



Your feedback on this newsletter and our operation is always appreciated. Please contact us at **780-848-8474** or **PublicConsultation@capitalpower.com**.

Tim Wisdom

TIM WISDOM, Plant Manager
Genesee Generating Station, Capital Power

Genesee Mine – Sherritt Coal

New General Manager

Congratulations to Chris Barclay, former General Manager of Sherritt Coal's Genesee Mine, on his promotion to Senior General Manager, Operational Effectiveness. Chris will be based in Edmonton and will be responsible for stewarding Sherritt Coal's safety responsibilities and leading key continual improvement initiatives.



Tim Doucette, General Manager, Genesee Mine

Taking his place as General Manager at Genesee Mine is Tim Doucette, effective March 1, 2012. Tim is a Professional Engineer and Geologist and has been working in Sherritt's Corporate Office for the last 8 months. Prior to that, Tim held the position of General Manager at the Highvale Mine and has also worked at Genesee Mine as a Senior Engineer for seven years.

We would like to thank Chris for his contribution to the community and mining operations at Genesee Mine; we look forward to working with Tim in his new position.

Dear Friends and Neighbours

The spring-like weather is a welcome change from the cold blast in December–January. It's notable that Alberta set a record demand for power, 10,609 Megawatts (MW) on January 16. The main reasons behind this demand were a cold front that was passing through and overall provincial growth in demand for electricity.

On January 15, Genesee 3 came back online after an unplanned outage in November 2011. The outage resulted in damage to the turbine/generator bearings, but it's now back to business as usual at Genesee Generating Station.

First aid training is once again being offered to Genesee area residents on March 31 and April 1. The course fee is \$10 and lunch is provided both days. Please call Lee Simants to register **780-848-8474**.

In this issue you will find articles on the following:

- ▣ Leduc County – Genesee Area Structure Plan
- ▣ Staff Change – Genesee Mine
- ▣ Genesee Mine Extension Questions Answered
- ▣ Reclamation/Land Service

Land Services – Reclamation Research Update



These plots have been replicated in the Fort McMurray area. Jointly, Capital Power and the CONRAD research group have applied to the Natural Sciences and Engineering Research Council and have established NSERC / Capital Power / Oil Sands Industrial Research Chair in Forest Land Reclamation. We are pleased that the success the partners have achieved through the aspen project is being shared, and used in reclamation efforts by other industries.

Reforestation Trial

As part of the ongoing forestry trials at Genesee Mine, a reforestation trial will begin in the spring involving native Aspen. We will be using the 'natural regeneration' technique to improve and grow existing native stands of Aspen within a small area of the pasture lands at Genesee Mine. The 'natural regeneration' process involves the exclusion of cattle from the test area and the harvesting of the existing aspen trees. The benefits of this technique are the trees will 'sucker' and grow naturally from the roots of the harvested tree, they will be healthier and hardier, and the carbon footprint will be decreased and makes a safer forest with regards to fire hazards.

Peregrine Falcon Eggs

Capital Power was happy to sponsor part of Gordon Court's research into DDT analysis of peregrine falcon egg residue. For more information on the study and the encouraging results please go to www.ab-conservation.com (search "peregrine").

Genesee Mine Extension – Q&A

Over the past year, we have provided answers to the questions on the Genesee Mine Extension Project that we heard from community members at our open houses and during the course of our public consultation. Answers to the last set of questions are provided below. We hope this has provided clarity to a number of topics of interest and we thank our community members for raising them.

Are there any guidelines about not selling the land back to a larger corporation?

CPC does not have specific guidelines on selling land to larger corporations. We do have a process within our Land Purchase Guidelines that provides prior rights to previous land owners when it comes time to sell land. If there is no interest, then CPC can sell the land to the public at large which includes large corporations. To be clear, we have not set any future mandate or direction on this matter.

