




Enbridge Day 2023

Event Transcript – Toronto, ON

Greg Ebel, Vern Yu, Cynthia Hansen, Michele Harradence,
Matthew Akman, Colin Gruending

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Rebecca Morley:

Good morning. My name is **Rebecca Morley,** and I'm the director of Investor Relations. It's my pleasure to kick off our 2023 Investor Day. Before we begin, I'd like to take this time to acknowledge that the land we are meeting on today is the traditional territory of many nations, including Mississaugas of the Credit, the Anishinabek, the Chippewa, and the Haudenosaunee and the Wendat peoples, and is now home to many diverse First Nations, Inuit, and Métis people. We recognize and respect the historic connection to and harmonious stewardship by the indigenous peoples over this shared land. And as such, we have a responsibility to preserve and care for the land, learn from her original inhabitants and move forward together in the spirit of healing, reconciliation, and partnership. We're pleased to be hosting today's event live in Toronto as well as webcast. Thanks to all of you who are joining us in person today, as well as those of you who are participating online. Each year, we look forward to this opportunity to update you on our strategic plan and how our leadership is growing the business and positioning us for the future.

As for a little housekeeping, I'd like to cover our evacuation procedures for the building in the event we need to use them. Should there be an emergency, you'll hear an alarm, and if necessary, this will be followed by an announcement to leave or evacuate the building. If so, please exit through the double doors in the back corner of the room, take the stairs down to the ground level and exit to the front driveway, cross Simcoe Street and meet at the designated meeting point in front of the Rabba store. A member of the hotel will inform you when it's safe to return. Lastly, on slide three, the legal team would like me to remind you that our comments today may refer to forward-looking statements and non-GAAP measures. And with that, I'll pass it over to Michele.

Michele Harradence:

Good morning. My name's Michele Harradence, and I'm executive vice president and president of Gas Distribution and Storage for Enbridge here in Toronto. So our practice here at Enbridge is to begin every meeting with a safety moment. Safety, it's one of our core values. And as members of the Enbridge team, employees and contractors alike, each of us makes a personal commitment to living this value every day, no matter our role or our job title. We also commit to safety as a company. That includes investing millions of hours and billions of dollars every year to make sure our energy infrastructure reliably delivers the energy that tens of millions of people across North America rely on every day, especially when it counts the most. So I'd like you to cast your minds back to just a few months ago when huge swaths of North America were hit by two successive and historic winter storms through this the December holidays. They brought several days of heavy snow, strong winds, and extreme cold, not to mention widespread power outages. More than 150 million people in Eastern Canada and the US Northeast and Midwest, were affected. People needed energy to keep their homes warm, their lights on, and their businesses running. And we saw record demand for the billions of cubic feet of natural gas that we safely transport and deliver every day.

That demand, coupled with the extreme weather, put our energy infrastructure and gas transmission and distribution systems and our dedicated and expert team to the test. I'm proud to say that we passed with flying colors, delivering and keeping energy flowing with minimal interruption to the tens of millions of people who were dealing with those storms. Our systems worked despite the remarkable

demand on them and the extremely challenging operating conditions because of our long-standing commitment to investing in and ensuring the integrity, reliability, and resilience of those systems.

And of course, thanks to the dedication and safety focus of our team. We have a lot of great examples of this, and here's just one that I would give you from our team here in Ontario. During the worst days of this storm, members of our storage and transmission operations group, who work at our Dawn facility, went above and beyond to make sure we'd have people in place to keep the gas flowing. And I'll remind you, those were Christmas Eve, Christmas Day. Those were the sort of days we're talking about. That included arranging impromptu carpooling, bunking down with nearby relatives, covering the shifts of colleagues who weren't able to make it in because of the hazardous road conditions. And certainly thinking back to my time in the gas transmission and midstream team in the US, I remember that during extreme weather events like this, it wasn't at all unusual to hear that our people were sleeping at the compressor stations just to make sure the gas kept flowing to keep people safe and warm.

A final note about our commitment to safety. We mean it when we say it's a journey, not a destination. We never stop learning and trying to improve. During these recent weather events, we monitored and assessed our performance throughout, looked for steps we could take to further reinforce the reliability of our systems so that we can continue to reliably deliver energy to people when they need it the most. That's all about continuing to improve for us. Now with that, I'll pass things over to Greg.

Greg Ebel:

Well, thanks very much, Michele, for that spotlight on reliability. I think it's a great reminder of the importance of how crucial our assets are in the daily lives of millions of individuals and as well how our customers can rely on us to deliver. So good morning everybody. Great to be here in Toronto, and I want to thank you for joining us. Whether you're here in person or via the webcast, this is our annual investor conference and I know the management team looks forward to it. And I'm excited to give you an update on our strategic direction and dive deeper into why we are incredibly enthusiastic about the future of Enbridge. After I kick us off a little bit, we'll hear from each of the BU leaders and then Vern will wrap things up with a overview of new energy technologies and our financial outlook. After that, we're going to look forward to answering your questions. We'll get everybody up here on the stage and do that.

So I'm going to start today's discussion by highlighting some recent developments and key changes across our business since our last Investor Day. I'll then turn to the current energy landscape and the new and long-term strength we see for energy fundamentals. And then I'm going to talk through Enbridge and why it is North America's first choice energy provider and why Enbridge should remain your first choice for energy investment. Our BU leaders will provide an overview that demonstrates the compelling growth that we see in our core and our lowercarbon portfolios and what we're doing to reduce emissions right across our footprint. So let's start with what's new.

Today we announced two strategic acquisitions by gas transmission, one conventional and one unconventional, both really excellent growth vehicles. First, we acquired the 35 BCFs Tres Palacios storage facility located along the US Gulf Coast, which expands our service offering to customers in the region. Second, we made an equity investment in a leading RNG developer, Divert Inc, with a significant embedded growth platform that will benefit from utilizing our infrastructure, knowledge and also our expansive network. We've also extended our gas transmission modernization program by about a billion dollars a year, demonstrating our commitment to ensure the safety and reliability of our gas

transmission assets for customers and stakeholders. At gas transmission, we filed the new five year incentive rate framework, which will extend that long track record of win-win incentive rates, and this will ensure that we are able to continue growing the utility at attractive returns. We also announced the Hamilton Growth Project, which will be Ontario's most ambitious GHG reduction effort, displacing coal fired generation with lower-carbon natural gas to continue to produce steel in the Hamilton Harbor area.

In liquids pipelines, we're going to continue to have constructive conversations with our customers on a new tolling arrangement for the Mainline, and Colin will provide you with more detail. But we remain comfortable with the prospect of either an incentive arrangement or a cost of service one. Further down south, and as testament to the optionality within our super system, we intend to initiate an open season on our Flanagan South pipeline, and we plan to move forward with our Houston oil terminal for an initial capacity of 2.5 million barrels. This will provide even more US Gulf Coast optionality for our customers. But beyond that, our liquids group continues to execute on our Permian growth strategy, most recently by acquiring an additional 10% in the Gray Oak pipeline. In power, the acquisition of Tri Global Energy will accelerate our front of meter and behind the meter strategies, both of which are important to our growth as well as our sustainability goals. The bottom line is that we see plenty of executable growth across our business units and the existing asset base.

This naturally brings us to our growth outlook, and today we are of course reaffirming our 2023 financial guidance for EBITDA and DCF per share, which puts us on track for another consistent year of growth. We're also announcing our near term outlook for 2022 through 2025, and Vern will provide more details, but here are some of the highlights. EBITDA is expected and CAGR at a growth rate of 4% to 6% through 2025, driven by optimizations and rate escalators. Our second growth program, our secured growth program of 17 billion and the deployment of our approximately 6 billion of investment capacity. You can expect our EPS CAGR to track EBITDA both in the near term and in the longer term. Our DCF per share CAGR will be approximately 3% over this period, recognizing the headwinds created by tax legislation affecting the industry. Post 2025, you should expect DCF per share growth will match our EBITDA and our EPS growth and be at approximately 5%, and we expect to continue to grow our dividend per share consistent with our cash flow growth expectations. We know how important the dividend is and we'll continue to grow it obviously. All in, we're excited about our growth prospects over the near and medium term.

Now let's go through what we see as the energy fundamentals. When I think about 2022, I think it's fair to say that it was really an inflection point for the sector. Energy markets were extremely volatile and exposed critical vulnerabilities in the global integrated energy system. Years of chronic underinvestment in the upstream and the downstream were compounded by Russia's invasion of the Ukraine, which led to unprecedented price spikes, and obviously not just in the energy sector but all commodities.

And while prices have somewhat moderated since last year, preventing events like this requires global energy system to balance three fundamental principles: reliability, sustainability and affordability. The energy trilemma, as it's often called. The end goal is to ensure that we've got sufficient energy supply to meet global demand while minimizing environmental impact from any accessible, and perhaps most importantly, making sure that energy is affordable to all. Global events have resulted in these three principles becoming unbalanced, and we firmly believe that North America is at the forefront of

balancing this trilemma. And Enbridge is helping to lead that rebalancing and is perhaps one of the best companies positioned to help ensure that this does occur.

Before we demonstrate why Enbridge and North America plays a critical role in balancing our energy system, let me step up a level and speak to some of the global fundamentals that we see. It's clear that population growth, urbanization and the growing middle class will demand higher growth in energy through 2050 and probably beyond. There is no happy or logical scenario where this trend does not steadily proceed on its path. And as we think about the energy mix, virtually all forms of energy are required. Natural gas and oil will remain critical components of our energy supply across this transition pathway. In all scenarios, renewables will grow rapidly and be critical to meeting global emission targets, but renewable growth cannot be sustained without being closely intertwined with natural gas as an intermittency and peaking fail-safe for consumers. Perhaps less heralded but no less important are the critical roles innovation and efficiency gains must play in balancing energy demand and supply, along with meeting our global emissions aspirations. So let's zoom in a little on the specific fundamentals that we believe drive our growth, underpin our strategy, and allow North America to balance that energy trilemma that I spoke to earlier.

Eight million barrels of liquid exports from North America will be required to meet growing demand across the globe by 2035. This growth is underpinned by hard to abate sectors like heavy transportation and petrochemicals in both developing and developed countries. This balance can't be achieved without significant upstream investment to offset production declines. Now fortunately, North America producers are leading the way with this investment, and doing so in a combination with progressing their emissions reduction strategies. On LNG, North American exports are expected to be 28 BCF a day by 2035 with demand underpinned by growing need for energy security in Asia and Europe and the ongoing coal retirements that require natural gas to sustain people's quality of life.

So the North American advantage in oil and natural gas is twofold. First of all, we have vast cost competitive resources, and we are global leaders in sustainably harvesting these resources. Enbridge is connected to North America's most prolific oil and gas basins and has a long record of safely and reliably delivering energy from these basins to consumers of all kinds. This competitive advantage is one that cannot be replicated in scope, in scale or interconnectedness. Frankly, it's what makes us the first choice for energy delivery in North America and increasingly beyond its borders. You're going to hear more about that from both Cynthia and Colin in a little bit.

Of course, the outlook for renewables has never been better. Significant policy advancements have accelerated projects in the space and they've bolstered the early economics of such investments. We see this trend globally, but critically, we also see this across the jurisdictions where we operate and that now includes five G7 countries in which Enbridge operates. A massive opportunity for us there, and Matthew will provide more details in his presentation on that business unit.

So I wanted to turn to the future here shortly, but I also want to remind us just briefly everyone here about where we were just six years ago as a company and how all that we have done since that has really set us up to realize growth from this energy super system that we now own and operate and continue to build upon. Back then, Enbridge had a impressive network of pipelines that were largely liquid focused, and its primary growth drivers were expanding the main line, market access expansions and of course, predictable utility rate base growth. Gas and renewables really were not part yet, in a

meaningful way, of the business mix with liquids representing about three quarters of our earnings at that time.

Then the Enbridge and Spectra merger in 2017 brought together two midstream leaders to create the premier North American energy infrastructure company. The portfolio became significantly more balanced between gas and liquids and brought under one roof a significant backlog of projects and multiple strategic growth platforms. It was during this timeframe that we also worked to streamline our corporate structure and reduce our exposure to commodities. And this has allowed us to focus our core capabilities and achieve a significant reduction in leverage from about well above six times debt to EBITDA to today well below five times. It was also during this timeframe that we eliminated four sponsored vehicles, freeing up additional management resources and tightening that operational and strategic focus. So what's that meant is that as a result, one of the areas in which we've really been able to focus on the last couple of years has been North American energy exports. Robust fundamentals allowed us to build a significant US Gulf Coast position in both liquids and in natural gas. Achieving last mile connectivity positions Enbridge as the first choice for our consumers needs and puts us at the forefront of ensuring North America is able to play a key role in meeting global energy demand.

And you can see on this slide, this move took the form of several strategic US Gulf Coast liquid focused acquisitions. Two recent examples of this are the purchase of Ingleside, which is North America's premier crude export facility. And increasing our exposure to both the Permian basin via both the acquisition of Gray Oak and Cactus II pipelines. On the gas front, while we've been a player on the Gulf Coast for some time, we've now executed on several LNG related projects. And currently we provide service for 15% of the export capacity at the Gulf Coast through four LNG facilities operating in the region. And we expect to grow that position to about 30% of the market share by 2030.

Of course, it's not all just about the Gulf Coast for us. And as you can see here, we also acquired an interest in the Woodfibre LNG project in British Columbia. Our incumbent position in BC provides us with great optionality to support this growing demand, including the $5 billion of expansion opportunities in BC along the BC pipeline system that we announced last year. So we're optimistic about the export opportunities we see in Canada and how our system will continue to support that growth driving low-risk utility-like expansion projects. We've also been able to build at a world-class renewable footprint with solar and wind assets across North America and a growing offshore position in Europe. We brought our first offshore wind project into service in 2018 in the UK. And since then, we've grown that portfolio to seven projects in operation or under construction today.

Last year we brought Saint-Nazaire into service, the first offshore wind project in France, and we have three additional projects expected to come into service over the next couple of years. Saint-Nazaire came in on time and on budget. This renewable platform has also set us up to profitably reduce emissions across our liquids and gas pipelines, and it allows us to move forward with our solar self-power program. Most recently, the acquisition of Tri Global Energy will serve to accelerate the execution of our front of the meter and behind the meter growth strategies, making Enbridge a first choice renewable power developer. If you think about it, while our extensive footprint offers compelling conventional and renewables growth, we have also built a portfolio of new energy assets and investment opportunities, including RNG, CCS and hydrogen infrastructure.

On this front, we're particularly excited about CCS. While there's a lot of competition in this space, the investment opportunity is significant and we believe we'll also be a first choice partner in that regard. So

our footprint is extensive and aligns well with heavy emitters and industry, and we've got decades of operational and investment experience in pipelines and storage, which really sets us up to be a leader in this space. We have significant new energies opportunities across the asset base, and we're taking an integrated but a measured approach to our investments. And Vern's going to speak about that when he speaks a little bit later in the presentation.

