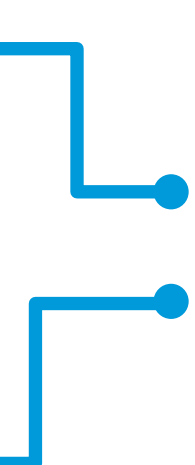




2025-2028 STRATEGIC PLAN





NOTE FROM

CEO AND BOARD CHAIR

TO OUR CUSTOMERS AND EMPLOYEES AND SHAREHOLDERS:

The customers of SYNERGY NORTH expect their electric utility to deliver safe, reliable and affordable power, and to be ready for innovation and change in energy use and options. We share those expectations, which is why we are pleased to present this 2025-2028 Strategic Plan.

At Synergy North, safety is our top priority. No business interest is more important than the safety of our employees, contractors and customers. We are building a safe, modern grid to support electrification and maintain system resilience through proactive investment, cybersecurity, and risk management.

This Strategic Plan outlines the key goals and activities for the future of Synergy North. The plan builds on our successful past and is based on our approved investment plan and electricity rates that will be in place for the length of the plan. It is an approach that requires dedication, resources and hard work by our team, and it is achievable.

This plan describes a future in which the demand for electricity and innovation is growing and the customers of Synergy North have even higher – and appropriately so – expectations for service, support, and reliability. We are planning and investing to strengthen and modernize our distribution grid so that we can respond to increased demand for technologies like electric vehicles, batteries, heat pumps and other home-based energy products and systems.

We are building our capabilities with a workplace that is inclusive and a workforce that is focused on safety, well trained and professional and responsive to customers. Synergy North will be relentlessly focused on exceeding customer expectations.

Working together, our employees are driven by **Safety, Reliability, Community and Excellence**. We are grateful for your support for Synergy North, and we welcome questions and dialogue about the energy future that we will build together.

Customers choose Synergy North to power their lives with outstanding energy services, delivered in a safe, reliable and trusted manner.



Rene Gallant,
President & CEO



Barb Eccles, HBSc, JD, LLM, ICD.D
Board Chair



EXECUTIVE SUMMARY

Powering Communities, Partnering for a Smart Energy Future

As we look ahead to 2025 and beyond, SYNERGY NORTH stands at a pivotal moment in our journey as a municipally owned utility. The next five years will be shaped by rapid electrification, rising customer expectations, emerging digital technologies, and a growing call for environmental and economic resilience.

Over the 2022-2024 strategic cycle, SYNERGY NORTH demonstrated operational excellence and strong regulatory performance. With a successful Cost of Service application and a new Distribution System Plan in place, we have built a solid foundation to deliver value to our customers and to our shareholders — **the City of Thunder Bay and the City of Kenora**. Our organization is more efficient, customer-focused, and aligned to future needs than ever before.

Above all, safety remains our highest priority. We are proud of our industry-leading safety culture, and we continue to champion the well-being of our employees, our contractors, and the communities we serve. As our systems grow more complex and weather events more intense, our commitment to safety will continue to guide every decision we make.

Yet we know the future will look different. Customers are demanding more from their utility — more reliability, transparency, flexibility, and support. The energy transition is accelerating, and our communities are increasingly dependent on electricity to fuel their homes, vehicles, and businesses.

This **2025–2028 Strategic Plan** lays out our road map to meet these challenges with confidence. It builds upon our strengths — our people, our reliability, and our deep commitment to community — and aligns with provincial and national energy priorities. We have identified key strategic initiatives that will help us modernize the grid, support distributed energy resources, empower our employees, and deliver an exceptional customer experience.

SYNERGY NORTH is not just adapting to change — we are helping lead it. Together with our employees, partners, and stakeholders, we are ready to power the future — safely, reliably, and sustainably.



OUR BUSINESS

Local Service. Provincial Impact. Community Value.

