

April 18, 2006

To all Stakeholders and Interested Parties:

## Re: Revised Draft Generation and Load Interconnection Standard – Request for Input

A revised draft Generation and Load Interconnection Standard has been developed by the AESO to clearly identify the AESO's interconnection requirements. Since the first draft version (November 8, 2005), extensive changes to Section 2.1 Power Quality and Section 3.1 Generator Voltage Regulation have been made to provide additional clarity to stakeholders and interested parties. As the changes are substantial, further stakeholder comments would be appreciated.

The AESO proposes that Section 3 - Generator Interconnection Requirements will be applied to all existing as well as new generating facilities in order to maintain proper system reliability levels. Some of the proposed changes such as the reactive power requirement have been reduced to 0.95 lead / 0.9 lag from 0.9 lead / 0.9 lag, some are new, and others are intended to provide clarity to existing requirements. Once this standard is finalized, all existing generators will need to re-verify compliance. Those who are not compliant will need to identify any shortcomings to the AESO and develop a corrective plan. Depending on facility specific details the AESO may choose to grant a compliance exception.

In order to ensure continued system reliability, enforcement of the existing reactive power requirements is presently underway as a separate initiative. Once finalized, this standard will supersede the existing requirements and generators will need to meet the new standard. Any questions regarding the reactive power initiative may be directed to John Kehler at <a href="mailto:john.kehler@aeso.ca">john.kehler@aeso.ca</a>, (403) 539-2622.

The AESO's revised time line for finalizing the proposed standard includes the following stages:

April 18, 2006 - Circulate revised draft Standard with stakeholders

May 8, 2006 - Written comments submitted to AESO

May 22, 2006 - Written comments posted with AESO response

June 5, 2006 - Standard effective date

If you have any questions or require further clarification, please contact Dan Shield at (403) 539-2502, <a href="mailto:dan.shield@aeso.ca">dan.shield@aeso.ca</a>.

Yours truly,

Dan Shield, P.Eng.

Manager, Interconnection Standards