

Lone Pine Wind Farm Connection Project



Project Overview

Lone Pine Wind Project LP. (Lone Pine), a wholly-owned subsidiary of Capstone Infrastructure Corp. (Capstone), is developing the Lone Pine Wind Farm (the Project) located in Kneehill County, approximately 15 kilometers (km) west of Three Hills, Alberta. If the proposed Project is approved by the Alberta Utilities Commission (AUC), the Project will require the construction of approximately 30 km of new 240 kV transmission line to connect the facility to the transmission system.

Lone Pine will file a Facility Application with the AUC to construct a new overhead 240 kV transmission line, to be designated as 925AL/9L25AL. The new transmission line will connect the Dry Island 1027S Substation located on NE 33-31-25-W4 in Kneehill County, to the existing AltaLink Management Ltd. (AltaLink) 925L 240 kV transmission line in a T-tap configuration located in Mountain View County. The new 240 kV transmission line will operate in two Transmission Facility Owners (TFOs) territories, AltaLink and ATCO Electric Ltd. (ATCO).

Lone Pine will permit and construct the transmission line under the Market Participant Choice option. After the new transmission line is in-service, Lone Pine will transfer the ownership through an Asset Transfer Agreement to AltaLink and ATCO, who will assume the ownership, operation and maintenance of the transmission line.

AltaLink and ATCO will be engaging stakeholders regarding their portions of the proposed project and will submit separate facility applications to the AUC.

Lone Pine applied to the Alberta Electric System Operator (AESO) for transmission system access to connect the Project to the Alberta Interconnected Electric System (AIES). On January 24, 2024, Lone Pine and the TFOs received a request from the AESO to assist it in the Participant Involvement Program (PIP) to satisfy the requirements of AUC Rule 007.

Routing Selection and Details

Various factors are taken into account in an effort to site a transmission line route with the least overall impact. Some of the factors considered include:

- existing land use
- environmental and agriculture impacts
- existing and proposed infrastructure
- proximity to residences
- economic viability
- engineering constraints

Several preliminary routes have been identified for this project as shown on the enclosed maps. While several preliminary routes are shown on the maps, only one will be constructed.

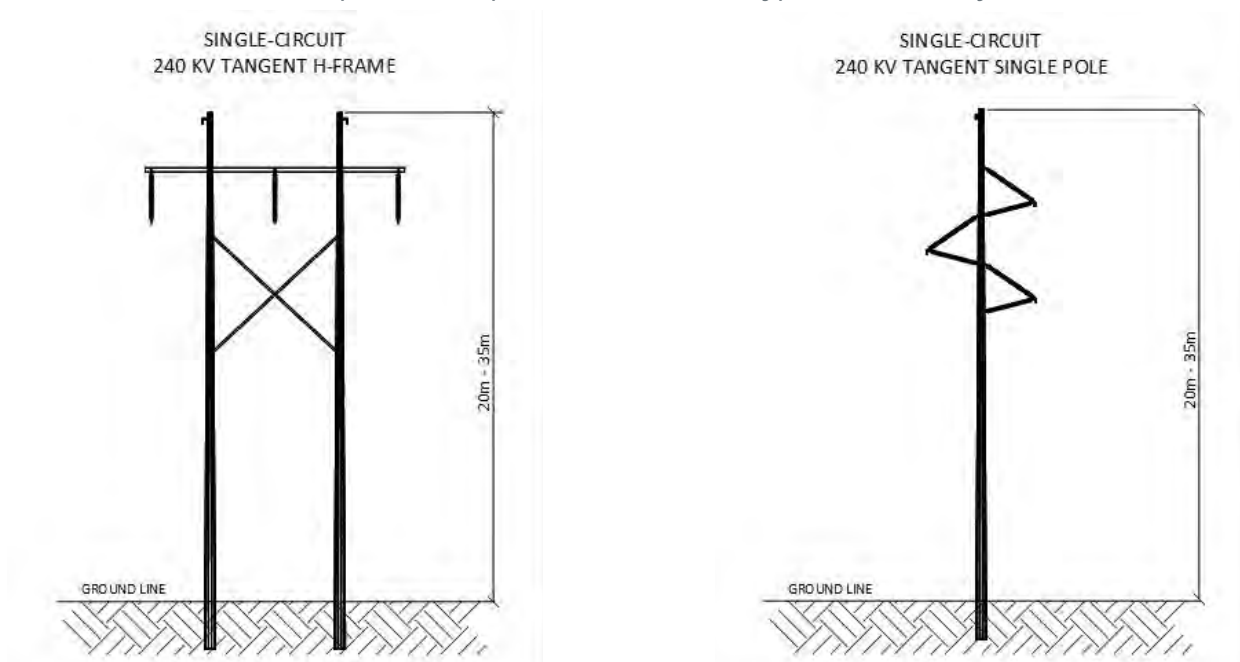
Routes currently shown are for engagement and planning purposes. The routes are based on corridors and primarily follow county road allowances, quarter lines and Highway 583.

