineering assessment and design work to evaluate different technologies for capturing CO₂.

The study will provide us with data and insights into these different carbon capture technologies and help to inform potential emissions reduction targets.



Where is the study taking place?

The study is taking place at our largest power generation facility, Shepard Energy Centre¹. Shepard is already the most efficient natural gas-fuelled combined-cycle generation facility operating in Canada today, as measured by tonnes of CO₂ per megawatt hour (MWh). Now, we are assessing the opportunity to make this facility home to one of the first commercial-scale natural-gas combined-cycle carbon capture units in North America.



What are some of the challenges?

As a dispatchable facility, the Shepard Energy Centre's flue gas stream is non-continuous (i.e., it starts and stops with production). Additionally, a combined-cycle power plant such as the Shepard Energy Centre has different flow rates of emissions as well as very low concentrations (only about 3.5 per cent CO₂ in the flue gas). Capturing CO₂ in these unique conditions is a novel application that has not yet been tested on a combined-cycle power plant.



Next steps

Following the study, we hope to select a technology to complete detailed engineering and design for a capture facility, with the goals of further understanding both the technical feasibility and the economic feasibility of capturing CO₂ from the Shepard Energy Centre.

Shepard is also home to the Alberta Carbon Conversion Technology Centre (ACCTC)², which uses exhaust gas from the facility to enable research and innovation focused on finding ways to reduce and repurpose emissions. Existing and new clients continue to use the ACCTC to develop, validate and pilot technologies that target carbon capture and utilization.

¹ Capital Power owns a 50 per cent interest in the Shepard Energy Centre through a joint venture agreement with ENMAX Generation Portfolio Inc (EGPI), the facility operator.

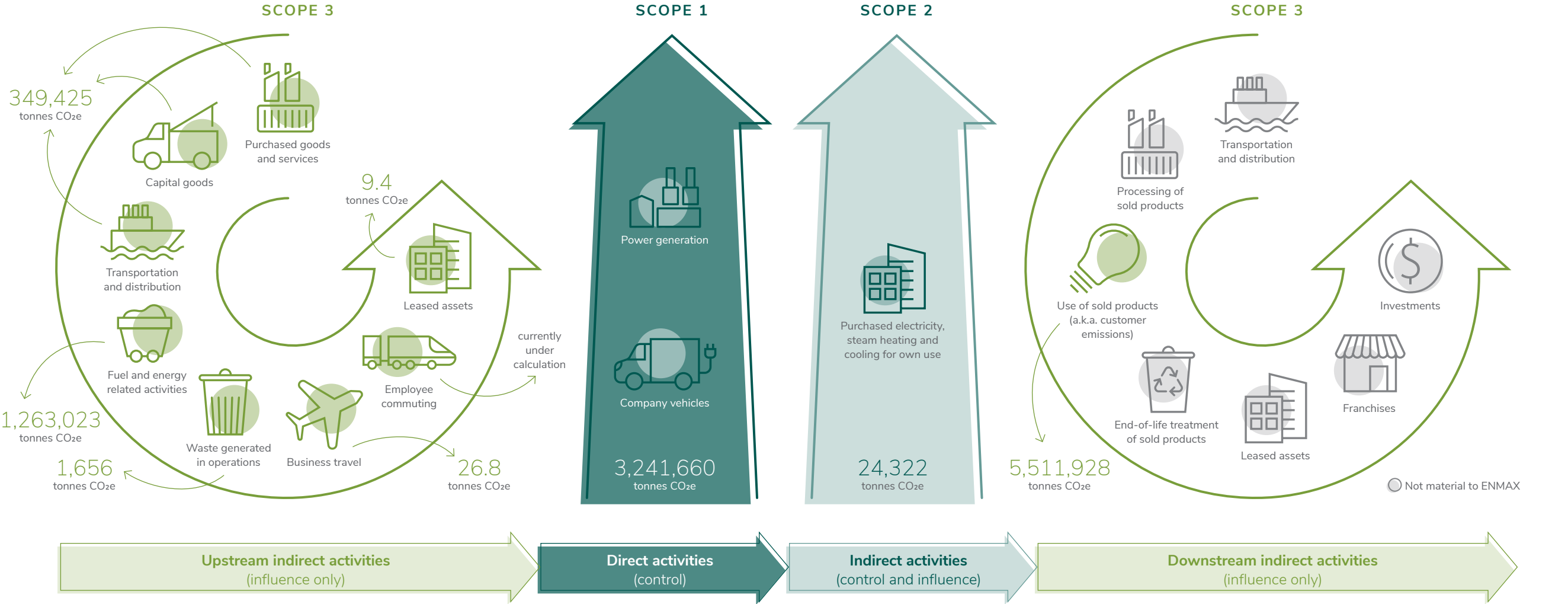
² The ACCTC is operated by Innotech Alberta.

