

NOTICE TO PARTICIPANTS AND STAKEHOLDERS

January 18, 2017

Re: Release of reports on electricity market structure

Today the MSA is releasing two reports related to how the wholesale electricity market in Alberta may meet the challenge of transitioning away from coal towards increased renewable generation. The reports were commissioned by the MSA to assist it in understanding how the existing electricity market structure may need to evolve to accommodate a significant amount of renewables.

The first report, [*Can the Electricity Market Structure Accommodate Significant Levels of Renewable Generation? An Evaluation of Carbon Policy Options for the Alberta Electricity Sector*](#) was commissioned in 2015. Although this report was prepared prior to release of the Climate Leadership Plan and the decision to move to a capacity market, sections of the report look at how renewables can be integrated into an electricity market and remain relevant today.

The second report, [*Design Considerations for an Alberta Capacity Market*](#) looks at a more specific question of how a capacity market might be implemented in Alberta.

Both reports reflect the views of their respective authors but have been useful to the MSA in understanding possible options and we believe they may be similarly helpful to market participants.

/s/ Matt Ayres

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