

-----Original Message-----

**From:** Hildebrandt, Kurtis [mailto:khildebrandt@enmax.com]

**Sent:** Monday, April 25, 2005 1:15 PM

**To:** Colleen Fairhead

**Cc:** Weismiller, Grant

**Subject:** RE: XMR

**Voluntary Export Must Run (XMR) Service**

ENMAX agrees that the AESO should be working to increase export capabilities. However, ENMAX is concerned that the XMR service may not be successful on a bilateral basis. If the XMR service is adopted and if the AESO decides to pay for XMR, ENMAX would propose that the cost should be borne by exporters (through an uplift).

ENMAX's alternative to the BDAM is complementary to the AESO XMR proposal and would enhance ATC. The ENMAX alternative proposal contemplates the AESO adopting a day ahead must offer requirement for volumes and a two hour ahead locking restatement rule for prices. If ENMAX's alternative proposal is accepted, the AESO would be able to estimate ATC day ahead and publish Firm and Non-Firm export capacities. With the two hours ahead restatement lock-down time, the AESO will be able to create the merit order and will be able to notify the non-firm exports whether they will be dispatched or not. If a southern generator becomes out of merit within the hour, it would be restated at zero in order to continue running and paid the clearing price plus an uplift to compensate it for XMR.