

COALDALE RENEWABLE ENERGY PROJECT PROJECT UPDATE – AUGUST 2024



You are receiving this package because you live on or own land within 1.5 km of the proposed Coaldale Renewable Energy Project, an initiative by McCain Foods ("McCain") for its Coaldale Processing Plant, in partnership with Elemental Energy ("Elemental"), a renewable energy owner and operator, for wind and solar generation to connect directly to the plant.

ABOUT THE PROJECT

The Coaldale Renewable Energy Project (the "Project") is a hybrid renewable energy generating facility comprised of 5 wind energy turbines and up to 5 MW of ground mounted solar generation, all to be installed on land owned by McCain and connected directly to the Coaldale Processing Plant. The Project will support McCain's sustainability objectives of reaching 100% renewable electricity by 2030.

With a total proposed installed nameplate capacity of up to 40 MW, the Project is expected to generate enough clean, sustainable, and zero-emissions electricity to power or offset all of McCain's Coaldale Processing Plant needs.

It is anticipated that the Project will be constructed in late 2025 or early 2026 and is planned to operate for 20 to 30 years.

MCCAIN AND ELEMENTAL PARTNERSHIP

McCain Foods is, a Canadian family-owned company, leader in the frozen food industry and the world's largest processor of French fries and specialty potato products. Last year, McCain made a \$600 million investment into expanding the Coaldale Plant, doubling the capacity and workforce, adding 260 jobs.

Elemental develops, owns and operates industry leading wind and solar projects in Alberta and across Canada, bringing renewable energy to the grid where it matters the most.

The Project will be located on McCain owned land; Elemental will own and operate the Project and sell the electricity directly to McCain for their Coaldale Plant. This project leverages Alberta's renewable resources to provide the world with sustainably produced food.

INCLUDED IN THIS NEWSLETTER:

- About the Project
- · Partnership Structure
- Revised Layout
- · Project Benefits
- · Updated Schedule
- · Community Benefit Fund
- · Updated Shadow Flicker Map
- · Alberta Utilities Commission Brochure

PURPOSE OF THIS PROJECT INFORMATION UPDATE

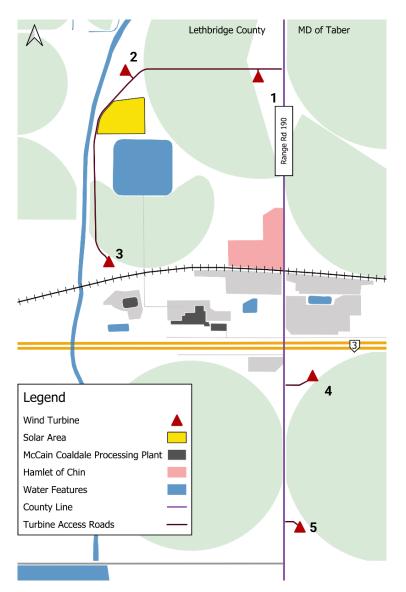
Elemental and McCain are sharing this Project update to summarize the changes and updates that have been made to the Project in response to stakeholder feedback.

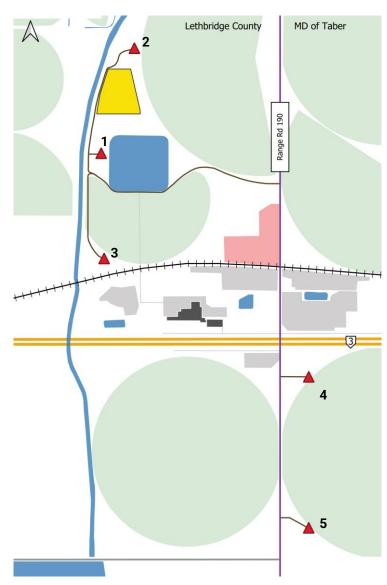
The Project information we are sharing in this mailout is representative of the Project we plan to file with the Alberta Utilities Commission ("AUC").



ORIGINAL LAYOUT

REVISED LAYOUT





REVISIONS

Based on feedback received during personal consultation and the open house, revisions were made to the following Project components.

- Turbine 1: Turbine 1 has been moved from beside Range Road 190 to between the irrigation canal and McCain's retention pond. Turbine 1 now complies with the MD of Taber's road setback.
- Access Roads: The Project's access roads have been revised to avoid pivot sweeps. A new access point off of Range Road 190 will be developed, and existing roads within the Project boundary will be used.
- Solar Area: The solar area has moved slightly north and the fence line has been adjusted. It avoids the pivot sweep and maintains the same capacity of 5 MW.
- Collector Routing: Collector routing for Turbines 4 and 5 avoids new infrastructure under construction on the west side of the existing McCain plant. Please see the Coaldale Renewable Energy Project Preliminary Project Layout attached at the end of this newsletter for more detail.

