

CONNECTION QUEUE BUSINESS PRACTICES

1. Purpose

This document outlines the practices and guidelines the AESO has implemented to administer the Connection Queue. As of September 1, 2010, these practices replace the Project Milestone Obligations previously set by the AESO.

The primary objectives of the business practices are to ensure:

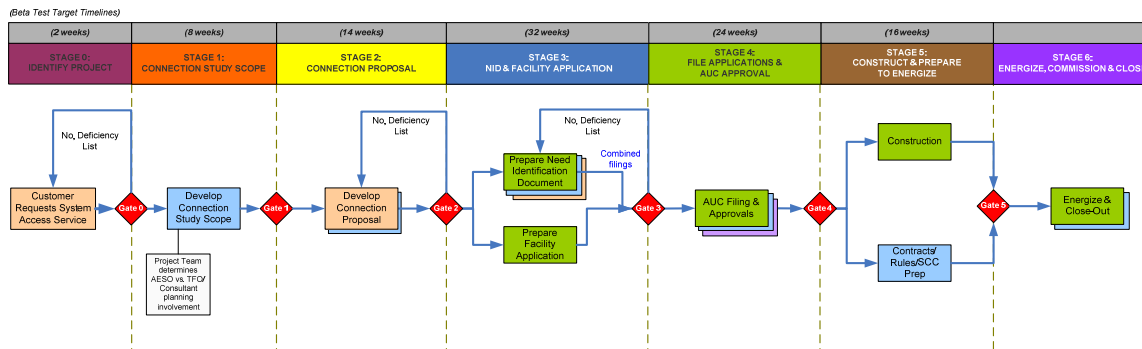
- efficient progression of projects through the Connection Process;
- fair and non-discriminatory treatment of market participants;
- fair and efficient management of AESO and TFO work resources; and
- fair assignment of connection remedial action schemes in constrained areas.

2. Background

The AESO implemented a new Connection Process in April 2010. At that time, the AESO introduced draft business practices and guidelines, referred to as “Connection Queue Management Principles”, for how the AESO proposed to administer the Connection Queue. These practices and guidelines have now been finalized and form the Connection Queue Business Practices outlined within this document.

2.1 Connection Process Overview

The Connection Process involves 6 Stages and follows a gated approach. Key activities take place in each Stage and projects must meet all of the requirements within each Stage to complete the corresponding Gate for that Stage. Average stage duration targets are included only for the purposes of beta test at this time. The diagram below outlines the key stages in the Connection Process. A project is initiated with a System Access Service Request at the outset of Stage 0.



For a more detailed version of this diagram and/or further information about the Connection Process, key activities, gate requirements and target timelines please [click here](#) or visit the AESO website at www.aeso.ca and follow the path Customer Connections > Connecting to the Grid.

3. Connection Queue Business Practices

Stage	Gate requirements	Maximum timeframe expected to complete gate requirements	Outcomes at gate completion
0	<ul style="list-style-type: none"> System Access Service Request (SASR) is complete or market participant resolves any data deficiencies associated with the SASR 	<p>DEPENDENT ON THE TIME REQUIRED BY THE MARKET PARTICIPANT TO COMPLETE THE SASR</p>	<ul style="list-style-type: none"> Project is listed in the Project List and status is updated to show Gate 0 completion date AESO resources are assigned as required <i>Projects that do not meet gate requirements are not initiated</i>
1	<ul style="list-style-type: none"> Connection Plan signed by all parties Connection Study Scope signed by all parties Stage 1 Project Data Update Package is complete Non-Disclosure Agreement in place if Consultant will perform studies Market participant is responsible for costs associated with preparation of the Connection Proposal if not completed by the AESO 	<p>FOUR MONTHS</p>	<ul style="list-style-type: none"> Project status in the Project List is updated to show Gate 1 completion date <i>Projects that do not meet gate requirements within four (4) months are cancelled</i>
2	<ul style="list-style-type: none"> AESO accepts Connection Proposal (or market participant accepts AESO Connection Proposal if completed by AESO) Stage 2 Project Data Update Package is complete Market participant has met AESO security requirements for Stage 3 costs related to preparation of the Need Identification Document (NID) or Facilities Application (FA) 	<p>NINE MONTHS</p>	<ul style="list-style-type: none"> Project is now listed in the Connection Queue and project status is updated to show Gate 2 completion date If required, connection remedial action schemes will be assigned to projects based on Gate 2 completion date All projects that have passed Gate 2 must be included in the development of any Connection Study Scope Document <i>Projects that do not meet gate requirements within nine (9) months are cancelled.</i>

