



November 29, 2006

Dear Stakeholders:

**Re: Project Sequencing Determination Process and Public Generation Queue**

The significant level of wind interconnection applications in Southern Alberta and the need for a temporary wind power threshold of 900 megawatts has necessitated the AESO to establish a more rigorous interconnection queue management process. The effort to refine the project sequencing determination process began earlier this year and is expected to be concluded by the end of the first quarter of 2007. This communication is intended to provide stakeholders with an update on our progress, along with additional milestones for concluding this effort.

The AESO recognizes the importance of establishing an appropriate queuing process for managing customer interconnections and shares stakeholder concerns regarding interconnection projects progress and efficient transmission capacity allocation. The business practices being developed by the AESO, in consultation with stakeholders are intended to ensure projects are progressing appropriately.

On May 8 and May 11, 2006, the AESO put forward two proposals: the project sequencing determination process and wind project sequencing considerations. Click [here](#) for additional information about these proposals on our website.

The AESO requested comments from stakeholders on the proposed changes to the project sequencing business practices and posted the AESO's responses to stakeholder comments on September 7, 2006. The AESO appreciates the comments provided by stakeholders and is working towards refining business practices for project sequencing and ensuring that the implemented process is workable for all interconnection projects including load and generation.

Prior to finalizing the business practices associated with project sequencing, the AESO will circulate a proposal for review by stakeholders with a goal of having the business practices finalized and implemented by March 2007. Additionally, the AESO will be publishing, by December 15, 2006, a listing of currently queued generation interconnection projects. This will provide a greater level of transparency of currently active generation projects, as requested by stakeholders. The AESO will provide this level of transparency while maintaining project confidentiality, which was an important aspect for stakeholders.

The AESO would like to thank stakeholders for their patience as we work through the development of appropriate business practices. Further information will be provided regarding the timing of stakeholder consultation related to the project sequencing determination process.

If you have any questions about the information provided in this update, please feel free to contact Shaun Andrews, Inquiry Analyst, at (403) 539-2477 or via e-mail at [shaun.andrews@aeso.ca](mailto:shaun.andrews@aeso.ca).

Yours Truly,

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