

TransAlta Corporation

Proposed changes to the Highvale End Land Use Area Structure Plan and Parkland County Land Use Bylaw:

What We Heard Report

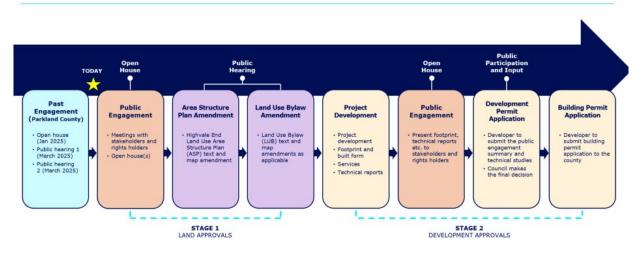
June 2025

1. PROJECT OVERVIEW

TransAlta is proposing changes to the Highvale End Land Use Area Structure Plan (ASP) and the Parkland County Land Use Bylaw (LUB). The proposed changes will amend the existing Keephills Direct Control District and create a new direct control district that gives Parkland County Council the ability to regulate development in the amended areas and allow for potential Data Centre developments in the future.

The ASP and LUB changes are an early step in the overall process as noted in the illustration below. Multiple additional engagement opportunities would be expected and required for any project moving forward.

Development Approval Process

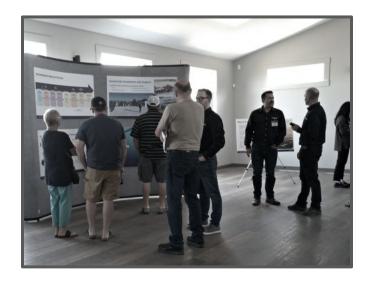


2. ENGAGEMENT APPROACH

The engagement approach was designed to share clear, accessible information about the proposed bylaw amendments and to collect feedback from the public and stakeholders. Two open houses focused on creating opportunities for open dialogue, clarifying technical aspects of the proposal, and responding to community input.

- **Open House 1:** Tuesday, June 17, 2025, from 3:00–7:00 p.m. at Seba Beach Heritage Pavilion, Seba Beach, AB
- **Open House 2:** Thursday, June 19, 2025, from 3:00–7:00 p.m. at Keephills Community Hall, Keephills, AB

At both events attendees had the opportunity to learn about the proposed amendments, ask questions directly to TransAlta representatives, and share feedback. Information boards and maps were available, and attendees were encouraged to provide verbal comments to TransAlta representatives in addition to written comments via the open house event feedback form. A contact email and phone number were provided for those wishing to provide further feedback and questions.



Engagement efforts were targeted toward landowners, residents, and stakeholders in and around TransAlta's Keephills and Sundance facilities, particularly those located near the lands subject to the proposed bylaw amendments. Notification of the open houses was provided through personally addressed mailed letters sent on June 2, 2025, 15 days prior to the first open house. Notices were also published in the Stony Plain Reporter on June 6th and 13th, 2025, and the notice was shared on



Facebook. Approximately 60 attendees participated in the June 17th event at Seba Beach, and approximately 50 attended on June 19th in Keephills.

3. KEY FINDINGS

Conversations and feedback highlighted a broad range of considerations and questions regarding the proposed bylaw amendments. Although much of the feedback was focused on the proposed amendments to the ASP and LUB, many discussions also considered the future permitting of a Data Centre. Additionally, some questions were asked about TransAlta's reclamation activities.

The following is a record of participant comments.

2.1 Questions and Comments on proposed Area Structure Plan and Land Use Bylaw Amendments

Land Use, Area Structure Plan & Bylaw Amendments:

- What is the ASP and LUB amendment process and expected timeline?
- The proposed bylaw amendments are based on outdated planning documents.
- What was the selection process for the proposed bylaw amendment locations and potential connection to Sundance Power Plant?
- What are the permitted land uses and regulations under the proposed bylaw amendments?
- How does the community's feedback influence the proposed bylaw amendments?
- The proposed bylaw amendments do not align with the end use agreed upon in the Committee on Keephills Environment's original Terms of Reference.
- What jurisdiction does Parkland County have on land within the mine permit boundary?

