

E.L. SMITH SOLAR FARM AND BATTERY ENERGY STORAGE SYSTEM

JUNE 2020

In this notice you will find:

- An update about the E.L. Smith Solar Project.
- Information about EPCOR's proposed Battery Energy Storage System (BESS) to store energy generated by the proposed solar farm.
- How you can contact EPCOR to provide feedback or gather additional project-related information.

SINCE OUR LAST PROJECT UPDATE IN FEBRUARY 2018

As outlined in our previous communications, the solar farm project includes installing up to 45,000 solar panels on approximately 51 acres of land within EPCOR's fenceline.

- We have enhanced the solar farm project to include the addition of the BESS. The solar farm will be connected to the water treatment plant, the electrical grid, and the BESS, which together form the EPCOR smart grid system.
- We have continued to refine the solar farm project in response to the feedback provided by residents, Indigenous Communities, the City of Edmonton and special interest groups. Specifically, we: *(i)* held integration workshops with community organizations to gather feedback on how to best integrate the project into the proposed location; *(ii)* completed additional environmental surveys; and *(iii)* further reduced the footprint of the proposed solar farm project area.

- EPCOR received an approval from the Alberta Utilities Commission (AUC) on February 20, 2019 to construct and operate a 12 MegaWatt (MW) solar farm on its property just south of the existing E.L. Smith Water Treatment Plant (E.L. Smith WTP), located just below the Anthony Henday and Cameron Heights turn-off, at 3900 E.L. Smith Road.
- EPCOR has been working to gain approvals from the City of Edmonton to rezone the EPCOR-owned land where the project is located and anticipates that the re-zoning public hearing for the solar farm will be held by the City of Edmonton later this year.

BATTERY ENERGY STORAGE SYSTEM PROJECT

EPCOR is proposing to install a BESS at the E.L. Smith WTP. The BESS will be connected to the water treatment plant and the proposed E.L. Smith Solar Farm project. Utilizing intelligent management controls, the BESS will allow EPCOR to store energy produced by the solar farm to better optimize the use of the solar power, such as providing power to the WTP during peak periods of electrical demand.

You are receiving this information because you are a landowner, resident, occupant or interested party near the E.L. Smith WTP. This notice contains information on what we are proposing for the battery project. We would like to hear from you if you have questions, comments or require additional information about the battery energy storage system project.

BATTERY PROJECT DETAILS

EPCOR was awarded financial support in 2019 of approximately \$10.7 million from Natural Resources Canada (NRCan) to enhance the proposed E.L. Smith Solar Farm project into a complete smart-grid system by including a battery energy storage system (BESS) and intelligent management controls.

The new 4 megawatt (MW)/8.9 megawatt-hour (MWh) battery energy storage system will be installed within the existing fence line of the operational E.L. Smith WTP site. As shown on the map on the next page, the proposed location of the BESS is next to existing infrastructure and the new solar farm point of connection with the electrical grid.

The new BESS uses the latest innovative technologies, and together with the solar farm will:

- Increase resiliency of the E.L. Smith WTP;
- Optimize the peak electrical load demand of the E.L. Smith WTP and the solar power exports to the grid; and
- Offer unique research and learning opportunities for the community related to large-scale renewable energy and smart grid technology.

BATTERY PROJECT CONSIDERATIONS

EPCOR has worked with external experts to determine if there are any considerations which must be taken into account in the design and implementation of the battery project.

A third-party environmental consultant has determined that the BESS will not result in any significant adverse environmental effects and the conclusions of the environmental evaluation for the proposed solar farm remain unchanged with the addition of this project. The noise assessment completed for the proposed solar farm has also been updated to include the addition of BESS components. Once the BESS is installed, we do not anticipate an increase in noise level in the area and the project remains in compliance with the regulator's guidelines for noise control (AUC Rule 012).

The BESS presents unique collaboration opportunities for EPCOR and local post-secondary institutions to study the application of solar generation together with energy storage at a water treatment plant facility. EPCOR has partnered with both the Northern Alberta Institute of Technology (NAIT) and University of Alberta (U of A) for this project.

BATTERY ENERGY STORAGE SYSTEM ENCLOSURE

EPCOR will be installing batteries similar to the example shown on the image below. The system consists of three enclosures similar to sea-can containers that are approximately 3m high, 3m wide and 14m long and two transformers. The engineered enclosures contain the batteries and their controllers as well as the power conversion system (also known as inverters) which converts electricity between direct current (DC) and alternating current (AC).



