



Caton Mill Battery Energy Storage System (BESS)

Community & Indigenous Engagement Plan

<https://www.catonmillbess.com/>

November 2023



155 Wellington Street West, Suite 2930
Toronto, ON M5V 3H1

www.capstoneinfrastructure.com

This page is intentionally left blank

Table of Contents

1. Engagement Purpose and Goals	1
2. The Proponent	2
3. Project Overview	3
4. Capacity Procurement Information.....	4
Request for Qualification (RFQ) Stage	4
Post-Contract Award Stage	4
5. Stakeholder Engagement Principles	5
6. Regulatory Requirements	6
7. Stakeholder Identification Approach	7
8. Indigenous Consultation and Engagement	8
9. Project Impacts and Interests	9
10. Engagement Plan.....	10
11. Summary.....	13

This page is intentionally left blank

Acronyms / Abbreviations

BESS	Battery Energy Storage System
CIEP	Community and Indigenous Engagement Plan
CRCA	Cataraqui Region Conservation Authority
IESO	Independent Electricity System Operator
LT1 RFP	Long-Term Request for Proposals
LT1 RFQ	Long-Term Request for Qualification
MECP	Ministry of the Environment, Conservation and Parks
MW	megawatts

1. Engagement Purpose and Goals

Capstone Infrastructure Corporation (“Capstone”) is planning to develop, build and operate the proposed Caton Mill BESS (the “Project”) in Loyalist Township, located approximately 4 km from Amherstview, Ontario.

The Project is being proposed by **Caton Mill BESS Inc.** (the “Proponent”), a special purpose subsidiary of Capstone. The Proponent has developed this Community and Indigenous Engagement Plan (“CIEP”) in compliance with the Independent Electricity System Operator (“IESO”) defined Community Engagement initiatives as part of the Long-Term Request for Proposals 1 (“LT1 RFP”) process. The purpose of the CIEP is to describe the stakeholder consultation and engagement process for the Project with the aim of encouraging meaningful participation by all stakeholders throughout the development, construction, and operation of the Project in an open and transparent manner.

This CIEP identifies the regulatory requirements, as required by the IESO LT1 RFP, describes how the Project will meet or exceed the requirements, describes how the relevant stakeholder and Indigenous groups will be identified, outlines methods for informing the stakeholders and Indigenous groups about the Project, explains the process by which consultation activities will be recorded, discusses how issues and grievances are managed and mitigated, and details the timeline and planning for the engagement activities to be completed.

The guiding objectives for sound community engagement are:

- 1) To ensure that consultation activities meet the requirements for public consultation outlined by the IESO LT1 process;
- 2) To openly outline a schedule and process for all stakeholders to understand how they will be engaged and on what timeline;
- 3) To develop a strong community relationship built on trust and integrity through frequent, open and honest communication, using a variety of communication methods;
- 4) To establish a process and protocol for providing clear and timely Project information, as it is developed and becomes available;
- 5) To demonstrate a plan to address feedback and concerns and integrate feedback into future engagement plan activities and final Project design, wherever possible; and
- 6) To be respectful of stakeholders’ and Indigenous groups’ preferred communication methods and to be inclusive with all stakeholders to ensure a robust consultation record.

The main objective of the CIEP is to inform stakeholders or Indigenous group who may potentially be affected by the Project, of the full scope of the Project, the regulatory and approval process in place, and the potential impacts associated with the Project. Appropriate mitigations will also be identified, evaluated, and implemented, as practical. Any relevant feedback received from stakeholders will be used to guide and improve Project development and is an important feedback loop in the consultation process.

2. The Proponent

Headquartered in Toronto, Capstone is a publicly traded, independent power producer focused on providing clean, renewable energy to homes and businesses across North America. Capstone owns and operates 29 utility scale renewable and clean power generation facilities, including wind, hydro, solar, biomass, and natural gas co-generation with more than 774 MW of gross installed capacity and is actively developing a portfolio of clean power projects in Canada and the United States.

