

November 8, 2004

Letter to Market Participants

RE: GREEN POWER

At the request of various parties, the Market Surveillance Administrator (“MSA”) is issuing this letter to summarize its views on aspects of “green power”, *vis a vis* the *Code of Conduct Regulation* (“Code”).

For the purposes of this letter, the term “green power” describes electricity supplied from sources such as biomass, solar and wind generation. Accordingly, green power is often presented to customers as an environmentally friendly form of energy. Various trade names and trade marks are associated with green power, depending upon the retailer involved.

Usually, consumption of green power by a customer is optional, in that the customer chooses whether or not to purchase some or all of their energy needs from green power sources. The agreement between the customer and the retailer is not necessarily documented in writing – for example, it appears that some retailers will provide green power on the basis of a verbal agreement with the customer. In any event, the lack of a formal written or electronic agreement does not affect the characterization of green power from a Code perspective.

The Code is intended to help foster retail competition in Alberta’s electricity market through various means. For example, the Code stipulates that the owners of electric distribution systems and their affiliated retailers must at appropriate times make customers aware of retail choice in Alberta when they are communicating about retail electricity services (non-regulated electricity services).

The offering of green power to customers falls within the definition of “retail electricity services”, to the extent that green power is not a regulated product or service.

The presentation of green power to a customer would then constitute a communication about retail electricity services for sales or marketing purposes. As such, the Code requires that the disclosures about retail choice be made in conjunction with any presentation of green power.

This would apply, for example, to presentations made in the context of telephone communications, internet text or written material. In the view of the MSA, the disclosure requirement would also be triggered by the mention of green power on a customer's bill, where the customer had not subscribed for green power.

We expect that all parties engaging in the sales and marketing of green power to customers will conduct themselves in accordance with the foregoing.

Please do not hesitate to contact the MSA with any questions or comments in relation to these or other matters.

Yours truly,

“Original signed”

W. W. (Wayne) Silk,
Vice President, Chief Operating Officer
Market Surveillance Administrator