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Subject: Export Must Run Service

TransAlta has reviewed the Market Development Discussion Paper entitled Export Must Run Service and welcomes both the initiative the AESO is showing in addressing diminishing electricity export capability and the opportunity to suggest alternatives and additions to the proposal.

While preferring the proposal to the current state TransAlta points out there are problems with relying on bilateral agreements to create additional export capacity that is freely available to all.

We suggest a linkage should be created between the XMR service and the ATC increase it permits. Such a system, while not specifically dealt with in regulation or policy is aligned with both as is demonstrated by policy direction for merchant transmission lines. For export capacity created by a merchant line the right to exchange power with an adjacent jurisdiction is linked to the investment in the line. These rights may be utilized or transferred providing a fair process is utilized to determine access. In the XMR situation an investment in the form of a commitment to pay for XMR is analogous to building a line and should similarly create an entitlement to the export capability it creates.

TransAlta supports the implementation of XMR as proposed and encourages the AESO to continue working with market participants to implement a system to link the benefit created by XMR to the cost of providing it.

Regards,  
Jim Paton