



FORTIS TCI
ENERGY FOR GOOD™

Stakeholders' **REPORT** **2020**

*Transforming Energy
in the Turks and Caicos Islands*



Lineman Foreman Kavin Ewing and Lineman Chrisene Jennings get the job done on a section of the lines on Providenciales.



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VISION, MISSION & VALUES



**VISION: TRANSFORMING ENERGY IN
THE TURKS AND CAICOS ISLANDS.**

MISSION:

FortisTCI is committed to providing safe, reliable, least-cost energy, using smart innovative technologies and by investing in people, while being a good corporate citizen, being environmentally responsible, maintaining the highest level of customer satisfaction, and ensuring a reasonable rate of return for our investors.

VALUES:

Commitment

We are passionate and intensely focused on serving our customers and helping them achieve their objectives. We will do what we say we are going to do and by doing so create value for all our stakeholders.

Innovation

We are committed to engaging in innovative thinking and problem solving and will embrace all ideas that increase the efficacy of FTCI as we carry out our mandate.

Integrity

We will earn the trust of our stakeholders by endeavoring to maintain the highest ethical standards in all our actions.

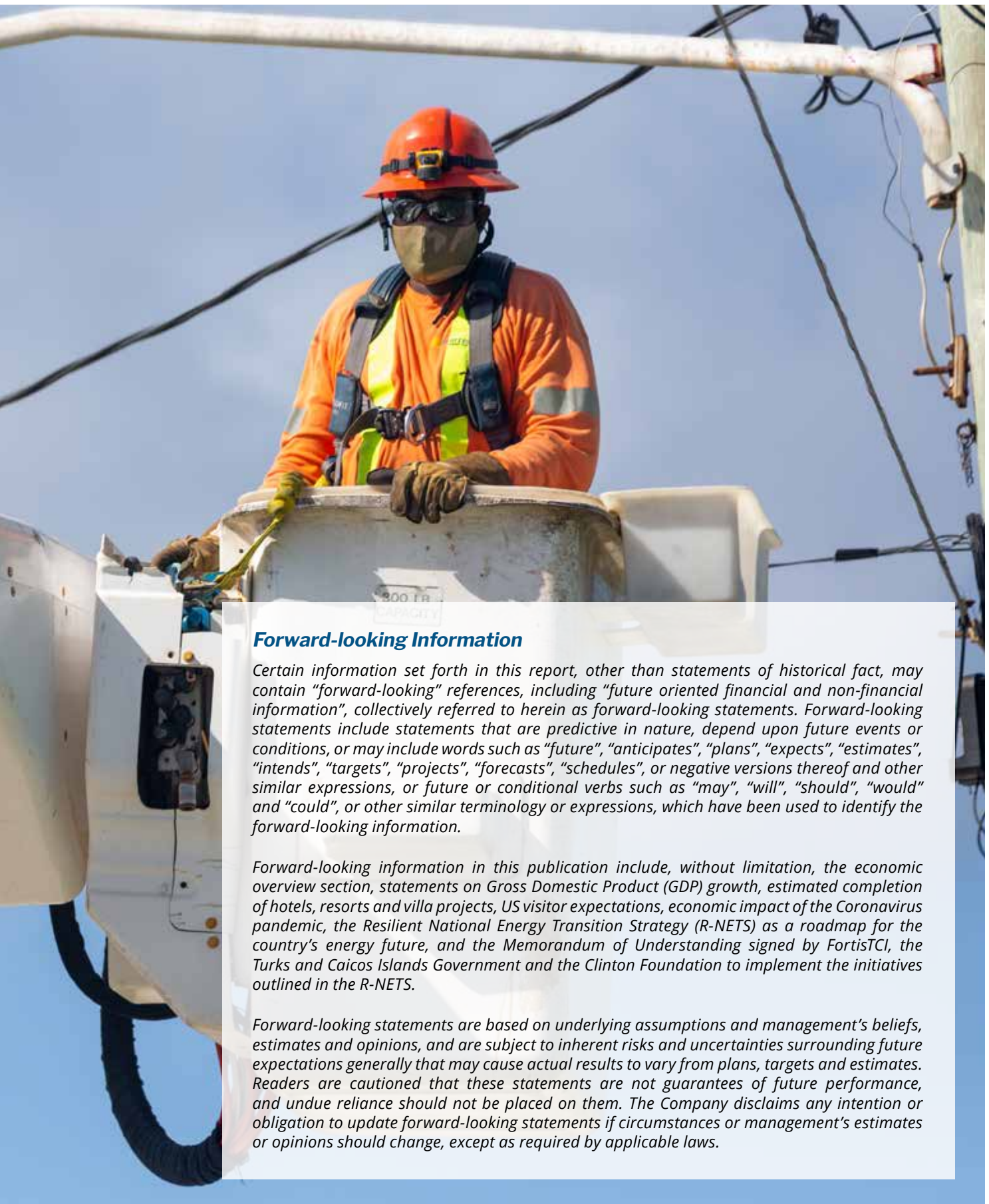
Reliability

We will deliver what we promise; whenever the customer requires.

Respect

We will consider mutual trust, recognition of accomplishments, self-esteem and regard for others as important elements of respectful working relationships.

Lineman Vincent Graham works on the T&D system in Grand Turk.



Forward-looking Information

Certain information set forth in this report, other than statements of historical fact, may contain "forward-looking" references, including "future oriented financial and non-financial information", collectively referred to herein as forward-looking statements. Forward-looking statements include statements that are predictive in nature, depend upon future events or conditions, or may include words such as "future", "anticipates", "plans", "expects", "estimates", "intends", "targets", "projects", "forecasts", "schedules", or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could", or other similar terminology or expressions, which have been used to identify the forward-looking information.

Forward-looking information in this publication include, without limitation, the economic overview section, statements on Gross Domestic Product (GDP) growth, estimated completion of hotels, resorts and villa projects, US visitor expectations, economic impact of the Coronavirus pandemic, the Resilient National Energy Transition Strategy (R-NETS) as a roadmap for the country's energy future, and the Memorandum of Understanding signed by FortisTCl, the Turks and Caicos Islands Government and the Clinton Foundation to implement the initiatives outlined in the R-NETS.