SPOTLIGHT

Understanding our scope 3 GHG emissions

Scope 3 GHG emissions are those generated upstream and downstream of our business. To begin understanding our scope 3 emissions, in 2022 we conducted a readiness assessment using the GHG Protocol’s 15 categories of scope 3 emissions. We determined nine categories to be the most material to our business. Our estimates for those categories are noted below.

Use of sold products (i.e., customers’ emissions) are one of the most significant contributors to scope 3 emissions for companies that have a consumer-facing energy business. Customers’ emissions are the GHG emissions associated with power that we sell and deliver to customers, but do not generate ourselves.

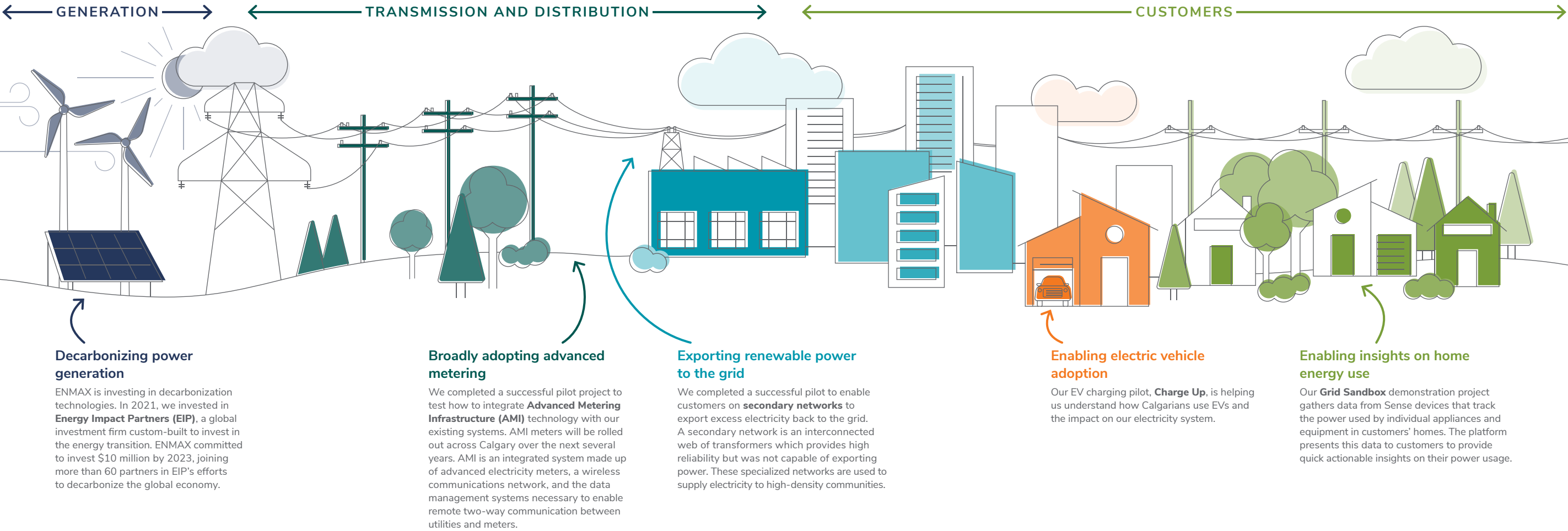


SPOTLIGHT

Becoming the power company of the future

Staying ahead of the rapid disruptions in the energy industry requires future-focused thinking and strategic investment. With our customers at the center of our investment planning, and affordability top of mind, our goal is to deliver value-driven programs to our customers and embrace technology to optimize the full two-way use of our grid. Becoming the power company of the future involves maximizing the potential of our existing assets with new opportunities.

ENMAX is working to improve our core business as it exists today, develop new capabilities and skills, and deliver new products and services. We continue to invest in pilots and studies to test and understand the implications of new models, technologies and energy service offerings. ENMAX is also investing in new technologies and strategic partnerships to enable electrification, so the grid is ready to meet our customers' needs as they choose to electrify. Some of the initiatives and investments we are already exploring include:




SPOTLIGHT

How we support access to energy

ENMAX is committed to supporting customers at each stage of the energy affordability lifecycle. Some of the ways we work with community partners to improve access to energy include:

Energy efficiency

We are providing \$150,000 over two years and 200 energy efficiency kits to the Alberta Ecotrust Foundation to support its Energy Poverty Reduction and Home Upgrades Program for Calgarians. The program provides residents living in energy inefficient homes with education and fully subsidized energy efficiency upgrades to reduce their energy burden.



Energy Efficiency Kit
PROVIDED BY ENMAX

200

energy efficiency kits



111
organizations
have benefited

Grants to communities

