
**SUPPLEMENTAL RECORD FILED BY
THE RURAL MUNICIPALITY OF EASTERN KINGS
IN THE MATTER OF THE PEI ENERGY CORPORATION V. RURAL MUNICIPALITY OF
EASTERN KINGS**

**GEOFFREY D. CONNOLLY, Q.C. &
HILARY A. NEWMAN
Stewart McKelvey
65 Grafton Street
Charlottetown, PE C1A 8B9
Lawyers for the Rural Municipality of
Eastern Kings**

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RURAL MUNICIPALITY OF EASTERN KINGS
SUPPLEMENTARY DOCUMENTS

1. June 11, 2019 Draft correspondence from The Council of the Rural Municipality of Eastern Kings to Concerned Residents and Property Owners of Eastern Kings
2. July 23, 2019 Email from Barb Mazerolle to easternkingspe@gmail.com together with attachment:
 - Notice of Pubic Meeting – July 31, 7 pm
3. November 22, 2019 Email exchange between Ronald Coffin, easternkingspe@gmail.com and Barb Mazerolle together with attachment:
 - Notice of Special Public Meeting – December 4, 2019
4. November 22, 2019 - December 17, 2019 Email exchange between Ronald Coffin, Heather MacLeod, Sonya Martin, Spencer Long, easternkingspe@gmail.com and Danelle Elliott together with attachment:
 - Proposed Development Agreement between The Rural Municipality of Eastern Kings and The Prince Edward Island Energy Corporation
5. January 2, 2020 - January 20, 2020 Email exchange between Danelle Elliott, Spencer Long, Heather MacLeod and easternkingspe@gmail.com together with attachments:
 - Memorandum from Dave Brothers to Prince Edward Island Energy Corporation (Heather MacLeod) dated January 7, 2020
 - Correspondence from NAV Canada (Olivier Meier) to Spencer Long dated January 20, 2020
6. January 10, 2020 Email from Heather MacLeod to Danelle Elliott and Sonya Martin together with attachments:
 - Proposed Development Agreement between The Rural Municipality of Eastern Kings and The Prince Edward Island Energy Corporation
7. October 19, 2020 Correspondence from Eastern Kings Community Association (David Cheverie) to All Voting Members of Council and Development Officer

Rural Municipality of Eastern Kings
85 Munns Road
Kingsboro, PE
COA 2b0

June 11, 2019

Dear Concerned Residents and Property Owners of Eastern Kings:

Re: Letter received June 7, 2019

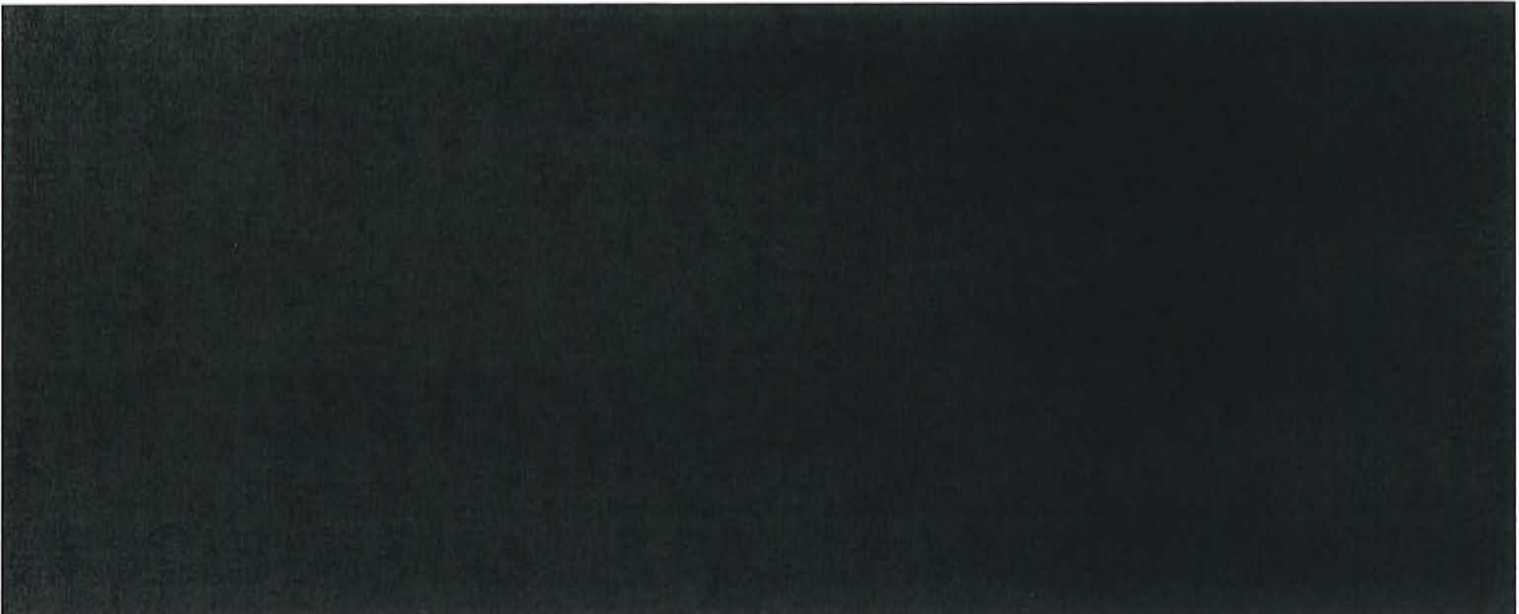
Thank you for your letter expressing your concern about the proposed wind turbines. We are privileged to live in a community that cares so deeply about the future of its residents and land. We assure you that the Council has every intention to respect the best interests of the Community as a whole.

We agree that green energy and economic development in Eastern Kings are important. The Council fully intends to use due diligence while assessing the merits of all proposed developments. We will keep the long-term best interests of the Community in mind as we continue. There will be no "blind cheques" signed.

Again, we thank you for expressing your concern.

Respectfully,

The Council of the Rural Municipality of Eastern Kings



From: Barb Mazerolle <barb@peicanada.com>
Sent: July 23, 2019 9:35 AM
To: Eastern Kings <easternkingspe@gmail.com>
Subject: proof : Notice of public meeting

Hi Ron
Attached is ad proof please let me know if all is good or any changes?
Thanks barb

NOTICE OF PUBLIC MEETING

July 31, 7 pm

Eastern Kings Community Centre – 85 Munn's Rd, Kingsboro

Preliminary Application from PEI Energy Corp. has been received for the proposed expansion and development of a 30mw Wind Farm Development in the Rural Municipality of Eastern Kings.

