



NEWS RELEASE
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Alberta Electric System Operator takes issue with discussion paper

(Calgary, AB – November 19, 2009) – The Alberta Electric System Operator (AESO) takes issue with a discussion paper prepared by EDC for the Utilities Consumer Advocate (UCA) that questions the validity of the recommendations put forth by the AESO in its Long-term Transmission System Plan. It is the AESO's understanding that the UCA also does not support the positions taken in this paper.

"This proposal outlined in the EDC paper would put the reliability of Alberta's electricity grid into jeopardy as it accepts power outages as a fundamental part of system design," says David Erickson, AESO President and CEO. "It is inconsistent with recognized international industry standards. It flies in the face of the continent-wide call for urgent reinforcement of the power grid as identified by the North American Electric Reliability Corporation."

The AESO's Long-term Transmission System Plan is consistent with current market design and legislated planning requirements. The EDC paper gives little consideration to this Legislative framework.

EDC claims the analysis by the AESO was deficient, yet the AESO Plan did include the analysis suggested by them. In fact, EDC contributed to that analysis.

"The need for a transmission upgrade is real," says Erickson. "The system is constrained today. There are generators that would like to connect that cannot and others that have restrictions imposed on them due to system constraints. Meanwhile, consumers are experiencing price impacts due to congestion."

While the recession slowed electricity growth, forecasts show that long-term demand for electricity will double over the next 20 years. "Our grid simply cannot handle this growth unless we invest in upgrading now."

The report focuses solely on the Edmonton – Calgary line and not the AESO's Long-term Transmission System Plan in its entirety, which focuses on serving the needs of all Albertans. It also indicates HVDC is only economic when a line is 600 km or more and compares to the 300 km being built, ignoring other factors such as scalability, increased controllability of the system, reduced land impact and future expansion opportunities.

For more information on the critical transmission infrastructure identified in the AESO's Long-term Transmission System Plan, visit our website at www.aeso.ca.

As an independent system operator, the AESO leads the safe, reliable and economic planning and operation of Alberta's interconnected power system. The AESO also facilitates Alberta's fair, efficient and openly competitive wholesale electricity market, which has about 200 participants and approximately \$9 billion in annual energy transactions.

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