

Industry Associations and Agencies Roundtable

May 28, 2020

OUR ENGAGEMENT PRINCIPLES

Inclusive and Accessible

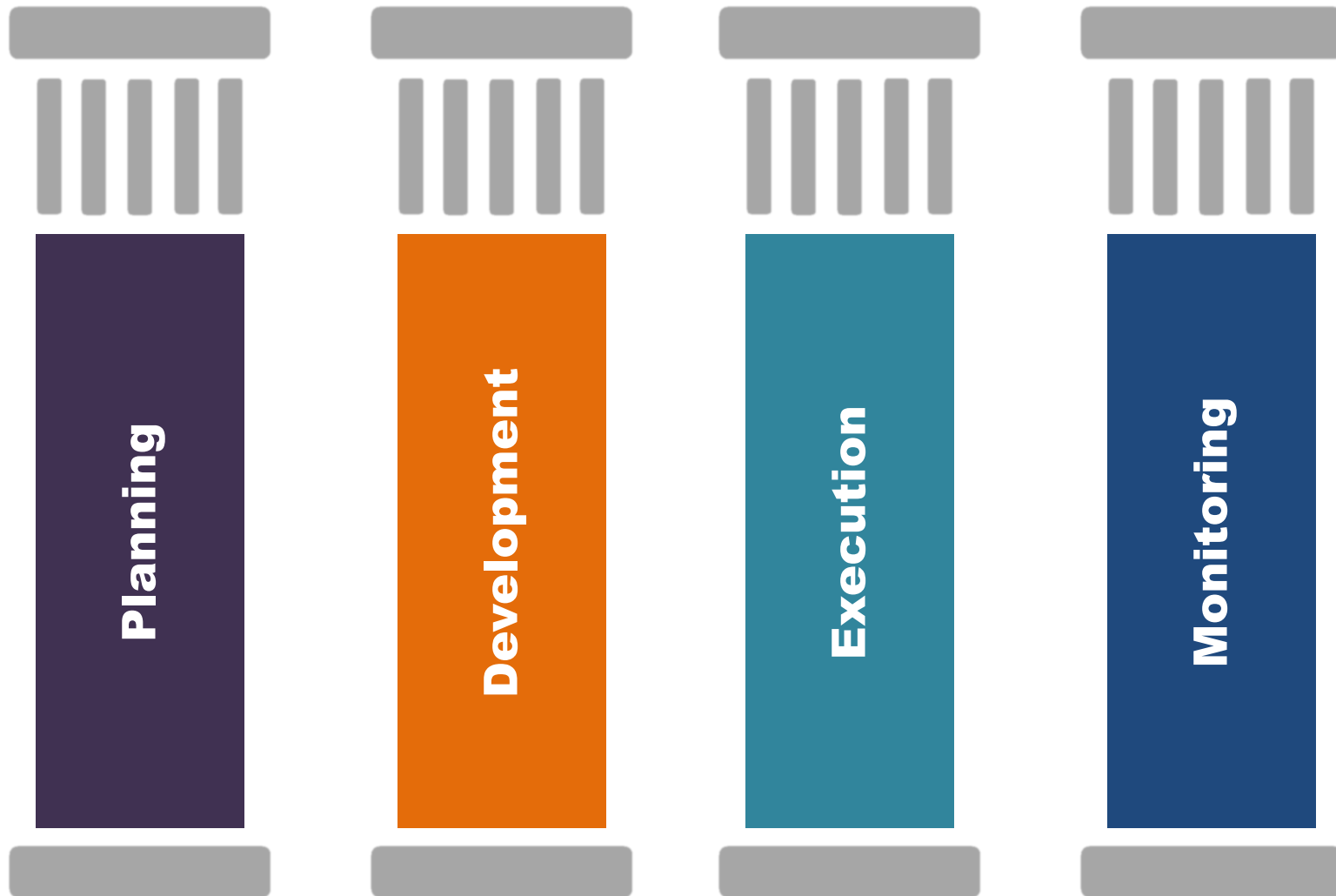
Strategic and Coordinated

Transparent and Timely

Customized and Meaningful

- Introductions
- AESO 2019-2023 Strategic Plan
 - Overview of the Strategic Plan, outcomes of the AESO Board's recent strategy review and implications/priority shifts resulting from the pandemic and low oil price
- Cost of Delivered Energy
 - Current economic environment in Alberta and challenges for consumers, need for industry collaboration and focus on minimizing costs and sharing of various approaches and ideas to preserve value
- Next Steps
 - Critical aspects Alberta's electricity industry should focus on and discuss at the roundtable meetings

Four Pillars of Strategic Planning





- *The AESO 2019-2023 Strategic Plan* was developed by examining broad transformational impacts, major trends and three operating scenarios in Alberta:
 - the bitumen economy continues
 - the bitumen economy ends
 - the economy manages to diversify
- Technology and shifting consumer preferences were identified as the most significant drivers of change

Mission

- The AESO provides for the **safe, reliable, and economic operation** of the Alberta electricity system while facilitating **fair, efficient and openly competitive market** for electricity.

Vision

- As the trusted leader, the AESO is shaping the transformation of Alberta's electricity future to deliver reliability and **enhance the quality of life for Albertans.**

- Strategic Objective 1: People – Expertise and Agility
 - We will be a more dynamic organization with the expertise and agility to adapt to transformative change
- Strategic Objective 2: Framework – Reliability and Confidence
 - We will deliver a stable electricity framework that provides reliability at lowest cost through competition as we bridge from the current transition to the broader transformation
- Strategic Objective 3: Technology – Integration and Optionality
 - We will provide optionality for consumers and industry to integrate new technologies and approaches while we maintain the overall reliability of the grid

PEOPLE



People and Culture



Governance

FRAMEWORK



Framework Evolution



Distribution



External Engagement

TECHNOLOGY



Technology



IT



Data



GMO Tools

- The Board and Executive agreed the operating scenarios remain relevant and capture the likely futures of Alberta, and that the AESO's existing vision, mission and three strategic objectives of People, Framework and Technology continue to provide the right direction
- Current economic conditions in the province, driven by low oil price and the pandemic, has led the AESO to focus priorities on:
 - Cost management across the industry value chain
 - Facilitating business in Alberta
 - Ensuring a simple and agile approach to our operations

Strategic Execution Initiatives – *Pace and Priority Shifts*

Increased

- Distribution
- Framework
- External Engagement

Continued

- People and Culture
- IT
- Governance

Reduced

- Technology
- Data
- GMO Tools

- AESO's *Delivered Cost of Electricity Report*
 - Discussion of findings
 - Further report development – Alberta competitiveness C.D. Howe
 - What broad challenges exist?
 - Is there agreement that cost challenges exist?
 - How do we prioritize and collaborate as an industry to address challenges?
 - What actions and initiatives do industry leaders believe are the most critical to focus on?
 - Short-term
 - Longer-term

- Discuss which critical aspects of Alberta's electricity industry the roundtable should focus on at future meetings
- Any action items from the roundtable meeting
- Publication of meeting summary and alignment between Industry CEO and Industry Associations and Agencies roundtables



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Thank You