So here's what we have today. North America's first choice energy provider, a true super system that you can see here that connects energy supply with growing demands centers and offers last mile connectivity to domestic and export customers. Our premier liquids infrastructure now transports 30% of the crude produced in North America and connects producers to the best basins in the most complex and low-cost crude refining systems in the world. Our natural gas transmission network is unrivaled due to its scale, its scope and connectivity, transporting about 20% of all the gas consumed in the US by connecting North America's most prolific natural gas supply basins to the continent's largest demand centers, and to LNG export markets as well. We operate North America's largest gas utility by volume, and I'm reminded by that all the time by Michele. And we're the provider of choice to about 15 million people in Ontario. And our renewables platform is industry leading with a diversified portfolio of projects, giving Enbridge a large, fully integrated renewable power business. And if you want to do all of that and all of the above in a more sustainable manner, we are increasingly providing service in that regard with our operation of RNG and hydrogen and blending facilities. And before too long, we expect to be operating integrated CCS service as well. I don't know what's going to happen in the future, but that map that we just showed you, those pipelines go to where those lights are, and we will continue to be, whether it's produced with renewables or gas or oil, we will be where those lights are.

So let's shift our focus to how our four core franchises will offer steady growth by outlining the opportunity set embedded in each of our business units. In gas transmission, growing demand from utility customers, the expansion of the LNG export connections and the growth in gas-fired generation will drive more than $2 billion a year of investment opportunity through the markets we serve. This also includes capital for the modernization program, which lowers our emissions and will be recoverable through periodic rate cases. The utility will add about a billion dollars of annual growth capital, driven by population growth and the expansion of our storage and transportation capabilities.

And in renewables, we see a further billion dollars a year of investment opportunity as we expand our onshore footprint here in North America, continue to grow the European offshore wind and execute on our solar self-power program. And then in liquids pipelines, we expect to invest a billion dollars annually from capital efficient expansions, leveraging production growth in the Western Canadian sedimentary basin and by continuing to grow our US Gulf Coast export platform. In sum, we're opportunity rich with conventional and renewable growth capital of approximately $5 billion a year across our footprint. The potential upside from RNG, CCS and hydrogen extends through our entire footprint. On RNG, we're continually evaluating the potential for projects across both the utility business here in Ontario and across the GTM system. The investment we announced today is a really good example of this opportunity set.

And on CCS, most of you know we're pursuing the Wabamun Carbon Hub and sequestration opportunities at the Ingleside facility, and we're studying the feasibility as well of carbon capture hubs here in Ontario and the US Midwest. On hydrogen, we already have an existing Markham blending pilot. In addition, we are evaluating the potential for blue and green hydrogen and ammonia production, as

well as exports from the Gulf on the US Gulf coast and the east coast of Canada. In total, we have well in excess of a billion dollars a year in potential projects across these new energy technologies, and we expect this will grow as the policy environment continues to become more supportive and frankly improves the potential cash returns.

So given our extensive opportunities set, let's spend some time talking about our disciplined capital approach. In short, our philosophy is unchanged. We're going to going to continue to judiciously allocate every dollar of cash flow and maintain our balance sheet and equity self-finance model. That critical nature of our strong balance sheet will always remain critical to us. In addition, we can selectively recycle capital. And I think we've got a great track record here and that helps us further bolster our financial flexibility and to fund those additional growth opportunities we've been talking about. Dividends, as always, are a key part of our investment position, and we'll continue to grow our dividend consistent with our expected DCF per share growth while staying within that payout guardrail of approximately 60 to 70%. Our buyback program was extended into 2023, and we'll opportunistically execute on that when it makes sense to do so. On growth, we'll prioritize the low capital utility-like opportunities within our footprint while supplementing with selective M&A, like you saw this morning. We remain committed to our global ESG leadership as well. It's a fundamental enabler of our high performance.

Not only that, it's the right thing to do, and I'm proud with the progress that we've made on the E, on the S and on the G. We are well on our way to reducing our emissions intensity by 35% by 2030 and reaching that net-zero emission standard by 2050. We've also made progress on racial and ethnic representation in our workforce, and we're going to continue to keep this a top priority. On governance, our board is more diverse than ever, and it's led by our chair, Pamela Carter, an accomplished Black woman who brings extensive experience, sound judgment, and a commitment to good governance. So we see all of this as an enabler of high performance and a real competitive advantage in executing our plans on your behalf. As with our industry leading performance on safety, we're going to continue to push ourselves in these areas, and I'm really proud that soon we're going to publish our 22nd annual sustainability report where we transparently share our goals and progress in this regard with you as shareholders, but all of our stakeholders as well. And finally, we're putting our money where our mouth is and demonstrating that ESG is foundational to our business as we've tied the execution of these ESG goals to both employee and executive compensation. And we believe this is critical to our long-term success as well.

So let me wrap up here with a slide that summarizes our value drivers. Our business is stable. We remain committed to maintaining our diversified, low risk, pipeline utility model. The balance sheet is strong and remains one of our key top priorities, and we have a long track record of sustainably returning capital to shareholders, with 2023 marking our 28th year of consecutive dividend increases. We have visibility to short, medium, and long-term growth with conventional and lower carbon opportunities embedded throughout each of our businesses. We believe these drivers, combined with our strategic and financial plan, provides investors with a first choice investment opportunity that delivers predictable cash flow and the return of capital.

In addition, the strength of our core businesses puts us in a great position to meet growing energy demand safely, reliably, affordably, and sustainably. And that is why at Enbridge tomorrow really is on. So if that does not convince you that Enbridge is a first choice investment opportunity, I have no doubt

that you're going to be convinced after you hear from the executive team over the next couple of hours. They each have a great story to tell in what are really big businesses on their own. The team's got an impressive track record, as I think many of you know, and they've been executing for decades. And the team is also an excellent demonstration of the deep bench strength that we have here at Enbridge. So let's start with Cynthia Hansen, who most of you know is the president of our great gas transmission business. So Cynthia, I'll turn it over to you. Thank you.

Cynthia Hansen:

Well, thank you, Greg. And good morning, everyone. It is great to be here with you today. I'm excited to lead the GTM business. I stepped into this role about a year ago and we've successfully delivered on our commitments and then some. So the future of natural gas was bright when I started, but this past year has really shown the importance of what we do. The continuing situation in Europe and, in some ways, right here at home, in places like New England, has highlighted the essential role natural gas plays in energy security and affordability, but it's more than that. Natural gas is and will be needed for decades to come. It's the most reliable, clean, abundant, and affordable option as we look to reduce emissions. It's also critical for the energy transition. It's needed to support the buildout of wind and solar and the transition from coal. There's no other path forward to achieve climate goals while providing reliable energy on peak demand days in winter and summer. The way we use natural gas may change, but the path forward still depends on natural gas for the next 30 to 40 years.

2022 was a banner year for the GTM business in many ways. We recorded or we reached favorable rate settlements with our customers on Texas Eastern and the BC Pipeline. Utilization remained high, and we had another strong contract renewal rate of about a hundred percent with our customers on our major pipelines. We acquired a 30% stake in Woodfibre LNG to support growing North American LNG exports. This was a huge step forward for Enbridge as we extend into a new and growing line of business. We held successful open seasons on T-North and T-South, and we continue advancing our emissions reduction strategy while modernizing and enhancing the safety and reliability of our systems, and I could go on and on. With this great performance, we are delivering on our strategy and keeping the promises that we've made to customers, investors, employees, and the communities that depend on us. We take great pride in moving energy that people count on every day, energy that heats your homes, cooks meals, and helps the economy grow and thrive. We're responsibly and affordably meeting the energy needs of today while we advance a lower-carbon growth.

As you can see here, our network is large, diverse, and unmatched, and our footprint continues to grow. We are essential and we are where we want and need to be, delivering gas to over 170 million people, near prolific and low-cost supply basins, working hand in hand with customers, and ensuring North American natural gas is available to global markets. We currently serve four LNG facilities and are contracted for more, pending FIDs. We are already executing over 5 billion of projects just in Western Canada, and we see future growth of about 7 billion. And now we're partnering with our customers to provide renewable natural gas and hydrogen solutions. We continue to grow our base business while our footprint and expertise open up new markets as we invest in the energy transition.

So let's take a look at some of the fundamentals. Natural gas is here to stay. So as Greg said, there is no future without natural gas. In any scenario you look at, it will be here for quite some time. So that's been

proven, as year after year, we see record demand on our systems. Forecasts indicate the demand for natural gas and North American natural gas is going to be driven by LNG exports. Supporting this is the need to fill gaps in European supply and to serve the growing Asian economies.

Prior to 2022, Germany had two re-gas projects proposed. They currently have three in rapid development and a further five are proposed. So re-gas capacity could exceed 1 trillion cubic feet per year by the end of 2023. That's about 40% of the annual consumption.

The pace of recovery in China post-COVID restrictions remains to be seen, but LNG demand in Asian markets will continue to be driven by increased coal to gas switching and industrialization in places like India. Asian demand for LNG is projected to double, from about 250 million tons per year in 2022 to about 500 million tons per year by 2035. Supporting that demand is abundant, low-cost North American supply.

In 2022, the US had more LNG export capacity than any other country and led the world in LNG export. Location matters. We operate both along the US Gulf Coast as well as in Western Canada, and we are well-positioned to serve markets, particularly Asia, due to proximity and sustainability. So basic economics looks at both the supply and the demand, and we are fortunate to have an abundance of high-quality, low-cost natural gas reserves in North America. We have an obligation to send energy to our allies around the world where it's needed the most to help ensure safe, secure, stable supply, and enable progress, and reduce global emissions. The US is predicted to continue to see record growth in natural gas production in years to come, especially as we see declines in production in other areas. US gas will go to where it's needed most. US LNG exporters boosted shipments to Europe by over a hundred percent in 2022 compared to 2021 and supplied more than half of Europe's imported LNG.

The current outlook for Western Canada is also strong. The key will be working with regulators, keeping our cost competitive, and collaborating with indigenous communities. In Appalachia, production outlooks broadly stay the same through 2035 as egress capacity constraints continue to limit growth. New pipelines being built would allow for additional gas to reach the Northeast, resulting in access to lower-cost gas supplies. Our infrastructure will help in that overall delivery chain, even if we're not always the last mile of connected pipe to a facility.

So our gas infrastructure is critical to providing reliable access to energy for households, industry, and all the local gas utilities that we supply. Around 40% of the electricity in North America is currently generated by natural gas, and we expect that percentage to continue to grow in the near term, as coal and oil plants are aggressively retired. Our footprint is ideally situated to support near-term coal-to-gas switching opportunities. Between 2012 and 2021, an average of nine and a half gigawatts of coal-fired capacity was retired each year. Last year alone, US coal retirements totaled 11 gigawatts. And nationwide, a further 150 gigawatts of retirements are anticipated by 2050. Many of these legacy coal-fired generating plants are in the vicinity of our assets, as shown in the graphic. This results in opportunities for Enbridge, for example, our Ridgeline project. We're working with TVA as they're looking to replace a coal-fired power plant in Northeast Tennessee. Converting from coal to gas will result in about a 60% lower emissions, and we're incorporating eight megawatts of solar self-power to offset scope 2 emissions.

And in some regions, particularly the Northeast and Southeast, there are legacy oil-fired power plants that could also be converted. Wind and solar will continue to grow and they both play an important role

in supporting a lower-carbon future, but they're intermittent and require natural gas to support peak load. A balanced approach is needed to maintain reliability and affordability, and the reality is we can't have a fair and inclusive transition without natural gas. At two-thirds or less the cost of electricity on average, it remains the cheapest heating option for most households, cheaper than propane or heating oil. And natural gas backs up renewables, especially during peak days, and our infrastructure must be capable of delivering gas when these events occur. Renewables will remain the headline in the power sector, but with increasing electrification of our energy needs, peak demand of gas will grow.

So while we're focused on growth, we are equally focused on optimizing the strength of our base business. Over the last couple of years, we've spent about a billion dollars per year on modernization of our assets and plan to spend about 3 billion through 2026, which translates to about 4 billion Canadian. This investment is making systems safer for communities, more reliable for our customers, and reducing emissions while growing our EBITDA.

In phase one of our Texas Eastern modernization project, we have had 11 compressor stations completed with an absolute emissions reduction of more than 25% per station, and that's equivalent to over 180,000 tons of carbon dioxide equivalent by the end of 2023. Supporting this work is our rate case strategy, which remains critical to cost recovery of integrity and modernization spend.

Our regulatory teams have been hard at work, and in 2022, we successfully settled rate cases on Texas Eastern and the BC Pipeline. Since 2020, we've had about a half a billion dollars of EBITDA added through these rate proceedings. Overall, we have an incredibly strong foundation for growth and are well positioned to take advantage of new opportunities.

So I think everyone knows the challenges companies face in building new infrastructure in places like New England. We are successfully executing projects, like Appalachia to Market Phase II, having placed Middlesex and Appalachia to Market Phase I into service in 2021. This further highlights the value of our current footprint. But more investment is needed to support both demand and affordability. The Northeast is home to one of the largest gas resources in the world, the Marcellus-Utica Shale. These basins could ensure a reliable source of energy for not only the Northeast but across the country.

But this potential is frustrated by a lack of pipeline development resulting from regulatory challenges and years of opposition to proposed projects. This means that consumers in the region are being exposed to some of the highest gas and electricity prices in North America. At times last year, customers were paying over a hundred percent more. To help, we've identified significant and scalable expansion capability on Texas Eastern, which cuts through the heart of Appalachian shale. These expansions put us in a prime position to unlock further egress from the basin with lower impact brownfield expansions that run on or directly adjacent to our existing right-of-way. Our Appalachian to Market projects are a perfect example of this, and we have additional early-stage developments underway that will help Appalachian molecules reach growing markets for gas in all directions.

We're navigating these challenges, but we still have a ways to go on all of the above energy approaches needed in the Northeast, and that includes natural gas to avoid frequent winter pitfalls, like we saw in the ISO New England in late December, where at times, as much as 35% of electricity was generated from fuel oil. We need to work together with customers, regulators, and other stakeholders on that path forward to ensure reliable supply and affordability in the region.

We're also expanding our system in BC, where Enbridge has strong roots delivering gas since the 1950s to support LNG growth in Western Canada. BC Pipeline is the backbone of our system in Western Canada and transports about 55% of the natural gas produced in the province.

