

APPENDIX D AESO PARTICIPANT INVOLVEMENT PROGRAM (PIP)

**Provost to Edgerton and Nilrem to Vermilion (PENV)
Transmission System Reinforcement Needs Identification Document**

1.0 Participant Involvement Program

From October 2016 to December 2016, the AESO conducted a Participant Involvement Program (“PIP”) in accordance with the requirements of NID11 and Appendix A2 of Alberta Utilities Commission Rule 007: *Applications for Power Plants, Substations, Transmission Lines, Industrial System Designations and Hydro Developments* regarding its *Provost to Edgerton and Nilrem to Vermilion Transmission System Reinforcement Needs Identification Document* (“Application”). The PIP addressed the AESO’s:

1. proposed transmission development;
2. application to amend the Central East Transmission Development (“CETD”) Needs Identification Document Approval No. U2013-130¹ (“CETD NID Approval”), to cancel certain unconstructed components;
3. previous notifications regarding the Vermilion to Red Deer, Edgerton to Provost Transmission Development needs identification document (“VREPTD NID”) which the AESO will not file.

¹ Needs Identification Document Approval No. U2013-130, Alberta Electric System Operator *Central East Region Transmission System Development* (March 27, 2013).

1.1 Stakeholder Notification

The AESO's PIP was designed to notify and provide information to stakeholders:

1. in the area where the AESO has reasonably determined that transmission facilities could be installed to implement the AESO's proposed transmission development to meet the need identified in the Application;
2. in the area where the AESO is proposing to cancel by way of amendment, certain components of the CETD NID Approval; and
3. in the area that the AESO previously notified stakeholders regarding the VREPTD NID, which the AESO will not file.

(collectively, the "Stakeholder Notification Area").

Specifically, occupants, residents and landowners within the Stakeholder Notification Area, as well as the following government bodies, agencies and other stakeholder groups were notified by the AESO (collectively, "Stakeholders"):

- Beaver County
- Camrose County
- City of Camrose
- City of Lacombe
- City of Lloydminster
- City of Red Deer
- County of Minburn
- County of Paintearth
- County of Stettler
- County of St. Paul
- County of Two Hills
- County of Vermilion River
- Flagstaff County
- Kneehill County
- Lac la Biche County
- Lacombe County
- Municipal District of Bonnyville
- Municipal District of Provost
- Municipal District of Wainwright
- Flagstaff County
- Ponoka County

- Red Deer County
- Smoky Lake County
- Special Area #2 (Hanna District Office)
- Special Area #3 (Consort District Office)
- Special Areas District #2 and District #4 Starland County
- Summer Village of Bonnyville Beach
- Summer Village of Horseshoe Bay
- Summer Village of Pelican Narrows
- Summer Village of Rochon Sands
- Town of Bashaw
- Town of Blackfalds
- Town of Bonnyville
- Town of Castor
- Town of Daysland
- Town of Hardisty
- Town of Innisfail
- Town of Killam
- Town of Penhold
- Town of Provost
- Town of Sedgewick
- Town of Stettler
- Town of Three Hills
- Town of Tofield
- Town of Trochu
- Town of Vegreville
- Town of Vermillion
- Town of Viking
- Town of Wainwright
- Village of Amisk
- Village of Alix
- Village of Alliance
- Village of Big Valley
- Village of Botha
- Village of Chauvin
- Village of Clive
- Village of Czar
- Village of Consort

- Village of Delburne
 - Village of Dewberry
 - Village of Donalda
 - Village of Edgerton
 - Village of Forestburg
 - Village of Gadsby
 - Village of Galahad
 - Village of Glendon
 - Village of Halkirk
 - Village of Heisler
 - Village of Holden
 - Village of Hughenden
 - Village of Innisfree
 - Village of Irma
 - Village of Kitscoty
 - Village of Lougheed
 - Village of Mannville
 - Village of Marwayne
 - Village of Minburn
 - Village of Morrin
 - Village of Paradise Valley
 - Village of Strome
-
- MLA Barb Biller, Red Deer South
 - MLA David Hanson, Lac La Biche/St. Paul/Two Hills
 - MLA Don MacIntyre, Innisfail-Sylvan Lake
 - MLA Kim Schreinder, Red Deer North
 - MLA Richard Starke, Vermilion-Lloydminster
 - MLA Rick Strankman, Drumheller-Stettler
 - MLA Ronald Orr, Lacombe Ponoka
 - MLA Wes Taylor, Battle River-Wainwright
 - MLA Jessica Littlewood, Fort Saskatchewan-Vegreville
 - MLA Nathan Cooper, Olds-Didsbury-Three Hills
 - MLA Scott Cyr, Bonnyville/Cold Lake
-
- TransCanada Energy Ltd.

