

AESO Backgrounder

Understanding the Draft 2011 Long-term Transmission Plan

The Alberta Electric System Operator's (AESO) draft *2011 Long-term Transmission Plan* (2011 LTP or the Plan) is a blueprint of how Alberta's electric transmission grid needs to be developed to support continued provincial economic growth and our quality of life. It sets out a roadmap for securing Alberta's energy future to ensure that we continue to have a reliable and robust electricity system to meet the growing needs of the province, today and in the future.

Electricity transmission in Alberta supports a \$5 billion wholesale electricity market which is a key enabler of our roughly \$300 billion economy. The draft 2011 LTP relies on updated inputs to forecasts, economic trends, changing customer demand and regulatory requirements to identify system upgrades required over the next 10 years. It outlines the technical solutions required to meet future demand and identifies cost estimates, in-service dates, and where prudent, the staging of key projects.

In an effort to enhance our transparency, the draft 2011 LTP introduces a supplement that will be updated every six months to track and publish project updates, plus any material changes to the forecast, including refined project cost estimates.

In the 2009 LTP, the AESO projected significant growth in our economy. The draft 2011 LTP confirms that direction by relying on updated inputs to load and generation forecasts, economic trends, changing customer demand, and regulatory requirements.

Planning by its very nature is an evolving and constantly changing process. The draft 2011 Plan provides a picture of the province's needs now and well into the future. The draft 2011 LTP identifies continued growth in the economy at a rate of 3.2 per cent per year for the next 20 years, which is the equivalent of adding two cities the size of Red Deer to the power system each year.

The AESO takes public consultation seriously; it is one of three criteria we use to make recommendations about strengthening the transmission grid. An AESO recommendation is based on a balance of technical, economic and social considerations.

The draft 2011 LTP has already gone through significant expert analysis and development as well as thorough consultation with industry, customers and government. As part of its continuing consultation efforts, the AESO is providing Albertans with an opportunity to review the draft and provide additional feedback prior to the formal filing of the final 2011 Plan.

As part of our continuing effort to consult with Albertans and provide them with up-to-date, unbiased information about our province's electric system, the AESO invites all Albertans to provide their comments on the draft 2011 LTP through our public engagement website: www.poweringalberta.com

The AESO will continue its ongoing dialogue with industry stakeholders and will hold a stakeholder session in June where we will present the draft 2011 LTP and accept stakeholder comments. A summary of the input received with the AESO's responses included will be posted to the AESO's public engagement website following receipt of comments.

The AESO will monitor key economic indicators, changes to legislation or the regulatory framework, respond to customer requests for generation connections and evaluate the requirements for upgrading the transmission system. We will continue to plan the transmission system with input from many sources, including stakeholder engagement, government policy, legislation and regulations, the *Provincial Energy Strategy* and other technical planning considerations. The AESO will track and publish project updates, any material changes to the forecast and refined cost estimates.