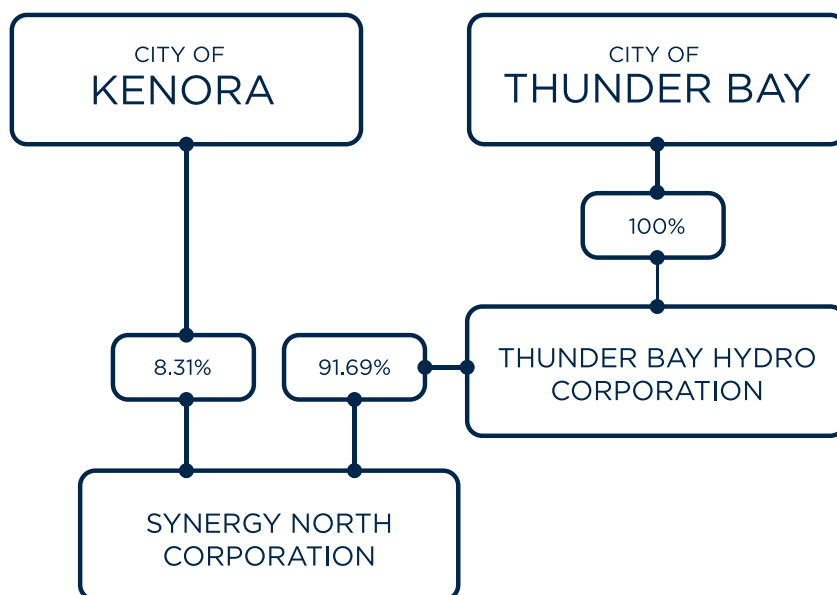
SYNERGY NORTH Corporation is the local face of Ontario's electricity system for over 56,000 customers in the cities of Thunder Bay and Kenora. We own and operate a distribution network of more than 1,400 kilometers of overhead and underground power lines across diverse terrain and weather conditions in Northwestern Ontario.

Our role is more than just wires and poles. We are the trusted utility that customers turn to for meter reading, billing, conservation and electrical safety education, outage support, and energy advice. Whether it's supporting new housing developments, connecting electric vehicles, or modernizing infrastructure to serve growing needs, SYNERGY NORTH plays a vital role in building resilient, livable communities.

As a municipally owned distribution utility, we are governed with public accountability and guided by our shareholder municipalities: the City of Thunder Bay and the City of Kenora. We operate with a long-term view, aiming to return value not only to our customers, but also to the broader communities we serve.

Through operational excellence, safety leadership, and deep community roots, we continue to evolve to meet the changing needs of our customers while delivering reliable, cost-effective electricity.

CORPORATE STRUCTURE







VISION

Your trusted partner for energy and related services.

We envision a future where SYNERGY NORTH continues to lead as a reliable, innovative, and community-minded utility — one that customers choose and trust to power their homes, businesses, and future.

MISSION

Customers choose SYNERGY NORTH to power their lives with outstanding energy services delivered in a safe, reliable and trusted manner to our communities.

This mission reflects our commitment to excellence in everything we do — from maintaining a safe and dependable electricity grid to supporting our customers through personalized service and local presence.

This Strategic Plan serves as the roadmap to achieving our Vision and Mission. The initiatives outlined will be translated into actionable business and execution plans, integrated with our capital and financial planning to ensure a balanced approach that delivers measurable outcomes while maintaining affordability for our customers.

CORE VALUES



RELIABLE

Supply our products and services in a trustworthy, fair and dependable manner



SAFETY

Promote, work and live safely



COMMUNITY

Lead by example to build a strong community



EXCELLENCE

Pursue being better in everything we do

OUR CURRENT

INITIATIVES INVESTMENTS SUCCESSES

DELIVERING ON OUR 2022-2024 STRATEGIC PLAN

SYNERGY NORTH made significant progress under the 2022-2024 Strategic Plan, successfully advancing our operational, regulatory, and organizational goals. This period was marked by a sharpened focus on system reliability, regulatory excellence, and community safety. Some of the signature milestones achieved during this time include:

SUCCESSFUL COST OF SERVICE (COS) APPLICATION:

Our COS rate application was approved by the Ontario Energy Board, ensuring the financial sustainability of our operations while maintaining fair and stable rates for our customers for the 2024-2028 period. The approval reflected the strength of our planning, evidence-based submission, and stakeholder engagement process.

UPDATED DISTRIBUTION SYSTEM PLAN (DSP):

We submitted and received approval for a comprehensive five-year DSP (2024-2028), which outlines key investments in grid modernization, the completion of our 25kV conversion program, and other critical system renewal projects. This plan reinforces our commitment to maintaining a safe, reliable, and responsive distribution network. Between 2024 and 2028, SYNERGY NORTH plans to invest approximately **\$86 million** in gross capital expenditures, reflecting our continued focus on system performance, affordability, and long-term asset sustainability.