- Cold Lake First Nation
 - Elizabeth Métis Settlement
 - Fishing Lake Métis Settlement
 - Frog Lake First Nation
 - Kehewin Cree First Nation
 - Métis Nation Zone 2
 - Onion Lake First Nation
 - Saddle Lake First Nation
-
- Canadian Forces Base Wainwright

The AESO's PIP activities are more fully described below.

1.1.1 AESO Newsletter

In October 2016, the AESO mailed its newsletter titled *Provost to Edgerton and Nilrem to Vermilion Transmission* through direct unaddressed mail via postal code to all occupants, residents and landowners in the Stakeholder Notification Area. Additionally, the AESO mailed this newsletter directly to the government agencies and other organizations listed in Section 1.1. The newsletter was also posted to the AESO website at <https://www.aeso.ca/grid/projects/penv/> and a notice was published in the AESO Stakeholder Newsletter² on October 25, 2016. Copies of the newsletter and the AESO Stakeholder Newsletter posting are included in Attachments 1 and 2, respectively.

1.2 Public Notification of Application Filing Advertisement

From November 28, 2016 to December 1, 2016, the AESO advertised of its intention to file the Application in a number of newspapers in the areas where the transmission facilities could be installed to implement the AESO's proposed transmission development, and where the AESO is proposing to cancel certain components by way of amendment to the CETD NID Approval. A copy of the final newspaper proof has been included as Attachment 3. This document was posted to the AESO website at www.aeso.ca/grid/projects/penv and a notice was published in the AESO Stakeholder Newsletter on December 1, 2016 followed by a correction on December 13, 2016. The correction advised that the AESO was proposing to cancel certain *unconstructed* components of CETD rather than *constructed* components as had originally been

² The AESO's twice-weekly Newsletter is offered by subscription to anyone that would like to receive it distributed via e-mail.

stated. A copy of the AESO Stakeholder Newsletter posting has been included as Attachment 4 and a copy of the corrected posting has been included as Attachment 5.

The publication notification ad was published in the below newspapers.

- Bashaw Star
- Bonnyville Nouvelle
- Camrose Canadian
- Castor Advance
- Cold Lake Sun
- Coronation-Stettler East Central Alberta Review
- Flagstaff County & Sedgewick Community Press
- Innisfail Province
- Lac La Biche Post
- Lacombe Express
- Lacombe Globe
- Lloydminster Meridian Booster
- Lloydminster Source
- Provost News
- Red Deer Advocate
- Red Deer Central Alberta Life
- Red Deer Express
- Red Deer Friday Forward
- Sedgewick Community Press
- Stettler Independent
- Three Hills Capital
- Vermilion Standard
- Vermilion Voice
- Viking Weekly Review
- Wainwright Star/Edge

1.4 Opportunities to Directly Contact the AESO

To ensure that Stakeholders had the opportunity to provide feedback, the AESO provided Stakeholders with a dedicated toll-free telephone line (1-888-866-2959) and email address (stakeholder.relations@aeso.ca) with which to contact the AESO. The AESO's mailing address (2500, 330 5th Ave. SW, Calgary) and website address (www.aeso.ca), and a privacy statement that describes how the AESO is committed to protecting Stakeholders' privacy, were also included in the October 2016 newsletter.

1.5 Stakeholder Inquiries

The AESO has responded to all email and telephone inquiries (11 phone calls, four emails, two letters) received directly from Stakeholders. These inquiries generally involved the regulatory process for transmission development, as well as the routing, siting and potential construction impacts of the AESO's proposed transmission development. All inquiries were answered and addressed by the AESO in a timely manner. No follow-up inquiries or questions were received.

