



**Management's Assertion Regarding  
Michigan Electric Transmission Company, LLC's  
Use of Proceeds for Eligible Green Projects from Green Bond Issuance**

**For the period from August 2019 through January 2022**



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## **INDEPENDENT ACCOUNTANTS' REPORT**

To Michigan Electric Transmission Company, LLC  
Novi, MI

We have examined management of Michigan Electric Transmission Company, LLC's ("METC") assertion that an amount equal to the \$75.0 million net proceeds from the August 3, 2021 issuance of the Series A 2.90% Senior Secured Notes due August 3, 2051 has been disbursed by METC during the period from August 2019 through January 2022 to Eligible Green Projects in accordance with the Eligible Green Projects Criteria set forth in Note 2 of METC's Eligible Green Projects Report ("management's assertion"). METC's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination was not conducted for the purpose of evaluating (i) the completeness of the amount used for Eligible Green Projects set forth in METC's Eligible Green Projects Report, (ii) the environmental benefits of the Eligible Green Projects, or (iii) conformance of the Eligible Green Projects with any third-party published principles, standards or frameworks, such as the Green Bond Principles, published by the International Capital Market Association. Accordingly, we do not express an opinion or any other form of assurance other than on management's assertion included in the accompanying Use of Proceeds for Eligible Green Projects from the Green Bond Issuance Report.

In our opinion, management's assertion that an amount equal to the \$75.0 million net proceeds from the August 3, 2021 issuance of the Series A 2.90% Senior Secured Notes due August 3, 2051 has been disbursed by METC during the period from August 2019 through January 2022 to Eligible Green Projects in accordance with the Eligible Green Projects Criteria set forth in Note 2 of METC's Eligible Green Projects Report is fairly stated, in all material respects.

August 3, 2022

**Management's Assertion Regarding  
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Use of Proceeds for Eligible Green Projects from Green Bond Issuance**

Michigan Electric Transmission Company, LLC ("METC" or the "Company") is responsible for the completeness, accuracy, and validity of METC's Eligible Green Projects Report (the "Report"). The Report, for the period August 2019 through January 2022 is included below. Management of the Company asserts that an amount equal to the \$75.0 million net proceeds from the August 3, 2021 issuance of the Series A 2.90% Senior Secured Notes due August 3, 2051 (the "Notes") has been disbursed by METC during the period from August 2019 through January 2022 to Eligible Green Projects in accordance with the Eligible Green Projects Criteria set forth in Note 2 to the Report.

**Michigan Electric Transmission Company, LLC**  
**Schedule of Net Proceeds and Related Disbursements**  
**Period from August 2019 through January 2022**

**Green Bond Proceeds**

(\$ in millions)

Issuance Date:	August 3, 2021
Series A 2.90% Senior Secured Notes (Due 8/3/2051)	\$ 75.0
<b>Total Green Bond Net Proceeds</b>	<b>\$ 75.0</b>

**Disbursement of Funds to Eligible Green Projects**

Project Name	Project Type	Status	Amount Disbursed August 2019- January 2022 <sup>(1)</sup> (\$ in millions)
J538 Knowles Generator Interconnection	Renewable Energy	Completed	\$ 7.0
J717-J728 Salt River Generator Interconnection	Renewable Energy	Completed	6.9
Mud Lake – Brewer St Rebuild	Renewable Energy	Completed	5.4
G934 Nelson Rd Generator Interconnection	Renewable Energy	Completed	4.6
J796 Goss Generator Interconnection	Renewable Energy	Completed	1.4
Bard – Warren Rebuild	Renewable Energy	In-Progress	18.5
J806 Heaney Generator Interconnection	Renewable Energy	In-Progress	7.6
J758 Mud Lake Interconnection	Renewable Energy	In-Progress	6.5
Summerton-Bullock Cut into Salt River	Renewable Energy	In-Progress	5.9
Verona - Marshall Cut into Mud Lake (J758 Stability Upgrade)	Renewable Energy	In-Progress	3.7
J875 Tangent Generator Interconnection	Renewable Energy	In-Progress	2.9
J857 Stable Generator Interconnection	Renewable Energy	In-Progress	2.4
Heaney – Vrooman Sag Remediation and Rebuild	Renewable Energy	In-Progress	2.2
<b>Total Disbursement of Net Proceeds</b>			<b>\$ 75.0</b>

<sup>(1)</sup>Amount disbursed may not reflect the full project cost. The eligible time period for Eligible Green Project disbursements includes the term of the Notes and the 24 months prior to the issuance date of the Notes.

## Notes to the Schedule of Net Proceeds and Related Disbursements

### Note 1: Organization and Overview

- METC is an indirect wholly-owned subsidiary of ITC Holdings Corp. and is engaged in the transmission of electricity. METC owns, operates, maintains and invests in transmission infrastructure to enhance system integrity and reliability, reduce transmission constraints and interconnect new renewable generating resources to the Company's transmission system located in roughly two-thirds of Michigan's Lower Peninsula. METC provides safe and reliable electric transmission service to connect consumers to cleaner and more cost-effective energy resources. METC is making investments in a modernized grid to maintain reliability and accommodate future demands as our economy and lifestyles become increasingly dependent on electricity. METC is actively involved in planning an integrated energy network to serve its customers, communities, and the greater grid.

### Note 2: Eligible Green Projects Criteria

- METC's Eligible Green Projects disbursements are defined as investments and expenditures made for transmission infrastructure that supports the connection of renewable wind and/or solar generation facilities to the power grid. The eligible time period for Eligible Green Project disbursements includes the term of the Notes and the 24 months prior to the issue date of the Notes.

### Note 3: Disbursement Status

- During the period August 2019 through January 2022, all \$75.0 million of the total net proceeds of the total Notes were disbursed to the Eligible Green Projects included in the Report.