



CORIX[™]

Water Products
Water Systems
Utilities

Innovative Partnerships to Facilitate the Development of Sustainable Communities

Creating Solutions
Building Partnerships

Victoria, BC
March 23rd, 2010

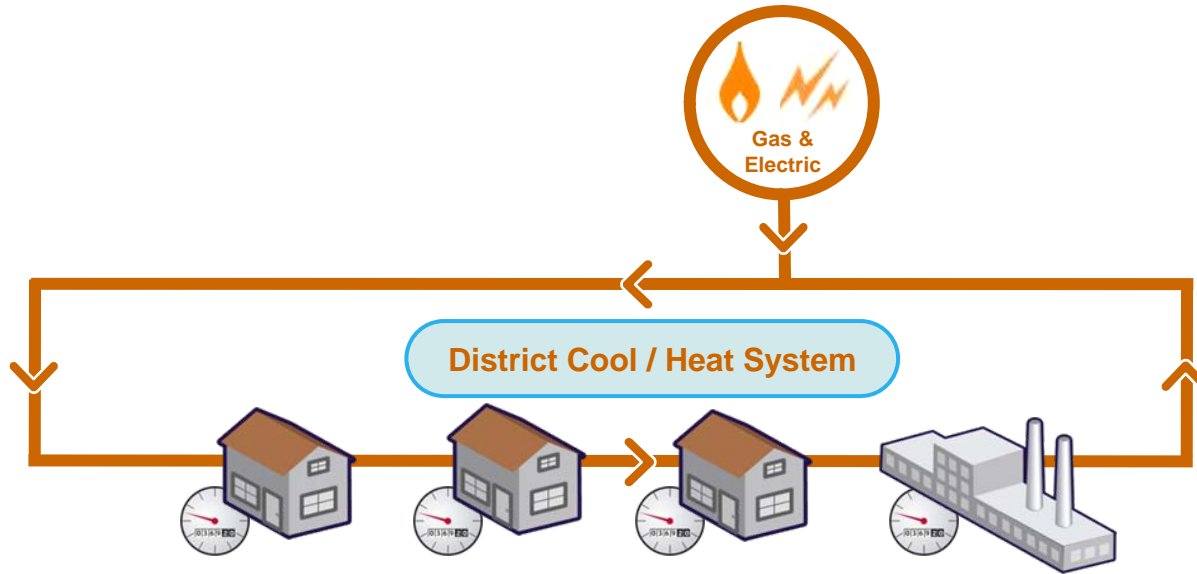
- Corix Background
- Integrated sustainable utility infrastructure: concept and drivers
- Partnership Approaches
- Case Studies
- Challenges & Opportunities

CORIX VISION: TO BUILD A WORLD OF SUSTAINABLE COMMUNITIES

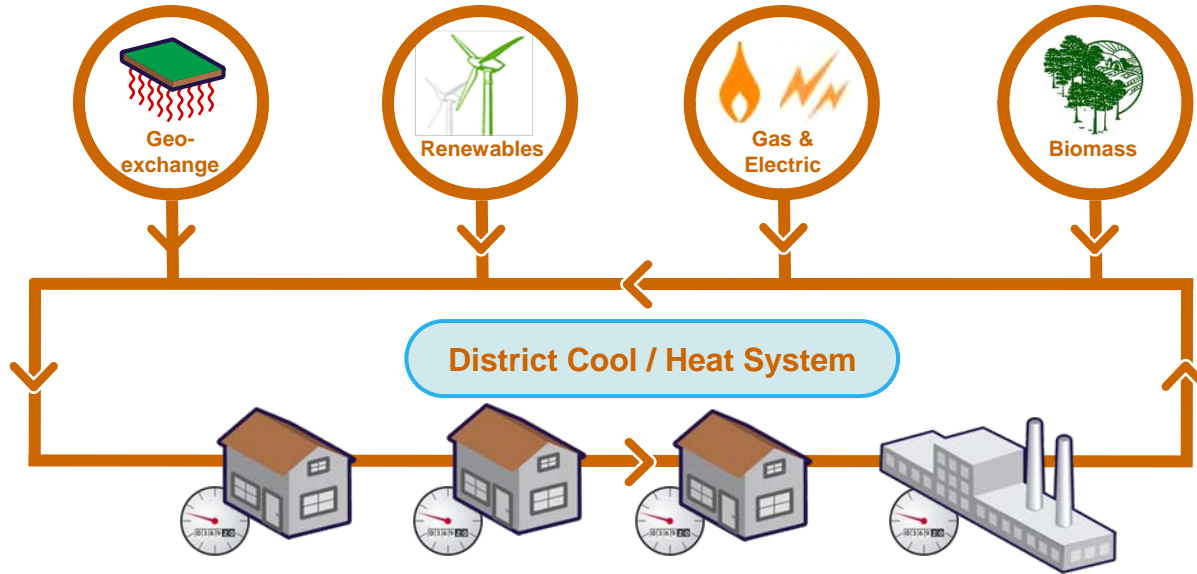
- Sustainable utility infrastructure solutions
- Partnerships with communities and developers
 - About 40 transactions in the last 10 years
- Vertical Integration
- Three business lines: Utilities, Products, Systems
- Ownership and/or operatorship of over 110 utility infrastructure systems in about 60 communities
- 2,000 employees across North America
- Investment in utility infrastructure under either:
 - concession/DBFO structures, or
 - direct ownership
- Backed by strong owners investing in infrastructure business
 - BC Investment Management Corporation (BCIMC)
 - CAI Capital Management Inc. (CAI)



