



Hamilton Enterprises Holding Corporation

Corporate Overview

June 2025

Executive Summary

This summary provides an overview of Hamilton Enterprise Holding Corporation (HEHCo) and its commercial operations under the Hamilton Community Enterprises (HCE) brand.

HCE delivers community-focused, low-carbon energy and high-performance Internet and data services across the Greater Toronto and Hamilton Area. With expertise in thermal energy (District Energy and Geo-Exchange), electricity (Co-Generation and Solar), and telecommunications (fibre, wireless, data centre), HCE designs, owns and operates innovative solutions that enhance efficiency, resilience, and sustainability. These solutions enable communities, institutions, and businesses to address affordability, climate change and enhance access to digital services.

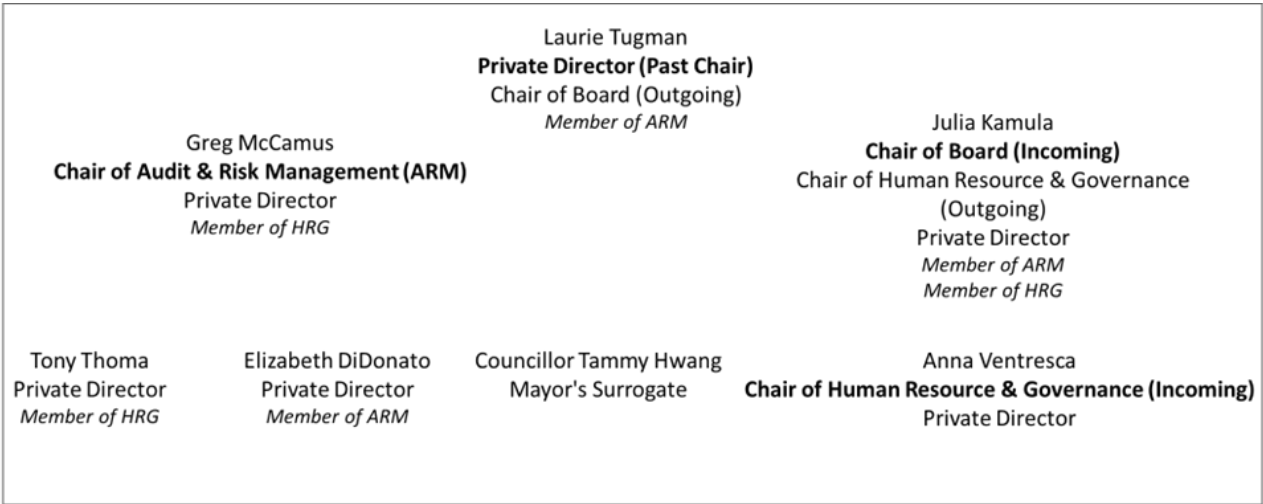


Figure 1: HEHCo Board Composition

HEHCo is a holding company, wholly owned by the City of Hamilton, and incorporated under the Ontario Business Corporations Act. It operates under a Unanimous Shareholder Declaration. The Board consists of the Mayor (or a designate) and six independent directors with senior experience in the energy and technology sectors. (See Figure 1 for details.)

HEHCo is a separate and independent entity from Hamilton Utilities Corporation (HUC). HEHCo was formed in 2017 after Horizon Utilities merged to become part of Alectra. All commercial activity is within HEHCo, while HUC manages the City’s 17.3% equity interest in Alectra Utilities.



