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President's Message...

Greetings Members!

After saying so many times that our investment share offering is coming soon, I can finally say it has arrived - we have received final approval, and a package describing the offer has been mailed to every member. We hope you will take advantage of this once-a-year opportunity to enhance the value of our co-op and enable us to proceed with several important initiatives.

Those of you who live, or have traveled recently, in the area should have noticed wind turbines spinning above the treetops on Bear Mountain.

Construction is nearly complete, and full commissioning of the project should occur within the next month. This will trigger our final developer fee payment from Bear Mountain Wind Limited Partnership (the operator of the project), and means our first cheque from our share of the royalty stream will be due next July. We expect our share of the revenue over the next 25 years to put PEC on a solid and sustainable financial footing.

It has been seven years since Don Pettit and Paul Kurjata hatched the idea to form a cooperative organization for developing the Peace region's abundance of renewable energy resources. They had their eyes on Bear Mountain right from the start, as a great location for a wind power project.

I sincerely thank all of you who have joined us along the way in making this journey, this adventure in community entrepreneurship, such a rewarding experience and benefit to the people of the Peace.

Steve Rison - President

Investment Offering Notes...

The Rights Offering Circular was mailed to members by October 9, 2009. If you have not received your offering package with this week's mail, please call the office and let me know. It may take a few extra days to reach our members on the east coast.

The offering deadline is November 30, 2009 at 12:00 Noon Mountain Standard Time and there can be no extensions to that day or time. Registered mail is suggested to make sure it arrives at our office prior to that time. Please see page 3 of this newsletter for an important note about office hours.

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Bear Mountain Wind Park Update...



AN UPDATE TO THE MEMBERS OF THE PEACE ENERGY COOPERATIVE ON THE BEAR MOUNTAIN WIND PARK

There has been a tremendous amount of activity on the site this summer, with the delivery and installation of the wind turbines. We are now nearing completion of the project and are still on schedule to be in full commercial operation by November.

We have completed construction of our substation, collector system, and transmission line, and BCTC has completed its grid connection to allow us to deliver power from the project. We have installed all 34 turbines which are now visible along the ridge. We will be completing the testing and commissioning of the last few turbines over the next two weeks. This will allow us to meet BC Hydro's requirements for full commercial operation.

The Bear Mountain Wind Park started producing and delivering clean, renewable electricity into the BC Hydro grid on July 21.

We have maintained a very clean and safe work site. There have been no lost-time injuries on this project. This is a significant accomplishment of which AltaGas is very proud.

Over five years ago Peace Energy Cooperative had the vision to obtain a permit to study wind on Bear Mountain. We are delighted to be able to bring this vision to the reality of BC's first operating wind park. We thank Peace Energy Cooperative for its continued support.

Sincerely,

Jim Bracken,
Senior Vice President, Major Projects
AltaGas



Important Office Update

Members, please note!!

The office will be closed on Thursday, Friday and Monday, October 22, 23 and 26. This was a previously scheduled closure before the offering was released, and unfortunately it cannot be changed. I will be checking the phone and email during my absence and will return calls and email as necessary, and as I am able to, while travelling out of province.

I will be returning to the office on Tuesday, October 27 at 9:00am.

Otherwise, regular office hours are Monday to Friday from 9:00am to 5:00pm. I am trying to put off or reschedule meetings out of the office until after the November 30 deadline date, if possible. I will also try to remain in the office most days during the lunch hour for the duration of the offering. If you are coming from out of town, it is a good idea to call ahead to make sure I will be in when you arrive and you won't have to wait or return later.

Membership Update...

Our membership took off in the spring and summer following the Annual General Meeting, in anticipation of the current investment offering, and as more people saw the construction of the Bear Mountain Wind Park progress with the erection of wind towers beginning in June.

