



HRP Inc. AGM Meeting

Tuesday, September 24, 2024

2024 Annual General Meeting

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Agenda

- **Welcome**
- **Introductions & Background**
- **Financial Update 2024**
- **Operational Update 2024**
- **Questions**



Hamilton Renewable Power Inc. Organizational Chart





Background

- The City of Hamilton created Hamilton Renewable Power Inc. in 2005
- Originated with the City's desire to construct, operate and maintain a cogeneration facility; a source of renewable energy

Woodward Wastewater Treatment Plant

- 1.6 MW generator
- Methane gas from the WWTP digesters
- Heat harvested from the engine
- Electricity generation of enough electricity to power approx. 1,300 homes
- Facilities heating
- Cogen operated by HCE Energy and maintained by Toromont Industries Ltd. Energy until December 31, 2025
- IESO FIT contract is expiring on July 9, 2026

Glanbrook Landfill

- 2 combustion engines generating 3.2 MW of Energy
- Runs on landfill methane gas
- Horizontal and vertical collectors
- Perimeter header that conveys methane to engines
- Electricity generation of enough electricity to power 2,100 homes
- Cogen operated by Toromont Industries Ltd. Energy until December 31, 2027
- IESO FIT contract is expiring on November 18, 2028

HRP Inc. Benefits to the City



Since inception, \$3,947,019 million in cumulated dividends were paid to the City of Hamilton



The annual net financial benefit is over \$1,000,000 since 2009 except for the last three years

Enough generating capacity to power 3,400 homes



Cumulative emissions reduction of approximately 950,000 t cO₂ emissions for last 10 years, equivalent to emissions from ~ 226,000 cars driven (for one year).



Financial Update

1. 2023 Financial Update
2. 2024 YTD Results vs. Budget
3. 2024 Actuals / Full Year Forecast
4. 2024 vs. 2023 Actual Results
5. City of Hamilton Benefits

2023 Financial Update

- Audit is complete subject to HRPI's external auditors validating financial transactions between the City of Hamilton and HRP Inc.
- 2023 HRP Inc. Financial Statements will be brought forward for shareholders' approval once finalized
- No audit adjustments have been noted by the external auditors at this time

2023 Financial Update

- A net loss of \$455,583 is being reported for the 2023 fiscal year
- There will be no dividend payment to City in 2024

2024 YTD Results vs. Budget

2024 YTD Actual Results vs. Budget

Month Ended June 30

	YTD Budget	YTD Actuals	YTD Variance
Revenues	\$ 996,602	\$ 992,020	\$ (4,582)
Cost of Goods Sold	\$ 233,257	\$ 249,774	\$ (16,517)
Gross Profit	\$ 763,346	\$ 742,246	\$ (21,100)
Expenses	\$ 1,168,271	\$ 1,177,628	\$ (9,357)
Income Before Tax	\$ (404,925)	\$ (435,382)	\$ (30,457)
Tax	\$ (107,105)	\$ (107,105)	\$ -
Net Income (Loss)	\$ (297,820)	\$ (328,277)	\$ (30,457)

2024 Full Year Forecast

2024 INCOME STATEMENT

Year Ended December 31

	FY Budget	FY Projection	
		Actuals	Variance
Revenues	\$ 2,015,100	\$ 2,010,522	\$ (4,578)
Cost of Goods Sold	\$ 474,200	\$ 490,716	\$ (16,516)
Gross Profit	\$ 1,540,900	\$ 1,519,806	\$ (21,094)
Expenses	\$ 2,184,340	\$ 2,193,694	\$ (9,354)
Income Before Tax	\$ (643,440)	\$ (673,888)	\$ (30,448)
Tax	\$ (170,510)	\$ (176,520)	\$ 6,010
Net Income (Loss)	\$ (472,930)	\$ (497,369)	\$ (24,439)