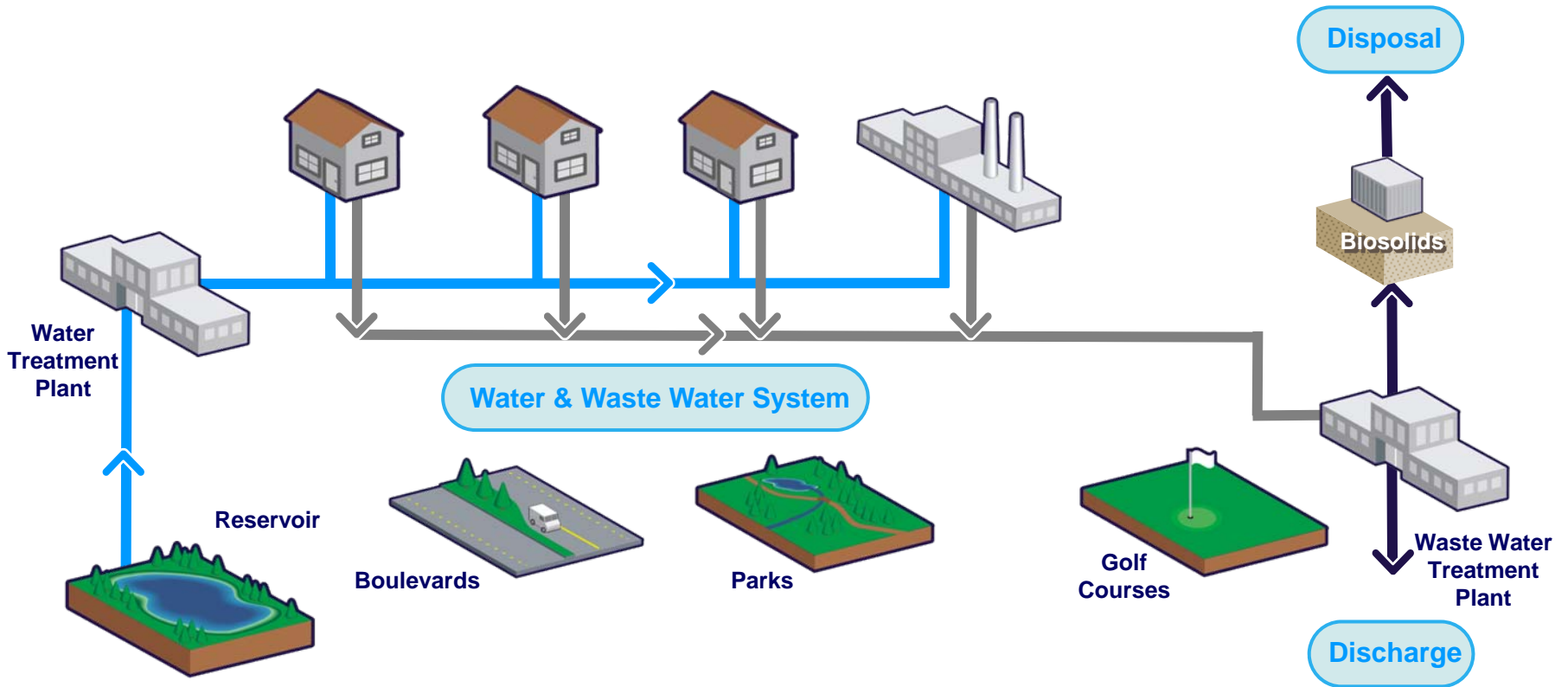
Traditional Community/ District Energy



