

K2 Wind – Moving forward

COMMUNITY UPDATE – FALL 2012

IN THIS ISSUE:

- 1 Project Update
- 2 Release of Draft Renewable Energy Approval Reports
- 3 Community Renewable Energy Benefit
- 4 Final Open House Information

View the K2 Wind
open house display boards
at www.K2Wind.ca.

Project Update

Welcome to the K2 Wind Power Project (the “Project”) 2012 fall community newsletter. This is one of several information and communication activities we’re taking to keep you informed as the Project evolves through Ontario’s Renewable Energy Approval (“REA”) process.

The past few months were busy and productive for the three partners of the proposed 270 megawatt (MW) wind Project – Capital Power, Samsung Renewable Energy and Pattern Energy.

In June 2012, we released a revised Project layout. This was done to update the community after a number of design changes to the project and to ensure we continued to meet provincial regulations. We made significant progress on key environmental and archaeological field studies. We held an open house on July 12 at the Morning Star Masonic Lodge in Carlow, and announced the next public open house will be held on October 18.

We completed several tours of Capital Power’s Kingsbridge 1 Wind Power Operation throughout the summer and published a variety of informational pieces in local newspapers on wind energy topics.

We also announced the Community Renewable Energy Benefit, developed through consultation with community members.

On August 17, we released the draft reports that form the basis of the REA application to the Ontario Ministry of the Environment (MOE). The reports were available to the community more than 60 days in advance of the upcoming final public open house, and are currently available for review until October 26 at:

- The Huron County Public Library, Goderich Branch – 52 Montreal Street, Goderich
- The ACW Township Office – 82133 Council Line, Goderich
- The County of Huron Administration Department – 1 Courthouse Square, Goderich
- Capital Power’s Goderich Office – 46 Victoria Street North, Goderich
- At www.K2Wind.ca.

We value the community’s input into this Project. All comments received will be included in the Project’s REA application to the MOE.

Looking into the future, the Project team is anticipating submitting the full REA application package to the MOE this fall. Pending regulatory approval, we anticipate beginning construction in the second half of 2013.

Thank you to the *Lucknow Sentinel* and the *Goderich Signal Star* for distributing this newsletter. We would like to wish everyone a safe, healthy and productive autumn season.

Key Project Facts

K2 Wind is proposing to develop an approximately 270 megawatt (name plate capacity) wind farm on privately-owned leased lands in the Township of Ashfield-Colborne-Wawanosh (ACW).

The key Project components include:

- **Approximately 140 wind turbines** (Siemens SWT-2.3MW-101) located on privately owned leased lands;
- **Electrical collection and communications systems** including a transmission line, a transformer station, a substation, a Hydro One switching station, a 500 kV transmission line connection;
- **An operation and maintenance building;**
- **Protection and control buildings;**
- **Meteorological towers;**
- **Turbine access roads;** and
- **Temporary construction and laydown areas.**

The Project has the potential to generate enough electricity to meet the average annual power needs of 75,000 Ontario homes (based on the average household energy use of 1000 kWh/month).



The Project team is working with the Township of Ashfield-Colborne-Wawanosh, local businesses, and other community members to recognize and share Project benefits to the local area.

Community Renewable Energy Benefit

In mid-August K2 Wind announced a new benefit for landowners who own homes within one kilometre of a Project turbine, the substation or the transformer station, and who are not already participating in the Project through land lease option agreements. The Community Renewable Energy Benefit (the "Benefit") will provide an annual payment of \$1,500 to eligible landowners over the 20-year life of the Project.

The Benefit is voluntary. There are no restrictions on how landowners can spend the Benefit, and participation in the program in no way limits an individual's ability to comment or express opinions on the Project.

"The Benefit is part of a broader approach we're taking to sharing Project benefits with the community," said Paul Wendelgass, K2 Wind Project Lead. "We believe the community should receive direct and tangible benefits for the unique role that the ACW will play in helping to meet Ontario's targets for renewable energy." The Township contains some of Ontario's best areas for renewable power generation from wind, and ACW will help lead Ontario to a greener future.