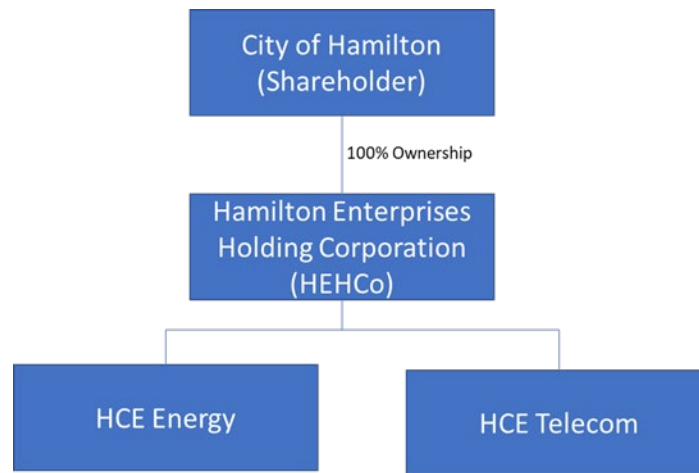


Figure 2: Corporate Structure

HCE is HEHCo’s commercial operating brand, providing infrastructure-based energy and telecom services in the non-regulated energy and telecommunication markets. It operates as a for-profit business, reinvesting earnings into growth, operations, and capital upgrades.

HCE serves a diverse range of sectors, including government, education, healthcare, essential services, utilities, and private enterprise. These efforts align with the City of Hamilton’s priorities, emphasizing the creation of economic, social, and environmental benefits to the region.

HCE’s vision is to be a leading provider of innovative energy and telecommunication solutions, empowering communities to achieve sustainability, resilience, and technological advancement. We see a future where our integrated services drive the creation of smarter outcomes.

As climate change and digital transformation evolve rapidly, HCE is well-positioned, thanks to its municipal ownership and technology mix, to offer practical, local solutions that benefit both community and business. HCE’s model is to innovate locally, then scale and commercialize proven solutions across broader markets.

Appendix

HCE Telecom and HCE Energy Overviews



HCE Telecom Overview

HCE Telecom was incorporated in 2015 after a successful proof-of-concept pilot program initiated by the City of Hamilton's IT division and fulfilled by HEHCo. Subsequently, a business plan was developed to create a regional, fibre optic Internet Service Provider (ISP) with the City of Hamilton's corporate Wide Area Network (WAN) as its anchor client. The objective is to deliver highly reliable and responsive customer service.

During this time, HCE Telecom executed Municipal Access Agreements within Hamilton and neighbouring municipalities and began deploying fibre optics in Hamilton and Halton regions. With over 100 km of fibre optic assets installed and strategic data centres across the Greater Toronto Hamilton Area (GTHA), HCE Telecom has continued to grow, servicing Government, Education, Health Care, and Essential Services (MUSH) as well as Enterprise businesses, providing Internet, Data, Voice, and Cloud services.

Since its incorporation, HCE Telecom has rapidly expanded to provide services to over 220 clients across more than 2,000 unique locations. It is a trusted provider to the area's most significant and demanding Internet, Data and Voice users. HCE offers a modern and desirable portfolio of services, featuring numerous notable and referenceable accounts.

Looking beyond economic returns, HCE Telecom applies its expertise to provide social benefits to the community as well, maximizing access to the Internet and making digital services more accessible to Hamiltonians.

Listening closely to the vision expressed by the City's leadership, including the Chief Digital Officer, Hamilton Police, Hamilton Fire, Community Housing Hamilton, Hamilton Public Library, and Public Health, HCE seeks to deliver on the goal of doing good in our community. Some examples include the growing deployment of outdoor Wi-Fi in public spaces, which provides over 35,000 unique connections every month in collaboration with the City of Hamilton. In addition, HCE Telecom has provided mission-critical voice services, delivering over 880,000 calls to Hamilton's COVID-19 hotline to support the community's pandemic response and played a crucial role in the immediate response during the City of Hamilton Cyber event, ensuring mission-critical services continued uninterrupted. These services have also enabled high-quality, cost-effective Internet access to over 1,000 units within Hamilton's public housing, without hidden fees or restrictive terms.

