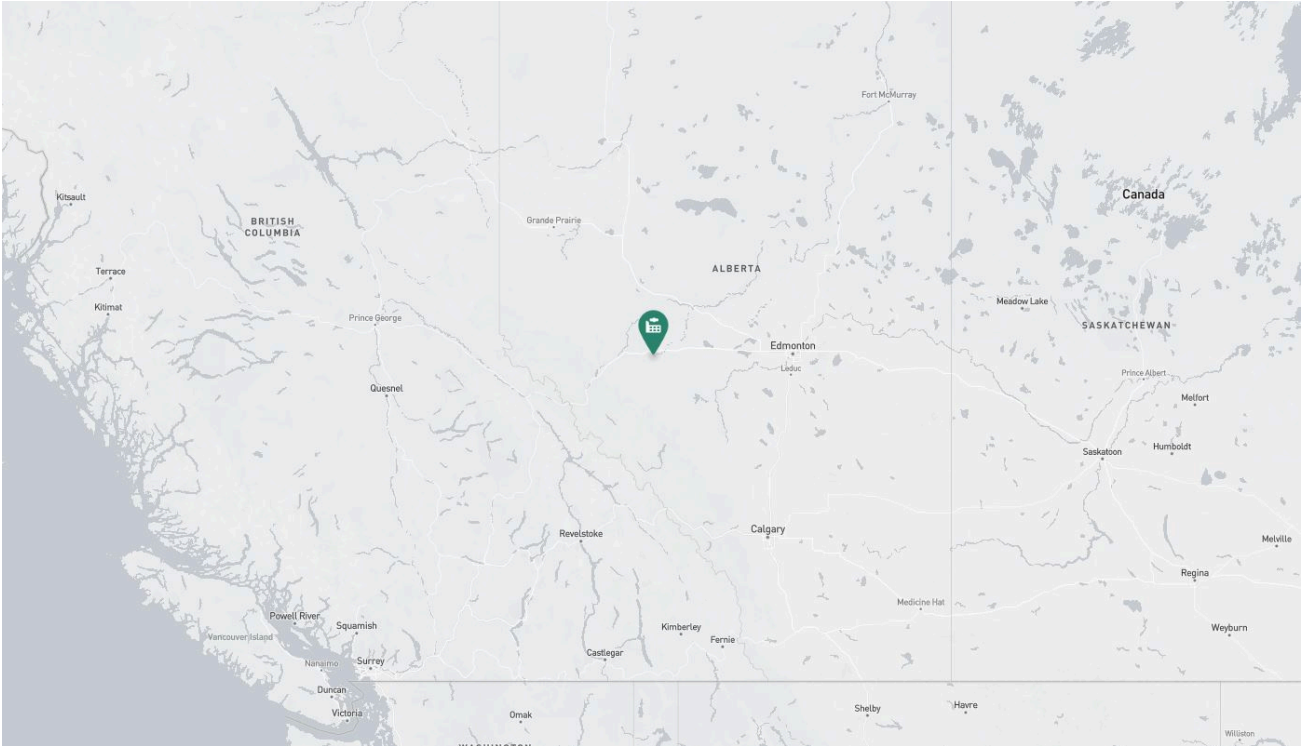


Cascade Power Project



Jurisdiction	Yellowhead County
Province/State	Alberta
Country	Canada
Nature of Engagement	Energy Regulatory, Project Finance, Project Development, Environmental
Client	Cascade Power Project LP
Client Role	Project Owner
Value	\$1,500,000,000 CAD
Key Features	Indigenous involvement

Torys acted as counsel to Cascade Power (Kineticor/Macquarie Capital/OPTrust) in matters related to the construction, financing and operation of the C\$1.5 billion Cascade Power Project, a 900 MW combined cycle power generation facility in Yellowhead County near Edson, Alberta.

The project won *Project Finance International's* 2020 Canadian Power Deal of the Year.

The project is strategically located 12 km southwest of Edson, approximately 200 km west of Edmonton, in proximity to significant gas production sites, as well as the NGTL System and high voltage electrical transmission lines.

Once it reaches commercial operation in 2023, the facility will be the largest and most efficient combined-cycle power plant in the Alberta, utilizing two single shaft SCC6-8000H industrial turbines supplied by Siemens Energy under a long-term service agreement.

On August 28, 2020, the project's partners successfully closed financing on the C\$1.5 billion project.

Macquarie acted as exclusive financial advisor and debt arranger to the partnership, securing non-recourse project financing. The syndicate of lenders was comprised of National Bank of Canada, ATB Financial, Nomura Corporate Funding Americas, LLC, MUFG Bank, Ltd., Canada Branch, ING Capital LLC, Macquarie Capital Funding LLC, Siemens Financial Ltd., Natixis, New York Branch, Fiera Private Debt Fund VI LP and Canadian Western Bank.

The financing also involved an equity investment by OPTrust which closed on September 9, 2020. The investment was structured through an innovative and precedent setting partnership with Indigenous Communities Syndicate LP ("ICS"), a consortium of six Alberta First Nations represented by Backwoods Energy Services, one of the largest diversified Indigenous-owned businesses in Canada.

The transaction was also the first supported by the Alberta Indigenous Opportunities Corporation ("AIOC"), who provided a C\$93 million loan guarantee supporting the credit and financing arrangements.

Further information on the financing can be found on Business Wire's [website](#) and on [backwoodsenergy.ca](#).

It is anticipated that the project will supply more than 8% of Alberta's average power demands and represents a significant opportunity in the province's transition off coal-fired power to a lower carbon intensive power grid. Output from the project has already been contracted and the facility has also secured long-term gas netback agreements, providing cashflow stability for the investors.

The Cascade Power Project is being developed and will be operated by Kineticor Resource Corp. ("Kineticor") on behalf of a partnership that includes

- OPTrust invests and manages one of Canada's largest pension funds with net assets of over C\$25 billion and administers the OPSEU Pension Plan (including OPTrust Select), a defined benefit plan with over 100,000 members
- Indigenous Communities Syndicate, a consortium of six First Nations, owned by Alexis Nakota Sioux Nation, Enoch Cree Nation, Kehewin Cree Nation, O'Chiese First Nation, Paul First Nation and Whitefish Lake First Nation
- Axiom Infrastructure Inc., an independent portfolio management firm experience acquiring, developing, financing, operating and managing infrastructure assets
- DIF Capital Partners, a leading global independent infrastructure fund manager, with €7.6 billion of assets under management across nine closed-end infrastructure funds and several co-investment vehicles

Further information on the project can be found at [cascadepower.ca](#).

Torys acted as counsel with a team led by Scott Kraag and Chris Christopher and that included Milosz Zemanek, Ian Gordon, Amy Maginley, Yinka Olusoga, Vidushi Hora, Collin Intrater, Jessie Mann, Brianna Cowling and Cassandra Lozynsky (corporate/project finance), Andrew Bedford (real estate), Tyson Dyck (environmental), Gino Bruni (energy regulatory) and Craig Maurice (tax).

Torys also acted on the following in connection with this project:

Cascade Power, a partnership between Kinetikor, Macquarie Capital, OPTrust and six Alberta First Nations, in advice to the partnership on energy regulatory matters related to the development of the C\$1.5 billion Cascade Power Project, a 900 MW combined cycle natural gas-fired facility in west central Alberta, including AUC and AESO approvals required for the facility, such as the AUC power plant approval, AUC facility approvals for transmission infrastructure and the AESO's connection process