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ENHANCED VEGETATION MANAGEMENT PLAN:

In response to increasing climate-related threats, particularly from extreme weather events, we strengthened our vegetation management program. This initiative contributed directly to improved system reliability and public safety, particularly during storm seasons.

SAFETY EXCELLENCE:

We continued to uphold a strong safety culture, achieving industry benchmarks in employee safety performance. Our proactive approach to hazard identification, safety training, and incident prevention has resulted in low injury frequency rates and consistently strong safety outcomes across our operations.

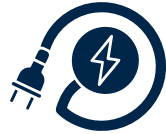
ENTERPRISE RISK MANAGEMENT PROGRAM:

SYNERGY NORTH's Enterprise Risk Management (ERM) was implemented in 2023 to integrate risk awareness and controls into decisionmaking, planning, and operations, ensuring that risks are proactively identified, assessed, and managed. The purpose of the program is to protect and create organizational value by enabling informed decision-making, enhancing performance, and supporting the achievement of corporate objectives.

STRATEGIC CONTEXT

THE ENERGY LANDSCAPE IS CHANGING — RAPIDLY AND PERMANENTLY

The electricity sector is undergoing a profound transformation. Across Ontario, Canada, and globally, five key forces are reshaping how utilities operate, plan, and serve:



DECARBONIZATION

Climate change demands action. Provincial and federal governments are accelerating the shift to a net-zero electricity grid and economy. Electrification of transportation, heating, and industry is expanding demand and changing how the grid must perform. Utilities are expected to lead, not follow, in enabling the clean energy transition.



DECENTRALIZATION

Customers are no longer just consumers — they are producers, storers, and managers of their own electricity through distributed energy resources (DERs). The traditional one-way grid model is being replaced by a dynamic, two-way network requiring new planning and operational approaches.



DEMOGRAPHICS & COMMUNITY EXPECTATIONS

In an era of talent competition and flat population growth, particularly in Northern Ontario, utilities must be employers of choice and community leaders. Customers expect transparency, affordability, local support, and alignment with their values — especially on sustainability and reconciliation.



DIGITALIZATION

The convergence of operational and information technology is revolutionizing how utilities monitor, manage, and serve. Digital tools improve reliability, customer experience, outage response, and efficiency — but also increase cyber risks and require investment in platforms, processes, and people.



DIVERSIFICATION

Utility business models are expanding. Customers expect more than just power — they want energy advice, cost control, environmental solutions, and digital service. Regulators are exploring performance-based incentives and innovation funding models, pushing LDCs to evolve and partner differently.

This plan is **SYNERGY NORTH's** proactive response to these realities — a road map that balances innovation and affordability, reliability and resilience, community focus and operational excellence.

OUR THREE ASPIRATIONAL GOALS & AREAS OF FOCUS

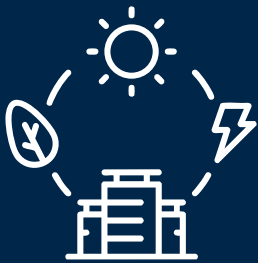
We prioritize what truly matters—our people, our customers, and reliability—all at the core of our strategic plan. These areas of focus drive the strategic initiatives SYNERGY NORTH



RELIABILITY

WE ARE BUILDING A MODERN GRID THAT SUPPORTS ELECTRIFICATION.

Continued investment in the Distribution System Plan, readying the company and assets for a future with growing operational technologies and digitalization, and ensuring we continue to maintain reliability through business continuity tactics and attention to cybersecurity and risk.



CUSTOMERS

WE ARE A TRUSTED PARTNER THAT DELIVERS EXCEPTIONAL SERVICE.

SYNERGY NORTH Corporation exists to provide reliable electricity supply and related services to our customers and our community. Meeting this obligation requires an understanding of our customer's needs and expectations, and a commitment to delivering a high level of service in a trustworthy, fair and dependable manner. It also entails being in the communities we serve in a visible and meaningful way outside of just providing electricity and related services.



PEOPLE

A GREAT PLACE TO WORK AND GROW

Our employees are important to us. They are the ones who service our customers. We need them and we are committed to ensuring them a healthy and safe working environment in all aspects. Safety is our number one priority and SYNERGY NORTH Corporation has established itself as an industry and community leader in the area of Health & Safety. This culture is not for work alone but also for our employees' personal lives and within the broader communities we serve.