Proposed Structures

The proposed transmission line will primarily consist of the following:

- consist of wood, steel or fiber reinforced poles
- be single or multi pole structures
- potentially require guy anchors (within the right-of-way) on corner structures and deflections
- be single circuit
- be approximately 20 metres (m) to 35 m tall
- require a right-of-way for construction, maintenance and operations

The below structures are examples of the potential structure types for the Project.



Proposed Project Schedule

Public Consultation Initiated	Winter 2024
Environmental Assessments	Spring 2024
Second Mailout	Spring 2024
Alberta Utilities Commission (AUC) submission	Fall 2024
Anticipated AUC approval	Summer 2025
Proposed construction start if project is approved	Spring 2026
Target Commercial Operation Date	Summer 2026

Providing Your Input

Public consultation activities are planned throughout the winter and spring and will be conducted in accordance with provincial regulations on consultation outlined by AUC Rule 007.

Stakeholder input is important to us. Hardline Engineering Ltd. (Hardline), is supporting Capstone with the engagement program for the Project. Hardline will be in contact with landowners, residents and occupants near the proposed transmission line project to ensure you have received this information package and to set up a meeting to gather input and address any questions, comments and concerns you may have.

AUC Process

All overhead transmission line applications in the province require an AUC approval, and must follow requirements outlined in Rule 007 which is available at <https://www.auc.ab.ca/rule-007/>.

Please review the brochure included with this newsletter for information regarding consultation in the AUC's independent review process, and/or visit the AUC website at <https://www.auc.ab.ca/auc-review-process-steps/> for more information.

AESO Details

The AESO is an independent, not-for-profit organization responsible for the safe, reliable and economic planning and operation of the provincial transmission grid. For more information about why this project is needed, please refer to the AESO's Need Overview included with this package or visit www.aeso.ca. If you have any questions or concerns about the need for this project or the proposed transmission development to meet the need you may contact the AESO directly. You can make your questions or concerns known to a Lone Pine Wind Project LP representative who will collect your personal information for the purpose of addressing your questions and/or concerns to the AESO. This process may include disclosure of your personal information to the AESO.

Alberta Electric System Operator (AESO)
Email: stakeholder.relations@aesoc.ca
Phone: 1-888-866-2959
Website: www.aeso.ca

About Capstone Infrastructure

Generating our low-carbon future

Clean and renewable energy is our business, and our people are our greatest asset. Our mission is to drive the energy transition forward through creative thinking, strong partnerships, and a commitment to quality and integrity in how we do business.

Founded in 2004, Capstone is a publicly traded, independent power producer headquartered in Toronto, with a local office in Calgary leading the development of the Project. We are focused on providing clean, renewable energy to homes and businesses across North America. We own and operate a diversified portfolio of 31 utility-scale facilities, representing 824 MW+ of gross installed capacity, including wind, solar, hydro, biomass, and natural gas co-generation power plants. We're also actively developing a portfolio of clean power projects in Canada and the United States.



Project Website

Capstone has created a Project website for stakeholders, www.lonepinewindfarm.com, where we will provide the most recent information about the project, as it becomes available.

Get in touch with us

At Capstone, we're committed to building long-standing relationships with our landowner partners and the communities where we operate. Following through on this commitment with each of our projects has been integral to our success. We look forward to working with the community to ensure the Lone Pine Wind Farm builds value and diversification for local residents for the life of the project. Should you have any questions about Capstone, the Project, or the next steps, please feel free to reach out to us:

Najee Elbaroudi

Project Manager, Development
Capstone Infrastructure Corporation
Phone: 403-354-5146
Email: LonePine@capstoneinfra.com

Stakeholder Engagement Team

Hardline Engineering Ltd.
Phone: 403-831-6513
Email: stakeholderrelations@hardlineeng.com

Lone Pine Wind Farm

c/o Capstone Infrastructure Corporation
400 - 3rd Ave SW, Calgary AB T2P 4H2



Need for the Lone Pine Wind Farm Connection in the Three Hills area

Lone Pine Wind Project LP. (Lone Pine) has applied to the AESO for transmission system access to connect its proposed Lone Pine Wind Farm (Facility) in the Three Hills area. Lone Pine's request can be met by the following solution:

PROPOSED SOLUTION

- Add one 240 kilovolt (kV) transmission line, to connect the Facility to the existing 240 kV transmission line 925L in a T-tap configuration.
- Add or modify associated equipment as required for the above transmission developments.