Forward-looking statements are based on underlying assumptions and management's beliefs, estimates and opinions, and are subject to inherent risks and uncertainties surrounding future expectations generally that may cause actual results to vary from plans, targets and estimates. Readers are cautioned that these statements are not guarantees of future performance, and undue reliance should not be placed on them. The Company disclaims any intention or obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable laws.

ECONOMIC AND REGULATORY OVERVIEW

The COVID-19 pandemic caused massive disruption to tourism activity and significantly weakened the Turks and Caicos Islands (TCI) economy in 2020. Nearly four months of lockdown have had negative economic consequences for the country. Instead of the growth forecast for 2020, the country experienced a significant decline in its gross domestic product (GDP).

The TCI Strategic Policy and Planning Department (SPPD) projected an economic contraction of 26.8% for the year, led by the hotel and restaurant sector, which was expected to contract by 53%. This sector also contributes approximately 40% of real GDP in the TCI. In 2021, projections are that GDP growth will gradually rebound at 2.1% with a resurgence of the tourism industry and robust construction, wholesale, and retail trade sectors, which all have projects in the pipeline.

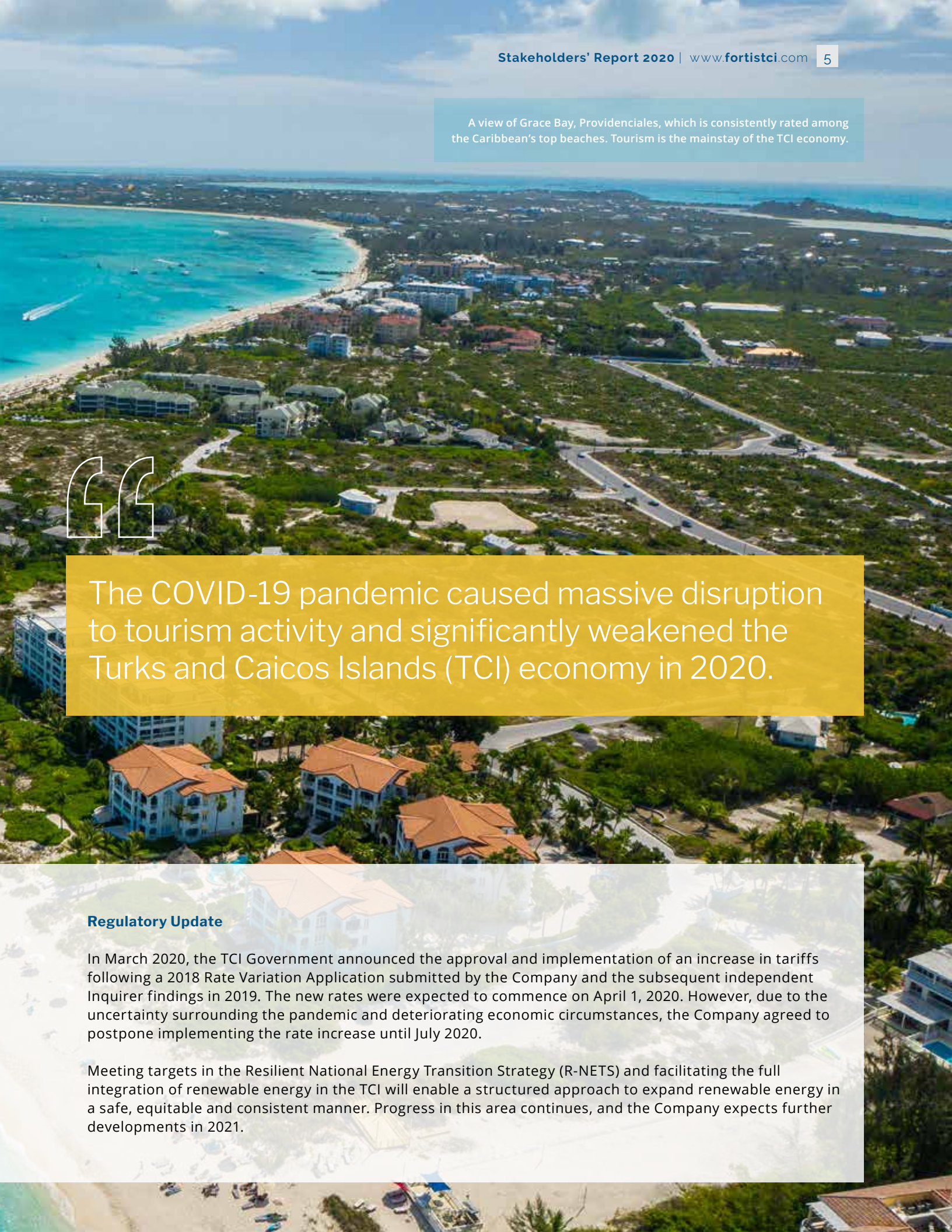
To prevent and control the spread of coronavirus, the Coronavirus Response Team in collaboration with the Ministry of Health guides the pandemic response effort. The TCI received the Safe Travel Stamp from the World Travel and Tourism Council (WTTC) to denote that the country's management of the pandemic and safety protocols align with leading health experts. In addition, the Center for Disease Control (CDC) improved its COVID-19 risk rating for the TCI to Level 2 (moderate), down from Level 4 (very high) in late 2020.

The TCI Government reopened the economy and the borders on July 22, 2020. Tourist arrivals experienced a slight uptick, with a moderate rebound experienced primarily in the luxury accommodation and villa markets. This was also evident in the number of private jets coming to the islands.

However, hoteliers continue to report fluctuations in occupancy levels with sporadic booking and cancellation patterns. The resumption of British Airways flight and the launch of a weekly direct flight from Newark Liberty International Airport are positive signs of recovery. The Tourist Board and Ministry of Tourism are encouraged by the arrival numbers to the destination since the reopening of TCI borders.