Capstone's mission is to drive the energy transition forward through creative thinking, strong partnerships, and a commitment to quality and integrity in how we do business. This includes building long-standing relationships with our landowner partners and the communities where we operate. Following through on this commitment has been integral to our success, and we will continue to hold ourselves to this high standard with the local community hosting the proposed Caton Mill BESS. Please visit www.capstoneinfrastructure.com for more information on Capstone.

Proponent engagement and access is important for good consultation. Questions and feedback are always welcome from anyone interested in the Project. Any interested party is encouraged to make contact directly with any questions or comments by phone, email, or regular mail as follows:

Contact information:

Contact: Pending
Title: Pending
Phone: 1-833-747-1323
Email: projects@capstoneinfra.com

Mailing Address:

Caton Mill BESS Inc.
c/o Capstone Infrastructure Corporation
155 Wellington Street West, Suite 2930
Toronto, ON M5V 3H1

Project Website:

<https://www.catonmillbess.com/>

4. Capacity Procurement Information

To address Ontario's emerging electricity system needs, the IESO is competitively securing 2,518 MW of capacity through the LT1 RFP (IESO, 2023). The LT1 RFP is expected to competitively procure year-round effective capacity from dispatchable new build resources, including new build hybrid electricity generation and storage facilities, registered or able to become registered in the IESO administered markets, larger than 1 MW and which can deliver a continuous amount of electricity to a connection point on a distribution system or transmission system for at least four consecutive hours in the case of Electricity Storage Facilities.

The LT1 RFP process requires renewable energy project developers to move through two pre-contract stages before a capacity contract is awarded: a Request for Qualification (RFQ) stage, and a Request for Proposals (RFP) stage. Details on these stages are outlined below.

Request for Qualification (RFQ) Stage

In advance of the LT1 RFP, the IESO issued the Long-Term Request for Qualifications ("LT1 RFQ") to establish a list of applicants with the experience and capability to successfully develop, construct and operate facilities acquired through these procurements.

Capstone Infrastructure Corporation was approved as a Qualified Applicant by the IESO in 2022, one of among fifty-five (55) Qualified Applicants, recognized to possess the experience and capabilities to successfully develop, construct, and operate facilities acquired through these procurements.

Post-Contract Award Stage

If the Project is awarded a capacity contract by the IESO, we would begin to advance the permitting processes from the various authorities having jurisdiction identified. Additionally, the Project would apply for grid connection from the relevant transmission and distribution companies. Upon successful permitting, the Project could begin construction as early as 2026.

5. Stakeholder Engagement Principles

The stakeholder and Indigenous engagement process undertaken for the Project will apply the following themes:

- **Varied communication:** Project-specific information will be delivered through a combination of one-on-one meetings, phone, website, email and letter correspondences, as well as information sessions and round table discussions with stakeholder and/or Indigenous groups, as needed.
- **Two-way dialogue:** stakeholders and Indigenous groups will have the opportunity to ask questions or raise concerns about the Project in a dedicated one-on-one environment. This may be over the phone or through in-person meetings. Communicating in this way allows both the stakeholder/Indigenous groups and Capstone to discuss and address issues directly, and both parties are committed to working together to find necessary mitigations.
- **Focused communication:** appropriate language and terminology will be used in all written, electronic and website materials so that stakeholders and Indigenous groups can clearly understand Project details, expected environmental and socio-economic benefits, and potential impacts, as well as knowing where and how to seek out follow up information or ask questions.
- **Timely consultation:** consultation activities will be appropriately scheduled to avoid sensitive time periods of its stakeholder and Indigenous groups and understanding that there may need to be scheduling flexibility during the planting, harvesting, and livestock seasons and regular statutory holidays.
- **Transparency:** all consultation and engagement activities will be documented, and summaries of issues and follow-up questions will be made public via the Project website, as per the IESO LT1 RFP. A consultation log will be maintained which will document all forms of communication and outreach with its stakeholder and Indigenous groups including the date, time and type, and any feedback, comments, objections, or concerns raised.

