

East Durham WIND ENERGY CENTRE NEWS

VOL. 3



WELCOME

In this newsletter, you will find the latest update on the proposed East Durham Wind Energy Centre. Since our last newsletter, we have the following important updates to share:

- On July 18, 2012, we hosted a public meeting at the Durham Community Centre to share the project updates. Approximately 140 people attended to learn about the project and have their questions answered by our team of experts. Within this newsletter, we have answered some of the questions asked most frequently during the public meeting.
- In preparation for submitting our application to the Ministry of Environment for a Renewable Energy Approval (REA), we have been conducting archeological and biological field studies to assess the potential impact of the proposed wind turbines on the natural environment. The studies are summarized in this newsletter, and the complete reports are now available on our website.
- An open house meeting has been scheduled for January 15, 2013, where the NextEra Energy Canada team members, consultants and experts will be available to answer your questions on the project and the draft REA reports.

We are aware that there are many complex issues that require ongoing consideration and discussion as this project develops. Our team is committed to working with the community and resolving issues in a timely fashion. As there are many studies in your area, you may from time to time see consultants working out on the land – while we encourage and welcome questions, comments or suggestions, we ask that you please contact us directly at the number or email address provided below rather than addressing these issues with our field consultants. **Your voice counts and your opinion matters.** We look forward to continued engagement with the community as we work toward developing emissions-free electricity in Ontario.

Kind regards,

Adam Rickel
Project Manager
East Durham Wind Energy Centre

CONTACT US

For more information or to contact us directly:

- CALL OUR TOLL-FREE NUMBER:
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- EMAIL:
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- VISIT OUR WEBSITE:
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- WRITE TO:
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ABOUT NEXTERA ENERGY CANADA

- East Durham Wind, Inc. is the owner of the East Durham Wind Energy Centre and a subsidiary of NextEra Energy Canada, ULC.
- NextEra Energy Canada, ULC is a subsidiary of NextEra Energy Resources, LLC, the largest generator of wind energy in North America.
- NextEra Energy Resources operates 100 wind projects in 4 provinces and 19 states with over 10,000 megawatts of generation.
- NextEra Energy Resources is focused on developing clean, renewable energy and approximately 95 per cent of our electricity comes from clean or renewable sources.



We value your privacy. Information will be collected and used in accordance with the Freedom of Information and Protection of Privacy Act, and will be maintained on file for use during the planning process for the proposed wind centres.

ABOUT THE EAST DURHAM WIND ENERGY CENTRE

- The East Durham Wind Energy Centre will be located on privately-owned land in the Municipality of West Grey in Grey County, Ontario.
- The East Durham Wind Energy Centre will generate up to 23-megawatts using up to 14 wind turbines. At maximum capacity, this project is expected to produce enough energy to power approximately 7,000 homes in Ontario.
- Local economic benefits of the project include employment opportunities, added tax base for municipalities and landowner lease payments. The East Durham Wind Energy Centre will create an estimated 150 construction jobs and 2-3 full time local operations jobs.

PROJECT UPDATE

Natural heritage, archeological and environmental studies are ongoing in the East Durham region as NextEra Energy Canada works toward developing and submitting the necessary reports to the Ministry of Natural Resources and Ministry of Tourism and Culture. Drafts of these reports, along with other project reports, are now available for review on our website and at County and Municipal offices. We have scheduled a public meeting/open house on January 15, 2013 to answer your questions and review your comments. We expect to submit the REA application for the project shortly following this public open house.

PUBLIC CONSULTATION

NextEra Energy Canada is committed to engaging with and consulting community members in the areas in which we propose to operate wind energy centres. We consult with the public in a variety of ways to ensure the community voice is heard and considered.

The Government of Ontario requires that wind energy developers host at least two face-to-face public consultation meetings in advance of submitting REA applications. NextEra Energy

Canada fulfills this requirement but is also committed to consulting with the public through a variety of additional channels including:

- Telephone Q&A meetings, which provide the opportunity for community members to ask questions to a panel of experts.
 - Telephone Q&A meetings are not government regulated and are undertaken by NextEra to provide an additional means of consulting with the community. They do not replace other consultation.
- Face-to-face meetings with individual members of the community.

We understand that, for some residents, there were technical issues with the Telephone Q&A meeting that was held on Thursday, September 13, 2012. This was caused by a phone line surge. We apologize if this caused any frustration. For those of you who were able to join us and ask a question, thank you very much for your time and contribution. You may contact us anytime via email at east.durham@nexteraenergy.com or our toll free line, 1-877-257-7330.