In compliance with Subdivision and Development Bylaw 13.2.4 as part of the 'Special Permit' review process, council is soliciting input from residents on the proposed Preliminary Development Application. Given the scope and complexity of the project, this will be the first meeting.

PEI Energy Corporation, Frontier Power Systems (Project Management Services) and Wood Group (Providing Environmental Assessments) to be present to offer information and answer questions.

Agenda:

The meeting will commence with a reception period where the most current information available on the proposed development will be available. Following will be a period where the public will be invited to address Council and the meeting with comments.

In the interest of managing the meeting, anyone wishing to address the meeting needs to advise council through easternkingspe@gmail.com of their desire to speak prior to the meeting and be added to the agenda. A written copy of comments from speakers should be made available after the meeting. Council will be receiving any additional input 4 days after the meeting addressed to the Gmail account.



From: Eastern Kings <easternkingspe@gmail.com>
Sent: November 22, 2019 10:50 AM
To: Barb Mazerolle <barb@peicanada.com>; easternkingspe <easternkingspe@gmail.com>
Subject: Fwd: Notice of Public Meeting

Good Morning Barb,
Please find attached a 4"x3" advertisement to be placed in the Graphic for the November 27th issue.
Please forward your invoice to this address: easternkingspe@gmail.com
If you have any questions please call me at 902.357.2894 or on my cell 902.215.0942
thanks as always,
Sonya

Ms. Sonya Martin | RMEK CAO
Ron Coffin | Development Officer
Rural Municipality of Eastern Kings
85 Munns Rd, Rte. 301
Kingsboro PE COA 2B0
T: 902.357.2894
F: 902.357.2607
E: easternkingspe@gmail.com
www.easternkingspei.com

----- Forwarded message -----

From: RONALD A COFFIN <[REDACTED]>
Date: Fri, Nov 22, 2019 at 9:54 AM
Subject: Notice of Public Meeting
To: Eastern Kings <easternkingspe@gmail.com>

send to Barb Marzeroll at the Graphic, our e mail should have a contact for the Guardian in the contact history.

Ron

**Rural Municipality of Eastern Kings
NOTICE OF SPECIAL PUBLIC MEETING
Turbine Development Application
December 4, 2019**

The PEI Energy Corporation has submitted an application to develop the Wind Farm in the municipality. An Environmental Impact Statement is available for viewing on the PEI Department of Environment, Water and Climate Change website at <https://www.princeedwardisland.ca/eia>.

An opportunity for the public to address the Municipal Council at the **Eastern Kings Community Centre**, 85 Munn's Road, Kingsboro, from 7:00 PM Wednesday December 4, 2019. Rain Date December 5, 2019. Written comments on the proposed project will be accepted at this information session. Written comments should be directed to Ms. Sonya Martin, Chief Administrative Officer, Rural Municipality of Eastern Kings, 85 Munn's Rd, Kingsboro C0A 2B0 or easternkingspe@gmail.com.

Minimum 4"x 3"

----- Forwarded message -----

From: **Heather MacLeod** <hamacleod@gov.pe.ca>

Date: Tue, Dec 17, 2019 at 4:22 PM

Subject: Re: Development Agreement

To: Danelle Nikita [REDACTED], Eastern Kings <easternkingspe@gmail.com>, RONALD A COFFIN
[REDACTED]

Ron (and Danelle and Sonya),

Thank you so much for the feedback on the proposed Development Agreement.

First, the easy parts:

- I agree with your suggestion to change the wording from 'continue to operate' to 'continue to generate revenue' or something similar. I believe we have the same intent, but need clarity. Perhaps when you send it to your legal advisor he can choose the most appropriate wording.
- We can add some clarity in the recitations (the "whereases") about Phase 1 and Phase 2 as well.
- Note as well that the expiry date on the draft agreement is today (Dec. 17); we are, of course, willing to extend the expiry while discussions are underway. I would propose a new date of January 10, 2020.

Regarding the \$125,000 feeling like an underpayment:

- We feel this is a fair offer; in fact, if you refer to the options for compensation that PEIEC provided to RMEK over a year ago (presentation available on Eastern Kings website), we have increased our offer by \$50,000 for Phase 2.
- When you mention the expected revenue of \$15 million for the two Phases, you should also include the \$50,000 that we have offered for compensation at Phase 1, so the total is \$175,000 offered for community compensation.

If you would like me to update the draft document to reflect the changes to wording and also our later offer of scholarship opportunities, please let me know and I can do so this week. Reattaching my most recent email with all relevant conversation and documents attached for reference.

Thanks,
Heather

Heather MacLeod, FEC, M.A.Sc., P.Eng.
Director, Energy Policy and Assets
PEI Energy Corporation
Government of PEI, Canada
Office: 902 368 5011
Mobile: 902 314 1746

Fax: 902 894 0290
hamacleod@gov.pe.ca

>>> RONALD A COFFIN [REDACTED] 12/17/2019 2:06 PM >>>

Referring to page 14, of PEIEC Annual Report, the East Point Wind Farm revenue for the year was \$7,649,298. So by doubling the capacity it would be fair to forecast a full year revenue on the Phase 2 to be similar. When both projects are up and running in a full year, an annual revenue of \$15 million is probably a conservative forecast.

When we look at the total compensation to the community in part 2, it still feels like \$125,000 is an underpayment. Do you want me to suggest a dollar value, or can you review with Kim and see what's possible. (\$200,000 as a suggestion)

Regarding the wording, also in part 2, the wording 'provided the existing turbines continue to operate' reads as being unclear as to how to define operate. I believe the intent is that the remuneration described runs from commission date till the date of decommissioning, with prorating for part years on either end. The 2012 agreement refers to 'the Projects'. Would it be reasonable to identify the wind farm in 2 parts, Phase 1 and Phase 2 in the whereas part of the agreement? Also instead of qualifying 'continue to operate' perhaps 'continue to generate revenue'.

Aside from the values, can we see about adjusting the wording, that way we'll be able to send the general terms conditions along to our legal for advice.