- What are the permitted land uses if the development of a Data Centre does not proceed?
- How is water usage regulated?
- The new Direct Control District should include strong, enforceable regulations.
- Development decisions should rest with county administration as the Development Authority.
- The new Direct Control District should align with the Highvale Area Structure Plan.
- Stakeholders are interested in reviewing a draft of the proposed bylaw amendments.
- The proposed bylaw amendments support utilizing land unsuitable for agriculture and creating local employment opportunities.

Communication & Engagement:

- Request for weekend Open Houses to accommodate seasonal residents.
- Request for earlier notification to landowners on upcoming engagement opportunities.
- Requests for one-on-one meetings and phone calls.
- Some area residents did not receive engagement materials.
- What additional engagement opportunities will there be prior to the development of a Data Centre?
- The proposed Bylaw Amendments and Environmental Reports should be provided to the Committee on Keephills Environment (COKE) and the Wabamun Watershed Management Council (WWMC).
- The improved open house materials are appreciated.
- The overall project benefits should be clearly stated.
- Commentary on the timing of public engagement and the perceived limited input opportunities at the development permit stage.
- Request for more detailed materials, such as a topographic map.

2.2 Questions and Comments on a potential Data Centre development

Access, Infrastructure & Roads:

- Concerns were expressed about the adequacy and availability of access routes and road connectivity, particularly existing Township Roads 524, 522, 512, and 514 as they have limited access.
- There is a discrepancy between ASP map and the existing road layout.
- Consider upgrades to county roads (e.g. Sundance Road). Concerns were expressed about road size, condition, and winter maintenance.
- Appropriate emergency access/egress points should be identified.

- Review the infrastructure capacity and construction timeline, including traffic impacts to Highway 627.
- Where will Data Centre employees be housed? Will new residential areas or subdivisions be developed, and what is Parkland County's role in providing related services and amenities
- Will roads be closed?

Community Impact:

- Concers were expressed about a potential increase in traffic.
- Will there be a strain on local services?
- Will a Data Centre development have an effect on future property values?
- How many and what type of permanent and short-term jobs will be available?, How will employment opportunites be shared with the community?
- What other industries will a Data Centre attract?
- What are the economic benefits, and what investment will be made into the local economy
- Concern over the potential effects of data centre construction on residents' quality of life were expressed.

Lighting, Dust, Noise & Visual Impacts:

- Concerns about the potential light pollution and effects on dark skies.
- Interest was expressed in the types of lighting expected to be used on site.
- What alternative methods can be used to mitigate dust impacts during construction?
- Concern was expressed regarding the anticipated noise from operations, including generators and cooling systems.
- Concerns were expressed about the timing and accuracy of noise assessments.
- Meeting permissible levels may not prevent noise nuisance.
- The need for noise mitigation measures was expressed.
- Concerns regarding the effects on views for residents around the Sundance and Keephills proposed bylaw amendment areas.
- Consideration of an appropriate location and size for a berm.

Power Supply & Energy Use:

- What is the source of the required 400 MW?
- How will power be supplied during potential Keephills and Sundance plant outages?
- Suggestion to return to coal due to potential gas shortages.
- What type of power will be used to power the data centre (natural gas, potential solar vs. from the grid), and in what proportion?

- What are the long-term impacts on the power grid?
- Sourcing new electricity should be considered to prevent compromising the grid or causing electromagnetic interference.
- Avoid relying on solar farms on agricultural lands to meet the data centre's additional power needs.
- There have been recent power strain incidents. How will a data centre affect power supply?
- A data centre should be self-sufficient in power and not affect electricity prices for residents.
- Inquiries about the need for new transmission lines and towers.
- Are there potential conflicts with existing infrastructure? Can the fiber optic cables be installed underground?
- What is the status of Sundance's shutdown?
- What is the source of clean power for the project?
- Will Sundance and Keephills areas rely on burning hydrocarbons without solar or wind power?
- There is a preference for powering the facility with clean energy sources, such as hydroelectricity.

Project Timeline & Process:

- What are the estimated timelines for construction, development permits, and provincial permitting requirements?
- What is the data centre proponent selection process?
- What are the components of a data centre?
- Will the land used for a Data Centre be sold off or leased to a proponent when one has been selected?
- The bylaw amendment processes and steps involved need to be clearly outlined.
- What is the timing for a data centre development vs the mine reclamation timeline?
- What are the roles of the project proponent compared to Parkland County's role?
- The current process requires Council to make technical decision that may exceed governance expertise.
- Decision makers need to understand the key drivers behind the proposal.
- What is the current land use at the location proposed for the bylaw amendment in the Keephills area?