Genesee Mine Reclamation Summary 2011 Year End		
Category	Land Area (ha)*	% of Total
Fully Reclaimed	686	26.6%
Reclamation in Progress	303	11.7%
Required for Safe & Efficient Mining	1,593	61.7%
Total	2,582	100.0%

*Land area is all land that has ever been disturbed by mining activities.

CONRAD – The Canadian Oil Sands Network for Research and Development

Capital Power is working closely with CONRAD – the Canadian Oil Sands Network for Research and Development; noted for its work on watersheds, wetlands, soils, re-vegetation, and wildlife in relation to land and forest reclamation. CONRAD's research is being carried out primarily in the Alberta Oil Sands and the group has partnered with Capital Power at the Genesee Mine. The focus of this work will be the aspen tree seeding plots that Dr. Simon Landhausser from the University of Alberta has established in the Genesee Mine.

Can you create an area where quads and ski-dos can safely play?

The end land use of the Genesee Mine upon completion of the required reclamation is guided by the Environmental Protection and Enhancement Approval, by the Genesee Mine's commitments to the previous land owners and by our overall commitment to returning the mined lands to an equivalent land capability. Should future landowners desire the creation of an area where off highway vehicle activities could be accommodated, this may be considered as part of the end land use development for recreational purposes.

Will the power produced at Genesee Generating Station go to Browning Montana?

Although the GGS produces power, neither Capital Power nor PMRL is responsible for the management of power distribution or sale in the province. For more information on power transmission and distribution projects and plans, visit www.altalink.ca.

Are people now renting more than a half section of land?

At one time, the land use guidelines placed a limit of renting no more than 320 acres to any one farmer. With the extension of the mine permit area and the fact many farmers are moving away, larger areas of land will be rented to the fewer remaining farmers.

Is the coal remaining in Alberta recoverable by shaft or strip mining?

The Alberta Energy Utilities Board (EUB) has estimated that there is 33 billion tonnes of coal available in the province Alberta. It accounts for remaining coal reserves in Alberta from both surface and underground mining methods. The EUB reported on remaining energy reserves of all kinds in the Province through their Statistical Series reports. Strip mining is considered a surface mining method, whereas shaft mining is considered an underground mining method.

Leduc County – Genesee Area Structure Plan

We wanted to clarify that the Genesee Area Structure Plan (ASP), coordinated by Leduc County, is distinct from the community engagement efforts by the Genesee Mine. The County is working on area structure plans for different areas within the County, including the Genesee area. All inquiries regarding the ASP should be directed to the County. The following is some information on the Leduc County ASP initiative.

Some of the goals of the project are:

- To produce a long-range planning document;
- Identify and protect environmentally sensitive areas;
- Provide a policy framework to manage growth, resource extraction and land use in the Genesee area; and
- Identification of suitable land uses (i.e. residential, recreational, agricultural, resource extraction or conservation).

For more detailed information on Genesee ASP please visit Leduc County's website at www.leduc-county.com.



Genesee Mine Extension Application Re-Noticed

The Energy Resources Conservation Board and Alberta Environment and Water issued a Notice of Application on December 13, 2011, for Capital Power's proposed Genesee Mine Extension. Alberta Environment and Water discovered the omission of required Water Act information. A correction of the information has been made to the notice, and the application was re-noticed.

Applications are still available for viewing at the Village of Warburg Library and Office, the Village of Thorsby Library and Office, Parkland County Office, Leduc County Office, Genesee Mine, Sherritt Head Office (in Edmonton), and the Land Office at Genesee Station. If you would like to receive a copy of the application or if you have any questions regarding this matter, please contact the Capital Power Public Consultation team at **780-848-8474**.

How Power Prices Are Set In Alberta

Our daily and future energy requirements depend on a stable, reliable, affordable supply of power. Alberta's electricity system is working well, and with the Government of Alberta's recent decision (February 2012) to review regulated power rates, we may see improvements to strengthen the system even further.

In Alberta's electricity market, power producers such as Capital Power generate the power at facilities such as Genesee and then sell the energy through a provincial "power pool" run by an independent operator (the Alberta Electric System Operator).

