



December 2, 2010

To: Market Participants and Interested Parties

Re: Supply Surplus Discussion Paper Comment-Response matrix and Supply Surplus Recommendation 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, it was determined that further and broader consultation was required.

The AESO initiated further consultation on the supply surplus initiative through a discussion paper which was published to the AESO's website on April 29, 2010. The AESO's [comment-responses](#) on the discussion paper 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 has also published a supply surplus recommendation paper on the AESO's website for your review, consideration, and comment. The purpose of this paper is to provide recommendations on the short term and long term solutions for managing supply surplus conditions. It should be noted that supply surplus recommendations are limited to those that can be made within the existing market design.

The supply surplus initiative will follow the normal stakeholder consultation process. The [recommendation 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 recommendation paper by **January 14, 2011**. Please email your completed comment matrix to ruppa.minhas@aesoc.ca.

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

Yours truly,

Ruppa Minhas
Senior Market Implementation Analyst
Alberta Electric System Operator (AESO)

cc: Doug Simpson, Director, Market Operations, AESO
Kelly Gunsch, VP, Market Services, AESO