I want to wish You, Heather, Spencer, Kim, sincere wishes for a happy holiday, Merry Christmas and much success moving into the new year.

Ron

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----- Forwarded message -----

From: Heather MacLeod <hamacleod@gov.pe.ca>

To: <easternkingspe@gmail.com>

Cc: Sonya Martin [REDACTED] Spencer Long <srlong@gov.pe.ca>, RONALD A COFFIN [REDACTED]

Bcc:

Date: Fri, 06 Dec 2019 14:29:49 -0400

Subject: Re: Turbine Project / Development Agreement

Sonya,

To ensure you have all the required information (in one place) regarding our proposed Development Agreement (DA), please find attached:

- The draft DA as sent to you and Ron on December 2.
- A copy of the email exchange between Ron and I the following day.

Following the public meeting on Wednesday evening, a couple folks mentioned to me the employment opportunities with wind development. In response to those comments, PEI Energy Corp would be happy to develop some sort of scholarship opportunity for the Wind Turbine Technician program at Holland College and make this an additional item in the DA. Off the top of my head, I would propose that if an Eastern Kings resident is accepted into the program, then they become eligible for a full scholarship funded by PEIEC. We could do this for five full scholarships (one per year, or one per year until the five have been used, in case there is not interest every year). If there is interest from RMEK Council in such an idea, we can discuss further.

Looking forward to hearing feedback from RMEK Council and Staff. If you wish to meet and discuss, or if there are any questions at all, please do not hesitate to reach out.

Have a wonderful weekend,
Heather

Ron/Sonya,

Thank you for the opportunity to meet last week regarding the proposed Development Agreement between RMEK and PEIEC. Attached is our proposed agreement for your review and for consideration by RMEK Council. Highlights:

- PEIEC to make a one-time \$25,000 payment to RMEK.
- PEIEC to pay \$50,000 annually to RMEK going forward for lifetime of Phase I.
- PEIEC to pay \$125,000 annually to RMEK from commissioning for lifetime of Phase II.
- PEIEC to pay \$50,000 annually in municipal taxes from Phase I and Phase II combined.

As well, PEIEC will engage a Community Liaison Officer during Phase II project development.

I hope you find the terms of the agreement favourable to RMEK. If so, I can arrange to have Kim sign for PEI Energy Corporation.

Sincerely,
Heather

Heather MacLeod, FEC, M.A.Sc., P.Eng.
Director, Energy Policy and Assets
PEI Energy Corporation
Government of PEI, Canada
Office: 902 368 5011

Mobile: 902 314 1746
Fax: 902 894 0290
hamacleod@gov.pe.ca

>>> RONALD A COFFIN [REDACTED] 11/22/2019 1:28 PM >>>
I'll be in the office next week on Tuesday, but not available the balance of the week.

When can we get together to look at the prior MOA from 2012 as a document to work from?

Bradley MacDonald had mentioned the possible re siting of the power lines. Can we address formally the process involved in a possible change in location of the lines? I am guessing that this would involve a process of agreement from land owners, Environmental Impact Studies.....

I am wondering if Maritime Electric has any statistics on the ambient charge from the transmission lines, and if they have guidelines / regulations for compliance regarding any impact from the energy in the lines. I'd like to be able to have some reference in our files in response to the dramatic video presented by Fred Cheverie in the council meeting November 12.

thanks

Ron

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From: Heather MacLeod <hamacleod@gov.pe.ca>

To: <easternkingspe@gmail.com>, Sonya Martin [REDACTED], RONALD A COFFIN

[REDACTED]
Cc: Spencer Long <srlong@gov.pe.ca>

Bcc:

Date: Tue, 03 Dec 2019 13:03:34 -0400

Subject: Re: Turbine Project / Development Agreement

Ron,

Thanks for your feedback on the proposed agreement.

We put an offer forward of dollars rather than a percentage in our proposal as we thought that would provide surety to the community as to annual revenue from the wind turbines. The production models are showing estimated annual production of about 125,000 MWh, but from prior experience we know that this number can change drastically from year to year. For example, Hermanville has been down 20% from modelled production.

Currently, we estimate the total revenue to RMEK of \$225,000, including taxes, to be 2.25% of gross revenue.

We, of course, are happy to hear additional feedback from the Municipality.

Thanks,
Heather

Heather MacLeod, FEC, M.A.Sc., P.Eng.
Director, Energy Policy and Assets
PEI Energy Corporation
Government of PEI, Canada
Office: 902 368 5011
Mobile: 902 314 1746
Fax: 902 894 0290
hamacleod@gov.pe.ca

>>> RONALD A COFFIN [REDACTED] 12/3/2019 12:25 PM >>>

I am not sure about the \$125,000 per year, as a number. I thought we were going to phrase the municipal portion as a % from the overall Revenue. Can you have a look at revising this first in terms of today's \$\$ create a municipal compensation closer to \$200,000. During our meeting I understood that there was potentially 5% overall available for distribution within the community, 2.5% going directly to the land owners.

I understand the necessity to have the offer valid to December 17, I'm not sure we'll have an agreement on the application at that time, and we are still trying to gather consensus from all of the Councillors remaining in the discussion of the turbine project for the Development Agreement. We can have the development agreement in place and completed regardless of the status of the application process. Once we've agreed on these issues I know we'll have to send through our own legal crew for a review.

best regards, Ron

On Monday, December 2, 2019, 1:22:06 p.m. AST, Heather MacLeod <hamacleod@gov.pe.ca> wrote:

Ron/Sonya,

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As well, PEIEC will engage a Community Liaison Officer during Phase II project development.

I hope you find the terms of the agreement favourable to RMEK. If so, I can arrange to have Kim sign for PEI Energy Corporation.

Sincerely,
Heather

Heather MacLeod, FEC, M.A.Sc., P.Eng.
Director, Energy Policy and Assets
PEI Energy Corporation
Government of PEI, Canada
Office: 902 368 5011
Mobile: 902 314 1746
Fax: 902 894 0290
hamacleod@gov.pe.ca

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thanks

Ron

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DEVELOPMENT AGREEMENT

BETWEEN:

THE RURAL MUNICIPALITY OF EASTERN KINGS

-and-

THE PRINCE EDWARD ISLAND ENERGY CORPORATION

WHEREAS the Rural Municipality of Eastern Kings ("RMEK") is an incorporated municipality that is administered by an electoral council, has an official plan and has instituted bylaws pursuant to the Municipalities Act R.S.P.E.I., Cap. M-13 that includes the control, among other things, for zoning of wind development.

