

April 1, 2005
(revised April 6, 2005)

To All Stakeholders & Interested Parties

Re: Stakeholder input on Market Development Discussion Papers

The AESO is circulating the attached discussion papers to gather input and suggestions from stakeholders and interested parties on two specific topic areas. These particular discussion papers and our request for feedback are not related to the Department of Energy's Wholesale Market Review and are also not intended to be contrary to the Wholesale Market Review. Where the Wholesale Market Review may have an impact on the timing, the benefits will need to be weighed against the costs. These discussion papers are focused on resolving a current operational issue and a preliminary evaluation of the potential to increase the province's export capability.

Attached for your feedback and input are two discussion papers:

- [Dispatching Equal Price \(\\$0\) Offers](#)
- [Export Must Run Service](#)

The Dispatching Equal Price (\$0) Offer discussion paper was developed in response to some issues the AESO System Controller faced with dispatching the merit order during the \$0 price incidents on December 19th and 20th, 2004. The paper describes the problem, and provides some options for consideration in assisting to resolve the problem. The AESO is currently in the process of evaluating alternatives, and therefore requests stakeholders to consider the issues and other alternatives that may assist in addressing the issue.

The Export Must Run (XMR) Service discussion paper was developed in response to a request from a group of industry participants for the AESO to evaluate opportunities to maximize the use of the inter-tie. The paper describes the current method of dispatching exports, a concept to enhance export capability, some potential issues and additional enhancement items. The AESO is currently testing the concept as an alternative to enhance exports, and requests stakeholders to consider the feasibility and reasonability of the XMR concept and identify any additional issues that should be taken under consideration.

Depending on the level of stakeholder interest and additional benefits identified, a stakeholder working group may be developed once the initial feedback received is evaluated. The AESO is interested to hear if stakeholders believe a working group is necessary or appropriate to further discuss either of these topics.

We look forward to discussing these issues with all participants and interested parties. Please provide feedback on the discussion paper to me by **April 22, 2005** via e-mail **colleen.fairhead@aeso.ca**. If any clarifications are required, please feel free to contact me via e-mail or at (403) 539-2462. Please be advised that the AESO would like to post all responses to the discussion paper on its website.

Yours truly,

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cc: Dale McMaster
Doug Simpson