The "pool price," (sometimes called the wholesale price) fluctuates on an hourly basis and is influenced by a number of factors, such as how much supply is available at any given time, weather, and the time of day. On average, the wholesale price of power in Alberta is only about 10% higher than a decade ago.

Retailers buy electricity in large volumes from the wholesale markets, and then sell the electricity in smaller packages to their customers. The prices that residential, farm and small business/commercial customers pay are known as retail prices. Retail prices are not the same as the prices received by power generators.

Retail Rate or Regulated Rate? Your Choice

The pool price is not the price that you pay. Instead, companies known as "retailers" buy electricity in large volumes and then sell the electricity to their customers.

Retail customers generally have two options when buying electricity. Customers may lock in their electricity rates by signing one of many contract packages offered by retailers. Customers who do not want to commit to a contract automatically get assigned the regulated electricity rate.

Customers who sign up for competitive rate from an electricity retailer receive a stable rate for a specified period of time. Some of these agreements are much more flexible than in past years, with no requirement to lock in and no penalties for ending the contract early.

Consumers who do not choose a competitive rate with a retailer are automatically assigned the "regulated rate option" or RRO, which fluctuates up and down on a monthly basis. The RRO is reviewed and approved monthly by the Alberta Utilities Commission, and there is only one regulated provider for each geographic area of the province.

Regulated Rate Fluctuations

In 2011, monthly energy prices under the RRO ranged from 6.3 cents per kilowatt hour (kWh) to 13.3 cents per kWh in December. The Government of Alberta recently indicated that it expects the RRO to be around 8 cents per kWh for March 2012. It also announced that an independent panel will review the process for determining how the regulated rate-setting process might be fine tuned to reduce price volatility.

Competitive Wholesale Market Stimulates Investment

Alberta's electricity market has been working well for the past 15 years. The market signals when new supply is needed, and power producers respond by competing for market share and building new supply.

Power producers, not customers, bear the financial risks of building new generation and the cost of safely and reliably operating and maintaining facilities in a manner compliant with stringent environmental legislation.

Since 2000, Capital Power has supplied approximately 1,000 megawatts of new capacity to the Alberta market, enough power for as many as one million homes. We are also building Alberta's largest wind power project, which will add an additional 150 megawatts of wind capacity.

Much of the above information was excerpted or adapted from publications issued by Alberta's Utilities Consumer Advocate. **For more information about power rates and Alberta's electricity market, contact the UCA at 310-4822 (from anywhere in Alberta) or visit their website at ucahelps.alberta.ca.**

Fair Competition Statement: Electricity products and services are competitive. You are free to choose a retailer. Regulated wires services are not dependent upon the retailer you choose. You can find a listing of licensed Alberta retailers at ucahelps.gov.ab.ca or call 310-4UCA (toll free in Alberta).

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).

REPORT WILDLIFE – 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 wildlife-vehicle 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.

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.

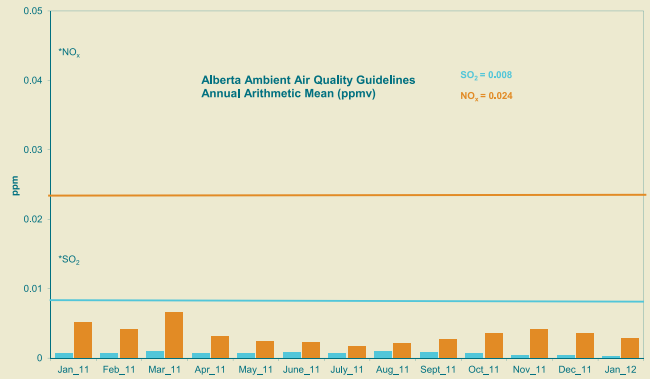
Genesee Station Environmental Performance

The following graphs show the most recent environmental performance results:

