



September 7, 2006

Sent via e-mail

AESO Stakeholders

Wind Integration Stakeholder Consultation Process

Dear Stakeholder:

Re: Project Sequencing Determination Process & Wind Project Sequencing Considerations Proposals – Stakeholder Comment Matrix

On May 8 and May 11, 2006, the AESO distributed and presented two AESO proposals: the Project Sequencing Determination Process and Wind Project Sequencing Considerations. The AESO subsequently requested comments from stakeholders. Attached is a matrix containing all the comments received from stakeholders, and responses by the AESO.

The AESO appreciates the feedback received from stakeholders. From the comments the AESO has identified three main areas of concern. The three areas and the AESO's suggested course of action are described below:

- Stakeholders generally opposed the proposed demonstration of procurement and construction milestones. The AESO acknowledges stakeholder concerns and is investigating alternatives that will meet the dual objectives of;
 - incorporating a reasonable amount of accountability for compliance from the customer, and
 - suitability for all generating resource types, not just wind energy;
- While stakeholders supported the concept of “early commitment” there were serious concerns regarding the complexity and customer equity associated with such a provision. The AESO again acknowledges the stakeholders concerns and will investigate “commitment” alternatives which will satisfy stakeholders, the AESO and other industry participants, and
- Stakeholders generally supported the concepts of a “First Right of Refusal” and a public “interconnection queue” but the finer details varied among stakeholders. While the AESO agrees that an interconnection queue should be available to customers, we are hopeful that once the details regarding a public interconnection queue are clarified the need for “First Right of Refusal” provisions may not be required.

The attached comment matrix provides the AESO's detailed responses in regards to these matters and all other stakeholder comments.

The AESO, with continued input from stakeholders and information from other jurisdictions, will proceed in drafting the next version of the Project Sequencing Determination Process. Once

the next version of the business practice document has been completed the AESO will contact stakeholders to continue the next phase of the consultation process.

If you have any questions on the project sequencing consultation, please contact Ed Hucman at (403) 539-2469 or Rene Baillargeon (403) 539-2709 (both in Calgary) or by e-mail to ed.hucman@aeso.ca or rene.baillargeon@aeso.ca. All information on the Wind Integration Consultation Process is available on the AESO's website at www.aeso.ca by following the paths:

- Grid Operations ► System Studies ► Wind Power Integration ► Wind Power Interconnection
- Grid Operations ► System Studies ► Wind Power Integration ► Wind Power Studies

Yours truly,

[original signed by]

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