The AESO presented an overview of the need for the proposed transmission development to Flagstaff County Councilors, on request, on November 9, 2016. No follow-up inquiries or questions were received from the county since the presentation.

The AESO also plans to present general information regarding the AESO's Application and the proposed transmission development to the Town of Vermilion Council on January 17, 2017.

The AESO has not received any objections or indications of concern from any Stakeholder or other party regarding the need for transmission system reinforcement in the PENV area, or the AESO's proposed transmission development to meet the identified need. Similarly, the AESO has not received any objections or indication of concern from any Stakeholder or other party regarding its application to amend the CETD NID Approval, or to not proceed to file the VREPTD NID.

1. List of Attachments

- Attachment 1 - AESO Newsletter
 - *Provost to Edgerton and Nilrem to Vermilion Transmission Development* (October 2016)
- Attachment 2 - AESO Stakeholder Newsletter Posting (October 25, 2016)
- Attachment 3 - Public Notification of Application Filing Advertisement – Final Proof (November 28 - December 2, 2016)
- Attachment 4 - AESO Newsletter Posting (December 1, 2016)
- Attachment 5 – AESO Newsletter Posting Correction (December 13, 2016)

Attachment 1 - AESO Newsletter

- *Provost to Edgerton and Nilrem to Vermilion Transmission Development (October 2016)*

Provost to Edgerton and Nilrem to Vermilion Transmission Development



October 2016

THE PROPOSED TRANSMISSION DEVELOPMENT INCLUDES:

- A new 240 kV transmission line, originally energized at 138 kV, from the existing Hansman Lake 650S substation to the existing Edgerton 899S substation
- A new 240 kV transmission line, originally energized at 144 kV, from the existing Nilrem 574S substation to a new substation, to be named Drury 2007S, in the Vermilion area

The AESO plans to file our application for the need for this development in Winter 2016/17.

Electricity system improvements near you

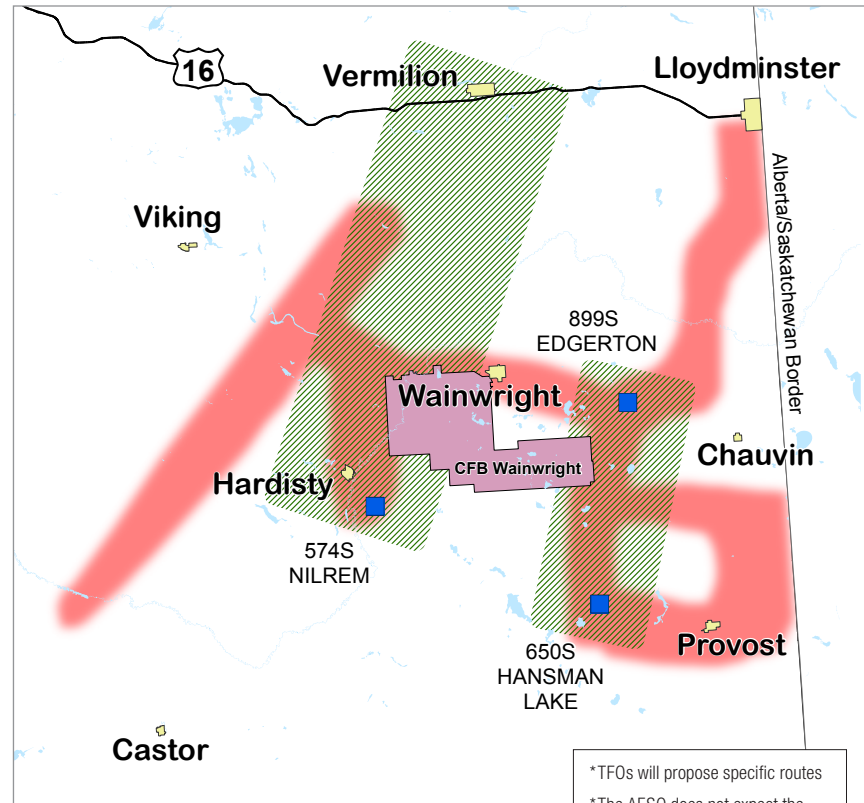
The existing transmission system in your area is reaching its capacity to reliably transmit electricity. New transmission system development is required to maintain the reliability of electricity supply to homes, businesses and industry in the area as demand for electricity increases. Transmission reinforcement will also provide expanded options to connect renewable generation, should it develop in the area.