The impact of the virus on the US economy will continue to significantly impact the TCI economy, since approximately 82% of visitors to the TCI arrive from the US. Hotels, resorts, and villas have experienced cancellations due to the Government mandated five-day COVID-19 testing and travel insurance requirements for all guests entering the country. To combat this, the Tourist Board announced that it is taking a global approach to revamping the industry by changing its marketing strategy. Initiatives include, print and online advertising in major source markets and enhanced public relations outreach. Tourism and health officials continue to balance health and safety protocols and the vitality of the tourism industry.

It is anticipated that the country's economy will begin to rebound in 2021 as pandemic mitigation measures relax, the rollout of the COVID-19 vaccine increases, economic activity recovers in developed markets, there are improvements in external conditions and consumer confidence begins to restore.



A view of Grace Bay, Providenciales, which is consistently rated among the Caribbean's top beaches. Tourism is the mainstay of the TCI economy.



The COVID-19 pandemic caused massive disruption to tourism activity and significantly weakened the Turks and Caicos Islands (TCI) economy in 2020.

Regulatory Update

In March 2020, the TCI Government announced the approval and implementation of an increase in tariffs following a 2018 Rate Variation Application submitted by the Company and the subsequent independent Inquirer findings in 2019. The new rates were expected to commence on April 1, 2020. However, due to the uncertainty surrounding the pandemic and deteriorating economic circumstances, the Company agreed to postpone implementing the rate increase until July 2020.

Meeting targets in the Resilient National Energy Transition Strategy (R-NETS) and facilitating the full integration of renewable energy in the TCI will enable a structured approach to expand renewable energy in a safe, equitable and consistent manner. Progress in this area continues, and the Company expects further developments in 2021.

CORPORATE PROFILE

FortisTCl Ltd. is a regulated utility that serves over 15,500 customers across the Turks and Caicos Islands (TCI) with safe, reliable, least-cost electricity.

The company operates under its business licenses and takeover agreements, while adhering to simple contract and cost-of-service style regulation.

FortisTCl serves the islands of Providenciales, North Caicos, Middle Caicos and South Caicos. Turks and Caicos Utility Limited (TCU), which FortisTCl acquired in 2012, serves the islands of Grand Turk and Salt Cay.

The FortisTCl service territory also includes the Cays between Providenciales and North Caicos (except for Parrot Cay), East Caicos and adjacent cays. Customer service centers operate in Grand Turk, South Caicos, North Caicos and Providenciales, where the company's headquarters is located on Leeward Highway. Together, the companies operate four independent diesel generation plants with the integration of some solar. FortisTCl became a wholly owned subsidiary of Fortis Inc. (based in Newfoundland, Canada) in August 2006.

Inside view of the FortisTCl Operations and Engineering Center at the company's Providenciales headquarters.



FORTIS



2020 Highlights

15,500 - Total customer connections as at December 31, 2020

7 - the number of islands FortisTCl serves

39.85 MW - Consolidated Peak Demand

99.96 ASAI - Percentage of time electricity was available to customers

25 km - of 35 Kv transmission lines and 636 km of 12.5 kV distribution line

164 - total number of full-time employees



FORTIS TCI

1

Service

Stores

2

Control

Training

3

Health
& Safety

Recruitment



FortisTCI President and CEO Ruth Forbes.

CEO'S MESSAGE TO STAKEHOLDERS

COVID-19 changed the face of the world in 2020. We saw the rapid spread of a health crisis turned global pandemic that has had a massive impact— effects that very few could have predicted. In energy, we were not immune. In fact, very early on, the World Economic Forum said that COVID-19 had “put a spotlight on vulnerabilities as the global energy system has been destabilized.” This assessment was fraught with concerns that the global economy had hit a full stop, and the fears were warranted.

Despite the gloomy outlook and genuine financial impact of the pandemic, what I witnessed in the world of energy was a sector – resilient as ever, adequately responding to yet another crisis. Underpinning this response was a recognition that the product we provide is always vital – to homes, hospitals, supply chains, governments, and all industries -- and even more so in a public health emergency . The pandemic required a keen focus on health and safety, people, clear and constant communication and decisiveness. Another mainstay of during this time has been technology. If we look at governments, public health authorities, businesses, educational institutions, and even the professional sports industry and consider how they have weathered the challenges of COVID-19, technology is an integral part of their response. At FortisTCl, our digitalization plans were greatly accelerated. The use of technology, and an agile team response ensured that we stayed connected with our employees and customers during national lockdowns and while working remotely, adhering to the best public health guidelines. The company added third-party payment centers across the islands and enhanced the customer web portal 'My Online Account' to make account management more convenient. In addition, the company's website (www.fortistci.com) was transformed into a virtual customer service center in a matter of months, enabling quick response to any existing or new customer requests.

To follow up on how we were doing in a year of so much change, we sought your feedback through our independently carried out Annual Customer Satisfaction Survey. Overall, based on your response, we achieved an 80% customer satisfaction rating. Our Customer Service Committee is now reviewing all of your comments to identify areas of improvement so that we can serve you even better.

Maintaining the health and safety of our people and our customers, and playing our part in mitigating the spread of coronavirus was at the forefront of all our decisions. We accomplished this while providing one of the most reliable electricity services in the Caribbean region, achieving a 99.96% Average System Availability Index (ASAI), making sure you had electricity when you needed it most.

We were equally focused on our safety performance in 2020 and despite many operational adjustments necessitated by the pandemic, we have reason to be proud of our record in this area. There were no lost time accidents for the entire year, and at the end of December, the company had a running total of 686 days without a lost-time accident. I am incredibly proud of the team's commitment to safety. Our shared goal remains the same – ensuring that at the end of every day, each employee goes home to their family the same way they left.