AND WHEREAS the Prince Edward Island Energy Corporation ("Corporation") is a provincial Crown corporation that has been involved in the promotion and development of renewable energy projects in Prince Edward Island, including a wind power facility (East Point Wind Plant) in the RMEK that was commissioned in 2007.

AND WHEREAS the Corporation wishes to develop a further 30 MW of wind power in the RMEK that includes the Corporation adhering to the principles of the provincial government's policy on future wind developments and must comply with all applicable municipal, provincial and federal regulations.

AND WHEREAS the Corporation has entered into landowner compensation agreements whereby landowners in the area of existing and proposed wind power facilities receive a portion of gross revenue from the sale of wind energy at the facilities.

THEREFORE the RMEK and the Corporation (herein collectively referred to as the "Parties") have agreed as follows:

1) Consent

The RMEK, as represented by the Community Council of the Rural Municipality of Eastern Kings (the "Council"), as evidenced by the signature of the Development Officer hereby, provides consent to the Corporation to develop a proposed 30-MW wind project (the "Project") in the Rural Municipality of Eastern Kings in addition to the existing 30 MW that presently exist under the terms and conditions as described herein.

2) Benefits to the RMEK

(a) In consideration for the consent described in 1, the Corporation agrees to provide a one-time unconditional grant of \$25,000 to the RMEK.

(b) In consideration for the consent described in 1, the Corporation agrees to provide, on an annual basis, the following benefits to the RMEK:

- The Parties agree that the benefits to the RMEK for the existing East Point Wind Plant shall be \$50,000 per year provided the ten existing turbines continue to operate and landowner rent and compensation agreements remain in effect.
- The Parties agree that the benefits to the RMEK for the proposed Project shall be \$125,000 per year provided the seven proposed turbines continue to operate and landowner rent and compensation agreements remain in effect.
- \$50,000 to the RMEK accruing from property taxes from both the existing wind plant and the proposed Project. In the event that, in any calendar year, the accrued taxes from both the existing wind plant and the proposed Project is less than \$50,000, the Corporation agrees to pay the Council the difference between \$50,000 and the actual taxes that accrue in any calendar year for the RMEK from the Project.

3) Term and Structure of Payments

The benefits to the RMEK as described above in 2(b) shall be paid by the Corporation to the Council for the respective operational life of the wind plants, both the existing ten turbines, as well as the proposed seven additional turbines.

These payments will be paid to the Council with such amounts first accruing at the commissioning date of the proposed Project. In the event that the commissioning date is not January 1st, such payments shall be prorated based on the number of days from the commissioning date of the Project to the end of that calendar year. Unless otherwise amended by mutual agreement, these payments shall be structured on a quarterly year basis, due and payable within thirty days of March 31st, June 30th, September 30th and December 31st, respectively.

4) Cooperation and Communication

The parties agree to cooperate in the successful development of the Project through consultation and sharing of necessary of information. More specifically, and in the interest of providing the RMEK with timely and accurate information about project progress, the Prince Edward Island Energy Corporation shall engage a Community Liaison Officer within 60 days of the date of signing this agreement for a period of time extending until the commissioning date of the Project. The duties and responsibilities of the Community Liaison Officer shall be established jointly by the Parties.

5) Adherence to Law

Nothing in this development agreement shall be construed as an attempt to circumvent any regulatory process including applicable statutes, regulations and bylaws.

6) Freedom of Information and Protection of Privacy Act

Any information provided in this Development agreement may be subject to release under the *Freedom of Information and Protection of Privacy Act*. The Council will be consulted prior to the release of any information.

7) Legal Defence

The Corporation agrees to indemnify and defend the RMEK and Council against any civil liabilities that may arise from the Rural Municipality of Eastern King's granting approvals for the project.

8) Validity of Offer

It is recognized by the parties that a failure by Council to execute and present a copy of this Development Agreement to the Corporation in either written, facsimile or other electronic form on or before 4:00pm, 17 December 2019 shall be construed as a rejection of the offer described herein and such offer by the Corporation to the Council and RMEK shall no longer be valid.

IN WITNESS WHEREOF the Parties thereto have executed this Agreement as of this ____ day of December 2019.

SIGNED, SEALED & DELIVERED

In the presence of:

)

Prince Edward Island Energy

)

Corporation as represented by

)

Kim Horrealt, CEO

)

)

SIGNED, SEALED & DELIVERED

In the presence of:

)

The Rural Municipality of Eastern Kings

)

"RMEK" as represented by

)

)

)

----- Forwarded message -----

From: **Spencer Long** <srlong@gov.pe.ca>

Date: Mon., Jan. 20, 2020, 3:40 p.m.

Subject: Re: Additional information

To: Danelle Elliott [REDACTED] Heather MacLeod <HAMACLEOD@gov.pe.ca>

Cc: Eastern Kings <easternkingspe@gmail.com>

Good Afternoon Eastern Kings!

I just wanted to pass along a small update from the previously sent Memo on January 7th (Pg.7). We have just received a letter from NavCanada with respect to the proposed wind farm in Eastern Kings and I have attached that letter for your reference. They have evaluated the proposal and have no objections to the project as submitted.

Thank you for your time and as always let us know if you have any questions/concerns!

Regards,

-Spencer

Spencer Long, P.Eng.
Engineering Project Manager
PEI Energy Corporation
Government of PEI, Canada
Office: 902-368-6098
Cell: 902-218-9453
srlong@gov.pe.ca

>>> Heather MacLeod 1/7/2020 2:13 PM >>>

Hi Danelle,

Please find attached a memo from Frontier Power Systems which should answer your questions. If you have any follow up questions, please do not hesitate to ask.

In your email you mentioned a letter with additional questions. We have not yet received that; was it in the mail or via email?

Thanks,
Heather

Heather MacLeod, FEC, M.A.Sc., P.Eng.
Director, Energy Policy and Assets
PEI Energy Corporation
Government of PEI, Canada
Office: 902 368 5011
Mobile: 902 314 1746
Fax: 902 894 0290
hamacleod@gov.pe.ca

>>> Danelle Elliott [REDACTED] 1/2/2020 5:16 PM >>>

Good afternoon Heather and Spencer,

I hope the holidays treated you well and best wishes to you both for the new year.