The AESO is proposing a 240 kV transmission development that will initially operate at a lower voltage, 138/144 kV, to reinforce the existing transmission system. As demand increases, or if renewable generation develops in the area, the development can be upgraded to a higher 240 kV voltage, with moderate additional transmission facilities. If the need to upgrade arises, the AESO will be required to seek additional approvals, and will inform stakeholders of such plans, before energizing at 240 kV.

AltaLink Management Ltd. (AltaLink) and ATCO Electric Ltd. (ATCO) are the two transmission facilities owners (TFOs) in the area. At a later date, AltaLink and ATCO will each propose specific routes and siting details for the developments in separate facilities applications to the AUC. For more information on AESO and TFO roles, see page 2. The specific transmission line routes applied for by AltaLink and ATCO may extend beyond the area shown.

Map legend

- Approximate area where newly proposed transmission facilities could be located (PENV)
- Previous transmission development proposed areas. No longer proceeding (CETD) See page 2
- Existing substation



* TFOs will propose specific routes
 * The AESO does not expect the TFOs to develop transmission facilities within CFB Wainwright



> PREVIOUS TRANSMISSION PLANS IN THE AREA

In April 2014, we first informed stakeholders about our plans to cancel certain transmission system developments previously approved in 2011 as part of the ***Central East Transmission Development Amendment (CETD)***. As part of its application to the AUC for the proposed PENV transmission development, the AESO will also apply for approval to cancel certain unconstructed CETD components that are no longer needed.

In July 2014, the AESO informed stakeholders of the need for transmission development referred to as the ***Vermilion to Red Deer, Edgerton to Provost Transmission Development (VREPTD)***. As part of its ongoing planning process, the AESO has decided not to proceed with that development. The Provost to Edgerton and Nilrem to Vermilion Transmission Development (PENV) is proposed to replace parts of the VREPTD. Further developments west of PENV may be required in the future, and if so we will notify you of our plans at that time.



WHO IS THE ALBERTA ELECTRIC SYSTEM OPERATOR?

The AESO is an independent, not-for-profit organization acting in the public interest of all Albertans. We plan Alberta's transmission system, which is made up of the transmission lines, substations and other related equipment that allow electricity to flow from where it is generated to where it is used.

> AESO AND TFO ROLES

The AESO operates the provincial transmission system so that all Albertans can count on safe and reliable electricity to power our homes and businesses each and every day. The AESO also carefully plans upgrades and reinforcements to the system to ensure the transmission system keeps pace with Alberta's growing demand for power and provide for future growth.

AltaLink and ATCO are the transmission facilities owners (TFOs) in the area. While the AESO is responsible for identifying that transmission system development is needed, AltaLink and ATCO are responsible for detailed siting and routing, constructing, operating and maintaining the associated transmission facilities.

TFOS IN ALBERTA

There are four major TFOs in Alberta:

ATCO Electric Ltd.

AltaLink Management Ltd.

EPCOR Utilities Inc.
(owned by The City of Edmonton)

ENMAX Power Corporation
(owned by The City of Calgary)

