



The Canada Infrastructure Bank: New Infrastructure Benefitting Canadians

November 2022

A little bit about the CIB

- An impact investor with \$35 billion of capital focused on new infrastructure projects that deliver outcomes linked to government priorities and benefits for Canadians
- A partner to governments, Indigenous communities, and private and institutional investors
 - We work on two-time horizons – short and long-term – and are flexible to adapt our financing to projects goals
- A catalyst to finance (not fund) more projects
 - We finance infrastructure projects that can generate revenues or create savings as new ways to pay for infrastructure
 - We balance risk and outcomes in a portfolio of projects
 - We fill gaps with low-cost financing – we do not make grants
- A team of infrastructure investment experts
 - We focus on priority sectors and make independent investment decisions based on rigorous commercial work



Priority Sectors

PUBLIC TRANSIT	CLEAN POWER	GREEN INFRASTRUCTURE	BROADBAND	TRADE & TRANSPORTATION
Long-term sector target: \$5B	Long-term sector target: \$5B	Long-term sector target: \$5B	Long-term sector target: \$3B	Long-term sector target: \$5B
Sector includes: ZEBs, LRTs, BRTs, ferries, subways, commuter rail, transit-oriented development	Sector includes: zero-emission generation, small modular reactors, renewables, district energy, storage, interties, transmission	Sector includes: energy efficient retrofits, water, wastewater, carbon capture, utilization and storage, clean fuels, hydrogen, zero emission vehicle charging	Sector includes: unserved and underserved community broadband connectivity	Sector includes: agriculture infrastructure, ports, freight, highways, roads, bridges, tunnels, inter-regional and passenger rail
Growth Plan: \$1.5B for zero-emission buses	Growth Plan: \$2.5B for clean power	Growth Plan: \$2B for energy efficient retrofits	Growth Plan: \$2B for large-scale broadband projects	Growth Plan: \$1.5B for agriculture-related infrastructure

Indigenous Infrastructure
\$1B across all priority sectors for projects in partnership with and for the benefit of Indigenous Peoples

Project Acceleration
\$500 million for project development and early works to shorten critical paths to construction

← **Partnerships with Provinces, Territories, Municipalities, Indigenous Communities and Private Sector and Institutional Investors** →