2024 vs. 2023 Actual Results

2024 vs. 2023 YTD Actual Results

Month Ended June 30

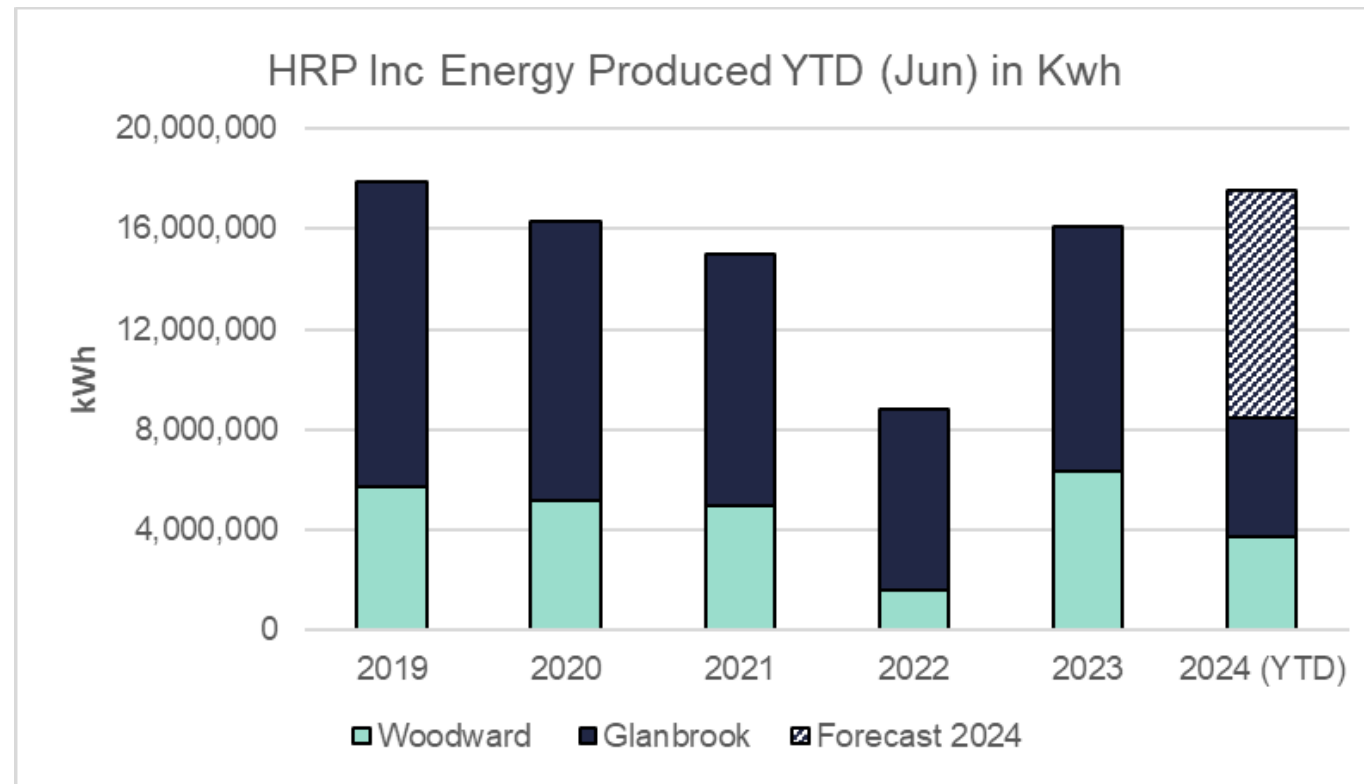
	YTD 2024	YTD 2023	YTD Variance
Revenues	\$ 992,020	\$ 899,071	\$ (92,948)
Cost of Goods Sold	\$ 249,774	\$ 233,060	\$ 16,714
Gross Profit	\$ 742,246	\$ 666,011	\$ (76,235)
Expenses	\$ 1,177,628	\$ 917,505	\$ 260,123
Income Before Tax	\$ (435,382)	\$ (251,493)	\$ 183,888
Tax	\$ (107,105)	\$ (67,697)	\$ -
Net Income (Loss)	\$ (328,277)	\$ (183,796)	\$ 144,481