NEXT STEPS

- In late 2024, the AESO may consider the need for this project for approval under section 501.3 of the ISO rules, *Abbreviated Needs Approval Process* (ANAP Rule), or apply to the Alberta Utilities Commission (AUC) for approval of the need.
- The AESO will notify stakeholders via the AESO's website at www.aeso.ca/grid/transmission-projects prior to the project being considered under the ANAP Rule or prior to filing a needs identification document (NID) application with the AUC.

The following organizations have key roles and responsibilities in providing access to the transmission system:

THE AESO

- Must plan the transmission system and enable access to it for generators and other qualified customers.
- Can approve eligible projects through the ANAP Rule and for non-eligible projects, the AESO will prepare and submit a NID to the AUC for approval.

LONE PINE

- Has requested transmission system access to connect the Facility.
- Is responsible for detailed siting and routing and constructing the new 240 kV transmission line to connect the Facility to the transmission line 925L.
- Must apply to the AUC for approval of its transmission facilities applications.

ALTALINK & ATCO

- Are the transmission facility owners in the Three Hills area.
- Are responsible for operating and maintaining the new 240 kV transmission line and constructing, operating and maintaining the transmission facilities within their respective service territories.
- Are regulated by the AUC and must apply to the AUC for approval of their transmission facilities applications.

WHO IS THE AESO?

The Alberta Electric System Operator (AESO) plans and operates Alberta's electricity grid and wholesale electricity market safely, reliably and in the public interest of all Albertans. We are a not-for-profit organization with no financial interest or investment of any kind in the power industry.

We appreciate your views, both on the need for transmission system development and proposed transmission plans.

If you have any questions or comments, please contact us directly.