Our membership has increased this year to 386 members at today's date. I announced at the AGM in April that I would like to see 400 members by the end of 2009 and I still believe we will make that. We were sitting at 350 members at the AGM. Our success continues to attract attention and requests for information from around the province and across Canada.

Peace Energy is always open for membership and even though we have released this share offering, we are still entertaining new memberships purchases. This is only one investment opportunity, there will be others, but you have to be a member to participate in investment and you never know when the next opportunity might be. Many people have taken advantage of memberships as a great gift-giving opportunity—wedding, graduation, and other special occasions such as holidays.

Our website is accessed frequently and I receive questions about the coop and requests for information from people who have viewed our site. I continue to strive towards keeping it updated frequently. If you have not had the chance to visit for a while, please take some time to visit the site today! There are a number of new companies and information resources listed in our 'Links' section and they provide great technology updates and good reading for a cool fall Saturday! As well, the 'What's New' section has project updates and media releases, and the 'About Us' section tells you about the newer faces on our board of directors.

Cooperatively Speaking...

Did you know Canada now has 97 wind farms with almost 3159MW— enough to power approximately 900,000 homes!

Did you know Canada will have wind turbines operating in every province by the end of 2009!

Did you know a wind turbine produces enough clean energy in 3-5 months to offset the emissions generated in its manufacture - and then goes on to create green energy for another 20-25 years.

Did you know wind energy is installed in more than 70 countries world-wide.

Did you know that you can contact the Peace Energy office via phone or email at any time with questions or comments!

Check us out—catch up on
other news of your
cooperative today!
[www.peaceenergy.ca/
whatsnew](http://www.peaceenergy.ca/whatsnew)

Centennial Green Update

We've been working with our architectural consultant, Lukas Armstrong, Design + Consulting, over the last year, on the proposed Centennial Green project. This is the project for redesigning the decommissioned Centennial Pool in Dawson Creek which was announced to an enthusiastic membership at the 2008 AGM.

If you've missed the news on the vision for this project, please check out 'What's New' for the full description, or call me at the office with any questions.

Lukas Armstrong has been working with the Centennial Green Committee and the Board of Directors on the (RFQ) request for quotes. We are entertaining quotes for the engineering studies report on the structural integrity of the cement and steel structure of the building, and quotes on the district heating utility studies report on the ability of the pool to provide heat energy for distribution to local public facilities.

The Committee and Board will be looking at the quotes in November, receiving reports in early 2010 and making a decision to move forward with other plans on the project.

A full report on the progress of the project, the recommendation of the Centennial Green Committee, and the decision of the Board of Directors, will be made to the membership at the 2010 AGM.

Other news items from your cooperative ...

The **2010 AGM** will be scheduled following our financial year-end; it is generally held in March or April.

There will be three board positions for elections in 2010.

Steve Rison, our long-serving President will be standing down as a Director after fulfilling his final term of office. Don Pettit and Chris Garwah will both be completing their first full terms and both have the option of standing for re-election to another term.

If you are interested in putting your name forward for a Director position, please call Valerie at the office with any questions you may have about the commitment.

Interesting and exciting websites to visit...and books to read...

www.projectbluesky.ca - an online tool to motivate individuals and groups to take steps in their personal lives to fight climate change through increased physical activity and sustainable travel.

<http://www.youtube.com/watch?v=Na4IP4jzqt8> - Coal vs. Wind video on YouTube.

http://www.cbc.ca/fifth/2008-2009/the_gospel_of_green/video.html Fifth Estates documentary of green energy problems and solutions.

Keeping our Cool, Canada in a Warming World by Andrew Weaver, published by Viking Canada - Weaver, a scientist, gives an insider's story of climate change.

Earth in the Balance, Ecology and the Human Spirit by Al Gore, published by Rodale Books - Gore focuses on the mission of solving climate change.

Rights Offering investment deadline

Monday, November 30 at 12:00 Noon Mountain Standard Time

Call Valerie at the office with any questions - 250-782-3882