



June 1, 2009

New legislation to help ensure much-needed power lines are built Government to identify need for critical electricity transmission

Edmonton... Through proposed new legislation, the Government of Alberta will ensure that critically needed upgrades to the province's electricity transmission system are built in a timely manner to continue delivering the power Albertans need at home and for work.

Under Bill 50, the *Electric Statutes Amendment Act, 2009*, the Government of Alberta will have the responsibility for identifying which transmission infrastructure is needed, while the regulatory process will continue to address public concerns as to where transmission facilities are located.

"It is time to upgrade our existing electricity transmission system. The longer we wait, the greater the cost and the greater the risk that Albertans may lose the electricity service they rely on and expect. The Government is acting now to help ensure that the lights come on when Albertans flip the switch," said Energy Minister Mel Knight. "Through this legislation, the Government will implement a plan to move ahead with these upgrades, while continuing to ensure that Albertans' concerns are addressed when determining where these lines will be specifically located."

Despite the significant growth of the province's population, economic activity and electricity consumption, there have been no major upgrades to Alberta's electricity transmission system in more than 20 years.

Due to inefficiencies with Alberta's transmission system, \$220 million worth of electricity was lost in the form of heat from transmission lines in 2008 alone—enough to power more than 350,000 homes for a year. As a result, more electricity must be generated, resulting in additional costs to consumers and additional environmental impacts.

Extensive planning done by the Alberta Electric System Operator (AESO) indicates a need for an additional 11,000 megawatts of generation in the next 20 years to meet demand for electricity.

"The AESO has established a long-term plan for the responsible development of transmission facilities in our province," said AESO President and CEO (Interim) David Erickson. "That plan identifies Alberta's enormous potential for wind, hydro and biomass and adding those renewable sources to our generation mix won't happen without adding transmission facilities."

Bill 50 includes amendments to the *Alberta Utilities Commission Act*, the *Electric Utilities Act* and the *Hydro and Electric Energy Act*. *Electric Utilities Act* amendments include authorizing the need for the first group of critical transmission infrastructure projects and establishing a legislative approval process for future projects.

Strengthening Alberta's transmission system supports the goals of the Provincial Energy Strategy. Information on the strategy is available at www.energy.alberta.ca.

- 30 -

Background: Overview of critical transmission infrastructure projects in Alberta

Media inquiries may be directed to:

Jason Chance, Energy Communications, 780-422-3667 To call toll-free within Alberta dial 310-0000.



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Overview of critical transmission infrastructure projects in Alberta

The Alberta Electric System Operator (AESO)'s 2009 *Long-term Transmission System Plan* (the plan) identifies the critical transmission infrastructure projects essential to meet Albertans' energy needs now and in the future. There are currently more than 15,000 megawatts of thermal and hydro generation and almost 12,000 megawatts of wind generation projects proposed.

Consultation, planning and pre-siting work will continue on the first group of critical transmission infrastructure projects, worth an estimated \$8.1 billion. The following four projects are included in Bill 50:

- Edmonton to Calgary: two new high-voltage direct current (HVDC) lines that will carry more power to customers in central and southern Alberta (\$3.1 billion);
- Edmonton to the Heartland region: one new 500 kilovolt (kV) alternating current (AC) line to address the power needs of industry (\$387 million);
- Edmonton/Heartland region to Fort McMurray: two new 500 kV AC lines to support ongoing oil sands development and enable the connection of industrial cogeneration into the provincial transmission system (\$2 billion); and
- Calgary reinforcement: an upgrade of the system in and around the City of Calgary. The upgrade is required to carry additional electricity and provide stronger connections and power service to the city and nearby towns (\$100 million).

The plan also includes an additional project, which is currently before the Alberta Utilities Commission:

- South reinforcement: two new double circuit 240 kV lines along with a new 500 kV substation to increase the ability of the southern system to connect new wind farms (\$2.5 billion).

No decisions have been made on the siting of these projects. The Alberta Utilities Commission (AUC) is responsible for making decisions on the siting of transmission facilities, including determining the specific locations of the critical transmission infrastructure projects and for taking into account the concerns of directly affected landowners. The AUC will continue to consider issues of safety, environmental impact and the effect on nearby land and property owners. Additional information on the AUC's regulatory and public hearing process is available at www.auc.ab.ca. Information on current stakeholder consultations is available at www.aeso.ca.

- 30 -

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