



July 26, 2010

Dear Market Participants and Interested Parties:

Re: AESO Reply to TransAlta Stakeholder Comments – Final Incidental Proposed Amendments to ISO Rules Part 500, Facilities, Division 502 – Technical Requirements, Section 502.1 – Wind Aggregated Generating Facilities Technical Requirements (“Draft Wind Technical Rules”)

On May 6, 2010, the AESO issued a [Letter of Notice](#) setting out the proposed Wind Technical Rules Changes and requesting stakeholder comments on the same. Stakeholders provided comments to the AESO and on June 17, 2010 the AESO replied to each of these comments, amended the Draft Wind Technical rules and posted both the AESO reply and the Draft Wind Technical Rules, which were expected to be filed with the Alberta Utilities Commission (“AUC” or “Commission”) in early July, 2010. The aforementioned are all in accordance with the AUC Rule 017 process.

On July 14, 2010 the AESO received a formal letter from TransAlta requesting the AESO consider a number of comments prior to filing the Draft Wind Technical Rules with the Commission. The AESO reviewed the TransAlta comments and determined, on balance, that certain of the comments provided incidental clarification to the Draft Wind Technical Rules. A summary of the key incidental clarifications to the Draft Wind Technical Rules is set out below. The AESO’s reply to TransAlta’s comments is set out in red italics within the attached TransAlta letter.

Summary of Incidental Amendments to the Draft Wind Technical Rules

The following are the key incidental amendments, in addition to other minor wording clarifications:

1. The applicability of wind forecasting and meteorological tower and measurement devices has been clarified to only apply to facilities of 5 MW or greater. This clarification is consistent with the ISO SCADA requirements for small facilities and confirmation from the wind forecasting agency retained by the AESO that the lack of data from such small transmission connected facilities will have negligible impact, and will not deteriorate from the aggregate quality of the forecast data.
2. Subsection 2 entitled “Functional Specification” has undergone some wording clarification with respect to the relationship between the functional specification for a project and the provisions of Section 502.1 of the ISO rules, to the extent that such functional specification variances must be based on an AESO analysis of technical, economic, safety, operational and system reliability issues.
3. The June 17 2010 version of the Draft Wind Technical Rules contained some incidental references to the obligations of market participants to comply with other ISO rules or technical standards. The AESO now has removed these references, as it is satisfied that those rules or technical standards are enforceable on their own terms and,



consistent with TOAD and other drafting and clarification reforms, there is no need to duplicate such market participant obligations in Section 502.1.

4. Similarly, the AESO has clarified the references to external industry codes or standards that are applicable to an individual facility, including clarification as to whether the specific standards will be referenced in the functional specification for a given project.

The existing Wind Power Facility Technical Requirements will remain on the AESO's website with appropriate applicability and disclaimer statements.

Filing of the Draft Wind Technical Rules

The AESO now is expecting to file the Draft Wind Technical Rules with the Commission on August 10, 2010.

In accordance with Section 20.4 of the *Electric Utilities Act* ("EUA"), market participants may object to an ISO rule filed with the Commission within 10 days of the publication by the Commission of the notice of filing of the ISO rule.

In accordance with Section 20.3 of the EUA, the Draft Wind Technical Rules are proposed to be effective 180 days following the date of confirmation by the Commission. This will provide a reasonable period of time for owners to assess the implications of the Draft Wind Technical Rules and, if required, upgrade their facilities to come into compliance.

Attachments:

1. [TransAlta Comment Letter](#) with AESO reply embedded within; and
2. [Blacklined](#) and [Clean](#) copy of version 2.0 of the Draft Wind Technical Rules Version 2.0, which incidentally amends the initial version of the Draft Wind Technical Rules, which was distributed for consultation on June 17, 2010.

Yours sincerely,

Original Signed By

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Attachments