Last year, we held successful open seasons on T-North and T-South, and we have a second open season planned on T-North later this fall. Our T-North expansion project will include the addition of pipeline looping, new compressor units, a new meter station, and other required compressor station modifications, with a targeted in-service date of 2026. It will feed LNG and other industrials in the Pacific Northwest. Our T-South expansion project will provide approximately 300 million cubic feet per day of additional natural gas transportation service and will be the most economic expansion from a liquid hub to the Pacific Northwest. Both projects include a cost-of-service framework and are on our existing rights-of-ways. So between T-North and T-South, we cross the lands of over 40 indigenous communities. So we're proactively engaging with these groups to make sure we meet the consultation requirements, but to fully engage as partners that are mutually benefiting from these projects.

Our proactive and inclusive approach to stakeholder outreach continues to help us manage project risk timelines and budgets. So the story of Western Canada LNG continues to be one of opportunity. It will play an important role in enhancing energy security and reducing global emissions. BC has plentiful gas reserves and its proximity to Asian markets makes it ideal for exporting LNG to help reduce reliance on coal. The availability of hydroelectric power means that BC can have the lowest-emitting LNG projects in the world. Canada produces some of the most sustainable energy in the world, and the cooler climate requires less energy to produce LNG.

The Woodfibre LNG investment is a good strategic fit for Enbridge. It's a natural extension of our system and it's backed by strong global LNG fundamentals. It supports our export strategy, reinforces the role of natural gas, and has the full support of Squamish Nation. In fact, they provided one of the environmental permits for the facility, the first one in Canada.

We're looking at additional strategic investment opportunities, but they do need to fit our criteria. So moving south, US LNG is leading the world in terms of exports and capacity. Our established footprint, Texas Eastern, BIG Pipeline, Valley Crossing, and now Tres Palacios, and more, allow us to play a big role on the Gulf Coast. The four LNG facilities we're connected to provide last mile connectivity for about 15% of the natural gas to facilities on the Gulf Coast, and we're currently contracted or in discussions to serve between five to eight additional Bcf per day.

So with outlooks predicting that LNG exports double over the next 10 years, we could be serving over 30% of US LNG exports. This includes facilities like Venture Global's Plaquemines, where we're already started construction on Venice Extension Project to serve that facility, NextDecade's Rio Grande LNG, and Texas LNG in Brownsville.

The fundamentals clearly support the continued growth of US LNG, and we've been incredibly encouraged by the contracting activity that picked up in 2022. Based on current indicators, we believe that despite LNG prices decreasing, momentum will continue, with sales and purchase agreements being inked and final investment decisions more likely.

We're also in discussions with customers on additional projects to support LNG growth. We see over 3 billion of opportunities here specifically to connect existing Permian and Haynesville supply with

growing demand on the Gulf Coast. Equally important to LNG growth is storage. The fundamentals largely support continued growth in storage, and now, our acquisition of Tres Palacios, the southernmost natural gas salt cavern storage in Texas, puts us in a prime position to support LNG operators along the Gulf Coast, the Mexico market, and power gen and renewables growth in Texas. This asset includes a 62-mile header system that ties into 11 different interstate and intrastate pipelines, connectivity that provides diversity of supply that our LNG customers need. Our storage facilities provide natural gas producers and shippers with much needed working capacity and the ability to balance during periods of volatility and variability, and we're looking at more opportunities in this space.

Okay, we've talked in depth about our traditional growth. Now I want to talk more about our growth in the lower-carbon energy. Renewable natural gas, or RNG, has an important role to play in our clean energy future, and it's a strategic fit for Enbridge. It leverages our existing network and capabilities while supporting the energy transition, keeping our systems used and useful in the long term.

One of the biggest advantages to RNG is that in addition to being low-carbon intensity is that it's considered a drop-in fuel. No adjustments are needed to our system or for our customers or end users since it provides the same reliability and versatility as regular natural gas. Demand for RNG is increasing, and it's a critical decarbonization pathway for our customers and utilities alike. Utilities are increasingly blending RNG into their current systems to satisfy changing appetite for lower-carbon energy. For example, National Grid is targeting a 30% RNG blend by 2040, a whopping 200 Bcf per year. In fact, long-term energy outlooks are predicting that as much as 10% of all natural gas demand could be supplied by RNG. This would require about 500 billion in total global investments over the next 20 years, according to the IEA. It's also encouraging to see more support for RNG, as the Inflation Reduction Act allows RNG production facilities to generate investment tax credits on par with wind and solar.

We're now actively working on opportunities to reduce food waste from landfills to produce RNG, having successfully announced our 10% equity investment in Divert, a company leading the way in addressing the wasted food crisis, partnering with customers like Kroger, Albertsons, Target, and other large retailers. This investment gives us the option to invest up to 1 billion in RNG projects across the US. The EPA estimates that decomposing food accounts for 26% of all US methane emissions, and food waste presents valuable feedstock for RNG production, giving the billions of dollars worth of waste that are created each year.

We see over a billion in growth opportunities in the RNG space, including our development agreement with Vanguard. This agreement and our investment in Divert is a meaningful commitment towards building a cleaner energy future. Renewable natural gas is here and has huge potential. We also see great opportunities in hydrogen and CCS, and our infrastructure is in place to support it.

As we make progress in new energies, we're also actively reducing emissions across our system. We reduced our methane emissions by 20% from 2020 to 2021, and our operations team is focused on reducing emissions by eliminating blowdowns, accelerating leak detection and repair, and replacing gas valve operators. In 2022 alone, we mitigated or avoided 65% of gas volumes from pipeline blowdowns. This emissions saving of nearly 300,000 tons of carbon dioxide equivalent is equal to the annual energy usage of over 35,000 homes. We're increasing our efficiency and optimization of our fuel gas usage, which is not only good for us, it's good for our customers and it's good for the environment. We continue our solar self-power program with two facilities in operation in Lambertville and Heidlersburg and three projects that are commencing construction this year. We have over 80 megawatts planned in

the coming years, helping to offset our scope 2 emissions while powering our operations. So this is a win-win from an ESG and a customer's standpoint.

So key takeaways. Finally coming back to where we started, demand is up and we're well-positioned with the strongest footprint in the industry. Natural gas is essential to clean, reliable, and affordable energy future. LNG is the best way to enhance energy security and reduce emissions, and we're obligated to share our abundance in North America with the world. 2022 was an incredibly successful year for our business, and we made tangible progress on our strategy, and we continue to see high recontracting rates on our systems, with strong opportunities ahead of us. We have visible growth of over 2 billion annually for the next five years. From supporting LNG to low-carbon initiatives, we're well-positioned to provide the energy that people need and want in a responsible way.

I'm excited about GTM and natural gas future, but we can't do it alone. Partnerships with our customers, regulators, indigenous communities, and more will be a very key part of our future. Thank you for your time today, and Michele is up next.

Michele Harradence:

Well, thanks, Cynthia.

I'm really pleased to be joining you on my first Enbridge Day as president of the gas distribution and storage business. We have a great story of stability and growth. This year, our utility celebrates 175 years of safely and dependably delivering the energy people need and want. That, I believe more than anything, demonstrates the strength of our business, the value we deliver to customers, and our proven track record of adapting to change time and time again. It also gives us a really strong foundation on which to grow, and we see plenty of opportunity for it. Our natural gas infrastructure is ready to meet the demands required by Ontario's growth, whether that's population growth or industrial growth. That includes the energy transition space as well, where we've established ourselves as clear leaders.

Today, as Greg said, good job, we operate the largest integrated gas utility in North America, serving 3.9 million residential, commercial, and industrial customers across more than 300 municipalities and 20 First Nations. We reach into more than three quarters of Ontario homes into the majority of the province's economy-driving industries and businesses and into Ontario's critical public services, such as schools and hospitals.

Supported by one of North America's largest and fully-integrated natural gas hubs, we deliver sustainable, reliable, and cost-effective energy to those customers. We do this safely, with excellence, day in and day out. And under our regulated incentive ratemaking structure, as we have over the past decade, we continue to generate premium returns and year-over-year EBITDA growth, with secured annual capital expenditures in excess of $1 billion.

We're confident that natural gas and the system that delivers it will continue to play a critical role in Ontario well into the future. We provide, rather, almost twice as much energy as the electricity system on an annual basis at about a quarter of the cost. On a peak basis, the natural gas system provides up to four times as much energy as the electricity system, and we see the need for natural gas staying strong. For one, Ontario's population, which was nearing 15 million at the beginning of last year, is expected to

grow by another 2.2 million people over the next decade. More people means the need for more housing. Last year, the Ontario government committed to getting one and a half million new homes built over the next 10 years. Those homes will need energy solutions, and we intend to be there to provide them.

On the industrial side, there are few economic alternatives to meeting demand, and we're seeing tremendous growth opportunities in all sectors, including electricity generation, greenhouses, and manufacturing. As Ontario's energy transition continues, the natural gas system will be critical to providing resilient, reliable, cost-effective energy solutions. We're calling for a diversified approach to achieve Canada and Ontario's net net-zero aspirations. That's a pipes-and-wires approach, where the natural gas distribution system and the electricity system work together. This approach is backed by an expert report that we commissioned that's the first of its kind in Ontario, and its findings are consistent with studies across North America and Europe. In a nutshell, the report says that leveraging the existing gas distribution system to deliver made-in-Ontario solutions, such as hydrogen and renewable natural gas, used in balance with end-use electrification would save energy consumers over $200 billion versus a shift to deep or pure electrification. So while what's in our system will change over time, there is an important role for the infrastructure itself well into the future.

Our legacy organizations have a strong history of incentive rate frameworks, and combined, we're incredibly well-positioned to continue to ensure reliable rateable growth and attractive returns. From 2018 to 2022, we've experienced steady and predictable rate-based growth. Recently, we've seen more of that capital being shifted to low-carbon projects, such as RNG and hydrogen. We have a track record of consistently achieving our allowed rate of return, a trend we see continuing, and our regulatory structure provides good protection from inflation. It also incents us to continue to identify and deliver on synergies. This allows us to realize an attractive rate of return for our investors and deliver cost-effective solutions to our customers. As a result of our integration and other productivity initiatives, our customers will benefit from these savings.

Our regulatory construct has allowed us to continue to operate and maintain a safe, reliable, and cost-effective system while delivering utility growth and implementing efficiencies. As you can see here, our investors and our ratepayers have both benefited.

If approved by a provincial regulator, our new framework will continue to provide benefits for both customers and investors. It proposes an incentive rate structure for a five-year term, beginning January 1st, 2024. Our proposal is structured to encourage us to continue operating efficiently, generating premium returns, and ensuring competitive rates for our customers. It incorporates a formulaic approach to ratemaking out to 2028 and seeks approval for annual capital spend of more than $1 billion in each of the next five years.

And again, some of this rate-based growth has also been earmarked for investment in the low carbon space. A few things that I'd like to highlight, the proposed rate adjustments account for inflationary pressures. We've proposed to continue with the existing model of earning sharings of 50/50 above 150 basis points over allowed ROE. We're proposing a change to our capital structure, increasing our equity thickness, making it more consistent with other Canadian and North American utilities. And we're continuing on the path to integrate these two utilities in terms of streamlining rates, services, and processes. We're punching above our weight when it comes to capturing opportunities in the traditional gas infrastructure growth. We continue to add new customers. In fact, we added over 45,000 new

customers in 2022. Since 2019, we've extended our natural gas assets to 10 new communities through the Ontario Government's Community Expansion Program, and we plan to begin construction on four new community expansion programs this year.

Natural gas also continues to play an important role in power generation in Ontario. Late last year, the IESO, Ontario's Independent Electricity System Operator, released a report evaluating a moratorium on new natural gas generation in the province. The report noted that there is currently no like for like replacement for the role natural gas plays in the electricity system in terms of supporting grid reliability by providing continuous, flexible, year-round energy. It also said that incremental new gas fire generation will be required in the next five years to ensure reliable stable electricity system for Ontarians. And the IESO also noted that the need for gas fire generation will extend well into the next decade. On the industrial side, as I mentioned earlier, we continue to see tremendous demand here in Ontario. That's coming from customers not only in electricity generation, but also in the greenhouse and manufacturing sectors, very important sectors for Ontario's economic growth.

And we can also play an important role helping industries lower their emissions and make the energy transition. Here's a great example. This is a favorite project of mine. We're helping ArcelorMittal Dofasco transition its steel manufacturing from coal to gas, lowering emissions by an estimated 60%. This is the largest greenhouse gas reduction project in the province and a significant project for Canada's path net-zero. To support this project, we've begun the environmental assessment process for the Hamilton Growth Project. We're also working with companies in the Hamilton area to investigate other emissions reduction opportunities such as CO2 sequestration and a hydrogen. We really believe that Hamilton has all the right ingredients to be a hub for emissions reduction projects in Ontario. The Hamilton Growth Project is one of three projects we're undertaking along our Dawn-Parkway system with a total capital investment of about $700 million, which will become part of our rate base once operational.

Before I move on, just a quick reminder about the enduring value of our Dawn Hub. Dawn's home to the largest integrated underground storage facilities in Canada with 288 billion cubic feet of storage capacity. Dawn and its related transmission assets help ensure energy reliability and affordability for our customers and also provide benefits to the surrounding regions.

Switching gears a little now, we have a phrase that we'd like to use in the utility. Ensuring a sustainable future that meets net-zero aspirations will require more gas, less gas, integrated gas, and green gas. The ArcelorMittal Dofasco project is a great example of how more gas can help reduce greenhouse gas emissions, and it's one way that we're leading in the energy transition space. Through our energy efficiency and conservation programs, we've been helping customers use less gas since 1995. Through our OEB approved demand side management plan, we can recover our direct costs and earn an incentive for hitting milestones.

We're now also the Ontario agent for the federal government's Greener Homes program and the combined annual funding of those two programs provides $330 million that can be allocated for energy efficiency. Worldwide, experts point to energy efficiency as the single most effective thing that can be done to reduce global emissions. And that's one of the findings of the pathways to net-zero report that we commissioned and that was released in September of last year. It was the first to evaluate different paths Ontario could take to achieve net-zero energy related emissions by 2050, and it's informing discussions within the energy industry around policy tables and at all levels of government about what

energy transition could and should look like. Another finding is that regardless of what the transition looks like, it's clear that a diversified approach that includes integrated system planning at the provincial and local level will deliver the lowest cost low-carbon opportunities.

So here's an example of what I mean at the local level. In 2021, we started working with London Hydro on a pilot to study hybrid heating systems, pairing electric air source heat pumps and high efficiency gas furnaces. We're looking to prove out on a larger scale what our technical pilots have demonstrated that these hybrid heating systems can be very effective at lowering greenhouse gas emissions and reducing home heating costs and energy use. This pilot is proving so successful that the Ontario government has stepped up with funding to help expand it into more homes in London and into other communities now. We're also continuing to make real strides green in the gas supply, another safe bet action identified in that report. We're blending up to 2% hydrogen by volume into the energy we're delivering to about 3,600 residential customers just Northeast of here in Markham, Ontario. This is the first blending pilot project of its kind in North America and we're looking to expand to over 12,000 customers. And soon we're going to be launching a full system-wide hydrogen blending study for our system here.

