BEFORE THE UTAH PUBLIC SERVICE COMMISSION

In the Matter of the Application of CORIX UTAH CITY HEATING AND COOLING LLC for a Certificate of Public Convenience and Necessity for a Heat Corporation to Provide Heating and Cooling Services within the State of Utah	Docket No. 25-2666-01 CORIX SUPPLEMENT to the CORIX UTAH CITY HEATING AND COOLING LLC APPLICATION

I. Executive Summary

Corix Utah City Heating and Cooling LLC ("Corix"), through the Application to which this Supplement relates, hereby applies to the Public Service Commission ("PSC") for a Certificate of Public Convenience and Necessity ("CPCN") to construct, own, and operate a heat corporation offering heating and cooling services operated in combination for the Utah City District Energy Utility ("UCDEU") system within Vineyard, Utah ("Application").

The Utah City development is located on 350 acres of land between Utah Lake and the Front Runner rail line, which connects Utah City to Salt Lake City and Provo. This project is being developed by Flagborough L.L.C. ("Developer"), a 50/50 joint venture between the indirect owners, Utah City Partners and the Woodbury Corporation ("Woodbury").

A. Background

The site was initially home to a steel mill which was built by the U.S. Department of Defence ("DOD") in World War II in an effort to diversify their domestic steel production away from the east and west coasts. The facility became a joint venture between the DOD and U.S. Steel and transitioned to U.S. Steel after the war until it was sold to Geneva Steel in the 1980s. Geneva Steel shut down the mill in 2001, disassembling the parts and shipping it to China to be reassembled. When the operations of the steel mill ceased, the site was left in need of significant

remediation to address environmental concerns and prepare the land for future use. The remediation costs were prohibitive, so the site sat vacant for decades as the surrounding areas were developed into residential neighborhoods and commercial buildings. To resolve the issue with the site, the state of Utah created a redevelopment agency to manage the area and create a financial incentive to remediate the property. After substantially building out the surroundings areas within Vineyard with residential development, Utah City Partners saw the need for higher-density residential options with a mix of uses including restaurants, shops and employment opportunities. The amount of space available on the former industrial land coupled with its proximity to the commuter rail station and favourable tax incentives made this site ideal for a town center style of development.

The Developer wishes to design, build, and operate on the development called Utah City, located north of Vineyard Connector Road and west of Front Runner Commuter Rail tracks in Vineyard, Utah, in order to, among other things, construct certain improvements including, without limitation, residential towers and commercial and retail units (the "Development Project"). Utah City is planned as a high-density, transit-oriented, mixed-use development to be built out in a phased approach over the next 10-15 years. The Developers are planning for 16 million square feet of residential gross floor area ("GFA"), 1.6 million square feet of commercial GFA, and space has been allocated within the development area for a new health care facility that will be owned and operated by the Huntsman Cancer Institute ("HCI"). The residential and commercial spaces will be owned by the Developers and to be leased to tenants. The project has received all required zoning and permit approvals, and construction on the initial three buildings is underway with three more slated for construction later this year.

The Development Project will require thermal energy services to supply heating, cooling and domestic hot water services to the community.

UCDEU will consist of two interim and three permanent energy centers that will provide space heating, cooling and domestic hot water for ~16 million square feet of residential and 1.6 million square feet of commercial development. The total heating and cooling capacity of the combined energy centers at buildout will be 197,905 MBH (58 MW) and 276,384 MBH (81 MW), respectively, with heat recovery chillers making up a portion of the cooling load, which will allow for the use of reject heat from cooling as a primary source of energy on the heating network. There will be separate supply and return distribution pipes for heating and cooling for a total of 11.1 miles of buried pipe serving ~64 buildings. Phase 1 is projected to cost $42 million, with the subsequent buildout phases estimated at $275.5 million, bringing the total capital investment for the project to $317.5 million.

Corix proposes to build a new district energy system in Vineyard, Utah. The integrated heating and cooling thermal district energy system will include an interim central energy plant, distribution piping system, and energy transfer stations for the provision of heating and cooling services to buildings within the Utah City development.

B. Legislation

In the 2025 General Session of the state of Utah, House Bill 350 District Energy Amendments became effective May 7, 2025. Utah Code Ann. § 54-2-1 now defines "heat corporation" to include a heating plant and a cooling plant operated in combination. This means the PSC has full jurisdiction to regulate a combined integrated district energy system offering both heating and cooling services. Corix's UCDEU qualifies as a "heat corporation" with heating plant

and cooling plant operated in combination. UCDEU will be the first district energy system offering both heating and cooling services in the state of Utah that is regulated by the PSC.

Corix anticipates that the Application will be unopposed by i) any current or potential customer of the utility or ii) by any other public utility offering the same service. Corix requests that the Application be informally adjudicated under Utah Admin. Code R746-1-104(1). Corix submits that the letters of support by 1) the customer receiving utility service, 2) a state representative, and 3) a potential future customer demonstrates no opposition to the Application thus an informal proceeding is justified.

The associated Application demonstrates Corix has the technical, managerial, and financial ability to construct, own, and operate an integrated thermal district energy system offering both heating and cooling services.

C. Who we Are - Corix

Corix is a North American thermal energy company headquartered in Vancouver, BC, Canada. Corix's fully owned affiliates operate district energy systems in both Cleveland, Ohio and Bellingham, Washington. Corix's Cleveland Thermal has over 100 years of uninterrupted district energy service providing both heating (steam) and cooling (chilled water) service to buildings throughout downtown Cleveland. In addition, Corix owns and operates three rate-regulated district energy systems in British Columbia, Canada. Corix and its affiliates are very experienced owner-operators of regulated and unregulated district energy systems in North America.

Corix is fully owned by its ultimate shareholder, British Columbia Investment Management Corporation (BCI). As one of Canada's largest institutional investors, BCI invests on behalf of 32 clients in British Columbia's public sector.