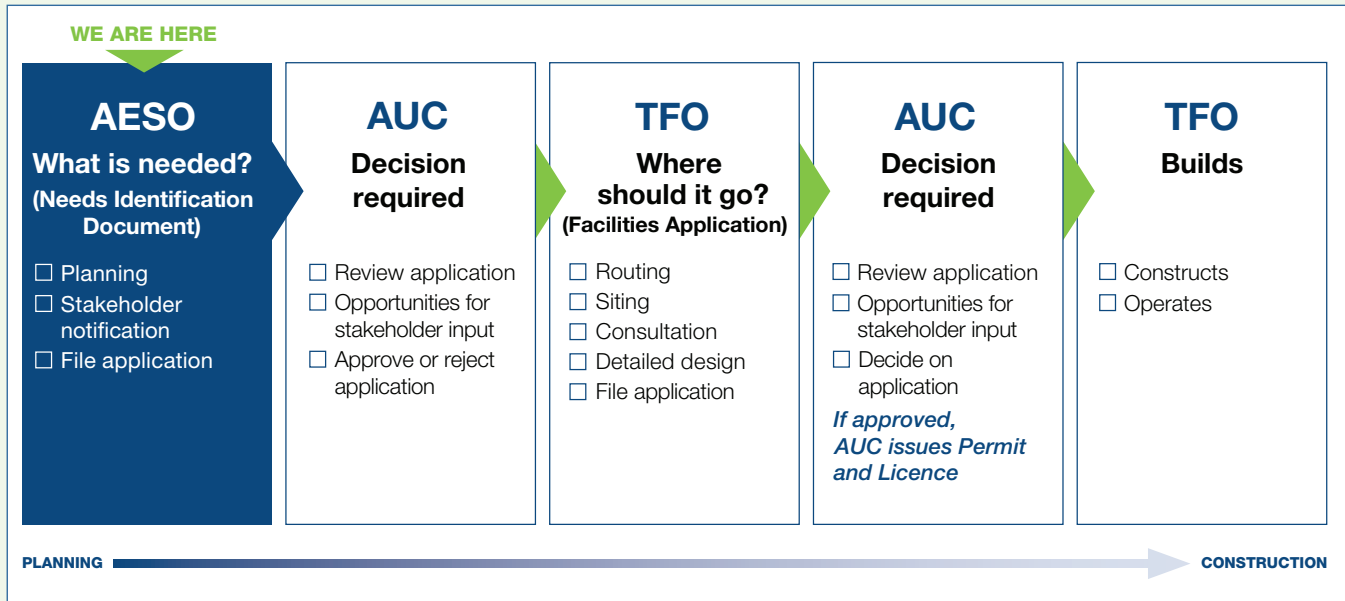
ALBERTA UTILITIES COMMISSION (AUC) ROLE

The Alberta Utilities Commission (AUC) regulates investor-owned electric and natural gas utilities. It is responsible for approving the need, transmission siting and construction, including all associated costs of construction and operation of Alberta's electricity system.



Transmission development in Alberta

IN ALBERTA, SEVERAL STEPS MUST BE COMPLETED IN ORDER TO BUILD NEW TRANSMISSION LINES AND SUBSTATIONS.



TRANSMISSION DEVELOPMENT APPROVALS: A TWO PART PROCESS

1 PART ONE: APPROVAL OF NEED

The AESO studies the transmission system to identify needed upgrades or expansions, and applies to the AUC for approval of our plans. The AUC is the regulator for transmission development in Alberta. The AESO's application to the AUC is called a Needs Identification Document, or NID. The NID outlines our specific plans to upgrade or expand the transmission system. Stakeholders have opportunities to become involved during the development of a NID application and during the AUC's review of it.

A NEEDS IDENTIFICATION DOCUMENT is a formal application that the AESO files with the AUC when transmission development is needed. It explains what transmission development is needed and why it is needed.

A FACILITIES APPLICATION is a formal application that TFOs file with the AUC. TFOs use this document to propose specific locations for new transmission lines, substations and related equipment.

2 PART TWO: APPROVAL TO BUILD

TFOs build what is in the AESO's plans. They consult with stakeholders to find locations for new transmission lines and substations and then file facilities applications with the AUC for approval. Stakeholders also have opportunities to become involved during the development of a facilities application and during the AUC's review of it.



FAST FACT

> In Alberta's electricity industry, transmission lines, substations and other related equipment used to move power are called facilities.



Planning the future of the system and its infrastructure

As Alberta grows, so does its need for electricity. We plan ahead and expand the grid, ensuring the right transmission lines are built as efficiently as possible. As the province moves away from coal-fired power plants, we're enabling investment in renewable energy. In everything we do, our eye is always on the future.



> Next Steps

We will respond to any questions or comments you may have about the need for transmission development in your area. Before the proposed transmission developments can be built, the AUC must approve the AESO's NID application. Following this, AltaLink and ATCO must apply to the AUC for approval to build the transmission facilities.