On RNG, we have two new projects recently sanctioned, bringing the total to eight in-service or under construction. Once completed, RNG injection into the gas stream will be about two and a half billion cubic feet annually from these eight projects, and through our partnership with Walker's, Comcor, we continue to investigate new RNG opportunities across Canada. We're also looking at the potential to provide storage for captured carbon. We wear multiple hats when it comes to CCS in Ontario. Given our long history in the province and the expertise we're developing in other jurisdictions, we're acting as a trusted advisor to stakeholders, including government and customers as that technology takes root. We've brought a lot of transferrable expertise and experience to the non-traditional space. Our approach is orderly and methodical. Incubate new technologies, prove out the ones that show promise through pilots, and generate utility like returns from these investments.

Our focus is on extending the life of our existing assets by transitioning what's inside. A couple of projects I'd like to highlight. In Gatineau, Quebec, Gazifere is working on what will be one of the country's largest hydrogen injection projects. That hydrogen will be injected into Gazifere's natural gas distribution network, which serves more than 44,000 customers through a new 15 kilometer pipeline. Back in Ontario, we've partnered with the City of Toronto to produce RNG from its organic waste program. Our project is helping the city divert more than 9,000 tons of CO2 equivalent emissions a year and generate about 117 million cubic feet of RNG annually. Again, what's great with these low carbon investments is that they either become part of rate base or we generate utility like returns when they sit outside the traditional rate base. In gas distribution and storage, we're working to reduce emissions across the value chain, including our own.

We're reducing how much gas is vented to the atmosphere. We're enhancing our leak detection and repair program. We're and repairing our leak backlog, and we're connecting our main transmission stations together to optimize the energy use resulting in less maintenance and reduce fuel consumption. Once fully implemented, we expect to reduce our Scope 1 emissions by over 30,000 tons of CO2 equivalent a year, and we won't stop there. We continue to investigate and analyze opportunities and challenge ourselves to reduce our systems emissions. That's in addition to reduce customer consumption resulting from our energy efficiency programs, which have helped generate lifetime

emission savings of almost 58 million tons of CO2 equivalent since 1995. That's equivalent to taking 13 million cars off the road for one year.

So to wrap up, we've been keeping our customers safe and warm for 175 years and we're confident in our ability to do that and more for decades to come. Our confidence comes from that combination of stability and growth. We're working through the regulatory process to extend our successful incentive rate making model through 2028. Our proposed capital expenditures in excess of $1 billion or where each of the next five years offers steady rate-based growth. We're making safe bet investments in low carbon opportunities and technology and leading the way on energy transition. And we're leveraging our Dawn Hub, maintaining our reputation for delivering reliable, cost-effective energy to our customers and positioning ourselves well as the first choice for energy solutions. With that, thank you very much. I think we're going to go to about a 20-minute break, are we Rebecca? So we'll see you here shortly after the top of the hour. Thanks.

Matthew Akman:

All right. Good morning. Welcome back and welcome to Renewable Power. So as Greg said, tomorrow is definitely on at Enbridge, when the tomorrow is on rooster wakes up to the sun and feels the wind blow through his colorful plumage. You know, renewable power isn't just a big part of our future, it's a big part of our present. I'll highlight how the business will contribute significantly to our visible EBITDA and per share growth during this plan period with the diversified slate of well advanced wind and solar farms on both sides of the Atlantic, offering capital allocation optionality, a strong suite of attractive risk reward investments. Last year I said at this event that renewable power was on the move, and we really moved forward. We had a bunch of major firsts that positioned us for success. We brought the first large scale offshore wind farm into service in France on time and on budget.

We acquired and integrated a top flight U.S. renewable power developer with a robust slate of late stage project. We constructed several behind the meter solar facilities at our pipeline pump and compressor stations. And importantly, we contributed $520 million of EBITDA to the company's bottom line. Now we have a leading platform as you can see here with billions of dollars of tangible investment opportunities that's quickly become a first-choice renewable business. We've got the scale skills and diversified presence to create more and more value for our shareholders.

Let's go to the fundamentals. These firsts we achieved last year will soon be topped by greater heights because we have new tailwinds to help push our advanced platforms further forward, accelerating our growth. Tax incentives across North America and rising offshore wind targets across Europe could not have come at a better time for us. The fundamentals are strong and we're well positioned to capitalize. The U.S. Inflation Reduction Act with its renewable power tax incentives was passed in August of last year, just before we closed the TGE acquisition in September.

Canada has since announced it will implement similar incentives including a benefit equal to 30% of a renewable power project cost in its first year of operations. A large company like ours is generating substantial and predictable profit can really take advantage of these incentives without the added complexity and complications of a third-party tax equity partner. And in our position, we don't have to share the value of these credits with the tax equity crowd either. So the incentive programs will significantly increase our investment returns, cash flow, and earnings per share accretion of our projects. Things I know are music to your ears and Vern’s too.

Going to Europe and offshore wind. The policy support has been strong in Europe for years now as you know, and it's only getting stronger. Capacity growth is on track to more than double by 2030 to over a hundred gigawatts. Some of the most aggressive targets are in France, the U.K. and Germany, which are our core markets. We particularly like how France and the U.K. are backing up their promises with long-term contracts from quasi-government counterparties. Energy security concerns have created even more momentum around the offshore wind push across the European continent. France is now targeting 40 gigawatts by 2050, remarkably ambitious given we literally just brought the very first large scale offshore wind farm into service there. Meanwhile, the EU is working very hard to streamline permitting in order to help France and all the EU constituent countries achieve their highest ambitions.

Our skills and capabilities in renewable power get better every year. Last year, we took our operations to another level by assuming the maintenance and asset integrity activities of several of our wind farms formally operated by third parties. Best in class operations including health and safety have always been hallmarks of Enbridge. We've transferred these core strengths to renewable power with full operating oversight, including the turbine maintenance at six large wind farms on both sides of the border. By doing it ourselves, we're doing it better, safer, and cheaper. We took a similar step change in the development part of the value chain last year when we acquired the renewable development company known as Tri Global Energy or TGE. Our team from TGE successfully developed two gigawatts of onshore solar and wind farms across the United States that are now operating and fully contracted. They've also developed about four gigawatts that have been monetized to third parties and are in the late stages of development now.

We're proud to say that they from TGE is now us because all key development personnel stayed on and are fully integrated in our business. The synergies have been better than expected and our new team is thrilled to be part of Enbridge because as you can imagine, they're get it done types. And with the backing of our balance sheet, purchasing power, construction, execution expertise, and reputation combined with their advanced transmission queue positions and development savvy, we together can get a lot more done and do it all better and faster. This isn't just a one plus one equals three acquisition, it's turning out to be more like one plus one equals four.

Our customers for development projects include the who's who of U.S. renewables. Nextera, Leeward, Invenergy, TerraForm, and CIP are all our customers now. The team that joined us has been a first choice of blue chip renewable players across North America for many years. And now since they develop exclusively for Enbridge, we've been able to accelerate our own position as a leading North American onshore renewable developer. Before the acquisition, we had already advanced some very attractive projects, mostly around our asset footprint. Last year, I talked about over a gigawatt that we had on the go. Now, we've combined and high graded the two portfolios into one very attractive, robust, visible project list that you see here.

A couple of years ago, we recognized the key bottleneck in North American renewables had moved from finding the customer to establishing a transmission interconnection. With all the emission reduction commitments across industry, customers are now clamoring from more green power. Over 20 gigawatts of corporate PPAs were signed in America last year alone. The choke point now isn't finding demand. It's getting into the transmission grid. Transmission queues are so backed up, it can literally take four to six years to finalize an interconnection permit. Good news is that most of our projects have been standing in the queue for over three years or more already, many of them five years or more. Our expert team

also wisely positioned our projects and locations with manageable, often minimal transmission system upgrades. So just for example to mention a couple, we just recently received the study on these two wind farms.

You see here in SPP on the list on the left there, that's Cone and Easter. It's 450 megawatts of well-placed wind power. And the interconnection study shows there are literally no significant upgrades to the transmission system required to connect these projects into the grid. This will give us a huge advantage on cost and speed to market. In the renewable industry today though, you're bound to run into interconnection challenges somewhere. So one thing we really like about our portfolio is it's really nicely diversified across regions, and it also contains a good mix of both solar and wind.

With this mix and given how advanced we are, we see over two gigawatts of organic growth coming online by 2026. That's 2 to $3 billion in investment. In fact, we're projecting that a good chunk of these on the left-hand side there about a gigawatt will come online by 2025 during this plan period. With that timing, we do expect to be taking FIDs later this year. So watch for announcements on that front and the back half. All told as you can see here, we've got almost five gigawatts of named projects in flight and then another seven plus gigawatts and early stage screening. All projects have to pass our strict risk return parameters, and so not all of them will make it to COD, but it does give us confidence we'll be able to make over 5 billion of good investments in onshore renewables through 2030.

Turning to offshore, our program in Western Europe is gaining momentum too. The Maple Power team we've established there with our partner CPPIB is top flight from both a development and an execution standpoint. Working closely with EDF, our teams executed on the construction and transition to operations of Saint-Nazaire on time and on budget in what was one of the most challenging business environments imaginable. Don't forget construction hhere was in full flight during the peak COVID period and yet our teams nailed the perfect landing. France will continue to be a key focus for us because it's Enbridge's kind of market. It's one of the few locations where winning bidders are granted a long-term off take contract with the lease, and that's with the government counterparty. I'll also remind you there are no big speculative upfront lease payments required in France, so we really like that about the market too.

And partnering with EDF has proven to be the right choice. They match our strong commercial discipline and have unparalleled on the ground stakeholder relationships, a key success factor in developing any energy infrastructure these days. The runway in France remains outstanding on both the fixed and floating side. Just a reminder, we've agreed to bid jointly with EDF on the next 750 megawatts of floating offshore wind in France. You can see some of those there on the map, and those promising auction opportunities are coming right up here for us later this year. We also continue to develop selectively in other established European markets where we think we can gain a competitive advantage and deliver superior investment returns. Just as one example, we really like our one gigawatt Rampion extension project that you see, because it's an extension of an existing project we already own a piece of and is in a prime location delivering right into the energy hungry U.K. South coast.

I talked about our success delivering Saint-Nazaire and we have two other large scale plants there coming right up behind that now, you can see here Fecamp and Calvados. So lots of activity underway as you can imagine. We manage these very closely because cost escalation, permitting challenges and value chain hiccups have surfaced across the industry on both sides of the Atlantic, in Europe, and in North America. Fortunately, our other two large projects are tracking well. Fecamp is up next for in-

service around the end of this year and is trending on time and on budget. Calvados is our third and as we've discussed previously, has experienced some schedule pressure but is making great progress now with all foundations fully manufactured and substations scheduled for installation this spring. When that project comes online, we'll have seen a full 55% increase in our offshore wind EBITDA. And our projects in France, the U.K. and Germany will be generating sufficient power to fully supply the equivalent of 720,000 homes. Enbridge will be one of the first players globally to achieve a scale premium operating offshore wind business.

Moving back to North America, our behind the meter program is also gaining traction. We brought our first solar self-power project online in 2021. We've got three in service now and another four coming online here this spring. This is groundbreaking stuff that wasn't really economic in the past, but with technology improvements, rising renewable energy credits, prices and tax incentives, more and more of these developments are showing strong performance. We're developing 14 more sites and are in the early stages of assessing about 20 more behind that. Our next 14 sites will offset about a hundred kilotons of CO2 equivalent a year.

This is really a win-win for our power business and our pipeline businesses because power gets the growth while Colin and Cynthia's businesses get the emission reductions. It's actually a win, win, win because U.S. shareholders get good returning projects too. Looking ahead, we're very bullish on behind the meter because it's an answer to transmission grid congestion. In the future, we see large scale projects on industrial sites with battery competing with grid power on both cost and reliability. Our Ingleside solar development project is a good example of this. So that's our growth program and as we accelerate our growth in renewable power, it's important that we always keep our investor value proposition front of mind. Growth for growth's sake and renewable or for any of our businesses is not the Enbridge way. Every capital investment we make has to exceed our hurdle rate and fit within our low risk business model.

It's no secret that investment returns in renewable power have been compressed in recent years. So we'll rely heavily on our competitive advantages listed here to ensure we develop and deliver good projects. Our lands existing infrastructure rights of way along transmission lines and power load are unique within the renewable industry. We've got advanced and advantageous transmission interconnections I talked about that position us across our portfolios. Our purchasing power scale and financial strength are unparalleled key strengths with today's challenge supply chains. In Europe, we've got the best partners with the strongest local presence. Financial strength and credibility with customers and suppliers is more important than ever in renewable power. Gone are the days when small developers can advance projects to late stages. Projects are taking longer and if you don't have the financial wherewithal to wait it out or post collateral to the transmission service providers, they'll kick you right out of the queue.

And when that happens to others, we'll move further up in the line. Those are some of our advantages on the development and construction side. There's also an important portfolio management element to all of this. Recycling capital and generating promote payments to boost returns is something we've demonstrated now consistently in the power business. We've partially monetized assets, we've generated promotes on our offshore European wind farms, and most recently, we've refinanced the Saint-Nazaire wind farm enabling us to pull about a $100 million of capital backup for growth while maintaining our equity ownership position and boosting our return on that project.

We'll continue to seek and capitalize on these opportunities as our development programs create value. So as you can see on this slide, we aim to increase our renewable capacity by about 400% by the end of the decade, but we'll only do so if we can achieve Enbridge style risk adjusted returns along the way. One last point here, which I know will not be lost on you all, is that particularly with these new tax incentives, our renewable projects will be very accretive to distributable cash flow and earnings per share. So the business will definitely pay growing dividends both literally and figuratively.

So the opportunity to convert our quality projects to cash flow and earnings making a meaningful contribution to Enbridge in this plan period and beyond is the focus of our entire power team. We've set our sites high, but we like our position, optionality and advantages. We're on a visible track to double our capacity over the next few years and have the potential to double that again by decade end. Our goal is to put at least a billion dollars a year on average to work on good returning significantly accretive renewable power projects. Renewable energy will definitely be an integral part of any sustainable growing energy system of the future, including Enbridge's. So just like the rooster, we're ready to seize the day and look forward to sharing more important milestones with you in the months and years ahead. Thank you. Over to Colin.

Colin Gruending:

Great, thanks Matthew. And good morning everyone. Tomorrow is also on in liquids pipelines. You can say it's still on. And as Greg said, each of these businesses listening to these and including the business I'm going to speak to is relevant and significant on its own. And I'm extremely proud to lead this business. It is a best in class infrastructure business and it continues to supply our lifeblood in North America and increasingly the world. We strive to be the first choice for liquids, energy delivery, safely moving nearly 6 million barrels per day. Every day, that's about a third of the oil produced and transported on the continent.

