

K2 Wind – Moving forward

COMMUNITY UPDATE – SPRING 2014

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Photo: Glenn Hubbers



K2 Wind Construction Begins

Welcome to the spring 2014 edition of K2 Wind's community newsletter. The project team is preparing for a busy year as we move ahead with active construction of one of Ontario's most promising renewable energy facilities.

This newsletter is one of the ways that we are providing community members with information on key Project activities.

Preparing for construction

In late 2013, K2 Wind Ontario selected the AMEC-Black and McDonald joint venture (ABMD) to act as its prime contractor for the Project. ABMD will execute the majority of the construction of the Project including access roads, installation of collector lines and transmission lines, the turbine foundations and the installation of the 140 Project turbines. We anticipate that the turbine components will begin arriving in July. Turbine installation will take place throughout the summer and fall, and preparations for operating the turbines (commissioning) will continue into 2015. Our target for the start of commercial operation is mid-2015. Preliminary work on the Project switching station and related transmission infrastructure began in early November. That work is being completed by Hydro One Networks Inc. and its contractors.

Where we've come from

In July 2013, K2 Wind received its Renewable Energy Approval (REA) from the Government of Ontario. The REA was awarded following a rigorous environmental assessment and public

engagement process which included studies on a wide range of environmental, cultural and technical aspects of the Project. An appeal of the REA through the Environmental Review Tribunal (ERT) was recently dismissed. In October 2013, K2 Wind received approval from the Ontario Energy Board for the development of the Project's transmission infrastructure

Working with the Township

In April 2013, the Township of Ashfield Colborne Wawanosh (ACW) and K2 Wind executed two key agreements: the Community Benefits Fund Agreement (CBFA) and a Road User Agreement (RUA).

K2 Wind's RUA covers how the Township and K2 Wind will work together during the development of the Project. For example, the RUA requires K2 Wind to repair roads should damage occur. K2 Wind will bury collector lines in the road allowance, with the exception of locations where there are environmental constraints. Less than 1% of the Project's collector lines will be above ground on poles.

K2 Wind - Project Facts

- K2 Wind Ontario is a partnership between Samsung Renewable Energy, Inc. (Samsung), Pattern Energy Group LP (Pattern Development) and Capital Power LP (Capital Power).
- 270 megawatts of generation capacity from 140 Siemens model SWT-2.3 wind turbines.
- Hundreds of construction jobs created during the 18 month construction period.
- 18 to 24 permanent full-time employees will be hired for operations, generating \$1.5 million of employment income each year.
- \$6 - \$7 million in direct spending into the local economy each year of its operation
- Commercial operation is expected to commence in mid-2015.
- K2 wind power project will generate clean, renewable energy equal to the needs of ~100,000 Ontario homes each year

K2 Wind will help Ontario meet its renewable energy goals and is creating demand for hundreds of jobs through the manufacture of wind turbine components and construction and operation of the wind project.



Photo: Glenn Hubbers

Building a wind farm – planning and coordination

K2 Wind and ABMD will complete the majority of the construction of K2 Wind in 2014. There are many activities completed by different types of skilled workers when building a wind farm. Below is a summary of the steps involved in constructing a typical wind turbine:

1. **Turbine access roads are built.** This involves earth moving and site clearing. K2 Wind has planned the Project to minimize disturbance to farmland and has coordinated roads so these fit in with farming operations
2. **Turbine foundations are prepared.** This step involves excavation and preparing a rebar cage that will further strengthen the concrete foundation, followed by pouring the concrete for the foundation.
3. **Turbine assembly.** Under ideal conditions, a single 101 metre Siemens SWT 2.3 turbine can be assembled in three days. Several different cranes may be used during assembly, including a crane with a 100 metre crane arm, or boom.
4. **Electrical work is completed.** This includes work both within the turbine and ensuring the Project's collector and transmission system is functioning properly. Each turbine will go through a series of tests to ensure that the generator unit is functioning correctly and safely. A significant portion of this work will occur after all of the major construction work is completed, in what is referred to as "commissioning activities."

Safety is a critical element of all work on this Project. Both ABMD and K2 Wind will have full time staff whose singular job is to monitor safety performance on the site. Both ABMD and K2 Wind view safety as every worker's responsibility and safety is a critical element in planning work.

AMEC Black & McDonald – Prime Contractor for K2 Wind

AMEC Black & McDonald (ABMD) will be providing engineering, procurement and construction services to K2 Wind. ABMD will manage the overall construction of the project and coordinate all other contractors and sub-trades on site. ABMD has served the energy industry for over 10 years and provides a full range of environmental, engineering, procurement and construction (EPC) services. ABMD brings a depth of experience with building wind projects and is considered one of the largest wind power contractors in Canada, having completed renewable energy facilities in Ontario, Alberta and British Columbia.



