

# ADAPTING TO A CLIMATE OF CHANGE

CORPORATE RESPONSIBILITY & SUSTAINABILITY REPORT





## ON THE COVER

In Saskatchewan, our electricity system is going through significant change. Once the backbone of our electricity system, conventional coal generation is being replaced with lower- or non-emitting sources such as natural gas, wind, and solar. The new Highfield Solar Energy Facility (pictured) developed by Saturn Power is providing SaskPower with 10 megawatts of solar generation capacity — enough to power 2,000 homes. This is the first utility-scale solar facility in our province, and is located in the RM of Coulee.



SASKPOWER'S 2020-21 CORPORATE RESPONSIBILITY & SUSTAINABILITY REPORT PROVIDES AN OVERVIEW OF OUR COMPANY'S ENVIRONMENTAL, SOCIAL AND ECONOMIC PERFORMANCE. IT ALSO PROVIDES AN OVERVIEW OF OUR GOVERNANCE FRAMEWORK WHILE OUTLINING THE CHALLENGES AND OPPORTUNITIES AHEAD.

THE REPORT ALIGNS SASKPOWER WITH THE PRINCIPLES OF THE CANADIAN ELECTRICITY ASSOCIATION'S (CEA) SUSTAINABLE ELECTRICITY PROGRAM, TO WHICH WE FILE AN ANNUAL REPORTING SUBMISSION, AS WELL AS WITH THE REQUIREMENTS ASSOCIATED WITH HAVING BEEN DESIGNATED BY THE CEA AS A SUSTAINABLE ELECTRICITY COMPANY™.

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## OUR VISION

Powering Saskatchewan to a cleaner energy future through innovation, performance and service.

## OUR MISSION

Ensuring reliable, sustainable and cost-effective power for our customers and the communities we serve.

## OUR VALUES

Safety, openness, collaboration and accountability.

## OUR CORPORATE PILLARS

- ▶ Customer Experience & Stakeholder Relations
- ▶ Workforce Excellence
- ▶ Efficiency, Quality & Cost Management
- ▶ Sustainable Infrastructure & Reliability



## TREATY & LAND ACKNOWLEDGEMENT

*We acknowledge that we live and work on the Treaty and traditional lands of First Nations and Métis peoples. We respect and honour the Treaties that were made and are committed to moving forward in partnership with Indigenous Nations in the spirit of reconciliation and collaboration.*

# OUR COMPANY

Established in 1929, SaskPower is Saskatchewan's leading energy supplier. We are defined by our commitment to support the province's economic growth, protect its natural resources and enhance the quality of life of its people. Our corporate mission: ensuring reliable, sustainable and cost-effective power for our customers and the communities we serve.

SaskPower's team is made up of over 3,000 permanent full-time employees. We manage over \$12 billion in generation, transmission, distribution and other assets.

Our company operates seven natural gas-fired stations, three coal-fired power stations, seven hydroelectric stations, and two wind facilities. Combined, they generate 4,109 megawatts (MW) of electricity.

SaskPower also buys power from various independent power producers. Our total available generation capacity is 4,999 MW. Our company also has transmission interties at the Manitoba, Alberta and North Dakota borders.



CAPSTONE INFRASTRUCTURE'S RIVERHURST WIND ENERGY FACILITY, LOCATED SOUTHWEST OF RIVERHURST, WILL SUPPLY SASKATCHEWAN WITH 10-MW OF WIND GENERATION CAPACITY WHEN COMPLETE IN 2021-22.

# AT A GLANCE

**652,000**

square kilometres of service area

**545,000**

customer accounts

**158,000**

circuit kilometres of transmission and distribution lines

**\$12B**

generation, transmission, distribution and other assets

**1.2M**

distribution poles

**3,000**

permanent full-time employees

**3**

customer accounts supplied per circuit kilometre of line

**170,000**

pole, pad-mounted and step transformers

**56**

high voltage switching stations

**200**

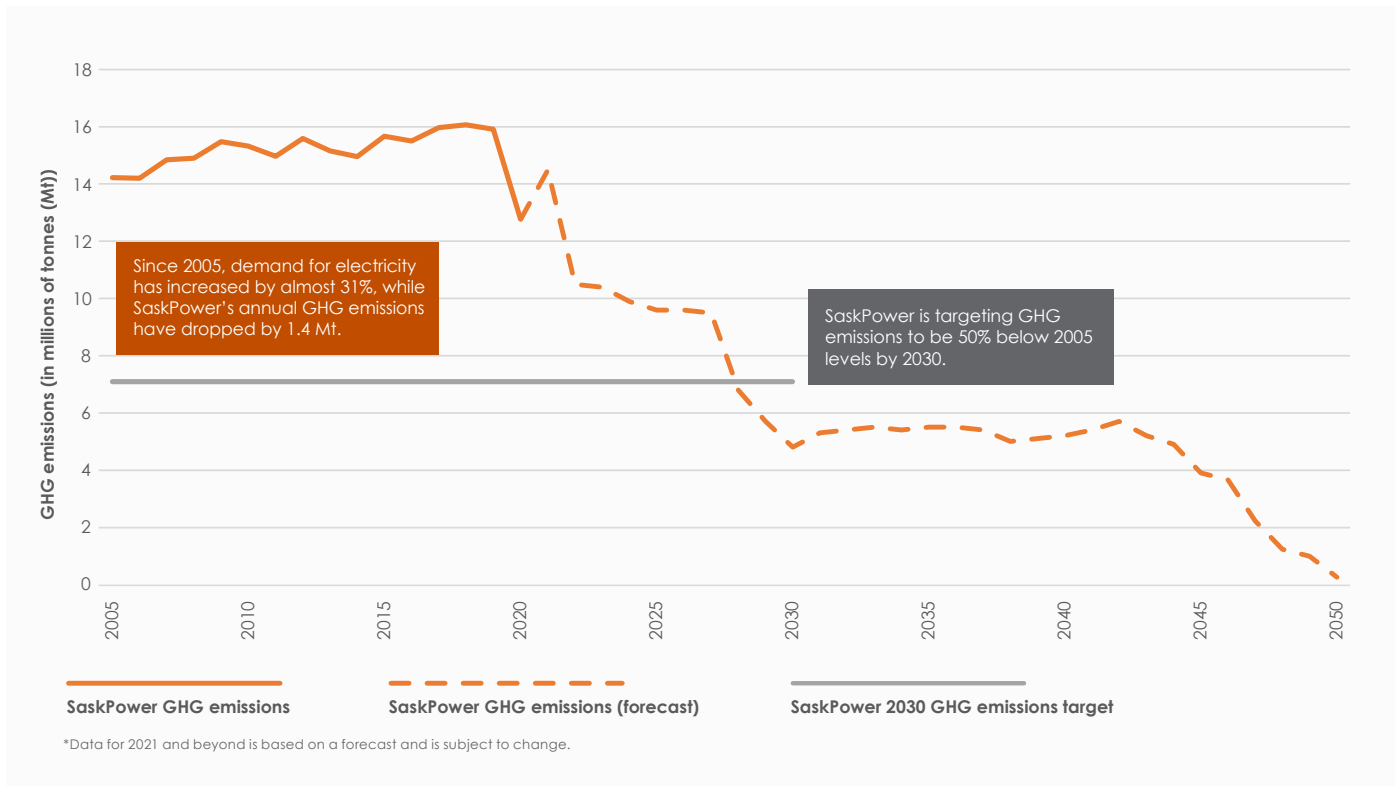
distribution substations



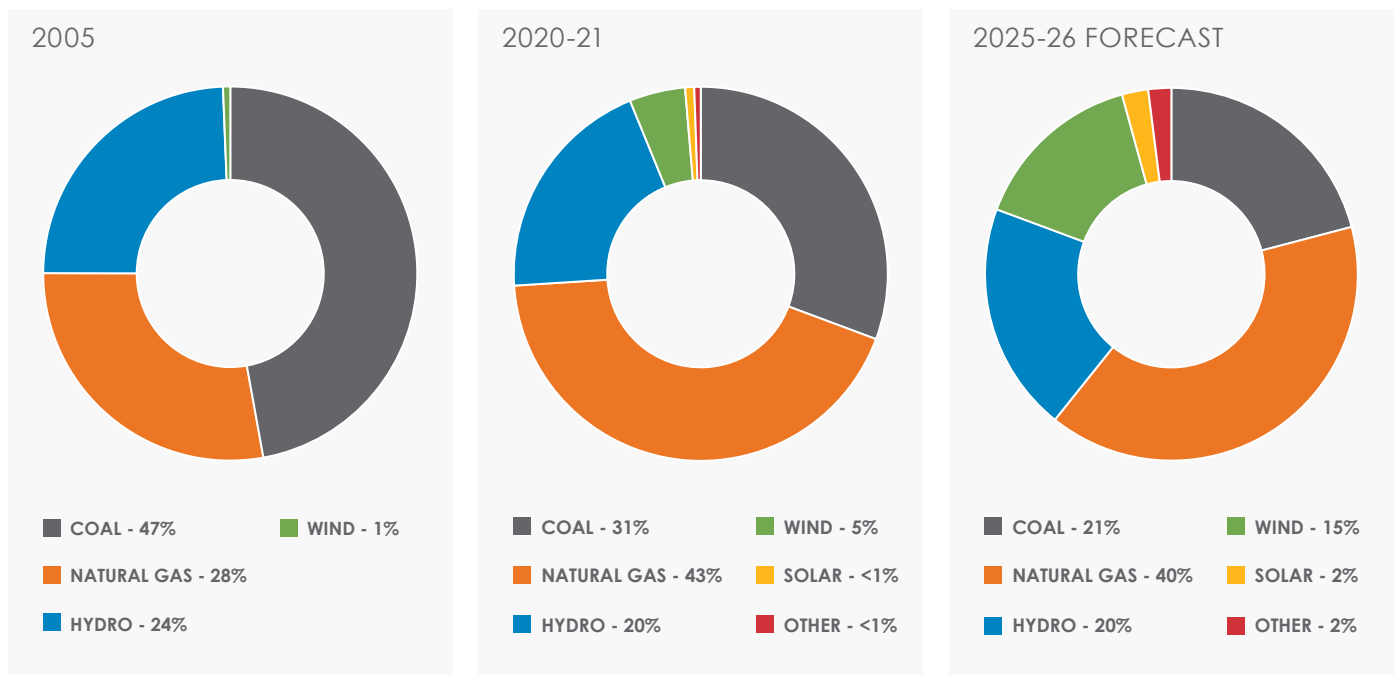
# 2020-21 HIGHLIGHTS

- ▶ **REVISED** our GHG emission reduction target from 40% to 50% below 2005 levels by 2030 while planning for a net-zero future.
- ▶ **ADVANCED** development of over 400 megawatts of additional renewable generation capacity scheduled for service in 2021-22.
- ▶ **SIGNED** on to the Government of Canada's Small Modular Reactor Action Plan.
- ▶ **CAPTURED** the four millionth tonne of carbon dioxide at Boundary Dam Power Station's Integrated Carbon Capture and Storage Facility.
- ▶ **INVESTED** \$2.1 million in educational and community programming throughout Saskatchewan.
- ▶ **CERTIFIED** with Progressive Aboriginal Relations (PAR) Gold status for the second time.
- ▶ **SELECTED** as one of Canada's Best Diversity Employers for the 13th year in a row.

# GREENHOUSE GAS (GHG) EMISSIONS SINCE 2005



## A SUPPLY MIX IN TRANSITION



# A MESSAGE TO OUR STAKEHOLDERS

**In the electricity sector — where the impacts of decisions can be felt for years and even decades — the current pace of change has opened the door to an unprecedented era of transformation. Advances in a range of technologies that generate and move the power we use each day have coincided with growing concerns about our climate and a host of other sustainability issues. This has accelerated discussions on how our company can contribute to the development of a thriving low-carbon economy in Saskatchewan.**

SaskPower recognizes the unique position we occupy at the centre of this conversation. We have an obligation to provide reliable, sustainable, and cost-effective electricity that not only enhances our quality of life, but also fuels industry, creates jobs, and directly and indirectly supports thousands of local businesses. At the same time, we also recognize that this essential service we deliver is accompanied by an undeniable responsibility related to our province's air, land, and water resources.

While recent extreme weather events have captured attention and highlighted the urgency of addressing the climate crisis, undertaking the work to build a cleaner energy future for Saskatchewan is not something new to SaskPower and our employees. Thanks to our company's efforts, we've increased SaskPower's 2030 greenhouse gas (GHG) emissions reduction target from 40% to 50% as compared to 2005 levels.

This is largely due to our ongoing move from traditional forms of electricity generation: in 2005, 47% of SaskPower's generation capacity was conventional coal generation, while wind was about 1%. Today, conventional coal accounts for approximately 31% of generation capacity, and by 2022 wind power will have increased to approximately 12%. As we have worked to develop a lower-carbon generation fleet, during the same period of time we have also had to respond to almost a 31% growth in customer demand for power.

Because of our ongoing planning, we feel confident in addressing the challenges of moving to a longer-term position of net-zero GHG emission from operations. Key elements of our GHG emissions reductions pathway will be the regulated closure of all conventional coal-fired generation facilities before the end of the decade, along with a short-term increase in the use of natural gas generation — which delivers up to a 67% reduction in GHG emissions when compared to conventional coal.

We continue to invest significant efforts into evaluating future power supply scenarios for our province in support of a net-zero GHG emissions future. Because of Saskatchewan's limited near-term prospects for baseload zero emissions electricity generation that can support intermittent renewables like wind and solar, there is no clear long-term approach to a net-zero GHG emissions future.

As a result, our planning is focused on assessing the feasibility of how a diversified generation portfolio of existing and emerging technologies might deliver on this ambitious target.

We continue to investigate nuclear small modular reactors (SMRs) as one of our potential future supply options, with a multi-year planning phase now underway to assess the feasibility of building a 300-megawatt (MW) SMR in the early 2030s and the development of an additional 900 MW of SMR capacity between 2035 and 2042. The role that energy storage will play in our future supply plans is also being assessed through the development of Saskatchewan's first ever utility-scale battery installation, which will be capable of providing 20 MW of capacity for up to one hour.

The past year also saw us continue exploration of a range of other power options to support our growing renewable generation portfolio. This includes the investigation of the role of regional transmission grids and next-generation carbon capture and storage. On a smaller scale, assessments proceeded throughout 2020-21 on private development of a potential geothermal power facility, while an 8-MW biomass generating plant to be operated by the Meadow Lake Tribal Council is on track to enter service in 2022.

During the year, our efforts to map out a future supply plan moved hand in hand with the significant investments made as part of a multi-year plan to upgrade the province's power grid. In addition to enhancing reliability and resiliency, other key considerations are the need to accommodate growing amounts of renewable and customer-generated power. Distributed Energy Resources — including rooftop solar, electric vehicles, storage, microturbines, and demand response — will also be easier to manage in a modernized grid.

SaskPower's Advanced Metering Infrastructure initiative is a key part of this broader grid improvement focus that will deliver an enhanced experience for our customers and help us work more efficiently. During 2020-21, we finished installing over 38,000 smart meters for the province's oil sector and other commercial and industrial customers. By the end of this year, we will have also installed a significant number of residential smart meters through a voluntary pilot program.





SASKPOWER IS INVESTING SIGNIFICANTLY IN GRID MODERNIZATION, WHICH WILL ACCOMMODATE A GROWING PRESENCE OF RENEWABLE AND CUSTOMER-OWNED GENERATION IN SASKATCHEWAN WHILE ALSO IMPROVING SAFETY, RELIABILITY AND RESILIENCE.

Establishing and maintaining close relationships with customers and stakeholders is a key pillar in SaskPower’s commitment to sustainability. The uncertainty many of our customers are experiencing during the COVID-19 pandemic highlights the importance of this ongoing two-way communication. Within days of the pandemic arriving in Saskatchewan, we implemented a range of initiatives to ease the financial burden for our more vulnerable customers. As well, we offered a one-time relief program for eligible community rinks and oilfield customers. As our province continues to respond to pandemic-related challenges, we will stay closely connected with all customers in order to assess their ongoing needs while we leverage our capital program to assist with provincial economic stimulus.

Despite the fact that the pandemic resulted in parts of our province-wide workforce being temporarily redeployed to work or be dispatched from home, our service commitments to customers were never compromised during the uncertainty that characterized the last year. We take pride in having a skilled and committed workforce — one we know will be a difference-maker as we navigate toward a net-zero GHG future. As a result, we were very pleased to see that our overall employee engagement score increased by eight percentage points over the previous year and exceeded our corporate target. Meanwhile, even during a period when hiring was down due to the economic impacts of COVID-19, our company was also able to register improvements in our workforce diversity.

While the pandemic impacted SaskPower’s financial performance in 2020-21 — as most notably seen in a 3% drop in the demand for electricity — our company’s balance sheet remained strong. We recorded a net income of \$160 million and a return on equity of 5.8%, while our per cent debt ratio improved to 71.4% and remains within our long-term target of 60% to 75%. These solid financial results position us well for the ongoing investments in power

infrastructure renewal and replacement that will be needed. Our financial position also meant that we did not have to implement a rate increase for customers for the third straight year.

The decisions we are planning for today regarding our province’s power future are extraordinary. We must meet the growing needs of today’s customers — especially as we support the province’s pandemic recovery — while also making choices that ensure environmental, social, and economic resources are available to future generations. Balancing those two often-competing challenges captures the essence of what it means to operate as a sustainable company. It is a goal that everyone of us at SaskPower aspires to live up to each and every day.