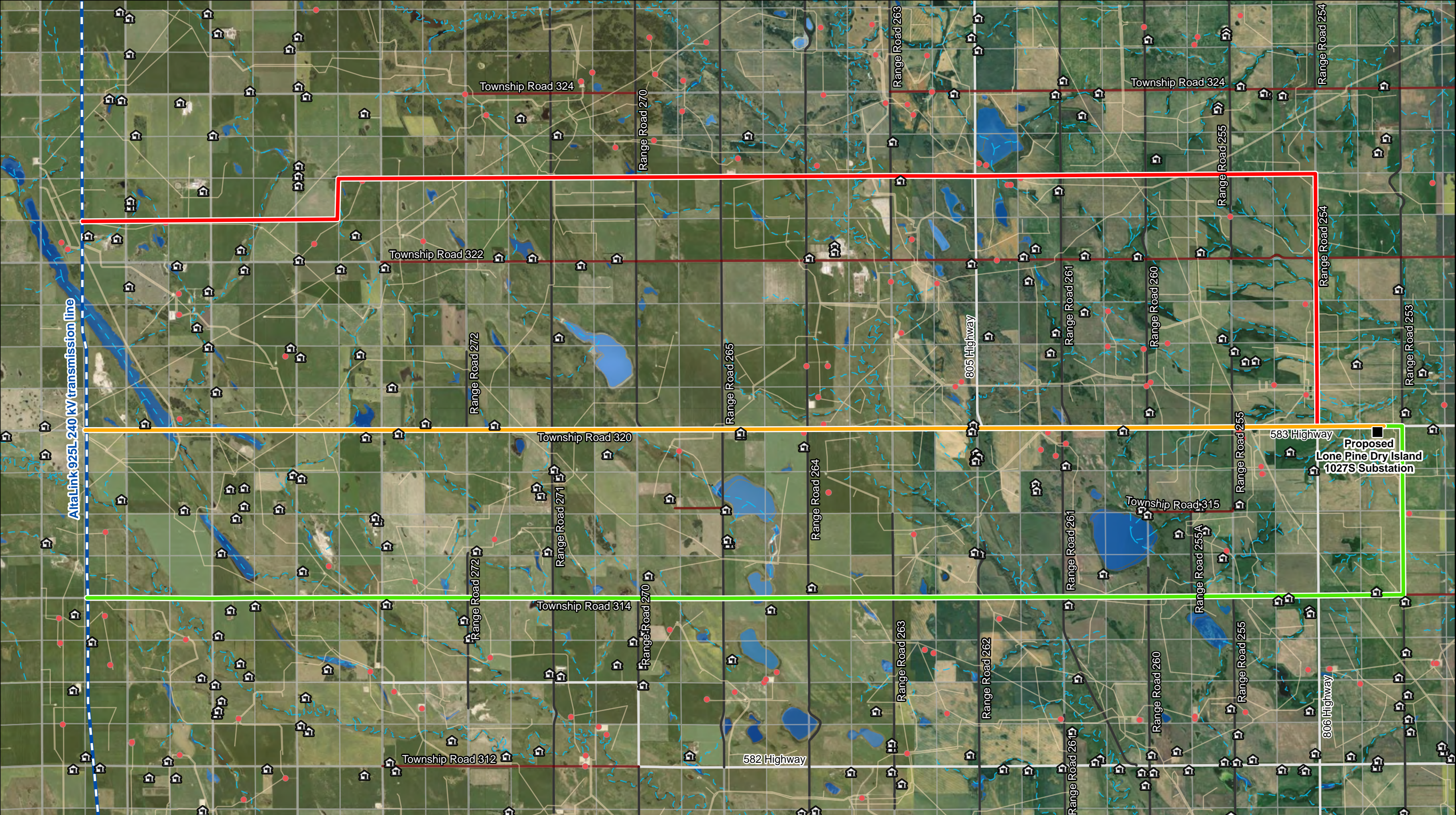
CONTACT US

Alberta Electric System Operator

AESO Stakeholder Relations
stakeholder.relations@aeso.ca
1-888-866-2959

2500, 330-5th Avenue SW
Calgary, AB T2P 0L4
Phone: 403-539-2450

www.aeso.ca |  [@theaes0](https://twitter.com/theaes0)



Electrical Grid		Transmission		Base Features	
■	Proposed Lone Pine Dry Island 1027S Substation	—	240 kV	□	Quarter Section
—	TL Routes Round 1	●	Oil & Gas Wells	—	Provincial Highways
—	North	—	Pipelines	—	Range Roads
—	Central	—	Land	—	Township Roads
—	South	🏠	Receptors	—	Hydrography
		—	Rivers & Streams	—	Large Waterbodies
		—	Large Waterbodies		

LONE PINE WIND CONNECTION PROJECT

Notes: Routes currently shown are for engagement and planning purposes and are based on corridors.

Data Sources:
- Main Basemap World Imagery: Earthstar Geographics

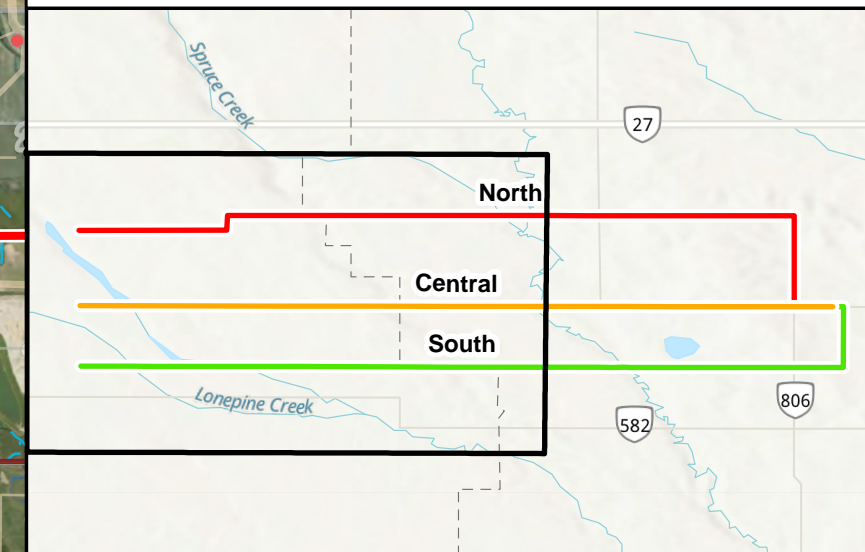
Projection: NAD 1983 UTM ZONE 12N
Date: 2024-02-28
Revision: 1
Prepared by: CM

LONE PINE WIND CONNECTION PROJECT

STRIP MOSAIC

SM1

Notes: Routes currently shown are for engagement and planning purposes and are based on corridors.



