

Where did the project name come from?

Oneida is one of the Six Nations and was used in the naming of the Oneida Business Park (OBP) located in Six Nations. The OBP was initially the intended location for the Oneida Energy Storage project. Subsequently, the project name is a location reference which became the official corporate name.

Where did the development corporation get the money to invest in the Oneida Energy Project?

Based on our current financial model, we expect the investment to be less than the projection. It is Oneida Energy Storage LP's intention to seek additional equity investment in the project if a purchase agreement with the grid operator is secured. This will lower SNGRDC's ownership percentage and subsequently its investment contribution.

SNGRDC does not have \$20M on hand, however we can potentially source these funds from one or more sources:

- Sweat equity – converting our development effort into an equivalent equity ownership position
- Financing – secure 3rd party equity financing from one or more Canadian banks
- Equity bridge – negotiate an equity loan with other equity investors to borrow funds to fund our investment
- Cash contribution – SNGRDC to contribute a small portion of cash equity based upon available capital for investment purposes

Why is this a business the corporation (SNGRDC) will run as well as invest in?

- The OES Project has been jointly proposed by NRStor and SNGRDC to the electricity system grid operator. As a principle partner, SNGRDC will have greater influence on decision making from conception to construction and into operation. This will allow us to select construction partners, such as A6N, to ensure project funds and jobs remain in the community, resulting in a greater economic impact to Six Nations outside of solely investment profits (via economic spin off, job creation)

Will it just be a building full of batteries?

The batteries are encased in individual container like structures and are assembled outside on concrete slabs.



What kind of employment opportunities will be available to the community?

- 900,000 hours (500 FTE) during construction and operation - as many positions as possible will be directed to A6N - SixNations' utility contractor.
- As a 50:50 partner we are able to prioritize local employment, NRStor Inc. is 100% supportive
- Certain specialized work may not be directed to A6N as some construction elements are highly technical and will be completed by trades from outside of our community. OES will look to generate training opportunities for our community members wherever possible.

Up to 15 full time jobs for the life of the project (20+ years). SNGRDC and NRStor Inc. are working to develop training initiatives to ensure these maintenance positions are filled with a majority of Six Nations members

Have you secured the contract with the provincial government to store the batteries?

- At this time, a contract has not been secured from the provincial government or from the system grid operator. We have however gained provincial and federal interest and feel now is the time to present the project to the Six Nations people for comment.

What happens if you don't secure the contract and end up with a facility doing nothing?

- The contract terms have yet to be formally negotiated; a contract is required to secure financing to construct the facility.

Why is it important to get community consultation for a project like this? What do you hope to get out of consultation when you've already committed to investment?

- We have not yet made a commitment to invest.
- As a development partner we are advancing the project in the hopes of securing a contract to build the project.
- An investment will not take place until after we go through the exercise of sharing the investment merits and project particulars with the community to gather comments.
- SNGRDC presents these types of projects to the community as an exercise in transparency and accountability. Comments received by community members during the commentary period are compiled and forwarded to the SNGRDC Group for further consideration. If the comments are within the scope of the project, adjustments are made wherever possible.
 - For Example, this project includes a training portion for Six Nations Community members, this is, in part, a result of past comments received from community members about ensuring jobs could be filled by community members.
 - Example 2: We know the community has brought forth concerns about large scale developments being made within the Haldimand Tract. When first conceived, a potential location was identified for OES within the Oneida Business Park - however a new site location has since been identified in Jarvis, Ontario. This location is outside of the Haldimand Tract and Plank Rd. claim but is still close enough to our community that we can ensure that construction and maintenance positions could still be awarded to our community members and drive economic impact to Six Nations.
- Like all investments pursued by SNGRDC, comprehensive due diligence is performed by staff and third-party advisors, these assessments, including our final report from this investment review, will be reviewed by our Board of Directors (BOD) and Advisory Committee (AC) to ensure the project has significant merits.



Are there any other partners not mentioned?

- At this point there are only 2 partners.
- Should the project move forward, it is the intent of OES to secure additional equity investment from other potential partners. SNGRDC and NRStor will vet and select who those partners will be. This process will only occur if OES is successful in securing a contract for services from the provincial grid operator.
- As we make progress, and conclude negotiations, OES will make announcements around other key project participants – namely, the Engineering and Procurement Contractor (EPC) and the battery vendor

When is this project supposed to start? When will construction start/when do you project, you'll be up and running?

- The project will be shovel-ready and construction can begin as early as Summer 2021. It will take 24 months to complete before commercial operation.

Why would you invest up to 20% only to get back \$20 million over twenty years?

“Oneida Energy Storage is a new innovative solution that the world needs, and specifically Ontario needs- it will enhance greenenergy capabilities, reduce greenhouse gases by 4.1 million tonnes (or 40,000 cars), and create local employment all while putting Six Nations on the map as a community who cares about the environment and is doing something significant to action climate change.” Matt Jamieson, CEO/President of SNGRDC

- The \$1M annual revenue projection is a very conservative estimate of what we believe we can generate. In addition, this revenue is over and above the recovery of our initial investment. With recycling and maintenance efforts, this project has a potential lifespan well beyond 20 years.
- At this early stage, we have chosen not to model beyond 20 years to be conservative as well as show the project's merits within a customary/standard project period.
- Since a portion of Six Nations' equity will be sweat equity, the return on investment is attractive and will be supported by contracted services. The OES Project also aligns with SNGRDC investment values of Peace, Future Generations and Respect for the Natural World. From an investment standpoint the proposed project has a number of value streams, as OES is seeking:
 - 1) an initial contract from the grid operator to provide revenue certainty for the first 10 years lowering the projects investment risk and attracting financing
 - 2) merchant services for the following 10 years and beyond, which will enable the project to 'bid' on energy services in the future.
 - 3) to generate revenue from energy arbitrage – that is buying energy at a low price and selling it back at a higher price.



**What are the project considerations regarding fault lines and potential natural disasters that may affect this project?
What would happen if one of the modules seriously come offline and those chemicals from that huge battery exploded?
Do you have a contingency plan?**

The simplified answer is, “The project must be built to withstand flooding, earthquakes, wind events, and fire, as this is a requirement to get a building permit under the Ontario Building Code.”

Natural disaster scenarios are dealt with in Ontario by the Ontario Building Code, which the project must be designed in accordance with, and verified by the Chief Building Official (CBO) at the municipal level (Haldimand). Specifically, the climatic and seismic parameters for designing projects are contained in SB-1 (Supplementary Standard) of the Code. There are specific design parameters for each location in Ontario, and this project falls within the area identified as “Nanticoke (Jarvis)” in Table 1.2, which has detailed max/min temperatures, max storm/wind loading, max rainfall/flooding, and earthquake max ground acceleration values. All these parameters are based on statistical data of each phenomenon experienced in Canada and adjacent regions.

The registered engineer for the project must design the project to withstand all the extreme parameters laid out in SB-1, and the CBO needs to verify and approve prior to issuing the building permit.

Further, the lithium batteries that we are planning to use do not contain liquid, so even in a situation where a battery was to topple over or be forced off its footing the batteries would not ‘leak’ as they are the dry type of lithium.

OES Project Team thanks everyone for their questions/comments. We continue to encourage Six Nations Community Members to participate in this commentary period by emailing info@snfuture.ca or scanning the QR to submit a comment online.