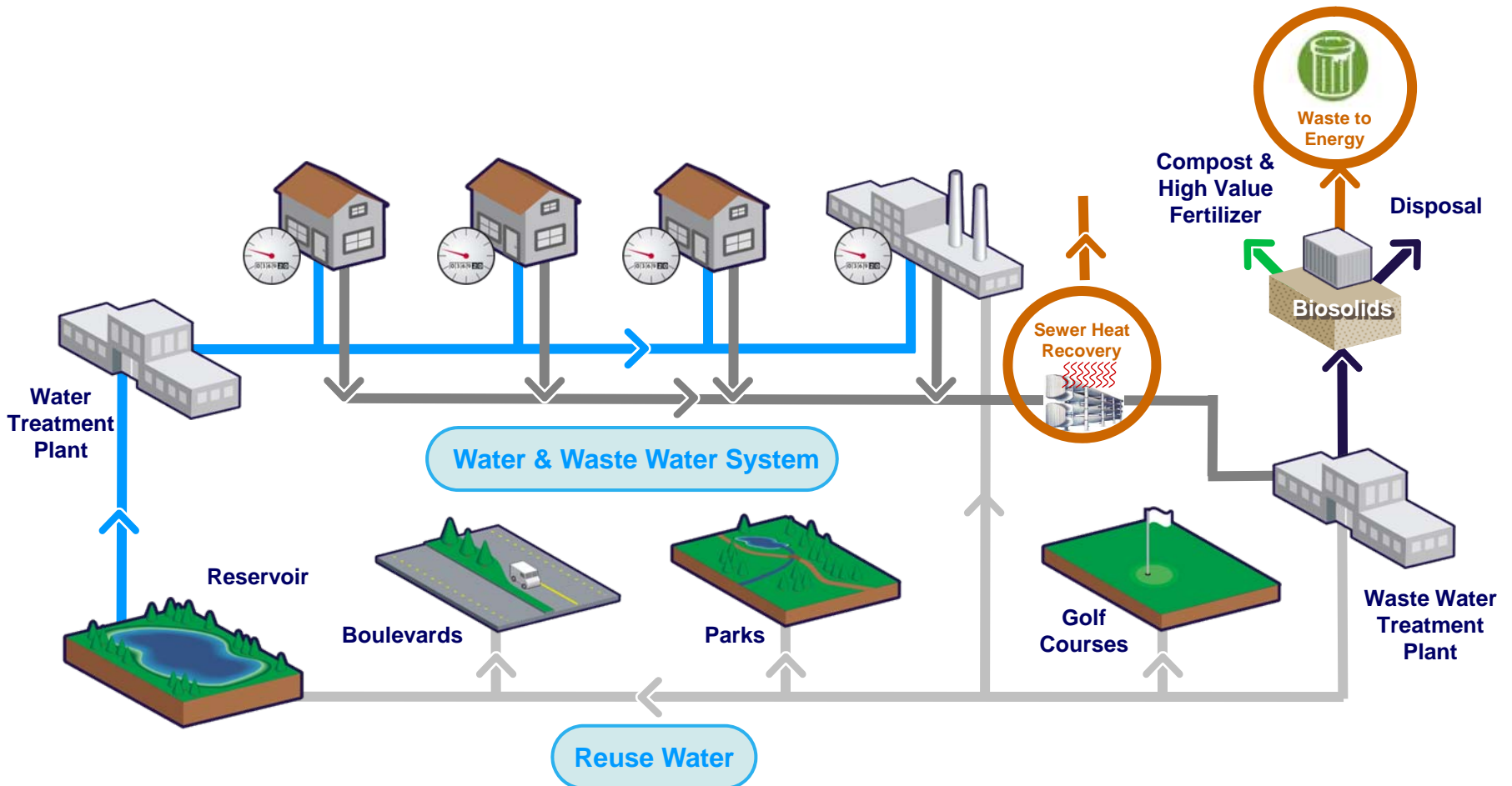
More Sustainable Community/District Energy



