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**News Release  
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## INNERGEX BEGINS COMMERCIAL OPERATION OF THE 25.3 MW BOULDER CREEK HYDROELECTRIC FACILITY

- Contribution to the Corporation's annual revenues and Adjusted EBITDA of approximately \$9.0 million and \$7.5 million, respectively
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**LONGUEUIL, Quebec, May 26, 2017** – Innergex Renewable Energy Inc. (TSX: INE) ("Innergex" or the "Corporation") announces that the 25.3 MW Boulder Creek run-of-river hydroelectric facility located in British Columbia, has begun commercial operation. Innergex owns a 66.7% interest in the hydro facility and Ledcor Power Group Ltd. owns the remaining 33.3%.

"We are extremely proud to announce the commissioning of the Boulder Creek hydroelectric facility, our 18th hydroelectric facility in British Columbia ("BC"). BC is blessed with an abundance of hydro resources that remain largely untapped and our track record shows that when developed properly, we can generate clean and affordable electricity for British Columbians while helping the province and the country achieve their climate change goals," stated Michel Letellier, President and Chief Executive Officer of the Corporation.

The facility is part of the Upper Lillooet River Hydro Project which includes two run-of-river clean energy generation facilities located in the Pemberton Valley: Upper Lillooet River (81.4 MW) and Boulder Creek (25.3 MW). Innergex, in addition to owning 66.7% of the common shares of these two hydroelectric facilities, holds 100% of the preferred shares and therefore receives almost all of the cash flows generated by these facilities.

The 25.3 MW hydroelectric facility is located on crown land, approximately 40 km north of the Village of Pemberton, in the Sea-to-Sky district of British Columbia. Construction began in 2013. The Commercial Operation Date ("COD") Certificate delivered to BC Hydro indicates an effective commissioning date of May 16, 2017.

"This project could not have been done without the expertise and commitment of our dedicated and passionate team who overcame many challenges to ensure the successful completion of this project," Letellier said.

Boulder Creek's average annual production is estimated to reach 92,500 MWh, enough to power more than 8,500 households. In its first full year of operation, it is expected to generate revenues and Adjusted EBITDA of approximately \$9.0 million and \$7.5 million, respectively. All of the electricity the facility produces is covered by a 40-year fixed-price power purchase agreement with BC Hydro, obtained under that province's 2008 Clean Power Call Request for Proposals and which provides for an annual adjustment to the selling price based on a portion of the Consumer Price index.

### **About Ledcor**

The Ledcor Power Group is a subsidiary of the Ledcor Group of Companies, one of North America's most diversified construction companies, serving the building, oil & gas, infrastructure, mining, power, and telecommunications sectors. The Ledcor Group also owns operations in property investment, forestry, aviation, and marine transportation services. The Ledcor Group employs over 7,000 people across 20 offices, and numerous construction sites.

### **About Innergex Renewable Energy Inc.**

The Corporation develops, owns and operates run-of-river hydroelectric facilities, wind farms and solar photovoltaic farms and carries out its operations in Quebec, Ontario and British Columbia, Canada, France and Idaho, USA. Its portfolio of assets currently consists of: (i) interests in 51 operating facilities with an aggregate net installed capacity of 1,063 MW (gross 1,758 MW), including 31 hydroelectric facilities, 19 wind farms and one solar farm; (ii) interests in one project under construction with a net installed capacity of 31 MW (gross 45 MW), for which a power purchase agreement has been secured; and (iii) prospective projects with an aggregate net capacity totalling 3,560 MW (gross 3,940 MW). Innergex Renewable Energy Inc. is rated BBB- by S&P.

The Corporation's strategy for building shareholder value is to develop or acquire high-quality facilities that generate sustainable cash flows and provide an attractive risk-adjusted return on invested capital and to distribute a stable dividend.