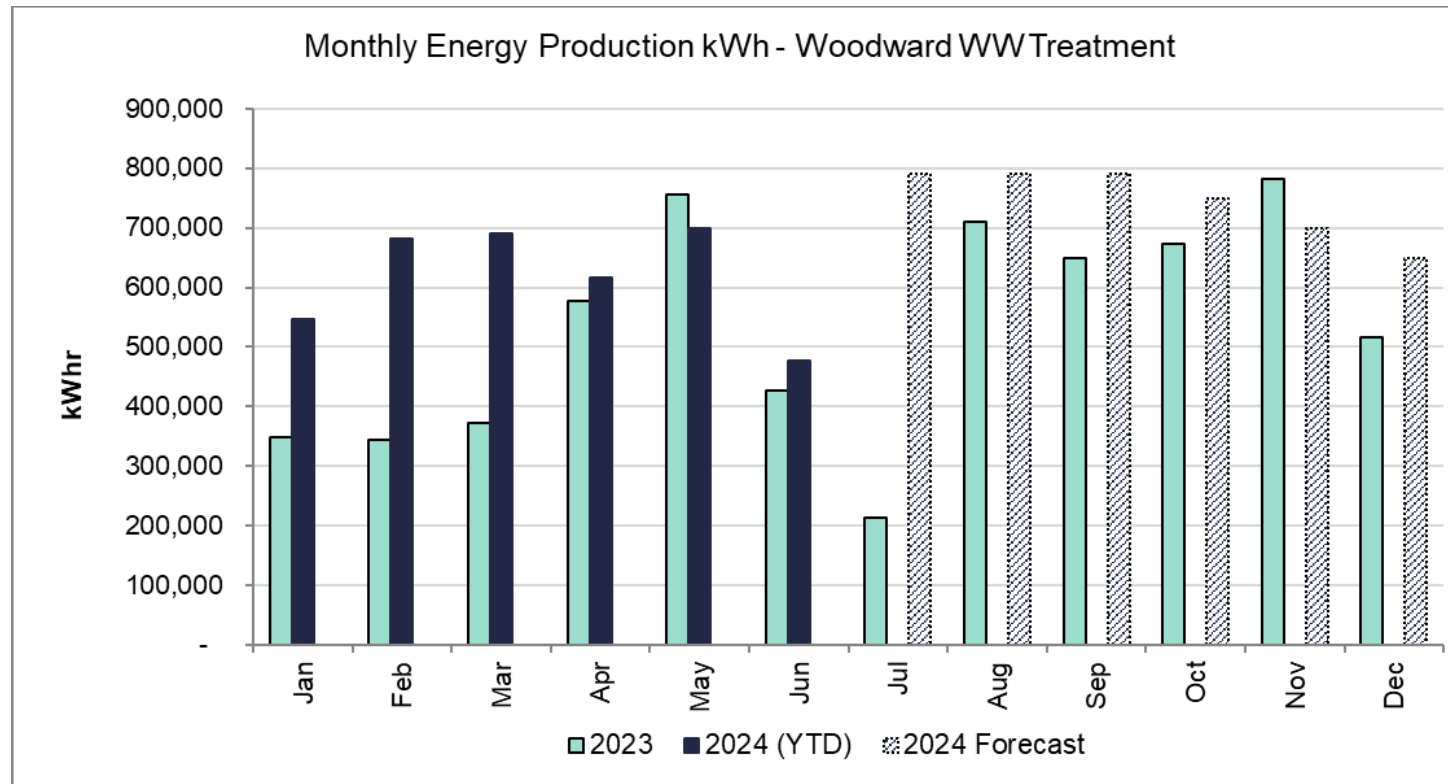
City of Hamilton Benefits

- Since inception (2006), the City of Hamilton has received approximately \$22.3 million in benefits from HRP Inc.
- Although dividends have not been paid in the last three years, the City continues to receive benefits in terms of salary recovery and payment for methane (approximately \$735K per year)

Energy Production Overview (2019-2024)