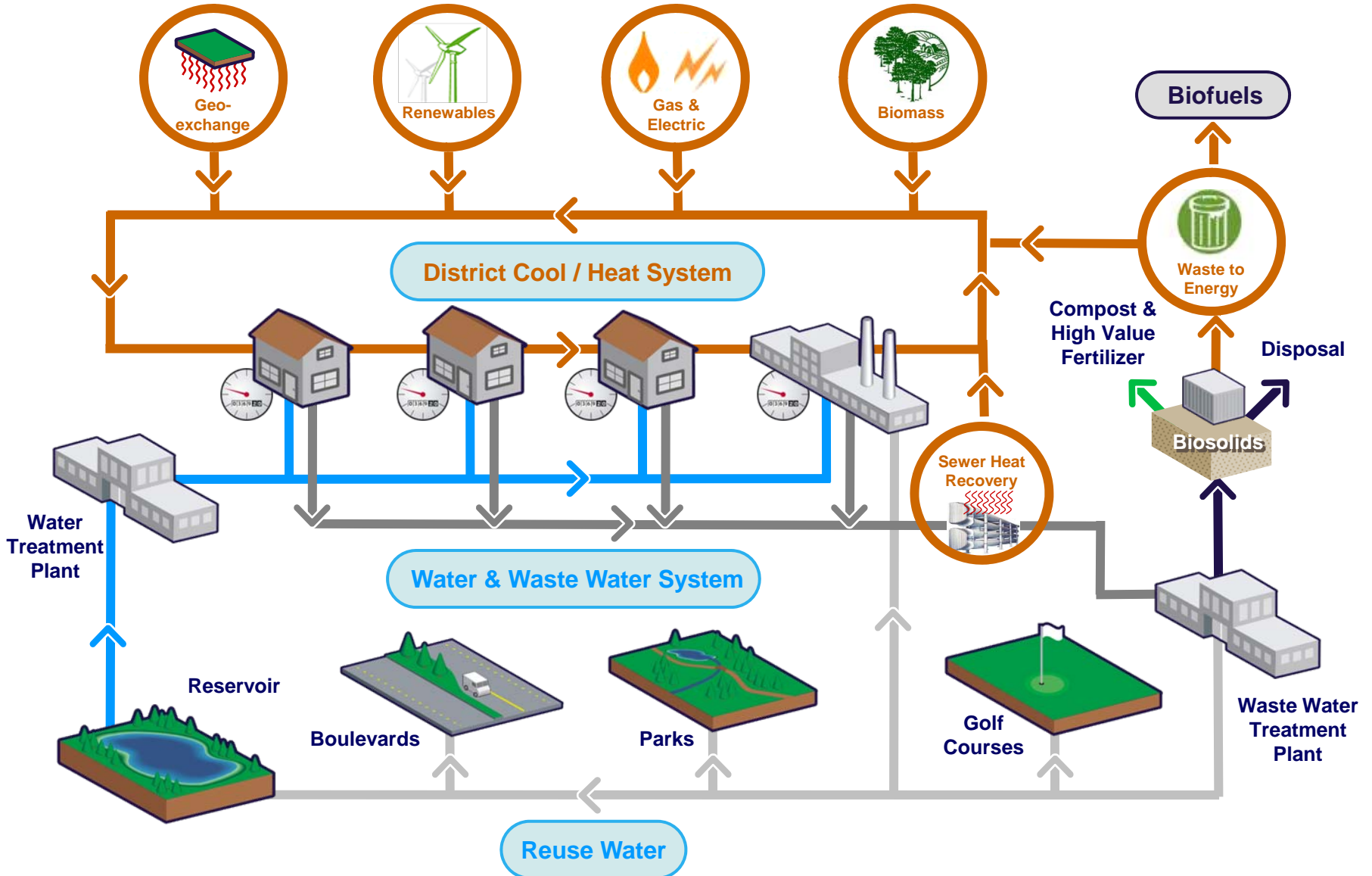
Traditional Water Infrastructure



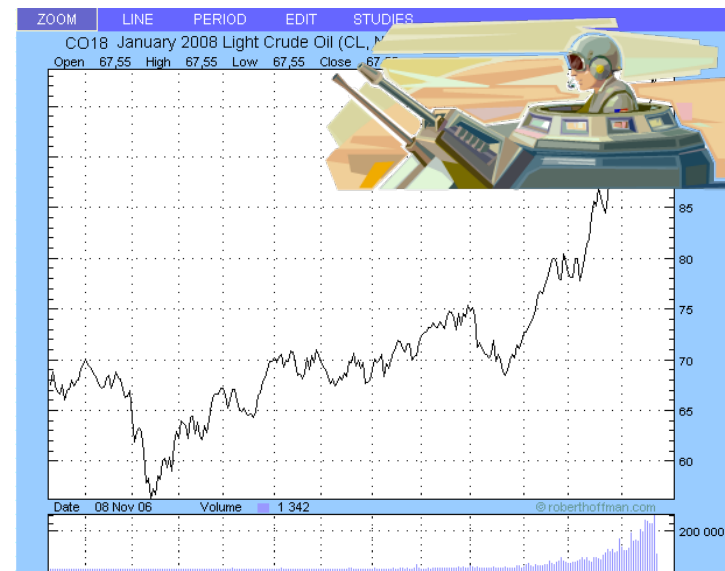
More Sustainable Water Infrastructure



More Sustainable Community Infrastructure



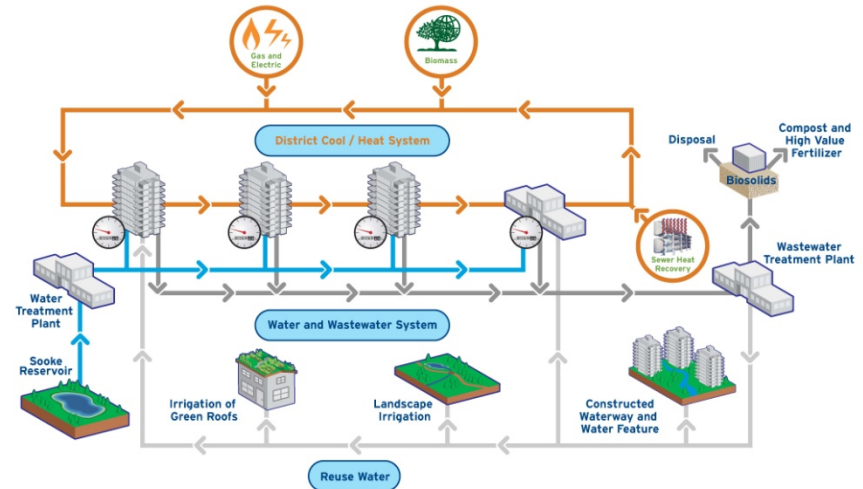
- Integrated Community Systems far more established globally than in N.A.
- Higher utility commodity costs generally
- Bigger, higher density cities
- Security of energy supply
- Aging infrastructure in major cities
- Environmental benefits



- Sustainability
- Infrastructure deficit
- Climate change
- BC Bill 44 – Carbon Neutrality
- Rising commodity costs, volatility and concerns over security
- Benefits to the end user
 - Economies of Scale & Scope
 - Environmental Benefits
 - Energy Efficiency
 - Regulated Rates
 - Comfort
 - Reliability

Sustainable Infrastructure for Water, Wastewater and Energy

Helping leave a smaller environmental footprint



- “Traditional” DBFO/DBOO
- Concessions
- Privatization
- Technology Partners (e.g. Nexterra, GE)
- Joint Venture
 - Contractual
 - Corporation
 - Limited partnership