Our fundamentals are still strong. I'll talk about this. There's still big demand pull and the business is longer live than many think. Within our liquids business, and the map has progressed over time and adapted, we're growing three sub franchises and here's how I think about it. First, we've got the Canadian heavy franchise. I think everyone knows about that. It's world-class. Secondly, we have light oil franchises in the Bakken and Permian, which we've been growing. And thirdly, we've got a low carbon franchise that's embedded across our entire footprint. So lots of diversity. Today, I'm going to speak to why we believe cash flows will be strong and how we're going to grow the business maybe from different sources and historically, but from a blend of sources including utilizing spare capacity in our system. I'll call that operating leverage, probably a concept new to the liquid story. Two, cost efficiencies. Three, tuck-in acquisitions. Four, capital expansions. Yes, we still have some of those. And fifthly, low carbon investments across the portfolio.

Our team's focused on driving EBITDA growth and strengthening further our returns on capital already employed. So when I'm thinking about CapEx at liquids, I'm not thinking about big CapEx. I'm thinking about efficient CapEx, and as Vern will touch on, potentially even recycling some capital like we have done selectively over time. So fundamentals, we know global demand for oil will be resilient for decades. We're seeing third party forecasts moving higher, some as high as 110 million barrels per day in 2030, but also higher in the outer years. Supported by more demand from developing countries, driven by population growth, increased living standards, urbanization and growth in the middle class.

People in these countries want what we have. Secondly, demand is growing in recognition that the majority of oil uses are hard to transition, right? Petchems, marine use, trucking, aviation. You don't hear a lot of substitution theory here. And thirdly, that those uses that can be abated will take longer than we expect and for a number of practical reasons, which you've been reading about. So on the right-hand side of the slide, more investment and new production will be necessary to meet this demand. Through both the next 12 years, in addition to the 20 billion barrels of sustained oil sands production we're going to need, we're going to need 90 billion barrels more of new production to meet this long-term demand. And we've plotted it here by major supply basin globally, along with the average breakeven price per barrel to bring that production online and the base in ESG score.

So what are the takeaways? Well, clearly North American Supply is going to play a big role, will be preferred and will be in demand. Why? Because North American basins are competitive. They're geopolitically secure and ethically produced. In other words, north American oil will be the freest and greenest. Look at the Permian. It's a big chunk here, supplying over 40% of new production needed to fill the gap. It's affordable, close to tide water while capitalized and ESG friendly, and it speaks to why we've recently invested about 6 billion here in the last 18 months. Similarly, the oil sands is an immense resource and carries even more attractive variable cost economics because remember that producers have already invested billions of capital and we estimate the cost to maintain production is relatively low, $30 to $40 a barrel on average. I mean the penultimate proof point was what we saw over the last few years with oil prices lower even negative in production, continued to sustain, and our producer industry is committed to decarbonizing this supply and supporting the energy transition.

So the bottom line is that the world does not have secure and affordable energy without the Permian or without the oil sands. North American supply is secure, economic, ethical, will be decarbonized, and it is obviously a helpful geopolitical tool. Pretty attractive if you compare this to alternative regions.

Let's talk about our refining markets because our system is demand pull. It's demand pull. I've worked at the company a long time in the first few years I worked here I hadn't fully realized that, but over time it becomes clear. We invoice refiners and integrateds. It's demand pull. We transport to Chicago and the Gulf regions and this demand will be essential for decades. It will persist and support high mainline and market access pipeline utilization for decades. Let's break that down. Chicago air refiners are very profitable. They're Coca re-kitted and will largely rely on Canadian crude for the foreseeable future. Gulf refiners have also long supported increased Canadian supply to displace less secure foreign imports and we will continue to gain market share in the Gulf. Canadian oil already has about a 50% market share and you're probably reading about things like the Olmeca Mexican refinery coming online here that's going to keep 350,000 barrels of heavy in Mexico leaving more room for a Canadian to compete. So put simply, the refineries in PADD II and PADD III that we serve will be the last refinery standing in any scenario.

So therefore, the main line will continue to be well utilized because of the long live supply I mentioned and the structural demand pull. Plus the producers that feed the system are meeting the dual challenge reducing emissions, which will further increase the basin's competitiveness as I mentioned. So we see high mainline utilization throughout both the planning horizon and over the very long term. While we do see an impact from TMX coming online, it's not significant or enduring for us. Most media perceptions on this are grossly over exaggerated. However, some of the analyst notes I've recently seen are now better aligned with our view. So depending on when TMX comes online, we expect up to an

approximate 200,000 barrel per day decline and throughput on our system. That's about 5 to 6% of our throughput and that impact is reduced to the extent that TMX and service date is delayed as production growth in the basin will offset part of that impact if it were today.

In terms of the offload math, I'm sure you've done it yourself, but the first to come offline there will be rail volumes. There are currently about 150 to 200,000 barrels a day of spot volumes that currently go to USGC tide water that will likely shift to West Coast tide water. That's about half of the 400,000 TMX contracted capacity. Further that, then we'll see the incumbent egress sources, namely the mainline Keystone and Express offload a little bit each. PADD II refiners will continue to secure Canadian supply and PADD III refiners as I mentioned, will likely bid up Canadian barrels to compete against TMX spot. And our remaining industry leading utilization will stay well above 90% for the initial year and the system will refill with supply. Speaking of supply, supply of Canada is forecasted to grow by about 500,000 barrels per day through 2030 and some third party forecasts are sooner than that.

The other point I'd remind you on this chart is that competitor contracts expire in the next decade and that's good news for Enbridge because we have multiple tools in our toolbox to compete for these volumes. They're listed on the right. We have demand pull from 2 million barrels per day of reliant refinery demand. Many are sole sourced. We have a million barrels per day of downstream market access contracts. And further than that, industry leading safety and reliability, competitive tools, I'll come back to that. First class service and batch capabilities, which is important when moving crude and low cost expansion potential. On competitiveness for example, and this is probably in the category of, it might surprise you that Enbridge and Trans Mountain will likely have about the same rate base of about 30 billion rounded, but we move about four x the volume that TMX will move. So that is great value for our customers and will sustain our competitiveness.

Mainline tolling, I can't tell you a lot more than we did on the call, but what I can tell you is this, we continue to work collaboratively with industry on a new incentive tolling arrangement and yes, we continue to make progress. I'd also remind you that we have a long history with industry 27 years now, six different vintages of consecutive incentive deals that have been win-win, but we won't enter another one unless it's right for us and we're equally comfortable going down a lower risk cost of service path as each of the models, as you can see here, check a lot of boxes for Enbridge. Both commercial models provide a cost informed and competitive toll allowing us to compete as I just mentioned. Inflation wise that may be on your mind. Our costs will either be recovered through a toll escalator, in incentive tolling or actuals recovered under cost of service conventionally.

We'll also seek to recover costs related to line five investments under either path and this will ensure continued reliable capacity into reliant markets including in Ontario. Now there are some differences between the two models. First, mainline expansion opportunities are likely more attractive again in an incentive deal with higher incentivizing returns.

The base returns in either model are decent and of course the cost of service path does not offer the same natural alignment that incentive agreements create, which is the last point on this slide, but probably the most important to industry. So while you see there are some differences between the models, both check the box for us and we're comfortable on either path given the appropriate risk adjusted returns either model would provide. But because an incentive deal is a shipper preference, we continue to invest in that process. We'll obviously try to seek clarity as soon as we can, but as we've said, we're not going to set arbitrary timelines. We've got to get this right in terms of timelines. These

are consistent with what we said on the quarterly call, but a little more granularity here on the first. Assuming we can get agreement from industry, the incentive settlement can be completed under a shorter timeline later this year, whereas the cost of service process is likely 18 months longer because it involves a more complicated regulatory hearing process and a related decision timeline and that would happen in late 2024.

Clearly what you've heard earlier this morning, Enbridge is very familiar with cost of service frameworks both under the CER and FERC and across all of our businesses. So the bottom line is that either path will eliminate tolling uncertainty, maintains a competitive well utilized mainline and results in fair risk adjusted returns.

Okay, let's shift to growing the business and we are committed to growing the business and we have many ways to do so. On the right, yes, we still have the usual expansion opportunities, but on the left side you can see this concept of operating leverage where we have available capacity in our system that will be zero capital accretive once utilized. This follows the pipe and the ground value logic we do see utilizing utilization increasing as a new infra is obviously hard to permit and this operating leverage across all our systems can provide some meaningful EBITDA upside even above the guidance we provided today. So this is a 2024 plus outlook or post TMX lens so that the mainline spare capacity syncs with what I just said on that. However, you can also see the upstream and downstream market spare capacity across the footprint.

We are already actively utilizing some of this spare capacity today on a spot basis in various segments as production growth has increased and refinery runs are increased and for example, we're in the market now and will conduct an open season to utilize uncontracted but already built Flanagan South pipeline capacity, which will create further certainty towards the Gulf. And related to this, but captured on the right hand side of the slide, we are also in the market on our new heavy oil focused terminal in Houston, which we're calling EHOT and Bridge Houston Oil terminal. We've been developing this path for a few years and before COVID, but there is now firm demand for this now and we're excited about creating a heavy Canadian hub and pricing point in the Gulf. As well, again, on the right hand side, we still have about a billion dollars in mainline expansion opportunities that will provide added egress and basin reliability.

In the short term, really think of this as further insurance egress, which for example, if TMX or Keystone has an unplanned outage, Enbridge can step up and provide that much needed egress to PADD III or even US Gulf Coast tide water. In the Bakkan, you already know that we're a major player there with the two primary egress paths on North Dakota over to Clearbrook and Dapple southbound.

Finally, another example I want to highlight is our expansion capability in the Permian. We are pursuing a grade of expansion by about 200,000 barrels per day. We're taking operatorship of that in April. We've already found 25,000 a day and we're looking at another 200 as pipes are filling and egress is needed. We could also add an additional 800,000 barrels per day at Ingleside that would in turn unlock capacity value up the value chain and these would be capital efficient too because again, we're focused on executable brownfield, high confidence growth and liquids, pipelines that increases EBITDA and maximizes our return on capital employed.

Now let's shift to discuss our US Gulf Coast business, which is super exciting. Gulf Coast exports are critical to global geopolitics. I think we've all seen that now, energy, security, and affordability and as I

said early in North American supply is the preferred global source for oil. We now know exports from the Gulf will increase and Ingleside will be central to that export growth. Ingleside is already the most competitive and largest export facility on the continent. It accounts for more than a quarter of all shipments off the continent and I think we're going to have to have an investor tour here, Rebecca, at some point. You need to see it with your own eyes and it's a new concept, right? North America's only been exporting oil now for some time.

Ingleside is as a number one position here because it's very competitively advantaged naturally. It has the deepest 52 foot dock capability and can therefore handle vessels of all sizes including VLCCs, very large crude carriers. These will not be showing up at Burnaby. These are 2 million barrels in a vessel and we can load 1.6 at the dock, which creates a natural shipping economic advantage. I had the chance to tour the facility during the purchase and had a chance to see these vessels. They're huge, 1100 feet in American parlance, that's three football fields. In Canadian, it's five and a half ice surfaces. And so the next time you're at Scotiabank Center and you're trying to remember all the Leaf's new player names or wonder why you're paying this much for a beverage, think about exports. Think about exports.

The other advantage that we have there is we have the fastest loading rate onto the vessels. We can move 160,000 barrels per hour and load two VLCCs and a Suezmax simultaneously. We're permitted to load 1.9 million barrels per day. Think of that. And our high water mark here, we had a number of 1.9s so far this year. The third advantage we have at Ingleside as we're located at the outer harbor, so we're closer to blue water by six to eight hours, which again contributes to another shipping advantage, which is valuable net back to our contracted producers there. I'll dig into this a little bit further on the next slide.

Our Permian franchise. So we've patiently but intentionally grown our Permian footprint so far through a series of opportunistic acquisitions and asset swaps.

Our strategy is focused on the full crude value chain and employees scale advantaged assets, as I mentioned, operational synergies, and batch segregation capabilities, which have been a Hallmark for Enbridge forever. To maximize value and increasingly will add organic expansion to the mix, which I mentioned. Ingleside anchors our Permian export strategy with an advantageous prize location and good economics. And the good news is that Ingleside has permitted storage and dock space and land to grow. Most importantly, we see value in a fully connected solution linking the base in two angle side through pipelines like Gray Oak and Cactus two. We think this is another super system in the making to rival our heavy system in Canada.

So our US Gulf Coast and Permian franchises are poised for growth with pipeline expansion opportunities to both corpus southbound and to Houston eastbound. We're looking at expanding Gray Oak, as I mentioned, and separately extending it to Houston to provide dual deliverability and to create further uniqueness and competitive edge. Ingleside itself beyond the advantages I mentioned, provides a unique platform for growth for other products. It's really a Swiss army knife of sorts. We've got storage, expansion and flight. We've got dock expansion and flight. It's a great location for future NGL export and we're developing low carbon opportunities here as well. In total we've got a visibility to 3.6 billion in growth opportunities down the full value chain as you can see here.

Another growth lever we have are tuck-in acquisitions and we'll continue to use these as another growth lever. We've got a good track record of finding and integrating opportunistic accretive

acquisitions that complement and extend our asset base. Our criteria noted here, they're unchanged. Need to extend the value chain, have growth pathways, have a low risk commercial model, ideally contracted and are financially accretive and are a manageable size, and by that I mean 1 or 2 billion dollars. We like acquisitions increasingly in liquids as organic permitting, construction lags have materially prolonged and therefore buy versus build economics are converging. And within the crude midstream landscape we have scale capabilities, competitive advantages to bring to bear. And I think it's fair to say that fewer competitors are taking the field, leaving more room for us. And so we think this is a continuing growth lever.

Okay, the third business we're growing is our low carbon business and we're equally excited about this. We're leaders and innovators and again, our geographic footprint will allow us to participate in multiple regions. We already have many quality low carbon projects in flight.

First let's look at carbon capture and sequestration at Wabamun. This is the next four megatons of carbon storage in Canada. We've got four in Canada, this is the next four. We have customers and we are confirming the geology at Wabamun, and we're drilling in evaluation while there right now. Together with our customers, we'll look at regulatory finality and FID later this year and early 2024. And down at Corpus, we're partnered with Oxy to create a corpus hub. We're bringing pipeline and transportation expertise, emissions and Oxy is providing downhole sequestration. So it's a win-win partnership there and one that's going to be sized for an open access corpus solution.

And we're working on other solutions across the footprint as well. More to come on that. Secondly, we're well down the path looking at blue ammonia and blue hydrogen opportunities specifically an ammonia project at Ingleside, the Swiss army knife. It will produce low carbon ammonia and hydrogen where 95% of the CO2 produced will be sequestered in the Enbridge-Oxy infrastructure. Again, we're looking at FID here in early 2024. We also have a third bucket of embedded low carbon under development, which involves Matthews business, solar self-power and will reduce emissions and costs here together. We have projects up and down the main line to power our many pump stations. We're often the biggest power load in every jurisdiction we're in, so that'll help. We're developing a 60 megawatt facility Ingleside to make that facility net negative and this will also help us reduce our costs.

