

Office of the Minister MLA, Lethbridge-East

October 14, 2025

Aaron Engen
President and Chief Executive Officer
Alberta Electric System Operator
3000, 240 – 4 Avenue SW
Calgary AB T2P4H4
aaron.engen@aeso.ca

Dear Aaron Engen:

I would like to express my appreciation to the Alberta Electric System Operator (AESO) for its continued commitment to advancing the Government of Alberta's electricity policy objectives. As progress is being made on the Restructured Energy Market (REM), and Optimal Transmission Planning (OTP), it is important to recognize the value of intertie investment in Alberta. The Government of Alberta acknowledges the significant role that connections to our neighbouring jurisdictions play in our grid.

In July of 2025, the Government of Alberta made amendments to the *Transmission Regul*ation respecting intertie restoration, and we appreciate that the AESO has already made progress in this area. Understanding the importance of intertie restoration, we are asking that the AESO take all reasonable efforts to enable the full restoration of the Montana-Alberta Tie Line (MATL) Available Transfer Capability (ATC) in 2029. In addition, we are requesting the AESO provide regular public milestone reports on ATC restoration, including forecasted restoration dates.

Furthermore, to ensure the MATL and AB-BC interties can support full imports, we are asking that the AESO make all reasonable efforts to procure and maintain sufficient levels of ancillary services to support full imports on the interties during normal operating conditions. These efforts will be overseen by the AESO Board to ensure the AESO continues to balance these costs with the public interest. We understand and appreciate that the AESO board is carefully overseeing the ancillary services development and costs in keeping with its statutory obligations. We are equally appreciative that the AESO is applying best operational practices in the allocation of ATC on the interties and ensuring it continues to be done without bias to any one particular intertie.

We also request the AESO to engage with all intertie owners in Alberta's neighbouring jurisdictions to explore value creation opportunities for each interconnection, with a desired outcome of the development of an appropriate agreement with each jurisdiction.

These steps will ensure Alberta continues to build a strong, reliable, and affordable electricity system, and provide additional clarity to stakeholders during this period of regulatory change.

Thank you for your continued collaboration and commitment, as an independent agency, to ensuring that the province has reliable and affordable power.

Sincerely,

Nathan Neudorf

Minister

cc: Karl Johannson

Chair, Alberta Electric System Operator

Carolyn Dahl Rees

Chair, Alberta Utilities Commission

Derek Olmstead

Administrator and Chief Executive Officer, Market Surveillance Administrator