Corix has positive net worth and has the financial means to own and operate UCDEU. BCI, as the owner of Corix, has full financial capability to fund any equity required by the utility for its capital investments. Additionally, Corix, through its parent company, is able to raise debt to fund the Utah utility's capital structure.

II. Utility Project Overview

Corix is in the business of developing, constructing, operating and maintaining thermal energy services. Corix's intention is to operate a thermal energy public utility regulated by the Utah Public Service Commission ("PSC") in Vineyard, Utah.

A. Utah City Development Project

Utah City is the name of the over 700-acre master-planned development focusing on sustainability and walkability in Vineyard, Utah. This land covers a portion of the former site of U.S. Steel Geneva Works. This Utah City land surrounds the Front Runner Commuter Rail tracks in Vineyard.

Developer is a Delaware limited liability company. Flagborough is a partnership between Utah City Partners (UCP) and the Woodbury Corporation. The Developer wishes to design, build, and operate on the development called Utah City, located north of Vineyard Connector Road and west of Front Runner Commuter Rail tracks in Vineyard, Utah, in order to, among other things, construct certain improvements including, without limitation, residential towers and commercial and retail units (collectively, the "Development Project"), which will require thermal energy services. Flagborough owns the land on which the Development Project is located.

The Developer and Corix have been engaged in negotiations and discussions with respect to the feasibility and initial design of a thermal energy production facility and distribution system in respect of the Development Project since early 2024, which forms the utility infrastructure in the related CPCN Application. The Developer and Corix intend that Corix would be the exclusive

provider for thermal energy services as described within the Development Project that encompasses 350 acres ("Utility Project"). For clarity, the related CPCN Application is for the regulated thermal utility project within the Development Project that is west of the rail tracks ("Utility Project Area").

B. Infrastructure Agreement between Developer and Utility

Corix and the Developer have a signed Infrastructure Agreement dated as of January 16, 2025 ("Infrastructure Agreement" or "IA"). The *Redacted* and *Confidential* IA is included as *Exhibit CS.A* to this Supplement to the CPCN Application. The IA defines the roles and responsibilities of the relevant parties for the creation and ongoing operation of a thermal energy district energy utility offering both heating and cooling services.

C. Utah City District Energy Utility

Corix Utah City Heating and Cooling LLC will develop, own, and operate the thermal energy utility known as Utah City District Energy Utility. The utility will be rate-regulated by the PSC.

In the related CPCN Application, UCDEU is being built to serve the Development Project. The utility will serve each of the lots/buildings throughout the Development Project area. The utility for each lot will supply thermal energy service using an energy transfer station ("ETS") with a heat exchanger which is typically located within the basement or parkade of a building. The utility demarcation point is after the control valve and temperature transmitter. Beyond the demarcation point the customer takes the thermal energy provided and distributes the energy through the customer's in-building. Typically, an ETS has one heat exchanger serving one customer. It is possible to configure one ETS with two heat exchangers serving two customers.

Corix understands that for each lot there will be an ETS where the customer would be required to sign a District Energy Service Agreement ("DESA") and just prior to service, a Customer Service Agreement ("CSA").

The DESA is an agreement between the utility and the customer for each lot where it specifies specific building system design information and Energy Transfer Station details including the obligations of each party with the goal of provision of energy services. The signing of the DESA is a key milestone for the utility to make preparations and investments to meet the goals of the DESA. Approximately a few weeks prior to service, the CSA is signed which includes the billing start date and other necessary billing determinants for that specific customer so that utility bills can be issued to the customer once service commences.

In the related CPCN Application for each of the lots/buildings, the customers would be Flagborough L.L.C. or an affiliate of Flagborough. This means the utility at this time, has essentially one beneficial customer, Flagborough L.L.C. or its affiliates (the "Developer Customer").

Corix wishes to note that the utility intends to grow the utility beyond the Development Project through system extensions expanding into neighboring areas. The utility would then have more than one beneficial customer (beyond Flagborough L.L.C. and its affiliates) through a system extension. However, at this time Corix's UCDEU has the Developer Customer owning all the buildings/lots which will take service from the thermal utility within the Utility Project Area in the related CPCN Application.

D. Relationship between Equipment Lease in the Infrastructure Agreement and Regulated Tariff Rates

In the absence of regulation, Corix has negotiated an Equipment Lease in the Infrastructure Agreement.

It is the intent of Corix that the PSC would approve the CPCN Application and upcoming Rate Application prior to commencement of service to any customer. As a regulated utility the Equipment Lease would be replaced by the PSC's approved utility tariff containing the terms and conditions of service including rates. As a regulated utility the PSC would have full jurisdiction to set and amend rates through a general Rate Application.

i. Equipment Lease

The Infrastructure Agreement is available as *Exhibit CS.A* to this Supplement. The IA includes an Equipment Lease (*Confidential* Exhibit A to the Infrastructure Agreement). In the absence of rate regulation by the PSC, Corix has entered into a Lease Agreement with the Developer ("Lease"). The Lease has an initial term of 25 years and contains terms allowing for operations and maintenance obligations of Corix. It also grants Corix's sole discretion to terminate the lease upon approval of the CPCN by the Utah PSC which allows inclusion of the central energy plant ("CEP") subject to the Lease to be included in Corix's rate base. The Lease also identifies the service commencement date (*Target Date*), which shall be the date upon which the Infrastructure shall be available to provide services to any buildings under the Lease, and upon which certain base charges shall be payable to Corix in accordance with terms of the Lease and any exhibits thereto.

ii. Intent of Corix and Customer to convert the terms in the Equipment Lease into a regulated Thermal Tariff

As noted above, the intent of the Equipment Lease was to provide certainty for the parties to embark on a district energy utility offering both heating and cooling services in Vineyard, Utah. It was the intent of the parties that the utility would be regulated for both heating and cooling services and the regulated terms would generally be consistent with the key terms in the Equipment Lease, particularly in regard to cost-of-service items, rate design, and rate smoothing, which

includes the rate stabilization account. However, at the time of the signing of the Infrastructure Agreement there was no certainty that both heating and cooling services would be regulated by the PSC, since the Utah Code only allowed for the regulation of heat only corporations and cooling was not regulated.