Electrical Grid

TL Routes Round 1

- North
- Central
- South

Transmission

- 240 kV

Oil and Gas

- Oil & Gas Wells
- Pipelines

Base Features

- Township Roads
- Range Roads
- Provincial Highways
- Quarter Section

Hydrography

- Rivers & Streams
- Large Waterbodies

Sources:

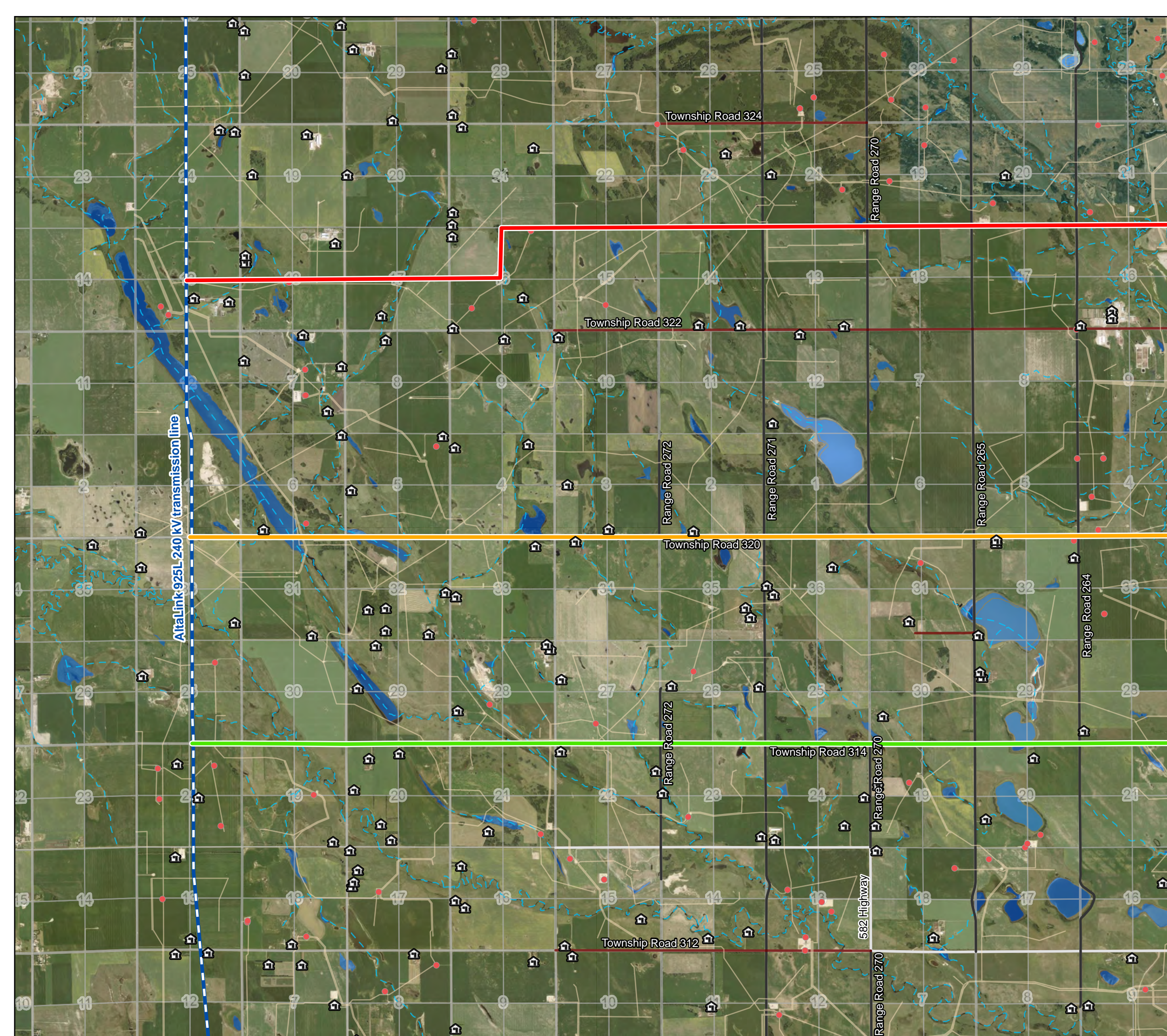
- Main Basemap: ESRI World Imagery Hybrid
- Inset Map: ESRI Topographic
- Base Data: Government of Canada, Government of Alberta



