

Press Release
For immediate release

Hydro-Québec to acquire 13 hydropower generating stations in New England

Montréal, October 12, 2022 – HQI US Holding LLC, a wholly-owned subsidiary of Hydro-Québec, has entered into an agreement to acquire Great River Hydro, LLC, which owns 13 hydropower generating stations with a total installed capacity of 589 megawatts along New England’s Connecticut and Deerfield rivers in the states of Vermont, New Hampshire and Massachusetts. Great River Hydro is being sold by affiliates of ArcLight Capital Partners, LLC (“ArcLight”) for a value of approximately US\$2 billion.

Hydro-Québec and New England: A long-term partnership

With this purchase, Hydro-Québec is acquiring the largest hydropower fleet in New England, where ambitious decarbonization and electrification objectives have been set and where the amount of electricity generated from variable renewable energy sources are poised to increase sharply. Hydropower is the only renewable energy capable of balancing the intermittency of the wind and solar resources that are planned for the coming years.

“Hydro-Québec has a long-term energy partnership with New England, as we have been exporting our hydropower to the region since the 1980s,” commented Sophie Brochu, President and CEO of Hydro-Québec. “This acquisition represents a unique opportunity to combine our know-how in managing and leveraging hydro facilities with Great River Hydro’s thorough understanding of the New England market. By combining our strengths, we can support the development of new renewable energy projects, in a market where such resources are in high demand.”

“We are excited to be joining Hydro-Québec in the coming months,” remarked Scott Hall, Great River Hydro’s President and CEO. “Their deep knowledge of the hydroelectric industry and long history in the New England market gives us tremendous confidence that Great River Hydro is an ideal fit, and we look forward to continuing to provide clean, renewable hydroelectricity to our New England neighbors for years to come.”

“We are pleased to announce this transaction with Hydro-Québec,” said Dan Revers, Founder and Managing Partner of ArcLight. “Together with management, ArcLight successfully transitioned Great River Hydro from a high-quality portfolio of assets to a standalone platform positioned for further growth. We are confident that Hydro-Québec will be an excellent steward to Great River Hydro’s stakeholders in the next chapter of its corporate life.”

Great River Hydro has approximately 100 skilled employees. Given that Hydro-Québec wants it to remain a distinct entity, all jobs and working conditions will be maintained.

The acquisition of Great River Hydro will also enable Hydro-Québec to diversify its revenue streams in its main export market. The deal will generate additional revenue for Hydro-Québec as of the first year.

Consummation of the transaction remains subject to customary closing conditions, including applicable regulatory approvals.

RBC Capital Markets served as exclusive financial advisor to Hydro-Québec and Morgan, Lewis & Bockius served as its legal advisor. TD Securities served as exclusive financial advisor to ArcLight and Latham & Watkins served as its legal advisor.

Great River Hydro

- A 589-MW hydropower fleet
- 13 cascading generating stations and 3 storage-only reservoirs along some 310 miles (500 km) of the Connecticut and Deerfield rivers
- Annually supplying enough energy to power over 213,000 homes in New England
- One fifth of the energy generated is subject to long-term supply contracts, guaranteeing revenue stability
- Land holdings of approximately 30,000 acres (12,140 hectares), allowing for the possibility of various renewable energy projects

About Hydro-Québec

Hydro-Québec generates, transmits and distributes electricity. It is Canada's largest electricity producer and ranks among the world's largest hydropower producers. Its sole shareholder is the Québec government. Recognized as a leader in hydropower and large transmission systems, Hydro-Québec exports clean, renewable power and commercializes its expertise and innovations on world markets. For more information, visit www.hydroquebec.com.

About ArcLight

ArcLight is a leading private equity firm focused on energy, infrastructure and energy transition with a successful long-term track record, including in investing in companies that provide decarbonizing energy solutions with a strong focus on ESG. Founded in 2001, the firm helped pioneer an asset-based approach to investing across the power, renewables, infrastructure and broader energy value chain. Since then, ArcLight has invested approximately US\$27 billion in 122 transactions, including over US\$11 billion of equity capital into the electrification segment, which includes power, transmission, renewable infrastructure and energy transition investments. More information about ArcLight can be found at www.arclight.com.

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