We're looking for some further information for the conditions under our wind turbine bylaw 5.33:

-Do you have a site plan or chart confirming the setbacks from each wind turbine? In section 2.0, page 4 of your application it states that the layout is "compliant with all provincial, municipal and regulatory setbacks" but is there some more detailed information with measurements that you can provide?

-Could you also provide the distance between each turbine?

-Under appendix E, section 4 (Mandatory Contact Summary) in the application there are five "response pending" responses regarding different agencies including the Department of Defense and NAV Canada. Have you received a response from these groups that can be added to the application document?

If I have overlooked some of the information we're requesting please point me to where I can find it in the binder. You should anticipate a letter seeking further information but these are a few of the places we need further explanation.

Thank you very much and I look forward to your response.

Danelle



Frontier Power Systems Inc.
PO Box 22068 Parkdale PO
Charlottetown PE
C1A 9J2
Phone (902) 853-6797
Fax (902) 853-3721
dbrothers@frontierpowersystems.ca

MEMORANDUM

TO: Prince Edward Island Energy Corporation

From: Dave Brothers

ATTN: Heather MacLeod

Date: January 7, 2020

SUBJECT: Responses to Danelle Elliot's Email Requesting Additional Information – Jan. 2/20

Heather:

On January 2, additional information was requested regarding the design process for the Eastern Kings Phase 2 Wind Project. The questions related to three main subjects:

- Confirmation that the design of the plant follows municipal bylaws and regulatory setbacks.
- Confirm distance between wind turbines
- Provide updates to list of government agencies contacted for approval of this project.

I hope this memo clarifies these questions.

Frontier Power Systems designed the layout of the Eastern Kings Phase 2 wind plant. The design of a wind plant is subject to several technical, legal and regulatory parameters. These include technical parameters related to turbine specifications, wind resource and topography. Additionally, the plant design must conform to municipal bylaws, as well as provincial and federal regulations.

The legal and regulatory constraints provided five distinct limits to the wind plant design:

1. Distance from shoreline to wind turbines – minimum setback distance of 2,000 m
2. Distance from local dwellings to wind turbines – minimum setback distance of 1,000 m
3. Distance from East Lake Creek and its tributaries to turbines – minimum setback distance of 60 m
4. Distance from identified wetlands to turbines – provincial minimum setback distance of 20 m
5. Existence of Bird Exclusion Zone – no turbines allowed within the “red triangle”

Figure 1 shows the five elements within the Eastern Kings land base that were considered. GIS data was used to ensure the plant design met the necessary constraints

Eastern Kings Dwellings

Identifying the dwellings within the development area is an intricate task. Provincial databases provide quality GIS data for many parameters, however there are no data for exact home locations within the province. There are data for civic addresses, however, to maintain accuracy the centre point of the dwelling needed to be considered, so civic addresses were not sufficient. Most dwellings were identified using the high-resolution photos available from provincial resources. Additionally, site visits to the area were undertaken to confirm locations of dwellings, as well as the existence of new dwellings built after the high-resolution photos were taken. Shapefiles were developed within the ArcGIS software assigning a data point to the centre of each dwelling as shown in Figure 1.

Shoreline

Like dwellings, there is no provincially available shapefile for the Prince Edward Island shoreline. The shoreline shapefile was determined using the high-resolution photos available from the province.

East Lake Creek & Tributaries

The East Lake Creek and its Tributaries were available as a shapefile from an online provincial database.

Wetlands

Wetland shapefiles were available from an online provincial database. Fieldwork undertaken for the environmental assessment process identified multiple areas of wetland which had not been documented. These wetlands are also shown in Figure 1

Bird Exclusion Zone

The bird exclusion zone is defined as the area of PEI from the eastern edge of East Lake to the tip of East Point. The longitude of the eastern edge of East Lake represents the western boundary of the bird exclusion zone.

Figure 2 is a composite overlay of all the setbacks, noted above, showing the development area available for the wind project development.



