

March 9th, 2017

Algonquin Power Co.

354 Davis Road
Oakville, Ontario
Canada L6J 2X1

VIA E-MAIL

Mr. Robert Maddocks, Chief Administration Officer
Mr. David MacPherson, Public Works Manager
The Corporation of Loyalist Township
263 Main Street, P.O. Box 70
Odessa, ON
K0H 2H0

T: 905-465-4500
F: 905-465-4514

Reference: Amherst Island Wind Project – Pre-Construction Study

Dear Mr. Maddocks and Mr. MacPherson,

As a follow-up to our Operations Plan re-submission of February 7th, 2017, and your review letter of February 21st, 2017, please consider this our submission of the draft Pre-Construction Study (the "Study") and the supplementary documentation as required by Sections 17, 18, 19 and 20 of the Road Use Agreement dated January 26, 2016 (the "Road Use Agreement"). The Study being provided includes the following sections listed below.

- a. **Impacted Municipal Infrastructure** – (Algonquin drawing "Impacted Municipal Infrastructure", no. AMHST – 243, Rev. 0) – This document shows the Municipal Infrastructure that will or may be damaged, destroyed, or otherwise adversely affected by the construction of the Project. The attached map will provide a basis of discussion for the consultation between the Project Engineer and Municipal Engineer when determining the impacted Municipal Infrastructure.
- b. **Existing Conditions Evaluation** – (Stantec's Report – "Municipal Roads Geotechnical Borehole Investigation", dated February 2nd, 2017) - This report is an evaluation of existing condition and service capacity of Municipal Infrastructure. Note that this report not only comments on existing conditions, but also makes some recommendations on strengthening these conditions – some of these recommendations remain under review by the Project Engineer.
- c. **Environmental Monitor** - Stantec Consulting Limited (Guelph, ON office) have been appointed by Windlectric Inc. as the environmental monitor to ensure construction activities comply with conditions of the Renewable Energy Approval and any other provincial or federal environmental legislation.
- d. **Pre-construction Preparatory Work Plans & Drawings** – (Stantec drawing set no.'s 60104 AIWF MR 200-240) - This set of plans and drawings details all of the contemplated Pre-Construction Preparatory Work within the Municipal Infrastructure. The value of the Pre-Construction Preparatory

work is estimated to be \$6,500,000 CAD, the details of this estimate are also attached hereto. (see Algonquin’s “Amherst Island - Pre-Construction Study Preliminary Cost Estimation”).

- e. **Collection System Work** - (Stantec drawing set no. 60104_AIWF_E400) - This set of plans and drawings details the contemplated Collection System Work within the Municipal Infrastructure. The Collection System work is estimated to be \$2,550,000 CAD, the details of this estimate are attached hereto.
- f. **Schedule** - A schedule, including a phasing plan, for construction and completion of Pre-Construction Preparatory Work and the Collection System Work. (See Algonquin document “(f) Schedule for Pre-Construction Preparatory Work and Collection System Work”).
- g. **Cost Estimates** - The cost of the Pre-Construction Preparatory Work, the Collection System Work and Construction Period Work combined is estimated to be \$9,935,000 CAD, the details of this estimate are attached hereto. This cost estimate is a summary of applicable engineering and construction costs, for each area of contemplated work, adjusted to include a 20% contingency.
- h. **Post-Construction Remedial Works Specification** – (Stantec Report no. PHCL-ADMF-27 Rev 02, titled “Amherst Island Wind Farm Post-Construction Remedial Specification Municipal Infrastructure) – This is the proposed specification to which the Municipal Infrastructure will be left upon completion of the Post-Construction Remedial Works to ensure the Municipal Infrastructure is in the same or better condition as it was upon completion of the Pre-Construction Preparatory Work;
- i. **Post-Construction Remedial Works Estimate** - The Post-Construction Remedial Works is estimated to be \$1,150,000 CAD, the details of this estimate are attached hereto.

Project Engineer - Note that Stantec Consulting Ltd. has been retained as the Project Engineer (as that term is defined in the Road Use Agreement) for the Amherst Island Wind Project, and has prepared the majority of the Study sections referenced above. The cost estimates were provided as a joint effort between the Project Engineer, and Pennecon Heavy Civil Ltd., the Engineering, Procurement and Construction contractor for the project. The Schedule was provided by Pennecon and Algonquin jointly. Item (a) above, the “Impacted Municipal Infrastructure” drawing was prepared by Algonquin, as a composite summary of the Project Engineer’s work.

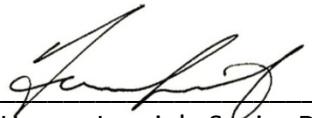
Review and Proposed Next Steps - Algonquin trusts the Township will find this submitted Pre-Construction Study complete, and that it provides a level of detail to be read in conjunction with our February 7th Operations Plan that allows your review to resume and be completed.

As previously discussed, our goal is to keep an open line of communication between Algonquin and Loyalist Township. Pursuant to Section 18 of the Road Use Agreement we ask that you please identify any deficiencies that the Township sees in the attached documents so that we can work towards finalizing the Pre-Construction Study and the Operations Plan.

We would like to meet with your staff next week to review the Pre-Construction Study, determine if you have the information required to address the items identified in your January 20th letter and the timing of the town hall meeting.

If you have any questions or require any further information please do not hesitate to contact me.

Regards,
Algonquin Power Co.
(on behalf of Windlectric Inc.)

A handwritten signature in black ink, appearing to read 'Homer Lensink', written over a horizontal line.

Homer Lensink, Senior Director – Energy Projects