

Southern Alberta Transmission Reinforcement Stakeholder Update – May 2014

> Why am I receiving this information?

The Alberta Electric System Operator (AESO) wishes to provide you with a status update on various components of the Southern Alberta Transmission Reinforcement (SATR). SATR, which was approved by the Alberta Utilities Commission (AUC) in 2009, is needed to alleviate existing system constraints and to integrate southern Alberta wind generation with the transmission system.

Etzikom Coulee to Whitla transmission project milestone not met

The Etzikom Coulee to Whitla transmission project (ECW) includes a new 240 kV transmission line between the Journault and Whitla substations. For SATR, the AESO designed milestones that must be met in order to proceed with construction of each SATR component. In the case of ECW, the milestone consists of any wind generation forecasted in the Journault to Whitla area. This milestone is not met because wind generation development in the area has not progressed at the pace originally anticipated. Consequently, we have

put this SATR Stage II component on hold until such time as the milestone is met.

At this time, we are unable to advise when ECW will proceed as the decision to build power generation of any type in Alberta is made by private investors, and not by the AESO or any central government-related planning body.

For more information on the SATR milestones, please visit www.aeso.ca/transmission/19038.html

Picture Butte to Etzikom Coulee and Goose Lake to Etzikom Coulee transmission projects

As part of the AESO's ongoing transmission planning process, we have been conducting technical studies and evaluating the timing of the following two SATR Stage II components:

- Picture Butte to Etzikom Coulee transmission project (PBEC) – includes the new Journault substation in the Etzikom Coulee area and a new 240 kV transmission line between the Picture Butte and Journault substations.
- Goose Lake to Etzikom Coulee transmission project (GLEC) – includes a new 240 kV transmission line between the Goose Lake and Journault substations.

The PBEC and GLEC projects are each proceeding through preliminary stages. Currently, the AESO and AltaLink Management Ltd. (AltaLink) are conducting engineering studies on the design of the PBEC and GLEC transmission facilities. Following the completion of these studies, AltaLink will continue preparation of its facilities applications to the AUC including consultation with area landowners and other stakeholders.



WHO IS THE ALBERTA ELECTRIC SYSTEM OPERATOR?

At the AESO, we plan the province's electric transmission system. We study the transmission system to determine what future upgrades and expansions will be needed to continue to serve Alberta's growing power demands. As Alberta's transmission system planner, the AESO forecasts both demand from consumers and supply from generators. We study the location and amount of new generation and growing demand and develop plans to ensure Albertans continue receiving reliable power.

SATR background

In December 2008, the AESO filed the SATR Needs Identification Document (NID) with the AUC to address the need for transmission system reinforcement in southern Alberta. SATR is needed to alleviate existing system constraints and to integrate southern Alberta wind generation with the transmission system. As part of the regulatory process, we consulted on the need for transmission development and our plan to address the need from October 2007 to October 2008. A public hearing was held to consider the SATR NID application in June 2009. The AUC approved the SATR NID in September 2009.

The SATR NID, as well as our original and more recent consultation material, can be found on the AESO website at www.aeso.ca/transmission/16869.html



Cancelled SATR component

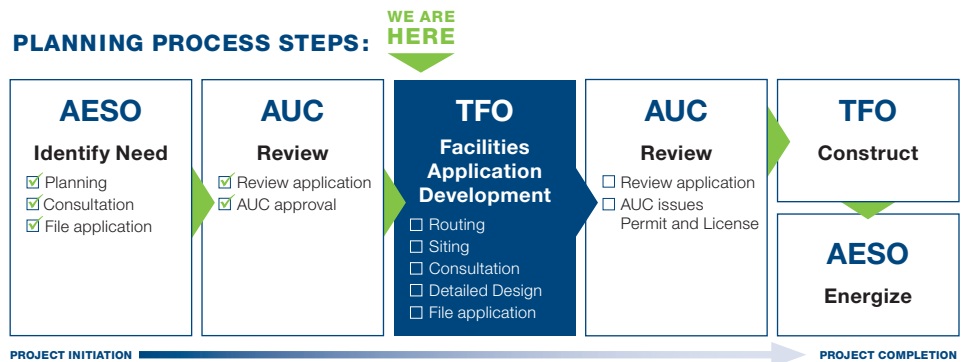
In the AESO's August 2013 stakeholder update, we advised that we had determined that Stage III is no longer needed. On December 13, 2013, the AESO applied to the AUC to cancel Stage III of SATR and amend the SATR Approval No. U2013-460 accordingly. The AUC approved the AESO's

amendment on April 9, 2014. Stage III was originally planned to include a new double circuit 240 kV transmission line connecting Ware Junction substation to the Langdon substation (both of these substations are located east of Calgary).

The AESO's planning process

The AESO's long-term transmission plans are purposefully flexible with system upgrades planned in stages to accommodate changes in transmission infrastructure and existing and forecast demand for transmission access. We want to ensure that the appropriate transmission facilities are in place to meet the needs of Alberta. The changes outlined in this update are a result of our continuous planning process and ongoing monitoring of the transmission system conditions.

The illustration below shows where the PBEC and GLEC projects are in the planning process.



> HOW IS ALTALINK MANAGEMENT LTD. INVOLVED?

AltaLink is the Transmission Facilities Owner in the area. While the AESO plans the provincial transmission system and is responsible for identifying that transmission system development is needed, AltaLink is responsible for detailed siting and routing, building, operating and maintaining the associated transmission facilities.

> For more information

We appreciate your views, both on the need for transmission system development and our proposed transmission plans. Your comments are encouraged. Please contact **Megan Harris** through stakeholder.relations@aeso.ca or call our stakeholder relations toll-free line at **1-888-866-2959** if you have any questions or suggestions. Thank you for your patience and understanding as SATR moves ahead.

The AESO is committed to protecting your personal privacy in accordance with Alberta's Personal Information Protection Act. Any personal information collected by the AESO with regard to this project may be used to provide you with further information about the project, may be disclosed to the Alberta Utilities Commission (and as a result, may become public), and may also be disclosed to AltaLink as the legal owners of transmission facilities in your area. If you have any questions about how the AESO will use and disclose your personal information, please contact us at 1-888-866-2959 or at stakeholder.relations@aeso.ca