J O I N T V E N T U R E



REA Appeal Dismissed

On February 6th, 2014, the Ontario Environmental Review Tribunal (ERT) released its decision on an appeal of the Renewable Energy Approval for K2 Wind. The appeal was dismissed and the REA upheld. The ERT dismissed both elements of the appeal (health, Charter of Rights and Freedoms matter), and did not have any further recommendations or direction for K2 Wind.

The full decision can be viewed here <http://www.ert.gov.on.ca/english/decisions/index.htm> (titled: Drennan v. MOE)

The ERT process involved both an oral hearing process and an

exchange of written evidence and testimony. The process is designed to allow opportunities for all parties to present evidence and ask questions.

The full process occurred over a period of six months. Ultimately, that process upheld K2 Wind's REA and the conditions it contains to ensure K2 Wind operates in a safe and environmentally sound manner. We remain confident in both the safety of wind power and the rigorous work completed during the REA process.

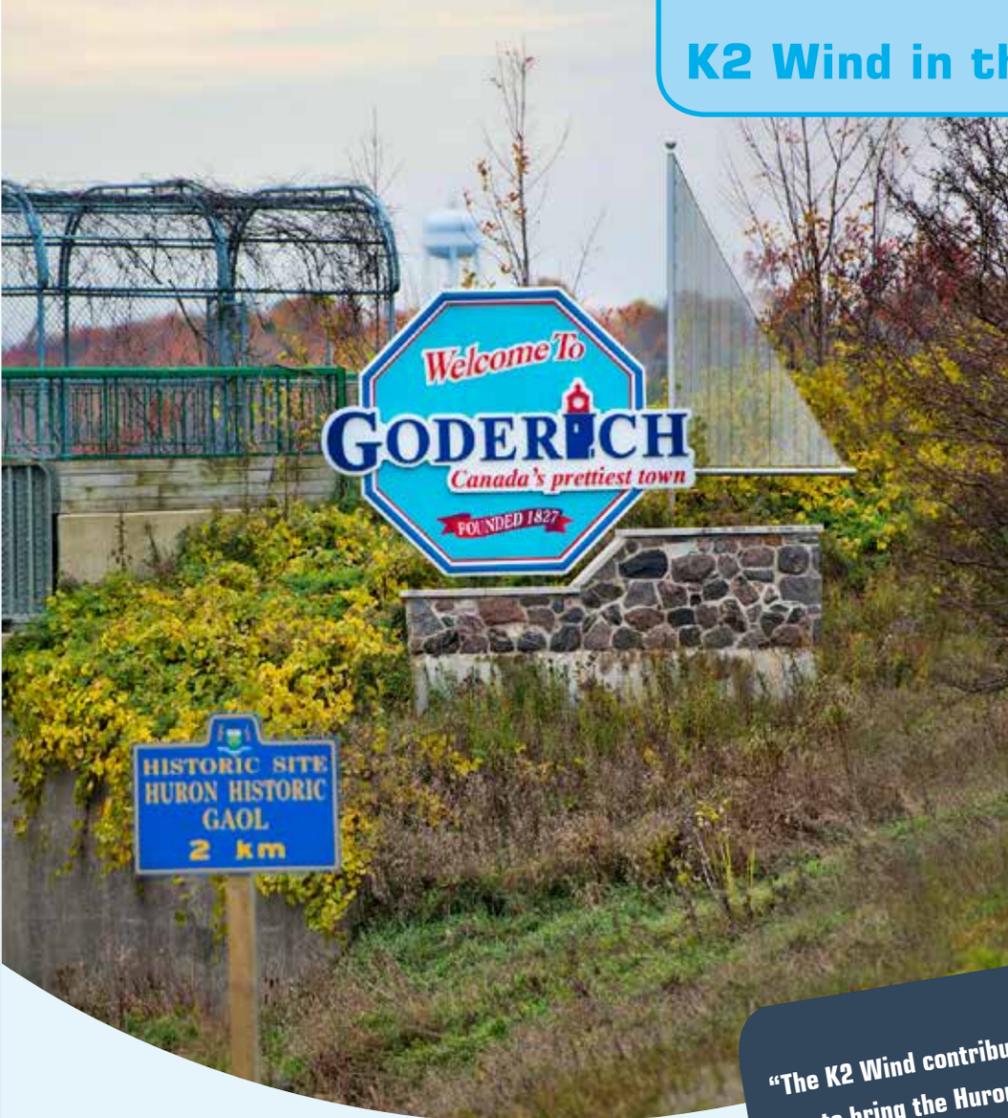


Photo: Glenn Hubbers

K2 Wind Supports Community Groups

K2 Wind continues to work with a number of community groups in the ACW/Goderich area, supporting activities and programs that continue to build community sustainability and overall well-being. Here are a number of the activities that we've recently supported.

