

Office of the Deputy Minister

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January 26, 2016

Mr. David Erickson President and Chief Executive Officer Alberta Electric System Operator 2500, 330-5 Avenue SW Calgary, Alberta T2P 0L4

Dear Mr. Erickson:

This letter will serve to confirm that the Alberta Electric System Operator has been tasked to develop and implement a plan to bring on new renewable electricity generation capacity, in accordance with Government direction, to the grid by 2030 while keeping the costs of doing so as low as possible through a competitive process, such as an auction. This process must be carefully managed and operate in concert with the retirement of current coal generating units.

You are asked to prepare a plan for review and consideration by government no later than May 2016.

I also confirm that the Government of Alberta has not chosen to fundamentally alter the current wholesale electricity market structure.

Please continue to work closely with Alberta Energy.

Sincerely,

Grant D. Sprague, Q.C.

Deputy Minister