May 14, 2009

To: Market Participants and Interested Parties

Re: Supply Adequacy Report changes

The Supply Adequacy Report ("the Report") has been available on the AESO's website as of December 3, 2007, as part of the market policy implementation, commonly known as Quick Hits.

The Report provides all pool participants visibility of supply adequacy on the AIES for the forecast scheduling period[1].

The AESO has been monitoring the Report since implementation in 2007. Opportunities for improvement were identified and changes were implemented **effective May 12, 2009**.

The table below summarizes the changes to the Report calculation.

The calculation is detailed within Operating Policy and Procedure (OPP) 705: Available Capability (AC) + Wind + Price Responsive Load (PRL) + Demand Opportunity Service load (DOS) + Behind the Fence Load (BTFL) + Import Available Transfer Capability (ATC) on Alberta-BC tie line + Import ATC on the Alberta-Sask tie line – Alberta Internal Load (AIL) – 3.5 % of forecast load for ancillary service – Constrained Down Generation (CDG)		
	Report calculation from Dec 3, 2007 to May 12, 2009	**Report calculation after May 12, 2009**
AC	The sum of AC from all generating assets in Alberta ≥ 5 MW with a start-up time ≤ 1 hour or with a submitted start time at or before the period being assessed	No change.

[1] Forecast scheduling period, as defined in the ISO Rules, means the 7 days period starting with HE 1 of the next trading day and ending HE 24 of the 6th day following the next trading day.

Wind	Estimated amount of wind generation, which is a static value of 80 MW	Output from wind power facilities, which is an estimated value based on historical data analysis for the time period within six hours; for the time period beyond six hours, a fixed value of 145 MW will be used. It may appear to participants that supply suddenly increases beyond six hours through to the end of the forecast scheduling period, which may be due to the static wind value
PRL	Estimated amount of PRL, which is a static value of 200 MW	PRL, which is the current real-time value for the current day and next day. A fixed number of 200 MW is used for the period beyond the next day
DOS	Estimated amount of DOS load, which is a static value of 20 MW	Estimated amount of DOS load that will be curtailed, which is a static value of 20 MW. Most DOS loads are price responsive, therefore, 20 MW is less than the actual amount that is normally on the system (Actual DOS amounts are confidential)
BTFL	Estimated amount of behind the fence load supplied by on-site generation that provides AC as a net-to-grid value	On-site generation that supplies behind-the-fence load and submits AC as a net-to-grid value, which is a variable value based on real time data and applied to the current and next day. A static value is applied for the remainder of the days within the forecast scheduling period (the value for behind the fence load is confidential)
Import ATC	Import ATC on the BC and Saskatchewan interconnections	No change
AIL	The peak forecast load from the day-ahead forecast of AIL	No change
Reserves	3.5% of forecast load to account for ancillary service requirements and directing supplemental and excess spinning reserves	No change
CDG	Not included	Constrained down generation, with the exception of wind constraints.

The AESO expects the changes to the report will benefit participants and the AESO system controller.

Please contact AESOFirstCall at 1-888-588-AESO (2376) or **info@aeso.ca** for any questions regarding the above changes.

Yours truly,

"original signed by"

Doug Hincks
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