



October 19, 2009

Dear Market Participants and Interested Parties:

Re: Final Recommendations on Wind Power Forecasting Service Cost Recovery

The AESO would like to thank the market participants who submitted comments on the proposed wind power forecasting service cost recovery (issued on Aug 27, 2009). The AESO has reviewed and considered the comments received. [Please click here](#) for the Stakeholder Comment & AESO Response Form for details on the comments and AESO response.

After considering all stakeholder comments, the AESO has decided on the following final recommendations on wind power forecasting service cost recovery for the reasons indicated:

Final Recommendations	Reasons
1. External wind power forecasting service cost will be allocated amongst wind power facility owners as a \$/MWh charge	The AESO has considered the stakeholder comments and determines that the allocation to wind generators with a \$/MWh charge is the preferred option from an alignment with FEOC perspective.
2. The cost recovery will begin in Q4 2010 and will be levelized over Q4 2010 and the subsequent 3 years	This aligns with rate design principles.
3. An escalation factor of 10% to the \$/MWh rate will be applied	The AESO has considered the concern expressed but considers that it does not outweigh the benefits of using an escalation factor.
4. Variances from forecast costs and revenues will be reconciled on an annual basis	This aligns with rate design principles.

The AESO will develop a Wind Forecasting Service Cost Recovery Rider based on the above final recommendations, and will include the Rider in the AESO 2010 General Tariff Application (GTA).

The AESO has also decided that, as supported by all stakeholder comments received, the aggregated wind forecast data will be made available to all market participants. The AESO will provide details of the reporting format once it is determined.

Please contact me at 403.539.2497 or anita.lee@aeso.ca if you have any questions regarding these final recommendations.

Sincerely,

Original Signed By

Anita Lee, P. Eng.
Director, Wind Integration

cc: Kelly Gunsch, Vice President, Market Service, AESO