THE FEED-IN TARIFF (FIT) PROGRAM

The Feed-in Tariff (FIT) program was created by the Ontario Power Authority (OPA) in an effort to encourage the development of renewable energy projects, such as wind and solar energy centres, in the province. The program was designed to promote investment in renewable energy projects thereby helping to build a reliable and sustainable energy system in Ontario. In addition, the FIT program supports the following objectives:

- Helps Ontario phase out coal-fired electricity generation by 2014 – the largest climate change initiative in Canada
- Boosts economic activity and the development of renewable energy technologies
- Creates new green industries and jobs

The FIT program has been in place for two years and, in that time, has undergone review

by both the OPA and residents of Ontario to identify necessary changes and ensure it is sustainable in the long-term. The OPA recently announced changes to the program, some of which are listed below. All of the changes are designed to:

- Continue Ontario's commitment to clean energy
- Streamline processes and create jobs
- Encourage greater community and Aboriginal participation
- Improve municipal engagement
- Reduce price to reflect lower costs
- Grow Ontario's clean energy economy

It is important to note that NextEra Energy Canada projects were awarded FIT contracts prior to the recent changes, and are subject to the original program requirements.

KEY CHANGES TO THE FIT PROGRAM INCLUDE:

- Submission of applications only during an application window, and no longer on an ongoing basis
- Each application to be assigned points and prioritized based on applicant type, municipal support, Aboriginal support, project readiness and electricity system benefit
- Ten per cent of remaining capacity to be reserved for projects with significant participation from local or Aboriginal communities.
- Prices to be reduced by approximately 20 per cent for solar projects and 15 per cent for wind projects

For more information on the FIT program, please visit fit.powerauthority.on.ca.

FREQUENTLY ASKED QUESTIONS

Q: WHY ARE THE PUBLIC MEETINGS HOSTED AS OPEN HOUSES RATHER THAN THE TRADITIONAL TOWNHALL FORMAT?

A: NextEra Energy Canada hosts public meetings in the open house format to allow attendees to visit at any time during the event and to have one-on-one conversations with the consultants. We have received feedback that this format is valued. In addition, this format enables us to have a number of questions answered throughout the event as opposed to only a few questions that may be addressed during a townhall-style meeting.

Q: WILL HOMES WITH WIND TURBINES OR RELATED INFRASTRUCTURE BE ELIGIBLE FOR PROPERTY INSURANCE?

A: The Insurance Bureau of Canada (IBC), which represents 90 per cent of the property and casualty insurance market in Canada, believes there is a competitive market for insuring wind turbines on private property. Despite claims from opponents, erecting a wind turbine will not render a property uninsurable. Information and educational material about insuring an energy project can be found at IBC's website: www.ibc.ca and questions can be addressed by calling the Consumer Information Centre at 1-800-387-2880.

Q: WHAT ARE THE ENVIRONMENTAL BENEFITS OF WIND ENERGY?

A: Wind Energy:

- Is clean, relying solely on the wind to generate electricity – therefore, it creates no greenhouse gases or other air pollutants
- Uses no water resources to generate electricity
- Provides a renewable fuel supply
- Creates no waste by-products for disposal
- Results in no hazardous cleanup at the end of a project's productive life

Q: WHAT ARE THE ECONOMIC BENEFITS OF WIND ENERGY?

A: Wind energy provides:

- Tax income to rural communities – to schools, libraries and other public services benefiting the entire community.
- Diversified income to farmers and ranchers, enabling them to continue using their land, as they always have to help feed the world.

With wind energy, they are also helping power North America with clean, renewable electricity.

- Indirect income to local businesses, including motels, caterers and office supply companies.

Q: ARE OUR HIGH HYDRO COSTS DUE TO RENEWABLE ENERGY?

A: The cost of wind power generation is competitive with that of many other newly-installed power sources. Once turbines are installed, the cost of generating wind power will remain steady for decades because the cost of the fuel – wind – is free. In Ontario, energy that is generated by wind power is added to the provincial grid so the cost to consumers is the same as any other power-generating source.

It is true that electricity prices have risen steadily across Ontario over time and this has happened for a number of reasons:

- Ontario is closing its fleet of dirty, coal-fired generation by 2014, and replacing it with cleaner, greener sources. There is a cost associated with replacing coal, which has not historically been priced to capture the broader negative externalities associated with electricity production.