UPDATED PROJECT STUDIES

Environment: All required environmental surveys have been completed. The Environmental Evaluation, Environmental Protection Plan, and a Conservation and Reclamation Plan are being updated for the revised Project layout. All plans and reports will be posted on our website when complete.

Noise and Shadow Flicker: Third-party noise and shadow flicker assessments have been completed for the new layout. The Project complies with the AUC Rule 012: Noise Control, which sets out the maximum permissible sound level for electric facilities. The Shadow Flicker impact map has been updated and is included with this newsletter.

Glare: There are no receptors, routes, or railways identified within 800 meters of the solar area, therefore no hazardous glare is expected.

Visual Impacts: The visual simulations completed for the previous layout and presented at the open house hosted at the McCain plant on July 3, 2024 are now posted on our website.

Additional information, figures, and supporting reports can be shared as requested or are available our website (www.coaldalewindfarm.com).

UPDATED SCHEDULE

Now

Stakeholder Engagement & Impact Studies

September 2024

AUC Submission

Early 2025

Anticipated AUC Approval

Mid 2025

Municipal Development Permit

Late 2025

Construction Start

Mid 2026

Target Commercial Operations

COMMUNITY BENEFIT FUND

Throughout consultation we've heard interest about the direct benefits the Project provides to the community, including Chin. Supporting the communities in which we work is one of our core values. We are committed to establishing a community benefit fund in collaboration with local stakeholders and organizations to support community led initiatives and programming.

Elemental has implemented many successful community benefit funds for operating projects across Canada, including Alberta. Initiatives have included funding community events and teams, educational programming for students and seniors, sponsoring youth rodeo athletes, and a fee assistance program for low-income families.

We are pleased to commit to \$15,000 per year for the Coaldale Renewable Energy Project community benefit fund. The structure and governance of the fund will be subject to further feedback and input from community stakeholders. Please reach out if you have any suggestions for us to consider.

PROJECT BENEFITS

Clean Electricity Production: The Project will generate electricity with no associated emissions enabling the Coaldale Processing Plant to supply or offset its entire operations and ensure the viability of its business for decades to come. McCain has set its own internal targets for sustainable, zero-emissions operations by 2030 and this Project is a key part of this strategy in the near-term.

Plant Sustainability: With the development of renewables at this site, the plant is expected to operate for decades to come, providing sustainability and certainty to McCain's operations and by association certainty to the hundreds of employed workers at the plant for now and the future.

Economic Opportunities: Construction of the facility will require tens of millions of dollars and will result in contracting opportunities for local businesses in various fields including land surveying, civil construction, mechanical and electrical work. We will maximize the local procurement of construction materials whenever possible.

Property Taxes: The Project well is situated partly in Lethbridge County and the Municipal District of Taber. Over the 20 to 30 year life, it will contribute millions of dollars in property taxes to the local municipalities.

Community Benefit Fund: A community benefit fund will be established to support community led initiatives and programing. Details are subject to further feedback.

NEXT STEPS

Elemental plans to file an AUC application for the Project in September 2024.

Elemental and McCain are available to meet with landowners, residents, and stakeholders to answer questions, listen to concerns and where possible, resolve them.

Please do not hesitate to contact us to request additional Project information, schedule a phone call or a visit to your property.

WHO IS THE AUC?

The Alberta Utilities Commission ("AUC") is a quasijudicial independent agency established by the Government of Alberta, responsible to ensure that the delivery of Alberta's utility service takes place in a manner that is fair, responsible and in the public interest.

They regulate investor-owned natural gas, electric and water utilities, and certain municipally-owned electric utilities to protect social, economic and environmental interests of Alberta where competitive market forces do not. For more information visit www.auc.ab.ca or refer to the enclosed brochure.