STRATEGIC PRIORITIES:

OUR 8 KEY INITIATIVES FOR GROWTH

Our strategy calls on SYNERGY NORTH to continue to execute with excellence on existing strategic initiatives described above within our last strategic cycle, such as our Customer Service Strategy, our Public Safety Strategy, and Asset Planning & Management Strategy. Our Aspirational Goals provide high level guidance about where we will emphasize our efforts and investment over the coming years. The Strategic Initiatives described below are how we will achieve our vision.

1

SYSTEM INVESTMENT

MAINTAIN AND MODERNIZE OUR INFRASTRUCTURE TO MEET GROWING CUSTOMER DEMAND AND SUPPORT ELECTRIFICATION.

SYNERGY NORTH will operate the business in a fiscally responsible manner to sustain continued financial viability. SYNERGY NORTH will continue investing in infrastructure upgrades, system expansions, and modernization projects to enhance reliability, resilience and efficiency, while ensuring these capital investments are reflected in the regulated rate base to support long-term financial sustainability and customer service improvements.

New infrastructure improves reliability and resilience while reducing maintenance costs and risk. SYNERGY NORTH will continue investing in infrastructure to complete our voltage conversion program to decommission end-of life substations in this strategic planning cycle. This will reduce system losses, complexity and costs while improving reliability and safety.

2

ADVANCING TECHNOLOGY

ACCELERATE DIGITAL TRANSFORMATION TO ENABLE A SMARTER GRID, EMPOWER EMPLOYEES, AND ELEVATE THE CUSTOMER EXPERIENCE.

SYNERGY NORTH will drive operational efficiency and scalability by optimizing technology integration and streamlining processes through digitalization. Additionally, we will enhance customer experience by adopting innovative digital tools that improve accessibility, engagement, and service delivery.

The fast-paced evolution and integration of electronics and information technology are reshaping how utilities operate. Both operational and IT systems are rapidly advancing, with a growing move toward digital, mobile-enabled, and cloud-based solutions across frontline and back-office functions. Automation is playing a pivotal role in this transformation, paving the way for a more intelligent and autonomous electric grid. These technological changes open new opportunities for SYNERGY NORTH, including the potential to launch innovative service offerings driven by advanced data analytics.

3

RISK: BUSINESS CONTINUITY

STRENGTHEN SYNERGY NORTH'S ABILITY TO ANTICIPATE, WITHSTAND, AND ADAPT TO RISK.

SYNERGY NORTH's will strengthen its resilience against severe climate events by investing in infrastructure, prioritizing safety, and integrating sustainable practices to minimize environmental impact. Robust cybersecurity measures will ensure the protection of critical systems and data. Risk mitigation and management will continue to remain a high priority for management.

The severity of recent weather events, and the damage they cause to electrical infrastructure, requires that increased grid resiliency standards and rapid power restoration capabilities be adopted by system operators.

SYNERGY NORTH will maintain strong collaboration with industry partners and security agencies, supported by a best-in-class cybersecurity program. By leveraging both internal expertise and external resources, SYNERGY NORTH remains committed to proactively mitigating cyber risks and safeguarding mission-critical systems.



4

DER ENABLEMENT AND ELECTRIFICATION PLANNING

ANTICIPATE AND MEET GROWING DEMAND FOR ELECTRICITY FROM EVS, TRANSIT, HEAT PUMPS, AND INDUSTRY.

SYNERGY NORTH will ensure that it can meet new or increased demand from electrification of transportation, commercial and building infrastructure. SYNERGY NORTH will develop a clear vision and plan for energy transition and take a cost-effective long-term approach to the anticipated changes to our system. SYNERGY NORTH will make plans to manage demand and future usage projections, while not overbuilding and increasing costs too rapidly. SYNERGY NORTH will continue to move towards development and implementation of a DSO model to meet customer needs at the most reasonable cost to overall electricity bills, making affordability a continuing area of focus.



Distributed Energy Resources

EMPOWER CUSTOMERS TO GENERATE, STORE, AND MANAGE ENERGY FLEXIBLY.

SYNERGY NORTH anticipates increased customer demand for distributed energy resources including electric vehicles, solar generation, batteries, heat pumps and other “whole home” electric technologies. We will undertake the planning necessary to deliver on customer expectations and make the process of DER integration easy for customers, whether residential or commercial.

Ensuring operations are equipped for two way market participation to be successful. Innovation advancements will be required to accommodate the changing operation of utility grids, enabling new players to enter market in the form of microgrids, battery storage, other DER's and providing the customers with more options behind the meter.



