

AESO Discussion Paper – Intertie Restoration Initiative
 Capital Power Comment Matrix
 April 23, 2010

Section	Subsection	Stakeholder Response
2.0 Intertie Restoration Policy	2.1 Obligation to Restore Capacity	Capital Power supports the AESO's efforts to optimize and efficiently utilize the current transmission infrastructure.
	2.2 Cost Allocation a. Transmission Development Policy b. Import restoration cost allocation c. Export restoration cost allocation d. Variable cost flow through?	<p>Transmission support products should be treated as non-wires solutions for resolving transmission constraints and transmission costs should be allocated to load.</p> <p>It is important that costs are allocated appropriately. At this time there is not enough information available on the pricing structure of these products to provide comment on the appropriateness of variable cost flow through.</p>
3.3 Options to Increase Import ATC	3.3 Options a. LSSi to be pursued b. ILRAS not an option at this time c. Service available for in market use as opposed to emergency use only? d. Others?	<p>Has the AESO determined why previous efforts to procure ILRAS have failed; perhaps the pricing mechanism or procurement method needs to be revisited? Given that ILRAS is a superior product will the AESO continue to procure the ILRAS that it currently procures for system emergencies?</p> <p>If the AESO were to restrict the use of LSSi to system emergencies would it be possible to increase the intertie capacity during normal operating conditions?</p>
	3.4 Next Steps	

<p>4.3 Options to Increase Export ATC</p>	<p>a. Form working group</p> <p>4.3 Options</p> <p>a. GRAS to increase export limit to 935 MW</p> <p>b. No GRAS to increase SOK flow limit</p> <p>c. Integrate wind forecast into export ATC limit</p> <p>d. Service available for in market use?</p> <p>e. Others?</p>	<p>Capital Power supports the AESO initiative to procure GRAS to increase the export limit.</p> <p>The AESO should pursue GRAS options to relieve SOK constraints. The AESO indicated that since the product only has value until the North-South transmission upgrades are completed, it will not pursue this type of GRAS. However, the most significant component of the North-South upgrades is the 500 kV line between Edmonton and Calgary and construction on this component has not yet begun. Due to the long lead time and potential delays the current transmission system could remain for quite some time. The AESO should seek to optimize the current intra-Alberta infrastructure in addition to restoring the tie-lines and should carry out studies to quantify the potential benefits of such a product on the efficient operation of the system.</p> <p>If the AESO were to restrict the use of GRAS to system emergencies would it be possible to increase inertia capacity during normal operating conditions?</p>
	<p>4.4 Next Steps</p> <p>a. Form Working Group</p>	
<p>5.0 Conclusions and Next Steps</p>	<p>5.0 Conclusions and Next Steps</p> <p>a. Form Independent Working Group</p> <p>b. Should variable costs of services be charged to users?</p>	<p>It may not be appropriate to form two separate working groups. It is our view that the two products should be developed and implemented simultaneously. The AESO should ensure that the procurement and pricing methodology are symmetrical where appropriate.</p> <p>Capital Power requires more information regarding what costs are considered variable costs in order to comment on how costs should be allocated.</p>