Reclamation & Future Land Use:

- What is the current status of the Highvale Mine Reclamation Plan process and its progress toward finalization?
- Parkland County needs to consider reclamation obligations within the development permitting process.
- Consider utilizing land identified to be reclaimed for the proposed bylaw amendments to accelerate the reclamation process.
- What is the long-term viability and function of a Data Centre in Parkland County?
- The Highvale End Land Use Area Structure Plan is outdated.
- Desire for clarity on future use, potential users, and alternatives beyond a Data Centre.
- Consider agricultural or recreational as the designated end land use post data centre.
- What is the current status of mining operations and active pits?
- What is the status of Pit 6 operations and reclamation?

Water Use & Environmental Impacts:

- Where will cooling water be sourced?
- How much water will be used?
- Is cooling water mostly recyclable and non-consumptive?
- How much water is used compared to a thermal power plant?
- Stakeholders are interested in reviewing a hydrology plan and reviewing the annual submitted report.
- What is the risk of environmental degradation, including impacts on wetlands and wildlife?
- Concerns were expressed about the presence of creeks and environmental features on proposed sites.
- Reclamation plans should be approved before Data Centre development.
- How will the cooling ponds be used or decomissioned after the plant shutdown in 2037?
- What are the environmental protections for Data Centre projects?
- What are the opportunities to utilize heat generated by the Data Centre, such as for greenhouses?
- The carbon footprint impact of restarting the Sundance power plant for this Data Centre should be evaluated.
- Consider incorporating co-generation in the Data Centre.
- Identify additional ways the proposed Data Centre site can be environmentally friendly, including net-zero goals and future-focused solutions.
- What is the direction of water drainage on the proposed site?

- What are the potential emissions from a Data Centre?
- What are the Electromagnetic fields (EMF) from data centres and what is the effect on the community and wildlife?
- Concern was expressed about potential disturbances to the watershed and effects on lake levels, including Wabamun Lake.
- Appreciation was expressed for moving away from Beaver Creek Conservation Area

4. CONCLUSION

TransAlta appreciates the time and consideration given by stakeholders to discuss potential amendments to the Highvale End Land Use Area Structure Plan and Land Use Bylaw. The feedback received on this important initial step will be considered for incorporation into the final proposed ASP and LUB amendments to be submitted to Parkland County for approval.

In addition to feedback on the proposed ASP and LUB amendments, TransAlta also received feedback from stakeholders specific to a potential data centre development. Should the proposed amendments to the ASP and LUB be approved, TransAlta will share collected stakeholder feedback with an eventual Data Centre proponent.

During the public engagement process stakeholders took the opportunity to share their views and concerns associated with the ongoing operation of TransAlta's Keephills and Sundance facilities. TransAlta appreciates the feedback received and will follow up those concerns outside of the ASP and LUB amendment application process.

In early July TransAlta will establish and maintain a website to keep the public informed about the ASP and LUB amendment processes. Stakeholders are encouraged to contact TransAlta to provide feedback on the proposed ASP and LUB amendments at their convenience. Further, TransAlta's Stakeholder Engagement email inbox and phone number remain open at all times.

Contact TransAlta:

Highvale End Land Use Area Structure Plan and Land Use Bylaw Proposed Amendments:

Stacey Lauder <u>stacey lauder@transalta.com</u> (780) 292-3236

TransAlta Stakeholder Engagement:

Stakeholderengagement@transalta.com 1-(877) 547-3365 Extension 1



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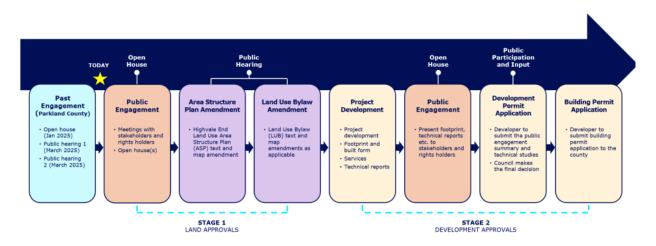
July 2025

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The ASP and LUB changes are an early step in the overall process as noted in the illustration below. Multiple additional engagement opportunities would be expected and required for any project moving forward.

