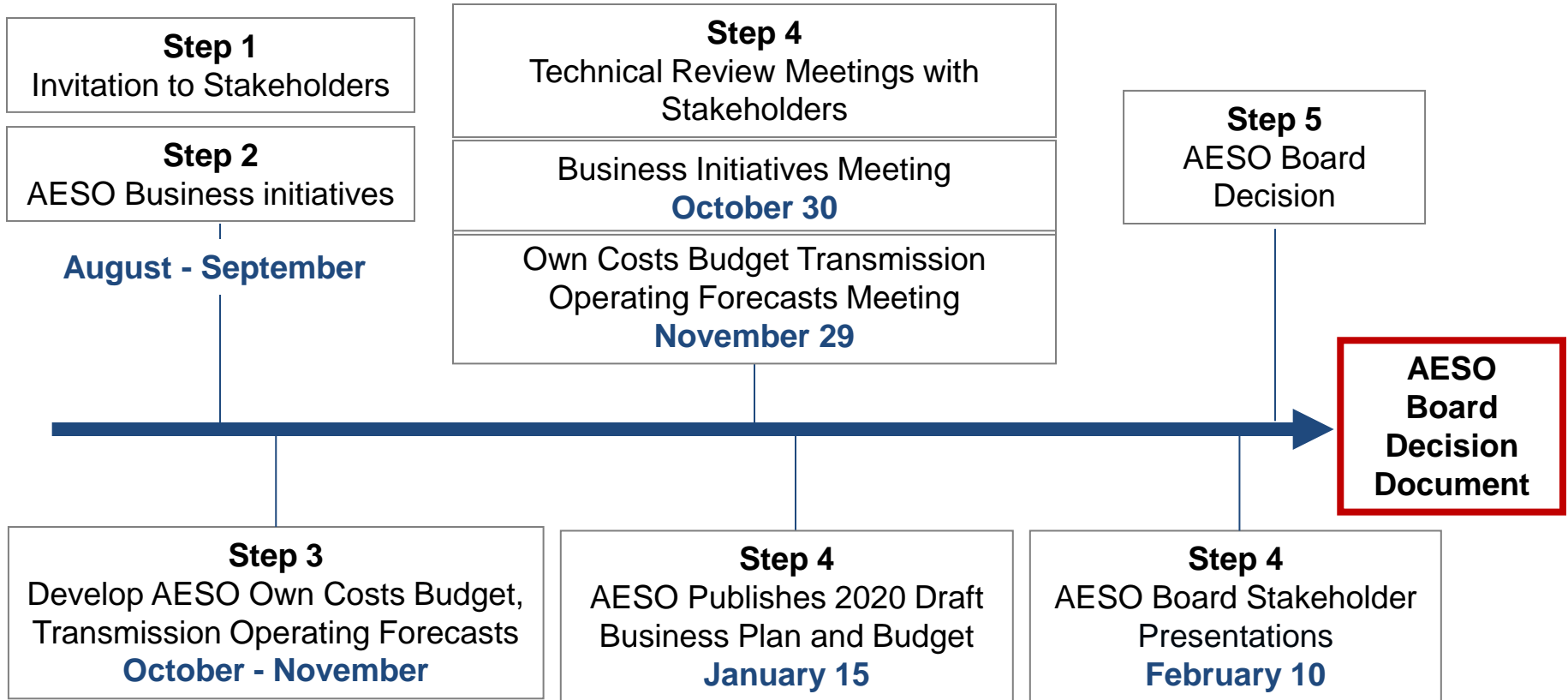


2020 AESO Business Initiatives

October 30, 2019

- The business initiatives:
 - form the basis of AESO's 2020 corporate goals and work plans (organizational direction for 2020)
 - are the foundation for the development of AESO's budgeted costs
- Consist of a combination of carry forward and new initiatives that align with the AESO's *Strategic Plan*
 - tend to be multi-year in nature
 - are both internally and externally facing