### **Non-IFRS measures disclaimer**

*Readers are cautioned that Adjusted EBITDA is not a measure recognized by IFRS and has no standardized meaning prescribed by it, and therefore may not be comparable to those presented by other issuers. Innergex believes that this indicator is important, as it provides management and the reader with additional information about its cash generation capabilities and facilitates the comparison of results over different periods. References in this press release to "Adjusted EBITDA" are to revenues less operating expenses, general and administrative expenses and prospective project expenses. Readers are cautioned that Adjusted EBITDA should not be construed as an alternative to net earnings as determined in accordance with IFRS.*

### **Forward-Looking Information Disclaimer**

*In order to inform readers of the Corporation's future prospects, this press release contains forward-looking information within the meaning of applicable securities laws ("Forward-Looking Information"). Forward-Looking Information can generally be identified by the use of words such as "projected", "potential", "expect", "will", "should", "estimate", "forecasts", "intends", or other comparable terminology that states that certain events will or will not occur. It represents the estimates and expectations of the Corporation relating to future results and developments as of the date of this press release. It includes future-oriented financial information, such as expected production, revenues and Adjusted EBITDA, to inform readers of the potential financial impact of the Boulder Creek hydroelectric facility. Such information may not be appropriate for other purposes.*

*Forward-Looking Information in this press release is based on certain key expectations and assumptions made by the Corporation. The following table outlines Forward-Looking Information contained in this press release, the principal assumptions used to derive this information and the principal risks and uncertainties that could cause actual results to differ materially from this information.*

### **Material risks and uncertainties**

*The material risks and uncertainties that may cause actual results and developments to be materially different from current expressed Forward-Looking Information are referred to in the Corporation's Annual Information Form in the "Risk Factors" section and include, without limitation: the ability of the Corporation to execute its strategy for building shareholder value; its ability to raise additional capital and the state of capital markets; liquidity risks related to derivative financial instruments; variability in hydrology, wind regimes and solar irradiation; delays and cost overruns in the design and construction of projects; uncertainty surrounding the development of new facilities; variability of installation performance and related penalties; and the ability to secure new power purchase agreements or to renew existing ones.*

*Although the Corporation believes that the expectations and assumptions on which Forward-Looking Information is based are reasonable, readers of this press release are cautioned not to rely unduly on this Forward-Looking Information since no assurance can be given that they will prove to be correct. The Corporation does not undertake any obligation to update or revise any Forward-Looking Information, whether as a result of events or circumstances occurring after the date of this press release, unless so required by legislation.*

Principal Assumptions	Principal Risks and Uncertainties
<p><b>Expected production</b>            For each facility, the Corporation determines a long-term average annual level of electricity production ("LTA") over the expected life of the facility, based on engineers' studies that take into consideration a number of important factors: for hydroelectricity, the historically observed flows of the river, the operating head, the technology employed and the reserved aesthetic and ecological flows. Other factors taken into account include, without limitation, site topography, installed capacity, energy losses, operational features and maintenance. Although production will fluctuate from year to year, over an extended period it should approach the estimated long-term average.</p>	<p>Improper assessment of water resources and associated electricity production</p> <p>Variability in hydrology</p> <p>Equipment failure or unexpected operations and maintenance activity</p> <p>Natural disaster</p>
<p><b>Projected Revenues</b>            For each facility, expected annual revenues are estimated by multiplying the LTA by a price for electricity stipulated in the power purchase agreement secured with a public utility or other creditworthy counterparty. These agreements stipulate a base price and, in some cases, a price adjustment depending on the month, day and hour of delivery. In most cases, power purchase agreements also contain an annual inflation adjustment based on a portion of the Consumer Price Index.</p>	<p>Production levels below the LTA caused mainly by the risks and uncertainties mentioned above</p> <p>Unexpected seasonal variability in the production and delivery of electricity</p> <p>Lower-than-expected inflation rate</p>
<p><b>Projected Adjusted EBITDA</b>            For each facility, the Corporation estimates annual operating earnings by subtracting from the estimated revenues the budgeted annual operating costs, which consist primarily of operators' salaries, insurance premiums, operations and maintenance expenditures, property taxes and royalties; these are predictable and relatively fixed, varying mainly with inflation (except for maintenance expenditures).</p>	<p>Variability of facility performance and related penalties</p> <p>Changes to water and land rental expenses</p> <p>Unexpected maintenance expenditures</p> <p>Changes in the purchase price of electricity upon renewal of a PPA</p>

**For information**

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