Stage	Gate requirements	Maximum timeframe expected to complete gate requirements	Outcomes at gate completion
3	<ul style="list-style-type: none"> • Market participant issues Letter of Support for AESO to file the NID and the TFO to file the FA • Generators file Generator Facility Application with AUC • Stage 3 Project Data Update Package is complete • Market participant has met AESO security requirements for Stage 4 costs incurred from time of NID/FA filing to when AUC issues TFO Permit & License 	<p>16 MONTHS</p> <p>PROJECT DEPENDENT ON THE TIME REQUIRED BY AESO AND TFO TO COMPLETE NID/FA</p>	<ul style="list-style-type: none"> • Project status in the Connection Queue is updated to show Gate 3 completion date • <i>Projects that do not file NID and FA within one (1) month of the NID and FA being deemed complete by AESO and TFO will be cancelled</i> <p>System reinforcement interdependencies:</p> <ul style="list-style-type: none"> • If a project is dependent on system reinforcement, preparation of the project NID must start no later than one (1) month following the TFO filing the Facilities Application for system reinforcement.
4	<ul style="list-style-type: none"> • Market participant has met AESO security requirements for Stage 5 costs - load market participants pay Market participant Contribution and generators pay Market participant Contribution and Generator System Contribution in cash within 90 days of AUC issuing TFO Permit & License 	<p>12 MONTHS</p> <p>90 DAYS FROM DATE WHEN AUC ISSUES TFO PERMIT & LICENCE</p>	<ul style="list-style-type: none"> • Project status in the Connection Queue is updated to show Gate 4 completion date • Construction cannot begin until Gate 4 is completed • <i>Projects that do not meet gate requirements within 90 days from AUC issuing TFO Permit & License may be cancelled</i>
5	<ul style="list-style-type: none"> • Market participant signs the System Access Service Agreement 6 weeks prior to energization • Stage 5 Project Data Update Package from market participant is complete 	<p>8 MONTHS</p> <p>PROJECT DEPENDENT ON THE TIME REQUIRED BY THE TFO TO CONSTRUCT AND THE AESO AND THE TFO TO PREPARE TO ENERGIZE</p>	<ul style="list-style-type: none"> • Project status in the Connection Queue is updated to show Gate 5 completion date • <i>Projects that do not pass Gate 5 cannot be energized</i>

Stage	Gate requirements	Maximum timeframe expected to complete gate requirements	Outcomes at gate completion
6	<ul style="list-style-type: none"> AESO Project Closure Checklist completed 	<p>PROJECT DEPENDENT ON THE TIME REQUIRED BY THE AESO AND TFO TO ENERGIZE, COMMISSION AND CLOSE THE PROJECT.</p>	<ul style="list-style-type: none"> ISO Rule 9.1 requires the TFO to submit a Final Cost Report to the AESO within 6 months of project energization

A access a copy of the above table summarizing the Connection Queue Business Practices please [click here](#) or visit the AESO website at www.aeso.ca and follow the path Customer Connections > Connection Queue.

4. Additional Considerations

4.1 Reporting

The beta timeline targets identified for completion of the key activities within each stage of the Connection Process will be tracked and measured by the AESO. The AESO will periodically issue reports to confirm the actual timelines.

4.2 Projects in Connection Queue prior to September 1, 2010

Projects listed in the Connection Queue prior to September 1, 2010, will have the start date for the completion of gate requirements for each stage of the Connection Process re-set at September 1, 2010. For example, projects in Stage 1 of the Connection Process will have 4 months or until December 31, 2010 to meet the requirements to complete Gate 1, projects in Stage 2 of the Connection Process will have 9 months or until May 31, 2011 to meet the requirements to complete Gate 2, etc.

4.3 Extensions

Delays may occur that are beyond the control of the market participant which may jeopardize their ability to complete gate requirements within the maximum timeframe outlined. In circumstances where the delay is caused by the AESO, a time extension equal to the amount of the delay will be granted prior to enforcing the outcomes associated with not meeting gate completion requirements within the maximum timeframe outlined. In such cases, the project status in the Connection Queue will be updated to show an extension has been granted and the reason(s) for the extension.

4.4 Project Cancellations

In the event a project is cancelled, the project is removed from the Connection Queue. The market participant may re-initiate the project by submitting a new System Access Service Request which places the project on the Project List as of the date the new System Access Service Agreement is submitted.

5. Connection Queue

The AESO implemented a new Connection Process in April 2010. On March 31, the AESO held a Stakeholder Information Session for the roll-out of the Connection Process and introduced draft Connection Queue Management Principles for how the AESO proposed to administer the Connection Queue.

To view the presentation from the March 31, 2010 Stakeholder Information Session, please [click here](#) or visit the AESO website at www.aeso.ca and follow the path Customer Connections > Connection Process Redesign > Stakeholder Information Sessions > March 2010.

While the Connection Queue Business Practices closely align with the Connection Queue Management Principles, the business practices outline changes to the Connection Queue format.

Beginning in September 2010, the AESO will maintain both a Project List and a Connection Queue.