If regulation was delayed or not possible for the whole utility, then the Equipment Lease would be in force. Given the legislative change to Utah Code in Title 54 the definition "heat corporation" has been amended to now include cooling services when operated in combination with heating services. These amendments have been effective since May 7, 2025.

Given the change in the amendment, it is the intent of Corix to seek a fully regulated heating and cooling district energy utility in Utah. To achieve this goal, Corix is making the related CPCN Application. Shortly after, Corix will be filing the Rate Application that effectively converts the Equipment Lease agreement terms into a standard tariff for regulatory approval. Along with the tariff, Corix will be presenting a Rate Application applying cost-of-service, leading to the utility's revenue requirements with rate smoothing through an RSA deferral account.

E. Timing of Applications to the PSC

Corix plans to file two applications with the PSC:

1) CPCN Application, and
2) Rate Application (general rate case).

i. CPCN Application

The Application to which this Supplement is attached is the CPCN Application seeking a Certificate of Public Convenience and Necessity.

ii. Upcoming Rate Application

Soon after the filing of the CPCN Application, Corix will be filing its Rate Application (general rate case application) for the utility. It is intended that the Rate Application will be effective in April 2026 prior to the commencement of utility operations and service to the first customer building.

iii. Decision on CPCN and Rate Application prior to charging of first building

Corix plans to file these the CPCN and Rate Applications in advance of when the first customer commences service. In doing so, the plan is for the PSC to approve these applications in advance of the commencement of service to customers. With approval of these two applications, it would include the approved regulated tariffs for the utility that would be in place prior to the first customer in April 2026.

III. Technical Ability

Corix has the technical ability to operate thermal energy systems in Utah as evidence by its ownership and operation of other thermal energy systems in North America.

A. Proof of Certification and Experience in Other Jurisdictions

UCDEU has other affiliates fully owned by BCI that are rate regulated in Ohio and British Columbia.

Cleveland

The Public Utilities Commission of Ohio (PUCO) regulates Corix's public utilities in Ohio: Corix Cleveland Thermal Steam LP and Corix Cleveland Thermal Chilled Water LP.

Cleveland Thermal is listed as a regulated utility by the PUCO.

- PUCO ID: 300103 – Corix Cleveland Thermal Steam, LP – Heating Steam and Cooling[1]
- PUCO ID: 300104 – Corix Cleveland Thermal Chilled Water Distribution, LP – Heating Steam and Cooling[2]

The Cleveland Thermal Case Record for its tariffs is 89-6014-HT-TRF.[3] The latest tariff was filed on February 2, 2024.[4, 5]

British Columbia

The British Columbia Utilities Commission (BCUC) is an independent regulatory agency of the Government of British Columbia (BC), who regulates energy utilities in the province. Corix has obtained approvals for the following Certificates of Public Convenience and Necessity (CPCNs) in British Columbia.

- Decision and Order C-7-11[6] approved the CPCN for UniverCity Neighbourhood Utility Service (NUS) on Burnaby Mountain to provide thermal energy services to the UniverCity Neighbourhood through temporary energy centers designed to be replaced with a permanent energy center when the system reached sufficient demand. Subsequently, Decision and Order C-5-17[7], approved the CPCN for Burnaby Mountain

[1] Public Utilities Commission of Ohio, PUCO ID: 300103. https://puco.ohio.gov/documents-and-rules/list/regulated-company-list-dynamic-landing?company=Corix%20Cleveland%20Thermal%20Steam,LP&pucoId=300103&referrer=RegulatedList
[2] Public Utilities Commission of Ohio, PICO ID: 300104, https://puco.ohio.gov/documents-and-rules/list/regulated-company-list-dynamic-landing?company=Corix%20Cleveland%20Chilled%20Water%20Distribution%20LP&pucoId=300104&referrer=RegulatedList
[3] Public Utilities Commission of Ohio, Case Record 89-6014-HT-TRF, https://dis.puc.state.oh.us/CaseRecord.aspx?Caseno=89-6014&link=DIVA
[4] PUCO Tariff No. 1 Document Record. https://dis.puc.state.oh.us/DocumentRecord.aspx?DocID=f114e69f-2899-4fc1-ab6a-8b8dfb9c5818
[5] Tariff Filing: Case Nos. 22-1090-HT-UNC; 22-1091-HT-ATA; 89-6014-HT-TRF. https://dis.puc.state.oh.us/ViewImage.aspx?CMID=A1001001A24B02B23922F00667
[6] Decision and Order C-7-11 dated May 6, 2011. CPCN granted. https://www.ordersdecisions.bcuc.com/bcuc/decisions/en/111638/1/document.do
[7] Order C-5-17 dated September 15, 2017. CPCN granted. https://www.ordersdecisions.bcuc.com/bcuc/orders/en/234959/1/document.do

District Energy Utility ("BMDEU") to provide thermal energy services through a low-carbon biomass permanent energy center replacing the previous NUS and adding Simon Fraser University to the system.

- Order C-11-14A[8], approved the CPCN for the District Energy System at the University of British Columbia ("UBC NDES") to provide thermal energy to residents in the Wesbrook community in Vancouver, BC.

- Order G-166-18[9], approved the transfer to Corix of the Certificate of Public Convenience and Necessity granted to DGE under BCUC Orders C-1-08[10] and C-3-08[11] to provide thermal energy to the residents of the Dockside Green community in Victoria, BC.

Other Thermal Systems

In addition to fully owned publicly regulated thermal utilities described above, Corix fully owns and operates other non-public utility thermal energy systems including the Bellingham District Energy Utility (Bellingham, WA) and Beaver Barracks (Ottawa, Ontario).

Corix affiliates also have partial investments in other thermal energy systems including Oakridge Energy LP (Vancouver, BC) and Doyon Utilities (Alaska). Oakridge Energy LP is a fully regulated thermal utility where Corix's affiliate has a 50% partnership interest in the utility.

