Queue Management Stakeholder Consultation Session
Friday, October 19, 2007, 1:00 – 4:00 p.m.

Record of Stakeholder Questions and Comments

1. How do you align your processes with the reality that the bulk transmission system in southwest Alberta does not exist?

The AESO recognizes the need to upgrade the transmission system in the southern part of the province. Consultation will be underway in the next few weeks to define the transmission upgrades required to interconnect new generation and load in that region.

The need for the SW transmission system development was approved by the EUB in 2005 and AltaLink filed facilities applications for the 240 kV development in August 2007. In situations where bulk transmission development is holding up or preventing new generation or load interconnections, the interconnecting customers will not be penalized with respect to their milestone obligations.

2. What does "assigned transmission capacity" mean from a system planning point of view?

Planning and developing a transmission system is a continuous process. Plans must be reviewed on a continuous basis to reflect changes in load and generation. When the AESO receives an interconnection request from a generation or load customer, we assess the impact on the existing transmission lines and system. In this respect, the AESO will assess the amount of capacity that is being used by load and generators currently connected to the transmission system and will assess the capacity of the system to accommodate additional load or generation.

In the case where load or generators wish to connect to the system prior to the system being reinforced, it may be necessary to establish certain operating protocols or install remedial action schemes to accommodate these interconnection requests.

3. How will changes to the order of projects in the interconnection queue be communicated to stakeholders?

The interconnection queue will continue to be communicated to stakeholders in a timely and transparent manner by posting the document to the AESO website as it is updated and referencing it in the weekly stakeholder newsletter distributed every Thursday.

4. ***Today's presentation defines milestone obligations for customers in the queue, yet there is no defined obligation for the AESO to commit to response timeframes other than "to make a reasonable effort." Can the AESO comment on this?***

The AESO is sensitive to stakeholder concerns and commits to processing requests as quickly as available resources will allow. Also, to comply with the new Transmission Regulation, which goes into effect April 11, 2008, the AESO is working toward putting additional metrics in place and making our interconnection processes more transparent. These metrics will include performance measures and targets for the processing of interconnection applications. The AESO is planning subsequent consultation with stakeholders before year-end regarding proposed performance measures.

5. ***Which American engineering consulting firm has the AESO hired to help process the large amount of customer interconnection proposals?***

Burns and McDonnell.

6. ***Do any of these milestones and obligations apply to load customers requesting interconnection to the grid?***

Yes, the queue management process applies to all customers, both generation and load, who apply to the AESO for interconnection to the transmission system.

7. ***How does the customer proposal relate to the milestones?***

The AESO works with the customer over several months to develop an acceptable Customer Proposal which meets both the customer's needs and ensures a reliable interconnection to the transmission system. Once the AESO issues the final Customer Interconnection Proposal to the customer, the customer has 60 days within which to submit written acceptance of the proposal to the AESO. This timing is triggered by the receipt of the final Interconnection Proposal (IP) to which the customer has already provided input.

8. ***What are the financial commitments within the queue milestones?***

1 – The initial Application Fee
4 – Construction Commitment Agreement – provides security for the project
5 – Customer Contribution

9. Are you planning to keep the same zones as John Kehler's diversity zones?

The regions referenced in John Kehler's presentation were used to study and explain variability and geographic diversity of wind in Alberta. By contrast, the zones described in the interconnection work plan are designed for the purpose of the transmission planning process.

10. What are the criteria for the transmission planning zones?

Each zone contains a cluster of projects. Although we haven't finalized the details, dividing the system into smaller zones facilitates the transmission planning process.

11. When will the zones be communicated to stakeholders?

The transmission planning zones will be finalized by December 14, 2007 and communicated to individual customers by December 21, 2007.

12. Will the transmission planning zones change over time and with the number of interconnection applications?

We don't foresee having to change the zones once they are finalized. If a project is unique, it may constitute its own zone.

13. How do the zones help facilitate the transmission planning process?

Establishing zones helps the planners group projects that impact the transmission system in the same area and enables them to more effectively plan the required system upgrades for those projects. Grouping into zones also enables the AESO to move ahead on projects that are in zones that do not require system reinforcement to connect with the transmission system.

14. Do I need to have my layout finalized as well?

Yes. In order for the AESO to file the Need Identification Filing (NIF), and to comply with EUB Directive 28, we need the wind developer's final machine and electrical equipment data. The EUB also requires this information to be finalized.

15. What if my Preliminary Assessment Application is completed and during the elapsed time, wind turbine technology improves and I can prove that my machines will actually help make the system better. Will the system kick me out and make me start again?

The AESO would have to consider the implications of that scenario on a case by case basis.

16. If a wind developer changes turbines, the price may jump by millions of dollars. Does the AESO treat coal and gas generation the same way?

Other (thermal) generators also have to provide the AESO finalized equipment data for their projects in the same way that wind developers do. The Queue Management Business Practice will be applicable to all generators as well as load interconnection.

17. It seems the AESO wants me to finalize my turbine choice much too early and this will limit my negotiation power with turbine manufacturers.

Turbines do not need to be finalized until the customer is ready to finalize the NIF and file it with the EUB. By this point, the customer will have already finalized the turbine choice and included that choice in their Generator Facility Application to the EUB. We recognize you will not want to finalize turbine choice until late in your project. If you are waiting for a system reinforcement, that is ok. Between the point of accepting your Customer Proposal (Milestone 3) and submitting final technical data including turbine choice (Milestone 4), several months, even years may pass depending on the timing of transmission system upgrades.

18. Will the correlation between generation applicants and the zones be made public?

Once the planning zones are determined, the AESO will update the Interconnection Queue on our website to reflect the zones each project is in. Stakeholders will be able to sort the document to determine how many projects are ahead of you and how many are behind you in the relevant zone.

19. ***Will the AESO keep the identity of wind developer projects confidential so that turbine vendors will not be able to leverage that information in their negotiations with wind developers?***

Any project proponent is able to remain confidential by the AESO until the point at which the AESO files information with the EUB. Once information goes to the EUB, it is public as per the EUB's policy on transparency. A generator has actually already gone public when the AESO files the Need with the EUB, as they will have already been required by the EUB to have filed their Generator Facility Application with the EUB.