5.1 Project List

The Project List includes all active projects. Projects are initiated with the AESO through the following means:

- *System Access Service Request (SASR)*. SASRs include customer connection requests for generation and/or load.
- *Contract Change Request*. Contract Change Requests include contract capacity changes that require no physical change to the transmission connection in the form of facility additions or upgrades
- *Behind the Fence (BTF) application*. BTF projects are those projects that involve work to an existing industrial load or generation site and require no physical change to the transmission connection in the form of facility additions or upgrades.

The Project List will provide project information as well as the status of projects as they move through each stage of the Connection Process.

To access the Project List please [click here](#) or visit the AESO website at www.aeso.ca and follow the path Customer Connections > Connection Queue.

5.2 Connection Queue

Commencing September 1, 2010 projects listed in the Project List will be added to the Connection Queue once they have met the requirements to complete Gate 2. Gate completion requirements for Gate 2 differ depending on the type of project:

5.2.1 System Access Service Request

SASR projects will be listed in the Connection Queue once have met the requirements to complete Gate 2 of the Connection Process.

5.2.2 Behind the Fence projects

Behind the Fence projects will be listed in the Connection Queue once they have met the requirements to complete Gate 2 of the Behind the Fence Process.

For further information about the Behind the Fence Process please [click here](#) or visit the AESO website at www.aeso.ca and follow the path Customer Connections > Behind the Fence Projects and Contract Changes > Behind the Fence Connections - Process and Templates

5.2.2 Contract Change Requests

Existing Contract Change Requests will be listed in the Connection Queue once a preliminary study has been completed at which time they will be considered to have met the requirements to complete Gate 2.

New Contract Change Requests will be added to the Connection Queue once either a preliminary or full study has been completed at which time they will be considered to have met the requirements to complete Gate 2.

In addition to the information provided in the Project List, the Connection Queue will provide the Gate 2 completion date and the current stage for each project listed.

Projects will be listed in the Connection Queue based on the date of Gate 2 completion. Since the Connection Process was implemented in April 2010, this re-ordering of projects has been referred to as the “Special Protection Scheme Sequence” or “SPS Sequence”. More recently the AESO has developed an ISO Rule specific to Connection Remedial Action Schemes (discussed further in Section 5.3 of this document). To be consistent with terms used in the ISO Rule, the AESO will discontinue use of the term SPS Sequence. The term Connection Queue will replace the term SPS Sequence.

To access the Connection Queue please [click here](#) or visit the AESO website at www.aeso.ca and follow the path Customer Connections > Connection Queue.

5.3 Connection Remedial Action Schemes (RAS)

In circumstances where the AESO determines a project will cause or materially contribute to a transmission system constraint, the AESO will assign and utilize RAS based on the order projects are listed in the Connection Queue. As noted above, projects are listed in the Connection Queue based on the date of Gate 2 completion, therefore it follows that assignment of RAS priority is based on the date of Gate 2 completion.

The AESO is in the process of developing an ISO Rule and Information Document specific to Connection Remedial Action Schemes which further outlines the protocol specific to the use of RAS for early connection of projects in advance of when the system is capable of handling the full output or load associated with the project. The AESO issued the Letter of Notice and the draft Connection Remedial Action Schemes Rule on July 20, 2010. The AESO is in the process of responding to stakeholder comments received on the draft rule and will subsequently finalize the draft rule and file it with the Alberta Utilities Commission for approval.

For more detailed information about the Connection RAS Rule and Connection RAS Information Document please [click here](#) or use the following path once on the AESO's website: Market > Market Policy Implementation > Congestion Management.

5.4 Quarterly Review of Connection Queue

Each year in January, April, July and October the AESO will conduct a review of the Connection Queue. The purpose of the review is to ensure all projects are remaining within the maximum timeframe expected to complete gate requirements. Any projects that have not met the gate requirements within the maximum timeframe and have not been granted an extension will be cancelled and removed from the Connection Queue.

The first quarterly review will occur in January 2011.

5.5 Connection Queue Rule

In October 2010 the AESO will commence development of a new ISO Rule setting out the rights, requirements and obligations for the AESO and market participants regarding administration of and advancement through the Connection Queue. When developing the new rule the AESO will follow its consultation principles and comply with Alberta Utilities Commission Rule 017.

For information about the AESO's Consultation Principles [click here](#) or use the following path once on the AESO's website: Rules & Standards > ISO Rules Consultation Process.

Additional information about Alberta Utilities Commission Rule 017 can be found on the Alberta Utilities Commission website at www.auc.ab.ca.

Updates regarding the Connection Queue Rule will be posted on the AESO website and communicated in the AESO Stakeholder Newsletter. The new Connection Queue Rule, once approved by the Alberta Utilities Commission, will supersede the Connection Queue Business Practices.