



January 25, 2008

To: Market Participants and Interested Parties

Re: Congestion Management Plan

On August 30, 2007 the AESO posted [AESO Recommendation Paper – Congestion Management Plan](#) to our website and asked participants to respond. On October 12, 2007 the AESO posted comments received from participants. The participants presented many options and points of view and, consequently, the AESO has been engaged in discussions with participants over the last several months to determine the best course of action.

The AESO will now enter into the rules process where more consultation will ensue. The AESO has decided that the best approach to congestion management is the one set out in our August 30, 2007 paper with some modification. The major change involves curtailment of generators upstream of the constraint. Whereas the plan set out in the paper uses the energy market merit order to determine which upstream generation is to be curtailed, the AESO now proposed to transition from the merit order approach to pro ration of upstream supply after the current settlement interval and the next two settlement intervals if the path is still constrained. The intent of this change is to avoid encouraging participants to change their offer behaviour as a result of congestion.

Please find the attached [comment matrix](#) for the AESO recommendation paper, complete with AESO responses.

The AESO would like to thank those participants who have contributed to this valuable discussion. We look forward to comments on draft rules due out soon.

Yours Truly,

*“original signed by”*

Doug Simpson Director, Market Operations