

TransAltaTM

Water Bank Overview

TransAlta is retiring its coal power plant near Centralia between 2020 and 2025. TransAlta holds valid, state-issued water rights in the amount of 51.6 cubic-feet per second, and just over 28,000 acre-feet a year from the Skookumchuck River, a major tributary of the Chehalis River.

As TransAlta retires the Centralia power plant, its water requirements will be greatly reduced. Water is an important asset, and TransAlta is engaging with various stakeholders to make sure that water remains available to meet future water needs in the Chehalis River watershed.

TransAlta is partnering with the Washington State Department of Ecology to develop a new water bank that will be the largest in the state.

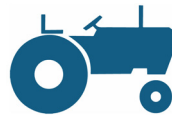
Water banks are an innovative regulatory tool that have proven successful in many areas of Washington. Water banks protect water rights, and provide a predictable pathway for new water users to meet future water needs. The TransAlta Water Bank offers water supplies that can support multiple local community values.



Fish will benefit from increased river flow



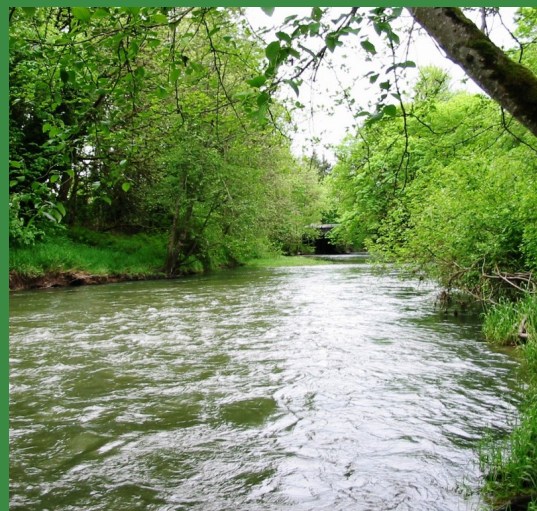
New homes can be constructed



Water supply for farming will be more reliable



TransAlta's energy transition makes this water bank possible



Frequently Asked Questions

Q How much water is available?

The TransAlta Water Bank will protect approximately 28,000 acre-feet, of which a projected 16,000 acre-feet are available for purchase for new water supply needs. After 2025 additional water may become available. TransAlta's 28,000 acre-foot water bank is enough water to fill 14,000 Olympic-sized swimming pools or irrigate 14,000 acres of farmland.

Q Where can this water be used?

Water can be used in the Chehalis Watershed from a point on the Skookumchuck River, all the way downstream on the Chehalis River to Grays Harbor. Water can be diverted directly from the river or be withdrawn from wells that are located near the river. While a Suitability Map has been developed showing the approximate areas that can be served, each transaction will need to be vetted to make sure the buyer has a way to access the water without impacting other water users and instream flows.

Q What can the water be used for?

TransAlta's water rights have a year-round period of use and may be used as mitigation for a variety of future purposes, including municipal, industrial supply, and irrigation.

Q Who will benefit from water made available by TransAlta?

The TransAlta Water Bank has the potential to benefit every sector of our local community and economy. By reducing diversions associated with the power plant, more water will be left in the river for fish for decades to come. Downstream municipal and domestic communities can enjoy water rights for future homes and businesses, while farmers will have access to an additional supply to make their rights more reliable. Revenue from sales and leases of water rights will help offset the cost of closure of the plant.

Q When is this happening?

The large amounts of water required by coal-fired power will no longer be necessary as TransAlta fulfills their commitment to bring one of the coal-fired power units offline at the end of 2020. Additional water may become available as the second unit comes offline at the end of 2025. The Water Bank is expected to be operating in early 2021. TransAlta is prepared to discuss contracts right now.

Q How much will the water cost?

TransAlta is marketing the water rights at a rate of \$2,750 per acre-foot as a one-time cost. Additional costs associated with permitting the water for your specific project may also apply to Ecology or other agencies.

Q What is the process and how can I use this water?

The TransAlta Water Bank is a mitigation bank and designed to provide a source of mitigation to the Skookumchuck and Chehalis Rivers. Buyers will be required to file their own water right permit applications which will be processed by the Department of Ecology for formal permit decisions. TransAlta will issue a Mitigation Certificate allocating a portion of their trust water holdings with the Department of Ecology to an applicant's new proposed use. TransAlta will work with buyers to ensure a successful process.

Q Who should I contact for more information?

More information on starting the process with TransAlta can be obtained from our water rights consultant:

Jill Van Hulle, Associate Water Rights Specialist • Direct: 360.810.3508 • Cell: 360.528.1397 • jvanhulle@aspectconsulting.com

