September 23, 2021

To: Market Surveillance Administrator, market participants and other interested parties ("Stakeholders")

Re: Notice of potential amendments to Section 304.9 of the ISO rules, *Wind and Solar Aggregated Generating Facility Forecasting* ("Section 304.9")

The purpose of this letter is to provide Stakeholders notice of potential amendments to Section 304.9, which applies to the legal owners of wind and solar aggregated generating facilities ("legal owners").[1] The AESO considers that this letter will be of interest to current and prospective legal owners and developers of wind aggregated generating facilities in Alberta.

Section 304.9, which came into effect on December 11, 2019, stipulates requirements for legal owners to provide various site-specific meteorological data to the AESO's third-party forecaster, which in turn produces short-term, medium-term, and long-term power output forecasts for the legal owners' facilities. These renewable power output forecasts (i) allow legal owners to access the forecast data for their respective facilities, (ii) provide market participants with complete and transparent information on forecast output from renewables over different time intervals, and (iii) provide valuable information that assists the AESO in directing the safe and reliable operation of the interconnected electric system.

Subsection 4 of Section 304.9 provides requirements pertaining to "meteorological data collection equipment" and the availability of the equipment. Specifically, subsection 4(2) requires the legal owner of a wind aggregated generating facility to ensure that the facility is equipped with two sets of instruments for each meteorological parameter in accordance with the requirements in Table 1 of Section 304.9. The two sets of instruments are required to be installed at different heights. The intention of this requirement is to achieve redundancy of meteorological data if one of the instrument sets fails.

Since Section 304.9 came into effect, the AESO has observed that renewable forecasting technologies have advanced significantly and continue to improve at a rapid pace. The AESO has also observed that renewable resource forecasting vendors worldwide are developing advanced methodologies and algorithms to provide more accurate power output forecasts with reduced dependency on site-specific meteorological data. In light of these advancements, jurisdictions across North America have started to adopt different approaches to renewable power output forecasting. In a similar vein, the AESO considers that it is appropriate to review Section 304.9 and to engage with Stakeholders regarding potential amendments to this ISO rule.

[1] The relevant applicability criteria is detailed in subsection 1(a) of Section 304.9.

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In particular, the AESO proposes to remove the requirement for redundant meteorological data collection equipment for wind aggregated generating facilities, with resultant amendments to subsection 4(2) and Table 1 in Section 304.9. The AESO has concluded that these proposed amendments will not materially impact the AESO's ability to direct the safe and reliable operation of the interconnected electric system. The AESO further recognizes that, given that sufficient meteorological data can now be obtained through a single set of instruments, removing the requirement for redundant instruments contributes to administrative efficiency and enhanced cost effectiveness.

Consistent with the ISO rule development process, the AESO will adhere to the AESO Stakeholder Engagement Framework and the regulatory process stipulated in Alberta Utilities Commission Rule 017: *Procedures and Process for Development of ISO Rules and Filing of ISO Rules with the Alberta Utilities Commission*.

Owing to the time required to complete the applicable regulatory processes, the AESO is providing the following guidance to existing and prospective legal owners of wind aggregated facilities:

- **Proposed facilities:** In light of the AESO's proposed amendments to Section 304.9, the AESO does not expect proponents of prospective wind aggregated generating facilities to design their facilities' meteorological data systems with redundant instruments.
- **Existing facilities:** Legal owners of existing wind aggregated generating facilities, currently operating with two sets of instruments for each meteorological parameter[2], may continue to provide the required meteorological data to the AESO's third party forecaster. However, the AESO does not expect legal owners to replace the redundant set of instruments if any of those redundant instruments fail.

To remain compliant with the current ISO rule requirements, market participants who elect to forego the installation or replacement of redundant instrumentation are required to submit to the AESO a request for a waiver or variance to subsection 4(2) of Section 304.9, in accordance with Section 103.14 of the ISO rules, *Waivers and Variances Rule*. Any request for a waiver or variance must be submitted in sufficient time for the request to be reviewed and, as applicable, approved prior to potential non-compliance with the ISO rule. The AESO will not backdate approvals.

The AESO is advising Stakeholders to monitor the AESO Stakeholder Newsletters as well as the Stakeholder engagement page on the AESO website for a future announcement regarding the proposed amendments to Section 304.9. In accordance with the ISO rules development process, Stakeholders will have a chance to review the proposed amendments and provide their feedback.

Yours truly,

Ata Rehman

Director, Grid Planning & Operations Engineering

[2] Pursuant to the version of Section 304.9 currently in effect.