



**Attn: News Editors**

## **PRESS RELEASE**

### **Canadian Renewable Energy Corporation partners with CANADIAN HYDRO DEVELOPERS, INC. to develop 540 MW of Wind Power in the Kingston and Lake Huron regions, Ontario, Canada.**

**Mississauga, Ontario, Canada – April 1, 2004:** Canadian Renewable Energy Corporation (“CREC”) today announced that it has entered into an option agreement (the “Agreement”) with Canadian Hydro Developers, Inc. (“Canadian Hydro”). CREC has granted Canadian Hydro an option to jointly develop the Wolfe Island Wind Project, a potential 300 MW wind power project located on Wolfe Island, near Kingston, Ontario. In addition, Canadian Hydro has granted CREC an option to jointly develop the potential 240 MW Melancthon/Grey Highlands Wind Project previously announced. Included in the Agreement is an option for CREC to acquire 50% of the Corporation’s 10.9 MW Ontario hydroelectric plants on or before December 31, 2004. CREC’s partnership with Canadian Hydro brings the resources and expertise of both companies to Ontario to develop windpower. Financial terms of the Agreement are confidential.

CREC expects to both bid these projects and, independently, several waterpower projects, into the upcoming request for proposals (“RFP”) for up to 300 MW of renewable energy capacity that was recently announced by the Ontario Government. It is anticipated that the Ontario Renewable Portfolio Standard (“RPS”) RFP will be issued in the Spring of 2004. The Ontario Government has targeted 5% (1,350 MW) of all generating capacity to come from renewables by 2007.

The Wolfe Island Wind Project is expected to be comprised of five 60 MW phases. Land for the project is currently being assembled under option to lease agreements, wind data has been collected in the area, interconnection approval is currently underway with the Independent Electricity Market Operator, and the project is registered and has met the basic eligibility criteria that will allow it to apply for the Federal Government Wind Power Production Incentive (i.e. payment of \$10/MWh for 10 years if project is commissioned before March 31, 2006; \$8/MWh for 10 years if project is commissioned after March 31, 2006, but on or before March 31, 2007). Regulatory approvals, long-term power sales contracts and financing are required prior to proceeding with this project. “Wolfe Island has some of the best wind regimes in Ontario and both CREC and Canadian Hydro are elated both with the opportunity and the local support for this wind project” said Ian Baines, President of CREC.

“CREC has invested over \$10 million in Ontario building new green generation and has added 17 GWh to the Ontario grid. Premier McGuinty’s and Minister Duncan’s plan to encourage clean renewable energy has justified our four year commitment to the Ontario market” said Uwe Roeper, CEO of CREC. CREC hopes, pending an RPS award, to start construction in 2004/2005 on its wind and waterpower projects, investing an estimated \$200 million and creating employment throughout the province.

ARC Canadian Energy Venture Fund 2 and ARC Canadian Energy Venture Fund 3 (the “Funds”) own approximately 89.4% of the voting shares of CREC. ARC Canadian Energy Venture Fund 2 owns approximately 9.4% of Canadian Hydro.

## **About Canadian Renewable Energy Corporation**

CREC was formed in 2000 and is dedicated to the development of renewable energy resources in the province of Ontario. CREC is 100% Canadian owned and is based in Mississauga, Ontario. Its majority shareholder is the ARC Financial Corporation (for further information please go to [www.crec.ca](http://www.crec.ca)).

CREC built the only new Greenfield renewable waterpower plant in Ontario since market opening. CREC's Misema generating station ("Misema") is a 3 megawatt ("MW") renewable energy plant that was commissioned in April 2003. Misema produces enough electricity to power 1500 homes. Misema is a run-of-river type construction (i.e., no dam or flooding), which utilizes an underground tunnel to channel the water to its powerhouse at the base of the falls.

CREC is currently focused, with its partners, in developing 300 MW water and wind power in Ontario by 2007.

## **About Canadian Hydro Developers, Inc.**

Canadian Hydro is a developer, owner and operator of low-impact renewable power plants, which are all certified under the EcoLogo program. The Company's future projects, including the Grande Prairie EcoPower Centre, Pingston Expansion and Upper Mamquam Hydroelectric Projects are slated for certification as low-impact renewable energy facilities.

Canadian Hydro Developers, Inc. is passionate about meeting the goals of investors and the needs of the environment. As industry leaders, Canadian Hydro is focused on building a sustainable future for Canada and with over 14 years experience, Canadian Hydro is the working model for the unlimited development potential of low-impact renewable energy.

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