SCHEDULE

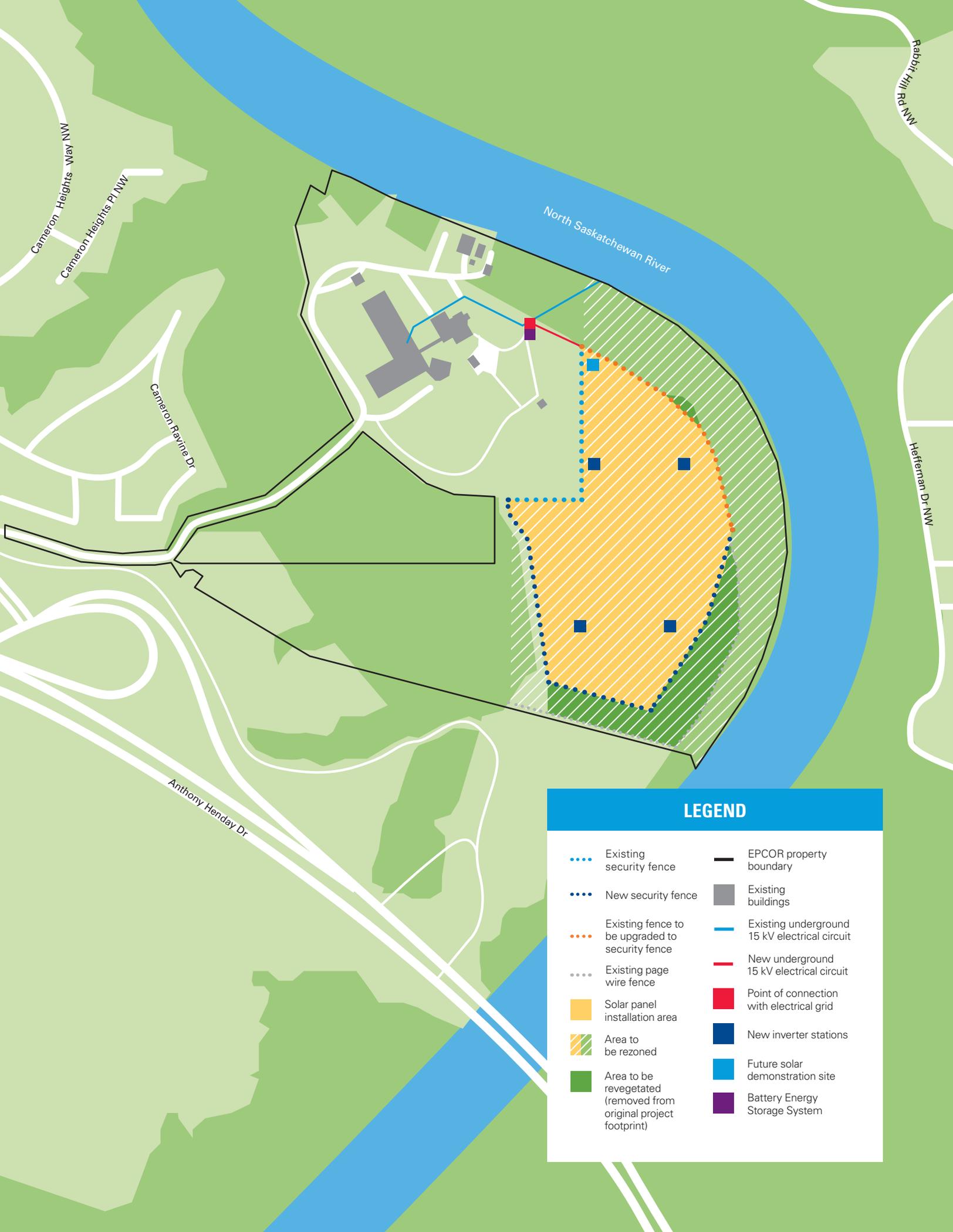
EPCOR intends to submit the required Letter of Enquiry (LOE) for this project to the AUC in July 2020. If all required approvals are granted for the BESS, and if the proposed re-zoning for the E.L. Smith Solar Farm project is approved later this year, the tentative schedule of work will be as follows:

- Construction of the solar farm and installation of the battery is expected to begin in early 2021.
- Completion of the solar farm and BESS project by Spring 2022.

Please note: These timelines are estimates and may change based on weather, procurement of materials and construction conditions.

BESS INSTALLATION SCHEDULE





LEGEND

<ul style="list-style-type: none"> Existing security fence New security fence Existing fence to be upgraded to security fence Existing page wire fence Solar panel installation area Area to be rezoned Area to be revegetated (removed from original project footprint) 	<ul style="list-style-type: none"> EPCOR property boundary Existing buildings Existing underground 15 kV electrical circuit New underground 15 kV electrical circuit Point of connection with electrical grid New inverter stations Future solar demonstration site Battery Energy Storage System
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WHAT TO EXPECT DURING CONSTRUCTION

Visual

You can expect to see activity that is typical to construction, including company/contractor vehicles and equipment along E.L. Smith Road.

Construction Noise

Work will create typical noise associated with construction. We will take measures to ensure we comply with the City of Edmonton's Community Standards Bylaw for Noise Control and AUC Rule 012 for Noise Control.

Work Space

All of the planned work will take place within EPCOR's property line and existing fenced boundary. All work areas will be safe and secure.

Hours of Work

The hours of work will be Monday to Friday from 7:30 a.m. to 5:00 p.m. Occasional evening and weekend work may be required.

PARTICIPATE IN THE PROCESS

EPCOR believes in listening to and engaging stakeholders. Community input and involvement is an important part of our decision making. If you have any questions or would like to provide input on the project, please contact us:

Phone: 780-412-3599

Email: greenproject@epcor.com

Visit: epcor.com/elsmithsolarfarmproject

Please contact us if you have any design ideas for the external facade of the proposed battery enclosures (as shown on page 2 of this notice).

ABOUT THE ALBERTA UTILITIES COMMISSION (AUC)

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

The AUC must approve the BESS project before EPCOR can begin work on it.

For more information on the AUC's regulatory process and how you can participate in the process, visit: www.auc.ab.ca/pages/review-process-steps.aspx.