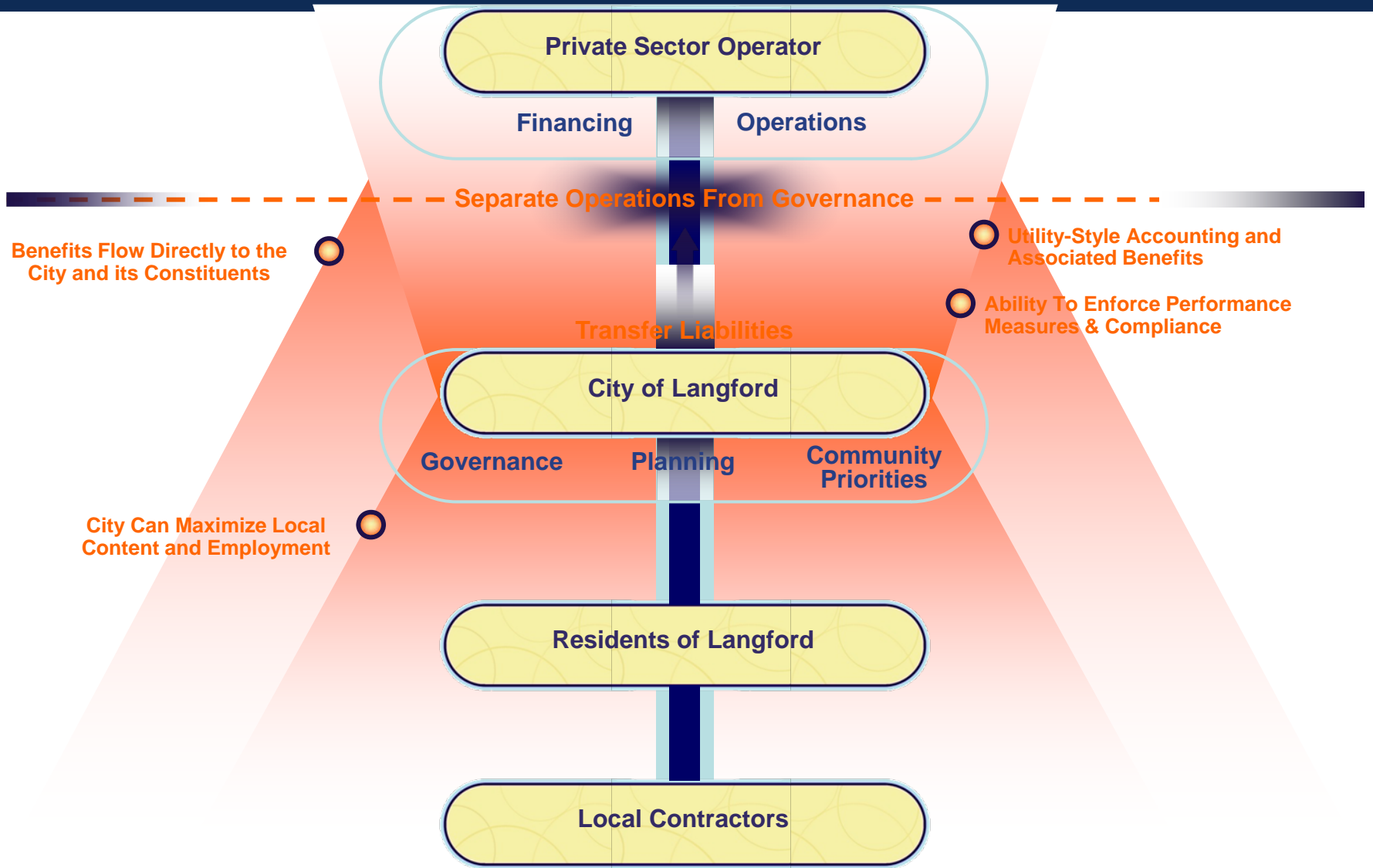
- City of Langford
- District of Chatham Kent
- Dockside Green
- Toronto Community Housing
- US Army
- US University Multi-Utility Partnership

- The Langford sewer utility will be:

- well planned
- innovative and flexible
- developer friendly
- optimized with respect to customer service and cost
- privately funded and operated, governance by Langford
- provides direct and tangible benefits to the City of Langford and the community



such that the utility contributes to the healthy growth of the Langford community



- **Governance by Langford:**

- User Rates
- Developer and Connection fees
- Standards
- Expansion Priorities

- **System Responsibilities by Corix:**

- Design and Construction
- Financing
- Operation and Maintenance
- Customer Service
- Emergency Response
- Compliance

- **Joint Responsibility**

- Capital Planning
- Utility Protocols
- Permitting/Sewer Authorization

- **Multi-Utility, Multi-Partnerships:**
 - **50/50 Water Services JV**
 - Access existing and retiring operators
 - Provide water and wastewater services to SW Ontario
 - Corix provides capital and technical resources
 - **10% ownership stake in CKE:**
 - Participate on CKE board
 - Availability of capital for growth, acquisition, new ventures
 - Shared expertise, governance, resources
 - **New Ventures:**
 - Waste to energy
 - Renewables (solar, wind)
 - Acquisition and operation of industrial systems

- A highly integrated sustainable community
 - LEED Platinum
- District Energy System serving over 2,200 people, BCUC regulated
- 2.5 MW - Wood-waste gasification process
- Biomass plant currently being commissioned
- Carbon neutrality achieved
- Developer's commitment to the highest energy and environmental standards
- Corix is a part-owner and operator of the system
- Tertiary wwtp & reclaimed water
- Commercial partnership



- SFU Community Trust's commitment to sustainable development including energy
- Carbon neutrality required
- Mixed tenant profile:
 - office, retail, residential, institutional
- 2,1 to 10 MW alternative energy hydronic district heating system
- System to be regulated by BCUC
- Corix will Develop, Build, Own and Operate the DES
- Mixed energy sources: biomass, waste heat, geoExchange
- Pick your partner approach/contractual



- Regent Park Revitalization is a six-phase, 15-year, \$1-billion strategy that will transform Canada's biggest and largest publicly funded community into a healthier mixed residential community for 12,500 people in 5,115 units.
- The revitalized Regent Park will be a "green" community. Lower carbon dioxide (CO₂) emissions and energy savings will be achieved by constructing buildings that are energy efficient and environmentally friendly, and through the district energy system.
- RPEI are also working with adjacent stakeholders such as schools, hospital, office & retail regarding opportunities to extend the system beyond Regent Park



- District heating and cooling system in Downtown Toronto
- High efficient natural gas fired boilers
- Future CHP - 2.8 MW scalability up to 5.6 MW; 30 MW heating capacity and 19 MW (4,000 tons) of cooling
- other alternative energy sources (geoExchange and thermal storage solution, solar PV)
- JV with Toronto Community Housing Corporation
 - 60% / 40% JV Corporation with management and other services by Corix
- Avoided Cost rate model



- 50-year contract with the Defense Energy Support Center - US Government
- Part of the U.S. Department of Defense utility privatization initiative
- Regulated by the Regulatory Commission of Alaska (“RCA”)

Army Posts

FWA – 25,000 pop.

FGA – 2,000 pop.