2020 Budget Review Process Milestones



Externally Focused Initiatives Stakeholder Participation Related

External Focused Initiatives – Stakeholder Participation Related

Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – Framework Evolution		
Market Sustainability & Evolution	New for 2020	<p>Design, Implementation Determine what, if any, changes are required to the market structure for long-term sustainability through a supply adequacy assessment and determine recommended changes as well as ongoing monitoring and reporting</p> <p>Based on the supply adequacy assessment, initiate stakeholder consultation and design on any recommended changes, which may include price cap, scarcity and shortage pricing</p> <p>Provide the requested reports to the Minister of Energy – February 2020 and July 2020. Initiate design based on any changes in policy direction</p> <p>Continue with the flexibility initiatives including implementation of the dispatch tolerance and ramp rate rule changes and initiate stakeholder engagement for shorter settlement</p> <p>Continue with technology integration market design work to align with the Energy Storage Roadmap and the Distributed Energy Resources (DER) Roadmap</p>

External Focused Initiatives – Stakeholder Participation Related



Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – Framework Evolution		
<p>Tariff: Review of bulk and regional transmission rate design</p> <p>Tariff: General Tariff Application</p>	<p>Design, Implementation Continue comprehensive consultation process to review bulk and regional transmission rate design</p> <p>Continue implementation of the 2018 ISO tariff application</p> <p>Update Consultation has been ongoing throughout 2019</p>	<p>Design, Implementation The AESO expects to continue with the consultation process concluding with applications to the AUC for any proposed changes to bulk and regional transmission tariff design, targeted for Q2/Q3 2020</p> <p>Implementation of the 2018 ISO tariff decision through the compliance filing and ongoing consultation</p> <p>The AESO is currently considering whether to file the 2020 tariff <u>update</u> later this year, or in January 2020 with the 2018 GTA compliance filing</p>

External Focused Initiatives – Stakeholder Participation Related



Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – Framework Evolution		
Long-term system developments	Base Business for 2019	Design, Implementation Obtain AUC approval for the system projects needed to provide long-term benefit to Albertans, including enabling competitive generation included in the AESO’s published 2020 Long Term Plan

External Focused Initiatives – Stakeholder Participation Related

Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative –Distribution, Framework Evolution		
Distribution Engagement	<p>Design Complete development and initiate implementation of the Distributed Energy Resources (DER) Roadmap</p> <p>Update Development of DER Roadmap complete and implementation initiated</p>	<p>Design, Implementation Continue implementation of the DER roadmap</p>

External Focused Initiatives – Stakeholder Participation Related



Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – Framework Evolution		
Stakeholder Engagement Framework	Design Development of stakeholder engagement framework (provided to stakeholders for comments)	Implementation Finalize stakeholder engagement framework and initiate organization-wide implementation activities to provide stakeholders a more transparent and meaningful experience

External Focused Initiatives – Stakeholder Participation



Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – Technology		
External Technology Plan	Design Develop a strategy and plan to provide optionality and integration of new grid technologies resulting in an AESO Strategic Integration Plan including Electricity Storage and Flexibility roadmaps	Design, Implementation Advance technology plan for integrating new electricity value chain technologies, including enhancing AESO awareness, engaging industry, and progressing technology integration plans for energy storage and distributed energy resources

External Focused Initiatives – Stakeholder Participation Related

Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – Grid and Market Operations Tools		
Grid Market Operations (GMO) System	<p>Design, Implementation Continue design and implementation of Energy Management System (EMS) Core upgrade to maintain sustainability of the EMS system</p> <p>Initiate design and implementation of EMS application upgrade to advance the application layer of EMS: to support reliability and operation of the evolving, complex market and electric systems</p> <p>Update Continuing to evolve and sustain our EMS system by identifying implementation options, process changes and system impact assessment to support the market transition Advancing EMS Core according to planned schedule, utilizing key features and functionality while maintaining system performance, security and compliance Design and implementation plan of the EMS application upgrade to advance the application layer of EMS to support reliability and operation of the evolving market and electric systems</p>	<p>Design, Implementation Deliver a sustainable EMS investment plan and development of a long-term market tools transition plan supporting future energy and AS market plans</p>

AESO Internal Initiatives

Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative - People and Culture		
<p>Nurture an inclusive and innovative culture of engagement and excitement to prepare the organization for the transformative environment ahead</p>	<p>Design, Implementation Create a plan to guide the cultural evolution that will be required for the AESO to become a more dynamic, agile, inclusive and innovative organization, capable of anticipating and leading transformative change, with a continued focus on expertise. Deliver on first year deliverables of defined cultural evolution plan</p> <p>Update Plan created and implementation in progress</p>	<p>Implementation Continue implementation of the culture evolution plan for the AESO to become a more dynamic, agile, inclusive and innovative organization, capable of anticipating and leading transformative change, with a continued focus on expertise. Deliver on second year deliverables of the defined cultural evolution plan</p>