- As mandated by the government, there is a pressing need to update and modernize Ontario's infrastructure, such as transmission lines, which were built in 1950s and 1960s, with a useful life of 40 years. As this happens, higher charges to end-users are applied.
- Historically, the cost of generating and delivering electricity to consumers has been heavily subsidized within crown corporations. The government agencies in charge of setting fees have stated they are in the process of adjusting the fee structure to more accurately reflect the true cost of energy production.

Q: WHO IS RESPONSIBLE FOR THE REMOVAL OF TURBINES AT THE END OF THE CONTRACT?

A: At the end of the lease agreement, or at the end of the facility's useful life, NextEra Energy Canada is responsible for and has pledged to disassemble wind turbines and wind turbine towers and return the land to its original condition.

As part of the REA permit, NextEra Energy Canada is responsible for outlining their plans should a wind turbine need to be removed. This report will be released in draft for public comment and subsequently filed with the Ministry of Environment as part of the Project's REA application.



SELECTING A WIND FARM SITE

Selecting a site for a wind farm involves many steps. The ultimate objectives of choosing a site are to make certain there is minimal impact to the environment and community and – only when this is ensured – identify areas with the best potential to generate electricity from wind.

The team responsible for selecting a site considers a number of factors. Each factor is critical in the decision making process and can be broadly separated into two categories:

1. What features are required to meet the needs of a wind energy site (logistical and regulatory)

2. What features must be avoided to meet the needs of a wind energy site (logistical and regulatory)

FEATURES REQUIRED

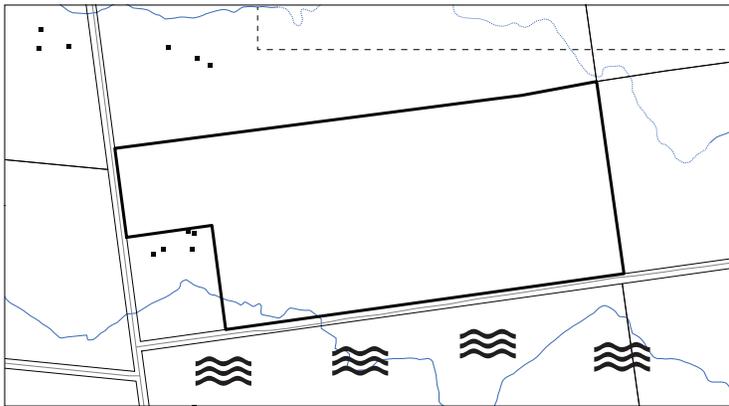
- Land situated near a consistent wind resource (steady flow of wind)
- Access to and availability on high voltage transmission lines (to transmit wind energy from the turbine to the power grid)
- Land owners willing to participate in the project

FEATURES THAT MUST BE AVOIDED

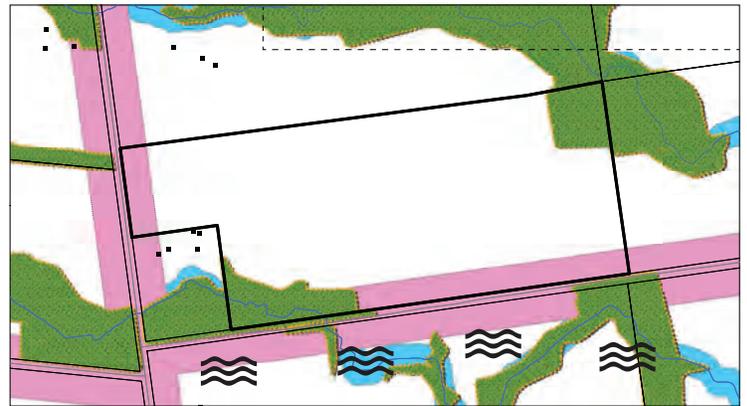
- Natural features such as wooded areas, wetlands, wildlife habitat
- Aquatic features such as streams and water bodies
- Infrastructure such as roads, railways, property lines and houses owned by landowners that do not want to participate in the wind project

The image below shows how different factors – including features required and features to be avoided – each contribute to how a site is selected.

STEP 1: Identify site with all required features



STEP 2: Identify biological, aquatic and local infrastructure constraints



STEP 3: Identify residences and property lines. Conduct community consultation and then site wind farm in remaining space



LEGEND

Required site features

- Close to wind source
- Access to transmission lines
- Available land/participating landowners

Features to be avoided

- Biological constraints
- Aquatic constraints
- Local infrastructure constraints
- Land (residence/property line) constraints

Final wind farm site

- Turbine collection line
- Wind turbine

NextEra Energy Canada is committed to meeting or exceeding all of the regulatory requirements and working with the community to ensure we select the most appropriate sites for generating wind energy.