CONNECTION

BOX 20, SITE 2, RR #1 WARBURG, ALBERTA TOC 2TO CANADA





Dear Friends and Neighbours

Happy New Year! We hope that you had a safe and happy holiday season.

On November 11, 2011, Genesee 3 experienced an unplanned outage that resulted in damage to turbine/ generator bearings. The root cause of the outage is still being determined. It was initially expected that the return-toservice would be mid-December, and we are now estimating a return-to-service date in January 2012 (this date is still subject to change). The Alberta Electric System Operator (AESO) has been notified, as per market rules.



Kimball Scott

Volunteerism runs deep with Capital Power and recognizing contributions is important. Genesee Station's Power Engineer is Kimball Scott is an example of our volunteer force. Recently, Kimball was one of three nominees for the Town of Stony Plain's 2011 Community Volunteer of the Year Award.

When Kimball is not busy working 12 hour shifts at Genesee Station he manages to volunteer 250–300 hours annually with his community's volunteer fire department and the Stony Plain Kinsmen. The award is presented annually by the Stony Plain & District Chamber of Commerce to an individual who has made outstanding contributions in the community of Spruce Grove/Stony Plain through volunteer service. Congratulations to Mr. Scott.

Safety will continues to be a number one priority for Capital Power in 2012. We continue to encourage motorists that witness unsafe or aggressive driving behaviour in the area to report licence plate numbers and a vehicle description to the RCMP and Capital Power by contacting Community Consultation at 780-848-8474.

We look forward to continuing to work with our surrounding communities in the New Year.

TIM WISDOM, Plant Manager

Genesee Generating Station, Capital Power

COMMUNITY CONSULTATION HOTLINE

Due to the Community Consultation Team's move to their new home at EPCOR Tower in Edmonton in November, there were issues with the Community Consultation Hotline (780-848-8474) including intermittent service and a lack of voicemail. We would like to apologize for any inconvenience that this may have caused you. The Hotline is working at full capacity once again; we thank you for your patience.



Working Well Program

Due to the increased number of questions regarding water wells, we would like to provide some information on the Working Well Program. The Working Well Program is a part of Alberta Environment's Partners in Resource Excellence program.

Private water well owners in Alberta are responsible for managing and maintaining their water wells. The Working Well program provides well owners with the information and tools they need to properly care for their wells. Leduc County is hosting the Working Well program February 2 from 6–9:30 pm at the Leduc County Ag Services building. Information on this program can be found on their website: http://environment.alberta.ca/01317.html

Genesee Mine Extension Application – Notice Published

The Application for the Proposed Genesee Mine Extension Project was publicly noticed on December 19, 2011. The Genesee Mine has applied for amended authorizations under the Coal Conservation Act, the Environmental Protection and Enhancement Act (EPEA) and the Water Act (WA). Any person who may be directly affected by the applications may submit a written statement of concern. Statements of concern under the EPEA and WA must be submitted by January 23, 2012. Please quote Application No. 007-10404 (EPEA) or File No. 00250576 (WA) when submitting a statement of concern.

Copies of the application for review can be found at the following locations:

- Village of Warburg Office and Library
- Village of Thorsby Office and Library
- The Genesee Mine Office
- Sherritt Coal, Corporate Office
- Leduc County Office
- Parkland County Office
- Genesee Station Land Management Office

If you would like an electronic copy of the Application please contact Lee Simants, Public Consultation Advisor, at **780-720-2019** / **780-848-8474** or **Isimants@capitalpower.com**.

The development permit for the Proposed Mine Extension has also been submitted to Leduc County.

Protection of Native Forests

Capital Power recognizes the need to maintain natural areas on its land base. Treed lands that are outside of the active mining areas will be preserved in their natural state as much as possible. This includes the exclusion of cattle grazing and limiting land clearing for agricultural activities.

