



Energy
Corporation

Société de
l'énergie



Office of the Chief Executive Officer

PO Box 2000, Charlottetown
Prince Edward Island
Canada C1A 7N8

Bureau du président-directeur général

C.P. 2000, Charlottetown
Île-du-Prince-Édouard
Canada C1A 7N8

Moltex Energy
Unit 302, 75 Prince William St
Saint John NB E2L 2B2

October 7, 2019

Dear Rory O'Sullivan,

Thank you for sharing your plans with PEI Energy Corporation and Innovation PEI for the development and deployment of Stable Salt Reactors in New Brunswick. We find your proposition of flexible, clean energy that can potentially mitigate some of the fundamental objections people have to nuclear energy compelling.

You shared your deployment plans with us, your ability to reuse, reduce and recycle nuclear waste and the Stable Salt Reactor's ability to act as a peaking plant to complement the growing renewables sector in the Maritimes.

As a Crown Corporation on Prince Edward Island, we have a legislated objective to "to develop and promote the development of energy systems and the generation, production, transmission and distribution of energy in all its forms on an economic and efficient basis." The PEI Energy Corporation currently has a participation agreement for a small portion of the Point Lepreau Nuclear Generating Station, utilizing this energy for some of the province's baseload requirements. The penetration of renewables on PEI is growing, with on-Island wind producing 23% of our energy today, but expected to reach 30% in 2020 and even higher by 2025. We are actively seeking long-term options to better balance renewables with a non-emitting source of generation. We would like to continue discussions to investigate the technical and commercial prospects of your proposal with the aim of either purchasing power produced by the Stable Salt Reactor or owning part of the facility.

The Provincial Energy Strategy for PEI seeks to lower greenhouse gas emissions, be cost effective, and provide local economic opportunities. PEI Energy Corporation has invested heavily in clean energy innovation and is committed to supporting the federal and provincial governments in meeting their GHG-reduction targets. Nuclear energy and Small Modular Reactors have an important role to play for Canada in meeting these targets.

We support a public private partnership on this development and believe that it is the role of the federal government to financially support the development of new clean energy solutions that provide benefit to Canadians. If there is anything we can do to help to assist you in the development, please do not hesitate to ask.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kim Horrelt". The signature is fluid and cursive, with the first name "Kim" being more prominent than the last name "Horrelt".

Kim Horrelt
CEO PEI Energy Corporation