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Canada



November 13, 2009

Ms. Brenda Ambrosi
Wholesale Market Services Manager
British Columbia Transmission Corporation
Suite 1100, Four Bentall Centre
Vancouver, BC
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Dear Ms. Ambrosi,

**Re: Market Operations and Development System Upgrade Project (“MOD Project”)
Customer Information Session Presentation**

Capital Power Corporation (“Capital Power”) is pleased to provide the following comments with respect to the proposals included as part of the MOD Project Customer Information Session presentation (“MOD Project Presentation”) that was discussed at the British Columbia Transmission Corporation (“BCTC”) stakeholder session on October 30, 2009.

Capital Power owns and operates several power generation facilities in British Columbia, and also utilizes the BCTC transmission system to support Capital Power’s commodity transactions between and among electricity markets in Alberta, British Columbia, and the US Pacific Northwest. As such, Capital Power is interested in and supportive of the overall objectives of the MOD Project to provide increased transparency, consistency, and efficiency with respect to transmission scheduling and reservations. Capital Power’s comments on the specific proposals included in the MOD Project Presentation are provided below.

Short Term Pre-Emption and Competition

Capital Power believes the competition process for next day delivery should commence as soon as the pre-emption or competition opportunity is identified after the initial submission of transmission service requests in the midnight bidding window. This will enable on-shift traders responsible for submitting the initial requests in support of the commercial transaction(s) underlying the requests to be involved in developing and executing appropriate strategies for the matching phase of the process.

Commencing the competition process as soon as possible in this respect would thus provide an additional benefit of the MOD Project to transmission system users in terms of enabling additional internal continuity and accountability with respect to transmission scheduling efforts. Deferring the start of the process until 6 AM (or later) would forego this potential benefit and would also not take full advantage of the additional functionality and flexibility the MOD Project will make possible.

Capital Power does not have any concerns with matches not being masked in the Matching Window, provided that the identity of the challenging party is similarly not masked during the process.

Release of Unscheduled Firm as Non-Firm

Capital Power notes the MOD Project Presentation, in describing the Current Process (page 23), states that “all unscheduled capacity is released each hour at xx:10 for the next delivery hour.” However, in describing the proposal with respect to the release of unscheduled Firm as non-Firm under the Future Process (page 24),

BCTC notes that it “has the ability to configure the time when unscheduled Firm shall be released,” with the sub-bullet stating “BCTC proposes to change the release time of the unscheduled capacity to be the top of an hour.” (*Emphasis Added in All Quotes*)

The description of the proposal as cited, and its more explicit focus on only non-scheduled Firm, could be interpreted to suggest different potential release times for unscheduled transmission for the same delivery hour, which Capital Power does not expect was the intent. Capital Power understands the proposal as being to move forward the release all unscheduled firm to the top of the hour from the current practice of xx:10, and supports the proposal on that basis.

SuperBlanket and Blanket Scheduling

Capital Power has used both the SuperBlanket and Blanket scheduling functionality and believes these are valuable mechanisms for submitting tags in a timely and efficient fashion.

The MOD Project Presentation notes certain options that might be relied upon to provide the same functionality as the SuperBlanket and Blanket functions and allow them to be phased out remain under review by NAESB. Given this, Capital Power suggests that BCTC retain the existing functionality and suspend further discussion of replacement mechanisms pending the completion of the NAESB review, at which time the merits and other considerations of the various options can be fully and thoroughly assessed.

Curtailement Process

In support of its proposal to eliminate segregation of curtailments between internal and external constraints, BCTC notes in the MOD Project Presentation that the “amount of curtailments attributed to BCTC constraints are negligible,” and “account for less than 1.0% overall for Alberta, and less than 1.0% overall for US.”

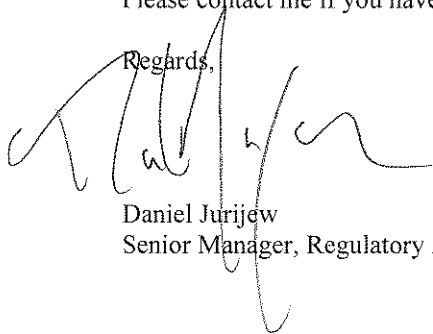
The information provided does not provide any insight on whether any past or recent patterns have existed in terms of the occurrences of internal and external curtailments, such as between on and off peak hours, or between different seasons. Capital Power accordingly requests that BCTC provide additional historical information on the nature and pattern of past curtailments in these respects to support further consideration by stakeholders of this proposal.

Additional Items

Capital Power appreciates the opportunity to provide these comments for consideration by BCTC at this stage of the MOD Project implementation, and looks forward to continuing to participate and provide feedback as the project moves forward through design, testing and implementation.

Please contact me if you have any questions or wish to discuss Capital Power’s comments further.

Regards,



Daniel Jurijew
Senior Manager, Regulatory Affairs West