Projection: UTM NAD 83 ZONE 12N
Date: 2024-02-29
Prepared by: CM



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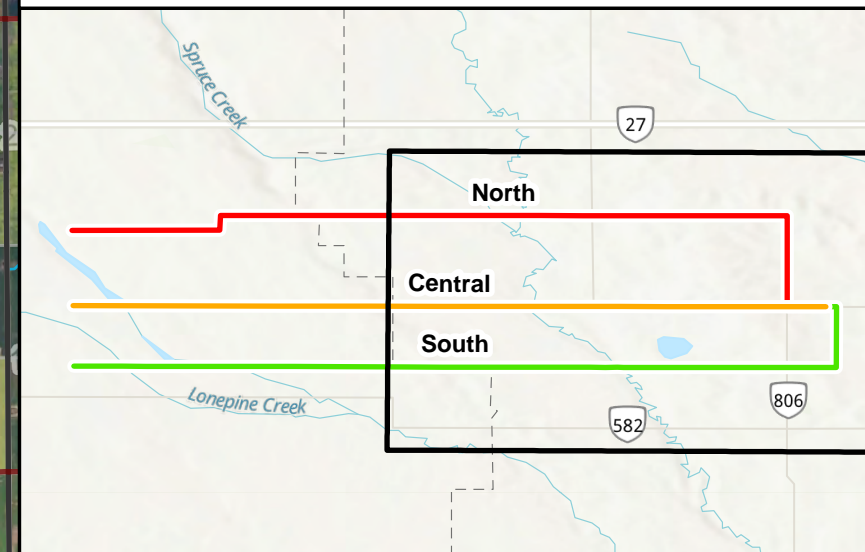


LONE PINE WIND CONNECTION PROJECT

STRIP MOSAIC

SM2

Notes: Routes currently shown are for engagement and planning purposes and are based on corridors.