**Chief Darcy Bear**  
Chair, Board of Directors

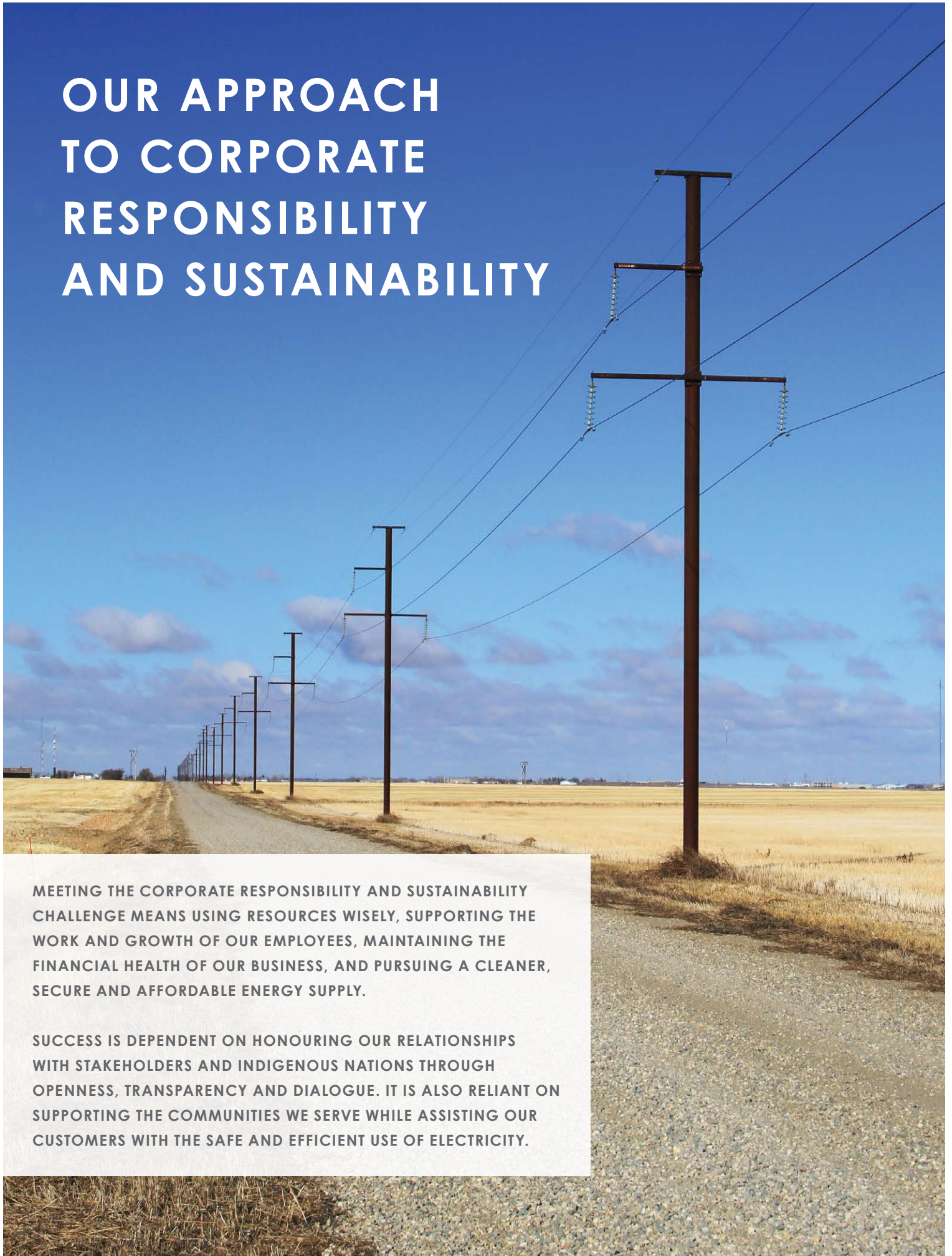


**Mike Marsh**  
President and CEO

# OUR APPROACH TO CORPORATE RESPONSIBILITY AND SUSTAINABILITY

MEETING THE CORPORATE RESPONSIBILITY AND SUSTAINABILITY CHALLENGE MEANS USING RESOURCES WISELY, SUPPORTING THE WORK AND GROWTH OF OUR EMPLOYEES, MAINTAINING THE FINANCIAL HEALTH OF OUR BUSINESS, AND PURSUING A CLEANER, SECURE AND AFFORDABLE ENERGY SUPPLY.

SUCCESS IS DEPENDENT ON HONOURING OUR RELATIONSHIPS WITH STAKEHOLDERS AND INDIGENOUS NATIONS THROUGH OPENNESS, TRANSPARENCY AND DIALOGUE. IT IS ALSO RELIANT ON SUPPORTING THE COMMUNITIES WE SERVE WHILE ASSISTING OUR CUSTOMERS WITH THE SAFE AND EFFICIENT USE OF ELECTRICITY.



**At SaskPower, the commitment to operate in a sustainable manner covers our daily work across a wide spectrum of activities. Not only are we focused on environmental preservation and protection, but we also strive to ensure the safety, well-being, and growth of employees as they serve customers and chart a path forward for our company.**

Success in reaching our sustainability goals is also measured against our ability to deliver a reliable and increasingly clean source of power to the people of Saskatchewan, while simultaneously maintaining the fiscal health of our company.

Transparency in our decision-making is a cornerstone of our corporate responsibility and sustainability efforts. This requires ongoing dialogue and engagement with Indigenous rights holders, stakeholders, and customers to ensure our current and future plans reflect the values and priorities of those we proudly serve.

Environmental, social, and governance (ESG) factors, along with climate principles, are critical drivers of the sustainability path we have chosen. As a member of the Canadian Electricity Association (CEA),

SaskPower participates in the CEA’s Sustainable Electricity Program, which promotes the integration of sustainability in decision-making along with a commitment to continuous improvement.

SaskPower is one of 11 utilities in Canada that have earned the Sustainable Electricity Company™ designation from the CEA. The comprehensive set of criteria we are required to meet in order to maintain this designation provide our customers and stakeholders with a framework so they can track our progress towards embedding sustainability principles across all facets of our operations.

Policy direction from our shareholder — the Government of Saskatchewan — also guides SaskPower’s sustainability journey. Our company’s work on a cleaner pathway

to power our province’s future aligns with *Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy*. Presently, we are meeting all deliverables related to SaskPower activities and objectives as outlined in the *2021 Climate Resilience in Saskatchewan Report*, which is issued annually to track progress made against the *Prairie Resilience* framework.

As an important contributor to the provincial economy — not only through jobs for more than 3,000 employees, but also owing to our reliance on a wide range of Saskatchewan suppliers to deliver essential goods and services — SaskPower’s sustainability efforts also reflect priorities articulated in Saskatchewan’s *Growth Plan – The Next Decade of Growth 2020-2030*.

**MATERIALITY: SIGNIFICANT ISO 26000 ISSUES IDENTIFIED BY STAKEHOLDERS AND SASKPOWER LEADERSHIP**

STAKEHOLDERS	Customers Landowners Indigenous Nations Business associations	Community organizations Public interest groups Employees/Executive/Board Members Other utilities	Non-governmental organizations (NGOs) Academia Suppliers Governments (local, provincial and federal)
ISSUES IDENTIFIED	<ul style="list-style-type: none"> <li>Protection of the environment, biodiversity and restoration of natural habitats</li> <li>Discrimination and vulnerable groups</li> <li>Economic, social and cultural rights</li> <li>Employment and employment relationships</li> <li>Social dialogue</li> <li>Health and safety at work</li> <li>Human development and training in the workplace</li> <li>Prevention of pollution</li> <li>Sustainable resource use</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation and adaptation</li> <li>Fair competition</li> <li>Promoting social responsibility in the value chain</li> <li>Respect for property rights</li> <li>Fair marketing, factual and unbiased information and fair contractual practices</li> <li>Protecting consumers' health and safety</li> <li>Sustainable consumption</li> <li>Consumer service, support, and complaint and dispute resolution</li> </ul>	<ul style="list-style-type: none"> <li>Consumer data protection and privacy</li> <li>Access to essential services</li> <li>Education and awareness</li> <li>Community involvement</li> <li>Education and culture</li> <li>Employment creation and skills development</li> <li>Technology development and access</li> <li>Wealth and income creation</li> <li>Social investment</li> </ul>

\* STAKEHOLDERS AND SIGNIFICANT ISSUES NOT PRESENTED IN ANY RANKED ORDER.

Our approach to sustainability at SaskPower has been designed to align with the framework found in the International Organization for Standardization's (ISO) 26000 guidance on social responsibility. Specifically, ISO 26000 articulates seven core subjects and associated core issues, including: organizational governance, human rights, labour practices, the environment, fair operating practices, consumer issues, and community involvement and development.

To ensure the direction provided by ISO 26000 also reflects our company's top areas of focus over the short-, medium-, and long-terms, we rely on direction from our Executive leadership team and Board of Directors. We also depend on external stakeholder feedback that we gather via focus groups; in-person and virtual customer meetings; project-specific engagements; customer satisfaction surveys; and employee engagement surveys.

## GOVERNANCE

Oversight of SaskPower's sustainability efforts is anchored in *The Power Corporation Act*, which resulted in our company being incorporated as a provincial Crown corporation in 1949. While the Act has had a number of modifications since it came into effect, SaskPower's mission — ensuring reliable, sustainable, and cost-effective power for our customers and the communities we

serve — has not fundamentally changed. SaskPower's parent company, Crown Investments Corporation of Saskatchewan (CIC), also informs SaskPower's corporate direction and guides our ongoing alignment with general provincial government direction that comes from the annual Speech from the Throne or formal policy statements.

SaskPower's President and Chief Executive Officer (CEO) reports to a Board of Directors appointed by the Lieutenant Governor in Council. Through the SaskPower Board Chair, our company's Board of Directors is accountable to the Minister Responsible for SaskPower. Meanwhile, the Minister functions as a link between SaskPower and provincial cabinet, as well as the Saskatchewan Legislative Assembly.

Within our company, three committees of our Board of Directors provide general oversight of the company's sustainability efforts and deliver specific direction surrounding corporate risks related to corporate responsibility and sustainability:

- The Safety, Environment & Corporate Responsibility Committee ensures SaskPower proactively addresses safety, health, and environmental issues; follows regulatory and statutory requirements; and strengthens its performance in the areas of corporate responsibility and sustainability. The Committee is also



responsible for affirming that SaskPower continues to meet the requirements of the CEA's Sustainable Electricity Company™ designation.

- The Audit & Finance Committee provides oversight related to key aspects of the company's sustainability framework, including financial reporting, internal controls, and accountability. This committee also verifies SaskPower's risk management registry and reporting, which includes climate-related risks to operations.
- The Governance & Human Resources (HR) Committee provides oversight over SaskPower's governance policies as well as the Code of Conduct policy and SaskPower's diversity strategy.

SaskPower has chosen to rely on Canadian Securities Administrators (CSA) Governance Guidelines to benchmark our governance practices, although our compliance is not required as a provincial Crown corporation. Our company's practices are substantially consistent with CSA standards.

Within day-to-day operations, multiple governance levels provide checks and balances while guiding employees in their efforts to deliver on SaskPower's sustainability mandate. Our company's Corporate Responsibility & Sustainability Policy is foundational to this governance

structure. The company's Enterprise Risk Management (ERM) Program plays an essential role in sustainability governance by providing a consistent approach to strategic and functional risk identification, as well as developing the associated plans that articulate proposed risk management and mitigation efforts. Although the President and CEO is ultimately accountable, risk management remains the responsibility of all employees and is an integral aspect of our workplace culture.

SaskPower's Code of Conduct and our Health, Safety and Environment Policy provide guidance that governs the daily performance of SaskPower's employees and contractors. To ensure compliance in these areas, we rely on reporting protocols; internal and external audits; and support from external agencies.

Specific Terms of Reference for each committee, our CSA Governance scorecard, and our Corporate Responsibility & Sustainability Policy can be found at [saskpower.com](http://saskpower.com).

**BOARD OF DIRECTORS**

Responsible for oversight of the corporate responsibility and sustainability long-term vision and issues management.

**BOARD COMMITTEES: SAFETY, ENVIRONMENT & CORPORATE RESPONSIBILITY; AUDIT & FINANCE; AND GOVERNANCE & HR**

**CEO AND EXECUTIVE**

Responsible for corporate responsibility and sustainability performance and long-term success.

**EXECUTIVE ADVISORY COMMITTEE: STRATEGY & RISK; AND OPERATIONS**

**CORPORATE SUSTAINABILITY OFFICE**

Sets direction for corporate responsibility and sustainability integration, goals, and initiatives while executing performance reporting.

**EMPLOYEES**

Implement corporate responsibility and sustainability initiatives and identify opportunities.

# SUSTAINABLE DEVELOPMENT GOALS

In 2015, the 2030 Agenda for Sustainable Development was adopted by all United Nations Member States and came into effect on January 1, 2016. The core of the Agenda contains the 17 Sustainable Development Goals and 169 associated targets, which represent a balance across the three pillars of sustainability: economic, social and environmental. The goals encourage action in areas of critical importance for our world by 2030: people, planet, prosperity, peace and partnership.

SaskPower recognizes the 17 Sustainable Development Goals and is establishing a special focus on those which link directly to our business.



## EMPLOYEE SUSTAINABILITY NETWORK

Through their involvement in the Employee Sustainability Network (ESN), employee volunteers from across our company make important contributions that help guide SaskPower on its sustainability journey.

While the impact of the pandemic limited work originally planned for the year, members of the ESN completed a review and updated areas of our ESN SharePoint page and included the page in the company's intranet so that sustainability-focused information is

more accessible to all employees. The ESN also encouraged employee participation in provincial Waste Reduction Week activities and hosted two lunch and learn events focused on recycling and corporate governance.

In 2021-22, the ESN plans to offer more employee lunch and learns, increase ESN membership, and take a leadership role in a range of sustainability-aligned initiatives including a clothing donation drive, Drive Electric Vehicle Event, and community volunteering.

EMPLOYEE SUSTAINABILITY NETWORK MEMBERS VOLUNTEER THEIR TIME TO ENCOURAGE SUSTAINABLE PRACTICES THROUGH ACTIVITIES SUCH AS A WEEKEND BIRD WALK EVENT.



# CLIMATE CHANGE & ENVIRONMENTAL PROTECTION



IN OUR DAILY WORK AND FUTURE PLANNING, WE MUST BALANCE GENERATING AND DELIVERING ELECTRICITY WITH MINIMIZING IMPACTS ON OUR NATURAL ENVIRONMENT. IN RESPONSE, WE ARE PURSUING CLEANER SOURCES OF ENERGY WHILE CONTINUING TO PROMOTE ENVIRONMENTAL RESPONSIBILITY.

WE CONTINUE TO DEVELOP MITIGATION AND ADAPTATION PLANS THAT ADDRESS CLIMATE RISK.

The climate challenge facing our planet is one that is gaining increasing prominence. Inside our province, we are already experiencing changes in both seasonal and annual patterns of precipitation and temperature, as well as increased frequency, intensity, and duration of extreme weather events. Historic trends and future forecasting indicate that the changes in Saskatchewan's climate will only intensify.

## 2020-21 PERFORMANCE INDICATORS

**12,800,000 tonnes**

↓ Greenhouse gas (GHG) emissions — a decrease of 20% from the previous year<sup>1</sup>

**23,000 tonnes**

↓ Nitrogen oxide (NO<sub>x</sub>) emissions — a decrease of 29% from the previous year<sup>1</sup>

**66,000 tonnes**

↓ Sulphur dioxide (SO<sub>2</sub>) emissions — a decrease of 15% from the previous year<sup>1</sup>

**26%**

↑ Renewable generation capacity in generation fleet — a 1.7 percentage point increase from last year

<sup>1</sup> Reported on a calendar year basis as at December 31, 2020.

Within SaskPower, work to guide our company in addressing the challenge of climate change has been growing. Over the last year, these efforts have increased in scope and speed, and are now delivering measurable and positive results: by 2030, SaskPower is on track to reduce GHG emissions by 50% when compared to 2005 levels, exceeding our original 40% GHG emissions reduction target.

Internal data analysis indicates that SaskPower reached its peak level of GHG emissions in 2018. In 2020, our company recorded a 20% reduction in GHG emissions when compared to 2019. This amounts to the largest year-over-year GHG reduction in the history of SaskPower while we also saw the lowest GHG emissions per unit of electricity produced.

While a decline in the demand for electricity due to the COVID-19 pandemic largely contributed to us reaching this GHG reduction mark during 2020, a number of operational considerations reflecting many years of prior planning and implementation work have combined to help us reach this achievement. This includes improved efficiency at Boundary Dam Power Station's Carbon Capture and Storage facility; realizing the benefits of a full 12 months of operation at our natural gas-fired Chinook Power Station and its lower GHG

emission profile; maximizing operation of our hydroelectric generating facilities; and realizing improvements in how we schedule required maintenance-related outages at our power generation facilities so that they fall into non-peak periods of demand.

Historically, conventional coal-fired generation has served as the primary source of electricity within SaskPower's generation fleet. By 2030, federal regulations will require all these facilities to achieve specified emission performance requirements or close. The last several years have required shifts in the makeup of our power generation portfolio as we prepare for this deadline, resulting in increases in the amount of power we now generate through natural gas and renewable resources like wind and solar power. Importantly, neither service reliability nor affordability have been compromised as we have achieved this fundamental shift in operations.

### RENEWABLE ADDITIONS

Expansion of our company's renewable portfolio is set to continue, as we plan to add over 400 megawatts (MW) to our provincial system by the end of 2021-22 from a variety of sources, including the 200-MW Golden South Wind Energy Facility being developed by Potentia Renewables south of Assiniboia; the 175-MW Blue Hill Wind Project





being developed by Algonquin Power near Herbert; and the 10-MW Riverhurst Wind Project being developed by Capstone Infrastructure near Riverhurst.

Meanwhile, SaskPower recently chose Renewable Energy Systems Canada and Awasis Nehiyawewini Energy Development, a wholly owned Cowessess First Nation entity, to construct the 200-MW Bekevar Wind Energy Project. Construction of the facility, to be situated north of Moose Mountain Provincial Park in southeastern Saskatchewan, is set to begin next summer and will be completed by the end of 2023.

SaskPower's first ever utility-scale solar project — the 10-MW Highfield Solar Energy Facility developed by Saturn Power — came into service in September 2021. Located in the Rural Municipality of Coulee near Swift Current, this new facility will produce enough clean power annually to meet the needs of 2,000 average Saskatchewan homes. At the same time, plans to expand our solar power portfolio will soon deliver even more clean electricity. Kruger Energy's 10-MW Foxtail Grove Solar Energy Facility will be located in northeast Regina and is scheduled to come into service in 2023.

Our efforts to ensure Indigenous rights holders are active participants in the growth of renewable generation within Saskatchewan also led to two additional power purchase agreements being finalized over the year: the 10-MW Pesâkâstêw Solar Energy Facility, which is being jointly developed by the George Gordon First Nation, Star Blanket Cree Nation, and Natural Forces; and the 10-MW Awasis Solar Energy Facility, which is being jointly developed by Cowessess First Nation and Elemental Energy. Both projects were brought forward by the First Nations Power Authority, whose mandate is to support Indigenous participation in energy projects in the province. These projects highlight SaskPower's commitment to add up to 60 MW of utility-scale solar power to the provincial power grid in the coming years.

At the same time, another Indigenous-owned renewable generation project is set to come online in early 2022. An 8-MW biomass generating facility is being built by the Meadow Lake Tribal Council (MLTC) and is located near the NorSask Sawmill.

WHEN COMPLETED, POTENTIA RENEWABLES' GOLDEN SOUTH WIND ENERGY FACILITY WILL PROVIDE 200 MW OF ADDITIONAL RENEWABLE GENERATION CAPACITY TO SASKPOWER'S GROWING NON-EMITTING FLEET.



**WE WILL HAVE UP TO 50% RENEWABLES BY 2030**



IN SEPTEMBER 2021, SATURN POWER COMPLETED CONSTRUCTION OF THE HIGHFIELD SOLAR ENERGY FACILITY, OUR PROVINCE'S FIRST EVER UTILITY-SCALE SOLAR PROJECT.

