



September 21, 2005

Dear Stakeholders:

Re: Electricity Policy Framework "Quick Hits" Implementation

On June 6, 2005 the Alberta Department of Energy (DOE) released a policy documenting their recommendations for refinements to the current framework for the Alberta wholesale electricity market, focusing on addressing short-term and long-term adequacy of supply, and other inter-related wholesale market issues.

Since the release of the Policy Framework, the AESO has chaired the short-term adequacy (STA) working group. The STA working group identified a group of "quick hits" within the recommendations. These quick hits were defined as recommendations that a) will have an immediate and significant impact on the visibility of available supply, or the credibility, stability, or undue volatility of the pool price, and b) can be implemented in a reasonably immediate timeframe.

As part of our ongoing consultation process, the AESO is circulating the attached proposal for implementation of the quick hits. The AESO proposes the following schedule for comprehensive dialogue and formal consultation with all stakeholders concerning the implementation. The schedule includes an option for stakeholders to attend one of two workshops to discuss the proposal. The workshops will provide an opportunity for all participants to become more familiar with the proposal and further discuss our implementation of the DOE policy.

- Sept. 21, 2005** "Quick Hits" implementation proposal distributed by the AESO
- Oct. 5, 2005** Workshops at the AESO's offices in Calgary to discuss the September 21 "Quick Hits" proposal.
- Oct. 14, 2005** Stakeholder comments to be provided in writing to Wes Green, director, Market Services, at wes.green@aeso.ca.
- Oct. 19, 2005** Comment matrix distributed by the AESO with a summary of views expressed in October 14 stakeholder comments, including AESO responses to the comments.

We also welcome written comments from parties at any time prior to October 14, on the discussion paper, the process, and specific questions that parties would like addressed during the consultation. All comments will be made public by the AESO. We will consider all feedback and input from stakeholders, however, the AESO will make a final decision about the implementation of the quick hits recognizing that we may not reach consensus among all stakeholders.

The two workshops are scheduled to run for approximately two hours commencing at 9 a.m. and 2 p.m. If the demand exceeds the capacity of the two sessions an additional session will be held on October 6. Parties who wish to participate in the October 5 workshops should RSVP by Sept. 30 to karla.denby@aeso.ca or phone (403) 539-2479.

If you have any questions or concerns, please contact me at (403) 539-2480.

Yours truly,

Kent McDuffie
vice-president, Market Services