Infrastructure Partnerships Across Canada

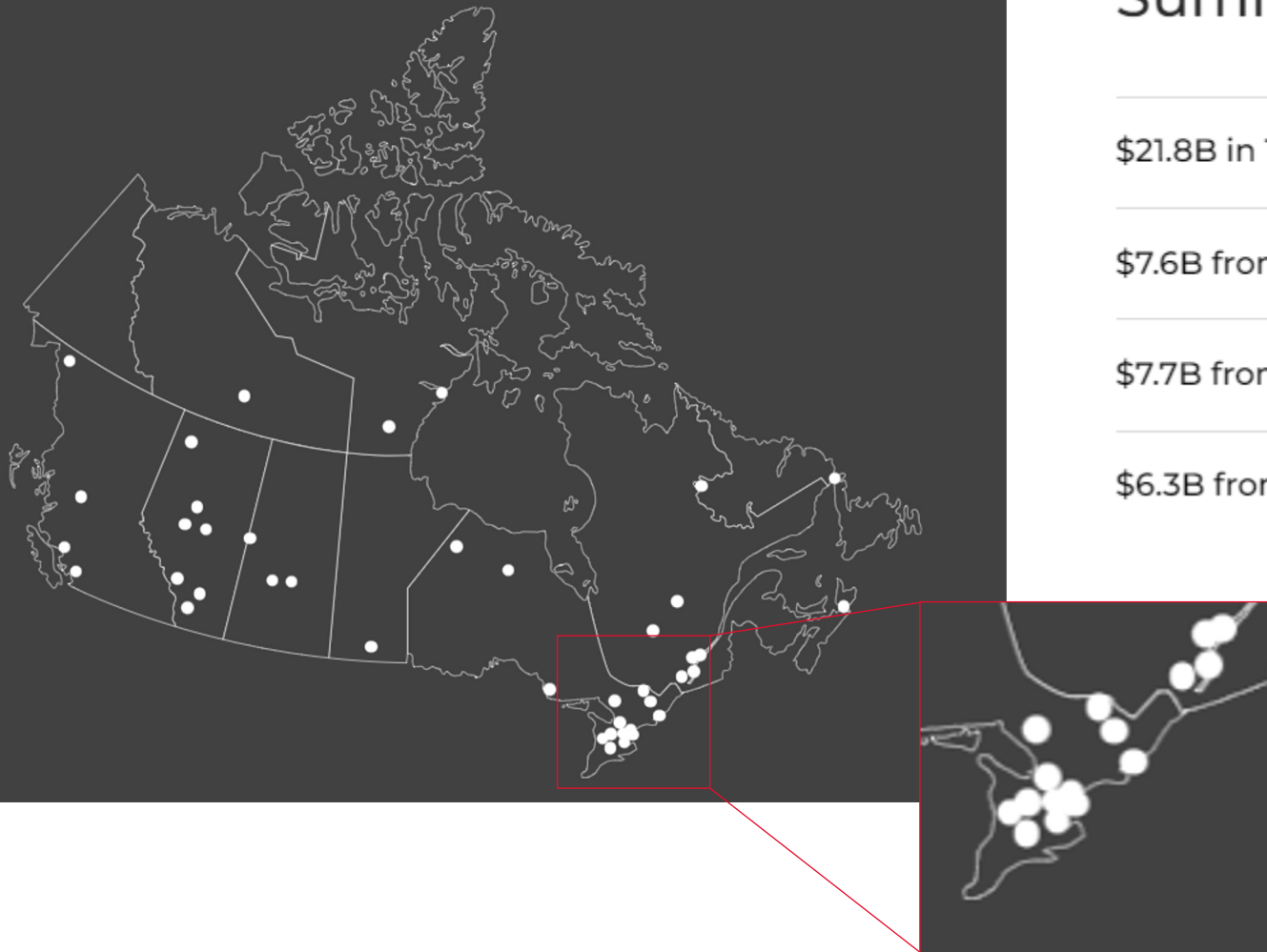
Summary of Approved Investments*

\$21.8B in Total Capital Value

\$7.6B from CIB Investments

\$7.7B from Private and Institutional Investors

\$6.3B from Other Public Partners



**Note: Figures based on the Quarterly Financial Report Q1 2022-2023 issued August 30, 2022 with pending project announcements in cooperation with our partners.*

CLEAN POWER

\$170M for Oneida Energy Storage, the largest facility of its kind in North America



TRADE & TRANSPORTATION

\$466M for Alberta's largest-ever agricultural irrigation expansion



GREEN INFRASTRUCTURE

\$495.9M for public and commercial owners to develop and implement retrofits



BROADBAND

\$164M for better rural connectivity with Manitoba Fibre



PUBLIC TRANSIT

\$1B towards 1,300+ zero-emission buses including Edmonton, Ottawa, Brampton and more



INDIGENOUS INFRASTRUCTURE

\$50M to Tshuetin Rail to connect Indigenous communities and create economic opportunity



Oneida Energy Storage

\$170M investment commitment

- **First** opportunity in sustainable **energy storage**
- 250 megawatt / 1000 megawatt-hour energy storage facility will be **the largest infrastructure of its kind** in Canada
- Contributes to future capacity needs as Ontario moves towards **low-carbon energy** sources
- Supports the **Growth Plan's \$2.5 billion** Clean Power initiative
- Consistent with our target to invest \$1 billion, in total, in **Indigenous infrastructure** across all priority sectors



Not your typical ROI...

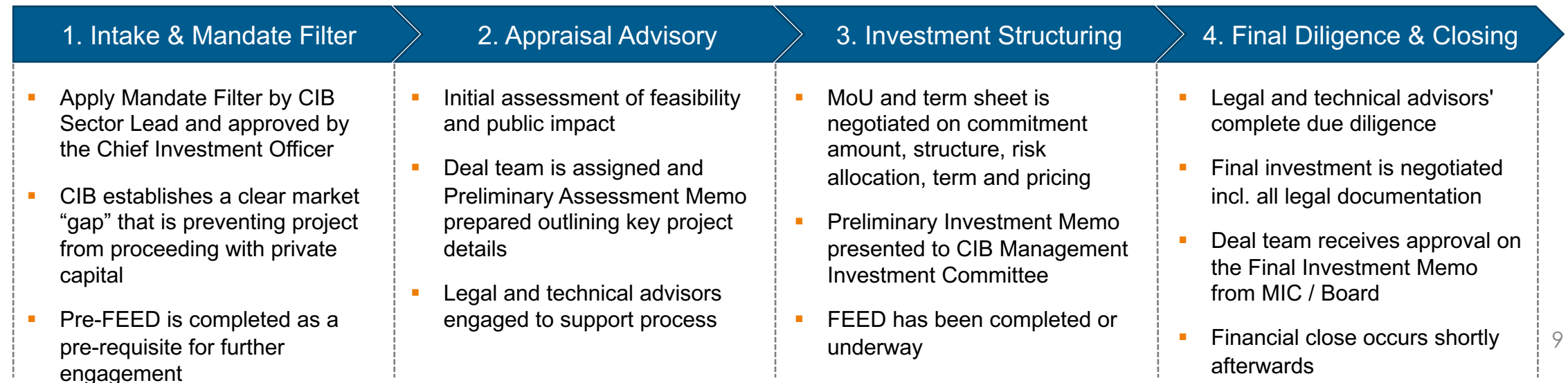
- Focus is on **investing** and being a **catalyst** for new transformational infrastructure in Canada
- **Investment fills the gap** in capital structures for new projects – project finance, corporate debt, equity, other alternatives etc.
- Project can deliver on **CIB's target outcomes**
 - GHG reductions, daily ridership, broadband penetration, trade growth, agricultural value add and indigenous infrastructure
- **Flexibility** to invest across the capital structure and brings a disciplined investment approach to projects, including appropriate risk transfer
- **Project investment decision-making and oversight** by the CIB Board of Directors
- Complementary to, yet **distinct from, existing government departmental programs** that invest in infrastructure through grants and contributions
- Expertise allows the CIB to play an active **advisory role with public sector sponsors** to assist them in bringing forward project proposals for potential CIB investments
- Focus on **crowding in private capital** and working collaboratively with the private sector to develop critical infrastructure for Canada