As SaskPower maps a low-emission future for Saskatchewan, we plan to rely on natural gas generation as an important transition technology because it produces less than half of the GHG emissions of conventional coal and can also serve as a quick-start backup for our growing wind and solar assets on calm or cloudy days. Augmenting our addition of the natural gas-fired 353-MW Chinook Power Station to the provincial system in late 2019, construction continued through 2020-21 on the 360-MW Great Plains Power Station in Moose Jaw.

When operational in 2024, the gas-fired facility will provide essential support for our

growing renewable portfolio.

While we have made progress in reducing GHG emissions produced from operations, we know that our customers and stakeholders expect us to do more. We are active participants in an important, broader conversation taking place across many sectors in Saskatchewan that is exploring the viability of a new low-carbon economy within our province. SaskPower's planning decisions about future power supply options will hold a central place in determining when and how that aspirational goal is achieved.

## ELECTRICITY SUPPLY ADDITIONS

PROJECT NAME	NET CAPACITY (MW)	FUEL SOURCE	OWNERSHIP	ESTIMATED COMMISSIONING DATE
Highfield Solar Energy Facility	10	Solar	IPP	2021-22
Golden South Wind Energy Facility	200	Wind	IPP	2021-22
Riverhurst Wind Energy Facility	10	Wind	IPP	2021-22
Blue Hill Wind Energy Facility	175	Wind	IPP	2021-22
MLTC Bioenergy Centre	8	Biomass	IPP	2021-22
Awasis Solar Energy Facility	10	Solar	IPP	2021-22
Pesâkâstêw Solar Energy Facility	10	Solar	IPP	2021-22
Manitoba Hydro Import Agreement	190	Hydro	Manitoba Hydro	2022-23
Foxtail Grove Solar Energy Facility	10	Solar	IPP	2023-24
Bekevar Wind Energy Facility	200	Wind	IPP	2023-24
Prairie Green Renewable Energy Facility	40	Natural gas	IPP	2023-24
Great Plains Power Station	360	Natural gas	SaskPower	2024-25

# PLANNING FOR A NET-ZERO GHG FUTURE



TIM ECKEL, VICE-PRESIDENT OF ASSET MANAGEMENT, PLANNING, AND SUSTAINABILITY, SASKPOWER SAYS PUBLIC ENGAGEMENT IS KEY TO DEVELOPING A COMMON VISION FOR THE FUTURE.

## Tim Eckel knows expectations are high when it comes to reducing SaskPower's greenhouse gas (GHG) emissions.

Eckel, who is SaskPower's Vice-President of Asset Management, Planning, and Sustainability, says a wide range of industrial, transportation, commercial, and agricultural companies have said they are looking to SaskPower to help lead the province's transition to a low carbon economy: "We've given them the reassurance that SaskPower will be there." He adds that this means SaskPower will have to reach net-zero GHG emissions sooner rather than later.

"We know a lot of other companies and sectors will depend on SaskPower to help them reduce their emissions and meet their own net-zero targets, so we are going to have to be out front of the curve."

Eckel notes SaskPower has made significant progress. Emissions reduction targets have already been revised from an initial 40% reduction when compared to 2005 levels to a 50% reduction from 2005 levels by 2030. This proactive approach means SaskPower is actually exceeding the current federal GHG emissions reduction target, even as the demand for electricity in Saskatchewan has increased.

"I don't think (people) realize the strides we have made," Eckel says. "If you look across the country,

and consider where SaskPower started from with significant fossil fuel generation, I think we are achieving some of the best reductions. It is not a well-known story."

The transition to a net-zero GHG emissions future reflects SaskPower's larger responsibility to support the province's economy, Eckel notes.

"We have to be aligned with where society wants to go," he says. "We have to step back and say, 'We need to do what is best for Saskatchewan, not just what is best for SaskPower.'"

Eckel says customer engagement will be critical in creating a vision for the future. "We have to be even more open and transparent with customers," he says.

"We need to continue sharing and ask if they had to make a decision, what would they do? Some want an immediate move to 100% GHG emissions-free energy, but it comes at an operational and economic cost. The more information we provide people, along with the range of factors we need to consider, then the closer we will come to a common vision."



**WE ARE PREPARING FOR A NET-ZERO GHG EMISSIONS FUTURE**

Already, we have initiated conversations across the province so we can better understand what residents and businesses believe is important to see reflected in the power system of the future. Simultaneously, we are evaluating historic data and electricity load forecasts to ensure that any future supply plan we craft is flexible enough to respond to the anticipated electrification of more sectors in our provincial economy — including transportation and industry — which will result in higher power demand in the coming decades.

### **SUPPLY OPTIONS**

Our current work to design a sustainable electricity system for the future includes exploring a wide range of power generation technologies. Anticipating that natural gas generation will be subject to even stricter regulations, nuclear small modular reactors

(SMRs) are being evaluated for their ability to provide the clean baseload power needed to support our ongoing expansion of renewable power generation.

SaskPower participated in the development of the national SMR Action Plan, which reports on efforts underway across Canada to develop and deploy SMRs. At home, we initiated a multi-year planning effort that will explore the fit of this emerging technology in Saskatchewan, and specifically the viability of adding a 300-MW SMR in the early 2030s, and an additional 900 MW between 2035 and 2042. A final decision regarding the potential construction of SMRs in our province is not expected until near the end of the decade.

SaskPower is also evaluating the viability of geothermal power as a clean supply option on our future power roadmap. Through



## **PROVINCE'S FIRST UTILITY-SCALE BATTERY PROJECT ON THE HORIZON**

While wind and solar electricity generation are important non-emitting generation options for our generation fleet, the intermittent nature of these technologies can limit their effectiveness. A backup source of generation is required to meet load requirements when the wind is not blowing or when it is cloudy. One potential solution is utility-scale battery storage to store surplus wind and solar generation.

Our investigation of storage technology took an important step forward in the last year as we announced construction of a 20-MW battery system in Regina. Through this project, which will be operational in 2022, we hope to obtain a better understanding of how to integrate battery storage into our provincial electricity system, along with insights on operational and maintenance requirements.

As part of our longer-term planning, SaskPower sees battery storage playing an essential role in supporting the expansion of intermittent sources of generation on our electricity system.

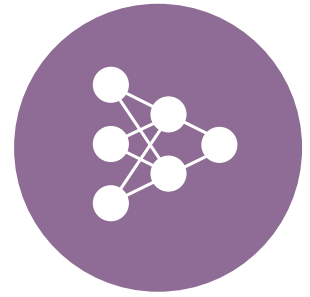
2020-21, SaskPower partner Deep Earth Energy Production (DEEP) continued work on what could become Canada's first commercial geothermal power generating facility. Located near Estevan, the project would tap into a hot aquifer three kilometres underground to generate renewable, baseload power.

Although it is still early in our 2050 planning process, it is already clear that no one supply option will be able to meet all of Saskatchewan's future electricity requirements. As a result, we are assessing a range of future supply options to determine the role they might play in any long-term sustainable generation portfolio. Carbon capture and storage, hydrogen, and the expansion of transmission line

interconnections with neighbouring jurisdictions are all being investigated and considered.

### ENVIRONMENTAL STEWARDSHIP

While work to reduce GHG emissions is the topic of most concern and interest among our customers, Indigenous rights holders, and stakeholders, SaskPower's ongoing efforts in the area of environmental protection extend much further. We acknowledge our responsibility to serve as stewards of our province's wildlife, land, and water resources in the course of producing and delivering electricity to our customers in Saskatchewan.



**WE ARE BUILDING MORE FLEXIBILITY INTO OUR SYSTEM PLANNING**



BY THE END OF 2022, SASKPOWER'S WIND GENERATION CAPACITY WILL INCREASE BY MORE THAN 150% COMPARED TO THE PREVIOUS YEAR.

# HABITAT PARTNERSHIP CONTINUES TO GROW



PHOTO: SARAH LUDLOW, NATURE CONSERVANCY OF CANADA

KAYLA BALDERSON BURAK, ENGAGEMENT MANAGER, NATURE CONSERVANCY OF CANADA, PROMOTES MILKWEED PLANT BENEFITS.

## A partnership between the Nature Conservancy of Canada (NCC) and the SaskPower Shand Greenhouse is helping restore important habitat for Monarch butterflies in the province.

Since 2019, the Shand Greenhouse has been growing showy milkweed plants at its Estevan facility for the NCC, which has then replanted them at two prairie restoration projects near Regina and Saskatoon.

Kayla Balderson Burak is the Engagement Manager for NCC's Saskatchewan region and says these milkweed plants provide essential food for Monarch butterflies and their larvae. Balderson Burak says Monarch butterflies are listed as an endangered species — primarily due to the loss of native prairie associated with an expansion of crop land and urban areas. "Without the milkweed, they would completely disappear," she notes. Monarch butterfly populations have already dropped 50% in the last decade.

When describing the role of the Shand Greenhouse in the project, Balderson Burak says the partnership is essential: "We could not do it without them."

While NCC supplies milkweed seeds, she said it is the greenhouse's infrastructure, staff knowledge, and past success in growing native plants that have been key to the project's success. To date, the Shand Greenhouse has delivered 670 milkweed plants to the NCC, and Balderson Burak has no doubt that number will continue to grow.

The transplanted milkweed plants have become an essential part of both NCC restoration sites. Balderson

Burak says, "To step onto the properties and see colour and native flowers on the landscape is so fulfilling and beneficial for wildlife that call it home."

Balderson Burak notes that the value of the Shand Greenhouse's contribution to the project extends far beyond the plants provided: "Restoring these areas that filter water, trap carbon, and hold back floodwaters is important. It's beneficial for the public to go out and walk among this and experience the plants and wildlife, and cultivate a deep appreciation for nature. We believe people will be inspired by that and make changes in their own lives."

Balderson Burak is grateful for the partnership and also notes "People of all ages can help NCC with on-the-ground conservation work like our tree planting events. For more information or to sign up to receive updates about Conservation Volunteer events, visit [conservationvolunteers.ca](http://conservationvolunteers.ca).

Aside from milkweed plants, the Shand Greenhouse has provided the NCC with 2,000 shrub and tree plugs as well as more than 1,000 native flowers since the two organizations began working together. Looking ahead to next year, Balderson Burak says the NCC has already ordered 700 more trees and shrubs from the Shand Greenhouse for other restoration projects in Saskatchewan.

Since 1991, the SaskPower Shand Greenhouse has demonstrated our company's commitment to offset the environmental impacts of operations. This unique facility uses the waste heat from the nearby Shand Power Station to grow a wide range of conifer, deciduous, and shrub seedlings, which are then provided free of charge to Saskatchewan not-for-profit organizations, service clubs, conservation groups and individual landowners. The principal requirement to qualify for free seedlings is a shared commitment from recipients to preserve and enhance Saskatchewan's environment.

Over the last year, the Shand Greenhouse received more than 1,500 applications for approximately 560,000 seedlings made available for land conservation, reclamation, wildlife habitat creation, and shelterbelt projects. Over its 29 years of operation, the greenhouse has distributed 13 million seedlings across Saskatchewan. To ensure we can continue to fulfill this customer demand in the years ahead, work was initiated in

2020-21 to repair some of the greenhouse's aging infrastructure while simultaneously increasing seedling production capacity.

Meanwhile, SaskPower's role in a sage grouse habitat improvement project highlights our efforts to preserve wildlife habitat in our province. Through a partnership with Grasslands National Park, our company moved an existing overhead distribution line so that it no longer crossed critical habitat locations in southern Saskatchewan where greater numbers of sage grouse are present. Because power lines can become a perch for predators such as hawks and other raptors, endangered greater sage grouse will often choose to avoid areas of habitat where these lines are found. Besides relocating a distribution line, SaskPower also contributed to the restoration of 400 hectares of ideal greater sage grouse habitat in the area.



WORK BEGAN IN 2020-21 TO INCREASE THE NUMBER OF SEEDLINGS THAT THE SHAND GREENHOUSE CAN PRODUCE FOR CONSERVATION AND HABITAT PROJECTS AS WELL AS FOR ESTABLISHMENT OF SHELTERBELTS ACROSS SASKATCHEWAN.

With climate change increasing the risk of wildfires in Saskatchewan, managing the growth of trees and plants around our more than 157,000 km of power lines is more important than ever. During 2020-21, we invested an additional \$20 million in a multi-year effort to clear and widen the right-of-ways around power lines to improve operational safety and reliability. Annual spending increases will see us continue to expand the scope of this work until it is complete by the end of 2029.

This high priority project complements the long-standing integrated vegetation management approach that SaskPower has deployed in our power line right-of-ways for years. It sees us removing tall, hazardous tree species while nurturing low growing shrubs and ensuring traditional land use practices are respected.

To inform a more inclusive view of the environmental impacts associated with our power generation, transmission and distribution activities, SaskPower completed a company-wide biosecurity gap analysis in 2020-21. This work has been instrumental as we create or renew strategies that are used to monitor and reduce biosecurity risks, with a

particular focus on ensuring our operations do not contribute to the spread of weeds, agricultural pathogens and pests, aquatic invasive species, forest pathogens and pests, or greenhouse pathogens and pests. Established programs already in place are focused on weed management, Dutch Elm Disease risk management, and greenhouse pest risk management. The biosecurity work completed in the last year will be revisited and updated during the course of annual strategy reviews.

Among the most important biosecurity risks being managed by SaskPower is the threat of clubroot, a pathogen that can inadvertently be spread by our field workers during construction, maintenance or repair work on transmission and distribution system assets across rural Saskatchewan. An internal SaskPower clubroot working group has developed and field-tested mitigation techniques that are reducing the risk of clubroot transmission across the province.

Zebra mussels are another invasive species which SaskPower is working to keep out of Saskatchewan. Because of their ability to grow quickly, zebra mussels hold the potential to block water intake structures

SASKPOWER INVESTED AN ADDITIONAL \$20 MILLION IN 2020-21 AS PART OF A MULTI-YEAR EFFORT TO PROACTIVELY MANAGE TREE AND PLANT GROWTH AROUND POWER LINES AND REDUCE FIRE RISKS.





at our power generating facilities. As a long-standing member of the Ministry of Environment's Aquatic Invasive Species Task Force, SaskPower's 2020-21 contribution of \$25,000 is used to help education efforts about the importance of proper boat cleaning to prevent zebra mussels from accidentally entering the province. Inside SaskPower, proactive monitoring at our most vulnerable facilities continued through the year, with rapid response plans in place if zebra mussels were discovered.

### **POLYCHLORINATED BIPHENYLS (PCBs)**

Efforts to remove PCBs from our operations demonstrate just how extensive our work can be in addressing environmental concerns. Until the 1980s, PCBs were present in the oil used to help cool many of SaskPower's pole top and ground transformers.

In response to federal PCB regulations, SaskPower continues to implement our multi-year plan to meet and exceed these

regulations by removing the vast majority of equipment and oil containing PCBs from our system.

Since work started on this plan in 2014, we have reduced the amount of PCB-contaminated equipment or equipment of unknown status present in our operations by 90%. We are on target to complete the removal of PCB equipment where the concentration of PCBs is equal to or greater than 50 milligrams per kilogram at least two years earlier than a federally regulated deadline of December 31, 2025.

SaskPower closely monitors and reports on any spills or releases that occur into the environment at any of our work sites across the province. Over the last year, there were a total of 25 releases that required reporting to our provincial regulator.



## **SASKATCHEWAN RIVER DELTA DEBRIS CLEARING PROJECT**

SaskPower provided funding to the Cumberland House Fisherman's Co-op to remove debris from some of the side channels downstream from E.B. Campbell Hydroelectric Station. Some sections of the channel were congested with wood debris and prevented local fishermen and fish from moving through the channel.

SaskPower is working with local fishermen to cut and remove the wood debris to restore access and increase water flow. Several kilometres of the channel have been opened up as a result, in the hope of creating better access and more fish spawning locations in the spring.

# CUSTOMER & COMMUNITY ENGAGEMENT

WE BELIEVE THAT A STRONG RELATIONSHIP WITH THOSE WHO HAVE A SHARED INTEREST IN SASKPOWER IS FUNDAMENTAL TO OUR COMPANY'S SUCCESS.

WE PURSUE A CONNECTION WITH CUSTOMERS, INDIGENOUS NATIONS AND ALL STAKEHOLDERS THAT IS TRANSPARENT AND ACCOUNTABLE WHILE SUPPORTING THE DEVELOPMENT OF PARTNERSHIPS.

WE CHAMPION SAFETY AS WELL AS ENERGY EFFICIENCY AND CONSERVATION INITIATIVES WHILE SUPPORTING THE COMMUNITIES WE SERVE.



Our customers hold a central place in SaskPower's efforts to operate as a sustainable organization. We rely on meaningful and ongoing engagement to understand what is most important to the customers, Indigenous rights holders, and communities we serve, and then ensure that those values and priorities are reflected in our short- and long-term workplans.

## 2020-21 PERFORMANCE INDICATORS

### 6.0 hours

↑ SAIDI (distribution): the average customer's total interruption time in hours over the year — an increase of 2% from the previous year

### 2.8 outages

↑ SAIFI (distribution): the average customer's number of interruptions over the year — a 22% increase from the previous year

### 134 minutes

↓ SAIDI (transmission): the average duration of interruption experienced at a bulk electric service delivery point in one year — a 9% decrease from the previous year

### 2.7 outages

↓ SAIFI (transmission): the average number of forced interruptions experienced at a bulk electric service delivery point in one year — a 16% decrease from the previous year

The needs of all customers were top of mind as COVID-19 arrived in Saskatchewan in the spring of 2020, but especially those facing financial hardship as a result of the pandemic. Within days, we announced a range of customer supports that included a waiver of interest charges on late payments; a pause on disconnecting residential customers for non-payment; and a temporary stop of all active collections.

In September 2020, we extended this relief by offering customers an interest-free program to pay outstanding balances over 12 equal monthly payments. At the same time, the provincial government's Saskatchewan Economic Recovery Rebate delivered a 10% reduction for customers on their energy, demand, and basic monthly charges from December 1, 2020, to the end of November 2021.

To help offset the financial strain that COVID-19 placed on the operation of community rinks across Saskatchewan, we announced a one-time investment of \$700,000 in spring 2021 for a program that waived demand charges at eligible rinks between March and September 2021. This initiative delivered savings of approximately \$1,600 per month for operating rinks, while rinks closed for the season saved about \$330 per month.

## CUSTOMER GENERATION

As customers express growing interest in their own contributions to a sustainable future, they want to be more active participants in producing their own power. SaskPower is responding to this call through a suite of opportunities for collaboration. For three years, the Power Generation Partner Program (PGPP) supported customers who wanted to

develop small renewable and carbon neutral non-renewable energy projects and then sell that power back to SaskPower under a 20-year contract with a purchase price cap. PGPP participants also had the option to bid a lower sales price. Due to the success of the program, it was extended to a third and final year in 2020-21.

The PGPP not only helped reduce provincial GHG emissions, it also made an important contribution to electricity service reliability by streamlining project opportunities in areas of the province that are a high priority for SaskPower. Over three years, the PGPP accepted 82.1 MW of customer generation (30 MW solar and 52.1 MW flare gas). Of those accepted, customers are currently proceeding with 45.4 MW (26.3 MW solar and 19.1 MW flare gas). Six projects are already in service (2.4 MW).

