



## **Bullfrog Power Green Energy Audit Report – 2018**

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## Auditor's Report

### To the Management of Bullfrog Power Inc.:

We have audited the following twenty-eight assertions made by management of Bullfrog Power Inc. ("the Company") as at May 31, 2019:

#### Sale of Green Electricity and Green Electricity Certificates

1. The Company acquired sufficient green electricity and Green Electricity Certificates from ECOLOGO® certified generation facilities to satisfy its green electricity and Green Electricity Certificate sales to its customers, including Bullfrog powered events, during the twelve month period ended December 31, 2018. Green Electricity Certificates represent the environmental benefits associated with producing ECOLOGO® certified electricity and injecting into the electricity grid.
2. Green electricity and Green Electricity Certificates acquired by the Company included the rights to the environmental benefits, and the generators, pursuant to their obligations to the Company and under ECOLOGO® certification, have retained no claim or assertion of rights to such environmental benefits.
3. All Green Electricity Certificates acquired by the Company to meet its 2018 sales have been retired by the Company on behalf of its customers. The ECOLOGO® UL 2854 (formerly CCD-003): Renewable Low-Impact Electricity Products standard provides a vintage requirement for the retirement of Green Electricity Certificates. All Green Electricity Certificates were retired in compliance with the ECOLOGO® standard.
4. All of the Green Electricity Certificates sold and retired on behalf of its customers met the Quality Criteria (specifically #1-5,7) as specified in the Greenhouse Gas Protocol Scope 2 Guidance document issued by the World Resource Institute (January 2015).
5. All of the Green Electricity Certificates sold and retired on behalf of its customers were sourced from new ECOLOGO® certified low-impact renewable facilities.
6. For each Green Electricity Certificate sold and retired on behalf of its customers during the twelve month period ended December 31, 2018 the Company calculated the estimated emission reduction per MWh to be greater than the Canadian average carbon dioxide consumption intensity of 0.150 tonnes per MWh as published in the Environment Canada, National Inventory Report (1990 – 2016), Part 3, p 63.

The following sections identify the green electricity and Green Electricity Certificate mix for standard customers in each of the Regions in which Bullfrog Power operated during the twelve month period ending December 31, 2018.

### **Alberta**

7. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in Alberta by the Company:
- 54.49% of the renewable electricity was generated by low-impact water generation facilities, and 45.51% of the renewable electricity was generated by wind generation facilities.
  - 100% of the renewable electricity was injected onto Alberta's provincial power pool.

### **British Columbia**

8. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in British Columbia by the Company:
- 54.49% of the renewable electricity was generated by low-impact water generation facilities, and 45.51% of the renewable electricity was generated by wind generation facilities.
  - 100% of the renewable electricity was injected onto British Columbia's provincial power pool.

### **Manitoba**

9. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in Manitoba by the Company:
- 62.5% of the renewable electricity was generated by low-impact water generation facilities, and 37.5% of the renewable electricity was generated by wind generation facilities.
  - 100% of the renewable electricity was injected onto Manitoba's neighbouring provincial power pool.

### **Newfoundland**

10. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in Newfoundland by the Company:
- 100% of the renewable electricity was generated by wind generation facilities, and 0% of the renewable electricity was generated by low-impact water generation facilities.
  - 100% of the renewable electricity was injected onto Newfoundland's neighbouring provincial power pool.

### **New Brunswick**

11. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in New Brunswick by the Company:

- 100% of the renewable electricity was generated by wind generation facilities, and 0% of the renewable electricity was generated by low-impact water generation facilities.
- 100% of the renewable electricity was injected onto New Brunswick's provincial power pool.

### **Northwest Territories**

12. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in Northwest Territories by the Company:
- 62.5% of the renewable electricity was generated by low-impact water generation facilities, and 37.5% of the renewable electricity was generated by wind generation facilities.
  - 75% of the renewable electricity was injected onto Northwest Territories' neighbouring provincial power pool and 25% was injected onto other provincial electricity grids across Canada.

### **Nova Scotia**

13. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in Nova Scotia by the Company:
- 100% of the renewable electricity was generated by wind generation facilities, and 0% of the renewable electricity was generated by low-impact water generation facilities.
  - 100% of the renewable electricity was injected onto Nova Scotia's provincial power pool.

### **Nunavut**

14. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in Nunavut by the Company:
- 62.5% of the renewable electricity was generated by low-impact water generation facilities, and 37.5% of the renewable electricity was generated by wind generation facilities.
  - 75% of the renewable electricity was injected onto Nunavut's neighbouring provincial power pool and 25% was injected onto other provincial electricity grids across Canada.

### **Ontario**

15. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in Ontario by the Company:
- 90.65% of the renewable electricity was generated by wind generation facilities, and 9.30% of the renewable electricity was generated by low-impact water generation facilities.
  - At least 86% of the renewable electricity was injected onto Ontario's provincial power pool and 14% was injected into other provincial electricity grids across Canada.

### **Prince Edward Island**

16. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in Prince Edward Island by the Company:

- 100% of the renewable electricity was generated by wind generation facilities, and 0% of the renewable electricity was generated by low-impact water generation facilities.
- 100% of the renewable electricity was injected onto Prince Edward Island's provincial power pool.

### **Quebec**

17. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in Quebec by the Company:

- 0% of the renewable electricity was generated by low-impact water generation facilities, and 100% of the renewable electricity was generated by wind generation facilities.
- 100% of the renewable electricity was injected onto Quebec's provincial power pool.