STAY IN TOUCH

To sign-up for Project updates, please visit our website: www.coaldalewindfarm.com

If you have any questions or concerns, please contact our Project Consultation Lead, Samantha Brown, by phone or email, using the information provided below:

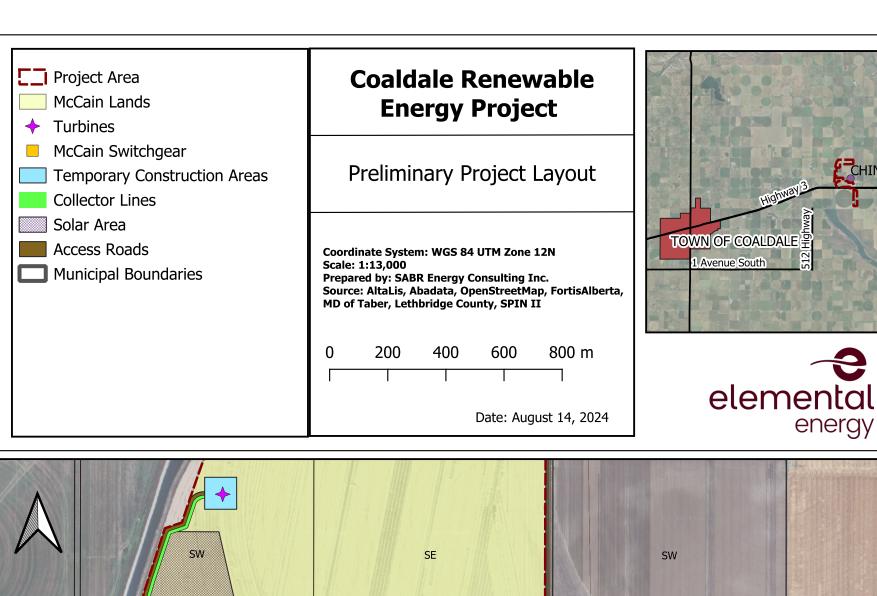
Samantha Brown Project Consultation Lead