Meanwhile, participation in our Net Metering Program continued to grow during the past year. Primarily developed as an option for SaskPower's residential, farm and small business customers to become more involved in their own power generation, any excess power generated through eligible energy sources — including solar, hydro, biomass, biogas, flare gas or waste heat recovery — can be sold back to SaskPower for a credit of 7.5 cents per kilowatt hour.

During 2020-21, we added 2.9 MW of clean capacity to our provincial system through 150 new customer projects. The methodology that we will rely on over the longer term to determine future net metering pricing is set to be updated by the end of 2021. Stakeholder input gathered through virtual meetings and surveys will be critical in completing this work.

# AN ENGAGING WAY FORWARD



**Allan Lemieux says it was SaskPower's "up-frontness" that impressed him the most when it came to the construction of a new power plant adjacent to his farmland.**

"Nothing was secret. They sat and listened. They are not just sitting in Regina; they are out there. They know what people are talking about."

Lemieux says when he first heard that the 360-MW Great Plains Power Station was going to be built immediately west of the property he and his wife Shirley have owned since 1971, his reaction was mixed: "I am a big one on not using good agricultural land for other things, but I realize there is progress."

Since the spring of 2019, SaskPower began talking with local residents about the project. Lemieux says the engagement has been "informative and very pleasant," and it is this approach which has turned him into a supporter of the new facility.

Lemieux says he was impressed when SaskPower arranged a bus tour so local residents could visit the new Chinook Power Station near Swift Current, which has a design similar to the one being used for Great Plains.

He says it helped dispel fears about high noise levels: "That was a real good eye opener to understand what this is really all about. After seeing it and the quietness and how it actually works, I was enlightened and everyone on the tour was, too. They

got out and walked up and could not hear anything within half a block."

Limitations on in-person meetings resulting from COVID-19 did not interrupt SaskPower's engagement efforts, Lemieux notes. One-on-one virtual meetings allowed landowners to meet representatives from Burns & McDonnell, which is serving as the project's engineering, procurement, and construction contractor.

Lemieux also appreciated that SaskPower's efforts to work with local residents extended beyond formal community meetings. He says SaskPower staff were very receptive when he called them after a community meeting to offer advice on one of the possible routes they had proposed for a transmission line supporting the power station.

The route SaskPower was considering would go right through an old subdivision dating back to 1910, he said, which the company had not known about: "You go through there and you would be tracking down people for (permissions) who are not even alive. SaskPower was very receptive."

## ENGAGEMENT

Building ongoing and trust-based relationships with our customers through regular dialogue puts our company in a stronger position to understand and respond to shifting expectations. More and more, customers are telling us they want the opportunity to be a part of SaskPower's decisions on the company's future, especially as we progress towards a net-zero greenhouse gas (GHG) emissions future.

SaskPower has crafted a multi-year stakeholder engagement program that fosters open conversations around the opportunities and challenges our province faces in building a system for the future. Due to restrictions on in-person events resulting from COVID-19, we relied

on virtual workshops and information sessions as we engaged with a wide range of provincial organizations over the past 12 months, including the Saskatchewan Industrial Energy Consumers Association, the Saskatchewan Mining Association, the Canadian Association of Petroleum Producers, seven different Chambers of Commerce across Saskatchewan, and various municipal governments.

In the spring of 2021, our company offered a series of online deliberative dialogues — a first for SaskPower, involving a mix of nearly 300 customers and stakeholders — to better understand what residents and businesses believe is important for SaskPower to consider as we chart a pathway for the future.

## SOLAR POWER SUCCESS



CONNIE BIG EAGLE, CHIEF OF THE OCEAN MAN FIRST NATION, SEES RENEWABLE ENERGY DEVELOPMENT AS IMPORTANT FOR HER COMMUNITY.

As part of SaskPower's Power Generation Partnership Program, Ocean Man First Nation has completed two solar projects which are now contributing one megawatt of clean electricity to the province's grid. Located on Ocean Man First Nation's land, both solar projects came online in May 2021 and have the generating capability of 720 kilowatts and 280 kilowatts respectively.

"Ocean Man First Nation is very excited to have the biggest solar project in SaskPower's Power Generation Partnership Program! It is the first project within our alternative energy company 'Second Wind Power Inc.,'" says Connie Big Eagle, Chief of the Ocean Man First Nation. "The name 'Second Wind' is a tribute to Ocean Man's history of reestablishment, starting over and re-energizing."

Big Eagle adds that she was especially proud that the project was completed in the midst of the COVID-19 pandemic: "Our own guys were part of the construction crew and are still working in the industry."

Ocean Man's solar power developments, which are 100% owned by the First Nation were built through a vendor relationship with miEnergy, a solar power installation company from Saskatoon.

OPEN AND ENGAGING RELATIONSHIPS WITH A WIDE RANGE OF CUSTOMERS AND STAKEHOLDERS ARE AN ESSENTIAL PART OF OUR INFRASTRUCTURE DEVELOPMENT PLANNING PROCESS.



Meanwhile, our advancement of sustainability and consideration of environmental, social, and governance (ESG) factors is emerging as a priority in conversations with large industrial customers. They are seeking updates on SaskPower's move to more lower- or zero-GHG emission power sources, as well as details on how climate risk is being managed within the company. Our large industrial customers increasingly require an enhanced ESG profile, partially informed by the energy they get from SaskPower, to attract investment and prepare for the possibility of carbon tariffs on exports.

focused on future supply options and the potential role of nuclear small modular reactors in our plans for a zero-carbon future.

Although we essentially operate as a monopoly service provider in Saskatchewan, we have been intentional in adopting a dynamic customer vision that guides our daily efforts and ensures our service model reflects emerging trends. Our goal is to earn our customer's business every day by showing them we care in every interaction.

To track success in meeting customer expectations, while also identifying opportunities for further improvements, we rely on annual experience surveys that measure our customers' perceptions of their interactions and relationship with SaskPower, and our ability to provide them with positive experiences. Affordable rates, reliability, and communication are the predominant expectations of SaskPower's service delivery for all three customer segments. Due to the extraordinary circumstances our customers faced due to the COVID-19 pandemic, we elected not to conduct customer experience surveys in 2020-21.

One of the primary ways we engage with customers is through our provincial call centre. During the year, we saw a reduction in phone and email inquiries. Our analysis tells us that this was primarily due to the pandemic and the reduction in customer requests for a change in service when compared to historic trends. Proactively



## PARTNERSHIPS ARE AN IMPORTANT PART OF OUR BUSINESS

Efforts to work more closely with Indigenous rights holders and incorporate their perspectives into our decision-making gained important momentum during the year, reflecting the Government of Canada's commitment to implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

A long-standing alliance with the First Nations Power Authority is central to this collaboration. We partnered with the organization in late 2020 to host Chiefs from Treaty 4 in a two-day session that focused on the future of our power system. This engagement, which included our President and CEO as well as multiple SaskPower Executive members, was the first of its kind ever held between our company and Indigenous Chiefs. Meanwhile, in the fall of 2021, we collaborated with the First Nations Power Authority to host a series of conversations targeted at Indigenous audiences that

# BLESSING THE GREAT PLAINS POWER STATION



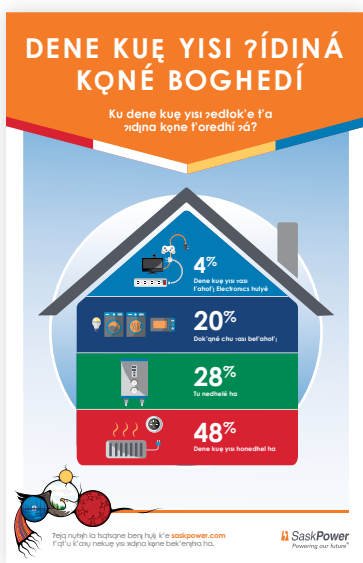
In October 2020, SaskPower officials gathered with members of the Nekaneet First Nation for a pipe ceremony to bless the site of the new Great Plains Power Station.

"When we First Nations have a pipe ceremony with our corporate partners, we have agreed to work together so that the future of the treaty relationship is intact and still relevant to this day," says Alvin Francis, Chief of Nekaneet First Nation. "It benefits both parties to have a good relationship," he adds.

This new 350-megawatt natural gas plant is being built in Moose Jaw's industrial park and will provide important support for SaskPower's growing renewable generation fleet, as well as allow us to proceed with the retirement of existing conventional coal facilities by 2030.

"SaskPower is definitely moving in the right direction in terms of collaborating and connecting with members of the Indigenous community, in order to make sure we're using traditional and Indigenous knowledge as we move forward with our projects," says Wavell Starr, an Indigenous Relations Consultant with SaskPower.

This pipe ceremony took place exactly four years after the one carried out prior to construction of the Chinook Power Station. SaskPower Indigenous Relations also presents traditional offerings of ceremonial cloth and tobacco to at least one local community ceremony each summer. Indigenous knowledge is increasingly being used by SaskPower as the company develops its future supply plan for 2050 and beyond.



POSTERS PROMOTING HOME ENERGY EFFICIENCY IN ENGLISH, CREE AND DENE (PICTURED), ARE HELPING TO BUILD AWARENESS WITH CUSTOMERS IN NORTHERN INDIGENOUS COMMUNITIES.

offering financial support to customers in need as a result of the pandemic also helped us manage the quantity of inbound calls regarding customer collections.

To better engage with our customers in northern Indigenous communities, we launched a targeted social media and radio campaign in the fall of 2020 to build awareness about SaskPower's services and customer processes, while also offering tips on how to reduce power consumption. To ensure we reached our intended audience, the campaign featured messaging in Cree, Dene and English.

At the same time, we tested options to enhance customer service in remote and northern Indigenous communities through a pilot project for a new Indigenous Customer Care Centre. By adopting an approach that includes working with on-

the-ground relationship managers in the north, we strive to provide better responses to common issues such as high bills and collections.

## ENHANCING SERVICE

In 2020-21, we took steps to improve service for small and medium business customers by creating a dedicated phone line staffed with a specially trained internal service team that is capable of resolving their unique concerns. By adopting an account management style approach for this important customer segment, small and medium business customers will always be able to speak with a SaskPower representative who is familiar with their particular needs and can offer more timely and comprehensive solutions than we had been able to deliver in the past. Quarterly newsletters aimed exclusively at small and

The Canadian Council for Aboriginal Business has certified SaskPower with Progressive Aboriginal Relations (PAR) Gold status for a second time, in recognition of our efforts to create positive and meaningful relationships with businesses and communities. The certification program is an important part of our sustainability program and confirms a commitment to continuous improvement in relations with First Nations groups. Only six other companies were certified as Gold Level in 2021.



medium customers were also introduced during the year and provide timely information to help them in doing business with us.

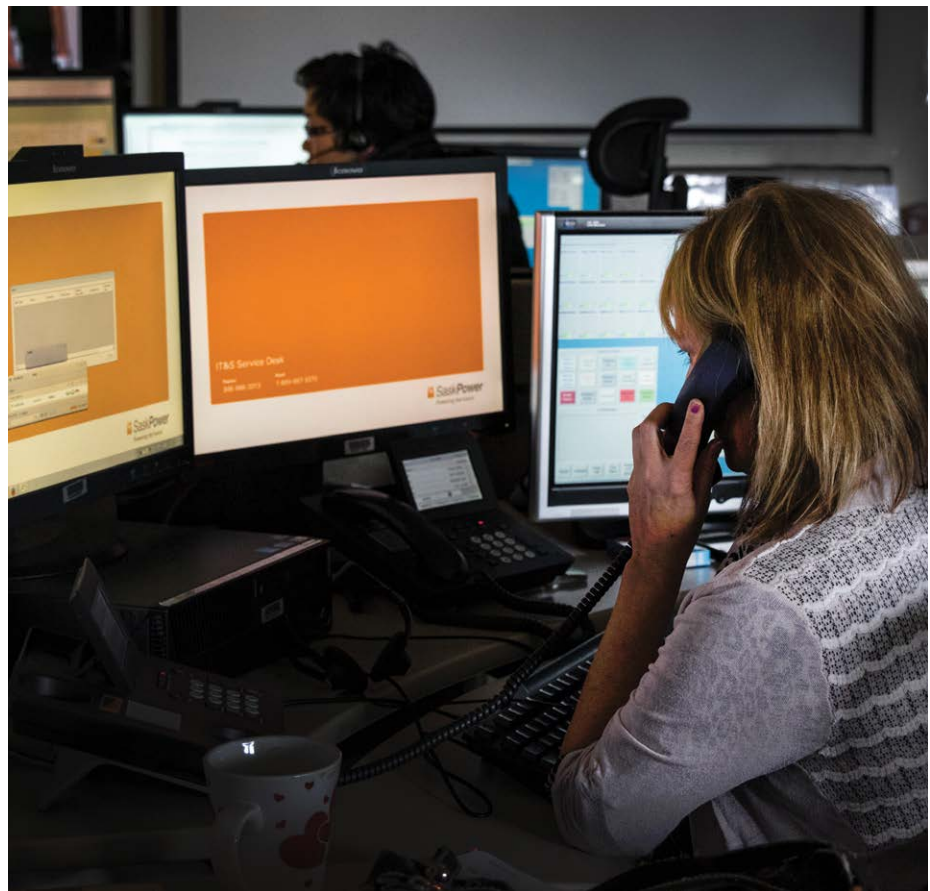
Reflecting standards for convenience and choice that have been set by e-commerce industry leaders, SaskPower made significant investments into the renewal of our customer online platforms throughout 2020-21. The updated MySaskPower app not only has a fresh look and improved functionality, but also includes new service offerings that give customers the ability to report an outage through web or mobile tools, and also engage in real-time mobile chat with a customer service representative.

A series of “How To” videos posted online cover a diverse set of topics that range from billing to power saving tips. Other important customer convenience improvements introduced during the year included adding the ability to accept credit card payments over the phone, and the launch of new tools so customers can submit meter reads at any time.

In a company with a service area as large as the province of Saskatchewan, our field staff have always played an essential role in delivering a top-tier customer experience; these men and women are literally the face of SaskPower in rural Saskatchewan. To support these essential staff and ensure a consistent approach, we developed and delivered nine front-line customer experience training modules in 2020-21 that specifically targeted employees in our distribution and metering operations.

Supporting customers through programs, tools and advice that help them save money and improve how they manage their electricity consumption remained a core pillar of our service offerings during the year. A recent focus to develop targeted energy efficiency programs that better serve historically overlooked customers was expanded.

Our Energy Assistance Program is now available across the province and offers lower-income residential customers free home assessments and energy efficiency



IN 2020-21, SASKPOWER CREATED A DEDICATED TEAM TO BETTER SERVE THE UNIQUE NEEDS OF OUR SMALL AND MEDIUM BUSINESS CUSTOMERS.



upgrades that can deliver annual savings of up to \$230 on home power bills. With municipal utilities in the cities of Saskatoon and Swift Current joining us as delivery partners, we will be able to reach even more eligible customers in the year ahead.

In 2020-21, planning also commenced on a Northern First Nation Home Retrofit Program, which will leverage \$3.7 million in federal funding to lower costs for Indigenous customers who heat their homes with electricity. We anticipate launching this program by the end of 2021.

By adopting a continuous improvement mindset, we are evolving existing programs so that they will meet the dynamic energy management requirements of our industrial customers. The new Power Support Service (PSS) is a pilot and replaced the Industrial Energy Optimization Program in 2020-21 to provide a suite of programs specifically designed for this key customer segment.

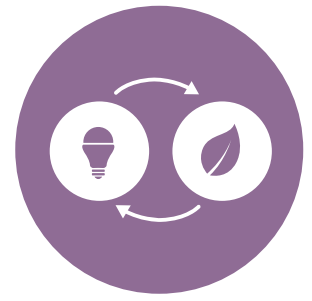
Already, the PSS's Energy Use Analytics Program has resulted in us completing a detailed review of energy use and load profiles for nine large industrial customers. This data was then used to identify opportunities for improving operational efficiency, reducing costs, and potentially reducing emissions at customer facilities. Another PSP program that focuses on

beneficial electrification is designed to help customers decrease primary energy use through more efficient electric technologies.

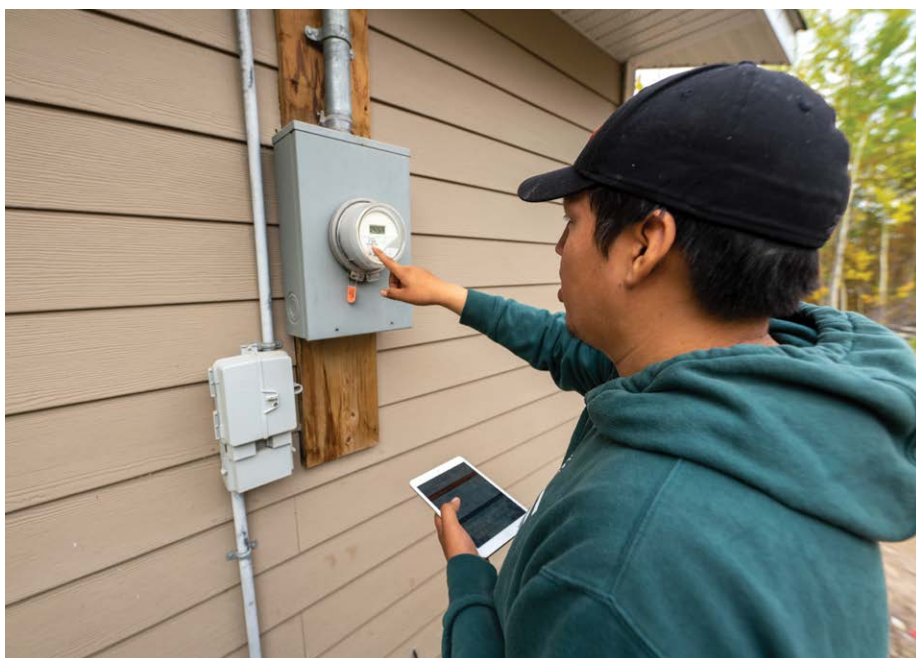
During the year, we also initiated conversations with a range of industry organizations to engage with their members who want to play a more active role in SaskPower's renewable energy strategy. This ongoing dialogue is capturing important feedback and insights on a concept and framework we're currently developing for potential new renewable offerings.

Our long-standing and popular program to help small and medium business customers find ways to lower energy use through a walk-through assessment of their business benefitted from a funding partnership with NRCan over the last year. This resulted in us being able to offer a limited number of assessments at no cost to qualifying businesses.

Program delivery was adjusted to ensure the safety of both employees and customers during the pandemic by including the option of a virtual walk-through assessment using online technology. Through the course of 2020-21, a total of 70 walk-through audit applications were received.