As the World Economic Forum expressed, COVID-19 did have an impact globally, including on the growth of renewable energy. However, FortisTCl continued its drive to integrate more renewable energy to its grid and in 2020 signed four new Utility Owned Renewable Energy (UORE) contracts with international brands such as The Ritz-Carlton, and major players in TCl tourism and business sectors, like H2O Lifestyle Resorts, Graceway Sports Center and Engineering Design Services Ltd. These partnerships will add more than 600 kW of distributed grid-tied rooftop solar PV, in addition to the 1 MW solar project planned across the islands. The company also announced early in 2020 a unique EV and charging station project with The Shore Club and Grace Bay Car Rental offering eco-friendly transportation options to tourists.



Energy Production Engineer 1 TeAndra Thomas (left) discusses plant maintenance and her role with Governor Nigel Dakin, along with FortisTCI President and CEO Ruth Forbes (right) and Vice President of Engineering, Energy Production and Delivery Don Forsyth (back).



In 2020 FortisTCI signed a Memorandum of Understanding with tourism partners The Shore Club and Grace Bay Car Rentals to provide electric vehicles and an EV infrastructure for the tourism sector. Pictured along with FortisTCI senior executive at the signing are Grace Bay Car Rentals Owner and CEO Todd Foss, and Hartling Group/Shore Club Chief Executive Officer Stan Hartling.



Director of Energy Production Alvejes Desir (center) explains the technology behind FortisTCI's state-of-the-art control room to Governor Nigel Dakin. Also pictured is Plant Operator 1 Perez Lightbourne.

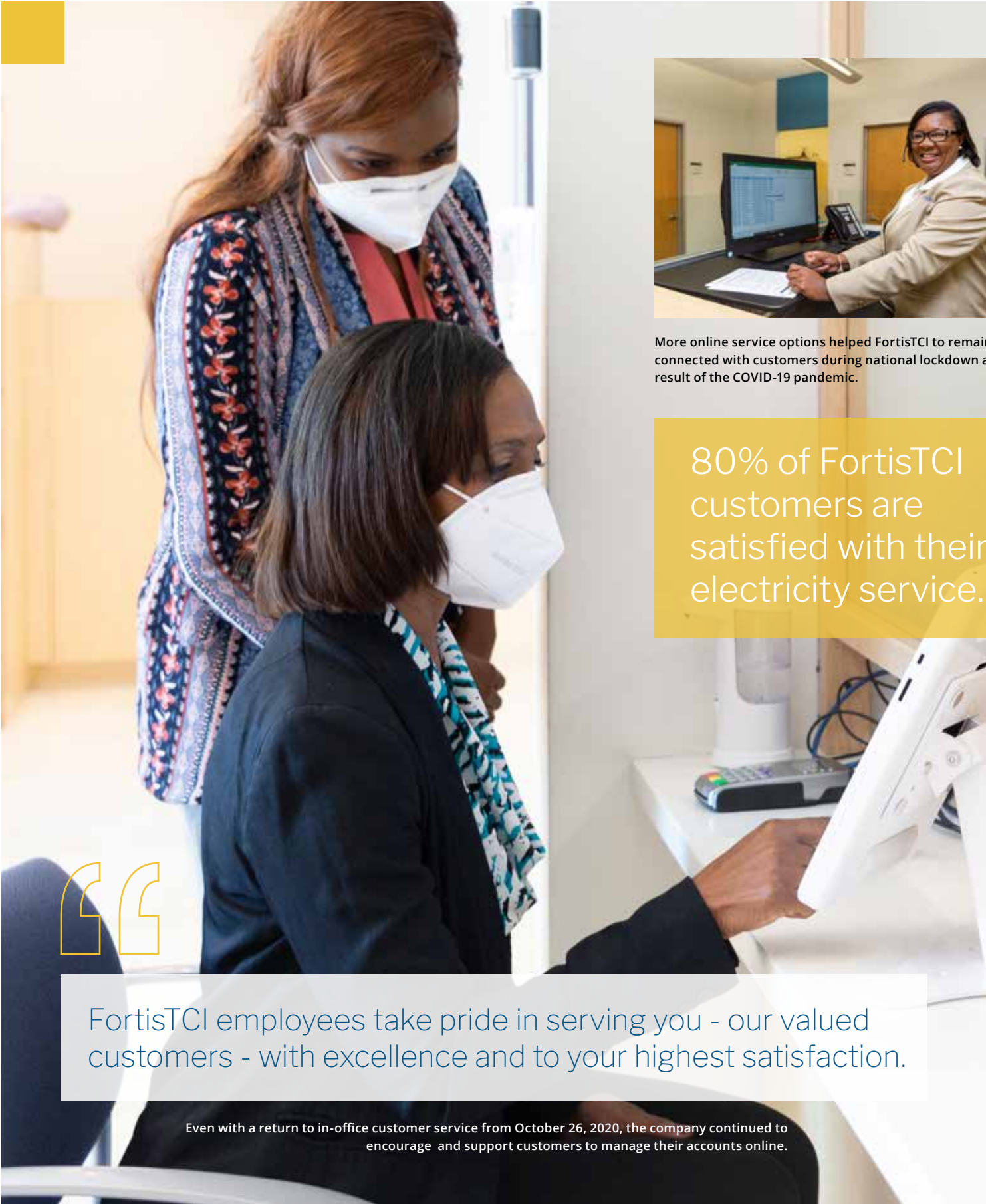
Perhaps one of the most significant FortisTCI milestones of 2020 was the retirement of former President and CEO Eddinton Powell, who faithfully served in the energy sector for nearly 40 years, including 13 of those years at the helm of FortisTCI. Mr. Powell was a mentor to many during his tenure and a giant of a leader whose expertise resides with the team he has prepared to take on the future.

The impact of the pandemic on the economy of the Turks and Caicos Islands and on the company's finances leaves us with much work to do to return to financial health and achieve long-term sustainability. By my assessment, we are well placed to make great strides. At FortisTCI, our aim is to become more resilient by working with the government to enhance energy sector regulations, to inspire innovation in our projects and business plans, to build stronger partnerships with people – our employees, customers and key stakeholders, and to use sustainability as a driver of operational excellence and durability. These efforts will collectively help us achieve the objectives set out in the jointly develop Resilient National Energy Transition Strategy (R-NETS) and our vision of Transforming Energy in the Turks and Caicos Islands.

