

April 17, 2009

Mr. Warren Frost
Vice President, Operations and Reliability
Alberta Electric System Operator (AESO)
2500, 330 -5th Ave. S.W.,
Calgary, Alberta
T2P 0L4

RE: AESO Recommendation Paper: Implementation of Market and Operational Framework for Wind Integration In Alberta - Stakeholder Feedback

Dear Warren:

The Alberta Caucus of the Canadian Wind Energy Association (CanWEA) would like to thank you for this opportunity to provide the Alberta Electric System Operator (AESO) with feedback on the Market and Operational Framework (MOF) Recommendation Paper. While CanWEA supports the overall direction AESO is taking in this document we would advocate that specific actions are now required to move implementation forward.

Forecasting

Forecasting is properly identified as a foundational element throughout the MOF Recommendation Paper. CanWEA agrees that:

1. Solicitation, evaluation and selection of a centralized forecasting service provider should proceed as soon as possible,
2. Consultation on rules, procedures, standards and technical requirements with respect to wind generator data should also proceed as soon as possible, and
3. Data management must remain a critical issue within the forecasting services consultations. Given AESO's operational experience with data management and the fact that the procurement of a forecasting service will present new challenges, it would seem appropriate for AESO to maintain the data management function, assuming it is logistically and economically feasible.

CanWEA supports the reconvening and involvement of the *Wind Power Forecasting Group* in the various aspects of obtaining reasonable and particle forecasting services within the Alberta market. The importance of advancing forecasting given its interrelationship with other critically important issues associated with curtailment, supply surplus protocols, ancillary services as examples, cannot be overstated.



Wind Power Management

Wind Power Management (WPM) remains a foundational component of the MOF for CanWEA members. Our membership has stated on a number of occasions that WPM, as it is contemplated in MOF documentation, should only be utilized after all other operational measures have been executed. In other words, WPM should be a measure of last resort rather than a default option for addressing operational matters.

CanWEA believes that the determination and establishment of a clear protocol around WPM has to be a priority for AESO. Part of that discussion must look at how wind may be impacted by WPM measures initiated in response to events that are not attributable to wind.

The process and decisions made to trigger WPM and the ensuing mitigation measures need to be fully transparent. As an example, frequency and duration protocols for curtailment, should it be necessary, have to be developed and applied in a fair and transparent manner.

Supply Surplus

Revision to Operating Policy and Procedure (OPP) 103 and managing supply surplus operating conditions will require the same diligent effort. However, since all market participants are affected by alterations to this procedure and since meaningful contributions from the wind sector will be reliant and informed by operational experience of the above items, a separate and distinct consultative process may be more advantageous.

Recognizing limited resources by all parties and a desire to bring more certainty to the market, CanWEA recommends focusing on forecasting and further development of WPM protocols in advance of a thorough review of OPP 103.

Timelines

CanWEA believes that specific timelines and targets for completion of the elements above will help to address industry concerns and associated uncertainty. As suggested above, forecasting is a pivotal issue, and CanWEA therefore recommends that AESO move forward on developing the terms of reference as soon as possible.

CanWEA also urges AESO to develop a more detailed schedule for the work plan currently included in the MOF Recommendation Paper. This too will lend credibility and certainty to the process.



It is important to note that the lack of specific issues raised above should not be interpreted as a signal that CanWEA sees the MOF as a process that is nearing completion. Rather it speaks to the extensive and interconnected list of issues that we believe remain outstanding. This includes but is not limited to:

- Ancillary services
- A detailed review of rules and procedures that may require changes
- An investigation into market based solutions versus rule changes
- Geographic diversity of wind development

Given the diverse make-up of CanWEA members, there is no clear consensus or “simple solution” on these detailed issues. CanWEA agrees with AESO management that it is through more detailed consultation on individual issues with the AIES stakeholders that solutions will emerge.

CanWEA and its Alberta Caucus will continue to utilize various means to provide stakeholder input. We anticipate that while AESO seeks specific input on the nine recommendations outlined within the MOF Implementation Paper and associated matrix, input from our membership will continue to flow to AESO through further consultative processes as well as our established AESO – CanWEA Steering Committee.

Thank you once again for the opportunity to provide input into the implementation of the MOF. We look forward to working collaboratively with you in developing the standards and technical protocols that will be required to ensure the fair, efficient and openly competitive operation of the Alberta market with wind being a viable component of the generation mix.

Regards,



Robert Hornung, President,
Canadian Wind Energy Association

