

July 19, 2021

*Via regular mail*

**[Company Name or Person Name]**

**[Attention: Name if to a Company]**

[Address]

[Address]

**RE: Michichi Solar Generation Facility – Project Update**

Dear Sir or Madam,

You are receiving this notification package because you are on the stakeholder mailing list for the Michichi Solar Project (the “**Project**”) located in Starland County, near the intersection of Township Road 294 and Range Road 201, as shown on the attached map.

By way of brief background:

- On September 12, 2019, the Project received its Power Plant Approval from Alberta Utilities Commission (“**AUC**”). *[Proceeding 24363 and Decision 24363-D01-2019]*
- On September 9, 2020, AUC granted extension of the completion date of the Project to March 31, 2022. *[Proceeding 24363 and Decision 25806-D02-2020]*
- In March 2021, Capstone Infrastructure Corporation (“**Capstone**”) acquired the Michichi Solar Project from Samsung Renewable Energy Inc.
- On March 24, 2021, AUC authorized this change of ownership relating to the Project approval. *[Proceeding 26392 and Decision 26392-D01-2021]*

Capstone is writing to notify you of changes to Project technology and layout, as described in the sections below, as well as to provide an update on the Project plan and overall construction schedule. The proposed changes to the Project are being submitted to the AUC as a Letter of Enquiry (“**LOE**”), for review and approval by the AUC, as per Power Plant Approval 25806-D02-2020. This update letter meets the regulatory requirements to advise all stakeholders of the project updates and planning for this Project.

### Technology Update

The final components of the power generating equipment for the Project had not been selected at the time of application and issue of the Power Plant Approval. Since Capstone took over the Project, and as a critical step leading up to the engineering, procurement and construction phase, further facility design and equipment selection has been done to optimize the Project for

solar module and inverter models that are currently available on the market. The optimization has been done without materially increasing the footprint of the Project or the technical assessments for noise and glare coming from the Project, and the total generating capacity remains unchanged at 25 MW.

The Project design has been changed from a fixed tilt racking to a single axis tracking (SAT) system. Using a SAT system allows the PV modules to move slowly on one axis to follow the sun's movement across the sky throughout the day, and results in an increase of energy production without extending beyond the original lands approved for the Project.

Expert consultants have been retained by Capstone to evaluate the glare and noise emissions of the new design. The results of the studies show no material increase of glare or noise at nearby homes, along nearby roads, and at nearby airports from the original assessments. The updated technical reports for noise and glare are available at the Project website at [www.michichisolarproject.com](http://www.michichisolarproject.com).

### Environmental Impact Update

Updated wildlife surveys were conducted in 2020. The potential impacts identified in the original environmental evaluation remain unchanged with the technology update to the newer SAT design and up to date studies. As with the original design and AUC approval:

- the Project has been designed to comply with the government "Solar Directive", which stipulates that the Project should maintain a 100-metre setback from the top of any valley breaks to avoid impacts to coulee features;
- the Project will not directly impact any wetlands or watercourse features;
- the Project surveys did not identify the presence of sharp-tailed grouse, short-eared owls, migratory bird habitat, or migratory bird congregation areas;
- an environmental monitor will be on site during the construction period for the Project; and
- all provincial regulations will be followed for the safe construction and operation of the Project.

### AUC Approval and County Permits Update

Capstone will be submitting a Project update letter (called a Letter of Enquiry) to the AUC in July for review and approval of the technology changes for the site, and prior to initiating construction.

The Project already has a development permit with Starland County which will be updated once AUC approves the technology change at the site. All county development permit requirements will be met prior to the initiation of construction for the site.

### Construction Timeline Update

Capstone has been working through pre-construction activities which includes detailed engineering, equipment selection and procurement, and construction tender scoping. In

parallel, Capstone has held meetings with the AUC and Starland County to confirm all permitting requirements continue to be met.

Following approval of the LOE by AUC, Capstone anticipates construction to begin as early as October 2021, and be completed in 2022. Once a construction contractor is selected, further updates will be provided on the specific construction activity timelines, as well as provide Capstone site team contacts for interested stakeholders during construction.

### Contact Information

Hemmera Envirochem Inc. (“Hemmera”) continues to be involved in the Project (previously retained by Samsung prior to acquisition by Capstone), to facilitate the public involvement program (“**PIP**”). If you have any additional questions or comments regarding the Michichi Solar Generation Project, we encourage you to please contact the Project lead listed below at your convenience.