Electrical Grid

- Proposed Lone Pine Dry Island 1027S Substation

TL Routes Round 1

- North
- Central
- South

Oil and Gas

- Oil & Gas Wells
- Pipelines

Base Features

- Township Roads
- Range Roads
- Provincial Highways
- Quarter Section

Hydrography

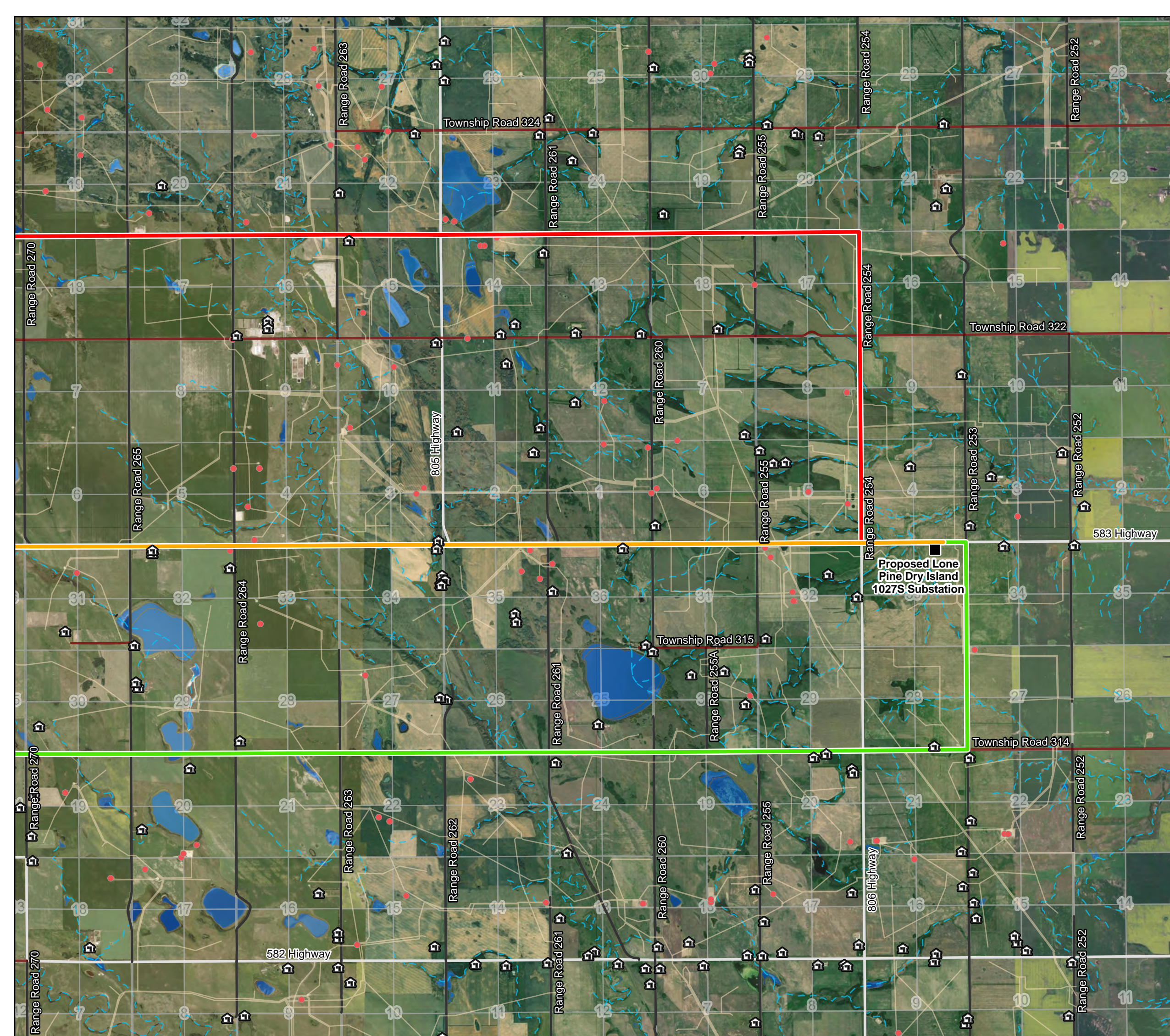
- Rivers & Streams
- Large Waterbodies

Sources:

- Main Basemap: ESRI World Imagery Hybrid
- Inset Map: ESRI Topographic
- Base Data: Government of Canada, Government of Alberta



Projection: UTM NAD 83 ZONE 12N
Date: 2024-02-29
Prepared by: CM





Participating in the AUC's independent review process to consider facility applications

The AUC regulatory review process to consider facility applications for utility projects



The AUC uses an established process to review social, economic and environmental impacts of facility projects to decide if approval of a project is in the public interest.

The AUC considers applications requesting approval of the need for transmission development and facilities applications seeking approval to construct, operate, alter and decommission electric and natural gas facilities. Applications, as specified in AUC Rule 007, are required for:

- The need for transmission upgrades.
- The route and location of transmission facilities.
- The siting of power plants.
- The construction of a battery storage system.
- The designation of an industrial system.
- The need for and siting of natural gas utility pipelines.

Sometimes the Alberta Electric System Operator's needs identification document application is considered together with a facility application in a single proceeding; sometimes separate proceedings are held to consider each application.

Application review process



- Step 1: Public consultation prior to applying to the AUC
- Step 2: Application filed to the AUC
- Step 3: Public notice
- Step 4: Public submissions to the AUC
- Step 5: Consultation and negotiation
- Step 6: The public hearing process
- Step 7: The decision
- Step 8: Opportunity to appeal
- Step 9: Construction, operation and compliance

Application review process

Step 1: Public consultation prior to applying to the AUC



An applicant seeking approval of a proposed utility development project is required to engage in a participant involvement program prior to filing an application with the AUC. The public involvement program involves consultation with persons whose rights may be directly and adversely affected by the proposed project so that concerns may be raised, addressed and, if possible, resolved.

The application guidelines and requirements for facility applications can be found in AUC Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations, Hydro Developments and Gas Utility Pipelines*.

Potentially affected parties are strongly encouraged to participate in the public consultation, also called a participant involvement program. Early, active and ongoing discussions with an applicant may lead to greater influence on project planning and what is submitted to the AUC for approval.

Step 2: Application filed to the AUC



When the applicant has concluded its consultation with potentially affected parties and the participant involvement requirements have been completed, the applicant files its application through the AUC online public filing system, called the eFiling System.

AUC staff members review each application submitted to verify that all of the application requirements in Rule 007 have been met before an application is deemed complete. If all of the required information is not provided, the application may be closed or missing information will be requested of the applicant. Rule 007 specifies, among other requirements, that applicants must submit the results of a public involvement program in its application that includes information about how applicants consulted and notified stakeholders and Indigenous groups and identifies any unresolved objections and concerns about the project.

Step 3: Public notice



When the AUC receives an application it is assigned a proceeding number and the AUC generally mails a notice of application directly to those who live, operate a business or occupy land in the project area who may be directly and adversely affected if the AUC approves the application. The notice initiates the opportunity for formal intervention in the proceeding to consider an application or applications. The notice of application will also set out important dates and information about where to find the application and other items being considered. The five-digit eFiling System proceeding number in the notice is the most efficient way to find information about a proposed project through the AUC website.