**WE WILL SUPPORT OUR CUSTOMERS IN USING ELECTRICITY EFFICIENTLY**



A NEW NORTHERN FIRST NATION HOME RETROFIT PROGRAM WILL SOON HELP LOWER COSTS FOR INDIGENOUS CUSTOMERS WHO HEAT THEIR RESIDENCES WITH ELECTRICITY.

# BANKING ON ENERGY EFFICIENCY



MARK SUMMACH, MAINTENANCE MANAGER, STANDARD MACHINE, SAYS HIS COMPANY HAS SEEN POSITIVE RETURNS FROM ENERGY EFFICIENCY.

**When Mark Summach is asked why Standard Machine took part in a walk-through energy efficiency audit offered by SaskPower, he doesn't hesitate in his reply.**

"Why wouldn't you do it? SaskPower is going to come in and try to save me some money. And it is free."

Standard Machine builds and repairs transmissions, gearboxes, and open gearing— ranging anywhere from 1 foot to 21 feet in diameter — for clients as diverse as the U.S. Navy and international oil companies. Just over 100 employees work in Standard Machine's Saskatoon shop, which measures about 100,000 square feet.

Summach is the Maintenance Manager at Standard Machine and says the walk-through energy efficiency audit appealed to him because it aligned with the company's efforts to reduce its carbon footprint while also offering the possibility of cost savings through lower power bills: "I was very surprised at the size of energy efficiency improvements identified through the audit," Summach says. "The amount of money that could be saved is phenomenal."

SaskPower's walk-through energy efficiency audits include an assessment of a commercial property, a summary of its energy consumption, and recommendations ranging in cost to reduce consumption. To qualify, a business must have fewer than 500 employees. Thanks to funding from NRCAN, SaskPower was able to offer assessments at no charge for a limited time in 2020, meaning

companies like Standard Machine saved up to \$7,000 on the typical cost of an audit.

Taking part in the audit didn't require a lot of extra work, Summach says. He spent one day with an energy efficiency expert from ICF — a company contracted by SaskPower to conduct the audit — to show him around Standard Machine's facility and provide past bills and energy consumption information.

The report Summach received two months later highlighted how installing LED lighting would deliver the "biggest bang for the buck" when it came to energy savings. He says Standard Machine had already started an LED lighting upgrade before he got the audit report, but its findings meant the project went "full speed ahead." Summach projects the LED lighting conversion will deliver \$13,000 in annual savings.

Summach said that the report's recommendations also helped in choosing a replacement compressor for their shop. By purchasing a model with slightly lower horsepower and a variable frequency drive, Summach says he anticipates "considerable savings" of up to \$30,000 per year in lower power bills.

"Energy efficiency results like this will make our owners happy," Summach notes.

To support customers as they seek to improve their internal energy management operations, we partnered with the Canadian Institute for Energy Training (CIET) to provide free introductory energy management training for almost 100 customers over the past year. At the same time, we worked with CIET to develop a customized training session that we delivered to 60 school division building operators and maintenance staff around the province over the course of two events.

As part of ongoing work to align our own operations with best practice energy management principles, we continued with implementation of an Internal Energy Management Plan (IEMP) that includes energy audits, meter data analysis, and energy use dashboards for SaskPower buildings. After facility managers complete energy management training as part of our IEMP deployment, we will create operational savings targets for select facilities by the end of the year.

SaskPower recognizes that as a trusted service provider, customers look to us for guidance on emerging products and issues. Electric vehicles (EVs) are a prime example of where we are being called upon to

deliver important information and support. Although there are only around 630 battery EVs and 340 plug-in hybrid EVs currently registered in Saskatchewan, interest is growing among customers who want to learn more about the viability of EVs in our province's often extreme weather conditions, as well as facts regarding EV battery range.

During the year, we increased educational and awareness efforts during the year through an "Ask the Expert" feature on social media that dispels common myths around EVs. Meanwhile, to support the build-out of fast charging infrastructure across Saskatchewan, we have been exploring opportunities to see its growth. Planning is underway for charging stations to be installed at a select number of SaskPower facilities. Ongoing engagement and information sharing with provincial EV advocacy organizations will remain a key area of focus in the year ahead.



SASKPOWER LEVERAGED FEDERAL FUNDING FOR A SOCIAL MEDIA INFORMATION CAMPAIGN TO DISPEL MYTHS AROUND OWNING AND OPERATING ELECTRIC VEHICLES IN SASKATCHEWAN.

## OUR COMMUNITIES

Saskatchewan is known as a province full of robust and close-knit cities, towns, and villages. In 2020-21, the COVID-19 pandemic tested the capacity of many communities as they came together in response to never-before-seen challenges.

Through our Community Investment Program, SaskPower provided \$2.1 million in educational and community funding over the last year. The pandemic presented new and unanticipated opportunities for us to deliver support.

SaskPower made a timely gift of \$70,000 to the Food Banks of Saskatchewan and the Canadian Mental Health Association. The impact of COVID-19 also prompted us to introduce a new program in which we

donated \$5 to the Jim Pattison Children's Hospital Foundation for every customer who switched to paperless billing; nearly 6,500 customers responded to the challenge.

In a year where many of our employees were working remotely for a time and dealt with personal uncertainty, SaskPower staff nevertheless maintained their generous support for the company's annual provincial United Way campaign. Combined with a dollar-for-dollar corporate match, nearly \$225,000 was contributed by SaskPower and its employees in support of our neighbours in need in Estevan, Regina, Saskatoon, Prince Albert, Weyburn, and North Battleford.

SASKPOWER SUPPORTS CHARITIES AND ORGANIZATIONS THAT MATTER TO OUR EMPLOYEES. IN 2020-21, PARTICIPATING EMPLOYEES LOGGED 10,305 HOURS OF VOLUNTEER TIME AND, ON THEIR BEHALF, SASKPOWER DONATED \$39,750 TO THEIR ORGANIZATIONS THROUGH OUR EMPLOYEE VOLUNTEER PROGRAM.



# PEOPLE



WE BELIEVE THAT NOTHING IS MORE IMPORTANT THAN THE HEALTH, SAFETY AND WELL-BEING OF SASKPOWER'S EMPLOYEES, CONTRACTORS AND THE PUBLIC.

THE SUCCESS OF OUR COMPANY IS DEPENDENT UPON THE STRENGTH OF OUR WORKFORCE. WE WORK TO BE AN EMPLOYER OF CHOICE, WITH DEDICATED AND ENGAGED EMPLOYEES.

WE WILL STRIVE TO ENSURE OUR WORKFORCE IS HIGH PERFORMING, ACCOUNTABLE, AND AS DIVERSE AS THE COMMUNITIES WE SERVE.

SaskPower's complement of over 3,000 employees continue to prove themselves in how they respond to unforeseen challenges resulting from the COVID-19 pandemic. At times, restrictions in our communities led to difficult situations at work and on jobsites.

## 2020-21 PERFORMANCE INDICATORS

67%

↑ Employee engagement score — an 8 percentage point increase from the previous year

41.3%

↑ Workforce diversity — a 0.4% increase from the previous year

14

↓ Total lost-time employee injuries — a decrease of 4 injuries from the previous year

With maintaining employee safety always remaining our top priority, we quickly took steps to redeploy many of our staff to work remotely within days of the pandemic reaching Saskatchewan. Protocols were changed for work crews through the implementation of new rigorous job site restrictions.

Staff across the province demonstrated a great deal of flexibility and ingenuity in adapting to less-than-ideal working conditions while never compromising on our service commitments. Health and safety protocols and procedures will continue to evolve in the months ahead as we continue to adapt to the effects of the pandemic.

Employee engagement is an important measure we rely on to monitor the health of our workforce. In 2020-21, we registered an employee engagement score of 67%, above our target of 60% and an increase of eight percentage points over the previous year.

In responding to the survey, employees commented favourably on the improvements they have seen among senior leadership in articulating a clear and unifying direction for SaskPower that motivates staff. Looking ahead, shifting to an employee engagement survey every two years — instead of issuing one annually — will allow for the development of thorough responses that address emerging employee feedback.

Developing the capabilities of leaders across SaskPower remained a top priority in 2020-21 as we plan for a transformational future. We expanded and updated our new corporate Leadership Model to provide a more fulsome

picture of what is expected from leaders.

This model is used by individuals as they take personal steps to grow the skills that they need to reach their full leadership potential and drive organizational success. A Leadership Playbook was also introduced in the last year and serves as a comprehensive guide for staff in each step of their professional and personal development journey.

Complementing our focus on leadership development throughout 2020-21 was the launch of a women's corporate mentoring program, which focuses on providing resources and tools to better support positive experiences of women across our workplace. Multiple mentoring groups led by SaskPower's current women Directors provide a unique and safe environment for women to celebrate successes, share experiences, build skills, and gain more confidence.

As the utility industry continues to evolve, SaskPower is taking steps to ensure that the skills and abilities of our teams reflect the changing expectations of customers. Work to renew existing core competencies for out-of-scope staff during 2020-21 led to the development of 12 updated competencies that will deliver the workforce alignment needed for long-term success.

Planning for a net-zero GHG emissions future will require all employees to be able to respond creatively to new challenges, with a crucial focus on continuous improvement. During the year, efforts to foster a more innovative mindset across all employee groups saw teams participate in sessions



where they applied continuous improvement principles and practices to eliminate waste, and also used a structured approach to record quick improvements in their specific work areas. At the same time, training targeted at select groups helped embed a structured problem-solving methodology that will ultimately improve the company's customer experience delivery.

In a time where profound organizational transition is on the horizon for SaskPower, a strong change management discipline that is firmly entrenched across the company will be essential. During the year, our centralized Organizational Change Management Group provided support to more than 60 strategic business and technology initiatives, while continuing efforts to build a comprehensive resource centre of change management processes, tools, templates, and learning opportunities that can be accessed by all project leaders.

## **DIVERSITY & INCLUSION**

SaskPower's long-standing commitment to workforce diversity was again recognized in 2020-21 when we were chosen as one of Canada's Best Diversity Employers for the 13<sup>th</sup> year in a row. Going beyond traditional

definitions, we recognize that diversity of thought will be increasingly essential in generating the new ideas that will support our company's transformation. To address this need, SaskPower revised its Diversity and Inclusion Strategy in 2020-21 to focus on three priority areas: our people, our partnerships, and our culture.

We also signed onto a plan being spearheaded by the Canadian Electricity Association (CEA) that will see us collaborate with electric utilities across Canada as we try to better understand existing barriers to diversity and inclusion, and then develop innovative responses that will improve representation in our workforce.

While efforts continue to increase employee counts in all under-represented groups, SaskPower has created a new internal working team specifically looking at how we can utilize enhanced and targeted communications, partnerships, and recruitment practices in order to encourage, attract, develop, and retain more women in skilled trades.

**PART OF SASKPOWER'S DIVERSITY AND INCLUSION STRATEGY IS TO ATTRACT, DEVELOP AND RETAIN MORE WOMEN IN SKILLED TRADES AND UNDER-REPRESENTED ROLES.**



## A TIME FOR REFLECTION

Orange Shirt Day, also known as the National Day for Truth and Reconciliation, is recognized annually on September 30, and is designed to educate people and promote awareness in Canada about the Indian residential school system and the impact it has had on Indigenous communities for over a century.

For Orange Shirt Day in 2020, SaskPower's President and CEO and Executive champions led by example to show their support for this important event by taking a picture of themselves wearing their orange shirts and posting an article on the company's intranet that encouraged all employees across the company to participate in the observance.

SaskPower also sold orange shirts created by an Indigenous designer to employees who wanted to support Orange Shirt Day. Profits from these sales were donated to various local charities, selected by the SaskPower Indigenous Employees Network, in support of youth at risk and other vulnerable people.

Opportunities to have SaskPower role models speak with potential future employees, as well as mentoring of students, are some of the paths that the working team is already pursuing to deliver on this goal. The impact of COVID-19 limited progress made during the year, due to lower levels of internal position movement and a reduction in overall corporate hiring in 2020-21.

SaskPower's Employee Resource Groups — which include those dedicated to Indigenous employees, women, employees with disabilities, youth, visible minorities, and LGBTQ2S+ employees — play an essential role in supporting our corporate diversity goals. Each Resource Group forges internal and external partnerships that support recruitment, retention, leadership and professional development of employees within their specific area of focus.

These six groups provide important networking and educational opportunities by organizing regular lunch and learn sessions that feature various speakers, as well as a safe place where staff can share personal experiences and practice learnings.

Our company registered important progress in another important aspect of our Diversity and Inclusion Strategy during 2020-21 as we successfully delivered Indigenous awareness training to all employees. A customized approach was deployed that specifically addresses SaskPower's history with Indigenous Nations, the important role that Indigenous peoples play in SaskPower operations and our power future, and the legal and regulatory processes that SaskPower must follow when working with Indigenous rights holders. Sessions continue to be offered to new employees as part of their onboarding.



# DEVELOPING INDIGENOUS AWARENESS



JOHN LAGIMODIERE (LEFT) AND WINSTON MCLEAN (RIGHT) DELIVER WORKSHOPS TO HELP SASKPOWER EMPLOYEES UNDERSTAND THE HISTORY AND ISSUES FACING INDIGENOUS PEOPLES IN CANADA.

**Being an advocate for reconciliation with Indigenous peoples is an important part of SaskPower's plan to operate as a sustainable company. Thanks to the efforts of John Lagimodiere and Winston McLean, a growing number of SaskPower employees are learning the full story about First Nation and Métis peoples in our province and country.**

Lagimodiere and McLean have been delivering a series of day-long workshops to SaskPower staff that Lagimodiere jokingly describes as, "Everything Canadian people should know but were not taught and are kind of scared to ask when it comes to First Nation and Métis peoples."

The workshop focuses on addressing myths and misconceptions while covering the proper use of terminology and addressing a wide set of historic challenges, ranging from poverty to trauma. Says Lagimodiere: "We explain the issues and discuss where they came from." The impact of the federal *Indian Act* and residential schools are on the curriculum.

The workshop is a "safe space" where any questions are welcome from participants, Lagimodiere says: "We are direct. We stick to the facts, and we don't shame or blame in answering questions about topics that most Canadians don't know, but want to know about."

Breakout groups near the end of the workshops give participants a chance to talk about what they learned. It is here that Lagimodiere challenges them to become "champions" and pick one or two things

they'll change in their lives as a result of what they have learned.

Lagimodiere is clear on what he hopes SaskPower employees will take away from the training: "We're the change generation — we inherited a lot of things from Canada's past, without understanding how, or why, or what. I want SaskPower people to come out with a strong understanding of the history and that it was wrong, and now is the time to change. We have all these tools. We have the will and fortitude to make it better for all Canadians."

While COVID-19 resulted in a pause on in-person training, Lagimodiere says he and McLean were able to quickly pivot to ensure the workshop content remained engaging, even when it was delivered online.

Lagimodiere acknowledges that change will not happen overnight, but optimistically notes that SaskPower courses are booked into 2022. He says the timing of these workshops is critical as the Indigenous community in Saskatchewan continues to grow, resulting in more Indigenous employees at SaskPower and Indigenous-owned businesses who want to do business with SaskPower.



**SAFETY IS OUR FIRST PRIORITY**

## SAFETY

Across SaskPower, we hold each other accountable to observe workplace safety practices and ensure safety is front and centre in everything we do. Over the last year, the threat to employees posed by COVID-19 required much of our time and attention. SaskPower's safety leadership responded quickly to implement necessary changes in workplace health and safety protocols as scientists and health experts gained new insights about the virus and the risks it presented to our employees, contractors and customers.

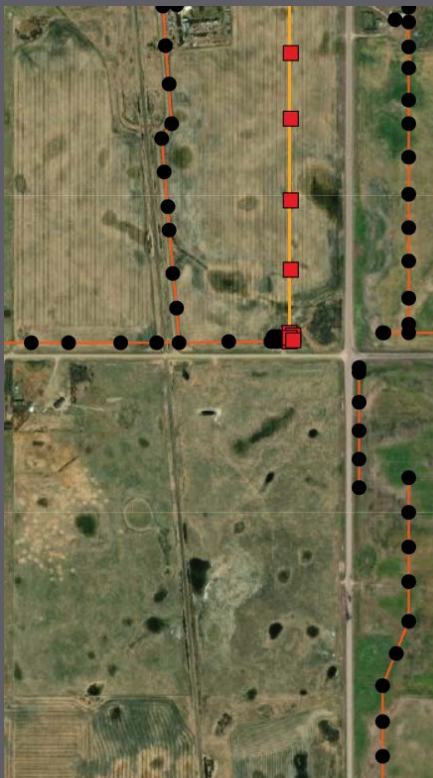
Every member of the SaskPower family received a solemn reminder of the dangers associated with our business when two of our powerline technicians lost their lives in October 2020. In response to this tragedy, we immediately initiated development of a Roadmap to Safety. This work builds on past process and procedure work completed as part of our earlier Safety Improvement Plan, but emphasizes development of a

more robust safety culture and addressing attitudes and approaches to our work.

Unprecedented levels of input from field staff are reflected in the roadmap's five key improvement themes: visible leadership; proactive safety; human factors; technology; and measures and performance. Implementation of the roadmap, which leans heavily on field supervisors and managers, will continue throughout 2021-22.

SaskPower's corporate safety culture is rooted in our Safety Management System (SMS), which is aligned with the ISO 45001 standard and is managed by our Health and Safety Department. The ISO 45001 standard replaced the previous OHSAS 18001 standard in 2018 and has resulted in a deeper focus on safety leadership, commitment, and participation at all levels of our organization.

Having registered several years of operational experience with the new ISO 45001 standard, SaskPower responded to a call from the CEA over the last



## MAPPING FARM SAFETY

SaskPower's long-standing efforts to help our province's farmers work safely around overhead power lines expanded over the past year with the introduction of a new mapping tool that allows farmers to safely plan their work around existing overhead lines. "We are making it more than public awareness — we are putting tools in people's hands to help them make the right choices," says Kevin Schwing, SaskPower's Director of Safety.

The Look Up and Live Mapping Tool was launched on [saskpower.com](http://saskpower.com) in the spring of 2021 and can be used by anyone who needs to locate overhead power lines to reduce the chance of incidental contacts during their work. The tool includes markings for our distribution and transmission line infrastructure as well as providing a way for users to measure distances. Both printed and digital maps can be produced by this new mapping tool.

With SaskPower historically averaging more than 300 preventable incidents of farm machinery line contacts each year, our public safety team will be closely monitoring customer uptake and feedback on this new tool and applying those insights to future improvements.

In addition to a new mapping tool, SaskPower's safety department continues to deploy innovative ways — such as increased use of social media — to engage with farmers and ensure our company's safety message drives behaviour change.

year as we completed a side-by-side gap analysis comparing performance under the OHAS 18001 standard against the ISO 45001 standard. Numerous opportunities were identified where we can improve compliance against the new ISO 45001 standard. Work to address those gaps will inform our efforts throughout 2021-22.