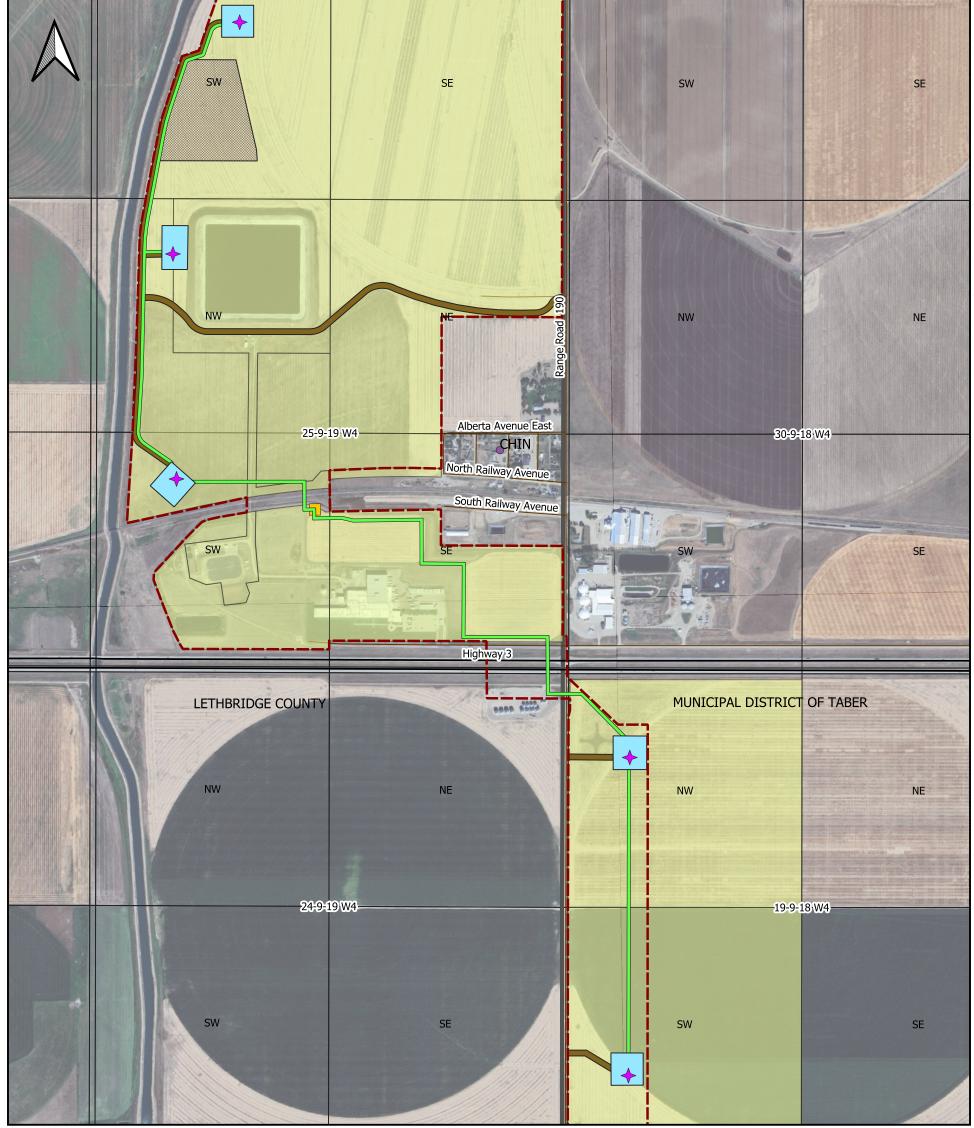
Phone - 1.587.434.7547

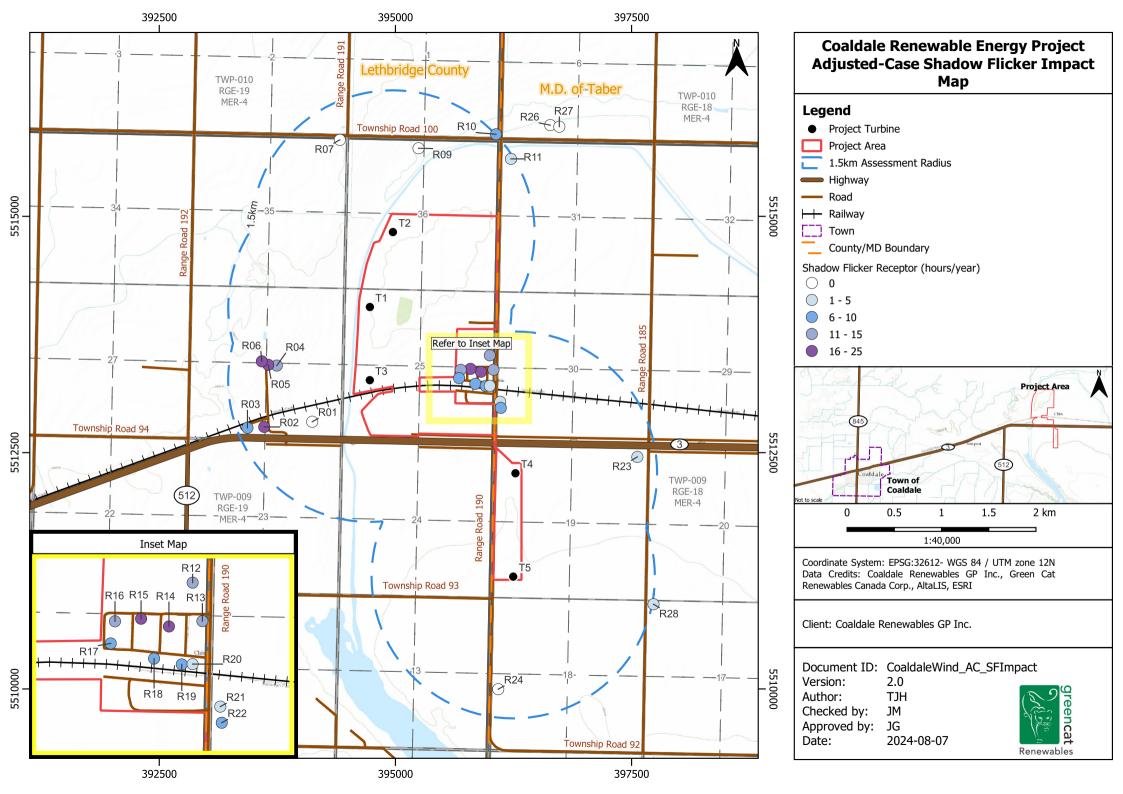
Email - sbrown@sabrenergyconsulting.com

Privacy Statement

McCain and Elemental are committed to protecting your privacy. Collected personal information will be protected under the provincial Personal Information Protection Act. As part of the regulatory process for new generation projects, Elemental may be required to provide your personal information to the AUC. For more information about how Elemental protects your personal information, contact us at development@elementalenergy.ca







Step 5: Consultation and negotiation (if applicable)*

The Commission supports ongoing efforts to reach an agreeable outcome for the applicant and all affected parties. The Commission encourages the applicant and those who have filed a statement 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 at an AUC hearing.

Step 6: The public hearing process*

The AUC will issue a notice of hearing if there continues to be legitimate unresolved concerns with the application. The notice of hearing will provide a hearing date and location in addition to a process schedule. The AUC conducts public hearings in its Edmonton and Calgary hearing rooms and, where suitable venues exist, in communities closer to the proposed project area.

The public hearing process allows persons with standing that have unresolved concerns about the application, to express their views directly to a panel of Commission members.

An AUC hearing is a formal, evidence-based, court-like proceeding. The public can attend the hearing in person or listen to hearings online through the AUC's website.

