



August 30, 2007

Dear Market Participants and Interested Parties:

Re: **AESO Discussion Paper Market Roadmap**

The AESO Market Services group has worked with industry on a number of market initiatives over the years to develop market improvements and to address issues as they have been identified. With the completion of the Department of Energy Market Policy framework (2005) and the market considerations outlined in the Department's subsequent regulations, there are a number of items that require design consideration in a relatively short timeframe.

The AESO recognizes that market design work is easiest to assess within a comprehensive context. Accordingly, Market Services has developed a [Market Roadmap](#) to communicate the extent of market changes that are underway while providing some framework and timeline for those discussions. It should be noted that the Market Roadmap represents a snapshot look at the projects identified and that the map will need to evolve over time as consultation is completed and as the AESO assesses the changes to its IT systems that are required for implementation. Therefore, the AESO Market Roadmap is a directional plan that sets the context for market consultation and not a finalized project implementation plan.

It should further be noted that the Market Roadmap is not a comprehensive AESO Roadmap of all projects, nor is it intended to replace other AESO strategic planning documents. As versions of the Roadmap evolve, coordination will be required within the AESO, particularly among Market Services, Operations and Information Technology, to ensure that all of our initiatives are coordinated and prioritized such that the Roadmap may evolve to become more comprehensive over time.

With these noted explanations, I am pleased to provide the Market Roadmap Draft for discussion within industry. A review of the Roadmap will demonstrate that the AESO intends to implement the market policy outlined by the DOE through incremental market rule changes and development of systems and infrastructure to support the complexity of the market dispatch and operations. The Roadmap serves a number of purposes including providing context, scope and direction for specific market design projects and assisting with project planning for infrastructure and system work.

The information provided here is not intended to supersede the need for ongoing consultation with industry on the details of any particular project. Rather, it is meant to provide additional context for those discussions by setting some recommended direction viewed to be consistent with policy. Separate or coordinated consultation will occur on the items listed in a similar format as has occurred historically. To that end, industry can expect to see papers detailing our proposals and/or recommendations for congestion management, operating reserves, intertie business practices and obligations arising from the transmission regulation in the upcoming months.

Finally, the AESO commits to use the Market Roadmap as a communication tool and planning document with industry. Therefore, the Roadmap will initially be updated semi-annually to incorporate additional operational initiatives, to communicate any change in direction and to reflect progress on various initiatives.

The AESO plans to review the Market Roadmap at an upcoming stakeholder session to be announced soon. Please feel free to contact the undersigned at 539-2457 to provide your input and feedback in the interim.

Regards,

Original Signed By

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AESO - Alberta Electric System Operator