[8] Order C-11-14A dated December 12, 2014. CPCN granted.
https://www.ordersdecisions.bcuc.com/bcuc/orders/en/119047/1/document.do
[9] Order G-166-18 dated September 4, 20218.
https://www.ordersdecisions.bcuc.com/bcuc/orders/en/343660/1/document.do
[10] Order C-1-08 dated April 17, 2008, CPCN granted.
https://www.ordersdecisions.bcuc.com/bcuc/orders/en/116779/1/document.do
[11] Order C-3-08 dated June 30, 2008. CPCN varied.
https://www.ordersdecisions.bcuc.com/bcuc/orders/en/116741/1/document.do

B. Cleveland Thermal: 100+ Years of Operations

Cleveland Thermal has been providing efficient and reliable steam and chilled water to downtown Cleveland for over a century. Cleveland Thermal's distribution companies, Corix Cleveland Thermal Steam LP and Corix Cleveland Thermal Chilled Water LP are regulated by the Public Utilities Commission of Ohio. However, the generating company, Corix Cleveland Thermal Generating LP is not regulated. Cleveland Thermal's district steam system originated in 1894, making it the second oldest utility franchise in Cleveland. Its district chilled water system was commissioned in 1993, with several infrastructure upgrades and capacity expansions throughout the years.

Today, Cleveland Thermal operates with approximately 450,000 pph of steam production, 13,500 tons of cooling capacity and 3412 MBH (1 MW) of electricity from cogeneration. The utility provides critical, reliable thermal energy to over 20 million square feet and to approximately 90 commercial, municipal, federal, and institutional buildings. The extensive steam distribution system spans downtown Cleveland with more than 15 miles of underground pipe, delivering energy for heating, cooling, domestic hot water heating, humidification, and other process applications. Cleveland Thermal's district chilled water system features Cleveland's two largest centrifugal chillers, and the closed loop system provides chilled water for cooling and dehumidification. Its fully automated digital control system optimizes plant performance.

Cleveland Thermal places the highest priority on safety and reliability. A combination of equipment redundancy, proactive maintenance strategies, comprehensive asset management, and well-established emergency response protocols supports the utility's impressive 99.9% reliability record for both steam and chilled water systems. Cleveland Thermal's strong safety culture is reinforced through ongoing employee education and training, strict adherence to OSHA

regulations, and routine safety audits. As a result, Cleveland Thermal has maintained an exceptional safety record, with only one lost-time accident in the past nine years.

In 2017, the Hamilton Avenue plant underwent a $25 million conversion from coal to natural gas, including the installation of a 1.5-mile, 20-inch gas main through downtown Cleveland. This upgrade, along with the installation of state-of-the-art emissions control and monitoring technology, reduced plant air emissions by 84 percent. The new plant includes 1 MW of cogeneration production that provides additional environmental, cost reduction, and reliability benefits. Cleveland Thermal continues to invest in infrastructure to support growth, improve efficiency, and ensure long-term energy resilience for downtown Cleveland.

C. Bellingham Waterfront District Energy Utility, Washington State

The Port of Bellingham is revitalizing a former pulp mill site in the Bellingham Waterfront into a thriving community hub called the Waterfront District. Seeking sustainable solutions, they partnered with Corix to develop and implement a low-carbon healing and cooling centralized energy system as part of the transformation of the 18.8-acre site into a vibrant, live-work environment that will expand Bellingham's downtown core, and re-open the area for public enjoyment.

District energy was identified as a key part of the Port's Master Plan to sustainably develop the Waterfront lands by employing utility system strategies that share energy, reduce carbon emissions, and encourage urban densification – all while generating long-term positive impacts for the community.

Corix was selected through a competitive process to evaluate the feasibility of various technologies for the system – including biomass, heat recovery, air source heat pumps, and electric boilers.

Following the feasibility study, Corix was selected as the Port's district energy partner for the project.

The project will connect 1.6 million square feet of residential and commercial development at build-out (2033) and includes a heating and cooling thermal system with waste heat recovery.

Corix's innovative Bellingham District Energy Utility sets a new standard as the first system to meet the rigorous efficiency and performance criteria of the Washington State Energy Code 2021 as a "Low Carbon District Energy System."

- Phase 1 currently provides heating and cooling to 200,000 square feet of initial residential developments through three prefabricated modules with 5,118 MBH of heating capacity and 280 tons of cooling.
- Low-carbon energy is sourced from building-to-building cooling loads and waste heat recovery from the local electric utility – Puget Sound Energy's Encogen facility's cooling towers.
- The modular Energy Center is designed to meet the needs of the development as it grows. This scalability means the waterfront community can expand to the surrounding downtown area and beyond, establishing a low-carbon, resilient energy network that advances the City of Bellingham's Climate Action goals.
- In addition to commercial developments, Corix has also connected a social housing project to the district energy system and are working on another community project with a nonprofit organization.

D. Canadian Regulated Thermal Systems

Corix operates three regulated district energy utilities in British Columbia: the Burnaby Mountain District Energy Utility (BMDEU), the UBC Neighbourhood District Energy System

(UBC NDES), and Dockside Green Energy (DGE). Each system plays a key role in advancing energy-efficient infrastructure in its respective community.

The Burnaby Mountain District Energy Utility (BMDEU) serves Simon Fraser University's (SFU) Burnaby campus and the adjacent UniverCity community in Burnaby, BC. In 2020, Corix completed a state-of-the-art Renewable Energy Center that now provides low-carbon space heating and hot water to nearly 10,000 residents and over 30,000 SFU students, faculty, and staff. The facility uses locally sourced wood waste such as wood chips, shavings, and clean construction debris diverted from Metro Vancouver landfills as fuel for a 46,064 MBH (13.5 MW) biomass boiler, which supplies approximately 85% of the system's annual energy demand. A 20,473 MBH (6 MW) natural gas boiler provides backup and peak demand support. The system incorporates advanced efficiency features, including flue gas heat recovery, combustion air preheating, and heat recovery from the biomass boiler's cooling water. Emissions are tightly controlled through a two-stage filtration system and continuous monitoring, ensuring compliance with Metro Vancouver's stringent air quality standards. As a result, SFU has surpassed its carbon reduction targets, cutting greenhouse gas emissions by over 50% from 2007 levels and eliminating 12,000 tonnes of CO_2 annually.

