



April 29, 2010

To: Market Participants and Other Interested Parties

Re: Supply Surplus Discussion Paper

The rules for dispatching equal priced offers at the price floor (or \$0); commonly referred to as Supply Surplus rules were consulted on as part of the Market and Operational Framework for wind. As a result of that consultation, the AESO determined that further and broader consultation was required.

The AESO has initiated further consultation on the supply surplus initiative through a [discussion paper](#) which is attached for your review, consideration, and comment. The intent of the paper is to determine a short term solution and to commence discussions on the longer term options for managing supply surplus conditions.

The discussion paper provides a background and assessment of existing rules and procedures, and previous proposed protocols. It also outlines principles that will be used in evaluating supply surplus initiatives, and examines long term and short term options for managing these conditions. The scope of the project is limited to changes within the construct of the existing market design.

The supply surplus initiative will follow the normal stakeholder consultation process. The paper along with a [comment matrix](#) may be accessed by going to our website at <http://www.aeso.ca> and then following the path Market > Market Policy Implementation > Supply Surplus. The AESO requests that market participants and interested parties provide comments on the discussion paper by **May 20, 2010**. Please email your completed comment matrix to ruppa.minhas@aeso.ca.

Should you have any questions or concerns, please contact me at 403.539.2589 or ruppa.minhas@aeso.ca.

Yours truly,

Original signed by

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cc: Doug Simpson, Director, Market Operations
Kelly Gunsch, Vice-President, Market Services