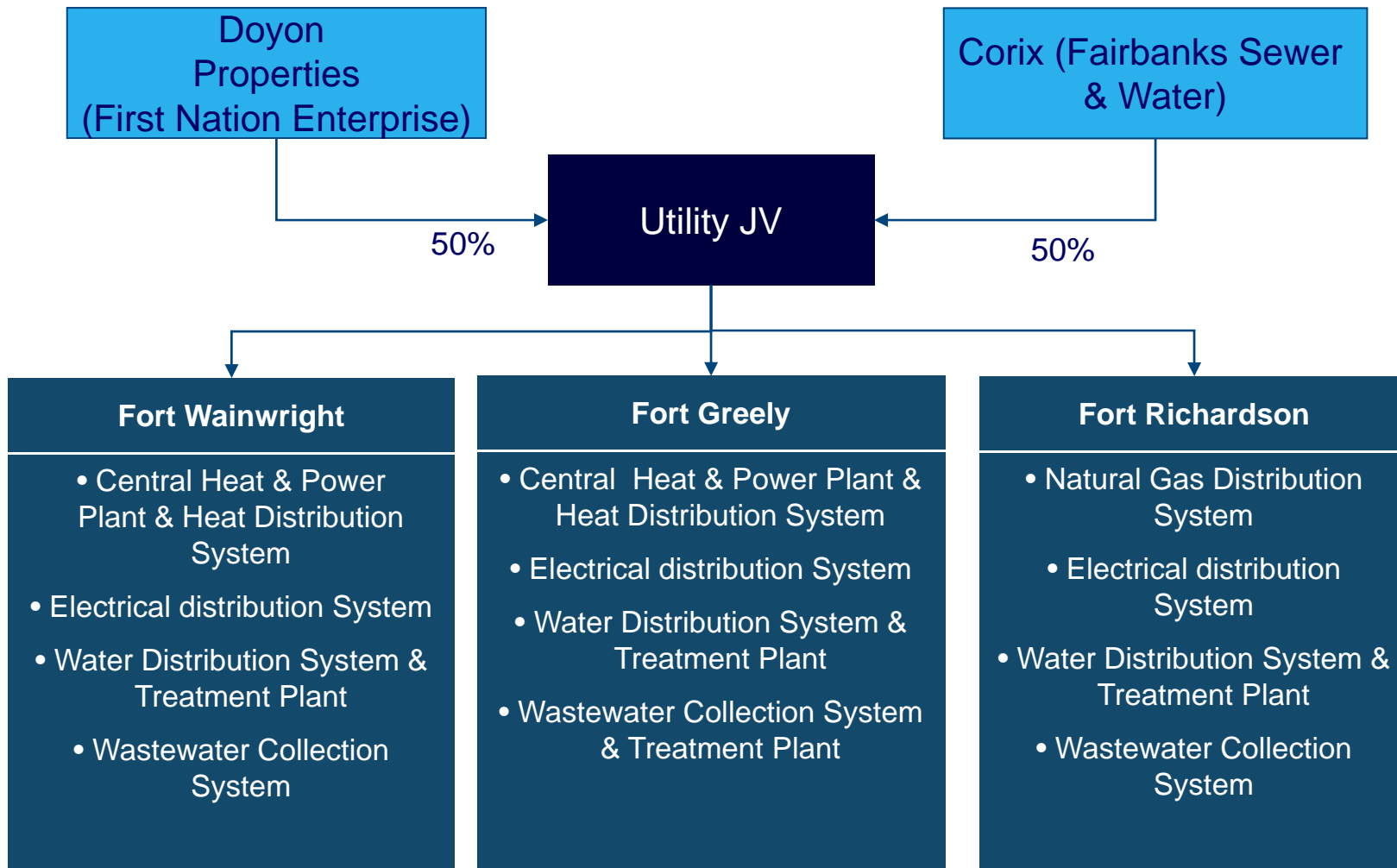
FRA – 18,000 pop.



- Alaska Army Utility Privatization is a large-scale integrated multi-utility
 - 12 utility systems, 3 locations, 130 staff hired
 - Design-Build: \$200 mm over first 5 years.
 - \$4 Billion contract value



Alaska Army Utility Privatization Partnership Structure



Highlights:

- In exclusive negotiations following competitive bid
- 6 Utilities on campus
- Large capital injection by Corix
- Operations, maintenance, future capital and expansion by Corix
- Proxy regulated with benchmarks, governance by university
- 50-year Lease structure: tax efficient
- Commitment to sustainability research and implementation

- Greatest value added when partner is picked and utility infrastructure is integrated with planning early in the process
- Pick the partnership model that fits best – there is no one “best for all” solution
- Bundling can be attractive: maximizes synergies
- Challenges:
 - Condo/Strata Act
 - Property taxes
 - Pricing and rate design: green premium
 - Grant eligibility: real versus perceived
 - Inertia: deviation from status quo & perceived risk
- Opportunities:
 - Unprecedented incentives for sustainability initiatives
 - Increasing pressure and legislation to become greener
 - Focus on core strengths and objectives
 - Efficient deployment of capital/rate savings to end-user
 - Differentiator now
 - will become the norm, so get on board or get left behind

Discussion?

Thank you!