In the summer of 2011, close to a full section of land was fenced to keep cattle out of the trees. 30,000 white spruce seedlings were also planted in the understory of a mature poplar forest (NE 29-50-2W5). The Genesee bypass plot was established 12,500 Hybrid Poplar seedlings (NE 21-50-2W5) were planted. The Hybrid Poplar is of the 'Okanese" variety from Alberta Pacific Forest Industries Inc (ALPAC).



Genesee Mine Q&A



We continue to answer your questions regarding the proposed Genesee Mine Extension Project in the newsletter. Following are some of the questions we have heard regarding the proposed Project.

When will any closed roads re-open?

As part of the Project Application, a detailed road closure and opening plan was included. Roads affected by the progression of the mine were labeled with estimated closure and opening dates. Leduc County must approval all road closures and openings and there is a process that must be followed to ensure proper notice is given to area road users prior to any closures or openings. All roads that are closed for the mine progression will be reopened as soon as it is safe to do so. In the meantime, appropriate alternatives will be available where necessary to ensure access to land and other infrastructure (i.e. transfer station, cemeteries, etc.) is maintained. The proposed road plan is available for viewing at the Land Management Office. Contact Terry Aronyk at 780-969-8601, if you wish to review it.

What can be done with cattle operations if land

As mine operations expand, the Community Pasture Program offered by Capital Power will adapt to the land that is available. Cattle numbers may increase or decrease depending on the amount of pasture available.

Will past studies be reviewed when the environmental assessment studies are being done?

Yes, past studies have been reviewed and considered to ensure the environmental assessment studies undertaken for the Genesee Mine Extension Project are as comprehensive as possible.

Are one on one interviews too time consuming?

One on one consultation did take place with residents whose land is directly impacted by the proposed extension of the mine; however Capital Power will take the time necessary to sit down with anyone who would like to discuss any aspect of our operations. We value the public's feedback.

Is the land within the permit area (but not included in the licence area) where the topsoil is placed?

The Genesee Mine is a typical strip mine in which reclamation occurs progressively behind the mining operation. Because of this, topsoil can either be directly placed (hauled from ahead of the mine to an area where the coal has being mined out for reclamation) or stockpiled (stored in a pile for future use).

Will you need any more employees to work the new mine area?

A new permit and licence will allow the mine to continue its current operation, so it is not likely that there will be a need for additional employees; employee turnover and employee retirements will create job opportunities.

Do outreach efforts include everyone within 25 km of the plant, including those from north of the river?

Consultation efforts will focus on those directly impacted by the mining operation continuing to the south, however, distribution of the Genesee Connection bi-monthly newsletter will continue within a 25 km radius of the plant and mine and to anyone else who would like to receive it. In addition, anyone with interest in the project is welcome to attend the open houses or contact the Genesee Mine at any time.

WILDLIFE MONITORING

Capital Power continues the Wildlife Monitoring program on the main thoroughfares around the Genesee Station to determine areas that show high frequency for wildlifevehicle collisions. Speed is often a factor of wildlife collisions and the majority of accidents can be avoided by simply slowing down especially in known areas for wildlife encounters. Capital Power shares this report with the County and it is incorporated into the bio-monitoring program that is ongoing in the Genesee area. Reported incidents are used as a basis to improve visibility or signage in those areas considered most frequented by wildlife.

Call 780-848-8474 to report the location of any road kill sightings or accidents involving wildlife, or to report any wildlife concerns in the Genesee area.



ISO - 14001 Designation

Genesee Station renewed its ISO 14001 Certification in 2011. ISO is the International Organization for Standardization and provides standards in the areas of economy, environment and society. It has a membership of 160 national standards institutes from countries large and small, industrialized, developing and in transition, in all regions of the world.

ISO standards for business, government and society as a whole make a positive contribution to the world we live in. The ISO 14001 certification goal is to:

- Minimize harmful effects on the environment caused by its activities; and to
- Achieve continual improvement of its environmental performance.

