



TO: AESO Pool Participants

RE: Policy Framework Implementation

The Alberta Electric System Operator (AESO) is preparing to implement the revised ISO Rules and the system changes required to support the Phase I Market Policy Implementation, otherwise known as “Quick Hits”.

There will be significant system changes within the Energy Trading System (ETS) in the Submission and Settlement areas as well as minor changes to the Automatic Dispatch and Messaging System (ADaMS).

The effective date of these Rules is December 1, 2007. Please note, in addition to the information provided within this letter, a further detailed implementation and transition plan will be communicated later this month, and within the training sessions (please see below for dates and times of training sessions).

Information request – required prior to Quick Hits implementation

As the AESO prepares for the implementation of the Policy Framework, we require certain participant information to be updated in the ETS.

1. Maximum Capability:

Please ensure that the maximum capability of your generating asset is the maximum quantity (MW) that the asset is physically capable of providing under optimal operating conditions for that asset while complying with all applicable ISO rules and terms and conditions of the ISO tariff. The accuracy of this number is important as pool participants will be required to offer the entire maximum capability of their unit under the ISO rules effective December 1, 2007.

This value can be located at the bottom right hand corner of the energy market submission screen in ETS. If this value is incorrect, please submit the correct value to Ruppa Minhas at ruppa.minhas@aeso.ca. The AESO will be reviewing the values submitted based on historical data. If the AESO has not been notified by October 31, 2007, the AESO will input a number that is appropriate based on historical data.

2. Minimum Stable Generation level

Please submit the minimum stable generation level for each asset. The minimum stable generation level is the minimum generation level that an asset can be continuously operated at without becoming unstable. Please submit this information to Ruppa Minhas at ruppa.minhas@aeso.ca by October 31, 2007.

3. Initial Start-up time:

Please ensure that a value, in hours, is entered reflecting the amount of time the asset requires from cold start.

This value can be located at the bottom of the constraints screen in ETS.

This value can be updated by the pool participant. Please ensure it is updated prior to December 1, 2007.

Training Sessions

The AESO strongly recommends that participants, with the ability to enter submissions in the ETS, attend one or more of the training sessions offered. The following areas will be covered:

1. Offers and Bids for "Must offer, Must comply"
2. Restatements (T-2)
3. Outage Scheduling
4. Start time notification of long lead time energy units
5. Short Term Adequacy Assessment
6. Payments to Suppliers on the Margin
7. Treatment of Imports/Exports
8. Impacts of TMR
9. Dispatch Down Service

Training sessions will be held on the following days and in the following locations:

Edmonton:

Date: October 30, 2007
Time: 9:00 am – 3:00 pm
Location: Delta Centre Suite Hotel (downtown)
10222 – 102 Street

Calgary:

Date: November 2, 2007
Time: 10:00 am – 3:00 p.m.
Location: Metropolitan Center, Royal Room
333 - 4 Avenue SW

Date: November 6, 2007
Time: 10:00 am – 3:00 pm
Location: AESO office, main boardroom
2500, 330 – 5th Avenue SW

Date: November 14, 2007
Time: 10:00 am – 3:00 pm
Location: AESO office, main boardroom
2500, 330 – 5th Avenue SW

Fort McMurray:

Date: November 7, 2007
Time: 10:00 am – 3:00 pm
Location: Quality Inn & Suites
424 Gregoire Drive

Before attending the AESO training session, the AESO strongly recommends that participants are familiar with the ISO rules and relevant Operating Policy and Procedures (OPP); the consolidated rules and relevant OPP effective December 1, 2007 will be available on the AESO's website (www.aeso.ca) October 12, 2007.

The training sessions will be designed to provide training on the changes to both ETS and ADaMS. Since these rules are approved, the focus of the discussion will be on implementation.

The format of the sessions will be as follows:

10:00am – 12:00am: Energy Market Submissions
12:00am – 1:00pm: Lunch
1:00pm – 2:00pm: Energy Market Settlement
2:00pm – 3:00pm: Questions

To register for a training session, RSVP to Alex McAlister at (403) 539-2479, or email alexandra.mcalister@aesoc.ca. If you register by e-mail, reference Quick Hits Training in the subject line. Please indicate which training location you will be attending.

Space is limited; therefore, training sessions will be reserved solely for current market participants.

Sandbox Training

The AESO offers an electronic training environment for participants to become familiar with AESO systems both pro-actively and on a regular basis. The training environment will be made available for all participants to use as of October 22, 2007. A specific digital certificate is required to access this environment. Please contact Nicole Boulet at nicole.boulet@aesoc.ca to gain access to the training digital certificate and the web location of this environment.

In addition, the updated Participant Manual to reflect the approved ISO Rules effective December 1, 2007, will also be available on the AESO website for all pool participants to use as of October 22, 2007.

For all questions regarding the changes resulting from the implementation of Quick Hits, please do not hesitate to contact me at (403) 539-2589.

Regards,

“originally signed by”

Ruppa Minhas
Senior Market Implementation Analyst
Alberta Electric System Operator