6. Regulatory Requirements

Should the Project be awarded a contract in the IESO LT1 RFP process, it will be required to obtain environmental approvals from the Ministry of Environment, Conservation and Parks (MECP), as well as permits and approvals from local authorities. MECP will undertake review of BESS Project permitting, and we anticipate having further guidance on governing regulations. Irrespective of the outcome of the MECP review, stakeholder consultation forms part of the environmental assessment and local permitting processes. During this process, proponents are required to actively solicit input within the Project area and from other individuals or groups that may have an interest in the Project through the means of meetings and/or open houses, informal discussions with landowners and nearby residents, and meetings with community associations, municipal governments, communities, businesses, regional planning agencies, Indigenous groups, or special interest groups. Proponents are required to document the engagement activities, to describe the consultation activities, to include the people and groups involved, to list the dates and means of engagement (e.g., via mail, phone, meetings), and to summarize feedback, comments and concerns received.

7. Stakeholder Identification Approach

A list of key stakeholders and interest groups, summarized below, has been identified for the Project. This list is expected to evolve throughout the consultation process and the Project based on the level of interest expressed by individuals or additional guidance received. Any interested party who is not presently on the stakeholder list for the Project, and wishes to be added to the stakeholder list, will be added once that party is identified.

As the CIEP is a public document, the privacy of the individuals must be respected. The stakeholders list and information will be collected in accordance with the *Freedom of Information and Protection of Privacy Act*¹, and will not contain any sensitive information regarding private individuals or individual landowners.

The following list identifies individuals, government entities, non-government entities, and any other group who is believed to be a stakeholder in the Project.

- Landowners
 - Property owners adjacent to the boundary of the proposed Project site, as per the IESO LT1 RFP
- Indigenous Stakeholders
 - Indigenous groups potentially affected by the Project, or who may have expressed interest in the Project
- Municipal Stakeholders
 - The host municipality
 - Mayor and council members
 - Chief Administrative Officer or equivalent for the municipality in which the proposed Project is located
 - Municipality's Fire and Rescue Department
 - Adjacent municipality, where applicable
- Provincial Government and Regional Authorities such as
 - Ministry of Environment, Conservation and Parks (MECP)
 - Ministry of Energy (ENERGY)
 - Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA)
 - Infrastructure Ontario (IO)
 - Ministry of Natural Resources and Forestry (MNRF)
 - Conservation Authorities (e.g., Cataraqui Region Conservation Authority)
- Federal Government Departments and Agencies such as
 - Environment and Climate Change Canada (ECCC)
 - Transport Canada
- Key Utilities such as Hydro One Inc. and Enbridge Inc.
- Other Stakeholders
 - Pertinent interest holders on the proposed Project land as identified through the land title registry system

¹ All personal information provided – such as name, address, telephone number and property location – is collected, maintained and disclosed by the MECP for the purpose of transparency and consultation. The information is collected under the authority of the *Environmental Assessment Act* or is collected and maintained for the purpose of creating a record that is available to the general public as described in s. 37 of the *Freedom of Information and Protection of Privacy Act*. For more information, please contact the Ministry of the Environment, Conservation and Parks' Freedom of Information and Privacy Coordinator at foi.mecp@ontario.ca

- Non-governmental organizations (NGOs), local business groups, landowner groups and other interest parties who may have interest in the Project

In addition to these groups and individuals, Capstone will work with municipal and local stakeholders to identify any other interested parties who may have an interest in the Project and wish to receive Project updates and provide feedback.

8. Indigenous Consultation and Engagement

The Project is not located on federally designated reserve lands under the *Indian Act (1985)*, Indigenous Lands, however Capstone acknowledges that it is our responsibility to engage potentially affected communities that may have overlapping traditional land use areas within the vicinity of the Project area.

Indigenous consultation is an essential part of the IESO LT1 RFP. Based on the proximity of Indigenous Communities to the proposed Project location as mapped out in the Aboriginal and Treaty Rights Information System by the Government of Canada, potentially interested Indigenous communities include the Williams Treaties First Nations, Mohawks of the Bay of Quinte, and Mississaugas of Scugog Island.

Ongoing consultation may be required to keep communities informed of the Project and engaged in decision-making, depending on their individual levels of interest. We encourage these and any other Indigenous Communities, who wish to make their interests known, to please contact us directly through our Project Email.

9. Project Impacts and Interests

It is important to identify the relevant stakeholders early in the process and assess and mitigate the impacts due to the Project.

