

May 30, 2024

**RE: Kneehill Solar Generation Facility (in SW-13-32-24-W4)
Notice of Addition of Battery Energy Storage System (BESS) Equipment**

Dear Sir/Madam,

By way of introduction, my name is Mohamad Chehab, the Project Manager of the Kneehill Solar facility owned and operated by Capstone Infrastructure Corporation ('Capstone'). As a local resident living nearby the existing Kneehill Solar Generation Facility (the "**Solar Facility**"), you are receiving this letter to formally notify you about Capstone's intention to add more operational flexibility to the Solar facility by installing a new Battery Energy Storage System (the "**BESS Project**") adjacent to the existing switching station at the site. For your reference, the Kneehill Solar Generation Facility is located in Kneehill County, near the intersection of Township Road 322 and Range Road 241, quarter section SW-13-32-24-W4.

The BESS Project will have the potential to generate up to 10 MW of power for up to two (2) full hours, with a total nameplate energy storage capacity of 20 MWh. The BESS Project will only use about half of an acre of land within the Solar Facility on the east side of the existing switching station location (see Figure 1 included with this letter).

The specific technology selected for this BESS Project is the Lithium-Iron Phosphate chemistry-based battery and is manufactured by the company Canadian Solar. Specifically, the battery containers to be used are the SolBank (2-hour duration) Lithium-Iron-Phosphate (LFP) battery system, with 2750 kWh (or 2.75 MWh) of nameplate energy capacity with each container. The site will use eight (8) total Solbank containers to achieve the total energy storage. A cross-section of a typical Solbank BESS container and its associated components are provided in Appendix 1 to this letter. The physical layout and configuration of the Solbank battery containers, the inverters and electrical connection equipment, and new access road for the BESS are all shown on the consultation map provided. This container type has a very stable battery chemistry and it has already been used at several other BESS sites in North America. A recent example of a similar project is the 20 MW Gaskell West project in Rosamond, California, which came online in October of 2022.

With this site design, a complete equipment application package will be submitted to the Alberta Utilities Commission (AUC) in the coming months. We are planning to file a project application for the BESS project by mid July. Depending on the approval time with the AUC, construction of the BESS Project is likely to be initiated in early to mid 2025.

The BESS Project will be noise compliant with Alberta AUC regulations at nearby homes at all times of the day and night. In fact, the BESS Project will not have a material noise contribution beyond the background noise in the area when considering all noise sources in the area including oil

& gas facilities and the contributions from the Solar Facility itself. The BESS Project equipment has been modeled by an independent third-party noise consultant, and the updated technical report for noise (the Noise Impact Assessment or NIA) for the BESS Project equipment in addition to the Solar Facility will be available for public review at the project website at www.kneehillbess.com.

The potential for environmental impact with the BESS Project is also negligible since the proposed BESS Project will only cover a small area (approx. 0.86 acres), the equipment will be located adjacent to the existing switching station, and the land was already disturbed during the construction of the Solar Facility, so there is no existing habitat value for wildlife.

Finally, a draft Emergency Response Plan (ERP) for the BESS Project will also be posted on the project website and will be updated through consultation with county representatives, as well as with the general public, and eventually with the AUC. The final construction ERP will be ready prior to the start of site activities and will be a planning document to ensure that the BESS Project is built and operated in a safe and secure way, with public safety in mind, and with clear protocols and steps in the unlikely event of emergency at the site.

With this notice, Kneehill Solar LP is initiating the consultation work for the BESS Project and will complete the Participant Involvement Program (“PIP”) over the next four to six weeks. If you have any additional questions or comments regarding any of the information provided in this notice letter, or about the BESS Project in general, please contact the Consultation Lead for this project listed below:

Lucas Reindler
Consultation Coordinator
Bright Diamond Consulting
Phone: 514-346-3132
Email: lucas.reindler@bright-diamond.net

If you would like to learn more about Kneehill Solar, about Capstone Infrastructure, or have any questions about Capstone and our ongoing operations and activities in Alberta and elsewhere in Canada, please check out our company website at www.capstoneinfrastructure.com or email us at projects@capstoneinfra.com.

Sincerely,



Mohamad Chehab
Kneehill Solar Project Manager
Capstone Infrastructure Corporation

Enclosure: Project Site Plan for the Kneehill Solar BESS Project