Questions about the Benefit can also be directed to the Project team by e-mail at K2Wind@capitalpower.com or by telephone at 519.524.2760.

New permanent jobs: We anticipate 18 to 24 permanent full-time employees during operations, generating about \$1.5-million of employment income each year. Annually we will require \$150,000 to \$200,000 of additional services and materials from the local market.



Reports Now Available for Public Review and Comment

As part of the REA process, K2 Wind has prepared:

- Project Description Report
- Draft Site Plan Report
- Draft Construction Plan Report
- Draft Design and Operations Report
- Draft Decommissioning Plan Report
- Draft Wind Turbine Specifications Report
- Water Assessment and Water Body Report
- Built Heritage and Cultural Heritage Landscape Inventory Assessment
- Natural Heritage Assessment and Environmental Impact
- Stage 1 and 2 Archaeological Assessments

The full reports are available at www.K2Wind.ca.

New taxes and municipal revenues: K2 Wind will generate annual property taxes of roughly \$450,000 for the municipality, the County, and the educational system.

K2 Listens

The K2 Wind team has received the following Project-related questions. Additional information and fact sheets are available at www.K2Wind.ca.

1 What is the closest distance of a turbine to any residence?

In Ontario, there is a required minimum setback of 550 metres between a turbine and a non-participating landowners' residence and background sound levels must not exceed 40 decibels at the residence. This is the sound level one would hear in a quiet office and only slightly noisier than a library.

2 In June, K2 Wind Project released a new draft site plan – why was this done?

Draft Site Plans represent a plan at a fixed point in time for all of the existing receptors, any issued building permits, and vacant lot receptors at each vacant lot, and identify a logical site where a residence could be located on that parcel.

In June 2012, K2 Wind elected to restart the REA process and reissue a new draft site plan due to regulation updates and a number of design changes related to our decision to use Siemens wind turbine technology.

3 In July, Health Canada announced it is conducting a study on wind turbines and human health. Will the K2 Wind Project cease development until the results of that study are complete?

K2 Wind acknowledges that Health Canada's new study has the potential to further contribute to the scientific literature and global knowledge base. However, the majority of scientific evidence to date clearly demonstrates that wind turbines do not have an impact on human health. Studies and literature reviews by governments around the world have confirmed this.

"It is important at the outset to clearly acknowledge that this research is being conducted to provide additional insight into an emerging issue; however, the results will not provide a definitive answer on their own." – Health Canada

The provincial government has established clear requirements for wind projects in Ontario. K2 Wind Ontario will meet those guidelines in our continuing work on the Project. Overall, we remain confident that – following provincial regulations – wind is a safe and healthy form of power generation.

4 There were news reports about disruptions at the July 2012 open house by protesters – what happened?

A group of protesters attended the July public open house and took various actions to disrupt the event. While we recognize an individual's right to express their opinions and views, our Project team aims to have respectful, open and meaningful dialogue with community members. About 100 people attended the open house, including many who expressed support for the Project.

The near and long-term economic stimulus from K2 Wind is estimated to be \$100 million over the 20 year life of the Project.

5 Are you negotiating a benefits agreement with the Township of ACW?

Yes. We anticipate more information will be available in the fall. This benefits agreement with the Township is distinct from the Community Renewable Energy Benefit announced in August. For more information on the Energy Benefit, visit www.K2Wind.ca for more information.

6 Why are you proposing a substation and a transformer station for the Project? Are new overhead power lines also required?

K2 Wind is proposing to build a substation to connect to the existing Hydro One 500 kV transmission line at the corner of Glen's Hill Road and Tower Line, and a transformer station near Belgrave Road and Lanesville Line. An additional transformer station (substantially smaller than the substation) is required because collector lines will be buried, as requested by residents of ACW.

Selection of the locations involved: willingness of the landowner to sell or lease the property, proximity to the Hydro One transmission corridor, sufficient size for the facilities, lack of sensitive environmental features and central location within the Project area (to minimize the collector length).