Step 4: Public submissions to the AUC



Prior to the submission deadline provided in the notice, formal submissions of outstanding concerns and unresolved objections about a project may be submitted to the AUC. To submit a concern, participants will need to register to participate in the proceeding, which involves providing a brief written statement called a statement of intent to participate. Submissions are filed electronically through the eFiling System. The information filed becomes part of the public record and is an important part of the process to ensure that outstanding concerns are heard, understood and considered.

The AUC uses the information gathered through statement of intent to participate submissions to decide whether to hold a hearing on the application(s). The AUC must hold a hearing if a concerned person can demonstrate that they have rights that may be directly or adversely affected by the AUC's decision on the application. Such a person is said to have standing before the AUC. If the AUC decides to hold a hearing, the AUC will provide further opportunities for participants with standing to ask the applicant questions on the public record and present their position on the application either in writing or in person. Hearings may

be held in writing, in person or virtually through web-conference software.

AUC eFiling System

The eFiling System is the online tool that the AUC uses to manage applications and submissions in its proceeding-based review. The eFiling System gives access to all public documents associated with an application. The system is also used to submit your concerns and provide input to the AUC and can be used to monitor related proceeding filings. Those who do not have access to the internet can send submissions, evidence and other material by mail and the AUC will upload the submission on their behalf.

Step 5: Consultation and negotiation (if applicable)



The AUC supports efforts to reach a mutually agreeable outcome among the applicant and affected parties. The AUC encourages the applicant and those who have filed a statement of intent to participate to continue to attempt to resolve any outstanding issues. If all concerns can be satisfactorily resolved this may eliminate the need for a formal hearing. However, if there continues to be unresolved issues, those matters will typically be addressed in an AUC hearing.

Step 6: The public hearing process



The AUC will issue a notice of hearing if a person with standing continues to have legitimate unresolved concerns with the application. The notice of hearing will provide a hearing date and location, or specify if the hearing will be held in writing or virtually. When the AUC holds a public hearing, registered parties are given the opportunity to express their views directly to a panel of Commission members. Any member of the public can listen to an in-person or virtual oral hearing. An oral public hearing operates similar to a court proceeding.

Participants in a hearing can either represent themselves or be represented by a lawyer. In addition, participants may hire experts to assist in preparing and presenting evidence to support their position.

Cost assistance



A person determined by the AUC to have standing or a local intervener can apply for reimbursement of reasonable costs. Those who hire a lawyer or technical experts must be aware that while reimbursement for the costs of legal and technical assistance is available under AUC Rule 009: *Rules on Local Intervener Costs*, recovery of costs is subject to the AUC's assessment of the value of the contribution provided by the lawyer and technical experts in assisting the AUC to understand the specifics of the case. It is also subject to the AUC's published scale of costs.

People with similar interests and positions are expected and encouraged to work together to ensure that expenditures for legal or technical assistance are minimized and costs are not duplicated.

Step 7: The decision



The AUC's goal is to issue its written decision no more than 90 days after the close of record. The AUC can approve, or deny an application and can also make its approval conditional upon terms or conditions. AUC decisions are publicly available through the AUC website at www.auc.ab.ca.

Step 8: Opportunity to appeal



An applicant or participant in a proceeding may formally ask the Court of Appeal of Alberta for permission to appeal an AUC decision. An application for permission to appeal must be filed within 30 days from the date the decision is issued.

An applicant or participant in a proceeding can also ask the AUC to review its decision. An application to review a decision must be filed within 60 days from the date the decision is issued and satisfy the limited grounds described in AUC Rule 016: *Review of Commission Decisions*.

Step 9: Construction, operation and compliance



An applicant that receives approval to build and operate a facility from the AUC is expected to follow through on any commitments it has made to parties and must adhere to any conditions that were set out in that approval. If concerns about compliance with approval conditions and post-construction operations cannot be resolved with the applicant, they can be brought to the AUC's attention for consideration. The AUC has significant compliance and enforcement powers for all approved applications. Additional information is available on the AUC website.



The Alberta Utilities Commission is an independent, quasi-judicial agency of the government of Alberta that ensures the delivery of Alberta's utility services take place in a manner that is fair, responsible and in the public interest.

We are committed to ensuring that Albertans whose rights may be directly and adversely affected by a utility development project are informed of the application and have the opportunity to have their concerns heard, understood and considered.

Contact us

Phone: 310-4AUC
1-833-511-4282 (outside Alberta)
info@auc.ab.ca
www.auc.ab.ca

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