We will apply to the AUC in Winter 2016/2017. When we submit our NID application to the AUC, it will be available on our website at www.aeso.ca/PENV

> We want to hear from you

We appreciate your views, both on the need for transmission system development and our proposed transmission plans. Your comments are encouraged. If you have any questions or comments regarding our proposed transmission system development in your area, or our application regarding this need, please contact:

Laurie Hunka
AESO Stakeholder Relations

Email: stakeholder.relations@aeso.ca

Phone: 1-888-866-2959

Address: 2500, 330 – 5th Avenue SW, Calgary, Alberta T2P 0L4

To learn more about the electricity industry please visit www.aeso.ca

If you have any questions or concerns, please contact us at 1-888-866-2959 or at stakeholder.relations@aeso.ca. The AESO is committed to protecting your privacy. Your feedback, comments and/or contact information collected by the AESO will be used to respond to your inquiries and/or to provide you with further information about the project. The AESO will not use your personal information for any other purposes and will not disclose your information without consent or a legal obligation.

If you choose to communicate by email, please note, email is not a secure form of communication. Security of your communication while in transit cannot be guaranteed.

Attachment 2 - AESO Stakeholder Newsletter Posting (October 25, 2016)

Stakeholder Update: Provost to Edgerton and Nilrem to Vermilion Transmission Development – Need for Transmission System Development in the central east area

The existing transmission system in the central east area is reaching its capacity to reliably transmit electricity. New transmission development is required to maintain the reliability of electricity supply to homes, businesses and industry in the area as demand for electricity increases. Transmission reinforcement will also provide expanded options to connect renewable generation, should it develop in the area.

The AESO is proposing a 240 kV transmission development that will initially operate at a lower voltage, 138/144 kV, to reinforce the existing transmission system. As demand increases, or if renewable generation develops in the area, the development can be upgraded to a higher 240 kV voltage, with moderate additional transmission facilities. The AESO plans to file our application for the need for this development in winter 2016/17.

The AESO has posted a Stakeholder Update Newsletter for this project on its website. Please click [here](#) to view the document or visit the AESO website at www.aeso.ca and follow the path Grid > Projects > Provost to Edgerton and Nilrem to Vermilion Transmission Development.

Attachment 3 - Public Notification of Application Filing Advertisement – Final Proof
(November 28 - December 2, 2016)

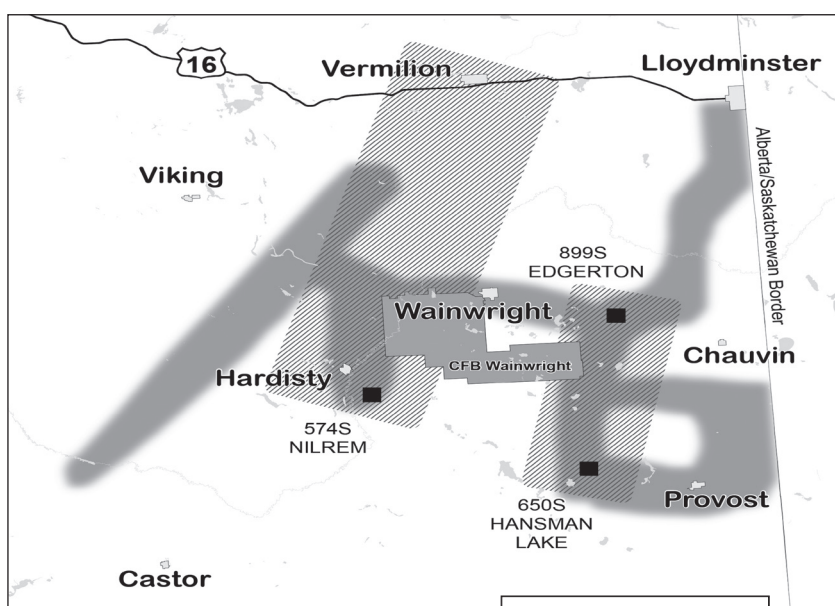
Notification of AESO Regulatory Filing Addressing the Need for Transmission Development in Central East Alberta

The Alberta Electric System Operator (AESO) advises you that it intends to file a Needs Identification Document (NID) for the approval of transmission system reinforcement in central eastern Alberta. The proposed reinforcement is comprised of a 240 kV transmission line, energized at 138 kV, from the existing Hansman Lake 650S substation to the existing Edgerton 899S substation and a new 240 kV transmission line, energized at 144 kV, from the existing Nilrem 574S substation to a new substation in the Vermilion area, to be named Drury 2007S substation.