Development Approval Process



2. ENGAGEMENT APPROACH

The engagement approach was designed to share clear, accessible information about the proposed bylaw amendments and to collect feedback from the public and stakeholders. Four open houses focused on creating opportunities for open dialogue, clarifying technical aspects of the proposal, and responding to community input.

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- **Open House 2:** Thursday, June 19, 2025, from 3:00–7:00 p.m. at Keephills Community Hall, Keephills, AB
- **Open House 3: T**uesday, July 29, 2025, from 3:00–7:00 p.m. at Seba Beach Heritage Pavilion, Seba Beach, AB
- **Open House 4:** Wednesday, July 30, 2025, from 3:00–7:00 p.m. at Keephills Community Hall, Keephills, AB

At each open house event, attendees had the opportunity to learn about the proposed amendments, ask questions directly to TransAlta representatives, and share feedback. Information boards and maps were available, and attendees were encouraged to provide comments to TransAlta representatives in addition to written comments via the open house event feedback form. A contact email and phone number were provided for those wishing to provide further feedback and questions.



Engagement efforts were targeted toward landowners, residents, and stakeholders in and around TransAlta's Keephills and Sundance facilities, particularly those located near the lands subject to the proposed bylaw amendments. Notification of the open houses was provided through personally addressed mailed letters sent on June 2, 2025, and July 14, 2025, 15 days prior to each month's first open house. Notices were also published in the Stony Plain Reporter on June 6th and 13th,



2025, and on July 18th, 2025, and the notice was shared on Facebook. In June, approximately 60 attendees participated in the June 17th event at Seba Beach, and approximately 50 attended on June 19th in Keephills. In July, approximately 24 attendees participated in the July 29th event at Seba Beach, and approximately 23 attended on July 30 in Keephills.

3. KEY FINDINGS

Conversations and feedback highlighted a broad range of considerations and questions regarding the proposed bylaw amendments. Although much of the feedback was focused on the proposed amendments to the ASP and LUB, many discussions also considered the future permitting of a Data Centre.

The following is a record of participant comments from the July open houses. Comments from the June open houses are available at: Proposed Data Centre
Development-TransAlta

3.1 Questions and Comments on proposed Area Structure Plan and Land Use Bylaw Amendments

Land Use, Area Structure Plan & Bylaw Amendments:

- Would a data centre take up the entire footprint allocated in the Proposed Land Use Bylaw in Keephills and Sundance?
- Does TransAlta have a preference to have development at Keephills vs Sundance as identified in the Land Use Bylaw Amendments?
- In the Keephills District Control District (DC area) section 4.2 it says, "Council
 may require any technical studies or information as outlined in Section 7.40
 that it deems necessary to decide on an application" Does that mean that the
 items listed below are optional?
 - Similar concerns with the term "may" in proposed 1.18. Additional Requirements under 5.80. Data Processing Facilities

- The Wabamun Watershed Management Council's (WWMC) is completing its own report on the lake; however, it will not be completed prior to the Parkland County public hearing, shouldn't that be completed before a decision is made on land rezoning?
- Questions about what the Data Centre zoning amendment areas regulate and how they differ?
- Is TransAlta required to reclaim land identified within the Area Structure Plan (ASP) boundary?
- Could residential use occur in Resource Extraction district on undisturbed land?
- Seeking clarification on why power generation is included as a permitted use?
- What's allowed in "business and medium industrial"?
- Will the Data Centre need to follow any provincial regulations or approval processes?
- Why are several sections of land included in the amendment?

Communication & Engagement:

- Why is there a second round of open houses? What new information is being shared?
- How will TransAlta respond to all the questions raised during public engagement? Will the answers be publicly available?
- What consultation has taken place with Indigenous communities?
- The newspaper used for public notifications does not reach all relevant stakeholders and residents in Parkland County because of a reduced delivery area radius.
- Concern about changing the context of the ASP, without fulsome community involvement.
- Will there be more chances for the public to give input?
- Will there be an opportunity for public input in environmental assessments?

