



April 17, 2009

Alberta Electric System Operator
2500, 330 – 5th Avenue S.W.
Calgary AB T2P 0L4

Attention: Warren Frost
Vice President, Operations and Reliability

Dear Mr. Frost:

Re: Implementation of the Market and Operational Framework for Wind Integration Recommendation Paper

EPCOR welcomes the opportunity to provide comments on the Wind Integration Recommendation paper. EPCOR is generally pleased with the actions that the Alberta Electric System Operator (“AESO”) has taken thus far in response to the immense interest in wind generation in Alberta. EPCOR supports the AESO’s efforts to establish an appropriate Market and Operational Framework (MOF) in order to facilitate large scale wind integration, which has serious implications for the reliability of the electric system. EPCOR commends the AESO’s for its prudence in ensuring that system reliability is not compromised.

EPCOR has provided comments on the recommendations put forward by the AESO in the attached comment matrix. With the exception of Transparency, EPCOR is generally supportive of those recommendations that relate to Wind Power Forecasting and feels that it is appropriate to address these issues at the current time. However, EPCOR believes that there is a major flaw with the MOF proposed by the AESO. EPCOR disagrees with the argument that since wind generators are not fully dispatchable they should not be required to offer their supply into the market or not be capable of setting price. EPCOR feels strongly that all generators should be held to the same “must offer, must comply” standard. Furthermore, market based solutions should be developed wherever possible to ensure efficient market outcomes. The MOF recommended by the AESO does not consider any market based methods for integrating wind resources. EPCOR would like to see the AESO consult on, and give more consideration to market based approaches for wind integration; such as a requirement for wind generators to commit to firm delivery of generation within a T-2 time frame via the utilization of a bi-lateral firming service that could be self supplied or procured from other Alberta generators.

EPCOR also takes issue with the recommendation that load should assume all costs associated with increased operating reserves (OR) resulting directly from increased wind interconnection. Incremental OR costs should be allocated solely to wind generators in recognition of the increased burden their volatility places on the system. If wind is held accountable to “must offer, must comply” (as contemplated above) they would have a natural incentive to procure “firming” services that would ultimately reduce the costs of OR.

Finally, EPCOR opposes the inclusion of the supply surplus management proposal (OPP 103) within the consultation on wind integration. This proposal has the potential to significantly impact the market design. The AESO should hold a separate stakeholder consultation process to deal with supply surplus management as there are major and widespread consequences for all market participants regardless of their source generation. There are a number of circumstances under which supply surplus could occur aside from high levels of wind generation. Supply surplus management protocols need to be developed independently to ensure that they are considered in all contexts and not just in the case of excess supply due to high levels of wind generation.

I would be more than happy to discuss these comments with you at your convenience. I can be reached by telephone at (403) 717-4639 or by e-mail at jgtaylor@epcor.ca.

Yours truly,

EPCOR Utilities Inc.

<Original signed by>

Janene Taylor
Advisor, Regulatory Policy