You can see here that our reducing power costs supports our competitiveness and our bottom line, it also reduces our emissions. So we think of it as a twofer. We're making good progress. We're working with our utilities to appropriately accelerate their de-carbonization plans, but we're also making strides with solar self-power, low-carbon procurement in different jurisdictions and optimizing our own assets. So bottom line here is we're on track to meet our 2030 emission intensity reduction forecast along with our net zero goal by 2050.

So in summary, I hope you agree that this is a strong and resilient business with multiple avenues of growth. We have operating leverage as I described, which will provide further potential upside. We have expansions, cost efficiencies, tuck-in acquisition visibility, and a growing low carbon opportunity set. We have visible pathways to support net zero and we are striving to be a first choice delivery partner doing business, what I'll call the right way. We've worked hard to respect the environment, our communities, indigenous communities and provide that top-notch bespoke customer service necessary and crude oil batch delivery.

And I'm just about out of time here, but I want to spend a minute on this. I didn't really delve into our indigenous co-investment approach, the benefits or the further aspirations we have in this area, but we really do think there is more to come here and that the Enbridge template can be replicated across industry and that government can participate in this too, to action reconciliation, both for existing infrastructure and new infrastructure, conventional infrastructure and low carbon infrastructure, participation and reconciliation. So as I started with, I hope you were able to sense my genuine enthusiasm and pride in leading this business and the critical role this industry plays in society. My pride is backed by a 2100 person dedicated liquids pipelines team that is all in on helping meet society's dual challenge of secure and sustainable energy. So tomorrow is on in liquids pipelines, no question. Over to Vern. Thank you.

Vern Yu:

Well, good morning everyone. You've heard from Greg and all of our business unit leaders on the many things that are exciting us and will sustain our medium term growth as we go forward. Each of the BU leaders demonstrated how they're going to build both their conventional business and their low-carbon portfolio. I'm responsible for coordinating our efforts across the enterprise on low-carbon. So I'm going to spend a few minutes talking about our approach to new energy technology and then I'll move over to the traditional finance portion of my presentation. So let's get started.

In 2021, we set up a centralized team to advance our new energy technology strategy and ensure that we are coordinated across all of our business as is to act in a disciplined fashion. This way we share knowledge, capability, experience related to new energy technologies, ensuring that we are leading the industry in innovation and bringing the best solutions for our customers.

Before I get into our approach on these investments, let's maybe take a minute and step back on why customers are interested in pursuing these opportunities. Simply put, many industrial processes can't be electrified. That's why using CCS, RNG and hydrogen are an attractive way of lowering emissions in many industries. We shouldn't forget that these technologies are expensive and our customers need to deploy these solutions as cheaply as possible. We have deep project execution capability, very substantial supply chains, and a very low cost at capital. This allows us to compete very effectively in providing low carbon technology solutions for many customers across North America.

Let's spend a minute on how we evaluate these projects. First, all investments need to be consistent with our low risk value proposition and earn the appropriate risk adjusted return. We will be leading edge but not bleeding edge. We will deploy commercially viable technologies.

We used this approach when we got into renewables about 20 years ago and we were quite successful. So we expect that to continue as we go forward. Our industrially leading asset footprint provides us with many, many relationships with industrial customers who are looking to decarbonize. These customers know that we have decades of experience in developing and operating large energy infrastructure that's directly complimentary to their needs here. These advantages allow us to be an industry leader working with policy makers, partners, and customers to drive low carbon investments. So with that in mind, let's talk about some of these opportunities. Each of the business units have covered some of these, but we'll all wrap up with a little bit of a summary. In liquids, Colin just talked about CCS in Canada and in the US. Obviously, Ingleside is ideally situated to be a major world class ammonia and hydrogen hub.

In GTM, we're advancing our RNG strategy by leveraging our existing networking capabilities and it doesn't stop there as we're also working with LDC customers on how to put hydrogen into the gas stream to help their de-carbonization goals. In the utility, we're leaders in blending hydrogen into the natural gas system, transporting RNG and helping incubate lowered carbon technologies. Pulling this together, we're advancing approximately 5 billion of later stage development projects. Let's talk about a couple of these in a little bit more detail. The Ingleside blue hydrogen and ammonia project showcases full value chain integration for us and our customers. Just remember that Texas Eastern is five or six miles from Ingleside and that natural gas will be a great source to produce the blue hydrogen and ammonia. We believe the Wabamun carbon hub in Edmonton is the most shovel ready CCS project in Canada.

And we announced today our investment in Divert, a food waste company that's producing renewable natural gas that can be injected into our system. Across the company, we should be able to invest on average, about a billion dollars a year in the near term and the medium term, and we expect that these investments will accelerate in the latter part of the decade. These projects are all great examples of how we're helping lead the energy transition. We see these investments as complimentary to our conventional portfolio, which allows us to provide a full spectrum of energy infrastructure solutions for our customers.

Okay, let's move right over now to the financial part of my presentation. I'm going to start with our accomplishments in 2022. We achieved 11% year over year EBIDTA growth and 9% year over year DCF growth in 2022. That was on the back of a full year of line three replacement and our acquisition of the Ingleside Energy Center. This allowed us to achieve guidance for the 17th year in a row. These strong results enabled us to increase our dividend again 28 consecutive years. Our balance sheet is in great shape, which gives us flexibility to pursue growth opportunities while maintaining our equity self financing model. Last year we sanctioned $8 billion of new projects and executed about a billion dollars of tuck-in acquisitions, TRI Global Energy, increased interests in Gray Oak and Cactus II. On the ESG front, we released our Indigenous Reconciliation Action Plan and executed a landmark partnership with Athabasca Indigenous Investment Corporation, which sets the stage for future indigenous partnerships on both sides of the border. We issued a $900 million sustainable lead linked bond, bringing our total sustainably linked financings to be over $4 billion. Okay, let's move on to the business model. At Enbridge, we are committed to maintaining our low risk commercial model. In fact, last year we enhanced it with the DCP Gray Oak asset swap. Our approach to risk management has allowed us to mitigate the impact of higher interest rates, rising inflation and commodity price volatility. Our businesses deliver consistent cash flows, which drives predictability in all economic cycles and supports our BBB high credit rating. We take pride in our track record of achieving our financial guidance and we expect that to continue. Okay, let's spend a minute on 2023 guidance.

Once again, we're confirming our guidance for 2023. We expect the businesses to perform very well in the year, with high utilization across all of them. We will benefit from the capital we placed into service last year and the incremental capital that we're going to put into service this year. Rising interest rates are a modest headwind this year, and this has already been reflected in our DCF guidance. We entered the years with hedges on both our short-term debt, as well as expected long-term debt issuances, and today we stand exposed to about 10% of our debt is subject to floating rates. We're also substantially hedged on foreign exchange, so again, we're well protected here. Our dividend payout remains in the

middle of our target range, so that's great as well. Okay, I think we're going to now move to capital allocation.

Again, our capital allocation approach remains on changed. Number one priority is maintaining a strong flexible balance sheet. We'll continue to return capital to shareholders through a sustainable and growing dividend, while maintaining payout within our 60 to 70% DCF payout range. Our free cash flow and financial capacity provides us with approximately $6 billion a year of investment capacity, and we will allocate this to the multiple investment opportunities that we have in front of them. That said, we're going to live within our means. So let's now move onto our equity self-funding model.

We believe our equity self-funding model optimizes shareholder value. Our distributable cash flow and balance sheet capacity allow us to deploy capital and grow our business without having to tap the equity market. This slide also shows that our debt maturities are very manageable over the next few years, less than 8% of our debt rolls in these years, and we plan to keep our debt maturity spread out over many years. Our BBB+ credit ratings from all four agencies, provides us with an attractive cost of debt capital. Lastly, we'll continue to target, being the lower half of our four and a half to five times debt to EBIDTA range. So let's move to return on capital.

Our value proposition is built on a strong track record of growing our dividend. Our target DCF payout ratio remains unchanged, 60 to 70% and we're right in the middle of that range today. We'll continue to grow the dividend up to the average medium term growth rate of cash flow. And so let's spend a few minutes now talking about how we plan to grow. We have about $6 billion of annual investment capacity. This capacity can be bucketed into two categories. The first, which is about $3 billion, goes to rate-based growth at the utility, modernization capital at GTM and capital efficient expansions in all of our businesses. The remaining $3 billion of what I'll call discretionary capital, will get deployed to the next best combination of options. That could be more organic growth, tuck-in M&A, share buybacks or debt repayment.

You can think about the first bucket as being customer, sorry, system expansions and customer connections at the utility, modernization of compressor stations at GTM, and then capital efficient projects like some of the ones that Colin talked about. These are very high priority for us and contribute to our sustainable long-term growth. We'll use the rest of our investment capacity to fund the other capital allocation opportunities that I just mentioned. I should note that all of these opportunities must be consistent with our strategy and aligned with our low risk business model. Finally, all of these opportunities must also meet our comprehensive investment filters, which I'll cover next.

The funnel includes some of the key criteria we use to evaluate potential investments. This is not meant to be an exhaustive list, but it helps to illustrate the criteria that each opportunity must go through. Hurdle rates are set for each discrete project to address project specific risks and allow us to calibrate the appropriate risk adjusted returns. I'd like to think about my finance team as an equal opportunity denier of projects that don't fit our investment criteria. We won't compromise on strategy or our investment criteria just to chase projects. And of course, with our normal course issuer bid program in place, every investment is benchmarked against a share repurchase. Okay, let's move to the secured capital program.

With the announcements that we made today, our secured growth program now sits at about $17 billion. The vast majority of this capital is brownfield, along our existing right of ways and is scheduled to

come into service between 2025 and 2027. We'll use this long lead time to optimize our execution and procurement strategies, which will allow us to further mitigate today's inflationary pressures. I should note, almost all of the capital program will be recovered under a cost of service framework, which provides us further commercial protection. Our current capital commitments don't max out our annual investment capacity, and we're actively evaluating how the Inflation Reduction Act impacts the ranking of potential opportunities. We'll continue our strategy of recycling capital, which can give us even more balance sheet flexibility as we go forward. So let's dive into that now.

Let's start with that our balance sheet is already in great shape, but at the right valuation, asset sales are a great way to surface shareholder value and create even more financial flexibility. In the case of our recent regional oil and asset sale, we're able to create an economic partnership within indigenous communities, providing them with steady long-term cash flow that will benefit their communities for decades. We see our agreement with AII as a model that we intend to pursue in the future, as we look forward to continuing to strengthen the relationships in and around in the communities that we serve, both in Canada and the US. Let's now move to our growth outlook.

We have great line of sight to the average annual EBITDA growth of roughly 5% over the medium term. As you can see on the chart, we expect approximately one to 2% growth of EBITDA through the optimization of our assets. We have annual rate escalators, we will be filing periodic rate cases, we will be driving out cost efficiencies in all of our business, and we'll have some leverage to increase volumes on our system, our liquids pipeline systems. We then expect another one to 2% EBITDA growth from our secured capital program. This includes the BC pipeline expansions that Cynthia talked about, wood fiber LNG, and the whole host of onshore and offshore renewable projects that Matthew's teams are working on. The remaining 2% per year of EBITDA growth in the table will be secured by deploying our excess investment capacity.

You can expect earnings per share to track EBITDA, both in the near term and the medium term, with DCF per share we expect slightly lower growth in the near term, due to modest headwinds from cash taxes. As such, through 2025, we expect DCF per share to grow around 3% per year before improving post 2025, to 5% per year. And this is after taking into account a provision for mainline tolling negotiations and the volume offload that is going to come from TMX that Colin went through. So both of those things are already embedded in their near term and medium term outlook.

Okay, I'm going to wrap up by highlighting on why we think we're a first choice investment opportunity. We believe we have the most predictable and diverse set of cash flows in our sector. We have a very strong balance sheet and lots of financial flexibility. The team has done a great job here today of going through a robust opportunity set that's in front of us, and that's in both conventional energy and low carbon energy. Those incremental investments will grow our cash flow. And finally, we have a very stable and growing dividend. So that's it for me, I think we're going to take questions now and we'll get the whole team on the stage.

Robert Catellier:

Hi, and good morning everyone, and thank you for hosting this presentation and doing it live. It's great to see everyone. I have a couple questions. I'll start with you Greg. Clearly tuck-in acquisitions are on the table and something you've included in your calculus here. I wonder if you could talk about larger acquisitions, something more substantial, transformative. Previously we've heard that they might be off

the table, but that might still be the case, but maybe Greg, you can speak to when and how larger acquisitions like that might make sense for Enbridge.

Greg Ebel:

Yeah, thanks Rob. I think they've got a pretty high hurdle, so we don't need them, I guess would be the bottom line. You saw the opportunity set that we have here, you saw the balance sheet capacity we have here. I would say there's a lot less complications in doing tuck-ins, and if you think of Ingleside or I think of Divert or even the storage today, I don't think we've got to do any of those big transactions. Somebody might find themselves greatly dislocated, where we'd have to look at that kind of thing, but we don't need it. I like the setup of us taking our own control of assets and then building out the asset base that we have now with the expansion capital. And then as Vern said, all of that actually has to go against whether or not you'd use the balance sheet to buy back stock as well.

Robert Catellier:

Okay. My second question has to do with energy transition. I think I heard Vern say again today, that you want to be leading edge as opposed to bleeding edge. When you're looking to do that, clearly you have an eye on your conventional business, but also some of the newer technologies. I'm just wondering what do you need to see in order to allocate more capital to energy transition projects that are specifically more reliant on government incentives, which as we know, can be prone to change, especially in Canada where there's some friction between the provincial and federal governments. So how do you know when it's the right time, you have the right risk reward balance when something relies on government incentives?

Greg Ebel:

Yeah, well the first thing I'd say is it's not just the government incentives. So if you think about, we can talk about some real life examples, if you think about the Divert transaction, the only way we're going to spend an additional billion dollars on the infrastructure is if we can get long-term take or pay contracts. So yes, there are tax incentives related to improving the cash returns up upfront, but they still have to look like pipeline projects, for lack of a better word. Or the opportunities that we can see in things like the distribution business, where you can actually blend it in and work it into that structure as well. So I'd say first and foremost, it's not really about the incentives. Now when we get to incentives, I think one of the things that we're trying to think through as a team, is where's the best play?

So Colin spoke to the opportunities at Ingleside through Oxy Low Carbon Ventures , versus say, Wabamun, versus other projects we have. Where's the best incentive structure? Right now, Canada's got some challenging structures that are kind of more stick driven than carrot driven. In the US, they seem to be more carrot driven. So you think about carbon capture, that $85 a ton credit that you get on capture is really competitive. And some of the ways in which ITCs and PTCs are looked at, how does that actually flow through to us and to you as investors is a big element. So first and foremost, is it utility-like, and we're not substantially increasing the risk of the corporation, and then it's that balance, where's the best jurisdiction? Others may want to add in, Colin, I mean or Vern?