I am excited for what is ahead for us at FortisTCI, and for the new and innovative ways we will continue to serve as your partner in all things energy.

Ruth Forbes

FortisTCI President & CEO



More online service options helped FortisTCl to remain connected with customers during national lockdown as a result of the COVID-19 pandemic.

80% of FortisTCl customers are satisfied with their electricity service.



FortisTCl employees take pride in serving you - our valued customers - with excellence and to your highest satisfaction.

Even with a return to in-office customer service from October 26, 2020, the company continued to encourage and support customers to manage their accounts online.

OUR CUSTOMERS

2020 was a challenging year for many, and FortisTCI worked hard to provide additional ways to meet customer needs, keeping excellence, convenience and safety in mind. Customer service centers were closed from March to October to help reduce the spread of COVID-19. However, the Company expanded its payment options to include third-party payment locations offering extended operating hours.

COVID-19 also accelerated the digital transformation of services, as lockdowns increased the demand for online and remote assistance. The Company's website became a virtual customer service center with new options for completing service requests. Everything from new connections, disconnection, processing payment plans and scheduling virtual appointments became available at www.fortistci.com.

The number of customers taking advantage of the services through the Company's 'My Online Account' web portal also drastically increased. The Web Portal provides customers the convenience of making payments online, setting notifications for consumption limits and tracking daily consumption patterns to manage energy usage. These initiatives form the foundation for the FortisTCI digital service expansion plan to make interactions more convenient and efficient.

FortisTCI values customer feedback and incorporates your thoughts in the Company's ongoing efforts to enhance services and meet your needs. FortisTCI was pleased to learn that despite the challenges of 2020, based on feedback obtained through the 2020 Customer Satisfaction Survey, 80% of customers are satisfied with the level of service we provided.

We remain committed to delivering safe and reliable electricity to your homes and businesses and promise to make prudent investments in people and technology that will meet your energy needs today and every day.

OUR PEOPLE



“At FortisTCI, our people are valuable resources that make the operation run seamlessly to meet external stakeholder needs.”



Main photo:
Senior Maintenance Technician Mathew Williams and the Facilities Management team carried out extensive office retrofitting work during 2020 to ensure work spaces were safe from COVID-19.

Top photo:
Inclusion and diversity, and employee engagement were strongly in focus in 2020. An employee engagement survey conducted in October 2020, resulted in an overall engagement score of 80% and a participation rate of 82%.

Bottom photo:
In celebration of the company's diverse workforce, FortisTCI hosted 'International Cuisine and Culture Day on November 24. Here, the Grand Turk team showcased food from TCI, Jamaica, Haiti and the Philippines.



Training and Development

Before the onset of the coronavirus pandemic, 2020 began with a focus on the changing utility industry driven by new technologies. It is a recognition that across the globe that a low carbon future was central to minimize climate change. Understanding the impact our ever-evolving industry has on people in the workplace, FortisTCI embarked on an education program for all employees titled, **'Transforming our Energy – A Guide to Understanding How the Utility Industry is Changing.'** The program consists of a series of sessions that provide employees with a broad overview of global and regional industry trends and puts into context FortisTCI's strategic vision of **'Transforming Energy in the Turks and Caicos Islands.'**

The series will continue in 2021, focusing on the importance of a modernized regulatory framework, the integration of more renewable energy, battery storage, electrification of transportation and meeting the Resilient National Energy Transition Strategy (R-NETS) goals, to name a few.

As the Company moved away from traditional, face-to-face learning and new modes of interacting were adopted using virtual technologies for meetings and training, FortisTCI cultivated a new, 'digital' learning environment and culture for its employees.

One new addition to the Company's learning environment in 2020 was the use of Open Sesame. This online platform provides a customizable, comprehensive catalog of learning courses from the world's top publishers.

Scholarships

In 2020, Geographic Information Specialist Todiriko Saunders was awarded a full scholarship to continue studies towards a Bachelor of Science degree in Geographic Information System Technology at the University of Arizona in Tucson, Arizona.

Todiriko began his career at FortisTCI in 2011 as T&D Planner and is currently the company's only GIS Specialist. Successful completion of the degree program will enable him to expand the FortisTCI GIS program and optimize new technologies to improve T&D asset management, mapping, line design, engineering, outage management, and customer response.

THRIVE – An E.A.P. Initiative

Ensuring the mental, physical, emotional and financial health of employees was critical during 2020. The year challenged even the most resilient of persons. Several employee initiatives were coordinated through the Company's employee assistance program THRIVE, including wellness and the Social Club activities. During the year, FortisTCI collaborated with the Turks and Caicos Islands Department of Mental Health to hold virtual workshops and seminars on various topics relevant to maintaining individual wellness and coping with COVID-19 and its impacts.

The Social Club worked to keep team members engaged with socially distanced fun, hosting various activities like bingo, karaoke, and bible studies. Each event allowed for high levels of interaction. Human Resources and the Social Club also hosted virtual birthday and anniversary celebrations with staff to keep everyone connected.

Inclusion and Diversity

FortisTCI promotes inclusion and diversity within its operations and embraces the differences among its people as strengths. The Company took a moment to celebrate diversity at FortisTCI, in a COVID-19 compliant environment on November 24, hosting its first International Cultural and Cuisine Day. Employees representing 13 countries displayed their national history, music, food and dress. The event was a success and helped build connections among employees.

Employee Engagement

An Employee Engagement Survey was conducted in October 2020. The Company achieved a participation rate of 83%, a 21% increase, and an overall engagement score of 80%. Top performing categories were safety and the company's response to COVID-19, both with scores that exceeded 90%.



Main Photo:
A three-year sponsorship agreement signed with the Turks and Caicos Islands Football Association will expand youth football across the islands and introduce the FortisTCl Elite Youth League competition.

Bottom left:
Substation Technician III Quinby Hall engages students in an electricity safety demonstration at the Enid Capron Primary School Careers Day expo in February 2020.