The UBC Neighbourhood District Energy System (UBC NDES) has been in operation since 2015, delivering thermal energy to Wesbrook Place, a sustainable residential development adjacent to the UBC campus in Vancouver, BC. The system currently serves over 3.1 million square feet of connected floor space. In its first phase, two high efficiency interconnected natural gas Temporary Energy Centers rated at 26,615 MBH (7.8 MW) and 19,790 MBH (5.8 MW) were installed to meet the community's space heating and domestic hot water needs. Plans for Phase 2

include the integration of low-carbon energy sources and the expansion of the network to support UBC's broader decarbonization goals.

At DGE in Victoria, BC, Corix has modernized the district energy system to improve efficiency since 2019. This upgrade significantly enhanced system performance and reliability. The DGE system with a total capacity of 19,790 MBH (5.8 MW) provides space heating and domestic hot water to 700,000 square feet of residential and commercial space.

IV. What is District Energy?

District energy is a system that centrally generates and distributes thermal energy (heating and/or cooling) to multiple buildings through a network of pipes, instead of individual systems in each building.

Most district energy systems generate heat at a central plant, or extract heat from other sources. The heat is transferred to a fluid and distributed via underground pipes to buildings where it is used for space and water heating. The fluid is then returned to the source to be reheated and recirculated. Some systems also provide space cooling in a similar way.

District energy provides a long-term, sustainable, and efficient approach to providing energy to entire neighborhoods. District energy requires a relatively dense neighborhood to achieve economies of scale. The following figure demonstrates how district energy is distributed amongst buildings and can have varying energy sources to provide heating, cooling and domestic hot water to its customers.

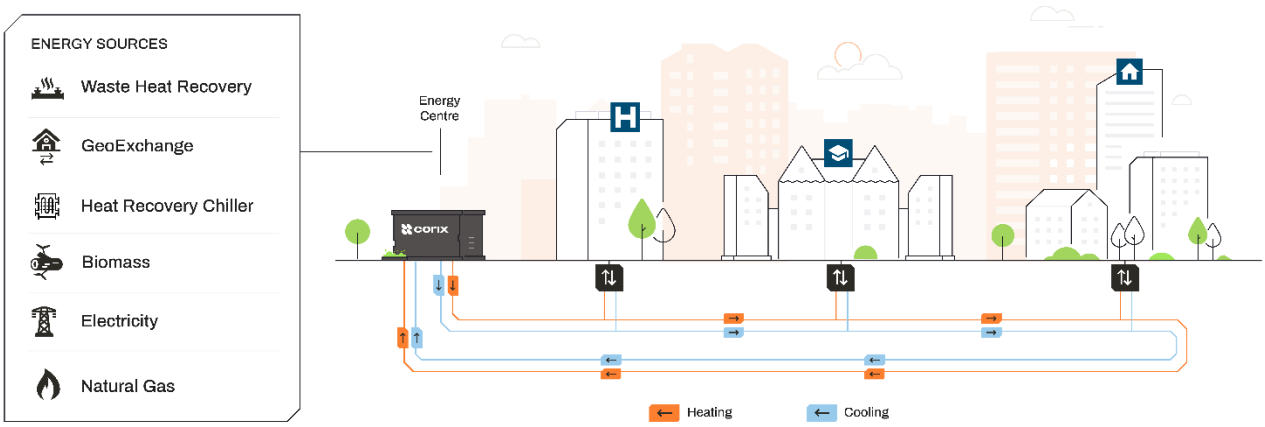

FIGURE 1 - WHAT IS DISTRICT ENERGY?

A. Brief History of District Energy

Steam heating plants in North America date back over a century, some being regulated as a public utility. The most notable rate regulated district energy system is the Consolidated Edison Steam System that is regulated by the New York State Public Service Commission. Over the years, many steam systems have been decommissioned or have become lightly regulated as these steam systems competed for customers.

In addition to regulated district energy systems, there are many unregulated district energy systems mostly in educational and hospital campuses. These centralized energy systems typically have the owner serving its dense campus. Many of these legacy steam systems have converted to thermal systems including Oberlin College[12] and the University of British Columbia[13]. Other

[12] Oberlin College, https://www.oberlin.edu/news/ambitious-geothermal-project-make-oberlin-national-leader-clean-energy
[13] UBC, https://facilities.ubc.ca/infrastructure-and-systems/hot-water-district-energy-system-ades/

universities such as Princeton University[14] and the University of Washington[15] are embarking on long-term plans to make this conversion from legacy steam systems to modern thermal systems.

There are a variety of energy sources suitable for a district energy system. Examples include wastewater heat recovery, geo-exchange heat recovery, solar thermal, biomass, waste to energy, natural gas, and electricity. The chosen energy source depends on the location and the economics of the available energy source. What works for one location or region may not be suitable in another location. District systems take a local focus on utilizing available energy sources that is the most economic.

Once energy has been extracted or generated at a central energy plant, the energy must be transported to consumers for use in heating and cooling systems. In a district energy system, this can be accomplished by circulating a carrier fluid through a piping system. The carrier fluid is typically steam, water or an aqueous refrigerant solution (e.g. glycol). The selection of the carrier fluid is based on the temperature of the system, which also dictates the type of piping required.

Due to relatively high steam leakage and condensate loss, brand new steam systems are no longer being developed. Modern district energy systems have evolved from steam to non-steam thermal networks in open or closed loop configurations. A closed loop heating or cooling system operating through a network of pipes can have no material losses of the fluid. District energy systems have continued to evolve over the past 40 years.

