

Competitive Process

The Alberta Electric System Operator (AESO) has developed a Competitive Process to create a fair, efficient and openly competitive opportunity for any qualified person, which may be an incumbent Transmission Facility Operator or a new market participant, to develop, own and operate major transmission infrastructure in Alberta. Pending approval of the AESO's Competitive Process by the Alberta Utilities Commission, this process will be used to select a successful bidder responsible for designing, constructing, financing, owning and operating the Fort McMurray transmission development project.

Requirement for a Competitive Process

In October 2010, the Department of Energy, through a revision to the *Transmission Regulation*, directed the AESO to develop a competitive process for major transmission infrastructure to initially be used for the Fort McMurray transmission development projects. These projects include two single circuit 500 kV alternating current transmission lines between the Edmonton and Fort McMurray regions to address expected load growth caused by the continued growth of the oilsands industry in the northeastern part of the province.

What is a Competitive Process?

In this context, "competitive process" is a tendering process that enables all qualified bidders to compete in a fair, transparent and open environment for the right to build, own and operate identified transmission infrastructure in Alberta.

Goals of the Competitive Process

The AESO seeks to achieve the following goals through the development of a competitive process that encompasses input and support from stakeholders:

- Minimize the cost of transmission over the life of a project
- Maximize technical and financial innovation throughout the life of a transmission project
- Foster efficient investment, operation and maintenance of projects through competitive pricing
- Create an opportunity for new entrants into the transmission market
- Place some risk with project developers when they are the party best able to manage it

Achieve the best value for Albertans and ultimately lower costs for ratepayers

Implementing the Competitive Process

The AESO filed an application with the Alberta Utilities Commission (AUC) for approval of its competitive process design in September, 2011. It is anticipated that from receipt of approval from the AUC, it will take approximately 15 months to implement the competitive process, which will culminate in the award of the Fort McMurray project to a successful bidder.

Information about the competitive process is available on the AESO's website at www.aeso.ca