

Dear Mr. Chairman,

We have taken note of the concerns stated in your recent contacts with the Ministry of Economics, Science and Innovation, and with the Ministry of Energy and Natural Resources.

Thus, we would like to hereby offer you solutions concerning electrical power price rates and the costs of compliance with the Greenhouse Gas Emissions Capping and Trading System (SPEDE).

Electrical Power Supply

On March 1, 2017, the Power Corporation approved an extension of the Economic Development Tariff. If your project is accepted within the scope of the aforesaid measure, your enterprise will enjoy a 20% price reduction on the high-power tariff (Tariff L) until 2023, followed by three years of degressive discounts (15%, 10% and 5% reduction, respectively). In the event that your application were to be rejected, the Government of Quebec is willing to offer you an equivalent reduction, through a special contract, after approval by the Council of Ministers.

SPEDE Compliance

In addition, to enable you to forecast the costs of operational running of your future plant, we suggest eliminating the uncertainty arising from the SPEDE, for which the parameters have not yet been established, by limiting your financial exposure to a ceiling of \$1M per year throughout the period 2021-2030. During the subsequent two years, there will be a progressive return to the normal SPEDE regime, during which your enterprise will bear the expense of respectively 33% and 66% of the compliance costs. This measure is also subject to approval by the Council of Ministers, and its terms of application will be addressed in future discussions.

Bearing in mind that the efforts already made to ensure that the emissions from your plant are minimal, we believe that the capture and conversion of CO₂ emitted by your process is the most-promising approach to substantially reducing your emissions in the coming years. To ensure that your enterprise contributes to the greenhouse gas emissions reduction targets notwithstanding the application of a 10-year ceiling for SPEDE compliance costs, we will therefore request you to undertake a feasibility study of the possibilities of CO₂ capture and conversion that could be implemented for your project.

Public Infrastructures

Over the past few weeks, we have worked with our colleagues at the Ministry of Finances and the Secretariat for Maritime Affairs on resolving the question of deployment of multi-user public services in the Grande-Anse Industrial Park. Unfortunately, we are unable to confirm precise measures for the moment, but we are continuing our efforts to develop a solution that is satisfactory for all the parties involved.

We hope that these solutions adequately address your concerns, and will permit you to take an affirmative decision within a short time frame concerning your locating in Quebec.

Yours faithfully,

Deputy Sub-Minister for Strategic Industries and Major Economic Projects

A handwritten signature in blue ink, consisting of a series of loops and curves, representing the name Mario Bouchard.

Mario Bouchard

c. c. Mrs Luce Asselin, Associate Sub-Minister for Energy, Ministry of Energy and Natural Resources