



# **AESO Annual General Meeting May 13, 2010**

**David Erickson  
President & Chief Executive Officer**

- The AESO is a not-for-profit statutory corporation that is obligated to operate in the public interest
- The AESO facilitates a fair, efficient and openly competitive market for electricity and provides for the safe, reliable and economic operation of the Alberta interconnected electric system, today and into the future

- No preventable system disturbances or market suspensions
- Completed energy management system project (AREVA) to replace existing system
- Alberta Reliability Standards
  - Created made-in-Alberta set of reliability standards (completed half in 2009) and program to monitor compliance for market participants and the AESO
- Wind Integration
  - Introduced wind forecasting contract with WEPROG to support integration of wind power, developed technical rule for wind power facilities, and shared best practices with other jurisdictions through involvement in NERC reliability study

# Transmission System Development

## Key Achievements



- Released Long-term Transmission System Plan (LTP) in June 2009
- The need for four of the projects identified in the LTP approved through the *Electric Statutes Amendment Act*
- Southern Alberta transmission reinforcement approved by AUC
- Regional Upgrades - Filed 34 Needs Identification Documents with AUC; received approval for 17 in 2009

# Market Development

## Key Achievements

- Implemented first phase of *FEOC Regulation*
- Successful resolution of dispatch compliance
- Improved quality, timeliness and transparency of information to market participants
- Implemented Long Lead Time Energy Rule

# Customer Access Services

## Key Achievements



- Substantially redesigned Connection Process
- Introduced integrated approach to transmission development projects
- Instituted project delivery governance program

- Strategic Alignment
- Program Delivery and Execution
- Effective Business Operations
- Sustainable AESO Organization

# 2009 AESO Operating Costs

(\$ million)	2009 Actual	2008 Actual	Variance	Variance %
TFO Wires Costs	566.8	499.0	67.8	14
Ancillary Services Costs	134.3	312.0	(177.7)	(57)
Transmission Line Loss Costs	123.1	220.6	(97.5)	(44)
AESO General and Administrative Costs (Includes Other Industry Costs and Interest/Amortization)	103.9	88.8	15.1	17
<b>Total Operating Costs</b>	<b>928.1</b>	<b>1,120.4</b>	<b>(192.3)</b>	<b>(17)</b>

# AESO Revenue (Cost Recoveries)

(\$ million)	2009 Actual	2008 Actual	Variance	Variance %
Transmission Tariff	896.5	1,094.2	(197.7)	(18)
Energy Market Charge	27.6	22.6	5.0	22
Other	4.0	3.6	0.4	11
<b>Total Revenues</b>	<b>928.1</b>	<b>1,120.4</b>	<b>(192.3)</b>	<b>(17)</b>

**Thank you**

**Questions?**