The NID will be filed with the Alberta Utilities Commission (AUC) on or after December 16, 2016. In the same application, the AESO will also ask that the AUC approve cancellation of certain Central East Transmission Developments (CETD).

The proposed transmission reinforcement is required to maintain the reliability of electricity supply to homes, businesses and industry in central eastern Alberta, and will provide expanded options to connect generation in the area, should it develop.

Between October and November, 2016, the AESO notified stakeholders, including residents, occupants and landowners, regarding the need for the proposed transmission system reinforcement, cancellation of the CETD components, and its intention to apply to the AUC for approval of the NID. Once filed, the NID will be posted on the AESO website at <https://www.aeso.ca/grid/projects/penv>



Map legend

- Approximate area where newly proposed transmission facilities could be located
- Approximate area of CETD developments to be cancelled
- Existing substation

- *TFOs will propose specific routes
- *The AESO does not expect the TFOs to develop transmission facilities within CFB Wainwright

The shaded and cross-hatched area in the map indicates the approximate area where the AESO has reasonably determined that transmission system facilities could be installed to implement the proposed reinforcement. In separate applications called a Facilities Application, AltaLink Management Ltd. (AltaLink) and ATCO Electric Ltd. (ATCO), the transmission facilities owners (TFOs) in the area, will describe the specific routes they propose to implement the transmission system reinforcement, and request AUC approval to construct and operate the specific transmission facilities. The specific line routes and Drury 2007S substation location applied for by the TFOs may extend beyond the area shown.

For more information, please visit
www.aeso.ca
or contact the AESO at
1-888-866-2959
stakeholder.relations@aeso.ca



Attachment 4 - AESO Stakeholder Newsletter Posting (December 1, 2016)

Provost to Edgerton and Nilrem to Vermilion Transmission Development – Public Notification of Regulatory Filing

The existing transmission system in central eastern Alberta is reaching its capacity to reliably transmit electricity. New transmission development is required to maintain the reliability of electricity supply to homes, businesses and industry in the area as demand for electricity increases. Transmission reinforcement will also provide expanded options to connect renewable generation, should it develop in the area.

The AESO intends to file the Provost to Edgerton and Nilrem to Vermilion Transmission Development (PENV) Needs Identification Document (NID) application with the Alberta Utilities Commission (AUC) on or after December 16, 2016 and will be requesting that the AUC approve this NID. As part of its application to the AUC for the proposed PENV transmission development, the AESO will apply for approval to cancel certain constructed Central East Transmission Development Amendment components that are no longer needed.

The AESO has posted its public notification advertisement for its NID filing on its website for the Provost to Edgerton and Nilrem to Vermilion Transmission Development. Please [click here](#) to view the advertisement or visit the AESO website <https://www.aeso.ca/grid/projects/penv/> to see all the relevant documents including the NID application once it is filed with the AUC.

Attachment 5 - AESO Newsletter Posting Correction (December 13, 2016)

Correction - Provost to Edgerton and Nilrem to Vermilion Transmission Development – Public Notification of Regulatory Filing

The AESO newsletter article *Provost to Edgerton and Nilrem to Vermilion Transmission Development – Public Notification of Regulatory Filing* published on December 1 incorrectly stated “As part of its application to the AUC for the proposed PENV transmission development, the AESO will apply for approval to cancel certain **constructed** Central East Transmission Development Amendment components that are no longer needed.”

The article should have noted “As part of its application to the AUC for the proposed PENV transmission development, the AESO will apply for approval to cancel certain **unconstructed** Central East Transmission Development Amendment components that are no longer needed.”

Please [click here](#) to view the advertisement or visit the AESO website at <https://www.aeso.ca/grid/projects/penv/> to see all the relevant documents including the NID application once it is filed with the AUC.