

# Letter to the Editor

## Re: St. Albert Saint City News

### “Allegations aired at Blue Line meeting”

Wednesday, November 17, 2010

The Alberta Electric System Operator (AESO) wishes to respond to comments made about our organization that appeared in your November 12<sup>th</sup> publication.

In the article, “Allegations aired at Blue Line Meeting” lawyer Keith Wilson suggested the AESO is overestimating future growth potential of the electricity system. This statement is simply not accurate.

As the independent, not-for-profit organization that is responsible for managing Alberta’s electricity grid on a 24/7 basis to ensure reliable power is available to meet the needs of all Albertans, the AESO takes a very prudent, practical and balanced approach to forecasting growth on the provincial electricity system. Our team of engineers, economists and planners analyze electricity consumption patterns in every area of the province and integrate data from multiple respected sources like the Conference Board of Canada, Canadian Energy Research Institute (CERI) and the Canadian Association of Petroleum Producers (CAPP) to build a picture of where the demand for electricity will grow, where and how much generation is required to meet that demand, and what additional transmission infrastructure will be required.

Transmission infrastructure is a public good that must be available in advance of need; Alberta’s quality of life and economic well being depends on it. Our provincial grid has not seen a major investment in the last 20 years. Yet, over this same time period, Alberta’s annual GDP has risen from \$64 billion to nearly \$292 billion, population has increased 45 per cent from about 2.5 million to 3.6 million, and our peak demand of electricity nearly doubled from 5,600 MW to 10,200 MW.

AESO forecasts show that demand will nearly double over the next 20 years, increasing by over three per cent a year until 2028. That’s a rate equal to adding two cities the size of Red Deer to the power system each year.

The AESO also wants to address concerns raised by Wilson about the cost increase to the Heartland project. It is important to point out that cost estimates for transmission projects identified in the AESO’s Long-term Transmission System Plan are refined as projects move forward and technical scoping, engineering studies, stakeholder consultation and additional in-depth analysis are completed. Reasons for the increase to the original estimated cost of the Heartland project include expansion in size and scope and additional costs incurred by the Transmission Facility Owner. Ultimately, it is the Alberta Utilities Commission’s role to ensure the costs remain prudent.

The AESO encourages you to visit our public engagement website for more information about the need for transmission upgrades in our province. Please go to [www.poweringalbertans.com](http://www.poweringalbertans.com) to learn more.

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