Bottom middle:
Holy Family Academy, winners of the inaugural 'President's Award' for innovation share their moment with TCI Premier Hon. Sharlene Cartwright-Robinson (left), FortisTCl executives and representatives from the Department of Education.

"Behind everything we do at FortisTCl is an enduring commitment to the communities we serve. With a focus on youth, education, sports and culture, and through stakeholder partnerships, charitable outreach and engagement, we support a wide range of programs and activities that help to develop and sustain our communities."



COMMUNITY



The impact of the COVID-19 pandemic was widely felt across the company's community outreach programs in 2020, with the usual full calendar of events cancelled due to public health measures and national lockdowns. Among the casualties were major events such as the annual Spring Fun Walk/Run, youth football programs, the annual History and Cultural Heritage Quiz, the TCSPCA Dog Show and activities in support of the National Cancer Society.

Employee volunteer hours were similarly curtailed; however FortisTCI employees ended the year with over 727 hours donated to charitable causes, in many cases, through virtual support, given COVID-19 stipulations.

The Top 10 volunteers earned 136.5 community hours through a range of activities including working with the National Trust, serving as Girl's Guide and Brownies leader, hosting fitness classes, and coaching youth basketball programs. Some worked with the Rotary Club, providing laptops and tablets for distribution to students across the islands. Heeding a call for tablets and other devices to support online learning, Vice President of Grand Turk and Sister Islands Operations, Allan Robinson generously donated 23 tablets to assist students on Grand Turk.

Among the notable successes during 2020 was the 10th Annual FortisTCI Science and Technology Fair, held March 4-5, just ahead of COVID-19 lockdowns. With 22 science projects on display from primary and high schools, the Science Fair recorded one of the strongest participations in years. The introduction of a President's Award for "outstanding creativity, innovative thinking and skillful execution in scientific pursuit" brought added competitive appeal to the event.

The announcement of a three-year partnership with the Turks and Caicos Football Association (TCIFA) was another highpoint of community outreach in early 2020. With a \$40,000 per annum commitment to youth football development, the company's support enables the TCIFA to launch an Elite Youth Football League through which players can be selected to represent the TCI in international football competitions, in addition to boosting the domestic competition at the grassroots level.

ENVIRONMENT, HEALTH & SAFETY



“Safety is a top priority at FortisTCI, which is amply demonstrated by employee commitment to the company’s environmental, health and safety management systems, and a strong safety culture.”

FortisTCI’s Environmental, Health and Safety Management System (EHSMS) and Business Continuity Management System (BCMS) provided the framework for the company to respond to, and manage the COVID-19 pandemic throughout 2020. The EHSMS enabled the implementation of a series of protocols and other monitoring and reporting mechanisms to ensure the health and safety of all staff, and in particular, frontline workers.

At the start of 2020, the company held its annual Safety Summit with over 100 employees from high and medium risks groups in attendance. The summit provided an opportunity to analyze the previous year’s data and incidents.

The first Personal Protective Equipment (PPE) Audit was conducted during the year, and sub-committees were established to assist with reviews of near misses, an important element in the team’s learning and development. The annual di-electric testing was successfully conducted across the service territory for all equipment used in the building and maintenance of the company’s electrical systems.

In keeping with the EHSMS requirements, several internal and external audits were conducted, including a compliance audit. Overall, the audit found that the culture of safety and environmental stewardship continues to mature. There were marked examples of engagement in maintaining the 5S program and workplace inspections among employees in all islands sampled. Employee participation in these areas freed up management oversight to address more strategic issues, such as implementation of leading indicator activities for EHS improvement.

A survey to assess the FortisTCI safety culture on the Maturity Model marked another milestone for the EHS department in 2020. The assessment revealed that the FortisTCI is at Engagement Level on the Safety Maturity Model. Engagement in the Maturity Model is defined as:

- Frontline employee engagement and participation in safety processes
- Teamwork building
- Leadership and peer-to-peer coaching
- Proactive working environment

Using the EHSMS, the company successfully discharged fuel using above ground hoses from ship to tank, on the Island of Grand Turk without any spill.

As a continued measure in the company’s environmental stewardship, in 2020 FortisTCI recycled 37,200 US gallons of oil and 31,797 or (35.05 US tons) of scrap metal. These items were shipped to the United States, to a recycling facility certified to reprocess scraps responsibly. Environment, health, and safety remain the highest priority at FortisTCI, and continuous improvement a very valued approach.

OTHER NOTABLE ACHIEVEMENTS

- **686** DAYS WITHOUT A LOSS TIME ACCIDENTS AT YEAR END 2020
- **ALL** INJURY FREQUENCY RATE (AIFR) OF **0**
- **80%** REDUCTION IN THE NUMBER OF OIL SPILLS AND A **96.7%** REDUCTION IN THE VOLUME OF FUEL AND OIL SPILLS OVER 2019 NUMBERS
- **68.4%** REDUCTION IN VEHICLE ACCIDENTS OVER 2019
- **67** EHS AUDITS AND WORKSITE INSPECTION
- **64** EHS SAFETY AND DEPARTMENTAL MEETINGS
- **536** TRAINING HOURS
- **243** EHS TRAINING PARTICIPANTS

Main photo:
Senior EHS Coordinator Eustace Musgrove conducts safety inspections of fire equipment at FortisTCl's Providenciales plant.

Top photo:
Frontline workers at FortisTCl were honored with the Green Ribbon Safety Award in December 2020. Pictured (L-R) are Laborer Ivan Hall, Security Shift Leader Ladonna Basset, and Supervisor of Lines Gregory Thomas, with President and CEO Ruth Forbes who presented the award.

Bottom left:
Senior EHS Officer Rikardia Pardo (left) and EHS Coordinator Ariel Clare (right) carry out equipment safety inspections in the presence of Works Methods Specialist Walter Wilson.

Bottom right:
Fire safety training is conducted annually at FortisTCl. Here, Mechanical Maintenance Supervisor Joselito Dadole (left) demonstrates proper use of the fire extinguisher, under the watchful eyes of Senior EHS Coordinator Eustace Musgrove (center) and Superintendent Plant Control Franklyn Been



CAPITAL PROJECTS

The COVID-19 pandemic played a significant part in the management of various capital projects in 2020.