A 230 kV transmission line is proposed to be buried within municipal road allowances and on privately owned lands to connect the transformer station to the substation. The proposed preferred line route goes south on Lanesville Line and east on Glens Hill Road. An alternate line has been assessed.

7 What are the turbine height and foundation sizes?

Although the detailed foundation dimensions will be designed once the Project team finishes sampling and analyzing the land's geotechnical properties, we anticipate them to be roughly 19 m across and extend about 3 m below ground. The foundation pedestal would be about 5.3 m in diameter and sit about 0.3 m above grade. The proposed Project turbines would have a 99.5 m height tower and 101 m diameter blade sweep. Additional information regarding the proposed Project wind turbines is available in the *Draft Wind Turbine Specifications Report* at www.K2Wind.ca.

Revenue to local residents: K2 Wind will deliver over \$1.9 million in annual revenue to over 110 families, including farm families, by way of lease agreements and other benefit amounts.

8 When will we hear about contracting and employment opportunities, both for construction and operations?

K2 Wind Ontario is reviewing the timelines and best approach for engaging local contractors for involvement during construction. Our goal will be to rely on local expertise and labour, as much as possible during construction, which we anticipate beginning in the second half of 2013, pending regulatory approval. More information on these opportunities will be available in the coming months.

9 Are property values affected by wind farms?

Property values and the length of time a property is listed for sale can be influenced by a variety of factors, including: the asking price; condition of the property; location relative to employment; general state of the economy, including agricultural markets; desirability of the neighbourhood; time of year; and, the level of marketing and realtor representation.

Recent available studies indicate that neither the view of the wind turbines nor the distance of the home to the wind project have any consistent, measurable or statistically significant effect on home sale prices. A study by Canning Consultants Inc. and John Simmons Realty Services Ltd., *Wind Energy Study – Effect on Real Estate Values in the Municipality of Chatham-Kent, Ontario* (February 2010) looked at results of real estate values arising from wind farm development in Southwestern Ontario, more specifically along the north shore of Lake Erie. It concluded there was "no empirical evidence to indicate that rural residential properties realized lower sale prices than similar residential properties within the same area that were outside of the view shed of a wind turbine" and "it was highly unlikely that any type of a causal relationship exists between wind farms and the market values of rural residential real estate."

10 Do wind turbines contribute to stray voltage?

No. Stray voltage may result from imbalances on the electrical distribution system, particularly in rural areas, in areas where the distribution system may be less robust.

Wind energy has been incorrectly associated with stray voltage because wind turbines are often installed in agricultural areas. Stray voltage is not a consequence of wind energy but rather changes in the use pattern of the existing electrical system. Wind turbines are not the root of the problem, but the addition of this or any other generation source may expose faults in that system.

K2 Wind will attempt to minimize the risk of stray voltage and ensure the Project is built and maintained within acceptable levels as prescribed by the local safety code. We will investigate any situation in which a farmer suspects that stray voltage may be affecting his or her livestock. Studies, reports, and other information on stray voltage can be found on the Ontario Energy Board's website about this issue at www.ontarioenergyboard.ca.



Construction employment and contracting opportunities: Over 600,000 person hours of direct employment, and thousands of hours of indirect employment, will be created during the construction of K2 Wind. During construction, we estimate the construction payroll will be \$25-\$30 million.

Wind Turbine Tours

Capital Power is offering tours of the Kingsbridge 1 Wind Power Operation. These tours will provide an opportunity to see and experience a wind turbine up close.

Teachers – class tours also are available.

Contact our Project office at 519-524-2760 or K2Wind@capitalpower.com.



K2 in the Community

K2 Wind Ontario was proud to support a number of events and organizations in the local community this summer, including:

- **Lucknow & District Kinsmen's Music in the Fields** "There is much planning that goes into an event of this calibre and it is the support of our community, volunteers and sponsors that make it possible. We look forward to a long partnership with Capital Power as we continue to bring big names to our small town!" – Carolyn Andrew, Sponsorship Chair
- **YMCA's Strong Kids Program St. Anne's Catholic Secondary School Graduation Breakfast** "At St. Anne's Catholic we have an environmental program that focuses on green energy and living and we know that Capital Power is part of that initiative." – Mary Hansen, Student Advisory Committee Chair
- **Tourism Goderich – Barn Show Benefit Concert** "The cooperation between several municipalities, businesses and groups was extremely positive." – Wanda Keith, Festivals & Special Events Coordinator
- **Legion Branch 109 – Celebrity Dinner Community Fundraiser**

Congratulations and thank you to all of the event organizers for making these community events a success!