Vern Yu:

Yeah, I think we've seen that in the renewables business 20 years ago it was highly subsidized with government incentives, that obviously worked out for us, those incentives stayed in place. I think society is looking to decarbonize and these incentives will stay in place. And as a cash taxable entity both in Canada and the US, the incentives that are being offered are very powerful for us and really drive accretive transactions for us. So I think the IRA really puts us in a good competitive position to be a good developer of renewables and other low carbon investments in the US and hopefully with the budget that's coming up, that we can equalize it a little bit here in Canada.

Robert Catellier:

Okay, thank you.

Greg Ebel:

Thanks.

Pat Kenny:

Hi there. Pat Kenny, National Bank. Thanks for the presentation. First question, just on return on invested capital, so maybe I'll zone in on the gas pipeline modernization program, the $4 billion to generate 500 million of EBITDA. So eight times build multiple call it, versus I believe historically more in the six to seven times range. So perhaps you could just walk us through some of the commercial escalators or operational efficiencies that may come down the road and what sort of ultimate build multiple we might expect over time.

Greg Ebel:

Want to start there or Vern, either one of you?

Cynthia Hansen:

I'll start.

Vern Yu:

Yeah, go ahead Cynthia and I'll follow on.

Cynthia Hansen:

Yes. When we're looking at the modernization projects that we have underway, these are projects that we're committed to doing, we need to do them. And then our team does the long-term planning associated with that, to ensure that we can get recovery through rate cases. So we've been extremely successful over the last 10 years in going forward and getting both the integrity capital as well as our modernization capital recovered through those rate cases. Now the timing of that, there can be a bit of a lag, but that's always built into our overall economics. So I wouldn't say that on any specific project that we are looking at how that will move overall, but we are looking at making sure that we get the best multiple overall for the long term. So the approximate half a billion of increased EBITDA included that, plus some other expansion projects are also in that.

Vern Yu:

Yeah, I think the key thing to remember is without that modernization capital, we lose capacity, that we will not be complying with air permits and other things like that, that have been amped up over time. So it's a must do investment. The return on capital deployed is slightly lower because of the regulatory lags that Cynthia talked about, but it's still all of this capital exceeds the hurdle rate that we have for these types of projects.

Greg Ebel:

And I think you can look at it not just for gas transmission but also at the utility as well. So you get these rate cases every so often and obviously we're taking that into account. And even on the, I mean, think about it the same way we think about energy conservation, we're actually being paid to have our customers use less. When you think about that, that's always a bit of a mind scratcher, how can that be a positive? But again, and hopefully we end up with a little thicker equity as part of the rate deal as well. We'll see how that all shakes out. But again, back to Vern's point, nice excess above our cost of capital.

Pat Kenny:

Great, thanks for that. My second question, just on the expansion potential on the Mainline. So assuming you do land a new incentive tolling framework, how should we be thinking about the Line 5 legal overhang, as well as the potential ownership change of TMX at some point down the road, given the expansion potential on that system as well? So in other words, do you first need clarity on Line 5 and TMX ownership before moving ahead with any Mainline expansions?

Colin Greunding:

Yeah, I can take that, there's a lot in there, Pat. So as I mentioned, there are some expansions available on the Mainline. They are relatively permitable, although lead times are longer than they're used to, so we've got to mobilize on those. We could wrap those into a tolling settlement or they could follow a tolling settlement. And again, the concept, big picture is insurance egress, this notion that egress should equal sign supply, that that's a bad formula for any basin. So I think we all want to keep a five or 10% buffer for the basin so the whole basin doesn't reprice whenever there's a hiccup. I think the Line 5 scenario will take some time to unfold, we'll look to build into an incentive deal recovery of those costs, as you would find in most deals. I don't think TMX is that expandable, so I don't think that's a big part of the mental equation here. So bottom line is we're going to try to keep that five or 10% basin egress, and mobilize early lead stuff to keep the Gantt chart realizable.

Linda Ezergailis:

Linda Ezergailis, TD Securities. Looking at all your investment opportunities and your various business units, how might we think of a range of build multiples and how they might be evolving, versus what you've historically enjoyed in those different business segments?

Greg Ebel:

Well, maybe I'll start and I'll let people tag in on this too. Remember that's also one of the reasons why we've looked at tuck-ins. So I think it's fair to say we've seen build multiples move up. And I think probably in that seven or eight times range is probably still likely what we'll see. But on the buy side, most things of what we've been able to buy has been, again, in that eight times, sometimes a little a bit less, and then the synergies we get from the opportunities to interconnect that, that's often a better way to go for us, particularly when we've got excess capacity. So we'll continue to look at those, but yeah, it's a challenge. I mean, let's all agree, getting anything built and the time it takes to build, is probably the bigger concern I have, Linda, as opposed to build multiple itself. Utilization is great. Almost always when we build something now, it's instantly full. I mean, we contract that way, but any access capacity. So I still think net-net you're looking in that seven, eight time build multiple.

Linda Ezergailis:

Thank you.

Greg Ebel:

Does anybody else want to add in on that? Okay.

Linda Ezergailis:

Thank you. And just on a separate note, thinking about your ESG journey going forward, you have been a leader and have a lot of initiatives going on, what are you most excited about? Where do you see both the biggest opportunities and challenges? Is it on the S side and for example, your indigenous partnerships that Colin talked, about or where else might we look to your efforts being most focused?

Greg Ebel:

For me there, it's multiple, I'll even start on the E side of things. I think again, back to our initial comments starting off this morning, you think about that pivot, I think the world and policy makers both developing countries and developed countries have looked at, that we're going to need all of the above energy and the infrastructure that's already in place, will probably need to be retooled, for things like CCS, for things like hydrogen, for things like RNG, you're not going to build new infrastructure to do that, you can't afford to do that and people couldn't afford to pay for it. So that leads to if you've got pipe in the ground, if you've got assets into the ground, it's going to be continued and then change utilization of those assets. So I actually think the E side of this thing is actually pretty attractive for big infrastructure players like ourself.

Yeah, on the social side, I mean, there's been a lot said obviously about Project Rocket, but I think there are other opportunities, but on both sides of the border I think we're really going to have to look at this and it is not, I know we articulated as selling a piece 11 and a half percent or so to 23 indigenous groups, I don't think we sold anything. I think we partnered and that's what we're going to continue to have to do that, and I think Enbridge has an excellent track record of partnering. We continue to make good progress on the G side as well, and I'll put in both S and G on racial and ethnic equality from that perspective. That's a big element, I would argue the indigenous involvement is a big element of that. But so too, we're trying to do more on the gender front and the racial side. And don't get me wrong, we're

not there yet, but we're incented to do it, A, B, it's good business and C, I think it actually helps with our license to operate.

Colin Greunding:

I'll just add on to that to make it real for the 12,000 employees we have, everything Greg said is in our internal scorecards. So it's not just us talking about it, it's all of our people working it into everything we do and they're motivated, incentivized to do that for all the right reasons.

Robert Kwan:

That's great, thank you. When you think about, you put out your growth targets for EBITDA, EPS and DCF per share, but in various capital allocation decisions as well as business decisions, when you think about the Mainline framework or other decisions, could have a disproportionate impact on your ability to meet either of those targets. So can you just talk about which of those, can you rank order the three as to what's most important to you?

Vern Yu:

As far as metrics, Robert?

Robert Kwan:

Yeah, EBITDA, EPS and DCF growth.

Vern Yu:

Yeah, I think EBITDA is the most important metric. I think across our industry and for investors, that's the thing people focus most on. I think DCF is useful because you also needed some kind of per share metric looking at how much cash flow you're generating. And over time, as I think we get through Mainline tolling, we're going to be lower risk one fashion or another. And EPS then becomes a useful tool to benchmark our low-risk business model against potential utility peers, where I think if you can get your head around our low-risk business model, we're really a big utility and we should potentially have some share price upside if we're valued that way.

Greg Ebel:

The other thing, Robert, I think the nice thing is they're going to converge here. So you're right, we've got a little slower on the DCF growth right now, but they will converge. I guess I look at it as EBITDA is about our growth, DCF is about how efficient we're with our growth, whether it's on the financing side, whether it's on the structuring side, so think around taxes. And then ultimately, what have we got left to return to shareholders and growing that dividend is a really critical component of that. So one, focus on growth, they're both cash related, but the other one, that absolute, how efficient are we with that cash?

Robert Kwan:

And then as we think about how you approach new investment, especially the new types of the expansion of the platform, so I'll take the ammonia potential project on one end, and then you think about what you're already doing on renewables being generally pretty high multiple business, how much does that factor into your decision to go into new investments in terms of the market perception? So if you think about petrochemical type investments, they tend to be lower multiples. Now you may bring a different commercial framework, but how much does that factor into not just the dollars and cents, but the market perception? Do you feel you just do it and you fight the market on valuation or do you accept where the market is and does that factor into how you think about what value you're adding to shareholders?

Vern Yu:

Well I think it gets back to that funnel that we showed, Robert, where each individual project will have an individual hurdle rate, based on its commercial attributes. So whether it's cost of service, whether there's capital cost risk, whether there's potential schedule and delay risks, the type, the length of the contract, the counterparty. So that will drive out a hurdle rate. So we will then look at the equity IR of a project, but we'll also look at the accretion of an individual project to show what it does for shareholders on a per share metric. So those things are equally important to us. And we then also, as a whole look at the sum of our parts and look at how we feel the overall corporation is being valued on a sum of the parts basis, to ensure that we're always looking to maximize value for shareholders, if there are some of these dislocations that you were talking about in overall valuations between the different businesses that we have. Matthew, Colin, do you want to add to that?

Colin Greunding:

Yeah, I want to know that ammonia. Listen, I think these are selective investments, they're all kind of pipeline like. I think you're going to like what the ammonia export project looks like. We're close to a long term take or pay announcement on that. It's going to be utility-esque just as Matthew's renewable projects are long term. So that's at the forefront of our thinking when we make each and every investment

Matthew Akman:

And maybe just add on renewables, I think, like I said, they will be slightly higher EBITDA build multiples than many of our businesses, but we also look at the equity returns on those, which can be very, very high, especially the way we do it with very high quality counterparties, longer term contracts, a lot of these attract project financing, which significantly boosts the equity returns, and then when you add the tax incentives on top of all that, I mean, that really gets going. Some of the best equity returns we'll see in the company will come from renewable.

Greg Ebel:

Robert, I don't think you can pick out any one. You got to look at this in totality. You think about, the Gulf Coast is a very good place to do just about anything from an infrastructure perspective. You got to

be careful, you got to operate well but it is a far more welcoming environment. A lot of our customers that are there, we work for our customers as well as our shareholders, so speed of that cash, and Colin talks about operating leverage, our ability to take capital and put it to work quicker, all those add into it. Look, if I can build something at a six times multiple, I love it. If it's going to be 8 or 10 but I can get it to go to work really quick as opposed to wait, oh, I don't know, 10 years to get it built, that's a big issue as well too. So I don't think you can look at just on one basis.

And then, again, we throw on top of it what's the tax incentive to do that or not or what's the related business we might be able to get out. So not being dodgy on the question, I think that the folks have given you a good answer here, but I think it's a lot more complex as we look through things and it should be. If it was easy, anybody could do it. I think we've got all these different tools and we're going to make sure how does it fit through the filter. It also makes the business units really competitive, which is great from a capital allocation perspective.

Andrew Kuske:

Andrew Kuske, Credit Suisse. I guess I covered the stock for about 25 years now and you've got the best balance sheet that you've had in that entire time and also the simplest structure in that entire period of time. Not to be patronizing about it, but is there any kind of appetite to increase the complexity a little bit from a capital efficiency standpoint, because you did the deal with the aboriginal group on the pipelines, you've got some JV structures on offshore in Europe. How do you think about just complexity to have a greater capital efficiency?

Greg Ebel:

Yeah, well, we're not going to go launch five new MLPs or sponsored vehicles. I think we can all start-

Andrew Kuske:

That's a good answer to start.

Greg Ebel:

Whether you're a debt operator or an equity investor, I don't think that's helpful. Complexity is not helpful. It's not helpful to the management team, it's not helpful to investors. We're trying to stay out of that. I think we got a really good track record on JVs. You can look at it from both liquids and gas pipelines, that's not new to us. I would say, Indigenous partnerships there, while they have their own complexities, I think the team's done an incredible job understanding what works for both parties, so I actually don't think that's adding complexity.

I think, where we're probably willing to take on a little bit of complexity is trying to figure out how to use the IRA and the other incentives here. That could be complex. Very different how it's done in different jurisdictions on both sides of the border, but in terms of mucking up the structure, I'd like to avoid that. A short-term pop is not what we're all about. This is about creating long-term wealth creation for our

investors, for our employees, and frankly, helping our customers achieve long-term wealth creation. That's what we're about.

Andrew Kuske:

Okay, and then, to follow-up, and it builds on the JVs, if you think about the nexus of client relationships you have, really super majors, some large power companies, when you think hydrogen, offshore, wind, CCS, how does all that tie together and how are you thinking about the next five to 10 years of capital allocation?

Greg Ebel:

Well, again, we got some history of that. I'll just take one project as an example that I think these things can sometimes start out in complex joint ventures. Think about the Maritimes Northeast Pipeline, that was built with, now Exxon, but involvement of multiple players on the production side, and then once it was built, and sometimes, our customers to make sure that we're not gold plating things, so they'll work with us, and then once it's up and running and serving their purpose, they'll divest it. I think that's what you're more likely to see.

But then, some of these things take a long time. Think about DCP. Those of you who've known my background, I've tried to figure out how to get out of DCP for a very long time. Not that it wasn't a very good business, I just didn't think it was particularly great for a public company like ours. It fits very nice with 66 and the guys and gals here have done a great job of figuring out a way to do that and actually make the business less complex and add on to the oil side of things. Look, I would be shocked if, 5, 10, 15 years from now, we don't continue to have joint ventures, but I think it's a means to an end, in other words, building more infrastructure, being partners with our customers and getting the best returns possible.

Matthew Akman:

Yeah, I think, on new energy, especially like you mentioned, Andrew, it's going to be the way of the future for new energy. Not many companies can do it all within one mousetrap, right, within new energy? But you mentioned our European partners. We've got EDF, we've got RWE, we've got EnBW, three of the biggest European utilities, and they're going to be big players in hydrogen over there, feeding a lot of their own load. That gives us a really good foray into some of those markets. And similarly, some of the things that Cynthia's doing and Colin's doing in their businesses.