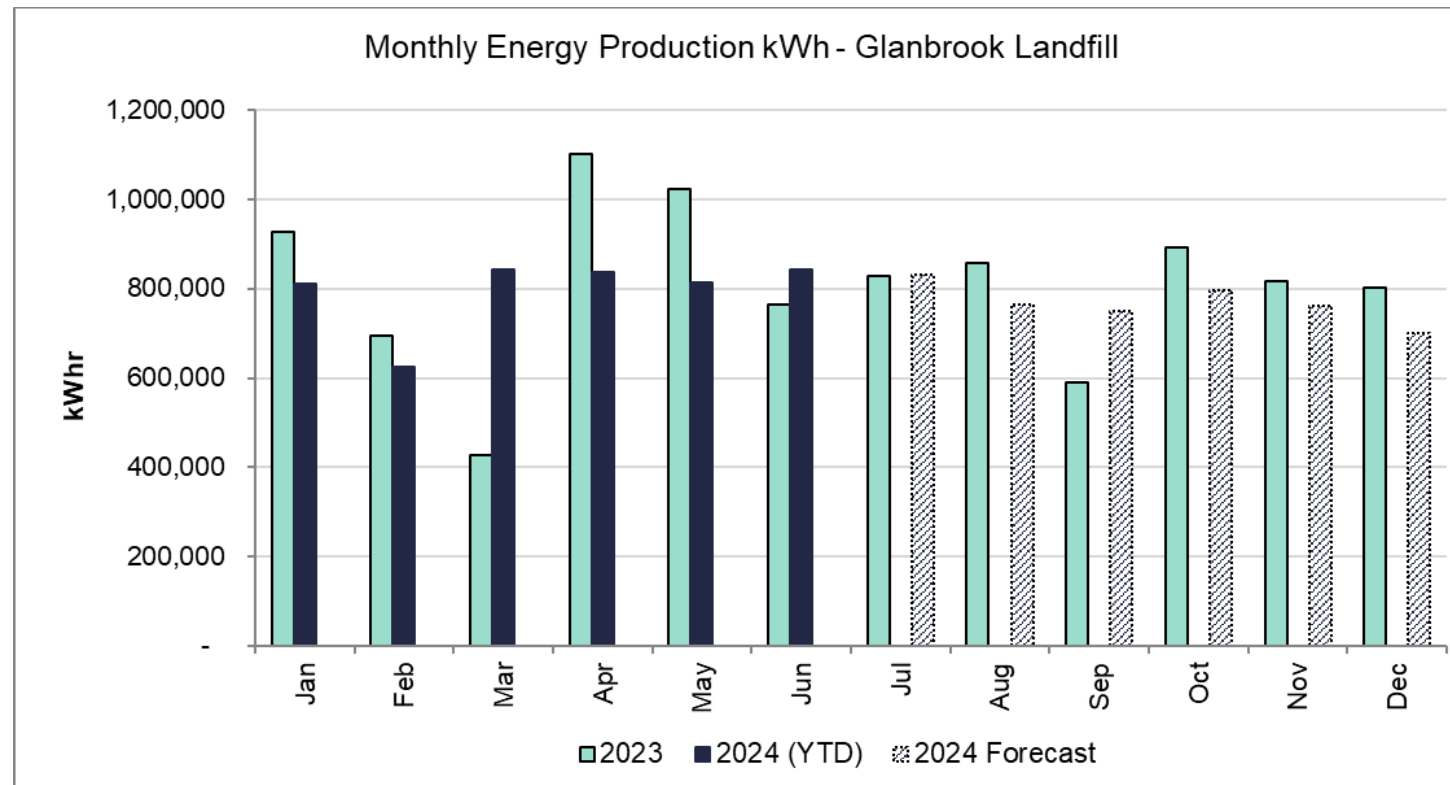


Woodward Monthly Energy Production (2023 – 2024 Forecast)





Glanbrook Monthly Energy Production (2023 – 2024 Forecast)



Operational Challenges & Next Steps

Woodward Wastewater Treatment Plant

- Cogeneration Unit: Despite its age, the kWh delivered in the first 6 months of 2024 exceeded the 2023 average
- Maintenance contract expires on December 31, 2025
- Apply for clean energy funding / initiate design, engineering work
- Upgrade RNG facility to produce more RNG and minimize flaring



Operational Challenges & Next Steps

Glanbrook Landfill

- Cogeneration units: Aging asset, frequent repair, low biogas yield, gas wells condition
- Operation & Maintenance contract with Toromont expires on December 31, 2027
- WSP study indicated that achieving high LFG collection efficiency (60-85%) is unlikely due to old waste, final cover design, and methane oxidation
- Recommendations from WSP report will be implemented in coming years
- Participated in University of Waterloo landfill study project to study biogas potential in the landfill- field work to begin this fall



Strategic Plan Update

- Long term strategic plan being developed to assess available renewable energy opportunities to expand and upgrade existing energy generation sites and develop new projects

Questions?



HRP Inc.