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**RE: ATCO RESPONSE TO CAPACITY MARKET PRE-QUALIFICATION DRAFT**

ATCO has had the opportunity to review the AESO's draft capacity market pre-qualification document. Upon review, it is obvious that it is nearly verbatim from the AESO's REP 1 RFQ documentation which is a very different process than the capacity market where the lead time is lessened (four years instead of two), and the term length is substantially different (20 years instead of one).

Overall, this proposal is very intrusive and it is a struggle to rationalize why the AESO requires significant portions of this information; particularly as parts are duplicative to other development requirements such as AUC requirements, and financing approvals. Further, much of the detail requested would not be available at the time of pre-qualification. The AESO's pre-qualification should focus upon relevant AESO interfaces such as: interconnection process, technical requirements, and proof of financial security.

With respect to specific terms, ATCO views the terms regarding previous experience to be limiting, and could stifle innovation and new entry. ATCO would ask, has there been a history of projects failing due to lack of experience that drives the AESO to make such a request?

Relative to pre-qualification requirements in other jurisdictions, this process will not only put a burden on developers, but also on the reviewers. As such, ATCO strongly suggests that the AESO revisit and re-issue the draft pre-qualification requirements based on the structure of the capacity market and not a 20-year long term contract for renewables. The pre-qualification requirements deserve to be tested and scrutinized through specific consultation and comment matrices, whereby parties provide commentary on individual clauses and wording, if deemed necessary. ATCO is happy to contribute to re-developing these requirements by providing our experience through development projects in Alberta and elsewhere.

It is worth mentioning that the prequalification documentation does not need to be finalized prior to the publishing of the final CMD document. The CMD will provide guidance in drafting the pre-qualification document and this will give the appropriate process and timing for consultation. If you have any questions or concerns, please contact the below.

Sincerely,



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