



The transmission system in your area needs improvement

- **The Alberta Electric System Operator (AESO)** plans and operates Alberta's electric transmission system. We study the transmission system to determine what future upgrades and expansions will be needed to continue to serve the province's growing power demands and enable access to generators and other qualified customers. The AESO is regulated by, and must apply to, the Alberta Utilities Commission (AUC) for approval of our Needs Identification Document (NID) application, in which we must demonstrate the need for an expansion or enhancement to the transmission system, and propose a transmission solution to meet that need.

TRANSMISSION DEVELOPMENT NEEDED IN CENTRAL EAST ALBERTA

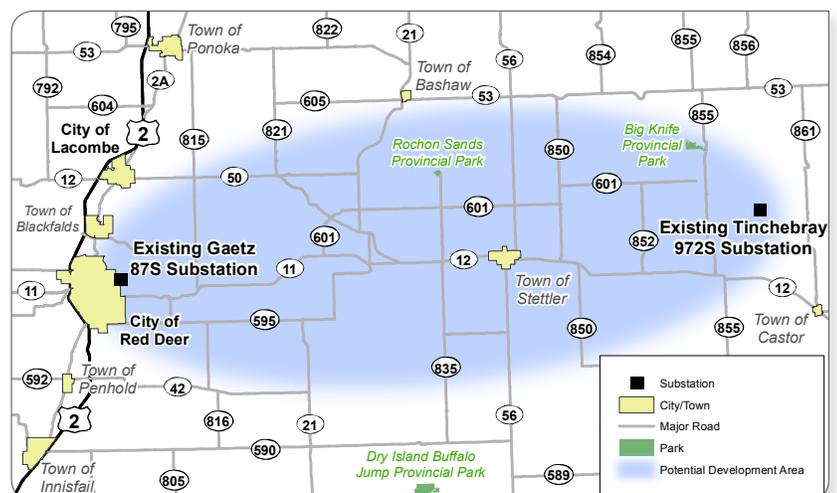
The existing transmission system in the central east area of the province is reaching its capability limits. The AESO has identified the need for the Central East Transfer-out Transmission Development (CETO) to enable additional renewable generation integration capability, and to enhance transmission system reliability.

New and enhanced transmission system infrastructure provides expanded options to connect new generation as it continues to develop in this renewable-resource rich area of the province. It also addresses demand for power, which is projected to rise over the coming years.

WHAT IS THE PROPOSED SOLUTION?

Our studies show that the best option to meet the transmission development need includes adding two staged 240 kilovolt (kV) transmission lines between the existing Gaetz substation near the City of Red Deer and the Tinchebray substation near the Town of Castor, and adding or modifying associated equipment as needed. The AESO is proposing to have CETO developed in two stages to align closer to when additional transmission capability is required, with the first stage anticipated to be in service in 2023.

Based on current information and consistent with the AESO's commitment to ensuring that the right amount of transmission is built at the right time, we anticipate the second stage of CETO will be in service in the 2027-2029 timeframe. However, this could change as the development of a second circuit/line will be tied to a construction milestone based on the actual pace of renewable generation projects, and the coal-fired generation replacement schedule in the central east area.



PREVIOUS TRANSMISSION PLANS IN THE AREA

In July 2014, the AESO informed stakeholders of the need for transmission development referred to as the Vermilion to Red Deer, Edgerton to Provost Transmission Development (VREP). As part of our ongoing planning process, the AESO subsequently informed stakeholders in October 2016 that the Provost to Edgerton and Nilrem to Vermilion Transmission Development (PENV) would replace parts of VREP. At that time, we had also advised that developments west of PENV may be required in the future.

We have determined that transmission development west of PENV is now required, and we are moving forward with plans in the area, which we now refer to as CETO.

OTHER RELATED ACTIVITIES IN THE CENTRAL EAST AREA

CETO and PENV are described in the AESO's 2017 Long-term Transmission Plan. These projects will address growth in electricity demand, improve reliability, and significantly enhance new generation integration capability in the central east area of the province.

The PENV Needs Identification Document (NID) application is currently with the Alberta Utilities Commission (AUC) for consideration. As well, engagement on a potential enhancement of ATCO's Nevis substation, which is located in the County of Stettler, is currently planned for sometime in 2019.

AESO AND TFO ROLES

The **AESO** operates the provincial transmission system so that all Albertans can count on safe and reliable electricity to power our homes and businesses each and every day. We carefully plan transmission upgrades and expansions to keep up with Alberta's growing demand for power.

Transmission facility owners (TFOs) are companies that build, operate and maintain the transmission system in our province. While the AESO is responsible for identifying the need for transmission development and the proposed transmission development to meet that need, TFOs are responsible for detailed siting and routing, constructing, operating and maintaining the associated transmission facilities within their service territories.

The two TFOs in the central east area, AltaLink Management Ltd. (AltaLink) and ATCO Electric Ltd. (ATCO), own and operate the proposed CETO end-points, the existing Gaetz and Tinchebray substations, respectively. They will each be responsible for applying to the AUC for approval of the section of the 240 kV transmission line within their service territory from their substation to the shared boundary.

In preparing their facility applications, AltaLink and ATCO will be consulting with stakeholders about the locations and structure type for the new 240 kV transmission line and related upgrades. They will work collaboratively to align their proposed plans based on public input.

WILL YOU BE AFFECTED?

If you are receiving this newsletter, you:

- have previously received information about VREP from the AESO;
- have been identified as potentially having an interest in CETO; and/or,
- live in an area where transmission facilities related to CETO could potentially be located (please refer to the map for the CETO potential development area).

AltaLink and ATCO will be consulting with stakeholders who reside or have land interests in the CETO area in the coming months to develop and determine potential solutions, routes and sites for the required facilities previously described. Please view the TFOs' information about the CETO Transmission Development on their websites at www.altalink.ca/projects and www.atcoelectric.com/projects.

QUESTIONS?

At the AESO, we operate on behalf of you and all Albertans. We value the opportunity to listen to your comments and answer your questions about the need, or the AESO's proposed solution to meet the need. Please contact us at:

AESO Stakeholder Relations
stakeholder.relations@aeso.ca or 1-888-866-2959

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NEXT STEPS

The AESO anticipates filing a NID application for the CETO Transmission Development to the AUC in late 2019. Once the NID application has been filed, it will be shared on our website at [www.aeso.ca/grid/projects/CETO Transmission Development](http://www.aeso.ca/grid/projects/CETO%20Transmission%20Development). AltaLink and ATCO will file their facility applications for CETO to the AUC concurrent with the AESO's NID application.

The AESO is committed to protecting your privacy.

The feedback, comments and contact information you choose to submit is being collected by the AESO to respond to your inquiries and/or to provide you with further information. This information is collected in accordance with Section 33(c) of the Freedom of Information and Protection of Privacy Act (FOIP). If you have any questions about the collection or use of this information, please contact the Manager, FOIP and Records Management, 2500, 330 – 5th Ave. SW, Calgary, Alberta, T2P 0L4 or by telephone at 403-539-2528. If you choose to communicate by email, please note that email is not a secure form of communication. Security of your communication while in transit cannot be guaranteed.