



CHEMTRADE

Brandon Sodium Chlorate Plant

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Who are we?



- Chemtrade Electrochem is a Canadian chemical manufacturing and handling company serving customers for more than half a century. We pride ourselves on efficient low-cost operations, strategic growth, quality service and a commitment to Responsible Care® through safe, sustainable operating practices.
- The Brandon Sodium Chlorate Plant is the flagship of Chemtrade and is the largest, low cost sodium chlorate plant in North America.

Brandon Key Facts



- **1968** - Began Operation producing sodium chlorate, Chlorine (Hooker cells), Hydrochloric Acid, Caustic Soda and Soda Ash
- **1986** - Plant rebuilt and modernized, dedicated sodium chlorate facility.
- Has undergone multiple expansions since 1989, the last was in 2008.
- Current practical capacity is 320,000 t/yr.
- Largest and lowest cost producer in North America. This is changing!
- Largest single industrial power user in the province.

➤ Raw Materials

- Power - ~ 223 MVA or ~ \$70 million/year
- Salt - ~ 165,000 t/yr. or ~ 1650 railcars per year
 - Bi-product salt from Potash industry (The Mosaic Co.)
- Caustic, Chlorine and Hydrochloric Acid received from North Vancouver.

➤ Chlorate is all shipped by rail all over North America.

- Approximately 3400 cars per year by CN and CP Rail

➤ \$7,800,000 employee payroll.

➤ Spending of over \$60,000,000 for materials and services.

➤ Contribution of over \$5,000,000 in taxes.

- Chemtrade, as well as all other Chlorate producers utilize an electrolytic process.
- Electricity accounts for approximately 65-70% of variable costs.
- Salt is the next most costly raw material and accounts for approximately 18% of our variable costs.
- The balance of our raw materials make up the remainder of the variable costs.
- 100% of our finished product is shipped out of the province.
- Commodity chemical and compete all over North America.
- We are a long way from our customers!!!!

Our Contribution

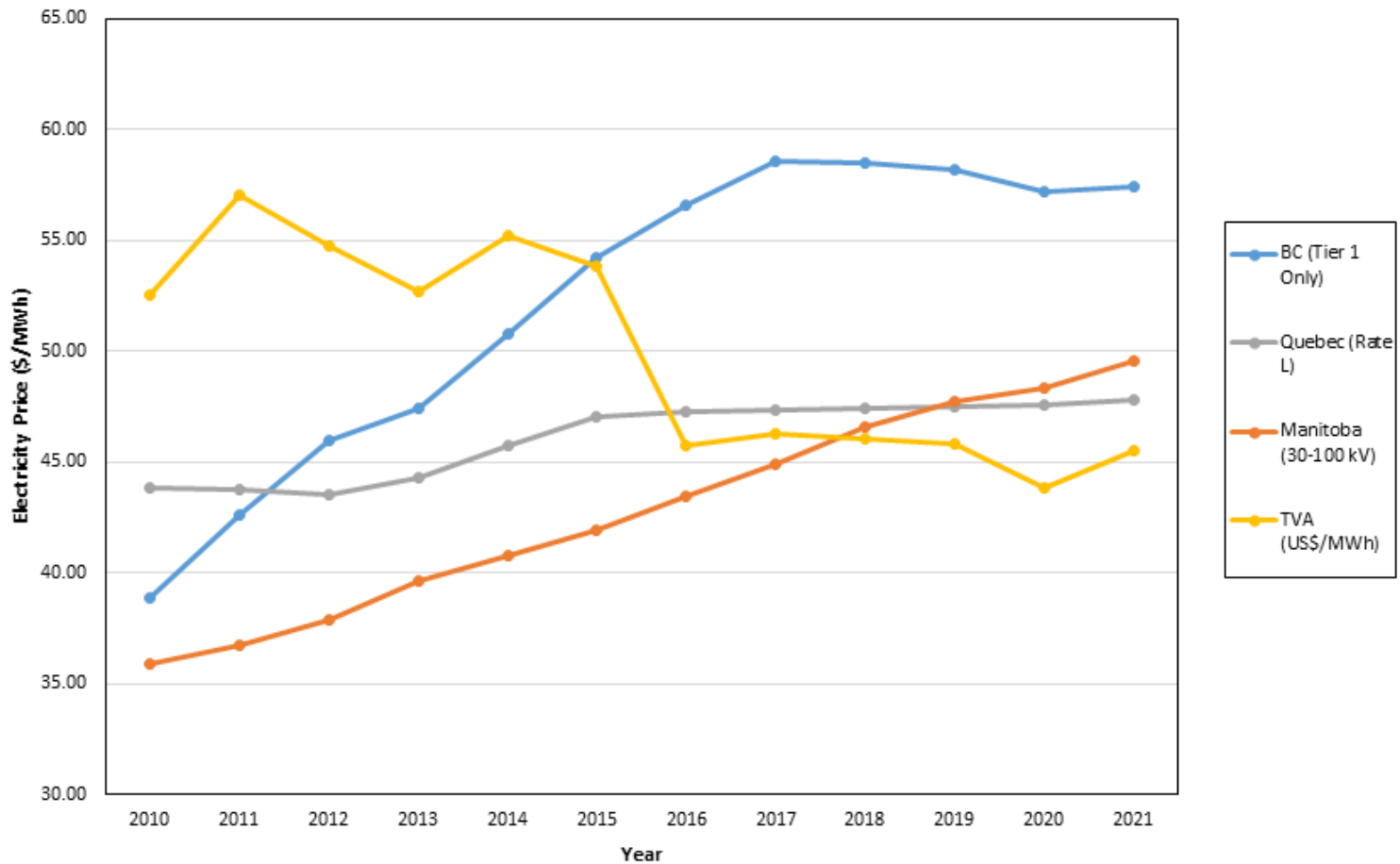


- **600 Million** Total 2020 direct, indirect and induced contribution to Canada's GDP.
- **\$130 Million** Total direct economic benefit of Chemtrade's Brandon plant in 2020.
- **\$60 Million** Increased planned capital expenditures would provide an additional economic benefit. Over the next five years,
- **\$2.5 million** Municipal and Provincial taxes paid by Chemtrade in 2020.
- **\$130,000** Average 2020 salary of Chemtrade's workforce compared \$84,000 median Manitoba family income in 2019.
- **67%** Portion of Chemtrade's direct economic benefit that remains in Manitoba.

Our Concern



Electricity Price Comparison
(Demand Load = 62,500 kW)



The Impact



- A 5.2% rate increase represents a \$3.6M increase to our direct operating cost.
- Cumulative increase in costs of \$10M per year since 2016.
- No opportunity to pass increase along to our customers.
- Impacts ability to re-invest and lowers long term sustainability
- Encourages load shifting to other operations, reduces total power consumption and hydros revenues.

	Cumulative Increase (2016 to 2021)	2022 Increase
Manitoba Hydro	14.0%	5.2%
BC Hydro	1.4%	-1.4% (Apr 1)
Hydro Quebec	1.1%	~2% (Apr 1)
TVA	-0.7%	?

- Reduce/Minimize the unexpected 5.2% rate increase.
- Rate increases based on long term outlook, not the challenges of a single year event.
- Return to a model of financial transparency by Manitoba Hydro regarding strategic planning, forecasting and cost allocations.
- Stability and predictability of rates
- Encourage MB Hydro to collaborate with industry to develop alternative rate options.