5

CUSTOMER EXPERIENCE AND VALUE

BUILD TRUST THROUGH TRANSPARENCY, EDUCATION, AND LOCAL PRESENCE.

Ensure customers are educated on SYNERGY NORTH's value proposition to respond to sensitivities to the cost and reliability of electricity. Increasing customer dependence on electricity due to electrification will require consistent attention to the value of a safe and reliable distribution system. SYNERGY NORTH will implement a proactive customer education strategy on electrification and decarbonization through community engagement and communication initiatives to enhance awareness, address misconceptions, and empower customers to make informed energy choices.

6

EMPLOYEE ENGAGEMENT AND SAFETY

CHAMPION A CULTURE OF SAFETY, TEAMWORK, AND SHARED PURPOSE.

Engaged and satisfied employees working safely lead to the overall success of the organization including increased productivity, innovative ideas, and strong customer service. SYNERGY NORTH will address communication and collaboration barriers in the organization. SYNERGY NORTH will educate all staff in the SYNERGY NORTH regulated business model to ensure employees understand regulatory requirements and revenue mechanisms promoting regulatory awareness and operational excellence.







7

WORKFORCE DEVELOPMENT

ATTRACT, RETAIN, AND EMPOWER TOP TALENT WHILE DRIVING OPERATIONAL EFFECTIVENESS.

SYNERGY NORTH must continue to operate our business efficiently and foster a culture of excellence and continuous improvement. SYNERGY NORTH will engage all staff to look for ways to improve efficiency and reduce costs through innovation.

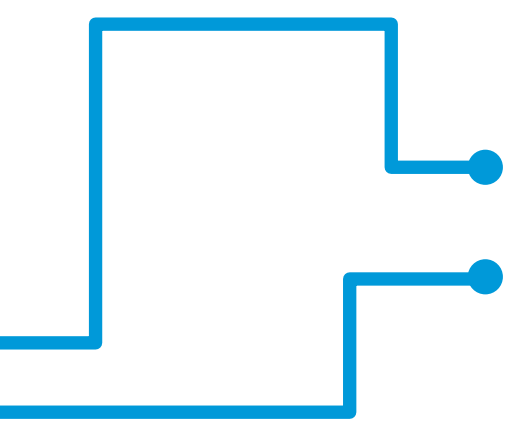
A highly skilled, properly trained, and knowledgeable workforce is essential to SYNERGY NORTH's continued success. SYNERGY NORTH's recruitment and retention strategy will be aimed at anticipating and fulfilling current and potential employee needs, through planning, talent attraction, effective deployment of resources, performance management, and development.

8

COMMUNITY PARTNERSHIP

ENGAGING OUR CUSTOMER BASE THROUGH COLLABORATION AND LEADERSHIP

SYNERGY NORTH will cultivate strategic, long-term partnerships with local communities, municipalities, businesses, and stakeholders that drive growth by fostering innovation, enhancing energy reliability, and strengthening economic and social resilience.



ENABLING STRATEGIES

The future of SYNERGY NORTH will be shaped by our ability to lead in two key areas:

Environmental, Social & Governance (ESG) performance, and the effective application of **Technology & Innovation**. These two enablers underpin our eight key priorities and are critical to navigating the energy transition responsibly and effectively.