Project Screening Criteria

1. Project fits within CIB's approved investment verticals
2. Project will achieve CIB's target outcomes and is in the public's interest
3. Project represents a new infrastructure opportunity for Canada
4. Project has a structural investment "gap" preventing it from moving forward – commercial, economic, availability
5. Project has revenues that can be used to repay CIB's debt (and other lenders) – fully repayable, fully amortized
6. Project has private capital participation that compliments CIB investment (private capital > CIB capital)
7. Project represents at least a \$100 million net investment to CIB (exceptions in certain programs, and Indigenous Infrastructure)
8. Project is being developed by credible counterpart(ies) who can deliver on project execution
9. Project is "shovel ready" and employing commercial technologies with minimum Technology Readiness Level of 8
10. Project is cost efficient in terms of capex / opex needed to generate CIB's outcome – validated by external CIB technical advisors

Due Diligence Process & Timelines










- Think of us as private sector due diligence with a concessionary finance tool kit
- Detailed review of project business case and revenue model, funding requirements including a detailed financial model of the project, regulatory framework evaluation and assessment of “market gap” facing project
 - CIB engages legal counsel to support investment structuring, legal due diligence and document preparation
 - CIB engages a Lenders Technical Advisor to support investment due diligence including revenue model review, business case evaluation, technology readiness levels and overall engineering and design appropriateness for a project



Green Infrastructure – Energy Transition

Clean Fuels, Carbon Capture and Hydrogen are critical to decarbonizing hard to abate sectors

Potential Decarbonization Pathways

Sectors		 Clean Fuel	 CCS	 Hydrogen	 Electrification	 Clean Power	Opportunity
Light-duty Transport 99 Mtpa CO ₂	Passenger and light commercial vehicles	✓			✓		Clean fuel blends can reduce emissions prior to full fleet electrification
HD/other Transport 88 Mtpa CO ₂	Freight trucks, buses, locomotives, garbage trucks, cement mixers, etc.	✓		✓			Hydrogen is most likely the cost-effective zero emission fuel for heavy duty transport
Heavy Industry 77 Mtpa CO ₂	Mining, aluminum, iron and steel, cement, lime and gypsum, chemicals and fertilizer	✓	✓	✓	 Steel		High heat process requires hydrogen, CCS or clean fuel. CCS is required for process emissions (cement, aluminum)
Electricity Generation 61 Mtpa CO ₂	Electricity generation – either grid-connected or on-site cogeneration	 RNG blending	✓	✓	 SMRs	✓	Need for firm, baseload capacity beyond viable battery storage durations requires hydrogen, CCS or Small Modular Reactors
Oil and Gas 191 Mtpa CO ₂	Extraction, processing, transportation and refining of oil and gas products		✓	✓			Only carbon capture – either through blue hydrogen – or amine-solvent capture can address emissions in the oil & gas sector

Can blend into existing fuel system for quicker reductions, but **Clean Fuels alone cannot get to zero emission**

Canada has a durable competitive advantage in these sectors

Alberta and Saskatchewan

380 GT of sequestration capacity (enough to store all of Canada's emissions for ~500 years at current levels), transferable skills from existing oil & gas industry
 Abundant natural gas feedstock at a low cost for blue hydrogen.
 Existing CCS / blue hydrogen projects in operation and Canadian knowledge of project execution