The K2 partners understand the importance of participating in the local community and will continue to be involved.

NOTICE OF PUBLIC MEETING TO BE HELD BY K2 WIND ONTARIO INC. REGARDING A PROPOSAL TO ENGAGE IN A RENEWABLE ENERGY PROJECT

Project Name: K2 Wind Power Project (the "Project").

Project Location: The proposed Project is located in the Township of Ashfield-Colborne-Wawanosh, in the County of Huron, Ontario. The General Project area is bounded by Bruce County Road 86 (Amberley Road) to the north; Bluewater Highway (Highway 21) to the west; Nile Road to the south, and Halls Hill Line/Lucknow Line/Saratoga Line to the east; in the Township Ashfield-Colborne-Wawanosh (see map).

Dated At: The Township of Ashfield-Colborne-Wawanosh, County of Huron this the 8th day of August, 2012.

K2 Wind Ontario Inc., in its capacity as general partner of K2 Wind Ontario Limited Partnership ("K2 Wind") is planning to develop, construct, operate and engage in a renewable energy project in respect of which the issuance of a Renewable Energy Approval (REA) is required. K2 Wind is a limited partnership formed under the Limited Partnerships Act (Ontario), with K2 Wind Ontario Inc. as general partner and CP K2 Holdings Inc. (an affiliate of Capital Power Corporation), Samsung Renewable Energy Inc., and Pattern K2 LP Holdings LP (an affiliate of Pattern Renewable Holdings Canada ULC), as limited partners.

The distribution of this Notice of Public Meeting and the Project itself are subject to the provisions of the *Environmental Protection Act* (the "Act") Part V.0.1 and Ontario Regulation 359/09 ("Regulation"). This Notice must be distributed in accordance with section 15 of the Regulation prior to an application being submitted and assessed for completeness by the Ministry of the Environment.

Public Meeting Information: Stakeholder participation is an important part of K2 Wind's consultation process. One of K2 Wind's goals is to understand what is important to local community members and to incorporate their priorities into the Project design, to the greatest extent possible. Public meetings provide stakeholders the opportunity to speak with the Project team, learn more about the proposed Project and the regulatory process, and to provide comments and questions regarding the Project.

K2 Wind would appreciate your input and welcomes your attendance at our drop-in style public open house for the Project scheduled for:

Date: Thursday, October 18, 2012

Time: 4:00 p.m. to 7:00 p.m.

Place: 84685 Bluewater Highway 21, north of Goderich
Located on the west side of Bluewater Highway 21 near Kingsbridge Line (Formerly St. Joseph's School, Kingsbridge)

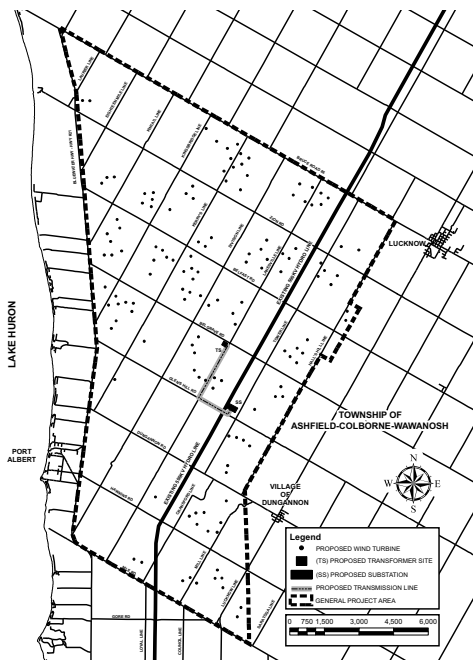
Project Description: Pursuant to the Act and the Regulation, the facility in respect of which the Project is to be engaged in, is considered to be a Class 4 wind facility. If approved as proposed, the Project would have a total maximum name plate capacity of 270 megawatts (MW). The Project location is shown on the map.

