



## Sheerness strip contracts offered to marketplace

**Calgary, Canada, July 31, 2002** – The Balancing Pool is commencing the next stage of its sale to the electricity marketplace of three-year power contracts related to the 2,200 MW of generating capacity it controls through Purchase Arrangements (PPAs).

PPAs are one of the mechanisms used by the Government of Alberta to introduce competition into the supply of thermal electrical power from generating units built during regulation (before 1995). A government auction of the PPAs was held in August 2000 and the Balancing Pool assumed management of unsold PPAs. In December 2000 through the first phase of the Market Achievement Plan (MAP I), the Balancing Pool sold contracts for 2001 based on the unsold PPAs.

In April 2002 the Balancing Pool initiated the second phase, or MAP II, offering three-year contracts. In the first stage recently completed, two 157-megawatt (MW) unit-specific power contracts derived from the Clover Bar PPA were sold. These contracts transfer control (offer strategy, dispatch and output) to buyers effective August 1, 2002.

The next stage of MAP II involves the sale of plant-based "strip" contracts developed from the Sheerness PPA and the sale of the remaining two Clover Bar unit contracts. The capacity of the 756-MW Sheerness coal-fired generating station is being offered through eight strip contracts:

- six for 100 MW of energy capacity; and
- two for 78 MW of capacity that can be sold as energy or ancillary services.

The Sheerness contracts will provide buyers with dispatch offer rights, with an agent or aggregator co-ordinating the offer rights, dispatch and settlement.

The sale process for these contracts begins immediately with closing bids due by mid-September and contracts expected to be effective October 1. A similar sale process will begin later this fall for strip contracts related to the PPA capacity of the 762-MW Genesee coal-fired generating station.

"Early indications are there is a strong interest in the capacity from Sheerness and Genesee from marketers, retailers and end-use consumers," said John Tapics, Balancing Pool Chief Executive Officer. "MAP II provides a means to move the capacity we hold into the hands of market participants for the medium term to enhance competition in Alberta's evolving marketplace. Consumers will benefit from increased competition."

Macquarie North America Ltd. is managing the marketing and sale process. Interested parties can contact either Bruce Roberts Commercial Manager, Balancing Pool, (403) 705-8519 or Bruce Hogg, Macquarie North America Ltd., (416) 594-5157 to obtain more information.

The Balancing Pool was established in 1999 through the Electric Utilities Act to manage the financial accounts arising from the transition to a competitive generation marketplace, and to assume ongoing responsibilities related to both the sold and unsold PPAs.