



July 13, 2007

Dear Market Participant:

Re: AESO Reliability Committee

The AESO has undertaken to develop a comprehensive program that implements Alberta-approved reliability standards and monitors and enforces compliance to reinforce adherence to approved standards. In accordance with sections 5(3), 5(4) and 19(4)(a) of the *Transmission Regulation* (AR 86 / 2007), the AESO must establish one or more committees to advise the AESO on matters related to the development and implementation of standards.

In this regard, the AESO is establishing an AESO Reliability Committee (ARC) which will serve as a forum for owners, operators and users of the transmission system to provide advice to the AESO respecting: standards, criteria, procedures, rules and processes respecting maintenance, security and reliability matters; and compliance/performance monitoring processes, dispute resolution, violation/penalty enforcement, penalty matrix and appeals processes. In addition, the Committee will establish a terms of reference for working groups and commit resources to working groups, who will provide input to the development and review of NERC/WECC and AESO-developed reliability standards considered for approval in Alberta and to the creation of processes necessary to implement reliability standards in Alberta. The ARC will be chaired by the AESO and comprise one senior person representing each of the following:

- Each Transmission Facility Owner,
- Distribution Facility Owners,
- Generation Owners,
- Customers who are industrial systems,
- Customers who have made an arrangement under section 101 (2) of the EUA (i.e. direct connect customers), and
- The AEUB (or successor organization), if the AEUB nominates a representative to this committee

Each representative will serve a two-year term which may be extended based on mutual consent. Initial committee participation may involve meetings on a more frequent basis, perhaps on a bi-monthly schedule, however, over time, should diminish to meetings on a quarterly basis.

The input and work done by the committee and working groups will be used by the AESO to establish appropriate standards, processes and rules. The AESO will make decisions consistent with its mandate, policy and legislation considering the input and advice provided by the AESO Reliability Committee. The rationale for decisions will be communicated.

The AESO is soliciting nominations and expressions of interest from each of the noted groups and input from stakeholders on a suitable method for selecting committee members is requested. The AESO may ask an individual to participate if no nominations are received.

Please contact the writer if you have questions, and forward expressions of interest by August 31st.

Yours truly,

Diana D. Pommen
Director Interjurisdictional Affairs