Figure 1: Elements considered for plant design

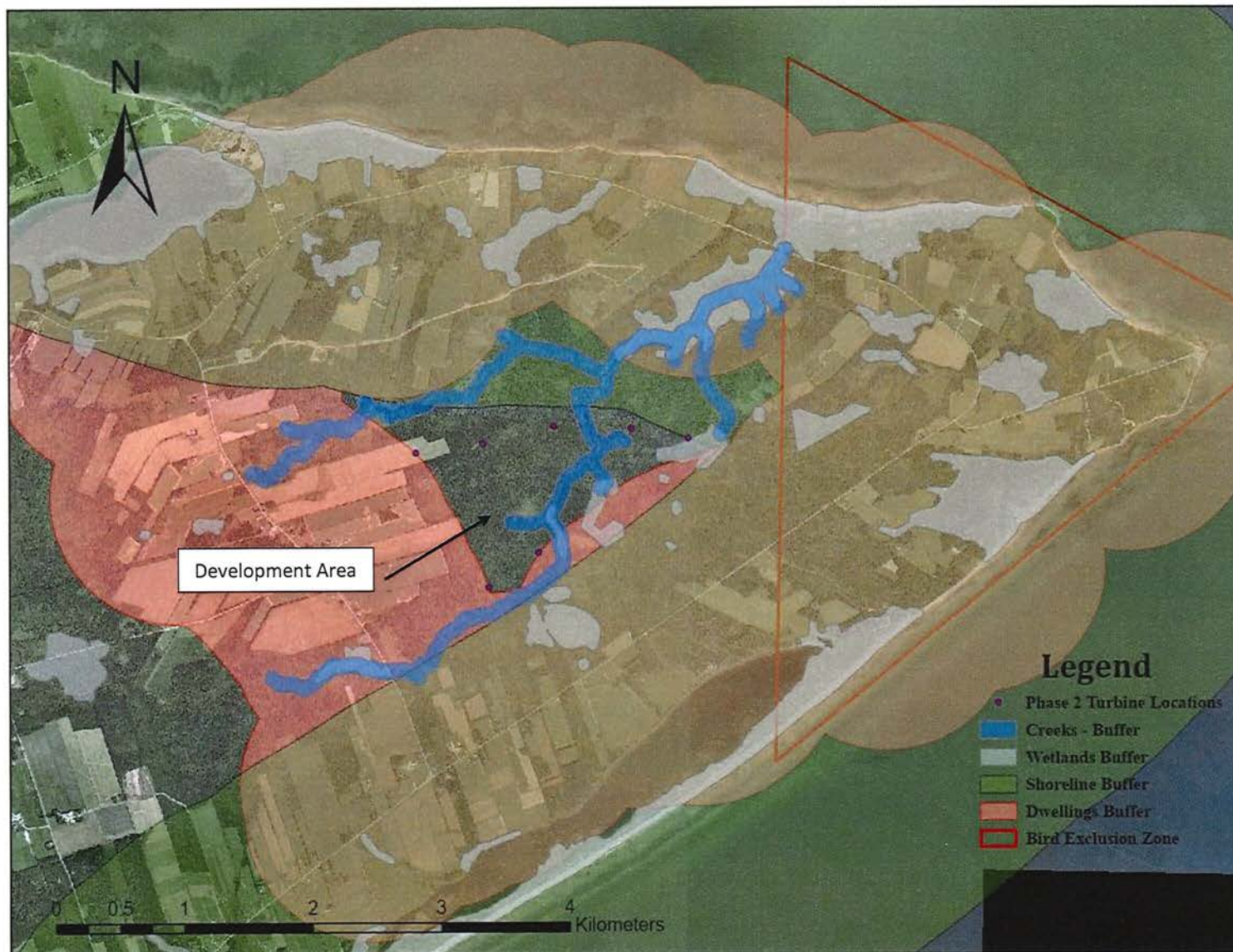


Figure 2: Buffers applied to elements considered within plant design

Figure 2 identifies the land area available for development under Eastern Kings municipal bylaws and following necessary provincial and federal regulations. Figure 3 illustrates the total area available for development remaining once all the necessary buffers are applied. Locations of the turbines put each unit within the required development area.



Figure 3: Available land area for development

ArcGIS software, one of the most widely used mapping software packages in the world, was used throughout the design process to determine the development area available for the Eastern Kings Phase 2 Wind Project. The turbine layout was finalized by the software, WindFarmer, a wind plant design package that placed the turbines, within the constrained development area, in a way the maximized energy yield.

The distances between each turbine are shown in Table 1.

	Distance between turbines in meters (m)						
	T1	T2	T3	T4	T5	T6	T7
T1	-	523	1098	1691	2126	1194	1231
T2	523	-	576	1169	1607	1128	960
T3	1098	576	-	602	1049	1354	989
T4	1691	1169	602	-	449	1662	1205
T5	2126	1607	1049	449	-	1937	1462
T6	1194	1128	1354	1662	1937	-	473
T7	1231	960	989	1205	1462	473	-

Table 1: Distances between turbines

Multiple government agencies were contacted, in accordance with guidelines developed by industry and government, to ensure the project was not problematic for their group. Table 2 summarizes the agencies that were contacted and their respective responses, updated to January 6, 2020. It should be noted that some agencies choose to respond only if the project creates an issue for them.

Agency	Contact Info	Response (Y/N)	Comment – Updated January 7, 2020
Environment Canada	ec.radarsmeteo-weatheradars.ca@canada.ca	Y	Permission given – no concerns
Department of Defense – Radiocommunication Systems	mario.lavoie2@forces.gc.ca	N	Awaiting response
Department of Defense – Military Air Defense and ATC Radars	windturbines@forces.gc.ca	N	Awaiting response
NAV Canada	landuse@navcanada.ca	N	Discussions with NAV Can on Jan 7 indicated that submission review will be complete by end of January
Transport Canada	cheryl.budgen@tc.gc.ca	Y	Permission given – no concerns
Canadian Coast Guard	WindfarmCoordinator.XNCR@dfo-mpo.gc.ca	Y	Permission given – no concerns
Industry Canada	General Radiofrequency database: https://sms-	NA	Analysis of radiofrequency system determined no

	sgs.ic.gc.ca/frequencySearch/searchBYGeographicArea?execution=e1s1		systems required additional follow-up. As laid out in RABC report
PEI Office of Public Safety	Pat Kelly – pjkelly@gov.pe.ca George Conistis – george.conistis@bell.ca Maurice Beausejour – mbeausejour@yrh.com	Y	Office of Public Safety required contact with equipment supplier. Bell Canada requested appropriate study be undertaken. Study concluded no additional steps were required.
Eastern Kings Fire Department	Glen Cameron – (902) 357-2325	Y	Permission given – no concerns
Island EMS	info@islandems.ca	N	No response to approval request during 2013 project in Hermanville either. No issues expected.
RCMP	Windfarm_Coordinator@rcmp-grc.gc.ca	Y	Permission given – no concerns

If you have any questions or concerns relating to any of the information here, please don't hesitate to reach me at any of the addresses listed at the top of this memo.

Best Regards,



Dave Brothers, P.Eng.,
Project Manager



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January 20, 2020

Your file
Eastern Kings Wind Plant - Phase II, 754 Elmira Rd
Our file
19-3326

Mr. Spencer Long
Prince Edward Island Energy Corporation
PO Box 2000
Charlottetown, PE
C1A 7N8

RE: Wind Farm: 7 Wind Turbines - Eastern Kings, PE
Within a 0.67 NM radius centered on (N46° 26' 46.1172" W62° 2' 13.5513" / 587.1200' AGL / 669.1200' AMSL)
Please see attached spreadsheet for details

Mr. Long,

NAV CANADA has evaluated the captioned proposal and has no objection to the project as submitted.

The nature and magnitude of electronic interference to NAV CANADA ground-based navigation aids, including RADAR, due to wind turbines depends on the location, configuration, number, and size of turbines; all turbines must be considered together for analysis. The interference of wind turbines to certain navigation aids is cumulative and while initial turbines may be approved, continued development may not always be possible.

In the interest of aviation safety, it is incumbent on NAV CANADA to maintain up-to-date aeronautical publications and issue NOTAM as required. To assist us in that end, we ask that you notify us at least 10 business days prior to the start of construction. This notification requirement can be satisfactorily met by returning a completed, signed copy of the attached form by e-mail at landuse@navcanada.ca or fax at 613-248-4094. In the event that you should decide not to proceed with this project or if the structure is dismantled, please advise us accordingly so that we may formally close the file.

