

March 26, 2025

Notified Market Participant Corporate Legal Name

Address Line 1.

Address Line 2.

City, Province, Postal Code.

Dear **Notified Market Participant Primary Contact:**

Re: Need for the Kaybob South 3 Cogeneration Project Connection

The Alberta Electric System Operator (AESO) would like to advise you that Pembina Gas Infrastructure (PGI) has applied for transmission system access to connect its approved Kaybob South 3 Cogeneration Project (Facility) to the Alberta interconnected electric system (AIES) in the AESO Northwest Planning Region.

The purpose of this letter is to advise you that the AESO has identified that, under credible worse case forecast conditions, the operation of **[Effective Generation Facility Name]** (**[Effective Generation Facility Asset ID]**) may be affected following the connection of the Facility.

Connection Assessment Findings

An engineering connection assessment was carried out by the AESO to assess the transmission system performance following the connection of the Facility.¹ Thermal criteria violations were identified when a single transmission facility is out of service (Category B) following the connection of the Facility. To mitigate these potential system performance issues, existing remedial action scheme (RAS) 185, RAS 186, RAS 188, RAS 189, RAS 190 and modification of planned RAS 218 will be used.

The AESO will make use of real-time operational measures to mitigate these potential system performance issues, in accordance with [Section 302.1 of the ISO rules, Real Time Transmission Constraint Management](#) (TCM Rule), which is in effect today. When applied, the TCM Rule could result in the AESO issuing directives for curtailment to source assets that are effective in managing a constraint.

The connection assessment identified source assets, including the **[Effective Generation Facility Asset ID]**, which are effective in mitigating the potential transmission constraints.

For Further Information

The AESO Need Overview document is attached for your information. The AESO Need Overview describes the AESO's proposed transmission development to connect the Facility to the AIES.

To support the AESO's consideration of the Kaybob South 3 Cogeneration Project Connection under the Abbreviated Needs Approval Process, the engineering connection assessment will be posted on the AESO website at: <https://www.aeso.ca/grid/transmission-projects/>. Stakeholders will be notified when this occurs via the AESO stakeholder newsletter.

If you have any questions or concerns, please contact the AESO at 1-888-866-2959 or stakeholder.relations@aeso.ca

Attachments: AESO Need Overview: *Need for the Kaybob 3 South Cogeneration Project Connection*

¹ The studies were performed assuming the Rate STS, *Supply Transmission Service*, contract capacity of 25 MW.

Need for the Kaybob South 3 Cogeneration Project Connection

Pembina Gas Infrastructure (PGI) has applied to the AESO for transmission system access to connect its approved Kaybob #3 South Gas Plant (Facility) in the High River area. PGI's request can be met by the following solution:

PROPOSED SOLUTION

- Add one 138 kilovolt (kV) transmission line to connect the Facility to the existing 138 kV transmission line 864L in a T-tap configuration.
- Add or modify associated equipment as required for the above transmission developments.

NEXT STEPS

- In mid 2025, the AESO may consider the need for this project for approval under section 501.3 of the ISO rules, *Abbreviated Needs Approval Process* (ANAP Rule), or apply to the Alberta Utilities Commission (AUC) for approval of the need.
- The AESO will notify stakeholders via the AESO's website at www.aeso.ca/grid/transmission-projects prior to the project being considered under the ANAP Rule or when filing a needs identification document (NID) application with the AUC.

The following organizations have key roles and responsibilities in providing access to the transmission system:

THE AESO

- Must plan the transmission system and enable access to it for generators and other qualified customers.
- Can approve eligible projects through the ANAP Rule and for non-eligible projects, the AESO will prepare and submit a NID to the AUC for approval.

ALTALINK

- Is the transmission facility owner in High River area.
- Is responsible for detailed siting and routing, constructing, operating, and maintaining the transmission facilities.
- Is regulated by the AUC and must apply to the AUC for approval of its transmission facilities applications.

WHO IS THE AESO?

The Alberta Electric System Operator (AESO) plans and operates Alberta's electricity grid and wholesale electricity market safely, reliably and in the public interest of all Albertans. We are a not-for-profit organization with no financial interest or investment of any kind in the power industry.

We appreciate your views, both on the need for transmission system development and proposed transmission plans. If you have any questions or comments, please contact us directly.

CONTACT US

Alberta Electric System Operator

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