3.2 Questions and Comments on a potential Data Centre development

Access, Infrastructure & Roads:

- What road will be used to access the Data Centre site?
- Will there be upgrades to Range Road 41?
- What infrastructure and services (e.g. fire) will the County bring to this area to support this development?
- Who pays for infrastructure upgrades?

Community Impact:

What are the construction impacts of building a Data Centre?

- Could the Data Centre be built on different land, further away from residential lands? (Specific concern about areas near the Sundance Plant.)
- Concern that the technical jobs needed for the Data Centre won't go to local workers in Parkland County.
- If the final owner of the Data Centre is not Canadian, what are the privacy concerns (e.g., U.S. Cloud Act)?
- Skepticism is that the economic benefits of the Data Centre have been overstated. A Canadian owner would bring more long-term benefits to the County and Province overall.
- Concern that local services, infrastructure, and amenities are already strained and could be further impacted by a Data Centre.
- Belief that tax revenue from the Data Centre may not be significant enough to justify calling it an "economic benefit."
- Could the Data Centre start building at the south end of the Sundance amendment area, or build a berm, so to be farther away from residential?
- Were the potential impacts and risks of the Data Centre assessed before considering the land use applications?
- Concern about availability of fire services the closest fire stations are in Stony Plain and Tomahawk, and insurance considers Keephills an "unprotected area"
- Will the cost of the project be added to residents' power bills?
- Who will collect the property taxes from the Data Centre?
- Comment that Data Centre is unwanted at the south end of Keephills amendment area.
- What are the benefits to the community?
- Will I see a reduction in the cost of my electricity bill?

Lighting, Dust, Noise & Visual Impacts:

- What is the noise like from the fans and generators?
- Has TransAlta considered the impact of the Data Centre on wildlife?
- Has the cooling method for the Data Centre been evaluated to mitigate noise impacts?
- Does the noise assessment account for pitch, not just what is permissible regarding decibel levels?
- Comment that residents don't want abandoned development, blight, and waste of power and water resources.

Power Supply & Energy Use:

 Will hydraulic fracking be completed to extract natural gas to power a Data Centre?

- Suggest exploring public-private partnerships for Data Centre development and long-term operations.
- Concern about the assumption of unlimited natural gas, which could lead to more polluting energy sources later. A better planning model is needed.
- Consideration for nuclear energy?
- Has TransAlta looked into using renewable energy to power the Data Centre?
- What are TransAlta's current and future operational plans for the Sundance and Keephills plants?
- Where are the transmission lines near the Sundance and Keephills plants?

Project Timeline & Process:

- Will TransAlta lease or sell the land to the Data Centre end-user?
- What will TransAlta gain from selling or leasing the land to the Data Centre end-user?
- Will there be regular environmental assessments required for TransAlta and the Data Centre end-user to undergo?
- Can the environmental assessments be shared publicly? Will they be provided to decision makers?
- How long will it take for the Data Centre to go from planning to being fully operational?
- Has TransAlta developed an exit strategy in case the end-user or Data Centre project is not completed?

Reclamation & Future Land Use:

- Questions were raised about the land reclamation process.
- Is it possible the land near the Sundance Plant won't be developed for a Data Centre?
- What's the full process for land reclamation and how is land sensitivity being assessed?
- What is the status of TransAlta's land sales?

Water Use & Environmental Impacts:

- What are the impacts to water?
- Will TransAlta lease or sell the land?
- Will TransAlta consider also including a Greenhouse with a Data Centre Development?
- How could a Data Centre affect nearby lakes and water bodies?
- Concern about drainage and runoff due to the area's topography.
- What will be used to fill the cooling ponds for the Data Centre?
- How exactly will the Data Centre be cooled?

- Were renewable energy options considered to power the Data Centre sustainably?
- Will the future Data Centre impact Wabamun Lake?
- How much land will the Data Centre require to operate?
- What measures are in place to address fire risks onsite, given past incidents at Sundance and Keephills plants?
- Will Data Centre cooling require drinking quality water?
- Suggest using heat from the Data Centre to generate steam that could be reused in pipelines.
- Where are the active and abandoned wells around the Sundance and Keephills plants?

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Proposed changes to Land Use Area Structure Plan Website

Proposed Data Centre Development - TransAlta