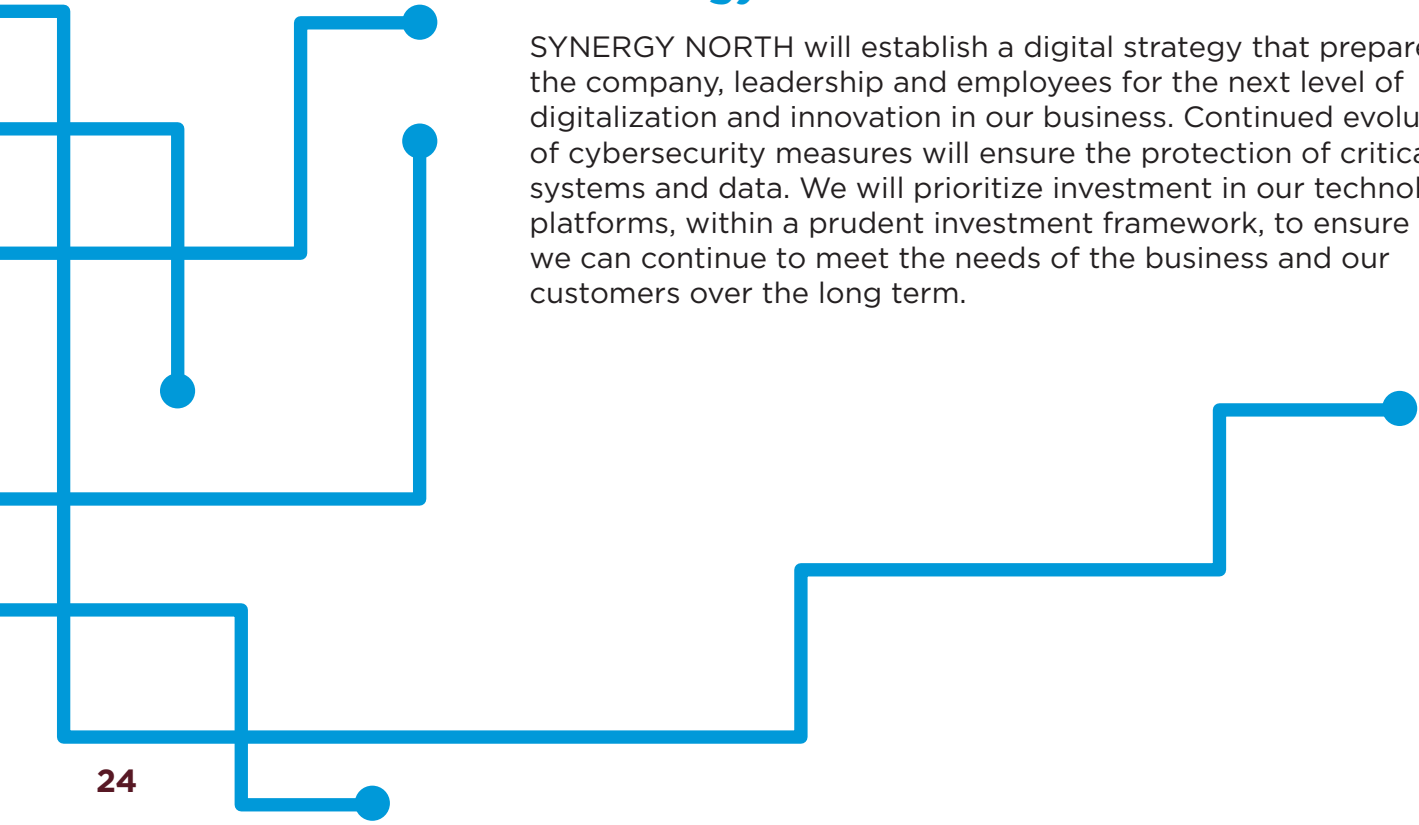
We will bring greater focus to our enabling strategies and ensure our work in these areas is based on a growth-mindset:

Environmental, Social and Governance

we will develop a set of ESG standards to guide corporate practices and behaviors, ensuring transparency, accountability, ethical governance, and long-term environmental and social responsibility.

Technology and Innovation

SYNERGY NORTH will establish a digital strategy that prepares the company, leadership and employees for the next level of digitalization and innovation in our business. Continued evolution of cybersecurity measures will ensure the protection of critical systems and data. We will prioritize investment in our technology platforms, within a prudent investment framework, to ensure we can continue to meet the needs of the business and our customers over the long term.



LOOKING AHEAD

SYNERGY NORTH's 2025–2028 Strategic Plan is both a continuation and a transformation. It builds on our proven foundation of safe, reliable electricity service — while embracing the opportunities and challenges that come with an evolving energy system, changing customer expectations, and new demands on infrastructure.

Our plan is rooted in the needs of the communities we serve: Thunder Bay and Kenora. It reflects the realities of our region, the insights of our employees, and the input of our stakeholders. It also prepares us for a future where our role expands — as a distribution system operator, a community energy partner, and a leader in electrification and innovation.

We know the path ahead will involve complexity, change, and uncertainty. But we also know that our strengths — our people, our values, our commitment to safety, and our deep local connections — position us to thrive.

Through this plan, we will:

- Deliver essential investments in system renewal, reliability, and DER readiness
- Advance a culture of innovation that integrates smart tools, customer insights, and digital operations
- Support electrification and growth while ensuring affordability and long-term value
- Strengthen community partnerships and create new opportunities for collaboration
- Lead with safety, accountability, and purpose

The energy landscape is changing. SYNERGY NORTH is ready to lead that change — responsibly, strategically, and in partnership with the people and places we serve.





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