The Project will include up to 140 wind turbines located on privately owned leased lands, electrical collection and communications systems including a transmission line, a transformer station, a substation, operation and maintenance building, meteorological towers, turbine access roads and temporary construction and laydown areas.

Documents for Public Inspection: The Draft Project Description Report titled *K2 Wind Power Project – Draft Project Description Report, May 2012* describes the Project as a 270 MW wind facility that will use Siemens SWT-2.3-101 turbine technology. A written copy of the Draft Project Description Report and the Draft Site Plan Report were made available for public inspection on June 6, 2012 online at www.k2wind.ca and at the locations listed below.

Further, K2 Wind has prepared the following supporting documents in order to comply with the requirements of the Act and the Regulation. **Written copies of the draft supporting documents will be made available for public inspection beginning August 17, 2012, until October 26, 2012:**

- Project Description Report (updated version)
- Construction Plan Report
- Design and Operations Report
- Decommissioning Plan Report
- Wind Turbine Specifications Report
- Natural Heritage Assessment and Environmental Impact Study Reports
- Water Assessment and Water Body Reports
- Stage 1 and 2 Archaeological Assessment Reports
- Heritage Assessment Reports



Copies of the draft reports can be found online at www.k2wind.ca and at the following locations:

- **Huron County Public Library Goderich Branch**
52 Montreal Street, Goderich
519-524-9261
- **Ashfield-Colborne-Wawanosh Township Office**
82133 Council Line, Goderich
519-524-4669
- **County of Huron Administration Department**
1 Courthouse Square, Goderich
519-524-8394
- **Capital Power Goderich Office**
46 Victoria Street North, Goderich
519-524-2760

Project Contacts and Information: To learn more about the Project proposal, public meetings, to communicate questions or comments, or to be added to our Project distribution list, please contact the K2 Wind Project team via e-mail at K2Wind@capitalpower.com or by telephone at 519-524-2760.

K2 Wind must receive all comments pertaining to the draft reports by **4:00 p.m. on October 26, 2012** to be included in the Project's Consultation Report that will be submitted to the Ministry of the Environment as part of the Renewable Energy Approval application.

Comments and questions can also be directed to the proponent's local Project office at:

K2 Wind Ontario Inc.
c/o Capital Power
46 Victoria Street North
Goderich, ON N7A 2R6

More information on the K2 Wind Project can be found at www.K2Wind.ca.

Notice first issued on the 8th day of August, 2012.



Question & Answer Session

Wednesday, September 26, 2012
6:00 p.m. to 7:30 p.m.

- Phone (toll-free):
1-855-353-9183 | Participant code: 12315#
- Web conference:
<http://web.collaborate.telus.com>
Reference number: 856984
Access code: 12315

K2 Wind is pleased to host a moderated Question and Answer Session to offer community members the opportunity to learn more about the proposed Project and the regulatory process, and to provide comments and questions about the Project.

In advance of the session, community members are invited to provide questions and comments about the Project by phone at 519-524-2760, by fax at 519-524-5046, by e-mail at K2Wind@capitalpower.com or by letter to K2 Wind, 46 Victoria Street North, Goderich Ontario, N7A 2R6.

During the session, community members can ask their questions to the Project team by using the call-in information or by emailing our Project team at K2Wind@capitalpower.com. For additional information, visit www.K2Wind.ca.

Meet Members of the K2 Wind Team – Tuesday, October 2nd from 3-5pm at the Goderich Office

Contact Us

Join our contact list if you would like to stay informed or if your address has changed.

K2 Wind Ontario
46 Victoria Street North
Goderich, ON N7A 2R6

Phone: 519.524.2760

Email: K2Wind@capitalpower.com

Web: www.K2Wind.ca