



29 November 2005

Mr. Wes Green
Director, Market Services
Alberta Electric System Operator
2500, 330 5th Ave SW
Calgary, AB T2P 0L4

RE: AESO's Revised Imports Proposal

Dear Mr. Green;

The Independent Power Producers Society of Alberta (IPPSA) appreciates the opportunity to comment on the Revised Imports Proposal of November 17, 2005.

We appreciate that the proposal enables importers to price their offers, thus contributing to the goal of populating the merit order. The new proposal improves the likelihood of importers offering price by providing a system-wide "dec down" service, rather than requiring importers to procure bilateral services. This change will remove a disincentive for importers to offer price, which was contained in the initial proposal. We see this proposal as a good attempt at eliminating the restrictions on import offers originally instituted by the Pool Price Deficiency Correction regulation (PPDR).

We also appreciate that the proposal provides compensation for constrained-down in merit generators. This is a strong improvement over the pre-PPDR world where imports set price, but at the expense of in merit Alberta generators.

On both counts, this proposal is an improvement on Alberta's current market design. As such, IPPSA supports the revised proposal.

We do remind the AESO of its commitment to monitor the outcomes of this proposal to ensure that its two main goals are achieved: price fidelity improvement and fair treatment of constrained down generators. Ongoing reviews of these goals will need to be carried out, and if need be, a new approach to imports developed.

We also remind the AESO of its commitment to stakeholders to work on intertie counterflow capacity and dispatchability of the tie to better achieve the goals of this policy. We view these needed transmission access improvements as important contributors to price fidelity associated with imports.

Should you have any questions, do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Evan Bahry".

Evan Bahry
Executive Director

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