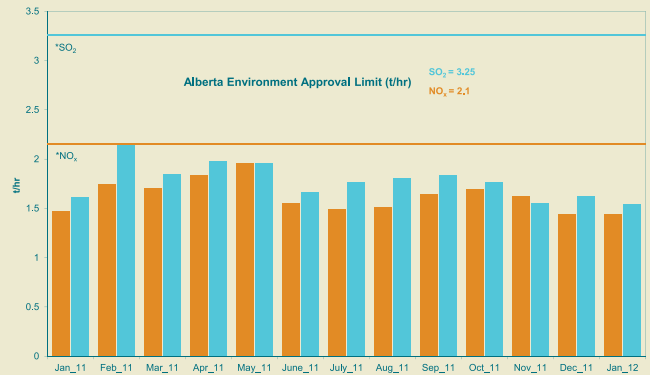
- ▣ Ambient air quality as measured by the Genesee Ambient Air Monitoring Station (Genesee AMS 910);
- ▣ Stack emissions for stack one (for generating units 1 and 2);
- ▣ Stack emissions for stack two (for generating unit 3).

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.

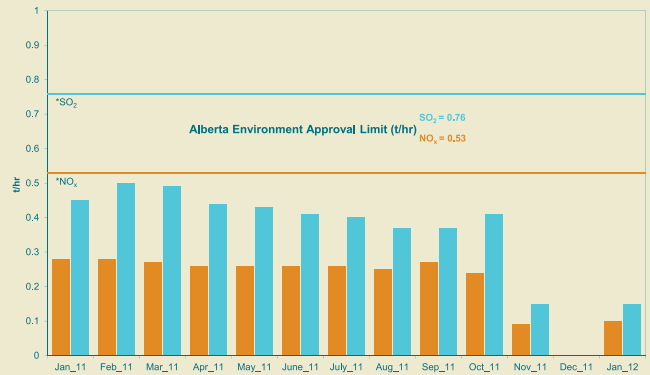
AMBIENT EMISSION LEVELS



G1/2 EMISSION LEVELS



G3 EMISSION LEVELS



Sulphur Dioxide (SO₂): 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. SO₂ is soluble in water and excessive levels can lead to sulfuric acid deposition or acid rain.

Nitrogen Oxides (NO_x): the term used to describe NO (nitrogen oxide), NO₂ (nitrogen dioxide) and other nitrogen oxides. The major sources of man-made NO_x are high-temperature combustion processes, such as those occurring in automobiles and power plants. When concentration is high, NO_x is of concern because it contributes to ground-level 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

CATG Meeting February 2012

On February 15, the Capital Power CATG met for the first time in 2012. We had a guest speaker Ross Johnson, Senior Manager, Security & Contingency Planning, provide information on a change in the security service providers at Genesee Station (see below), Crime Statistics in Leduc County, the Proposed Infrastructure Protection Zone, and a security exercise that will take place in the Genesee area. The Capital Power and Sherritt Coal committee members also provided operational updates.

For a copy of the meeting minutes please visit the Capital Power website at www.capitalpower.com (search "CATG"), they will be posted shortly. If you would like to receive a copy of the meeting minutes by mail please contact Lee Simants, Public Consultation at **780-848-8474** or lsimants@capitalpower.com.

Security Contractor Change in Edmonton/Genesee

Beginning March 1, there will be some new faces and uniforms watching over our head office, Genesee and Clover Bar Energy Centre (remote patrol) when Securitas replaces the Commissionaires as our security contractor.

About half of the existing Genesee guards will still be familiar. Fourteen of them have made the decision to join Securitas and remain onsite.

Securitas will bring some new tools to the job. They use tablets extensively for completing reports, communicating

with us, checking in when working alone and more. The tablet also includes a built-in GPS, making the guards easy to find in case of an emergency.

Additionally, Securitas will bring a new health and safety perspective to Capital Power. During the course of their work, guards will be on the lookout for hazards and will communicate those to us. The extra eyes will add great value to the management of hazards in our worksites and in the community.

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 a.m. to 5 p.m.
April 1, 2012 – 8 a.m. to 5 p.m.

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



GENESEEE 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, Lee Simants
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.