

October 1, 2024

Via Email / Website/Mail

RE: Lone Pine Wind Farm – Project Update & New Connection Process

Dear Project Stakeholder,

We are writing in regard to the proposed Lone Pine Wind Farm project (“**Lone Pine**”), a 350 MW wind project and MPC transmission line proposed in Kneehill County near the communities of Torrington and Sunnyslope, about 15 km west of Three Hills. As you may be aware, Lone Pine is currently in Stage 3 of the Alberta Electricity System Operator (“**AESO**”) connection process, and to date we have commenced early consultation and completed environmental field surveys necessary for application to the Alberta Utilities Commission (“**AUC**”).

We are writing to inform you that Capstone has recently decided to delay the project timelines, meaning we will not be conducting additional public meetings or making an application to the AUC this year. We will be restarting the connection process and postponing AUC application by about 2 years (more schedule details are included below).

Alberta Market Background

The Alberta electricity market is in a period of change, and for companies like Capstone, this uncertainty creates complexity when developing projects that are reaching key project milestones where design and financial decisions need to be made. As you may know, the Alberta government, AESO, and AUC have been consulting on potential changes in transmission regulations, and electricity market rules more broadly, intending to increase reliability and affordability for ratepayers. On-going regulatory consultation following the moratorium on renewable electricity development are expected to continue into late 2024/early 2025.

Next steps for the Lone Pine project

To accommodate the delay, we will be restarting the interconnection process with the Alberta Electricity System Operator (“**AESO**”). An overview of the changes to key project milestones is set out below:

Project Milestone	Original Schedule	Updated Schedule
Power Plant Application	Q4-2024	Q3-2026
Transmission Line Facility Application	Q1-2025	Q4-2026
AESO Cluster 2 Application	N/A	Q3-2024
Interconnection In-service Date (ISD)	Q3-2028	Q3-2029
Earliest Commercial Operation Date (COD)	Q4-2028	Q4-2029

Over the last 6 months, we have seen a broadened increase in the public engagement in the Lone Pine project. We appreciate the interest in the project, and the willingness for stakeholders to take the time to reach out. The feedback received has been a mix of common questions and concerns for wind projects, but also many myths and mistruths. Capstone is committed to ensuring thorough consultation and fact-based dialogue with local stakeholders about Lone Pine, including one-on-one meetings, open houses, newsletters, and more. Delaying the AUC application will provide further opportunity for Capstone to engage with the community after adapting the proposed project to the final regulatory outcomes.

If you have questions or comments, please reach out to our stakeholder engagement team at Hardline Engineering Ltd at 403-831-6513 or at stakeholderrelations@hardlineeng.com.

For Project information and consultation document, please visit www.lonepinewindfarm.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Najee Elbaroudi', with a horizontal line extending from the end of the signature.

Najee Elbaroudi
Project Manager, Development
Capstone Infrastructure Corporation