

**Meeting: #04-04**

**Minutes of Meeting**

**Date:** November 22, 2004

**Time:** 9:00 a.m.

**Location:** Service Center  
261 Gilbert St

**Attendance:** Jessie Davies (Chair)  
Stacy Dimou  
Mark Mosher  
Blair Kennedy  
Don Jessome (by telephone)  
Arden Trenholm  
George Porter  
Eric Marr  
Bruce Chamberlain  
Brian Scott  
Ed Howard  
Kevin Roherty (NBSO Support)

**Absent:** George Gunter

**Guest:** Andrew Booker

The meeting was called to order by the Chair.

**1. Minutes of Previous Meeting**

Minutes of the meeting held October 18, 2004 were reviewed.

**On motion duly moved and seconded the minutes of the meeting of October 18, 2004 were approved as presented.**

## 2. Business Arising from Previous Minutes

### a) Proxy Procedure

Kevin Roherty reported that he presented a proxy procedure at the meeting of the NBSO Board of Directors held November 10. The Board did not approve the procedure, expressing concern about sector approval for the presence of alternates at MAC meetings, especially in respect to matters coming to a vote. The Board had asked that the matter be discussed further by the MAC.

Following discussion, it was agreed that a draft procedure would be developed and circulated to members which would provide for:

- the nomination of alternates for each member
- a mechanism to demonstrate approval of the nominee by the appropriate sector or corporation
- the granting of a proxy to such alternates.

### b) December 13<sup>th</sup> Technical Conference Update

George Porter reported that notices have been sent out to all potentially interested parties respecting the Technical Conference to review proposed changes to the Tariff. The conference is scheduled for December 13<sup>th</sup> in the afternoon and will be preceded in the morning by a regular meeting of the MAC.

### c) Final Hourly Marginal Cost

This item has been discussed at several previous meetings. The Market Rules As written call for the publishing of FHMC on a one-month delay basis, but some members feel this information should be published as soon as possible in the interests of market development.

Arden Trenholm distributed a document outlining NB Power Generation's opposition to publishing the information at all until there are multiple participants submitting balanced schedules.

**Following a lengthy discussion, it was moved by Arden Trenholm and seconded by Blair Kennedy that Market Rule 7.15.1(n) be amended such that the SO publish only the average FHMC for the Settlement Period. The motion was defeated by a margin of 8 to 2 (Chair abstained).**

During further discussion, it was noted by some members that until the market has had a chance to operate for a period of time, discussion of the impact of the current rule upon market development is only speculation. As each month goes by, additional information becomes available. The SO representative was asked to gather such information, as it becomes available.

**It was moved by Don Jessome and seconded by Ed Howard that the FHMC issue be revisited by MAC at the first meeting after March 1, 2005. Motion carried by a margin of 6 to 3 (Chair abstained).**

d) Timing Rules

George Porter distributed a document containing information as to the timing of the availability of hourly, point-to-point service in adjacent markets and recommending that this timing in the New Brunswick market be moved from the current 12 noon of the previous business day to 9:00 am Atlantic Time of the previous business day.

**On motion duly moved and seconded, the Committee approved the recommendation as presented.**

e) Additional Tariff Revision

George Porter led a discussion of additional proposed substantive Tariff revisions, being items 7, 8, 14, 16, & 18 in the package distributed earlier to members. With respect to:

- i) Item #7 – a proposal to remove formulated cumulative limits from Schedule 4 - Energy Imbalance - no issues noted.
- ii) Item #8 – a proposal to provide automatic sharing of variances of intermittent generators, concern was expressed in respect to wind generators and their ability to forecast, as well as a potential advantage the proposal might give to generation outside New Brunswick. It was also suggested that interested parties be required to sign up for this service for a minimum period of one month. G. Porter to review final wording in light of these comments.
- iii) Item #14 – a proposal to increase credit support requirements from one month to two months – no issues noted.
- iv) Item #16 – a proposal respecting intra-hour behavior – no issues noted.
- v) Item #18 – a proposal to remove the Standards of Conduct from

Attachment “L” – no issues noted.

**On motion duly moved and seconded, the Committee approved the above described proposed revisions to the Tariff in substantially the form presented.**

Following discussion of these new proposed revisions, the previously approved proposal respecting a self-generator rate (Item #9) was revisited for clarification. Following discussion, no change in the approved proposal is required.

f) Initial Terms of Office for MAC Members

In accordance with NBSO By-law #1 and the Market Rules, a random draw was held to determine the initial terms of office for current MAC members. The draw results are as follows:

Two Year Term Members: Eric Marr  
Bruce Chamberlain  
Arden Trenholm  
Mark Mosher  
Don Jessome

Three Year Term Members: Jessie Davies  
Stacy Dimou  
Brian Scott  
Blair Kennedy  
Ed Howard  
George Gunter

3. Other Business

a) Selection of a Vice-Chair

NBSO By-law #1 and the Market Rules require the Committee to appoint a Vice-Chair. The Chair called for nominations. Ed Howard nominated Stacy Dimou. There being no further nominations, the Committee unanimously appointed Stacy Dimou as Vice-Chair.

b) Further Proposed Revisions to the Tariff

George Porter distributed a document outlining non-substantive changes to the Tariff which would be included in the tariff revisions proposed to be submitted to the PUB. These are largely wording changes necessary to reflect NB Power's change from a fully integrated company to a holding corporation with subsidiaries, as well as the existence of the NBSO as a separate independent corporation. No issues were noted by committee members with respect to these proposed changes.

c) P/Q Pairs

Arden Trenholm raised an issue in respect to the fact P/Q pairs must be submitted the day ahead and there is no opportunity to change them within the day. This is a problem for hydro units when a contingency occurs. Under the current system, there is a danger that head pond levels could be taken too low in the event of a contingency.

Following a lengthy discussion, it was agreed that the SO rep would co-ordinate further discussion of this matter to explore potential solutions.

d) Intended Resignation

Mark Mosher advised the meeting that due to new responsibilities he has undertaken with his employer, he will not have sufficient time to continue as a member of the MAC. He will shortly submit his resignation to the Chair. A replacement to represent the affected sector (Industrial Loads with self generating ability) will be sought in accordance with the procedure set out in the Market Rules.

**4. Date of the Next Meeting**

The next meeting is scheduled for Monday, December 13, 2004 at the Delta Hotel, Woodstock Road, Fredericton, commencing at 9:00 a.m.. The meeting will precede the Technical Conference scheduled for the afternoon at the same location.

Meeting Adjourned

Respectfully Submitted,

**(Original Signed By)**

**(Original Signed By)**

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Jessie L. Davies  
Chairperson

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Kevin C. Roherty  
Secretary and General Counsel