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[14] Princeton University, https://facilities.princeton.edu/projects/path-net-zero-building-conversions#:~:text=Building%20heating%20systems%20are%20being,take%20many%20years%20to%20accomplish.

[15] University of Washington, https://sustainability.uw.edu/energy-transformation/erp#:~:text=The%20University%20of%20Washington%20(UW,Plan%20(PDF%2C%2017.5%20MB)

Unlike traditional utilities (electric, gas, and water) no two district energy systems are alike. District energy systems can utilize different technology and different energy resources. The selection of energy source is based on what is the most economic and efficient for the particular location. District energy systems are built to last and over time can evolve its energy source. For example, a legacy steam system over time can change its energy source from coal to natural gas and then to electricity depending on the availability of alternatives, advances in technology, and price competitiveness of the alternative energy source.

District energy continues to evolve as technology progresses. Bidirectional heating and cooling with almost no thermal losses are the future evolution. Combined heating and cooling systems offer improved energy efficiency. In certain optimal situations the thermal utility does not "make" heating or cooling but rather instead transports the heat from one location (e.g. offering cooling to a data center by taking away the heat) and moving that heat to a building (e.g. offering space heating and hot water). In such a situation, the utility simultaneously provides heating to one customer and cooling to another customer by simply using electricity to move the heat/cooling from one location to another. A combined heating and cooling thermal energy company allows for simultaneous heating and cooling which provides significant energy efficiency and cost competitiveness for the customer. The combined heating and cooling coefficient of performance[16] (COP) can be as high 5.5[17].

[16] The coefficient of performance (COP) for electric resistance heat is 1.0. This means that for every unit of electrical energy consumed, one unit of heat is produced. Essentially, electric resistance heating converts all the input electrical energy into heat, resulting in a COP of 1. The COP of a natural gas heating system, such as a boiler or furnace, is typically between 0.7 and 0.9. This means that for every unit of energy consumed, the system delivers between 0.7 and 0.9 units of usabale heat energy. The remaining gas energy is lost, primarily through the exhaust stack.

[17] Siemens and Grundfos Whitepaper. From Waste Heat to Usable Heat: Connecting data centers and district energy networks, p. 19. https://assets.new.siemens.com/siemens/assets/api/uuid:ddbf25c8-95c5-4843-861b-6361c4289e4a/DataCenterWhitePaperCustomerReferenceGrundfos.pdf

B. System Economics of District Energy

District energy facilitates land use planning that encourages compact, complete communities. District energy can take advantage of load diversification (different daily energy profiles from residential, office, retail, institutional and industrial uses) reducing the size of infrastructure needed to service them. District energy can also be cost effective due to economies of scale. Additionally, district energy enables the use of major local alternative/renewable energy sources.

The economics of district energy are very site-specific. As a rough rule of thumb, a neighborhood will be a good candidate if it has some of the following characteristics:

- Several large buildings or building complexes (such as hospitals, hotels or colleges).
- A mix of uses (such as a town or village center).
- Moderate and higher residential densities (such as multi-family units or apartments).
- Relatively small spacing between buildings and a grid street layout.
- A source of relatively cheap energy (such as waste heat from an existing boiler or sewage treatment facility).[18]

C. How does Thermal Energy Work?

Thermal energy involves thermodynamics – the movement of heat. Heating adds heat to a space while cooling removes heat from a space. A combined heating and cooling district energy system manages thermal energy but in different directions.

Traditionally the air conditioning (AC) unit served one purpose, which was cooling, by removing heat from the air indoors and ejecting the heat outdoors through thermodynamics. With

[18] BC Climate Action Toolkit, District Energy Systems, https://toolkit.bc.ca/tool/district-energy-systems-2/#:~:text=Type%20background,gas%2C%20propane%2C%20or%20electricity

advances in technology, the AC equipment has advanced to a modern equipment known as a “heat pump”. The air-source heat pump powered by electricity is a piece of equipment that can perform both cooling and heating using the ambient outside air. Modern technology advances have air-source heat pumps operating in cold weather climates. In the cooling mode it is exactly the same as an AC unit. In the heating mode it works in reverse to an AC unit by removing the ‘heat’ from the outdoors and bringing the heat to the outdoors. In other words, the heat pump when in ‘heating mode’ cools the outside air and warms the inside air by transferring the thermal energy between indoors and outdoors.

A district energy system provides thermal energy through a centralized energy system which allows achieving economies of scale. A district energy system is able to utilize large community energy resources that single buildings are not able to use. Suppose there is a power generation station producing electricity in the community where the energy source is natural gas to run the turbines to make electricity. This electric production generates large amounts of waste heat that is lost into the atmosphere. A nearby district energy system can capture this waste-heat and transport that heat to buildings providing hot water and space heating. This is a reality at Corix’s Bellingham District Energy Utility where Corix captures waste heat from Puget Sound Energy’s existing Encogen Generating Station to provide efficient heating to the mixed-use development.

Sewer Heat Recovery as a Source of Thermal Energy

Southeast False Creek Neighbourhood Energy Utility, in Vancouver, BC, has a neighborhood district energy system that provides thermal energy to its customers, supplied by a wastewater heat recovery system, supplemented by natural gas boilers [19]. As shown in the diagram below, the energy center recycles waste heat captured from sewage and wastewater providing heating and hot water to nearby buildings. This is accomplished by capturing thermal energy using a heat exchange process integrated with the city's sewage pump system. The thermal energy is piped to buildings using a distribution piping system in the form of heated water. Insulated distribution pipes are buried under streets. Each building serviced by the utility has an energy transfer station that transfers the thermal energy to the buildings mechanical system. The building's mechanical system distributes heat and hot water to building occupants. The figure below shows the flow of energy from sewer heat to useable energy in the buildings.