Grand Turk Fuel Delivery Line Replacement Project

Replacement of the aging, buried fuel line that delivers fuel from the barge to the fuel tanks at the Grand Turk plant, was high on the agenda for capital projects in 2020, after a number of corrosion-induced leaks were found on the line and repaired.

The use of the old fuel line was discontinued in November 2019, and from December 2019, a contingency plan developed with fuel supplier was activated and fuel transfer from the fuel barge to the Grand Turk bulk storage tanks was carried out using temporary above-ground fuel hoses.

The replacement project experienced delays due to travel restrictions associated with the pandemic. Once travel restrictions were lifted, the project team from CAPE Caribbean Ltd. arrived on island and the project construction phase began in early December, with project completion slated for the end of the first quarter of 2021.

Lower Bight Rebuild

A project to rebuild and upgrade the transmission and distribution (T&D) lines along the Lower Bight Road in Providenciales was initiated during the year.

The project served to transition overhead infrastructure to the new construction standards, for improved reliability and resiliency, and to improve T&D capacity to accommodate imminent load growth in the Lower Bight and Grace Bay areas. The circuit length comprises four miles.

At the end of 2020, 100 poles of a total of 110 were installed, and 20% of circuit length completed. The remainder of this project was deferred to 2021 due to the pandemic.

The Ritz-Carlton Service Connection

All construction and equipment installation work related to The Ritz-Carlton Resort, which is being built on Grace Bay, Providenciales, were completed during the year. The resort, which is expected to become one of FortisTCI's largest customers has access to its full capacity as per design.

Grace Bay Substation Switchgear Upgrade Project

A major upgrade of the Grace Bay Substation Distribution Switchgear began in 2020.

The project is the first phase of a multi-year project to rebuild and upgrade the substation with dead-front metal clad switchgear and larger capacity transformers. This substation provides the distribution capacity for Grace Bay, Leeward, Long Bay and surrounding areas in Providenciales.

As at end of the year, the switchgear was manufactured and ready to be shipped pending final Factory Acceptance Testing. Civil works for the switchgear began, with expected completion to meet delivery of the equipment in early 2021. Installation, testing and commissioning is expected to be completed by end of the second quarter of 2021.

“Our capital projects are underpinned by strategic investments, to ensure delivery of a reliable, sustainable, and environmentally responsible energy future for TCI.”



Main photo:
Director of Energy Production Alvejes Desir inspects part of the fuel pipeline installation on the island of Grand Turk.

Photos at right

Top:
A barge delivers diesel fuel to the dock, which is then transported via underground pipeline, for energy production at FortisTCI's Grand Turk plant.

Bottom:
From the dock to the Grand Turk plant, a section of the new pipeline that makes fuel delivery an environmentally safe process.



Main photo:
Substation Technician III Quinby Hall completes an inspection
of one of the electrical rooms at the Providenciales plant.

Photo at left:
Lineman Foreman Kavin Ewing works on the transmission
and distribution lines on Providenciales.

“FortisTCI prides itself on delivering a reliable electricity service to customers, and with an average system availability index of 99.96% in 2020, is a leader among Caribbean utilities.”

RELIABILITY

The reliability performance of 2020 was a significant improvement over 2019. A few widespread outages occurred, but were resolved expeditiously, and therefore did not have significant impacts on the customer experience, nor the IEEE 2.0 based indices used to measure grid reliability.

FortisTCI ended the year with an Average System Availability Index (ASAI) of 99.96% and System Average Interruption Duration Index (SAIDI) of 3.19 Hours per Customer.

The strong improvement in reliability performance is underpinned by several investments the company has made over the years. These include replacement of a 35 kV switchgear at the Providenciales plant and completion of an auto recloser installation project. Updated T&D construction standards and practice, and improved asset inspection and management programs at the various plants on the islands have also served to enhance reliability. There were also engineering initiatives which modified the under frequency load shedding scheme at the Providenciales plant, and ongoing engineering study to optimize plant stability.

The company's pursuit of conformance to the ISO 55001 Asset Management Standard is also a major factor in its reliability improvement program.

The reliability performance in 2020 is especially significant, given the occurrence of two tropical weather systems during the year, and with the challenges associated with the COVID-19 pandemic, which impacted operations at various times.



RENEWABLE ENERGY

A 271.7 kW solar PV installation at Graceway Sports Center in Providenciales is among four UORE contracts FortisTCI signed in 2020. These grid-tied installations will generate approximately 605.2MWh annually.



Transforming Energy in the Turks and Caicos Islands is creating a reliable, resilient and sustainable energy future.

The integration of more renewable energy using solar PV continued during 2020, in an effort to meet targets established in the Turks and Caicos Islands Resilient National Energy Transition Strategy (R-NETS) set by FortisTCl and the Turks and Caicos Islands Government in 2019. The ultimate goal is to develop an energy future for the Turks and Caicos Islands that is least-cost, reliable, resilient, and environmentally sustainable.

The company signed four Utility Owned Renewable Energy Program (UORE) partnership contracts in 2020 that will be commissioned in 2021. FortisTCl also signed an agreement for a distributed grid-tied rooftop installation in July with The Ritz-Carlton Hotel and Residences, one of TCl's newest luxury properties under construction for a 210.6 kW solar PV system. The three additional partnership contracts include Graceway Sports Center, H2O Life Style Resort, and Engineering Design Services Ltd., which together will add 407.4 kW once installed.

As of December 31, 2020, UORE installations accounted for 2.7 GWh, helping the company and the country avoid approximately 2,130 tons of CO₂ emissions. The company also had 13 partners through its UORE program, with ongoing efforts to increase the uptake of renewable energy across the Turks and Caicos Islands.

FortisTCl also concluded its 18-month integrated solar plus battery pilot project focused on behind-the-meter energy storage data storage during the year. The company also extended its electric vehicle and charging station pilot project to include tourism sector partners The Shore Club, one of TCl's luxury properties on Providenciales, and Grace Bay Car Rentals, which will bring a unique offering to TCl visitors in 2021 and play a part in the electrification of transportation locally.