Table 1 lists the potential impacts and interests that may arise throughout the Project phases. It is noted that this list is a generalized example of potential impacts and interests, and that a Project-specific list will be developed as the Project progresses. In this way, the impacts that may arise, based on the unique circumstances of the host community and local stakeholders, will be addressed through adaptive management as the Project matures and evolves.

Table 1: Project Impacts and Interests

Potential Impact/Interest	Potential Interested or Impacted Stakeholder
Regulatory compliance (zoning/dev by-laws, etc.)	Host Municipality (Planning) Nearby landowners and residents
Emergency Services	Fire Department
Environmental Impact	Ministry of Environment, Conservation, and Parks (MECP) Relevant Conservation Authority Other special interest/wildlife groups
Noise Impacts	Residents and stakeholders living near the BESS
Visual Impacts	Local landowners and neighbors
Construction Impacts (Dust, noise, traffic, etc.)	Host Municipality (Public Works) Landowners and Residents Ontario Ministry of Transport Ministry of Environment
Construction employment, services, suppliers	Local businesses and suppliers
Site Operation & Maintenance	Local contractors, landowners
Value-Added Benefits	Construction and supply opportunities for local businesses Municipal benefits (taxes) Landowners (land payments) Community at large (bursaries, benefits fund)

10. Engagement Plan

This section outlines the specific methods and activities that will be used for consultation with stakeholders, the community, and the Indigenous groups.

Estimated Timeline and Stakeholder Engagement Strategies

Prior to submitting the Project proposal to the LT1 RFP process in December 2023, Capstone will inform stakeholders about the Project via a virtual public engagement meeting. If the Project is awarded a contract in the spring of 2024 from the IESO for the LT1 RFP, further consultation will be conducted in the summer of 2024 with a second in-person public engagement meeting.²

Pending contract award by the IESO, environmental assessment and permitting would take place in 2024-2025. Capstone will continue to engage and keep stakeholders, Indigenous groups and interested parties apprised of developments as the Project progresses.

The stakeholder engagement will incorporate a variety of communication methods to deliver Project-specific information throughout. Methods include one-on-one meetings, phone, website, email and letter correspondence, public information sessions and round table discussions with interested stakeholder and Indigenous groups, if necessary. Open dialogue with all stakeholders and Indigenous groups will be encouraged, and all communication will use appropriate language and terminology for all stakeholders and Indigenous groups to clearly understand the scope and timing of the proposed Project. Each of the consultation strategies presented above are described in more detail below.

Direct Mailing

As per the IESO LT1 RFP, notices of public engagement meetings will be delivered to property owners located adjacent to the Project. Notices will additionally be distributed to interested parties, including property owners located within 1,000m of the Project via Canada Post.

Information mailouts are a good way to provide Project updates to stakeholders who have expressed interest in knowing more about the Project details, especially in a rural environment where some people may not have access to the internet. Direct mailing will also be used when a specific request is made for a paper copy of Project-specific information and/or other relevant documentation.

One-on-one meetings

One-on-one meetings with directly affected stakeholders and any additional interested stakeholders or Indigenous groups will be conducted for more direct engagement, when necessary. One-on-one meetings provide the opportunity for open communication lines with key stakeholders or Indigenous groups and for building trust and transparency through direct dialogue. These meetings also allow stakeholders and Indigenous groups to raise concerns and receive direct follow-ups about the Project and provide Capstone representatives the opportunity to address questions early in the process, and on an individual basis, allowing time to consider and evaluate all information or responses to the question or concern being addressed.

² Proposed schedule is a draft and is subject to change and updates based on the IESO LT1 RFP schedule.

Telephone and Email

Communication via telephone and email gives individuals the opportunity to have direct discussions with a Project representative who is knowledgeable about the Project details. This method of communication can be a meaningful way to discuss and share information, express issues or concerns and provide feedback. Interested stakeholders or Indigenous groups are always encouraged to reach out directly by phone or email. All questions and concerns communicated to the Project team will be documented via a Record of Consultation tracking log with personal information removed for protection of privacy.