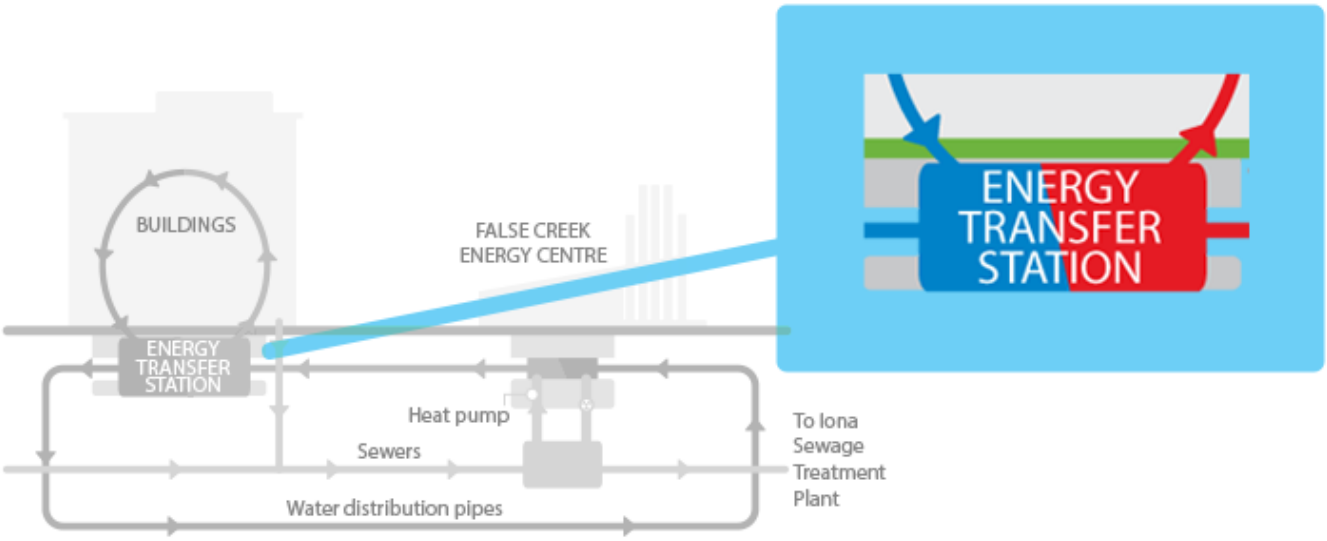

FIGURE 2 - ENERGY TRANSFER STATION (FALSE CREEK ENERGY CENTRERE – CITY OF VANCOUVER)

[19] City of Vancouver, False Creek Neighbourhood Energy Utility, How the utility works. https://vancouver.ca/home-property-development/how-the-utility-works.aspx

V. Thermal Services Offered

A. The Developer Customer

The related CPCN Application will initially have the Developer (Flagborough L.L.C. or its affiliates) as the customers of the utility who own the lots. Corix understands that the Developer intends to own and lease all of the buildings but the Developer will retain the flexibility to sell portions thereof. In the related Application the term "Developer Customer" refers to collectively all the customers in Phases 1 and the remaining buildout that are related to Flagborough L.L.C or its affiliates. Phase 1 through the remaining buildout, is estimated to have 64 buildings/lots thus 64 customers. All these customers are owned and controlled by Flagborough L.L.C. or its affiliates.

B. Type of Service to be provided and Proposed Date of Commencement

UCDEU is an integrated utility offering thermal service to its customers. Based on the latest forecast, the first customer is expected to take thermal service on April 15, 2026.

The integrated thermal service provided for both heating and cooling. Heating would be for space heating and hot water. Cooling would be for space cooling. Both heating and cooling will be operated as a combined integrated system.

C. Classes of Customers

UCDEU at this time contemplates a thermal general service offering for different types of uses. The types of use include residential, office, retail, and special (pool). Each type of use would have a different design peak capacity per floor area.

In the future additional rate classes may be offered such as institutional (hospital) or institutional (education) depending on future system extensions outside of the related CPCN Application.

Further information and details will be provided in the upcoming Rate Application.

D. Rate Structure

UCDEU contemplates a decoupled rate structure for thermal service:

1) a basic charge based on capacity, and

2) an energy charge based on customer consumption.

Total revenue requirements will be segmented into a delivery revenue requirement and an energy supply revenue requirement. The delivery revenue requirement will be based on cost-of-service-based rate making. The energy charge will be based on pass through costs for the provision of thermal energy for heating and cooling.

Further information and details will be provided in the upcoming Rate Application.

E. Service Area

See *Exhibit CS.B* for the service area of the Utility Project in the Utah City Development Project relevant to the related CPCN Application.

F. Maps of Facility Locations

Confidential Exhibit CS.C contains the map of facility locations for Phase 1. *Confidential Exhibit CS.D* contains the map of facility locations at buildout.

VI. Financial Information

A. Financial Information of Ultimate Owner

i. Financial Information of BC Investment Management Corporation

BCI as one of Canada's largest institutional investors invests on behalf of 32 clients in British Columbia's public sector. These clients include pension funds, insurance funds, and special purpose funds. In 2025 BCI had CAD $295.0 billion in total gross assets under management[20] for its pension and insurance clients.

[20] 2024-2025 BCI Corporate Annual Report, p. 6. https://uberflip.bci.ca/i/1536830-bci-corporate-annual-report-2024-2025/5?

B. Financial Information of Utility

i. Debt Funding Ability

Please see *Exhibit H to the Application* for the intercompany credit agreement between Corix Utah City Heating and Cooling LLC and Corix Utah City DE Systems LLC.

Corix Utah City Heating and Cooling LLC is unable to raise debt in an economical manner through project financing under its own name at this time. Due to the greenfield nature of the project and the construction risks, standalone financing would be significantly more expensive, exceeding $2 million at a minimum, as compared to traditional financing options. Once the project reaches sufficient scale in the future, project financing will become a more viable and cost-effective option.