SaskPower's annual safety performance is tracked through both leading and lagging indicators. Leading indicators measure our proactive work to identify hazards and assess, eliminate, minimize, and control risks. Lagging indicators record the occurrence of safety incidents and include rates for lost-time injury frequency, lost-time injury severity, recordable injury frequency and all injury frequency.

In 2020-21, all leading indicators except one showed an improvement over the previous year's performance. Importantly, focused efforts to highlight the value of good catch reporting among our staff resulted in an 85% increase in this type of reporting when compared to the prior year.

Reflecting our commitment to continuous improvement in safety performance, we plan to assess our leading indicators in 2021-22 and ensure they continue to remain aligned with current corporate priorities. We will also be completing advanced statistical analysis to evaluate how lagging indicator performance has been impacted by the range of safety improvement initiatives currently underway across the company.

To help prevent powerline contacts involving farm machinery in farmyards, SaskPower is doubling the funding available through our Farmyard Line Relocation Program for 2021-22 to \$5 million, which will allow approximately 300 projects to be completed during the upcoming year. Through this program, farmers pay 25% of the cost to have power lines buried or moved from their farmyard. SaskPower pays the remainder of costs, up to a maximum of \$2,000.

Contractor safety performance continues to improve as a result of our recent transition



FARM SAFETY CONTINUES TO BE A HIGH PRIORITY AT SASKPOWER.



## DISPLAYING POWERLINE SAFETY TO THE PUBLIC

With more than 6,000 powerline contacts recorded in Saskatchewan over the last 10 years, SaskPower is always looking for innovative ways to promote its Look Up and Live message. In 2020, a new portable high voltage display was introduced to demonstrate just how serious the impacts of powerline contacts can be, and how they can be prevented.

Tapping into the design and construction skills of SaskPower's in-house Technical Services and Research team, the display uses 1/16 scale mobile equipment models to demonstrate a contact with an overhead powerline. A buzzing arc can be seen and heard at the point of the line contact and also where a model person exits a vehicle.

Three different mobile equipment models can be used to highlight the specific safety risks that powerline contacts pose for those working in the farming and construction sectors.

With trade shows and industry events opening up again to in-person visitors, SaskPower plans to take the display on the road in the next year to kickstart safety conversations. Because the display is designed to fit into the backseat of a standard SUV, our safety team will be able to visit events across the province.

to ISNetworld (ISN). By setting clear criteria in ISN as to how contractor safety performance is being evaluated, along with the increased visibility that is offered by the ISN system, SaskPower has gathered new and deeper insights into specific contractor safety challenges. These learnings are being used to drive both ongoing improvements in safety programming and increased transparency in contractor reporting.

Work to maintain a high level of cyber safety inside SaskPower focusses on securing our people, assets, and reputation. Assessing security vulnerabilities remained a top corporate safety priority over the last year. In late 2020, the SaskPower Executive and technical teams performed tabletop exercises to verify response procedures for a ransomware attack. This is a particular type of cyber attack that is increasingly experienced in organizations like SaskPower.

To support employees in complying with best-practice cyber security protocols, we

continued regular educational opportunities that highlight phishing scams and cyber security risks, while also taking steps to limit employee use of external storage devices and providing additional protection for highly targeted users. Through real-time monitoring, we continue to quickly detect and respond to abnormal cyber threats.

Applying a sustainability lens to the safety of operations also included ongoing attention on business continuity planning during the year, as well as the review and renewal of emergency response activities.

Meanwhile, through participation in the North American Electric Reliability Corporation's Critical Infrastructure Program, SaskPower continued to contribute to the maintenance of a secure and stable North American bulk electric system.

# FINANCIAL & OPERATIONAL RESPONSIBILITY



**SASKPOWER'S AIM IS TO PROVIDE COMPETITIVE RATES IN THE FACE OF AN UNPRECEDENTED PERIOD OF INVESTMENT IN INFRASTRUCTURE RENEWAL AND CLEANER ENERGY SOURCES. WE RECOGNIZE OUR ROLE IN SUPPORTING THE ECONOMY AND QUALITY OF LIFE, AND THE NEED TO PRESERVE OUR FINANCIAL STRENGTH IN THE FACE OF ELECTRICITY MARKET TRANSFORMATION.**

**SUCCESSFULLY MEETING OUR CORPORATE MISSION MEANS SECURING THE PRESENT AND FUTURE SUPPLY OF ELECTRICITY WHILE ADDRESSING ENVIRONMENTAL RESPONSIBILITIES AND SUPPORTING SASKATCHEWAN'S ENERGY TRANSITION.**

As SaskPower transforms the province's systems for producing and moving power in support of moving toward a decarbonized economy, we must continue to provide competitive and affordable power rates for customers. Ensuring the financial viability of SaskPower is a foundational principle in our efforts to build a sustainable company.

## 2020-21 PERFORMANCE INDICATORS

**\$2,771M**

↔ Revenue — same as in 2019-20

**\$1,507M**

↑ Operating costs — increase of 4.5% over the prior year due to higher fuel costs

**\$1.8B**

↔ Direct contributions to provincial economy — same as in 2019-20

**10.6%**

↑ Indigenous procurement — two percentage point increase from the prior year

Despite the impacts of COVID-19, SaskPower's fiscal position remained strong through 2020-21. With a net income of \$160 million, we produced a return on equity of 5.8%. At the same time, our company's per cent debt ratio improved to 71.4% and remained within our long-term target of 60% to 75%.

Thanks to these results — as well as ongoing efforts to uncover internal efficiency gains — SaskPower did not implement a rate increase for the third consecutive year. At the same time, customers were supported through a 10% rebate on their energy, demand, and basic monthly charges as part of the provincial government-funded Saskatchewan Economic Recovery Rebate, which was in effect from December 1, 2020, until the end of November 2021.

While overall electricity demand in 2020-21 was 3% lower than the previous year primarily due to the economic slowdown resulting from the pandemic, SaskPower is forecasting a growth in demand for 2021-22, as the province's economy begins a broader re-opening.

An emerging challenge we face in maintaining rate competitiveness comes from the long-term impact of the federal carbon tax. Currently set at \$40 per tonne of carbon dioxide (CO<sub>2</sub>), the federal carbon tax is expected to rise to \$170 per tonne by 2030 as federal GHG emissions regulations grow increasingly stringent. The additional pressure that the federal carbon tax places on SaskPower's rates affirms the importance and urgency of our work to build a lower-emitting power system.

## SUPPLY CHAIN

The wide range of products and services that SaskPower regularly purchases to sustain our operations represent an important contribution to our province's economic well-being. In 2020-21, nearly 71% of the contracts that SaskPower issued were awarded to Saskatchewan suppliers, with the exception of the Great Plains Power Station project.

Importantly, Indigenous vendors were the recipients of 10.6% of the procurement contracts that were awarded to Saskatchewan suppliers in 2020-21, which was an increase over last year's result of 8.6%. In fact, the \$61 million allocated to Indigenous businesses during the past year amounted to the highest rate of spending ever by SaskPower within this key supplier demographic.

SaskPower's efforts to work more closely with Indigenous companies have resulted in \$320 million in contracts being awarded to Indigenous suppliers since 2014 and has helped create economic development opportunities for Indigenous rights holders and businesses across Saskatchewan. Indigenous suppliers address some of SaskPower's most critical service needs, including vegetation management, wood pole supply, and wood pole inspection and remediation.

In an effort to further expand our Indigenous procurement efforts, SaskPower is part of a province-wide collaborative procurement network that includes other Crown corporations and select government departments. This network provides a unique opportunity to share supplier development



## RENEWING THE ATHABASCA HYDROELECTRIC SYSTEM

Working on any project in northern Saskatchewan requires a great deal of planning to overcome the extraordinary constraints facing work crews in the region. In the case of a multi-year initiative to renew SaskPower's Athabasca Hydroelectric System (AHS), diligent work by the SaskPower Project Delivery Team resulted in us completing the project ahead of schedule and under budget.

Located in the province's far northwest corner, the AHS includes three small hydroelectric generating facilities — Wellington (5 MW), Waterloo (8 MW), and Charlot River (10 MW) — which can only be accessed by air. Without road access, any equipment and material needed for the rehabilitation work had to be shipped in via barge or ice road. Another challenge the project faced was the short construction season in the North (May-September), and the additional constraint that the window for in-water work at these hydro facilities is even smaller — from July 15 to August 31.

To reduce overall project risk, SaskPower's Project Delivery Team compressed the work schedule, originally slated for 2019 to 2021, into two, one-year projects. Early engagement with construction companies hired for the project gave them more preparation time. SaskPower also shipped equipment and material — including mechanical gates that were delivered to the site — via ice road.

All the advance engagement and planning ultimately paid off. The Waterloo spillway project was finished in 2019, and by combining work at Charlot River and Wellington work into one contract, it was finished in 2020. Projects costs — originally forecast to be \$10 million — were also reduced by 30%. Completion of the renewal work has improved safety and water management at all three facilities, ensuring this important part of SaskPower's generation fleet will continue providing safe, reliable power to our customers in northern Saskatchewan.

opportunities and work together in growing Indigenous procurement in the province.

To minimize disruptions to normal business operations during the pandemic, SaskPower's procurement team deployed virtual tools to maintain close connections with our suppliers during an extraordinary year. Through 2020-21, we hosted more than 20 online events that included hundreds of suppliers, where we provided alerts about emerging vendor opportunities.

A highlight of our ongoing work to instill a sustainability mindset within our vendor community led us to introduce a new supplier

Code of Conduct during the last year that prompts these important business partners to improve their internal practices where needed. We continued to encourage suppliers to proactively evaluate their company's environmental impacts, as well as any present and emerging risks they face as a result of climate change.

At the same time, SaskPower's efforts to increase overall supply chain diversity in 2020-21 included a deeper focus on expanding our roster of women-owned businesses by removing barriers to increase participation, providing training and collaboration opportunities, and addressing

# SASKPOWER STEPS UP SUPPORT FOR WOMEN ENTREPRENEURS



SASKPOWER SEES THE SUPPORT OF WOMEN ENTREPRENEURS AS ALIGNING WITH ITS COMMITMENT TO WORKFORCE DIVERSITY AND INCLUSION.

**In the summer of 2021, SaskPower's commitment to building a sustainable supply chain took an important step forward, when the company signed onto the Saskatchewan Women Entrepreneurship Charter and joined a province-wide effort to build a pool of champions supporting women entrepreneurs.**

The Charter was created by the Women Entrepreneurs of Saskatchewan (WESK), a non-profit, membership-based organization that provides business advising, lending, mentoring, networking, and learning opportunities.

"SaskPower firmly believes in advancing women entrepreneurs in Saskatchewan and will continue to actively look for opportunities to do so, which is why we have signed onto the Charter," says SaskPower President and CEO Mike Marsh.

In agreeing to serve as a Charter Champion, SaskPower is doing more than promising to do business with local women-owned companies, according to Prabha Mitchell, CEO of WESK: "They are publicly committing to actively seek and create opportunities to support women entrepreneurs in practical and quantifiable ways."

The Charter is an essential part of a larger push by WESK to see Saskatchewan lead the country as a place for women to start, grow, and scale their businesses, Mitchell says: "With SaskPower being a major Crown corporation in Saskatchewan, having their support for the Charter to help advance equal opportunities for economic growth is crucial."

Raquel Boyko, Director of Talent Strategy & Performance at SaskPower, says the partnership with WESK aligns perfectly with the company's long-standing commitment to workforce diversity and inclusion: "We continue to focus

on increasing the presence of under-represented groups and creating an inclusive culture that's innovative and sustainable to enable SaskPower to thrive in the future. Signing on as a Charter Champion demonstrates our commitment to empowering and supporting the talents and contributions of women in business."

The Charter includes four principles to which SaskPower must demonstrate commitment. Connecting women entrepreneurs with procurement opportunities, removing barriers, growing capabilities, and creating a space where all can participate are some of the ways our company is aligning to the Charter. Rhea Brown leads SaskPower's procurement area and says that this focus on supplier diversity is part of being a sustainable company. "SaskPower is expected to be a leader and support positive change. We are already benefiting from diversity in our supply chain. By encouraging equity and inclusion within our vendors, we are seeing better agility, innovation and competition. It's a good business decision for SaskPower."

Across Saskatchewan, women entrepreneurs are major contributors to economic growth and job creation. In 2019 alone, they contributed \$23.1 billion to the provincial economy and created 191,836 jobs. However, research shows women entrepreneurs face unique barriers that hinder full participation in growing the wealth of our province.



corporate culture issues that impede fair access. Our work in this area is being guided by recognized global experts in supply chain diversity.

### INVESTING IN THE FUTURE

Ensuring the sustainability and resilience of our own power system infrastructure — including its ability to withstand the increasingly severe weather associated with climate change — continued to drive significant and ongoing investment in grid modernization efforts. With much of our transmission and distribution system built over 50 years ago, SaskPower has a cross-functional team dedicated to designing and building an updated grid that will accommodate: growing amounts of renewable energy; increase power grid reliability and resilience; and provide the flexibility we need as more customers generate their own power.

To ensure a reliable, sustainable and cost-effective supply of electricity for our customers, SaskPower spent \$693 million

on various capital projects during 2020-21 compared to \$696 million in 2019-20. SaskPower invested \$366 million on sustainment activities, including \$125 million on generation assets, \$141 million on transmission and distribution assets, and \$100 million for other sustainment activities. This included \$61 million on building renovations; \$22 million on technology and security assets; and \$12 million on vehicles and equipment.

We also spent \$286 million on growth and compliance investments, including \$100 million on generation assets, the majority related to the new Great Plains Power Station; \$49 million on increasing grid capacity; and \$137 million to connect customers to the SaskPower electric system.

Through SaskBuilds and Procurement, the Government of Saskatchewan approved a \$50 million Power Grid Renewal Grant for 2021-22 that targets transmission and distribution system reliability while simultaneously contributing to COVID-19 economic recovery in the province. Combined with



**WE ARE INCORPORATING  
ADVANCED TECHNOLOGIES  
INTO OUR ELECTRICITY GRID**

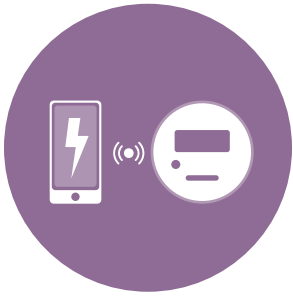
## BUILDING A SUSTAINABLE FUTURE



Sustainable building operations are front and centre in the design and construction of a new SaskPower maintenance hub in Yorkton. By including a solar panel installation in the design, our company will generate more than 100 kilowatts of clean power for facility operations. Using fly ash — a fine powder by-product created during the coal combustion process at our power stations — to supplement the concrete meant SaskPower was able to reduce the overall amount of concrete used in construction and capture important environmental benefits.

Like all new facilities built by SaskPower, our company's Yorkton Maintenance Hub is designed to meet or exceed the National Energy Building Code requirements and will include a range of energy efficiency measures such as heated floors, high efficiency HVAC equipment, LED lighting, and state-of-the-art building management systems.

All new SaskPower facilities now regularly incorporate inclusion and diversity features such as gender-neutral washrooms and locker rooms, multi-purpose rooms for health or religious activities, and signs that accommodates the needs of our visually and hearing-impaired staff.



**GRID MODERNIZATION WILL DELIVER AN ENHANCED CUSTOMER EXPERIENCE**

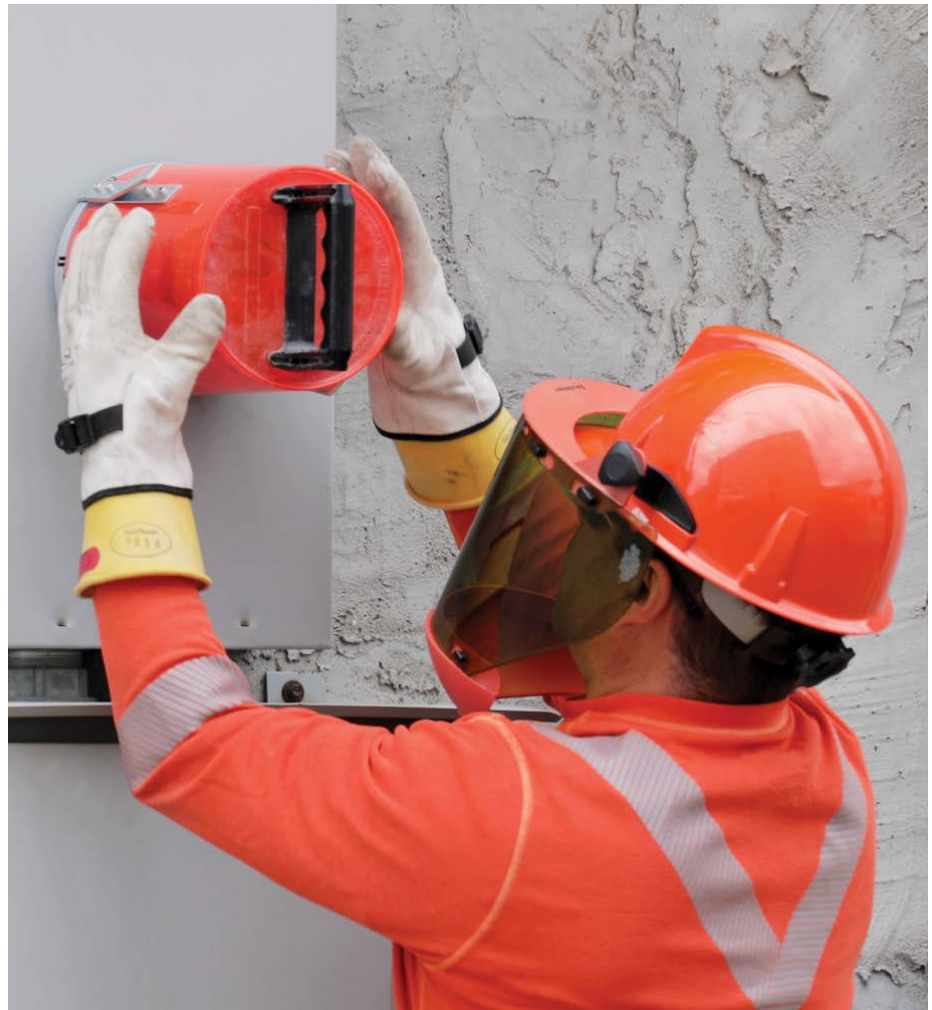
our own increases in capital allocations, a record-breaking \$272 million will be invested in the modernization of our transmission and distribution infrastructure in the upcoming year. This represents a 62% increase in SaskPower's average annual investment over the past five years. The provincial economy will also reap benefits, due to the fact that we'll be relying on Saskatchewan contractors to complete most of this construction.

SaskPower's Advanced Metering Infrastructure (AMI) initiative represents another vital component in our work to modernize the Saskatchewan electricity grid. Customer benefits associated with smart meters include improved service reliability, better visibility into power use in their homes and businesses, as well as quicker power restoration after an outage. SaskPower has engaged in rigorous real-world testing of these meters to confirm that they can operate safely

within Saskatchewan's extreme climate. The province's oil sector has expressed a high degree of enthusiasm for these meters and specifically the real-time billing benefits they offer. During the past year, we completed installation of 38,000 smart meters in the oilfield and for all our other commercial and industrial customers.

