

# AESO Draft 2011 LTP

## *Alberta's Economy Depends on an Adequate Supply of Electricity*

*Alberta's transmission system is running close to capacity with congestion on many lines around the province. Upgrades to the system are required now in order to preserve the overall reliability of the system and ensure continued economic growth.*

### **If we don't plan for the future we can't power it**

- Alberta's quality of life and economic well being, especially the maintenance and creation of jobs, depends on an adequate and reliable supply of electricity to all Albertans, now and into the future. Transmission capacity has not kept pace with generation development in the last decade and, as a result, generation is curtailed in many parts of the province.
- A strong transmission grid enables a reliable, competitively priced supply of electricity for industries, businesses and individual consumers.
- When the transmission grid is constrained or congested, investment is stalled, which results in market prices that reflect lower competition as not all supply can reach the marketplace.
- Transmission, like other forms of infrastructure, is a huge factor for enticing investment to the province of Alberta.
- Electric transmission in Alberta supports a \$5 billion wholesale electricity market which is a key enabler of our roughly \$300 billion economy.
- In forming the 2011 LTP, the AESO has sought input from other credible sources, such as the Conference Board of Canada, the Canadian Energy Research Institute (CERI), and the Canadian Association of Petroleum Producers (CAPP), to anticipate where electric demand will grow, the efforts required to meet that demand and the additional transmission infrastructure that will be necessary.
- Economic fundamentals for Alberta appear to be strong, showing a forecasted long-term GDP growth in the range of 3.0 to 3.2 per cent annually for the next 20 years.
- Strong energy growth is expected from 2011 to 2015, driven by oilsands development and corresponding economic and population growth.
- Demand for power has increased 32 per cent over the last 10 years with peak demand growth forecast to average 3.2 per cent per year over the next 20 years. That's a rate equal to adding two cities the size of Red Deer to the power system each year.
- Our forecasts suggest that over the next 20 years 13,000 MW of new generation is needed to ensure we have enough power to meet the needs of Albertans. That's nearly equal to the current amount of electricity that can be produced in the province today. (Current generating capacity: 13,510 MW)
- Without upgrades to the transmission system, it is difficult to ensure the most economic or environmentally friendly renewable energy is getting on the grid and to customers throughout the province.