C. Utility Project Financing

i. Debt Funding

Each month, Corix Utah City Heating and Cooling LLC conducts a comprehensive review of its cash requirements to determine whether a cash injection from the parent company is necessary.

ii. Equity Funding

As with the debt arrangement, the same process applies to the equity portion. Corix Utah City Heating and Cooling LLC will receive an equity contribution when required.

The rate base of the combined Corix district energy utilities is approximately USD$120 million in 2025.[21]

[21] Comprising of the rate regulated utilities (Burnaby Mountain District Energy Utility, UBC Neighbourhood District Energy System, Dockside Green Energy, Cleveland Thermal Distribution, and Corix portion of Oakridge Energy) and the unregulated district thermal systems (Cleveland Thermal Generation and Bellingham Waterfront District Energy Utility).

D. Thermal Uniform System of Accounts

Federal Energy Regulatory Commission (FERC) has Uniform System of Accounts (USoA) for electric and natural gas utilities but does not have a USoA for steam or thermal utilities. National Association of Regulatory Utility Commissioners (NARUC) has a USoA for water utilities based on the FERC account approach. Corix understands that the Utah PSC has a Uniform System of Accounts requirement for its electric, gas, and water utilities. Thermal service has elements of electric, gas, and water so reporting for thermal service would resemble all three types of services.

Corix considers that a regulated Utah thermal utility should utilize a uniform system of accounts similar in manner to the other traditional energy and water utilities. Corix has also reviewed the New York Public Service Commission reporting requirements for the regulated Consolidated Edison (ConEd) steam utility where it utilizes an adapted reporting approach similar to FERC's electric and gas accounts. The legacy steam system is a form of thermal energy. However, Corix's district energy system does not utilize thermal steam but instead utilizes modern hot and chilled water distribution to provide thermal heating and cooling service. It should be noted that ConEd Steam uses an adapted approach; its Steam Annual Report is not complete since many sections refer back to the Electric/Gas Annual Report for accounts that are not reported for Steam.

Corix considers implementing an adapted Thermal Uniform System of Accounts that would meet the PSC's requirement for thermal reporting. This would be based on 1) the reporting requirement for water utilities which are typically small and comparable to thermal utilities, 2) the FERC Uniform System of Accounts for gas and electric utilities, and 3) the reporting used by Consolidated Edison steam system utility. The Utah thermal reporting aims to be consistent in principle with the FERC reporting methodology. However, it would require adaptation and

modification for thermal energy. Corix will elaborate further on how it would utilize an adapted Thermal Uniform System of Accounts in the upcoming Rate Application.

For the purposes of the related CPCN Application, Corix is committed to providing the PSC with thermal reporting that would be consistent with Utah water utilities reporting by using a FERC approach adapted for thermal energy.

E. Utility Financial Forecast of Operations

Confidential Exhibit CS.E contains the UCDEU long-term financial forecast for the Utility Project that includes all phases to buildout completion. Table 1 below provides the utility project's key figures.

TABLE 1 – UTILITY PROJECT KEY FIGURES

ITEM	TOPIC	PHASE 1	REMAINING BUILDOUT	TOTAL
1	Capital Expenditures ($ millions)	$42.0	$275.5	$317.5
2				
3	Number of Connections	8	56	64
4	Total Floor Area Connected (million square feet)	1.5	16.4	17.9
5				
6	Cumulative Peak Load – Heating (MW)	7.2	76.3	83.4
7	Cumulative Peak Load – Cooling (MW)	9.6	106.8	116.4
8	Cumulative Peak Load – Total (MW)	16.7	183.1	199.8
9				

i. Financial Assumptions

The financial forecast has been developed based on the following key assumptions:

- Capital expenditure and operating expenses are designed to match the development timeline with a gradual phase-in of capital and costs as more buildings are built and connected to UCDEU. Assumptions on the quantum of these capital expenditure and

operating expenses are based on Corix's experience in running other utilities in consultation with third party industry experts when necessary.

- Intended to be a regulated utility, UCDEU follows a cost-of-service model with key ratemaking assumptions (e.g., capital structure, allowed rate of return, etc.) as set out in *Confidential Exhibit CS.E*.

To alleviate the rate pressure on the initial smaller customer base, the financial forecast also assumes a rate levelization plan involving the utility deferring a certain portion of its revenue requirements to allow for customer rates to increase moderately and predictably in the early years of operation. Such deferred revenue will be tracked through a regulatory asset called the Rate Stabilization Account or the RSA. In the early years, the RSA balance will build up as a portion of revenue requirements is not collected from customers, and will gradually wind down to zero when the deferred revenue is subsequently collected during a recovery period customary for a greenfield utility.

F. Utility Pro-Forma Financial Statements

Confidential Exhibit CS.F contains the pro forma financial statements including pro forma balance sheet, income statement, statement of cash flows, and statement of changes in member's capital.

G. Letter from Management reasonableness of Utility Pro-Forma Financial Statements and prepared according to US GAAP

Exhibit CS.G contains the letter from management regarding the reasonableness of the Utility Pro-Forma Financial Statements prepared according to US GAAP for the first five years of operations.

H. Demonstration of Positive Net Worth

Confidential Exhibit CS.H provides the proof of net worth.

I. Demonstration of Cash Flow Funding in a Five-Year Projection to Meet Operational Needs

See Pro Forma Financial Statements in *Confidential Exhibit CS.F*.

LIST OF EXHIBITS TO CORIX SUPPLEMENT

EXHIBIT CS.A	Redacted and Confidential Infrastructure Agreement (including its attachments)
EXHIBIT CS.B	Service Area of the Utility Project
EXHIBIT CS.C	*Confidential* Map of Facility Locations for Phase 1
EXHIBIT CS.D	*Confidential* Map of Facility Locations at Buildout
EXHIBIT CS.E	*Confidential* UCDEU Long-Term Financial Forecast
EXHIBIT CS.F	*Confidential* Pro Forma Financial Statements
EXHIBIT CS.G	Letter from Management RE Reasonableness of Utility Pro-Forma Financial Statements
EXHIBIT CS.H	*Confidential* Proof of Net Worth