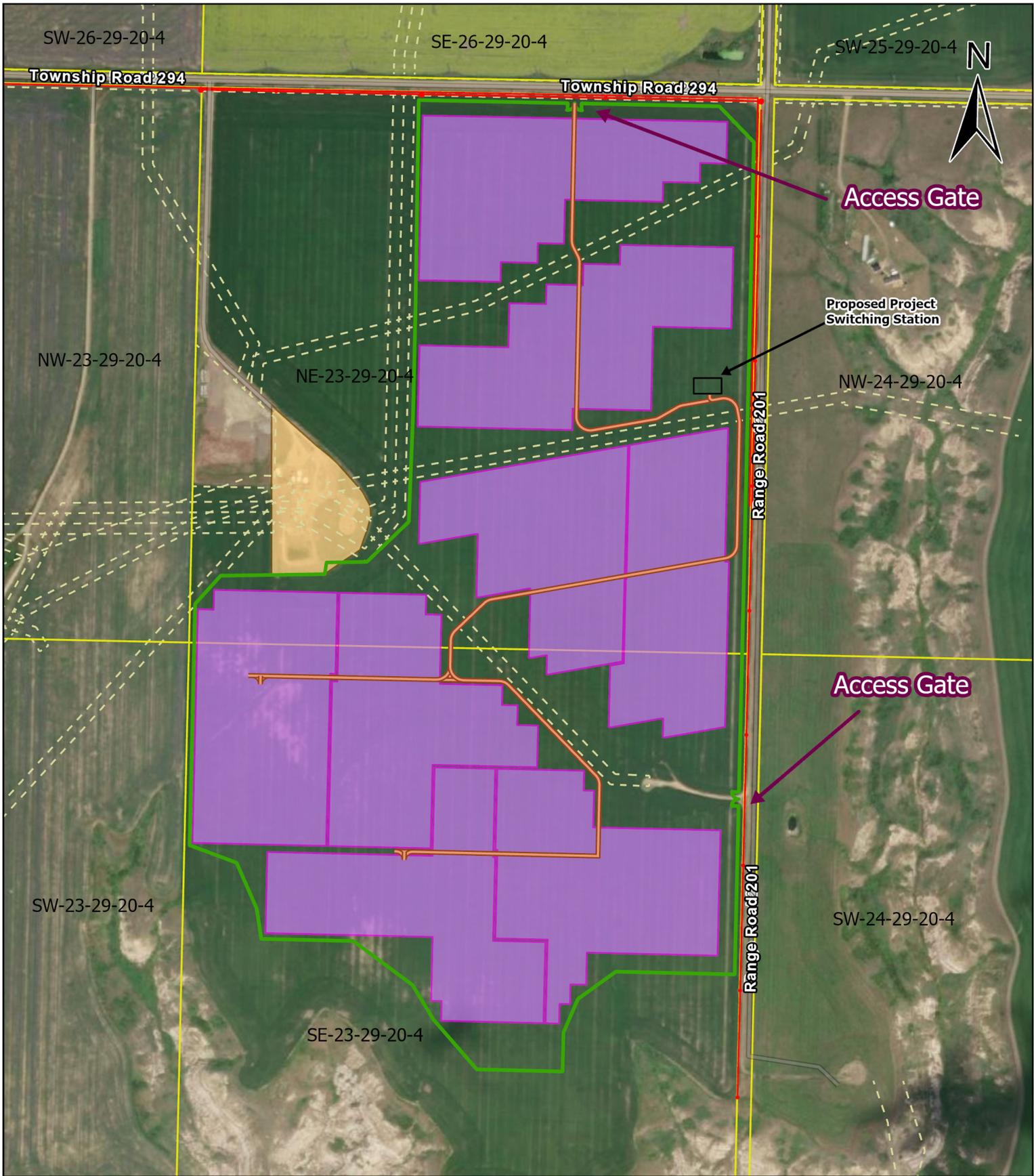
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If you would like to learn more about Capstone or have any questions about Capstone and our on-going operations and activities in Alberta, please check us out online on our corporate website at [www.capstoneinfrastructure.com](http://www.capstoneinfrastructure.com) or email us at [projects@capstoneinfra.com](mailto:projects@capstoneinfra.com).

Sincerely,

***Andrea Kausel***  
Vice President, Development  
Capstone Infrastructure Corporation

Encl. (1)      Project Site Plan



# Michichi Solar Project

## Project Layout Map

Background Map Data Sources: Esri Community Maps Contributors, Esri Canada, Esri, HERE, Garmin, INCREMENT P, METI/NASA, USGS, EPA, US Census Bureau, USDA, NRCan, Parks Canada; Maxar.

Prepared by  
Francis Duhamel

**Legend**

- Facility Fence
- Panel Block
- Project Road
- Power Line
- Quarter Section
- Existing Well Site
- Underground Pipeline ROW Limit

NAD 1983 UTM Zone 12 21/07/09

