



May 7, 2010

Dear Stakeholders:

Re: Intertie Framework Discussion Paper

In 2008, the Provincial Energy Strategy (PES) stated the province's plan to adopt and implement a policy to build interties to other markets to ensure an adequate supply of electricity to Alberta. As new interties are being contemplated from multiple jurisdictions, a review of the intertie framework is required to ensure it supports fair, efficient, and openly competitive (FEOC) intertie transactions. The purpose of this [discussion paper](#) is to provide a review of the intertie framework and the options available for industry dialogue.

The AESO's next steps on this initiative will proceed in two parallel paths. The shorter term path will aim to resolve the rule pertaining to ATC allocation where a tiebreaker is needed due to same price, same product offers and bids. For more specific details to this issue, please see section 5.4 of the discussion paper. This situation can exist today with the pending restoration of the AB-Sask intertie and will need to be addressed in the short term. After consulting on this paper, the AESO will issue a draft rule for consultation that addresses a tie breaking procedure for ATC allocation. The AESO will target filing the rule with the Alberta Utility Commission in the summer of 2010 addressing a tie breaking procedure for ATC allocation. The longer term path will encompass consultation on the broader intertie framework, and the AESO will issue a recommendation paper in Q3 of 2010. The aim will be to implement the recommended framework within 2011.

The AESO is seeking stakeholder feedback on the paper. A [comment matrix](#) is attached to facilitate feedback. Comments on the discussion paper should be sent to Darren McCrank, darren.mccrank@aeso.ca (403-539-2623). The deadline for comments on this paper is May 28th. Participants having questions are encouraged to call Darren McCrank for any clarifications.

Yours truly,

"original signed by"

Darren McCrank
Program Manager, Interties

cc: Kelly Gunsch, Vice-President, Market Services
Miranda Keating Erickson, Director, Market Services