Greg Ebel:

Maybe it goes to the adage of pigs get fat, hogs get slaughtered kind of thing. Think about the Wabamun Hub, we couldn't do that without the partners that you've got there and frankly, they're probably have more capital at risk than all probably will.

Colin Gruending:

Yeah, yeah. There's a couple things I'll maybe dog pile on this one as I was listening to the question and the answer. We often get invited to joint ventures and partnerships because of what we do and what we don't do. We're viewed as independent, we're not competing with customers. We're not excessively trading or marketing, competing with their economics on the molecule or in their business or backyard. And of course, we still bring an advantage cost to capital to the equation, so there's some intangibles and some tangibles.

Mara Abbott:

Mara Abbott with Ceres. Looking at this project list that you have, I'm really curious about how your capital allocation decisions are interacting with your net zero by 2050 goal. And I guess, specifically, I'd love to understand what benchmarks, beyond the 2030 intensity target, but what benchmarks, and maybe, even more importantly, what metrics are you using to track whether those investment decisions are in line with that goal over the next couple of decades?

Vern Yu:

We evaluate an individual new project. We look at the emissions that that project's going to generate and each project needs to have a net zero plan. And within the economics, we will build carbon pricing into projects that are emitting carbon in the interim. And over the long term, we will then, business unit by business unit, add up all of the emissions, scope one and two emissions that come out from each business unit, then each business unit, will prepare an annual plan on how do we meet 2030, how do we get the 2050? And we roll that all up for our long-range planning purposes so we have clear line of sight of what emissions do we produce, what targets have we set as a company, and then how much capital do we have to spend as a company to meet those emission targets. So every year, as part of our financial planning process, it's not just what is our EBITDA going to be, how much capital we're going to spend, what's our growth rate, but it's, what do our emissions do? It's well baked into our formal planning process.

Greg Ebel:

And I wouldn't, as Vern says, as the projects come forward, there's a charge, if you will, depending on what business they're in, but I think you're probably going down the trail of, wow, it looks like you got growth on the liquid side again and Ingleside, et cetera. But I think, as Colin said, we're hopeful to make that facility net negative from a carbon perspective. I know that makes some people's head blow up, but as we think about it, and I know we love to focus on whatever the target is in your own jurisdiction, but let's not forget Canadians' target is about one and a half percent of global emissions. We're actually looking at it from a more global perspective. 98.5% of the emissions don't happen in this country and even in the United States, the emissions are often elsewhere and they've made progress.

So as we think about it, what are we doing? And I know this may not be accepted by everybody, but it seems incumbent upon us if we plan to the future of energy is through North America and out of it, then, we better be thinking also through, what does this do in terms of sending LNG to areas in which they may be using dung or they may be using coal, whatever the situation is, famously called scope four. Again, a very nascent area, but I think it's incumbent upon us to think about that and early days for that, but that's an important element as well.

Mara Abbott:

Oh, absolutely. And I think, just as a follow up, when you talk a lot about how you're watching things like policy in terms of how that's going to pay off in your projects, and I'm curious to what extent that might influence both lobbying decisions and trade association memberships as you're looking towards how policy is going to impact your business.

Greg Ebel:

Anybody want to? Yeah. Yes, yes, yes. If we're not going to pitch the business, who's going to pitch the business for us? I feel really great about how policy makers are starting to realize what should the focus be, progress or instantaneous progress by this date? And it seems to me it's going to be very hard for us to be able to hit some of the targets that we have for some of the reasons we know and have come to the fore in the last few years, so finding our policy focus is what's the net win-win we can provide not only for our business and our shareholders and our customers, but frankly, for politicians and policy makers, right? That's part of being that first choice energy delivery company. Are we seen as a first choice advisor?

And I think we've got a bit of a unique role, very little direct commodity exposure. We're kind of, for lack of a better word, the FedEx or UPS in between a lot of these players. How things actually occur out there actually drive our lobbying efforts in making sure, and I think there is an interest on both sides of the borders, what is a logical energy transition?

We're not one of those that'll subscribe to, well, all gas and all oil has got to go away. That's an interesting concept, but not really a realistic one. That being said, we can get better and better in what we do. We're not perfect. We can find ways to lower our emissions. And I think you heard some really great stats. I'm not sure how many of you knew how many cars, actually, some of these efforts were taking off the street, but we've got to do a better job of actually pitching that as an industry. And Enbridge, as the biggest player in that, I think, has an obligation to do that on both sides of the border. And we're all doing that. Everybody is part of a industry association, even our local actors, we've got to do it.

Colin Greunding:

We have a unique perch, right? We're in 9 provinces, 41 states, and, 5 European countries, so we see all the energy values, we see all the behaviors. I think we do have a pretty credible sense of where the puck is going and a duty to advocate.

Greg Ebel:

We have a good discussion, always, about pace. What's the pace of energy transition? You can get really worked up as a corporation like this is going to happen instantaneously. Hydrogen's a great one. So many people think, first of all, hydrogen's brand new; it's not. It's one of the most common elements of an industrial site. And then, well, we can instantly go to hydrogen; you can't. We try to think through and this goes to our capital allocation and it is a steady pace. In the same way that we look at growing our business, at growing our dividend, keeping the balance sheet strong, let's be thoughtful and not get caught up in the rhetoric. We make money where rhetoric and policy and capital intersect. The

rhetoric's a 10, policy, I don't know what it is, maybe it's a 2, 3, we're still not 100% there. And then, where's the capital going? And let's make sure and do those match up because it's where those intersect, that's where Enbridge makes money.

Matthew Weekes:

Excellent. Hi, thanks for the presentation and for your comments. Matthew Weekes with IA Capital Markets. This is probably a question for Colin, but just on the Mainline, you talked about the long term robust competitiveness of the system and you had flagged maybe a 5% to 6% kind of short term volume in impact from the TMX, and that compares to maybe previous comments that have flagged maybe up to a 10% impact. I'm just wondering if there's any sort of changing factors that they're going into that figure, if it's sort of industry related, if there's anything else that's factoring into that analysis. Thanks.

Colin Greunding:

Yeah, thanks, Matthew. Yeah, nothing game changing, I think, just doing some more refined math thinking about rail offload, thinking about production growth and just refining the estimate.

Matthew Weekes:

Thanks.

Colin Greunding:

Thanks.

Brian Reynolds:

Hi, good morning. Brian Reynolds from UBS. Secured capital backlog implies a $6 billion an annual available investment, which seems to be spoken for growth for the next three years, the $17 billion. Vern, you discussed financial flexibility with the ability to recycle capital. I guess my real question is, how does management consider size and timing of recycling capital of these legacy assets to perhaps pursue new growth into these low carbon ventures, CCS, RNG, et cetera?

Vern Yu:

Sure. You can never just push the button to recycle capital. You have to be actively working on it throughout the year to actually have options to do it. So just like we have this massive funnel of investment opportunities we're looking at, we have a slightly smaller funnel of capital recycling opportunities that we're constantly pursuing. The team will be tasked each and every year to make sure that we have multiple options to choose from should we want to recycle some capital. And when we're there, if we want to pull the trigger, those opportunities will be in front of us. You saw us last year do a couple things. Obviously, the big one was the Aii, but we also did the DCP deal as well. Those were in flight well before the year to make sure that they were available. And then, if you go back another year we did Noverco. And then you go back, it's a huge track record. I think we've recycled something in the order of close to $10 billion since 2018.

Brian Reynolds:

Thanks. And then, maybe a question for Colin on Permian egress, the permanent US Gulf Coast capacity continues to tighten, particularly to Corpus. Just curious if you could discuss demand and timeline for potential Gray Oak expansion of that 200,000 barrels per day and whether the extension into Houston would be dependent on line of sight or confidence into potential SPOT FID. Thanks.

Colin Greunding:

Yeah, thanks for the comment. For all the reasons we talked about, Corpus is becoming a pretty obvious egress point for the Permian and just to supply the world what it needs here. Pipes are filling and will fill, and I think we're early days on some of those ideas. We'll be in market with them this year and FID, probably later this year, but we wanted to surface them because it's becoming obvious to your question, and needed. We're happy to do that. We'll find the right commercial constructs. Things are permittable in Texas, and really excited about the dual deliverability of Gray Oak. Gray Oak's a big pipeline, 950 a day. If it can deliver both places, think about having a commitment on that pipeline and then having that optionality to play the arb. And if we do, it's going to swing by within a driver three wood of EHOT, which we're building there too. So you can see the pieces of the puzzle coming together deliberately.

Greg Ebel:

And you got good expansion capacity at EHOT, right? Once we got to get to the-

Colin Greunding:

Yeah.

Greg Ebel:

I'm jumping ahead, we got to get to the two and a half, but I think it's out there. You're coming on the $17 billion, remember, it's not just all in the next three years. Some of that is spread out further, so we still have investment capacity to carry on activities in the next few years. Not that takes away from, we're always looking at recycling, right?

Rob Hope:

All right, Rob Hope with Scotiabank. Greg, you've been very vocal in your support for Canadian LNG, so thank you for that. And Cynthia, in your presentation, you seem to imply that Enbridge is evaluating further investments surrounding the Canadian LNG theme. Can you maybe add a little bit of color of what you think Enbridge's role is in Western Canadian LNG longer term?

Cynthia Hansen:

Well, I'll start and Greg can add to that. Our BC system is that backbone that's going to allow us to support a lot of that development opportunity there, but we also have the two corridors that we have that we're working to get permitted, one's permitted, and we're working on the other one, the WCGT or the PTP pipeline.

We want to continue to work with our customers to support that buildout and there's a lot of activity in that space. We'll see what happens over a period of time. We're very confident, though, that we want to be there to have that conversation to continue to support the buildout. When we invested in Woodfibre, it was just a very natural fit for us. It was really easy for us to ... Well, it wasn't easy, but we got to a place where we don't have the exposure to the commodity prices, it was a natural fit for us. We'll look for more opportunities like that, but it is that whole package that we can offer, together working collaboratively with our shippers. And the other thing is, as we've talked about, is critical to building anything in BC will be those relationships with the Indigenous communities. That's something that we have a long history on, we're very committed to doing, and that'll be fundamental to any projects that continue to expand in BC.

Greg Ebel:

I think we're probably picking up a lot of knowledge as well. And we've long time been big believers in storage, so maybe storage opportunities, so when you think about LNG, obviously, all the pipes that Cynthia's team's looking at, the same down South, and thenTres Palacios you saw it today, that storage elements an important one and we're really good at that. Not only does that fit with the maybe longer term or medium term CCS interest, but it obviously is a key component on the LNG side of things, so you don't have to play just in the terminal to play in the LNG side of things.

Rob Hope:

All right, great. And then, South of the border, on the LNG theme again, Cynthia, you mentioned $3 billion of projects to move Permian Gas down to the US Gulf Coast. Can you give it a little bit of color there? And then, secondly, what about other basins and debottlenecking your systems to get gas for that next wave of LNG? Where are we on that?

Cynthia Hansen:

Yeah, the $3 billion was both Permian and Haynesville, so it wasn't just the one. We had the open season that we kicked off last May that we continue to talk to shippers about how we build the incremental connections to support the LNG growth in the Louisiana area. There's multiple pathways that we continue to talk to shippers about with our announcement with the investment in Tres Palacios and the 62 mile header system there. The team is out there today looking at how that shores up our opportunity to create that true value chain for the shippers. The opportunities that we've talked with, there's four or five different options. We're narrowing down into something and looking at and getting those anchor shippers so we have a project to announce later this year associated with that. I think we initially started with seven different potential pathways that we'd announced with that open season and that just continues to be what we work on and build out. And then, of course, we're always about getting the egress for our customers. Whatever that opportunity is, and as Greg was just mentioning, we now have even more storage that we can support that build out.

Greg Ebel:

Perfect. That sounded like incremental value there, Vern.

Vern Yu:

Yeah, absolutely.

Rebecca Morley:

Okay, I think we have time for one more.

Ben Pham:

All right. It's Ben Pham, BMO Capital Markets. Some of your earlier slides had the Enbridge, Spectra, benefits that you've talked about and part of that deal, from what I recall, was the gained scale at that part of the cycle as a strategic advantage. How do you think about that now when you weigh some of the benefits of scale you've mentioned during the day here versus just the law of large numbers and the denominator being a bit different numbers today, but I guess it could have been even better if you're working from a different starting point?

Greg Ebel:

Yeah, I guess it can always be better, and we're working on that, I can assure you. Look, I don't think either company could be anywhere where they are today if they hadn't got the scale. Again, as we said, you had two premier infrastructure setups, one with largely oil, one with largely gas, and I don't know that any of us, well, maybe y'all did think this, that it was going to get even tougher and tougher to build stuff, but given the timeframe it takes to get things built, I think scale's critical. Given that gas and oil are virtually everywhere in North America and your customers are everywhere, you need that scale. Given that assets will come to bear like Ingleside. I don't know that anybody else could have moved as quickly as we did on Ingleside, and maybe Enbridge could have done that on its own.

I don't think Spectra could have just stroked a cheque for $3 billion without causing some havoc on those fronts. I think that scale's critical. And then, when you tie it in the fact that we've got rid of some of the complexity, then, I think all that is a plus add. And you know, think about the size factor, call it $15 and a half to $16, $17 billion of EBITDA, it takes a lot of capital to put to work to keep growing that and that's why I think you'll see us recycle, you'll see us continue to look at share buybacks and you'll continue to see us do acquisition tuck-ins to help augment that growth that we have in the business because that just does not come overnight, but it's going to be there. And that allows us to continuously grow that dividend, which I think most of you know, all the people up here on the stage, including myself, own a lot of stock and big believers in the company. And we all know, if you look at the TSX or you look at the S&P, the vast majority of returns come from dividends. And that is not lost on any of us up here. In fact, we love that.

Colin Greunding:

Can I add a comment on the Spectra thing? As I was thinking about it and I saw the slides up again, it brought back a lot of memories on it, the thesis that we had for it and lots of us were involved in it, but did we get everything right on it? No, but I think some things have surprised to the upside, right? US dollar exposure, check. Natural gas, headwind ... Or tailwind, pardon me, big time check. Access to the IRA and low carbon investment policy there, check. And exports generally, double check. Maybe the

question earlier around M&A, we don't do it very often, but when we do, there's a lot of thinking that goes into it and optionality. I think it's worked out really well.

Greg Ebel:

Balance sheet accretive too. People forget that. Everybody goes, "Oh, gosh, leverage." No leverage, it was 100% equity to deal. So not many things you can do like that.

Rebecca Morley:

Perfect. Okay, thanks. We'll wrap it up there. There's lunch outside. Feel free to grab some and then we'll mingle informally over lunch.

Greg Ebel:

Yeah, thanks, everybody, for being here. Appreciate, great to see people in person. Got any feedback, please give it to us over lunch and how we'll look at this maybe differently for next year, what your interests are, we want to respond to that too, so thanks very much, have a great day.