If you have any questions, contact the Land Use Department by telephone at 1-866-577-0247 or e-mail at landuse@navcanada.ca.

NAV CANADA's land use evaluation is valid for a period of 12 months. Our assessment is limited to the impact of the proposed physical structure on the air navigation system and installations; it neither constitutes nor replaces any approvals or permits required by Transport Canada, other Federal Government departments, Provincial or Municipal land use authorities or any other agency from which approval is required. Innovation, Science and Economic Development Canada addresses any spectrum management issues that may arise from your proposal and consults with NAV CANADA engineering as deemed necessary.

This document contains information proprietary to NAV CANADA. Any disclosure or use of this information or any reproduction of this document for other than the specific purpose for which it is intended is expressly prohibited except as NAV CANADA may otherwise agree in writing.

A handwritten signature in black ink, appearing to read "Olivier Meier".

Olivier Meier | NAV CANADA
Manager – AIM Land Use



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cc ATLR - Atlantic Region, Transport Canada (ATS-19-20-00036598, 2019-090)

>>> Heather MacLeod 01/10/20 10:54 AM >>>
Danelle and Sonya,

Please find attached for your records an updated version of the proposed development agreement. I have made changes to reflect suggestions from Ron in December. Track changes has been enabled so that you can easily see the differences. Note as well the updated expiry date of January 15, 2020.

I understand that RMEK is awaiting the outcome of the EIA process, but do wish to stress that these are two separate processes. Development of a project cannot proceed without appropriate permitting from both the Municipality and the Department of Environment. If RMEK wished to issue a development permit conditional upon successful completion of the EIA process, then that would meet all requirements and allow for the signing of the attached agreement before expiry.

Any questions or comments, please let me know.

Thanks,
Heather

Heather MacLeod, FEC, M.A.Sc., P.Eng.
Director, Energy Policy and Assets
PEI Energy Corporation
Government of PEI, Canada
Office: 902 368 5011
Mobile: 902 314 1746
Fax: 902 894 0290
hamacleod@gov.pe.ca

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DEVELOPMENT AGREEMENT

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BETWEEN:

THE RURAL MUNICIPALITY OF EASTERN KINGS

-and-

THE PRINCE EDWARD ISLAND ENERGY CORPORATION

WHEREAS the Rural Municipality of Eastern Kings ("RMEK") is an incorporated municipality that is administered by an electoral council, has an official plan and has instituted bylaws pursuant to the Municipalities Act R.S.P.E.I., Cap. M-13 that includes the control, among other things, for zoning of wind development.

AND WHEREAS the Prince Edward Island Energy Corporation ("Corporation") is a provincial Crown corporation that has been involved in the promotion and development of renewable energy projects in Prince Edward Island, including a wind power facility (~~East Point Wind Plant~~ Eastern Kings "Phase 1") in the RMEK that was commissioned in 2007.

AND WHEREAS the Corporation wishes to develop a further 30 MW of wind power in the RMEK that includes the Corporation adhering to the principles of the provincial government's policy on future wind developments and must comply with all applicable municipal, provincial and federal regulations.

AND WHEREAS the Corporation has entered into landowner compensation agreements whereby landowners in the area of existing and proposed wind power facilities receive a portion of gross revenue from the sale of wind energy at the facilities.

THEREFORE the RMEK and the Corporation (herein collectively referred to as the "Parties") have agreed as follows:

1) Consent

The RMEK, as represented by the Community Council of the Rural Municipality of Eastern Kings (the "Council"), as evidenced by the signature of the Development Officer hereby, provides consent to the Corporation to develop a proposed 30-MW wind project (~~Eastern Kings "Phase 2"~~ the "Project") in the Rural Municipality of Eastern Kings in addition to the existing 30 MW that presently exist under the terms and conditions as described herein.

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2) Benefits to the RMEK

(a) ~~(a)~~ In consideration for the consent described in 1, the Corporation agrees to provide a one-time unconditional grant of \$25,000 to the RMEK.

~~In consideration for the consent described in 1, the Corporation agrees to provide up to five (5) scholarships to the Wind Turbine Technician Program at Holland College to a resident of RMEK who has been accepted into the aforementioned program. Each~~

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scholarship shall cover tuition, fees and other program costs for one year. [2019/2020 value is \$7794.]

(b)

(b) In consideration for the consent described in 1, the Corporation agrees to provide, on an annual basis, the following benefits to the RMEK:

(c)

- The Parties agree that the benefits to the RMEK for the existing East Point Wind Plant Phase 1 shall be \$50,000 per year provided the ten existing turbines continue to operate generate revenue and landowner rent and compensation agreements remain in effect.

i)

- The Parties agree that the benefits to the RMEK for the proposed Project Phase 2 shall be \$125,000 per year provided the seven proposed turbines continue to operate generate revenue and landowner rent and compensation agreements remain in effect.

ii)

- iii) \$50,000 to the RMEK accruing from property taxes from both the existing wind plant Phase 1 and the proposed Phase 2 Project. In the event that, in any calendar year, the accrued taxes from both the existing wind Phase 1 plant and Phase 2 the proposed Project is less than \$50,000, the Corporation agrees to pay the Council the difference between \$50,000 and the actual taxes that accrue in any calendar year for the RMEK from Phase 1 and Phase 2 the Project.

3) Term and Structure of Payments

The benefits to the RMEK as described above in 2(c) shall be paid by the Corporation to the Council for the respective operational life of the wind plant Phase 1 and Phase 2s, both the existing ten turbines, as well as the proposed seven additional turbines.

These payments will be paid to the Council with such amounts first accruing at the commissioning date of the proposed Phase 2 Project. In the event that the commissioning date is not January 1st, such payments shall be prorated based on the number of days from the commissioning date of Phase 2 the Project to the end of that calendar year. Unless otherwise amended by mutual agreement, these payments shall be structured on a

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quarterly year basis, due and payable within thirty days of March 31st, June 30th, September 30th and December 31st, respectively.

4) Cooperation and Communication

The Parties agree to cooperate in the successful development of Phase 2the-Project through consultation and sharing of necessary of-information. More specifically, and in the interest of providing the RMEK with timely and accurate information about Phase 2project progress, the Prince Edward Island Energy Corporation shall engage a Community Liaison Officer within 60 days of the date of signing this agreement for a period of time extending until the commissioning date of Phase 2the-Project. The duties and responsibilities of the Community Liaison Officer shall be established jointly by the Parties.

