

BUFFALO ATLEE WIND FARM 1/2/3

SPRING 2019 // NEWSLETTER

Capstone Infrastructure Corporation, in partnership with Sawridge First Nation, is planning to develop, build and operate the Buffalo Atlee wind farms 1, 2 and 3 located approximately 10 km southeast of the hamlet of Jenner in the rural municipality of Special Areas No.2 in Alberta.

The three Buffalo Atlee projects recently won contracts with the Alberta Government under the Renewable Electricity Program (REP) Round 2 procurement administered by the Alberta Electricity System Operator (AESO).

The projects are expected to go into construction in the summer of 2020 and be operational by November 2020.

Once operational, the Buffalo Atlee projects will have a combined capacity of 48.3 MW and will be comprised of up to 14 turbines.

Who is ...

Capstone Infrastructure?

Capstone Infrastructure Corporation (Capstone) is an independent, pure-play power producer focused on providing clean, renewable energy to homes and businesses across North America. Capstone currently owns and operates thermal and renewable power generation facilities with a total installed capacity of 605 megawatts.

Capstone is leading the development of the Buffalo Atlee project. Capstone's development team has a recent track record of successfully developing 8 utility-scale wind projects totalling 123 MW in Ontario and Quebec over the last 5 years.

The Sawridge First Nation?

The Sawridge First Nation is an original signatory to Treaty No. 8 (in 1899), and is a self-determining, innovative, progressive and prosperous nation of Cree people who continue to govern in a harmonious and balanced way. This Nation is inclusive of all members, values relationships, customs, and traditions, and respects both maintaining culture and environment for future generations.

"This project is a great step for Sawridge First Nation as it helps us move forward in our continued endeavors towards self reliance, while balancing the need for energy and protecting Mother Earth for our future generations"

Chief Roland Twinn, Sawridge First Nation



Renewable Electricity Program Overview

The Renewable Electricity Program (REP) was designed by the Alberta government to procure new wind power in Alberta and increase the renewable energy on the electric grid to 30% by 2030. Renewable energy currently provides about 8% of Alberta's electricity on an annual basis.

In December 2018, the AESO announced the winners of the second and third rounds of electricity procurement under REP. A total of 363 megawatts (MW) of new wind projects were contracted at an average price of 3.9 cents per kWh.



All together, the three phases of the Buffalo Atlee wind farm are located on 7 quarter sections, and will include 10 to 14 total turbines, approximately 100 to 120 m in height from the ground to the nacelle (the “hub height”), where the blades connect to the tower. The blades will each be approximately 65 to 75 metres in length, and each tower will have a generating capacity of around 3.5 to 4.5 MW.

The turbine locations have not yet been finalized as Capstone continues to assess site constraints, evaluate impacts on wildlife, and conducts additional public consultation activities this spring and summer. Information gathered during these activities will feed into the final project layout which will be presented to the public once finalized, later this spring. More details will be mailed and posted on the project website.

More details will be mailed and posted on the project website:
www.buffaloatlee.com

The electrical (“collector”) system connecting all the turbines to the grid will be buried where feasible between turbines, and the collector system will connect to the existing above ground distribution lines locally, which feed into the Jenner 275S substation.

Access roads to the turbines will be required throughout the life of the project. Existing oil & gas access roads will be used and upgraded whenever possible, and new roads will be built according to discussions and agreements with landowners. Public roads will also likely be upgraded where needed for component delivery and access.



Project Contacts:

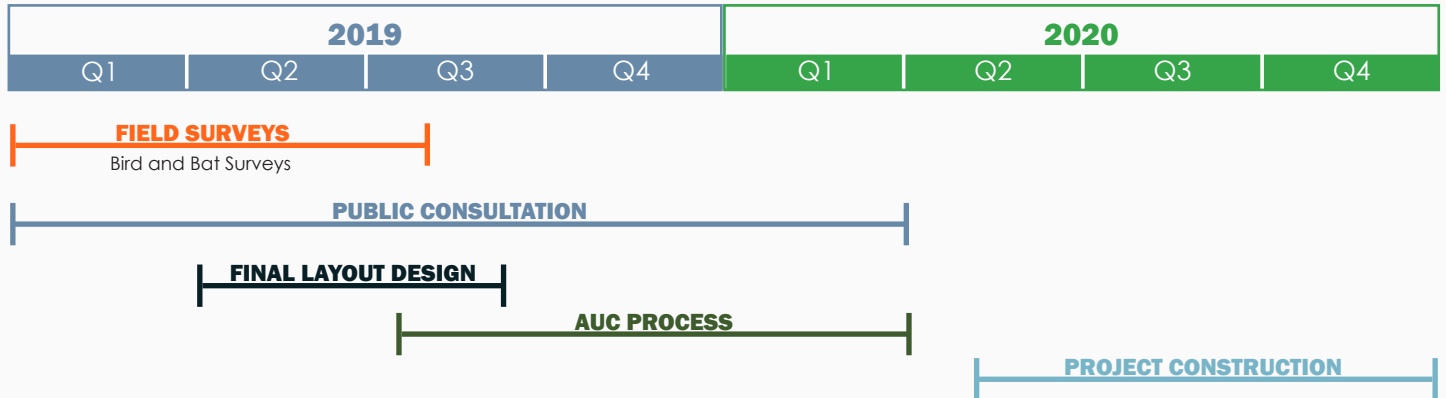
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Next Steps

Once everyone has had a chance to review this information, we intend to contact local stakeholders for initial feedback on the projects. Consultation will remain ongoing, leading up to a public open house later in the spring once people have had a chance to look at and comment on the preliminary design of the projects.

Wildlife field surveys will also be carried out starting in March. This work will identify any sensitive wildlife features near the projects and will be a key input into the final design and layout, to be presented to the public later in the spring. Ultimately, an environmental evaluation report will be prepared and submitted to Alberta Environment and Parks (AEP) and the Alberta Utilities Commission (AUC) for review and approval.

Public Consultation Process

Public consultation activities are planned throughout the spring and will be conducted in accordance with provincial regulations on consultation outlined by the AUC. Please review the brochure included with this newsletter to understand the requirements for consultation or visit the AUC website, under Appendix A1 of Rule 007 at www.auc.ab.ca/pages/rules/rules-home.aspx for more information.

Project Approval Process

The project will require final review and approval by the Alberta Utilities Commission (AUC). All power plant applications in the province require an AUC approval, and must follow the process outlined in rule 007 and outlined online at: www.auc.ab.ca/Pages/review-process-steps.aspx.

Project Benefits

The project is anticipated to produce nearly 200,000 megawatt-hours per year which is enough to supply electricity over the course of a year for about 25,000 average Albertan homes annually.

The project will add emission-free, affordable, renewable energy to the provincial energy supply mix, and help the government reduce coal-fired emissions in the province and meet its goal of 30% renewable generation by 2030.

In addition, it will also provide the following economic benefits to the local community:

- Employment opportunities for local contractors during construction for skilled labour as well as sourcing construction materials locally (gravel, concrete, etc).
- Long term employment over 20+ years during operations for site managers, technicians, as well as secondary services for site maintenance.
- Local businesses will receive an influx of business, particularly during the construction phase
- The Special Area No.2 will receive additional revenue through the payment of permitting fees and property taxes. The additional revenue will have indirect benefits to all community members such as lowering property taxes and boosting municipal spending.
- Participating landowners will receive annual lease payments which generally are invested back into their businesses and the community in which they work.

We are looking for new ways to be a good corporate citizen and get involved in the community. Please reach out to us if you have a local initiative which you think would benefit from our support and ties in to renewable energy or sustainability within the community.

Community

The environmental benefits associated with wind power generation are well-known and significant. Capstone prides itself on being a long-term owner-operator who is making a positive impact in the communities which host our operations.

As a new, long-term partner now in the hamlet of Jenner in the rural municipality of Special Areas No.2 in Alberta, Capstone and Sawridge First Nation aim to further enrich the community and add to the social benefits associated with wind power.



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