AESO Internal Initiatives

Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative - People and Culture		
Workforce capabilities and stakeholder education	Design, Implementation Define the AESO's knowledge philosophy and conduct an enterprise knowledge needs assessment considering the changing competencies required to support a cultural evolution and delivery of the 2019-2023 strategic plan, as well as external stakeholder education needs Update In progress	Implementation Implement findings from the needs assessment and knowledge management plan to support a cultural evolution and delivery of the 2019-2023 strategic plan Design Redesign external education content and programming Define customer experience needs and develop a plan to more effectively address these needs

AESO Internal Initiatives



Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – Framework Evolution		
Settlement Audit	New for 2020	Design, Implementation Initiate a Settlement Audit of AESO settlement processes

Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – IT		
Productivity	<p>Design, Implementation Develop internal AESO multi-year technology strategy to increase efficiency (Productivity program)</p> <p>Update Scope definition complete for AESO multi-year technology program focused on productivity Initiated development of AESO multi-year technology productivity program plan to identify key opportunities to pursue in 2020. Will develop justification documents (e.g.. business cases) to advance key opportunities to sanctioning and incorporation into the 2020 budget process</p>	<p>Design, Implementation Complete implementation of the AESO personal productivity foundation to increase efficiency and position AESO for further advancements in future years</p> <p>Continue the modernization of the finance and contract management systems</p> <p>Continue to increase efficiencies and functionality of the integrated talent management system (Human Resources Information System) to support AESO’s practices and programs</p> <p>Commence the modernization of market system user experience for both internal staff and market participants</p>

AESO Internal Initiatives

Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – IT		
Cybersecurity and Critical Infrastructure Protection (CIP) optimization	Base Business for 2019	Design, Implementation Enhance cybersecurity protections to further secure the organization against increasing threats Optimize the AESO Critical Infrastructure Protection (CIP) program and comply with the new CIP-014 Physical Security standard

**2019 Business Initiatives
Completed in 2019 / Base Business for 2020**

AESO Internal Initiatives



Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative - People and Culture		
System Coordination Centre (SCC) facility expansion	Implementation Construction to be completed and building operational in Q4 2019 Update Construction is completed and building operational	Completed in 2019

External Focused Initiatives – Stakeholder Participation Related



Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – Framework Evolution		
Advancement of the Fort McMurray West project	Implementation Implementation of required tools and process with the target in-service date for the Fort McMurray West Project in 2019 Ensure energization criteria is met prior to the first monthly payment Update The Fort McMurray West Project was energized in Q1 2019	Completed in 2019

External Focused Initiatives – Stakeholder Participation Related

Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – Framework Evolution		
Renewable Electricity Program (REP)	<p>Design, Implementation Continue implementation and design of required tools and processes in line with the target in-service date for REP Round 1 projects of Q4 2019 Continue implementation of REP Round 2 and 3 with the target in-service dates in 2021</p> <p>Update The target in-service date for REP Round 1 projects is in Q4 2019 The target in-service dates for REP Round 2 and 3 projects is in Q2 2021</p>	Base business for 2020

External Focused Initiatives – Stakeholder Participation Related

Business Initiative	Plan and Update 2019	Plan 2020
Strategic Initiative – Framework Evolution		
Western Interconnection Reliability Coordinator (RC) Initiative	<p>Implementation Complete required work for modelling, data exchange, RC to RC coordination, tool development, training and compliance</p> <p>Update Continuing coordination work for Western Interconnection RC Initiative.</p> <p>Submission of standards to the AUC was completed in Q2 2019 and in July 2019 the AUC issued Decision 24638-D01-2019 approving the AESO’s submission regarding the RC standards. RC Agreements with neighboring RCs complete</p> <p>Expected to complete required work for agreements, modelling, data exchange, RC to RC coordination, tools, and staff training by Q4 2019</p>	<p>Completed in 2019</p>

Thank you