In 2021-22, provincial deployment will continue through a pilot program in which residential customers have volunteered to have a smart meter installed. Due to the global supply issues impacting meter supply, the program was capped at 20,000 customers. When complete, the implementation of smart meters across Saskatchewan will result in a reduction of approximately 2.3 million kilometres traveled per year by our staff for meter reading, equivalent to an annual reduction of 581 tonnes of CO<sub>2</sub> emissions.

SASKPOWER WILL INSTALL 20,000 RESIDENTIAL SMART METERS THROUGH A VOLUNTEER PILOT PROGRAM.



Closely aligned with our work to deploy smart meters is the company's ongoing work on an Advanced Distribution Management System (ADMS), which will bring AMI, substation automation, and call centre capabilities together to reduce the time needed to locate outages, while ensuring the right staff are dispatched to complete repairs. Meanwhile, changes introduced as part of our outage management communications initiative have led to an increased frequency of real-time updates for customers during power outages while adding pictures in our social media messaging when available. Customers have told us that these changes make it easier for them to understand the cause of an outage and appreciate the difficult weather conditions that our crews may face while restoring service.

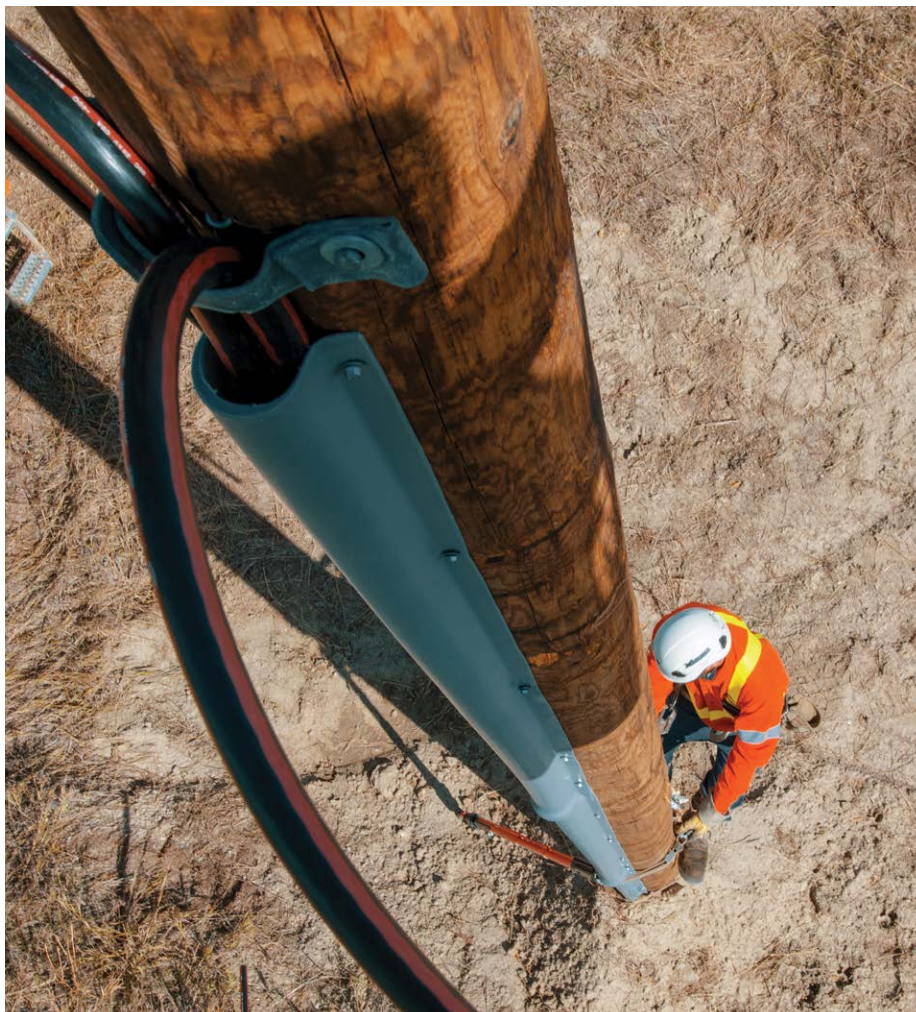
With 158,000 km of power lines supported by 1.2 million wood power poles across the

province, our annual Wood Pole Inspection and Replacement Program is vital as we strive to deliver safe and reliable power for our customers. During 2021, more than 114,000 wood power poles will be inspected, with an estimated 3,500 of those requiring replacement. More than \$23 million will be invested in this critical infrastructure program during 2021.

Sustainable building principles guide our efforts whenever we renovate existing facilities or construct new ones. Our operations in Regina continued to be a focal point of activity throughout the year, with the refurbishment of our iconic head office — originally built in 1963 — now more than 50% complete. When the project is finished in 2023, water and energy consumption in the building will have been significantly reduced. At the same time, renovations are ongoing in a property adjacent to head office



**SASKPOWER HAS ENOUGH WIRES TO CIRCLE THE EARTH NEARLY FOUR TIMES**

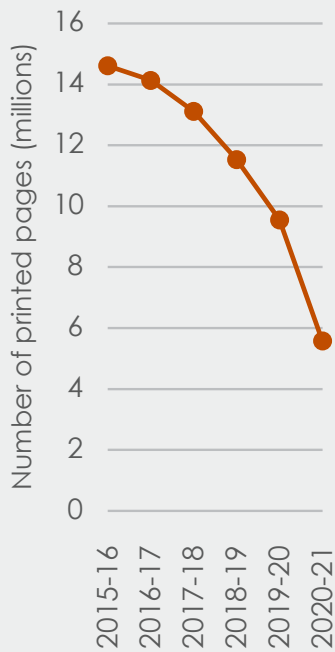


SASKPOWER IS INVESTING MORE THAN \$23 MILLION THIS YEAR INTO OUR WOOD POLE INSPECTION AND REPLACEMENT PROGRAM.

that we purchased in 2019. This investment will ultimately allow us to save an average of \$1 million per year in operating costs as we vacate four leased properties in late 2021 and early 2022 and consolidate staff in fewer buildings across the city.

Designed for the specific needs of Regina-based field and operation staffs, earth work started in 2020 on the new \$220 million Logistics Warehouse Complex located just outside the city, with a general contractor scheduled to commence onsite work in 2021. Once complete in 2026, the complex will house service and support operations including logistics, metering, fleet, safety, and distribution and transmission work teams. Elsewhere in the province, new facility construction projects were kicked off in Rosetown, Hudson Bay, Nipawin, and Tisdale during 2020-21, with all work in these locations expected to be complete in 2024.

Many of our existing facilities across the province are benefitting from energy retrofit work that delivered nearly 200,000 kilowatt hours in savings during the past year, primarily as a result of improvements in lighting and operating schedules. A three-year project also wrapped up in 2020-21 that saw more than 2,500 ergonomically correct desks installed in offices across the province, an initiative designed to support the health and wellness of employees.



## PAPER REDUCTION STRATEGY

Small changes have delivered big environmental and cost savings when it comes to printing practices within SaskPower.

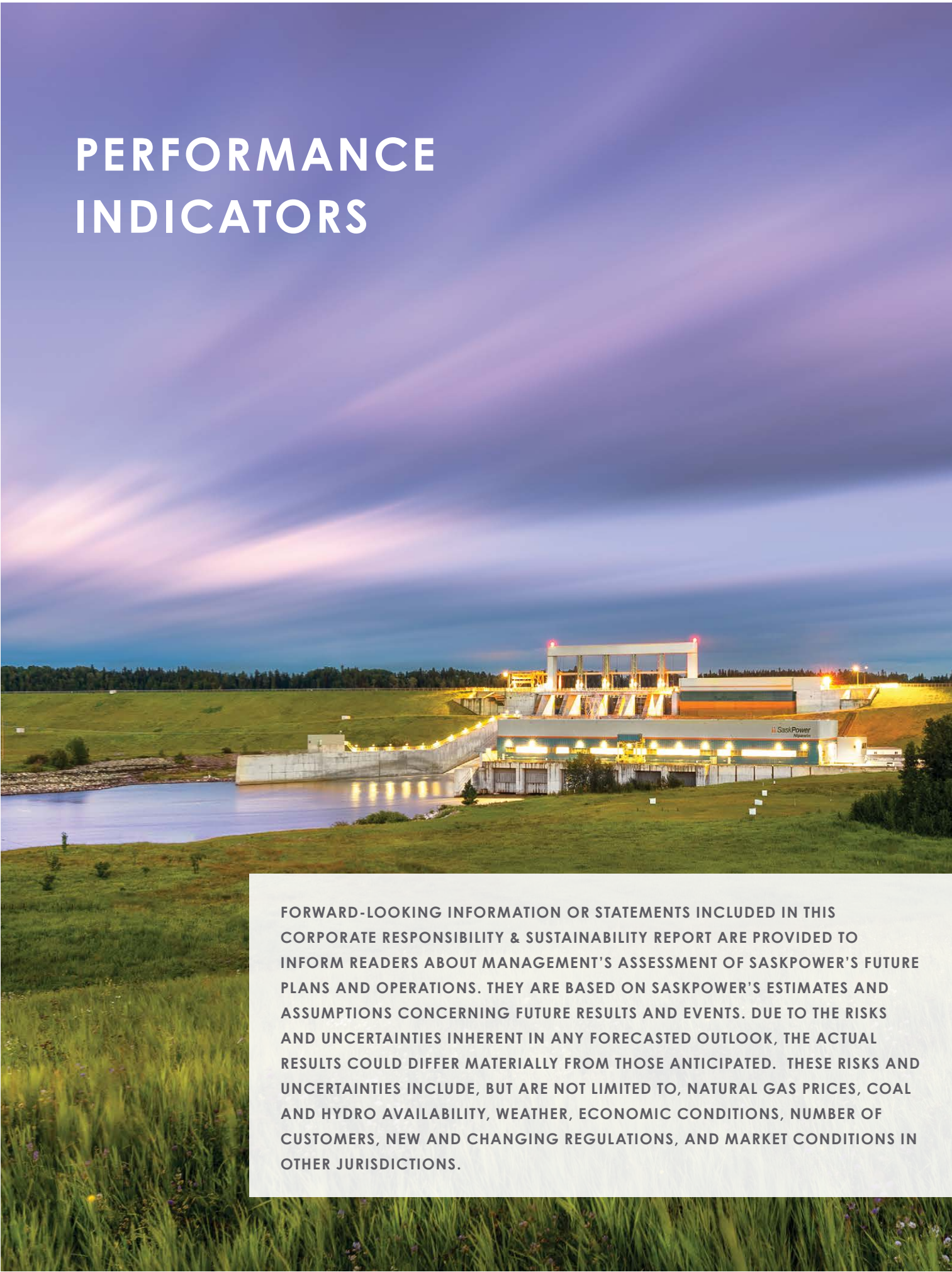
Efforts to reduce employee printing began in 2013, when an audit evaluated the number of printers actually needed in the corporation. Covering 160 different sites across the province in 85 locations, this effort led to a 50% cut in devices — from just over 1400 printers in 2012 to just over 700 by 2013.

Employees were assigned to shared workgroup printers that are more reliable, capable of complex jobs, and deliver improved energy efficiency. By deploying a smaller number of printer models, maintenance costs and printer downtime were also reduced. Since the initial review in 2013, ongoing improvement efforts have seen the number of printers fall to just below 600 by the end of 2020.

Building on this success, the company implemented a process in 2018 requiring employees to scan a card at their shared printer before any job proceeds. Implementing a “follow-you-print” approach has resulted in even less printing. In many cases, the user either notices an error and deletes the job before printing or decides the print job is no longer needed. At the same time, the introduction of improved scanning workflows has also reduced printing needs.

The impact of these changes has been powerful. Since 2015, SaskPower has avoided printing nearly 25 million pages and saved \$4 million in operating expenses.

# PERFORMANCE INDICATORS



FORWARD-LOOKING INFORMATION OR STATEMENTS INCLUDED IN THIS CORPORATE RESPONSIBILITY & SUSTAINABILITY REPORT ARE PROVIDED TO INFORM READERS ABOUT MANAGEMENT'S ASSESSMENT OF SASKPOWER'S FUTURE PLANS AND OPERATIONS. THEY ARE BASED ON SASKPOWER'S ESTIMATES AND ASSUMPTIONS CONCERNING FUTURE RESULTS AND EVENTS. DUE TO THE RISKS AND UNCERTAINTIES INHERENT IN ANY FORECASTED OUTLOOK, THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED. THESE RISKS AND UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO, NATURAL GAS PRICES, COAL AND HYDRO AVAILABILITY, WEATHER, ECONOMIC CONDITIONS, NUMBER OF CUSTOMERS, NEW AND CHANGING REGULATIONS, AND MARKET CONDITIONS IN OTHER JURISDICTIONS.

# PERFORMANCE INDICATORS

CLIMATE CHANGE & ENVIRONMENTAL PROTECTION					
TOPIC (CALENDAR YEAR)	2018	2019	2020	2021 TARGET <sup>1</sup>	NOTES
Greenhouse gas (GHG) emissions (tonnes)	16,100,000	15,900,000	12,800,000	12,900,000	Emissions from fossil fuel generation — including carbon dioxide (CO <sub>2</sub> ) emissions, and the CO <sub>2</sub> equivalents (CO <sub>2</sub> e) for methane (CH <sub>4</sub> ) and nitrous oxide (N <sub>2</sub> O) emissions — calculated in accordance with Environment and Climate Change Canada's Greenhouse Gas Reporting Program requirements.
Nitrogen oxide (NO <sub>x</sub> ) emissions (tonnes)	31,000	32,000	23,000	26,000	Stack emissions from fossil fuel generation calculated in accordance with the National Pollutant Release Inventory requirements.
Sulphur dioxide (SO <sub>2</sub> ) emissions (tonnes)	76,000	77,000	66,000	72,000	Stack emissions from fossil fuel generation calculated in accordance with the National Pollutant Release Inventory requirements.
Mercury (Hg) emissions (tonnes)	412	415	349	430	Stack emissions from fossil fuel generation calculated in accordance with the Canada-Wide Standards for Mercury Emissions.
TOPIC (FISCAL YEAR)	2018-19	2019-20	2020-21	2021-22 TARGET <sup>1</sup>	NOTES
Renewable generation portfolio (%)	25.6	24.3	26.0	33.1	Renewable generation capacity as a percentage of total installed generation capacity (including Independent Power Producer (IPP)-contracted capacity).
Total number of priority spills <sup>2</sup>	3	7	9	0	A priority spill refers to a petroleum spill that is over 500 litres; a spill containing PCBs over 1g; and/or any volume of petroleum-based or PCB-contaminated substance that enters a water body.
Outstanding pieces of equipment subject to the Polychlorinated Biphenyl (PCB) Action Plan <sup>2</sup>	43,000	18,000	5,000 <sup>3</sup>	<1,000	These pieces of equipment have been identified as potentially containing PCBs. They are slated for inspection, after which they will be confirmed as PCB-free, removed from service, or have their PCB-contaminated oil removed.

1. Targets are based on SaskPower's 2020-21 Business Plan and Corporate Balanced Scorecard, which were developed in October 2020, and do not reflect the most current forecast.

2. Restated from calendar year to fiscal year to align with other external reporting and target setting.

3. The PCB Action Plan was revised and led to the exclusion of approximately 3,800 pieces of equipment.

CUSTOMER & COMMUNITY ENGAGEMENT					
TOPIC (FISCAL YEAR)	2018-19	2019-20	2020-21	2021-22 TARGET <sup>4</sup>	NOTES
Total number of public fatalities	3	1	1	0	
Customer Experience Index					
• Residential	69	69	—	71	Due to the disruptions caused by COVID-19 and the resulting challenges faced by our customers, SaskPower made the decision to forgo this measure for 2020-21.
• Small & medium business	71	68	—	71	
• Key & major accounts	80	79	—	80	
Competitive rates (thermal utilities) (%)	101	91	93	≤100	A comparison of customer rates against other thermal utilities within Canada using Hydro-Québec's annual survey results.
System average interruption duration index (SAIDI) (Distribution) (hours) <sup>5</sup>	7.0	5.9	6.0	5.9	A measure of the service interruption length in hours that an average customer experiences in one year.
System average interruption frequency index (SAIFI) (Distribution) (outages) <sup>2</sup>	2.5	2.3	2.8	2.4	A measure of the number of outages that an average customer experiences in one year.
SAIDI (Transmission) (minutes) <sup>5</sup>	464	146	134	140	A measure of the average duration of interruptions in minutes experienced at a bulk electric service delivery point in one year.
SAIFI (Transmission) (outages) <sup>5</sup>	5.0	3.2	2.7	3.1	A measure of the average of forced interruptions experienced at a bulk electric service delivery point in one year.

4. Targets are based on SaskPower's 2020-21 Business Plan and Corporate Balanced Scorecard, which were developed in October 2020, and do not reflect the most current forecast.

5. In 2019-20, SaskPower began to remove Major Event Days — events that exceed reasonable design and/or operational limits of the power system — from SAIDI and SAIFI performance in 2019-20 conformance with the Institute of Electrical and Electronics Engineers' Beta Methodology.

PEOPLE					
TOPIC (FISCAL YEAR)	2018-19	2019-20	2020-21	2021-22 TARGET <sup>1</sup>	NOTES
Employee engagement scores (%)	64	59	67	N/A <sup>2</sup>	Percentage of employees that have a favourable level of engagement.
Workforce diversity (%)	41.8 <sup>3</sup>	40.9	41.3	42.0	The percentage of permanent employees that: <ul style="list-style-type: none"> <li>Self-identify as being in one or more designated equity grouped (Indigenous, visible minorities, and/ or persons with disabilities) and/or</li> <li>Are women in positions or occupations where there is less than 46% representation.</li> </ul>
Number of employee fatalities	0	0	2	0	
Recordable employee injury <ul style="list-style-type: none"> <li>Total</li> <li>Frequency rate</li> </ul>	52 1.8	90 3.2	72 2.5	N/A N/A	A recordable injury is any occupational injury/illness that results in an employee experiencing: <ol style="list-style-type: none"> <li>Fatality;</li> <li>Lost-time injury;</li> <li>Medical treatment injury;</li> <li>Restricted work;</li> <li>Other injury/illness (not captured above), which has: <ol style="list-style-type: none"> <li>Significant occupational injury/illness; or</li> <li>Loss of consciousness.</li> </ol> </li> </ol> <p>The Recordable Injury Frequency Rate refers to the industry standard calculation of the number of recordable injuries multiplied by 200,000 hours then divided by the actual number of hours worked.</p>
Lost-time employee injury <ul style="list-style-type: none"> <li>Total</li> <li>Frequency rate</li> </ul>	19 0.7	18 0.6	14 0.5	N/A 0.7	A lost-time injury is any occupational injury/illness that results in lost days beyond the date of injury as a direct result of an occupational injury/illness. <p>The Lost-Time Injury Frequency Rate refers to the industry standard calculation of the number of lost-time injuries multiplied by 200,000 hours then divided by the actual number of hours worked.</p>
Lost-time employee severity <ul style="list-style-type: none"> <li>Days</li> <li>Rate</li> </ul>	402 13.9	491 17.2	711 25.0	N/A 14.6	The lost-time employee injury severity shows the number of calendar days lost as a result of a lost-time injury. <p>The Lost-Time Injury Severity Rate refers to the industry standard calculation of the number of lost days multiplied by 200,000 hours then divided by the actual number of hours worked.</p>
Out-of-scope employees receiving regular performance and career development reviews (%)	82.9	94.4	96.9	100	
Diversity of the Board (%)	42	42	42	N/A	The percentage of permanent employees that: <ul style="list-style-type: none"> <li>Self-identify as being in one or more designated equity grouped (Indigenous, visible minorities, and/ or persons with disabilities) and/or</li> <li>Are women in positions or occupations where there is less than 46% representation.</li> </ul>
Diversity of the Executive (%)	20	20	20	40	

1. Targets are based on SaskPower's 2020-21 Business Plan and Corporate Balanced Scorecard, which were developed in October 2020, and do not reflect the most current forecast.