HCE Energy Overview

HCE Energy was founded in 2002, following the de-regulation occurring in the Ontario Electricity Sector, enabling Municipalities to incorporate for-profit subsidiary corporations to compete in the non-regulated energy sector. Several government programs at the time funded natural gas co-generation projects to reduce Ontario's carbon emissions away from coal power generation. Through Hamilton Hydro and with support from the City of Hamilton, it gave rise to the District Energy System at 79 Bay St, commonly called the Downtown District Energy System (DES). The system was built to provide heat (thermal energy) to 11 properties, totalling approximately 2.5 million square feet within Hamilton's downtown core while generating 3.5MW of electricity. A 25-year property lease was signed with the Hamilton Wentworth District School Board at the Sir John A McDonald High School that expires in 2028 and coincides with the expiry of the thermal Energy Services Agreement (ESA) with the City of Hamilton in 2028.

The DES supplies 15.5MW of thermal energy with 8.5MW tied to an Energy Services Agreement (ESA) with the City of Hamilton (integrated closely with the Central Utilities Plant), 3MW to Victoria Park Community Homes and 4MW divided amongst Templar Flats, Alectra, and the Police ISF building. In 2019, the co-generation component of the DES was changed to a peak-shaving model and away from its original 16hr x 5d mode of operations providing energy savings and reduced carbon emissions to the City. Through this electrical peak shaving, HCE saves the City of Hamilton between \$500k to \$1M annually from its utility bill by reducing the City's peak electricity demand associated with the Class A electrical meter within the Central Utilities Plant (CUP). This meter is the primary electrical feed for City Hall, Convention Center, Hamilton Place, Ellen Fairclough Building, Central Library, Market and Parking Garage.

HCE owns and operates the Central Utilities Plant beneath the Hamilton Art Gallery; beyond electrical distribution, it is the primary cooling source for several City of Hamilton and downtown commercial properties. In addition to cooling the buildings listed above, it also provides cooling to First Ontario Centre. The CUP is a candidate location to relocate the downtown DES upon its lease expiry at Sir John A. It presents an opportunity to harvest the waste heat from its centralized cooling process as a low-carbon heating resource to reduce greenhouse gas emissions to City buildings.

In 2010, HCE expanded to the McMaster Innovation Park by developing, owning, and operating a low-carbon heating and cooling solution based on Geo-Exchange and advanced energy harvesting and control technologies. In 2015, HCE Energy began to green its electricity portfolio by building Solar Photo Voltaic (PV) assets. HCE Energy owns and operates more than 3.7 MW of renewable solar electricity generation. Additionally, HCE was awarded a Combined Heat & Power Standard Offer Program contract from the IESO. In 2018, a 2.0MW cogeneration system was installed at the Portland's West Energy Center at the Hamilton Port Authority's Pier 10 location, which provides electricity to the grid, providing reliability and security of energy supply; the system also supplies process steam and hot water to industrial customers, including Collective Arts and Sucro Can.



HCE is supportive and engaged in the implementation of Hamilton's Community Energy and Emissions Plan. Among our contributions is a call for building developers and owners to conserve energy and adopt low-carbon and high-efficiency heating and cooling solutions. Additionally, HCE is committed to helping communities recover and reuse valuable thermal energy. Currently, upwards of 60% of the energy used in factories, cooling towers, data centers, sports arenas, water treatment facilities, power plants, and other sources is routinely released into our atmosphere and waterways. This needs to be addressed as part of the global pursuit of net zero.

Looking towards the future, HCE believes that energy harvesting is a proven strategy for conserving energy, lowering operating costs, and reducing GHG emissions. In addition, it presents a strategic economic and environmental opportunity for Hamilton, given its Industrial Bayfront Corridor. It is also an effective way to stimulate job training, construction, and employment in the circular economy. That's why HCE is leading the way with our Energy Harvesting Project and related initiatives, and in March 2023, HCE launched a year-long study that dives into the technical and commercial viability of harvesting residual thermal energy from Hamilton's Industrial Bayfront as a source of heating for all types of buildings, new and old.

