

Project Update

TransAlta Corporation (“TransAlta”) is pleased to provide an update on our WaterCharger Battery Storage Project (“Project”). As a follow-up to our October 2021 newsletter, we want to thank you for participating in the engagement process and sharing your feedback in relation to the Project.

Battery Energy Storage System

TransAlta is currently evaluating options for the battery energy storage system which will be rated at 180 megawatts (“MW”) with up to two-hours of battery discharge duration. TransAlta is planning for a two-phase approach to construction where Phase 1 would be constructed, energized and tested by the end of 2023 prior to the construction of Phase 2. Pending availability of equipment and if market conditions are favourable, TransAlta is considering completing the full project in one phase of construction, with full project commissioning in 2023.

TransAlta will work within the conditions included in the Alberta Utilities Commission’s licence and permit, if received. Participants will be informed of material changes to the project including if the current timelines change as we continue to progress through early project development and planning.

The final configuration and layout of the battery energy storage system is not yet finalized and will be determined after the selection of a battery manufacturer. The total footprint for the entire site shown in the October 2021 newsletter including the battery modules, temporary construction facilities and the distribution connection area will remain the same at approximately nine acres with approximately six and a half acres of land set aside for the batteries.

How is Battery Storage Measured?

Battery storage is expressed in Megawatt-hours (“MWh”) and for a storage system rated at 180 MW, a two-hour battery would have a storage capacity of 360 MWh. The duration and rate at which the battery can be charged and discharged is variable, limited on the upper end by the system rating (MW) and the amount of stored energy (MWh) remaining in the battery. TransAlta continues to review the storage options for this Project and will be presented as part of the Alberta Utilities Commission filing in December 2021.

Noise

A common question and concern raised by stakeholders has been about noise. TransAlta has engaged the services of an acoustics specialist to perform a Noise Impact Assessment (“NIA”) to confirm the Project will comply with the permissible sound levels in the Alberta Utilities Commission (“AUC”) Rule 012: Noise Control. A baseline assessment has been completed and noise modelling is underway. A copy of the NIA will be included as part of the application to the AUC and once the NIA is completed TransAlta will share the results via the Project website (<https://transalta.com/plants-operation/watercharger/>).

Visual Impact

We hear and understand that visual impact is a concern to neighbouring stakeholders. We take the feedback and suggestions from stakeholders seriously and will consider these mitigation measures as we finalize the site layout. We are considering different options suggested by participants, including painting the battery modules a muted colour that blends in with the natural landscape and landscaping, including the planting of additional trees and shrubs.

Government of Alberta Bow River Reservoir Options

Stakeholders have inquired about the Government of Alberta’s Bow River Reservoir Options project for flood and drought mitigation. The Ghost Dam relocation is one of three options that the Government of Alberta is currently considering, building additional flood and drought storage capacity on the Bow River.

TransAlta continues to engage with Alberta Environment and Parks as they evaluate the Bow River reservoir options. If the Ghost Dam relocation is selected as the preferred option, the WaterCharger batteries would be relocated with the dam, moved to another site, or decommissioned and recycled or salvaged, depending on the remaining useful life of the Project.

For more information on the Government of Alberta’s Bow River Reservoir Options project please visit <https://www.alberta.ca/bow-river-reservoir-options.aspx>

Road Restrictions and Dust Mitigation

During construction, access to the TransAlta dam road will be temporarily restricted at certain times to vehicles and pedestrians. These restrictions will be communicated with stakeholders as much as possible in advance. The restrictions will be temporary and are required to ensure personnel and public safety. Upon completion of construction, we do not anticipate any further access restrictions to the dam road.

In the summer of 2021, TransAlta applied dust suppressant on the road surface and will continue to monitor the effectiveness of this product. We will continue to evaluate potential dust control measures to limit dust. During the construction period crews will be deploying dust mitigation measures as necessary.

Water Flow and Lake Level

The operation of the batteries will not have a significant effect on water flows in the Bow River nor lake levels in the Ghost Reservoir beyond what is considered normal operation of the Ghost hydro-electric facility.

Alberta Utilities Commission Application

TransAlta plans to notify you when it files the WaterCharger Battery Facilities Application with the AUC in December 2021.

Rocky View County – Re-designation of Land

The TransAlta land where the existing facilities for the Ghost dam (commissioned in 1929) are located and the land where we plan to build the battery storage system are currently designated by Rocky View County as Agriculture – General. To more accurately reflect the existing and proposed use of the land, TransAlta has filed an application with Rocky View County to re-designate the land under a new Direct Control District.

Please contact the Project team if you have additional questions or concerns:

Email: TransAltaWaterCharger@maskwaenv.com - **Phone:** 1-888-893-8054

Project website: <https://transalta.com/plants-operation/watercharger/>

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