2. The frequency of the employee engagement survey changed from annual to biennial in 2020-21. The next survey is planned for 2022-23.

3. Restated per SaskPower's 2019-20 Annual Report.

FINANCIAL & OPERATIONAL RESPONSIBILITY					
TOPIC (FISCAL YEAR)	2018-19	2019-20	2020-21	2021-22 TARGET <sup>4</sup>	NOTES
Revenue (in millions)	\$2,725	\$2,771	\$2,771	\$2,783	Economic value generated.
Operating costs (in millions)	\$1,418	\$1,442	\$1,507	\$1,620	Includes fuel & purchased power and operating, maintenance & administration costs.
Employee salaries and benefits (in millions)	\$432	\$436	\$447	\$447	These costs are included in operating costs (above).
Finance charges (in millions)	\$416	\$431	\$426	\$407	Finance charges include the net interest on long-term and short-term debt; interest on finance leases; interest on employee benefits plans; interest on provisions; interest capitalized; debt retirement fund earnings; and interest income.
Direct contributions to the Province of Saskatchewan (in millions)	\$443	\$460	\$456	\$475	Direct contributions include dividends, interest charges (also included in finance charges above); Saskatchewan capital tax; coal royalties; and water usage and evaporation charges paid to the Province of Saskatchewan.
Community investments (in millions)	\$1.7	\$1.7	\$2.1	\$1.7	Educational programming and community investments throughout Saskatchewan.
Saskatchewan spend (in billions)	\$1.8	\$1.8	\$1.8		Contributions to the provincial economy through the procurement of goods and services from Saskatchewan suppliers; payment of salaries, wages and benefits to employees; purchase of coal and natural gas; and acquisition of electricity from Independent Power Producers.
Indigenous procurement (%)	8.6	8.6	10.6	8.5	Calculated as Indigenous-sourced procurement relative to total Saskatchewan procurement.

4. Targets are based on SaskPower's 2020-21 Business Plan and Corporate Balanced Scorecard, which were developed in October 2020, and do not reflect the most current forecast.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Developed by the Financial Stability Board, the TCFD has introduced a framework to improve reporting of climate-related financial information. Its purpose is to augment reporting of financial risks related to climate change. SaskPower's commitment to sustainability is demonstrated through our Sustainability Electricity Company™ designation from the Canadian Electricity Association and through this report. In addition, SaskPower is aligned with the TCFD's recommendations across the four themes: Governance; Strategy; Risk Management; and Metrics and Targets.

GOVERNANCE		
TCFD RECOMMENDED DISCLOSURES	SASKPOWER ACTIONS	SOURCE MATERIAL
a. Describe the Board's oversight of climate-related risks and opportunities.	SaskPower's Board is responsible for the oversight of the corporate responsibility and sustainability long-term vision and issues management. A Board Committee — the Safety, Environment & Corporate Responsibility Committee — reviews company environmental performance and continues to monitor regulatory developments for greenhouse gases and other air pollutants. The committee also receives updates on environmental legislation across Canada and considers the potential impacts on the company and its Officers and Directors. A second Board committee — Audit & Finance — oversees SaskPower's risk management registry and reporting, which includes climate-related risks to operations.	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• Corporate Responsibility &amp; Sustainability (CR&amp;S) Report</li> </ul>
b. Describe management's role in assessing and managing climate-related risks and opportunities.	As part of the strategic planning process, major challenges to our business have been identified, including climate-related risks. The risks are identified, managed, and to the extent possible, mitigated through our Enterprise Risk Management Program (ERM). Our ERM Program promotes a consistent and standard approach to risk identification, assessment and management throughout the organization.	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• CR&amp;S Report</li> </ul>

STRATEGY		
TCFD RECOMMENDED DISCLOSURES	SASKPOWER ACTIONS	SOURCE MATERIAL
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	<p>We have identified the following climate-related risks and opportunities:</p> <p>Short-term risk: Environmental regulation (elimination of conventional coal generation as a new generation option), carbon tax, increase in extreme weather events.</p> <p>Short-term opportunities: The provincial - federal Equivalency Agreement that allows more flexibility to reduce emissions, as well as planning and investment into hardening the electricity system against weather events.</p> <p>Medium-term risk: Environmental regulation (elimination of all conventional coal generation by 2030), and future carbon tax (undefined beyond 2030), and increased extreme weather.</p> <p>Medium-term opportunities: Move baseload power sources to natural gas until non-emitting baseloads options are commercially available.</p> <p>Long-term risk: Potential for increased natural gas regulation, and the future of carbon taxes.</p> <p>Long-term opportunities: Growing the presence of new renewable and clean generation options, and increasing electricity system resiliency.</p>	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• CR&amp;S Report</li> <li>• Toward 2030</li> <li>• Prairie Resilience</li> </ul>
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Adaptation of climate change risk is embedded in our corporate strategy. We have set a goal to reduce GHG emissions by 50% from 2005 levels by 2030 with a view to net-zero GHG emissions future.	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• CR&amp;S Report</li> </ul>
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our strategy meets or exceeds all federal climate change-related regulations. This includes our 50% reduction of GHG emissions from 2005 levels by 2030, which exceeds the federal government's target. Through scenario planning we are considering many options to achieve our emissions goals and will pursue the most efficient and cost-effective way to do so.	<ul style="list-style-type: none"> <li>• CR&amp;S Report</li> <li>• SaskPower Supply Plan</li> <li>• Toward 2030</li> </ul>



RISK MANAGEMENT		
TCFD RECOMMENDED DISCLOSURES	SASKPOWER ACTIONS	SOURCE MATERIAL
a. Describe the organization's processes for identifying and assessing climate-related risks.	SaskPower identifies and outlines risks through our ERM Program. Further climate-related risks are outlined in the Climate Adaptation Plan that is currently under development.	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• CR&amp;S Report</li> <li>• Toward 2030</li> </ul>
b. Describe the organization's processes for managing climate-related risks.	SaskPower manages and mitigates climate risk through our Asset Management and ERM Programs and will also do so through a new Climate Adaptation Plan.	<ul style="list-style-type: none"> <li>• CR&amp;S Report</li> </ul>
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	SaskPower identifies and outlines risks through our ERM Program. Further climate-related risks are outlined in the Climate Adaptation Plan that is under development.	<ul style="list-style-type: none"> <li>• CR&amp;S Report</li> </ul>

METRICS AND TARGETS		
TCFD RECOMMENDED DISCLOSURES	SASKPOWER ACTIONS	SOURCE MATERIAL
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes.	From SaskPower's Corporate Balanced Scorecard: <ul style="list-style-type: none"> <li>• Renewable Generation Portfolio (%)</li> <li>• GHG Emissions (% change from 2005 levels)</li> <li>• SAIDI/SAIFI (distribution and transmission)</li> <li>• Other internal measures</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• CR&amp;S Report</li> </ul>
b. Disclose Scope 1, 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	2020 GHG emissions were 12,800,000 tonnes.	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• CR&amp;S Report</li> </ul>
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	GHG emissions to be at least 50% below 2005 level by 2030.  Planning for a net-zero GHG emissions future.	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• CR&amp;S Report</li> <li>• Toward 2030</li> </ul>

## REPORTS

### SaskPower Annual Report:

A report focused on the prior year's financial performance, corporate outlook, performance management, Enterprise Risk Management and corporate governance.

### SaskPower's Corporate Responsibility & Sustainability Report (CR&S):

A report produced annually that summarizes SaskPower's sustainability strategy and performance related to governance, environment, social resources, and economic resources.

### Toward 2030:

An internal planning document to help SaskPower achieve its vision for 2030 and beyond.

### Prairie Resilience - A Made-in-Saskatchewan Climate Change Strategy:

A provincial strategic document containing 40 commitments designed to make Saskatchewan more resilient to the effects of our changing climate.

## FINANCIAL SUMMARY

(in millions)	2020-21	2019-20	2018-19	2017-18	2016-17
<b>Consolidated statement of income</b>					
Revenue	\$ 2,771	\$ 2,771	\$ 2,725	\$ 2,586	\$ 2,402
Expense	2,611	2,566	2,528	2,440	2,346
<b>Net income</b>	<b>\$ 160</b>	<b>\$ 205</b>	<b>\$ 197</b>	<b>\$ 146</b>	<b>\$ 56</b>
<b>Financial indicators</b>					
Capital expenditures	\$ 693	\$ 696	\$ 833	\$ 996	\$ 886
Total net debt	\$ 7,059	\$ 7,179	\$ 7,347	\$ 7,211	\$ 6,982
Net cash from operating activities	\$ 814	\$ 866	\$ 671	\$ 708	\$ 564
Return on equity <sup>1</sup>	5.8%	7.8%	7.9%	6.2%	2.5%
Per cent debt ratio <sup>2</sup>	71.4%	72.6%	74.1%	74.9%	75.5%

1. Return on equity = (net income) / (average equity), where equity = (retained earnings + equity advances).

2. Per cent debt ratio = total net debt / total capital

## OPERATING STATISTICS

	2020-21	2019-20	2018-19	2017-18	2016-17
<b>Net electricity supplied (GWh)</b>					
Gas	10,551	10,767	10,603	9,144	8,729
Coal	8,146	9,182	10,286	10,864	10,759
Hydro	4,277	3,859	3,591	3,873	3,525
Wind	913	815	659	765	740
Imports	629	278	490	515	478
Other	118	132	148	156	143
<b>Gross electricity supplied</b>	<b>24,634</b>	<b>25,033</b>	<b>25,777</b>	<b>25,317</b>	<b>24,374</b>
<b>Line losses</b>	<b>(1,731)</b>	<b>(1,707)</b>	<b>(1,796)</b>	<b>(1,731)</b>	<b>(2,118)</b>
<b>Net electricity supplied</b>	<b>22,903</b>	<b>23,326</b>	<b>23,981</b>	<b>23,586</b>	<b>22,256</b>
<b>Available generating capacity (net MW)</b>					
Gas	2,160	2,172	1,839	1,824	1,824
Coal	1,530	1,530	1,530	1,530	1,530
Hydro	989	889	889	889	889
Wind	241	241	241	221	221
Solar <sup>3</sup>	39	34	4	2	1
Other	28	27	28	27	26
<b>Total available generating capacity</b>	<b>4,987</b>	<b>4,893</b>	<b>4,531</b>	<b>4,493</b>	<b>4,491</b>
<b>Peak loads (net MW)</b>					
Annual peak load	3,722	3,722	3,723	3,792	3,747
Minimum load	1,918	2,147	1,442	2,057	1,970
Summer peak load	3,481	3,437	3,524	3,470	3,270
<b>Lines in service (circuit km)</b>					
Transmission lines	14,600	14,356	14,332	14,140	14,384
Distribution lines	142,972	142,773	142,415	143,422	144,339
<b>Total lines in service</b>	<b>157,572</b>	<b>157,129</b>	<b>156,747</b>	<b>157,562</b>	<b>158,723</b>
<b>Number of permanent full-time employees</b>	<b>3,036</b>	<b>3,178</b>	<b>3,167</b>	<b>3,144</b>	<b>3,178</b>

3. Capacity from the corporation's net metering program

# SYSTEM MAP

TOTAL AVAILABLE GENERATING CAPACITY - 4,999 MEGAWATTS (MW)

## HYDRO TOTAL CAPACITY - 864 MW

- H1** Athabasca Hydroelectric System
  - H1A** Wellington Hydroelectric Station - 5 MW
  - H1B** Waterloo Hydroelectric Station - 8 MW
  - H1C** Charlot River Hydroelectric Station - 10 MW
- H2** Island Falls Hydroelectric Station - 111 MW
- H3** Nipawin Hydroelectric Station - 255 MW
- H4** E.B. Campbell Hydroelectric Station - 289 MW
- H5** Coteau Creek Hydroelectric Station - 186 MW

## NATURAL GAS TOTAL CAPACITY - 2,160 MW

- NG1** Meadow Lake Power Station - 41 MW
- NG2** Meridian Cogeneration Station\* - 228 MW
- NG3** North Battleford Generating Station\* - 289 MW
- NG4** Yellowhead Power Station - 135 MW
- NG5** Ermine Power Station - 90 MW
- NG6** Landis Power Station - 78 MW
- NG7** Cory Cogeneration Station - 234 MW
- NG8** Queen Elizabeth Power Station - 623 MW
- NG9** Spy Hill Generating Station\* - 89 MW
- NG10** Chinook Power Station - 353 MW

## WIND TOTAL CAPACITY - 241 MW

- W1** Cypress Wind Power Facility - 11 MW
- W2** SunBridge Wind Power Facility\* - 11 MW
- W3** Centennial Wind Power Facility - 150 MW
- W4** Morse Wind Energy Facility\* - 23 MW
- W5** Red Lily Wind Energy Facility\* - 26 MW
- W6** Western Lily Wind Energy Facility\* - 20 MW

## COAL TOTAL CAPACITY - 1,530 MW

- C1** Poplar River Power Station - 582 MW
- C2** Boundary Dam Power Station - 672 MW
- C3** Shand Power Station - 276 MW

## SOLAR TOTAL CAPACITY - 51 MW

- S1** Highfield Solar Energy Facility - 10 MW
- Customer-generated solar capacity - 41 MW (NOT SHOWN ON MAP)

## IMPORT POWER PURCHASE AGREEMENTS - 125 MW

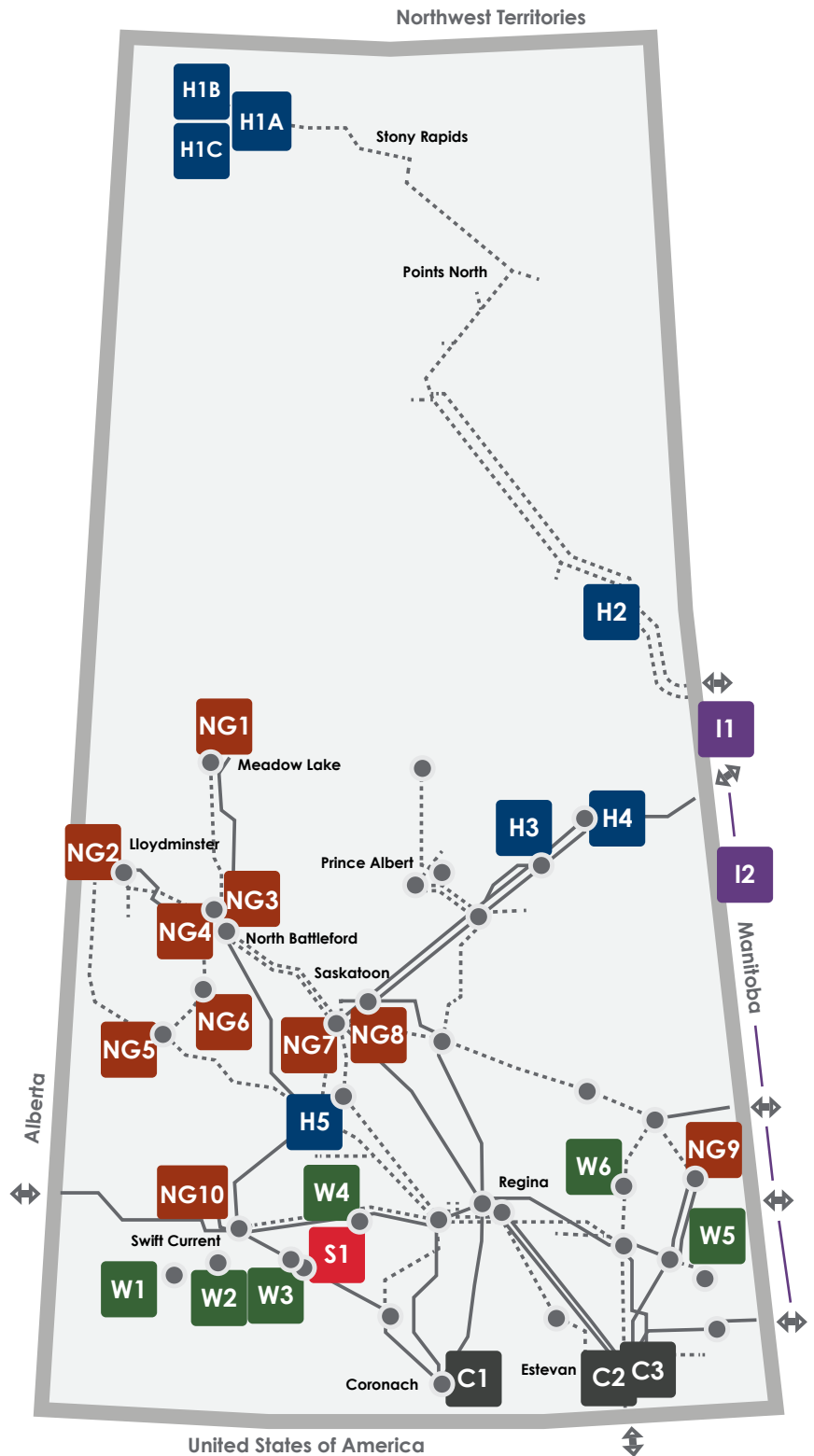
- I1** Manitoba Hydro - 25 MW
- I2** Manitoba Hydro - 100 MW

**SMALL INDEPENDENT POWER PRODUCERS TOTAL CAPACITY - 28 MW** (NOT SHOWN ON MAP)  
 (Includes flare gas, waste heat recovery, landfill gas, wind)

## TRANSMISSION

- 230 kilovolt (kV)
- 138 kV/115 kV/110 kV
- Switching station
- Interconnection

\* Large Independent Power Producer



## CONTACT US

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