



Livingstone Landowners Group

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Mr. Greg Retzer
Vice-President, Transmission Project Delivery
AESO

2500, 330-5th Ave. SW
Calgary, Alberta
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Dear Mr. Retzer;

We are formally requesting the AESO to initiate a review of the proposed Castle Rock Ridge to Chapel Rock (CRRCR) transmission facility. The attached presentation outlines numerous reasons why AESO, as a publicly funded organization and one that has a fiduciary responsibility to all Albertans, should undertake such a review.

Major changes to electricity generation, wind power economics, Alberta's economy and environmental policies have occurred since SATR was approved and by any measure, it would be prudent and fiscally responsible to take the time to review an expenditure estimated at \$500 million to \$750 million to ensure that the interests of Albertans are being best served.

Most specifically, while the need to generate electricity from renewable sources is well understood, it is clear that new investment in wind projects will not occur in the foreseeable future in the Pincher Creek area, as foreseen in SATR, for economic and technological reasons. The major projects in the Pincher Creek area have been on hold for almost 10 years – there is little to indicate that this situation will change and there is evidence that the economics for Pincher Creek wind generation will worsen due to the “Pincher Creek discount” and advances in turbine technology. In the same period, other areas of Alberta have seen major new wind generation installed and developers are continuing to work on new, more viable projects.

A requirement of the AUC in approving SATR was that prior to any new transmission facility development, the AESO would undertake an assessment to ensure that the original planning premises still held true (Section 11.4 of the Alberta Transmission Regulation). Based on the original 2009 projected cost in SATR of \$180 million and the now estimated \$750 million that alone should warrant a review.

We sincerely believe that a review is in the best interests of all citizens and businesses in Alberta that

consume electricity, particularly in light of the Provinces difficult economic conditions. If AESO should decide not to undertake such a review, we, in good conscience must ensure that the public and our political leaders are aware that up to \$750 million is being expended on an arguably unnecessary, environmentally damaging and low priority initiative.

Respectfully,

Ted Smith
President, Livingstone Landowners Guild