Alexandra Marine & General Hospital Foundation

K2 Wind has contributed \$20,000 to the Alexandra Marine & General Hospital Foundation in Goderich in support of the Foundation's efforts to purchase new anesthesia machines for the Operating Rooms at the hospital. This is part of an extended Operating Rooms fundraiser that the Foundation is now conducting, with a goal of providing two new anesthesia machines.

"Alexandra Marine and General Hospital is truly grateful for K2 Wind's donation," said Andy Moore, Executive Director Fundraising, "We rely on the generous support of our community to fund our patient care equipment, tools and technology each year. The entire community benefits when our local hospital can continually improve its state-of-the-art care equipment."

More on the Foundation's work for the Alexandra Marine & General Hospital can be found on it's website at www.amghfoundation.ca.



"The K2 Wind contribution has allowed us to bring the Huron County Canada Blooms Garden to its full potential," said Goderich Mayor Deb Shewfelt. "In a close-knit community like ours, we are thankful to have corporate citizens like K2 Wind, who recognize the importance of marketing and promoting Huron County to external markets to help encourage future growth in the area and solidify our economic future."

Canada Blooms

K2 Wind is providing \$10,000 to the Town of Goderich and Huron County for their Canada Blooms entry. Canada Blooms is known as Canada's largest flower and garden show and took place in Toronto from March 14 to 23, 2014. The project was designed to draw visitors to Goderich and the County. Canada Blooms was the perfect place to do that as the show attracts over 230,000 visitors annually. During the nine days of the show, volunteers, acted as "community champions" from every municipality in the county, while operating the booth.

"Canada Blooms was the perfect opportunity for Huron County to showcase our beautiful countryside and coastline to the Greater Toronto Area," said Huron County Warden Joe Steffler. "We have long recognized tourism as one of Huron County's economic pillars and this event will give us important exposure and put Huron County on the map for our neighbours to the East."

Easter Seals Snowarama

In February, we were proud to work with Easter Seals Ontario as the title sponsor of The K2 Wind North Huron Trail Groomers Snowarama. One of the winter's biggest regional fundraisers, the event brought out hundreds of snowmobilers in support of children and youth with physical disabilities. A local tradition in its 10th year, the event has been a huge success as a fundraiser and a thrilling 130 km ride for snowmobilers. Each rider is asked to raise money for Easter Seals kids through pledges. Thanks to all who participated.

- K2 Wind is proud to have also supported these organizations:**
- Brookfield Public School playground
 - Lucknow and District Music in the Fields
 - Lucknow Community Splash Pad
 - St. Anne's Secondary School
 - YMCA Strong Kids Program

More Project information is available at www.K2Wind.ca

Sharing Benefits

The K2 Wind Power Project in the Township of Ashfield-Colborne-Wawanosh (ACW) will generate significant economic benefits for the entire community. In addition to annual lease payments to local farm families and municipal property taxes, the Project will share benefits with the community through:

- **Construction and business opportunities** – Over 1,000 workers from across southwestern Ontario will be involved in the manufacturing and assembly of the wind turbines and site construction. Additionally, locally sourced materials will be needed for the construction of the Project. Once in operation, the Project will create approximately 18 to 24 permanent full-time jobs, generating about \$1.5 million of employment income annually.
- **Community Benefits Fund Agreement** – Through the CBFA K2 Wind will deliver approximately \$15 million in funding to ACW for community initiatives over the next 20 years, with the first annual payment of \$700,000 being made following the start of commercial operations. This payment is in addition to the yearly municipal property taxes the Project will pay. Funds from the CBFA can be directed towards community based initiatives such as community and protective services; education and job training programs; public recreation facilities; land steward initiatives; energy sustainability projects; and property tax relief for residents. The CBFA is managed and administered by ACW.

Community Renewable Energy Benefit:

In August 2012, K2 Wind announced the **Community Renewable Energy Benefit**, an annual payment of \$1,500 to landowners within one kilometre of Project infrastructure, who are not already participating in the Project through land lease option agreements. The Benefit will be provided following the start of commercial operation.

The Benefit is voluntary and will continue over the 20-year life of the Project. 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 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.

Employment and Business Opportunities – Recruitment Fair, February 12 2014

On Wednesday, February 12, 2014 K2 Wind and AMEC Black and McDonald (ABMD) welcomed businesses and individuals from throughout the region to a recruiting event to support the construction of the 270 megawatt project. Over 270 people attended the event, learning

about opportunities for employment, sub-contracting, and supplying other goods and services. ABMD will be looking at engaging local businesses as the project moves ahead.



SAMSUNG RENEWABLE ENERGY INC.

The Project website – K2Wind.ca

The K2 Wind website features updates and information about the Project. The website address is www.K2Wind.ca.

In addition to detailed background on the Project, the website offers visitors the opportunity to ask specific questions that will be answered by members of the Project Team.

You'll also be able to stay informed about important upcoming events and key dates in the ongoing approvals process.

Contact Us

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

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