



Made-In-Ontario Pumped Hydro Storage

Economic & Social Benefits for Ontarians

Summary Report

About the Report

The Canadian Centre for Economic Analysis (CANCEA) is a premier socio-economic research and data firm committed to delivering objective, evidence-based analysis.

Commissioned by TC Energy, this summary provides an overview of the full report, which evaluates the economic and social value contribution of the Ontario Pumped Storage Project (“the Project”) – a collaboration between TC Energy Corporation and prospective partners, Saugeen Ojibway Nation.

Key Findings

The key findings below demonstrate, in present value terms, the contribution of the Project over the next 50 years.¹

High Quality Jobs for Ontario Workers

41,200

Total Jobs Created for Ontarians

Of those, over the four-year peak construction period, the Project will create 1,700 direct and indirect construction jobs annually.

Made-In-Ontario

\$6.8B

Contribution to Ontario’s Economy

83% of project spending will stay in Canada of which 92% stays in Ontario. This ensures that Ontario workers and businesses realize the biggest benefits from the Project.

Prosperity for Rural Ontario Communities

20,700

Rural Households Benefited

Of the 37,000 households benefited, 20,700 (56%) are in rural regions. The majority of benefited households are couples with children.

61% of the total employment benefits and 65% of the total GDP benefits will occur in rural parts of the province.

¹ Representing the anticipated life of the asset.

Pumped Storage is the Right Storage Solution

Among energy storage solutions, battery energy storage systems (BESS) offer an alternative to pumped storage technology. Although these systems provide some of the same services to the electricity grid, they differ widely in their construction and maintenance requirements, supply chain reliance, and project lifespans, with pumped storage providing a reliable, sustainable, and affordable path forward for energy storage in Ontario. While most of the construction resources for the Project would be sourced domestically, BESS would require significant amounts of critical minerals, such as lithium, to be sourced from abroad, particularly from China. This has the potential to expose a BESS project to significant price risk, given the forecasted global lithium supply deficit and the resulting price volatility.

| | Pumped Storage (Over 20 Years) | BESS (Over 20 Years) |
|---|--------------------------------|----------------------|
| Economic Contribution (GDP, 2023 dollars) | \$5.3 billion | \$2.1 billion |
| GDP in rural regions (2023 dollars) | \$2.8 billion | \$1.3 billion |
| Jobs ² | 34,700 | 10,500 |
| Jobs in rural regions | 17,400 | 5,500 |
| Direct spending that remains in Canada | 83% | 20% |

Other Benefits of Ontario Pumped Storage

Indigenous Partnership

TC Energy has engaged in a prospective partnership with Saugeen Ojibway Nation in the development of the Project. As co-owners of the Project, the Saugeen Ojibway Nation will earn proceeds from their ownership stake. Further, the Nations will have access to priority employment, training, and contracting opportunities for their members. This represents a direct and meaningful economic reconciliation effort between industry and treaty partners and is aligned with the 92 Calls to Action from the Truth and Reconciliation Commission.

Benefit for Local Communities

As the Project is located within the Municipality of Meaford, Ontario, TC Energy is committed to working with the Municipality to define long-term benefits through a Community Benefits Agreement. This will take the form of a direct and sustained monetary contribution to the municipality. This contribution could support several community needs, programs and investments that contribute to the well-being of Meaford residents. Given the Project's proximity to the City of Owen Sound and other key centres in Grey, Bruce and Simcoe Counties, and TC Energy's commitments to hire and buy local principles, these communities will benefit from Project construction and operation.

Sector Emissions Reductions

In reducing the need for high-emitting sources at peak times, storage technologies, particularly long-duration (over 8 hours of supply) energy storage, play a crucial role in helping mitigate greenhouse gas (GHG) emissions. By ensuring that electricity generated from non-emitting sources during periods when supply exceeds demand is stored for later use, the overall efficiency of the electrical system can be maximized while mitigating GHG emissions.

² Jobs are measured in people-years, which correspond to the number of full-time employment equivalents over one year.