The designation is an ongoing commitment that is audited and reviewed by the ISO organization. These checks and balances are to ensure that Capital Power at Genesee is committed to its Environmental designation. "This is an achievement that all of Genesee Station can be proud of," says George Greenhough, Land Services Manager. "Many different groups at the station have contributed and were responsible for the achievement of the ISO 14001 standard."

University of Alberta Genesee Forest Research 2011

The summer and fall of 2011 was another productive year for University of Alberta forest land reclamation research at Genesee Mine. Several research projects were underway during 2011. This year we saw several Master's students conducting their research:

Monitoring and data collection continued on the Live Root Transfer site. The focus was to assess aspen seedling and sucker mortality, understory forest plant growth and proliferation of weedy competition.



Juilia Wachowski and Eckehart Marenholtz installing soil temperature sensors.

- Master's student Julia Wachowski checked on the aspen suckers that had grown from the live-root material moved on to the site in the spring of 2010. She found that there was some mortality but that many of the suckers had survived into the second year; the deeper salvage treatment, where the surface layers of the forest floor was mixed with more mineral soil, had better sucker survival than the shallow forest floor salvage treatment.
- Master's student Kaitlin Schott measured the number and growth aspen seedlings that had established from wind-blown seed in 2010; she did find significant mortality, but this is normal for populations of aspen seedlings establishing from seed.

A significant increase of vegetation growth was found, unfortunately there was a large increase in weedy vegetation cover, especially clovers. On the positive side it was also found that many of the native forest understory plants that had established were still thriving.

- Work continued on the set up of the decompaction study that was initiated in the fall of 2010. This study is a collaborative research project between Drs. Simon Landhäusser and Miles Dyck (Department of Renewable Resources, University of Alberta) and Dr. Brad Pinno (Canadian Forest Service). Extensive soil coring in all of the treatment plots was undertaken by Dr. Dyck's lab in July and August in order to establish a baseline for soil physical properties and to measure bulk density. Dr. Landhäusser's lab covered all of the buffer areas in the plots with 16,000 feet of plastic mulch, which will help with weed control.
 - In October mini-rhizotron tubes were installed which allow Dr. Landhäusser to monitor root development with the help of a special camera that is inserted into each tube.
 - 8000 aspen seedlings will be planted/added into this study in the spring of 2012.

This year Master's students Javier Rodriguez and Jordana Fair successfully defended their thesis and have now graduated. Javier's research on time-of-planting and aspen stock type development showed that the best time to plant an aspen seedling is in the spring or the fall and that summer planting is not recommended. Jordana's work focused on measuring how successfully the forest understory seed bank survived a live-root-transfer operation.

What Is Important to You?

The Genesee Station Connection newsletter is written for members of the Genesee community. We think it's important for our neighbours to have the opportunity to learn and ask questions about our operations and our activity in the community.

Topics are chosen that we think would be of interest to our readers, but as this is a newsletter for neighbours, we want to know what you would like to read about.

Help us continue to improve the newsletter by telling us what kind of information you would be interested to learn more about. Comments and suggestions can be made by contacting the Community Outreach Team (contact information on back page).

All You Want in a Career

Are you, or is someone you know, interested in working at Capital Power?

We provide careers that offer professional growth, new challenges, recognition and long-term satisfaction.

For more information on starting a career with Capital Power and to view current job opportunities, visit our website at www.capitalpower.com/careers. Capital Power is an equal opportunity employer.

Sherritt Coal wants you to start now, grow professionally and emerge as a leader in the coal mining industry, where there are opportunities in a number of work areas. For more information about Sherritt's Coal business, or to view all current job opportunities, visit www.sherritt.com.

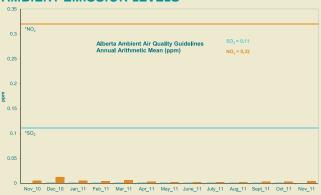
Genesee Station Environmental Performance

The following graphs show the most recent environmental performance results:

- Ambient air quality as measured by the Genesee ambient air monitoring trailer;
- Stack emissions for stack one (for generating units 1 and 2);
- Stack emissions for stack two (for generating unit 3).

