

June 18, 2025

Dear SaskPower Employee,

I am writing to inform you that the Government of Saskatchewan has made the decision that SaskPower's coal-generating power assets will be life-extended as we bridge to nuclear baseload power generation. I know that the hard-working teams in these facilities have been subject to considerable uncertainty and earlier this year, I had committed to you that the Province would provide you with an answer prior to July 1, 2025. That commitment is being kept. You also deserve to know the detailed reasons why your government came to this decision.

SaskPower is projecting that power demand will massively increase over the next two decades. Our government has decided upon an all-of-the above approach to meeting this unprecedented demand growth. To that end, we have added hundreds of megawatts of new renewable power generation, new natural gas plants, and biomass. This is in addition to our already existing hydro and other assets.

We have also made the strategic decision that our priorities going forward will be reliable and affordable power generation along with energy security. This led to a fundamental reconsideration of the future role of coal in our system. Saskatchewan people own our coal resource, which we are blessed with in enormous quantities. We know that we will have access to it. The certainty and security of coal means that it will continue as a pillar of our electrical generation system as we bridge to a nuclear future powered by Saskatchewan uranium.

Owing to the generations of professionalism, care, and expertise of SaskPower employees - our coal plants are in remarkably viable condition given their age. Over the past eight years, the availability of our coal units has averaged between 78 per cent and 87 per cent. By way of comparison, on average, intermittent renewable generation assets typically produce energy to their full potential between 19 to 31 per cent of the time. Renewables play an important role in our grid, and they will continue to, but they are no substitute for baseload generation.

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Some have argued that the federal government has the authority to mandate the shutdown of our coal plants. The Government of Saskatchewan has been very clear in this regard: the federal government has no standing in this discussion. The Constitution is explicitly clear with Section 92A giving exclusive authority to the province to make laws in relation to the development, conservation and management of sites and facilities for the generation and production of electrical energy. We have also been clear that we do not recognize the legitimacy of the federal Clean Electricity Regulations. In fact, the Saskatchewan First Act Tribunal estimated that compliance with the original Clean Electricity Regulations would cost the province \$7.1 billion in economic growth, lead to the direct loss of at least 4,200 jobs, and there would be an \$8.1 billion negative effect on Saskatchewan's exports.

The Government of Saskatchewan remains committed to the goal of a net zero grid by 2050. But this must be done responsibly and be based on the deployment of nuclear generating assets fueled by uranium mined in our province. We have been working diligently on the options that exist in this space including partnering with the Governments of Ontario, Alberta, and New Brunswick on small modular reactor (SMR) development. We have also committed to examining the viability of large nuclear generation potential. We very much invite the federal government to be our partner as we move through this process.

Saskatchewan is demonstrating how economic growth and environmental responsibility go hand in hand. Our government has been deeply committed to the development of the most sustainable resource production in the world and SaskPower has played an important role in that. With cutting edge carbon capture, utilization, and storage (CCUS) technologies at Boundary Dam 3, we've already sequestered nearly seven million tonnes of CO₂.

Combining CCUS with enhanced oil recovery results in 82 per cent fewer emissions than traditional oil and gas extraction. As suppliers of 37 per cent of the world's potash in 2022, our underground potash mines produced only half the emissions of other jurisdictions. The province's forest management practices are enhancing climate resilience, while innovative agricultural approaches are boosting yields and strengthening climate adaptation. By adhering to policies that serve our residents, industry and natural ecosystems, Saskatchewan is building towards a more sustainable world.

Context is also important. SaskPower will be life extending up to approximately 1500 MW of coal assets while also investigating the viability of additional carbon capture and storage.

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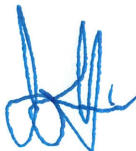
Other jurisdictions around the world are refurbishing coal plants that are many times that size. China alone approved approximately 70 GW of new coal capacity just last year.

The Government of Saskatchewan is going to be realistic in not compromising the reliability, affordability and security of the power grid when we are already making such significant contributions to environmental sustainability. Other announcements will be coming in due course as we chart our path based on the principles of reliability, affordability, and energy security. This will include grid enhancements, new generation projects, and significant investments in SaskPower's future. This decision will position Saskatchewan at the center of the North American energy grid with options for export and for the potential attraction of new investments that are large scale users of electricity.

Work will begin this year to restore Boundary Dam 4 to service and be re-certified. Further investments will be made in long-lead items as a part of the life extension project. In the years to come, all coal units at Boundary Dam, Poplar River and Shand will receive the work necessary to extend the life of those units.

I want to thank the municipal leadership in the Estevan and Coronach regions for their strong support and partnership as we have worked through this process. I also want to sincerely thank IBEW and the United Mine Workers for their direct input, engagement, support, and the technical expertise that they have provided to the government. I believe that this decision will ensure that our local communities remain vibrant regions to live, work and raise a family in for decades to come.

I want to genuinely thank you, the employees of SaskPower, for your service and commitment to powering our province. Having seen firsthand the work you do every day, I want to convey my deep respect and admiration. We have an amazing future in front of us and SaskPower will be an integral part of building that future!



Jeremy Harrison
Minister of Crown Investments Corporation
Minister Responsible for SaskPower