Project Website

As outlined in the IESO LT1 RFP guidelines, Capstone will establish and maintain a dedicated Project-specific website with information about the Project, including the following information:

- Legal name and contact information of Capstone
- Name, nameplate capacity and generating or storage technology
- Scaled map showing the Project boundaries, location of connection points and connection lines

The website will use appropriate language and terminology and will serve as the primary source for Project activities and documentation. Additional information presented on the website would include Project updates, reports, and relevant communication materials including a copy of this CIEP, newsletters, public engagement meeting notices and a copy or summary of the engagement meeting minutes.

The website can also be used to address Frequently Asked Questions (FAQ) if common themes and concerns arise. The page would be updated regularly addressing responses to the most common concerns collected through consultation activities. The website would also provide background research documents from other websites or as downloadable documents.

Public Engagement Meetings & Notices

At least one public engagement meeting will be scheduled to share detailed information about the Project including mapping and Project design details prior to the December 2023 LT1 RFP submission. The event will provide an opportunity for all stakeholders to receive the same information at one time and interact with Project representatives and subject matter experts to address any questions and concerns about the Project via a dedicated question-and-answer session. Appropriately knowledgeable representatives will be in attendance to address specific issues or concerns that may arise. Attendees are encouraged to ask questions during the meeting(s) and provide written feedback. Any feedback received will be reviewed in detail and followed up with the relevant stakeholders. Follow-up questions will be addressed in a timely manner and all communication will be captured in the meeting minutes and/or consultation log.

Any public engagement meeting will be announced with notices posted on the Project website and distributed to property owners, adjacent property owners, the local municipality and other relevant stakeholders via physical mail and email. Consultation with the host municipality may also identify additional notification platforms such as local bulletin boards or community social media groups.

Record of Consultation

Effective communication and record tracking is critical among key stakeholders (the public, local authorities, agencies, Indigenous groups, industry and government) so that concerns raised are properly addressed, and if possible, resolved. The results of consultation will be documented via the Record of Consultation which tracks the flow of information conveyed to and received

regarding the Project, including relevant correspondences, Notices, and communication items for the Project. The Record of Consultation Log will also document all consultation and engagement activities, stakeholder lists, and commitments.

Issues and Grievances Management

Capstone is an experienced developer and operator of utility-scale renewable energy projects across Canada and recognizes that projects can have impacts on communities and on individual stakeholders. Early and robust consultation on the Project is critical to developing a facility with minimal impact, as feedback received early in the process can inform Project siting and design, and also provides time for adequate resolution of issues. The stakeholder and Indigenous engagement strategies presented in this section are aimed at informing and educating stakeholders and Indigenous groups in understanding the Project design, and demonstrate how the mitigation measures can reduce potential impacts and address concerns and issues raised.

Issues or grievances raised by stakeholders or Indigenous groups will be documented, and addressed and mitigated by Capstone whenever possible. A consultation issues log will be maintained through the development, construction and operational phases of the Project, and will be a guiding document to track and identify grievances with any stakeholders or Indigenous groups, and efforts and strategies used to attempt to resolve the issues.

11. Summary

As a proven industry-leading Project developer, Capstone is committed to deploying industry best practice for consultation and engagement throughout the lifecycle of the Project. Capstone's approach to outreach is grounded in its belief that those affected by its business have a right to be informed about activities, participate in decision making through transparent processes and be involved in addressing and mitigating issues associated with the Project that may affect them.

This CIEP provides a framework that defines how Capstone will manage the consultation, community, and Indigenous engagement process for the Project, how it intends to schedule and execute a robust consultation plan, track all of the consultation efforts and maintain an issues log identifying efforts to mitigate issues and if the issue or concern was ultimately resolved with the stakeholder or Indigenous group. This CIEP has been developed as per the requirements of the IESO LT1 RFP. This CIEP is a dynamic document that may be periodically updated as needed and as feedback is gathered from relevant stakeholders throughout the consultation process and will remain available on the Project website.

Capstone is proud to be a contributing member of the community where it develops and operates projects and will seek to build trust and demonstrate integrity through frequent, open and honest communication. Capstone will demonstrate a diligent approach to addressing concerns, finding solutions and providing mitigation strategies that incorporate community and Indigenous feedback into Project planning and Project design whenever possible.