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5) Adherence to Law

5) Adherence-to-Law

Nothing in this development agreement shall be construed as an attempt to circumvent any regulatory process including applicable statutes, regulations and bylaws.

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6) Freedom of Information and Protection of Privacy Act

Any information provided in this Development agreement may be subject to release under the *Freedom of Information and Protection of Privacy Act*. The Council will be consulted prior to the release of any information.

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7) Legal Defence

The Corporation agrees to indemnify and defend the RMEK and Council against any civil liabilities that may arise from the Rural Municipality of Eastern King's granting approvals for Phase 2the-project.

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8) Validity of Offer

It is recognized by the parties that a failure by Council to execute and present a copy of this Development Agreement to the Corporation in either written, facsimile or other electronic form on or before 14:00pm, 157 JanuaryDecember 202019 shall be construed as a rejection

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of the offer described herein and such offer by the Corporation to the Council and RMEK shall no longer be valid.

IN WITNESS WHEREOF the Parties thereto have executed this Agreement as of this ____ day of ~~January~~December 202019.

SIGNED, SEALED & DELIVERED

In the presence of:

) Prince Edward Island Energy
) Corporation as represented by
) Kim Horrelt, CEO
)
)

SIGNED, SEALED & DELIVERED

In the presence of:

) The Rural Municipality of Eastern Kings
) "RMEK" as represented by
)
)
)

Eastern Kings Community Association

October 19, 2020

All Voting Members of Council and Development Officer
c/o Chief Administrative Officer.
Rural Municipality of Eastern Kings
85 Munns Road
Souris, PE
C0A 2B0

Re IRAC Decision and Special Development Permit Application

Dear Mesdames/Sirs

We are writing to draw to your attention the very significant impact of the Decision dated October 6, 2020 ("Decision") by The Island Regulatory and Appeals Commission (IRAC) regarding the appeal of PEI Energy Corporation in the matter of a Development Permit issued to Jeff Klein (August 27, 2019). This IRAC decision has far-reaching ramifications for all development permit and special development permit applications being processed by the Municipality. In effect, IRAC has established new, stringent, and rigorous processing requirements. Given that they found these requirements to be applicable to a 1000 sq. ft. residential dwelling, there is no doubt that these or even more rigorous standards will apply to the application by PEI Energy Corporation for a 30-megawatt wind farm ("Application"). More stringent requirements will likely apply to an application having such wide-ranging impacts on many landowners in the area.

We have thoroughly reviewed the Decision and compared it to information on the public record concerning the processing of the PEI Energy Corporation Application. We write to draw your attention to the following issues that, in accordance with the IRAC Decision, are defects and omissions in the processing of the Application.

1. A detailed site plan has not been submitted that meets all of the requirements of Section 2.7.2 of the Eastern Kings Subdivision and Development Control By-law ("By-law"). This detailed site plan must include, among a long list of matters set out in the By-law, all of the existing and proposed grade elevations, and the dimensions and heights of the structures proposed all drawn to a suitable engineering scale.
2. The Municipality must ensure that "sound planning principles" (paragraphs 84 -98 of the Decision) have been considered, including the potential impact on neighbouring property owners. Specifically, a person working for the Municipality with "training or expertise in land use planning" (paragraphs 85 and 90) must

review the Application with regard to "the effect of the development on surrounding lands and developments" (paragraph 94). In the IRAC appeal, the Municipality admitted that it had failed to stringently review these planning principles – leaving it to be questioned whether the Municipality has failed here as well. Council and the public should anticipate that a report from the unbiased land use planner analyzing these impacts would be made public in advance of the public being invited to make submissions to Council. To do otherwise would make a mockery of the public hearing process before Council. In particular, the impact on property values of neighbouring properties, and the community as a whole, should be analyzed. For example, what will be the potential long-term adverse property value impact in property tax generation for the Municipality?

3. The development permit application assessment must include the estimate of "all of the costs to be incurred" including utilities, road construction etc. (paragraph 95). In this case, a cost of the development, and a cause of significant public concern, relates to the financial compensation to be paid to the municipality for the benefit of the public. This too should be made available prior to any public meeting and vote on the matter to give the public the opportunity to review these financial compensation matters and make comments to Council. The issue of financial compensation, which is a cost to be incurred by PEI Energy Corporation in regard to this Application, is inextricably linked to the issue of potential negative impacts on the surrounding land and developments. On the one hand, these negative impacts are the sole reason why this wind farm development must pay compensation, because this development **will** have impacts. On the other hand, the construction of a residential dwelling in an approved location, such as Mr. Klein's, does not pay compensation, because no negative impacts are anticipated.

4. IRAC summarizes its decision by saying "the time of incomplete applications receiving approval and building permits being issued with the details to be worked out later, or worse, just being implemented by the developer making the decision on their own- has long passed" (paragraph 95). This statement highlights requirements for transparency at every stage of the processing of the Application.

Further, IRAC states:

"Planning and development must be approached in a professional manner, consistent with the process that provides for development permits to be issued only after all pertinent facts and information have been filed with a municipal decision-maker, this allows for an informed decision to be made to approve or reject a building permit application and to ensure what is being proposed complies with the bylaws, the official plan and sound planning principles" (paragraph 96).

Any application needs to be complete in advance of both a public meeting and a Council vote so that members of the public have a fair opportunity to review all details of the application and to comment on it to Council prior to Council making a decision. There can be no fair opportunity without full and complete information being made available to the public. For this Application, there has been no public

meeting that meets all legal requirements. Any purported previous public meetings had improper notice and insufficient information made public. There is no independent review of the "sound planning principles" that has been available to the public to give the public a fair opportunity to comment prior to Council making its' decision.

Further, for the Application, there is no evidence of the proposed financial compensation that has been made public, with the public being given the opportunity to comment on it to Council. The PEI Energy Corporation website states that it has provided the Municipality with a draft development agreement for its review. The contents of this draft development agreement are relevant to any determination of whether the application may have met the IRAC test of meeting "sound planning principles".

We trust that the Municipality will seek advice from its lawyer and professional land use planner in advance of any further processing of the Application. EKCA expects that the Municipality and the Energy Corporation will comply with this new standard that has been set by IRAC.

Yours very truly,



David Cheverie, President
Eastern Kings Community Association