

News Release

FOR IMMEDIATE RELEASE

Hitachi Energy announces over \$100 million in modernization and upgrade of power transformer factory and facilities in Quebec, Canada

- Projects in Varennes and Montreal partly funded by the Government of Quebec to increase speed to market to meet accelerating global energy transition demand.
- Establishment of a state-of-the-art testing facility for large power transformers, including high-voltage direct current (HVDC) and an engineering and design center will create around 70 jobs, to enable capacity expansion.



Aerial View of Hitachi Energy Transformer Factory in Varennes, Quebec

Zurich, April 29, 2024 – Hitachi Energy today announced an ambitious upgrade and modernization of its power transformer factory in Varennes, and other facilities in Montreal, to address fast-growing customer demand for sustainable energy in North America. More than \$100 million (approx. \$140 million CAD) in projects around Montreal will include funding from the Government of Quebec through Investissement Quebec.

This investment is in line with Hitachi Energy's [recent announcement](#) to ramp up its global transformer manufacturing capacity to support the long-term plans and electrification efforts.

The Varennes facility is Hitachi Energy's premier manufacturing location for large power transformers in North America, supporting national and regional power grids, and serving utility-scale renewable energy projects. The establishment of a new on-site transformer testing facility in Varennes is a critical element of the company's efforts to meet growing demand in the province for sustainable energy solutions.

The additional 130,000 square foot (approx. 12,000 square meter) facility will support the certification of power transformers manufactured in Varennes, serving as an essential part of the final acceptance process for customers. The testing facility is expected to be completed before the end of 2027. This initiative aligns with Quebec's broader strategy to meet its ambitious energy goals, including the need for more than 150 terawatt-hours (TWh) of

additional energy to achieve carbon neutrality by 2050 - around twice what Quebec consumes today.

“Globally, demand for transformers and electrical equipment continues to grow at an unprecedented scale. At Hitachi Energy we are continuously developing our global footprint and capacity to address our customers’ mid- and long-term needs. In addition to our global investments, the support of the Quebec Government will help to address North America’s rising demand for transformers to support fast-growing sectors like renewable energy, data centers, and industrial electrification, as Quebec strengthens its role as a key player in the energy transition,” said Bruno Melles, Business Unit Transformers, Managing Director at Hitachi Energy.

The Varennes factory designs and engineers a vast range of superior-quality transformers, including large power step-up transformers, auto-transformers with very high voltage, shunt reactors, and transformers for static compensators and high-voltage direct current (HVDC) transmission systems. The location’s manufacturing capacity ranges from 100 to 1,200 megavolt-ampere (MVA) and their operating voltage reaches as high as 800-kilovolt (kV), which is among the highest in the world.

Transformers play a key role across the power value chain, enabling efficient transmission and distribution of electricity. They are a key component for applications such as integrating renewables, grid interconnections, powering data centers and electrifying transportation, facilitating the decarbonization of energy systems.

The company’s manufacturing facility in Varennes has been in operation since 1971 and is one of the leading manufacturing locations of power grid equipment in the greater Montreal area. The facility covers over 300,000 square feet (almost 30,000 square meters) and employs around 330 people.

Hitachi Energy Canada employs more than 550 engineers and highly skilled manufacturing employees at its three facilities located in Varennes, Montreal, and Quebec City, and has more than 1,000 employees across Canada.

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About Hitachi Energy

Hitachi Energy is a global technology leader that is advancing a sustainable energy future for all. We are advancing the world’s energy system to be more sustainable, flexible and secure and we collaborate with customers and partners to enable a sustainable energy future – for today’s generations and those to come. Hitachi Energy has a proven track record and unparalleled installed base in more than 140 countries, serving customers in utility, industry, transportation, data centers and infrastructure sectors. With innovative technologies and services including the integration of more than 150 gigawatts of HVDC links into the power system, we help make the energy value chain more efficient, making electricity more accessible to all. Together with stakeholders across sectors and geographies, we enable the digital transformation required to accelerate the energy transition towards a carbon-neutral future. Headquartered in Switzerland, we employ around 45,000 people in 90 countries and generate business volumes of around \$13 billion USD.

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About Hitachi, Ltd.

Hitachi drives Social Innovation Business, creating a sustainable society through the use of

data and technology. We solve customers' and society's challenges with Lumada solutions leveraging IT, OT (Operational Technology) and products. Hitachi operates under the 3 business sectors of “Digital Systems & Services” – supporting our customers’ digital transformation; “Green Energy & Mobility” – contributing to a decarbonized society through energy and railway systems, and “Connective Industries” – connecting products through digital technology to provide solutions in various industries. Driven by Digital, Green, and Innovation, we aim for growth through co-creation with our customers. The company’s revenues as 3 sectors for fiscal year 2023 (ended March 31, 2024) totaled 8,564.3 billion yen, with 573 consolidated subsidiaries and approximately 270,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