Measurements are compared to guidelines and approval limits set by Alberta Environment. Genesee continues to operate below maximum levels set for ambient air quality and stack approval limits.

AMBIENT EMISSION LEVELS



G1/2 EMISSION LEVELS



G3 EMISSION LEVELS



G3 emissions are down on the rolling average because the Unit went out on November 11th, Emissions on Genesee 3 will be 0 for December

Sulphur Dioxide (SO.); a strong smelling, colourless gas that is formed by the combustion of fossil fuels. In high concentrations, SO2 is known to be harmful to vegetation and human health. SO, is soluble in water and excessive levels can lead to sulfuric acid deposition or acid rain.

Nitrogen Oxides (NO₂): the term used to describe NO (nitrogen oxide), NO₂ (nitrogen dioxide) and other nitrogen oxides. The major sources of man-made NO_x are hightemperature combustion processes, such as those occurring in automobiles and power plants. When concentration is high, NO, is of concern because it contributes to groundlevel ozone or smog. Genesee 3 approval limits are based on a 720 hour rolling average

Note: All results are converted to reference standard conditions so as to be comparable to other coal fired plants in Alberta and elsewhere, and are dry concentrations corrected to 50% excess air, ppm: parts per million. An example of the quantity of Sulfur Dioxide and Nitrogen Oxides measured at ambient air sites in parts per million would be equal to approximately 1/100th of a grain of salt per breath of air. G3 has separate approval limits from G1 and G2 for its stack emissions. G3 approval limits are in terms of a mass emission rate (i.e. tonnes per hour). To be consistent for all units, we have shown G1 and G2 emissions and limits in tonnes /hour as well.



In the Community

Christmas Elves

For approximately 20 years employees at Genesee Station and Genesee Mine have been collecting funds in support of the Village of Warburg and Village of Thorsby's Christmas Elves programs. This year, Genesee Station employees donated \$2000 which was matched by the company for a total of \$4000 and Genesee Mine employees donated \$2000 which was matched by the company for a total of \$4000.

Christmas Elves is a community program within Leduc County dedicated to making Christmas better for families in need in the community. Food hampers and gifts are distributed by volunteers.

Standard First Aid Training

Capital Power proudly sponsors St. John Ambulance Standard First Aid Courses for the Genesee community. The minimum 13-hour course is designed for those who need standard first aid knowledge and skills. A maximum of 20 spots are available to Genesee area residents.

When: March 31, 2012, 8 am to 5 pm April 1, 2012, 8 am to 5 pm

Where: Genesee Hall
To register contact:

Lee Simants
Capital Power Public Consultation Team
T: 780-720-2019 / 780-848-8474
E-mail: lsimants@capitalpower.com



GENESEE CONTACT INFORMATION

Below are some contact numbers if you have questions or comments about our operations, community outreach or our land management practices:

Generating Station Reception 780-848-8300

Community Consultation, Jennifer Lowry 780-848-8474 PublicConsultation@capitalpower.com

Manager, Environment & Land Services, George Greenhough 780-969-8618 Genesee Guardhouse (24-hour Security) 780-969-8505

Capital Power Website www.capitalpower.com

We are proud community members and appreciate receiving feedback from our neighbours about how we can improve our business practices, communication and our outreach.

To help us keep our records up to date and ensure you continue to receive this newsletter, please contact Capital Power Genesee Community Consultation if you are moving, your contact information changes, or if you prefer we do not store or use your personal information.

Capital Power respects your right to privacy. Any personal information Capital Power collects about you, including your name, address, phone number and email address, will only be used to contact you for the purposes of the consultation process. For further information, please see Capital Power's Privacy Policy at www.capitalpower.com.