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 Commission to be 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: *Local Intervener Funding*, recovery of costs is subject to the Commission assessing the value of the

contribution provided by the lawyer and technical experts. People with similar interests and positions are expected 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 application decision no more than 90 days after the hearing is complete. The Commission can approve, or deny an application and can also make its approval conditional upon terms or conditions. All AUC decision reports are available to any member of the public on the AUC's website or by obtaining a printed copy from the AUC.

Step 8: Opportunity to appeal

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

An applicant or dissatisfied participant can also ask the Commission to review its decision. An application to review a Commission 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 and Variance of Commission Decisions*.

Step 9: Construction, operation and compliance

An applicant that receives approval to build and operate a facility from the Commission 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 under "Compliance and enforcement."

*Opportunity for public involvement

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.

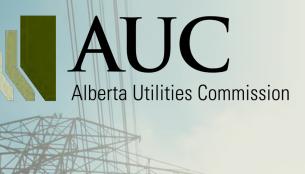
Contact us

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

Eau Claire Tower 106 Str 1400, 600 Third Avenue S.W. 10th FI Calgary, Alberta T2P 0G5 Edmon

106 Street Building 10th Floor, 10055 106 Street Edmonton, Alberta T5J 2Y2

The Alberta Utilities Commission is 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.



Participating in the AUC's independent review process

Application review process

Step 1: Public consultation prior to application by proponent

Step 2: Application filed with the AUC

Step 3: Public notice issued by the AUC

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

www.auc.ab.ca

The AUC's regulatory role in needs and facility applications and its independent review and hearing process:

The AUC uses an established process, outlined in this brochure, to review social, economic and environmental impacts of facility projects to decide if approval is in the public interest. Approvals from the AUC are required for the construction, operation, alteration and decommissioning of transmission lines and electric substations.

Approvals are required for:

- The need for transmission upgrades.
- The route and location of transmission facilities.
- The siting of power plants, including renewables such as wind and solar more than five megawatts.

Sometimes a needs application is considered together with a facility application in a single hearing; sometimes separate hearings may be held to consider each application.

Step 1: Public consultation prior to application*

Prior to filing an application with the AUC for the approval of a proposed utility development, the applicant must engage in a public consultation program in the area of 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 and Hydro Developments*, and AUC Rule 020: *Rules Respecting Gas Utility Pipelines*.

Potentially affected parties are strongly encouraged to participate in the initial public consultation, as early involvement in discussions with an applicant may lead to greater influence on project planning and what is submitted to the AUC for approval.

The Alberta Electric System Operator, as the system planner, will notify potentially affected stakeholders of applications on the need for transmission development.

Step 2: Application filed with the AUC

When the participant involvement requirements have been completed, the applicant files its application with the AUC through a public filing system, called the eFiling System, on the AUC website.

The application is then reviewed to ensure the information required by the Commission is included. If the required information is not provided, the AUC may close the application or request more information from the applicant. In the application, any issues that were raised during the public consultation and any related amendments to the proposal should be identified. All unresolved objections or concerns identified during the public consultation must be described in the application.

Step 3: Public notice

The AUC generally issues a notice by mail directly to those who live, operate a business or occupy land in the project area who may be affected by the Commission's decision on the proposed project. The notice for larger facility projects with potentially greater impacts may also be published in local newspapers.

The notice will specify a submission deadline. The information required by this deadline is general in nature as outlined in Step 4. Additional opportunities to provide evidence and additional information will arise after this deadline.

Step 4: Public submissions to the AUC*

The AUC review process is referred to as a proceeding. Anyone with unresolved objections or concerns about the application can file a brief written statement with the AUC on the proceeding. The easiest way to file a statement is to fill out the form through the eFiling System found on the AUC website. The statement must include your contact information, where you reside or own property in relation to the proposed facility, your concern or interest in the application, an explanation of your position and what you feel the AUC should decide.

The AUC uses the information it gathers through the forms to decide whether to hold a hearing on the application(s). The Commission must hold a hearing if a person can demonstrate that he or she has rights that may be directly or adversely affected by the Commission's decision on the application. Such a person is said to have standing before the Commission. If the AUC decides to hold a hearing, the AUC will provide further opportunities for participants with standing to understand the application and present their position on the application either in writing or in person.

Subject to some limited exceptions, all information and materials provided as part of an AUC proceeding will become part of the public record and will be available through the eFiling System. The AUC's treatment of some types of information as confidential is rare and only available under limited circumstances to ensure that the AUC's process is open and transparent.

AUC eFiling System

The eFiling System is the 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 and is how to provide your input to the AUC and monitor the 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.

*Opportunity for public involvement