### **Saskatchewan**

18. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in Saskatchewan by the Company:

- 100% of the renewable electricity was generated by wind generation facilities and 0% of the renewable electricity was generated by low-impact water generation facilities.
- 100% of the renewable electricity was injected onto Saskatchewan's provincial power pool.

### **Yukon**

19. Of the Green Electricity Certificates sold to and retired on behalf of its customers located in the Yukon by the Company:

- 62.5% of the renewable electricity was generated by low-impact water generation facilities, and 37.5% of the renewable electricity was generated by wind generation facilities.
- 75% of the renewable electricity was injected onto the Yukon's neighbouring provincial power pool and 25% was injected onto other provincial electricity grids across Canada.

### Sale of Green Natural Gas Certificates

20. The Company acquired sufficient Green Natural Gas Certificates, sourced from generation facilities that meet strict environmental standards as defined by ICF International, to satisfy its Green Natural Gas Certificate sales to its customers including events, during the year ended December 31, 2018. Green Natural Gas Certificates represent the environmental benefits associated with producing green natural gas and injecting into the national natural gas pipeline system.
21. Green Natural Gas Certificates acquired by the Company included the rights to the environmental benefits, and the producers, pursuant to their obligations to the Company have retained no claim or assertion of rights to such environmental benefits.
22. Of the Green Natural Gas Certificates sold to and retired on behalf of its customers during the year ended December 31, 2018, 30% of the green natural gas was produced at facilities located in Quebec, 50% of the green natural gas was produced at facilities located in Ontario, 20% of the green natural gas was produced at facilities located in Alberta and 100% was injected onto the national natural gas pipeline system.

### Sale of Green Fuel Certificates

23. The Company acquired sufficient Green Fuel Certificates from renewable fuel producers and blenders (the "Participants") registered under Environment Canada's Renewable Fuels Regulations to satisfy its Green Fuel Certificate sales to its customers, during the period ended December 31, 2018. Green Fuel Certificates represent certain environmental benefits, including greenhouse gas emissions reductions, associated with producing renewable fuels and injecting directly into the petroleum fuel pool.
24. Green Fuel Certificates acquired by the Company included the rights to the environmental benefits, and the Participants, pursuant to their obligations to the Company and their registration with Environment Canada, have retained no claim or assertion of rights to such environmental benefits.
25. All of the renewable fuel associated with the Green Fuel Certificates was sourced from facilities whose products meet the definition of renewable fuels by Canada's Renewable Fuels Regulations (SOR 2010-189) under the Canadian Environmental Protection Act 1999, or who produce according to EPA-approved pathways listed under Section 80.1426 of the U.S. Renewable Fuel Standard.
26. Of the Green Fuel Certificates sold to and retired on behalf of its customers during the year ended December 31, 2018:
  - 100% of the renewable fuel was injected into the Canadian petroleum fuel pool
  - 100% of the renewable fuel was produced at facilities located in Canada
27. In aggregate, for the Green Fuel Certificates sold and retired on behalf of its customers during the period, the Company calculated the estimated greenhouse gas emission reduction per litre to be 89.60% as compared to diesel fuel, as calculated by the latest version of the GHGenius model as of January 1, 2018 (version 4.03).



## **Bullfrog Community Renewable Energy Project Financial Support**

28. During the year ended December 31, 2018, the Company committed to provide financial support to community based renewable energy projects and initiatives across Canada by providing grants, project debt financing and/or equity capital in the amount of \$203,935.75 to the following projects and initiatives:

### **Alberta**

Prospect Human Services – Renewable Energy Project

### **British Columbia**

Pacific Orca Society – Renewable Energy Project

Great Climate Race Tsleil Waututh Nation – Renewable Energy Project

### **Manitoba**

Green Action Centre Urban Space (Compost Winnipeg) – Renewable Energy Project

### **Ontario**

The Boundless School – Renewable Energy Project

ZooShare Biogas Co-operative Inc- Education Project

Hiawatha First Nation – Renewable Energy Project

### **Saskatchewan**

Wascana Solar Co-operative – Renewable Energy Project

### **Yukon**

Kluane First Nation – Renewable Energy Project

### **Nova Scotia**

Cunard Street Children’s Centre – Renewable Energy Project

### **Nunavut**

Rankin Inlet – Renewable Energy Project

- The Company’s management is responsible for its assertions and for ensuring product compliance with ECOLOGO® Standards, GHG protocol Quality Criteria and Canada’s Renewable Fuels Regulations (SOR 2010-189) under the Canadian Environmental Protection Act 1999 and Section 80.1426 of the U.S. Renewable Fuel Standard. Our responsibility is to express an opinion on management’s assertion based on our audit.

### **Our independence and quality control**

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have applied the Canadian Standard on Quality Control 1, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our audit was performed in accordance with the Canadian Standard on Assurance Engagements – Attestation Engagements Other than Audits or Reviews of Historical Financial Information, set out in the CPA Canada Handbook – Assurance. Those standards require that we plan and perform our audit to obtain reasonable assurance as a basis for our opinion that management’s assertion is not materially misstated. Our audit included:

1. Obtaining an understanding of the Company’s policies, procedures and controls established to meet Regulations
2. Testing and evaluating evidence to support management’s assertions, and
3. Performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion, management’s assertions as at December 31, 2018 and May 31, 2019 as set forth in the proceeding paragraphs are fairly stated in all material respects.

This report is intended solely for use by the Management of Bullfrog Power and its customers and should not be used for any other purpose.



Chartered Professional Accountants  
Toronto, Ontario

May 31, 2019

# Deloitte.

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