British Columbia

Abundant hydropower for green hydrogen, and low-cost natural gas feedstock. Shorter transit time (by two days compared to the US) to Asian markets

Prairies

Strong agriculture sector with various crops used as feedstock for LCF

Quebec, Newfoundland & Manitoba

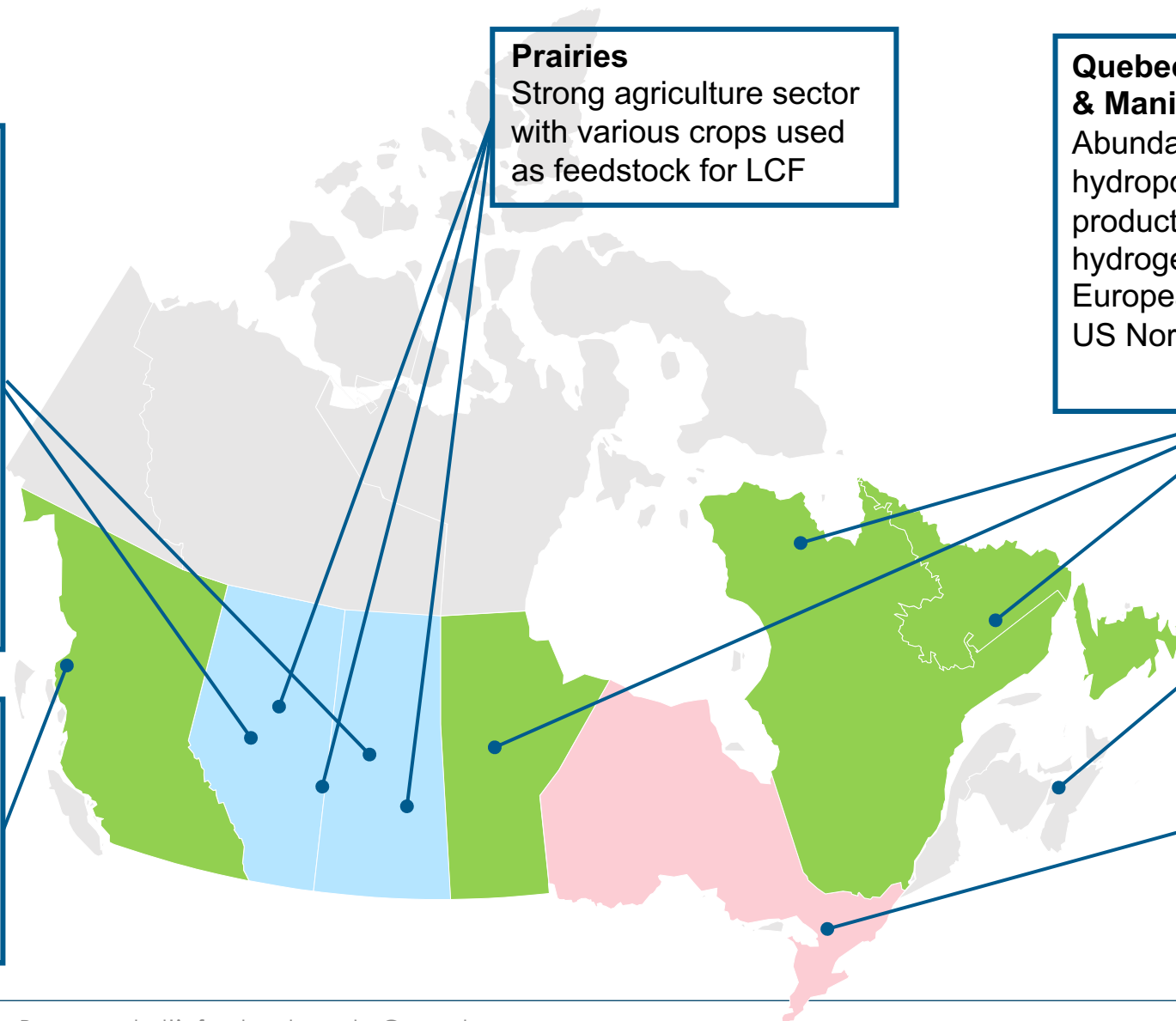
Abundant low-cost hydropower resource for production of green hydrogen with access to European markets and US Northeast

Maritimes

High Offshore wind potential for green hydrogen production

Ontario

Significant nuclear fleet with potential synergy for electrolysis-based hydrogen production





Thank you

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