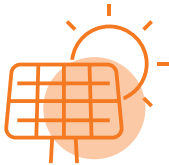
Since 2015, ENMAX has contributed \$690,000 to the Energizing Spaces Fund. The Fund provides grants to community groups across Calgary to pay for energy efficient appliances or outdoor and rink lighting to help community associations reduce their environmental footprint and create safe and enjoyable spaces. Now in its eighth year, the Fund is administered by the Federation of Calgary Communities and has supported 111 organizations to replace 148 appliances, 28 rinks with new lights and six safety light projects. Energy cost savings, as a result of improved energy efficiency, can be reinvested in programs for community association residents.

260

solar projects
on-line

Solar generation in Maine

Versant Power brought 260 solar projects on-line in 2022, including community and residential roof-top solar installations. These projects generate solar credits that are used to offset customers' monthly electricity bills.



12

affordable housing units
with solar panels

Renewable and more affordable power

ENMAX oversaw solar installations on 12 affordable housing units (totalling 440 kW DC) as part of a partnership with Attainable Homes Calgary to bring renewable power to its new Martindale development. Attainable Homes Calgary is a non-profit organization, created and owned by The City of Calgary, which helps moderate-income Calgarians achieve quality home ownership. Each unit is designed to be highly energy efficient and includes a rooftop solar panel installation.



ABOVE

The latest solar installation supported by ENMAX. REACH at Martindale is a 12-building multi-family development with an arrangement of regular and stacked townhomes and includes 116 residential homes.

13

community associations
with solar panels

Solar power for community associations

We supported the installation of solar panels on 13 community association buildings across Calgary in 2022, with 17 more scheduled to be completed in the first half of 2023. This initiative is part of the ENMAX Community Solar Fund, a partnership between ENMAX and The City of Calgary to support renewable energy. ENMAX Energy provides both the solar equipment and oversight of the installation of the solar panels at no cost to the community association.



ABOVE

The new solar panels at the Glenbrook Community Association in Southwest Calgary.



SPOTLIGHT

How we listen to our customers

In Alberta and Maine we are committed to understanding and responding to the changing needs of our customers.