These 2020 projects helped advance renewable energy and provide supporting project design in line with the R-NETS. They also serve to guide the modernization of TCl's regulatory framework in the year ahead as the company aims to undertake even more clean energy and sustainability projects.

Board of Directors



Richard Hew, Director
Caribbean Utilities Company,
President and CEO



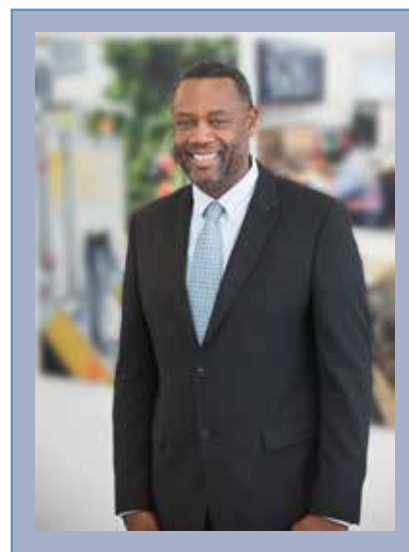
Eddinton Powell, Director
FortisTCI, President and CEO
(to August 1, 2020) and
Strategic Advisor to the Board
(August 2 to December 31, 2020)



Ruth Forbes, Director
FortisTCI President and CEO
(effective August 2, 2020)



Gary Smith, Chairman
Fortis Inc., Executive Vice President
of Eastern Canadian and Caribbean
Operations



Lynn Young, Director
Belize Electric Company,
President and CEO

Executive Team



(L to R)

Devon Cox - Senior Vice President of Operations and Assistant Corporate Secretary

Aisha LaPorte - Vice President of Finance, Corporate Services and CFO

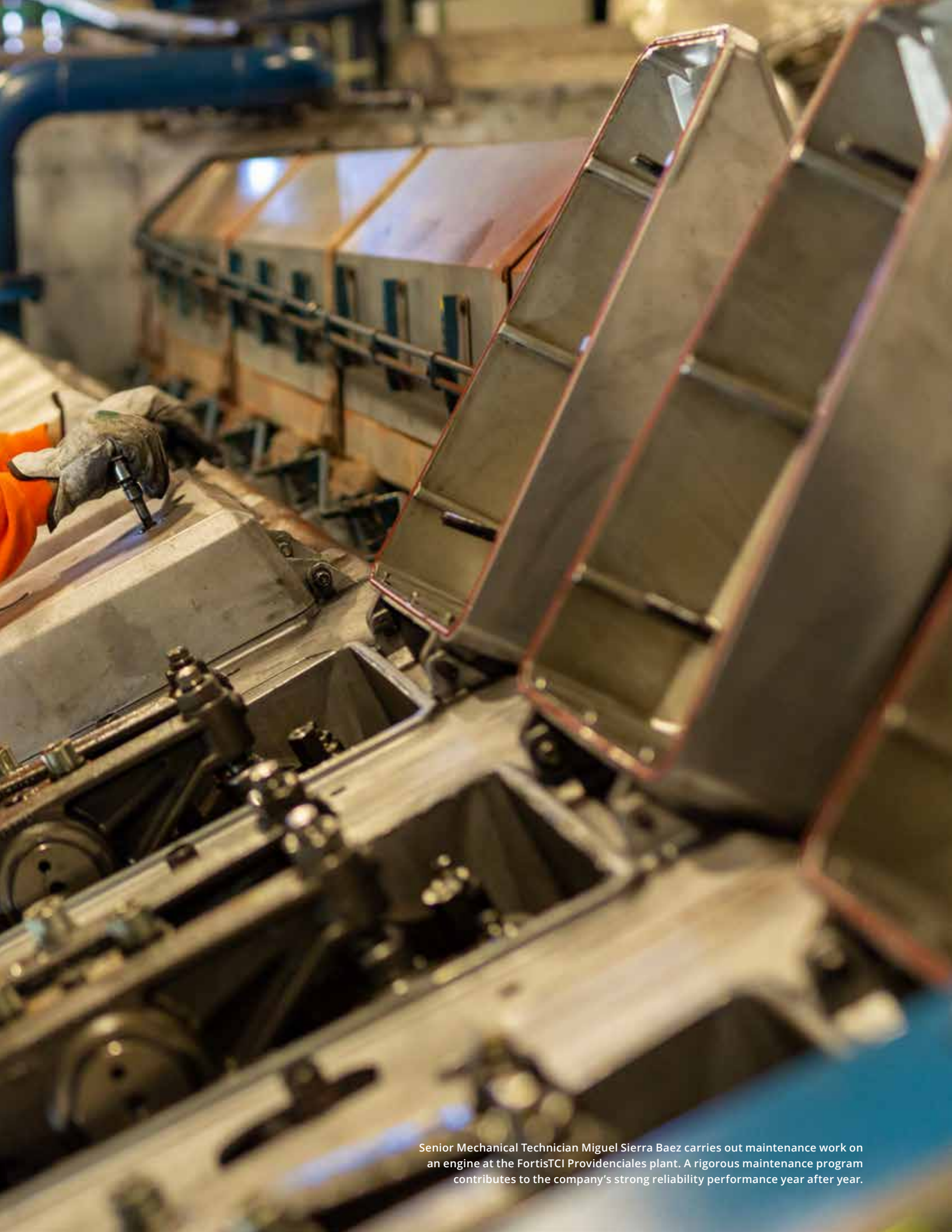
Ruth Forbes - President and CEO

Allan Robinson - Vice President of Grand Turk and Sister Islands Operations

Rachell Roulet - Vice President of Innovation, Technology and Strategic Planning

Don Forsyth - Vice President of Engineering, Energy Production and Delivery





Senior Mechanical Technician Miguel Sierra Baez carries out maintenance work on an engine at the FortisTCI Providenciales plant. A rigorous maintenance program contributes to the company's strong reliability performance year after year.



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