

**Meeting: #05-04**

**Minutes of Meeting**

**Date:** Monday August 15, 2005

**Time:** 10:00 am

**Location:** St. Andrews, New Brunswick

**Attendance:** Jessie Davies (Chair)  
Stacy Dimou (Vice-Chair)  
Ron Beaulieu  
Dr. Lucien Chang  
Eric Marr  
Ed Howard  
Andrew Booker  
Ron LeBlanc  
Blair Kennedy  
Arden Trenholm  
Don Jessome  
George Porter  
Kevin Roherty (NBSO Support)

**Absent:** Brian Scott, George Gunter

**1. Welcome of Dr. Chang**

The Chair welcomed Dr. Lucien Chang to the meeting. Dr. Chang is attending his first meeting as the alternate member representing non-eligible customers.

**2. Minutes of Previous Meeting**

The minutes of the meeting of June 20, 2005 were reviewed. It was noted that the first sentence of the second paragraph in Item #4 should read “Arden Trenholm noted that losses could be purchased via a bilateral contract”.

**On motion duly moved and seconded, the minutes of the meeting of June 20, 2005 were approved as amended.**

**3. Business Arising from Previous Minutes**

a) Energy Imbalance

Kevin Roherty reported that he had written a letter to the PUB advising of the NBSO's intention to file an application respecting the energy imbalance issue, and requesting the Board's approval of a process which would amount to a "paper" hearing. Kevin circulated a copy of the Board's reply indicating the Board's approval of such a process.

b) Proposed Amendments to Market Rules

Kevin Roherty reported that no responses have been received subsequent to the publication of the proposed amendments on the NBSO website. This being the case, the next step is for the MAC to issue a report to the NBSO Board of Directors recommending that the NBSO Board proceed with the adoption and implementation of the amendments.

**On motion duly moved and seconded, the Market Advisory Committee approved a recommendation that the NBSO Board of Directors adopt and implement the proposed amendments to the Market Rules as published on the NBSO website on July 6, 2005.**

c) Weekend Schedule

George Porter reported that the matter of weekend schedules had been further discussed between the NBSO and Generation Marketing. Implementing such a schedule at the NBSO would require a 40% increase in the affected staff group and the NBSO has no plans to make such an increase at this time.

Further discussion took place respecting alternatives such as an on-call system and the impact of the establishment of a 24-hour desk by Genco. In the meantime, this item will be taken off the agenda, subject to its return at a future date.

d) Audits

George Porter advised the Committee that, based on meetings with NBSO auditors and the PUB, a market rule change may be proposed to provide additional time to complete the audits required by the rules.

e) Treatment of Losses in New Brunswick

Don Jessome reiterated his position that the opportunity should exist to purchase losses in New Brunswick @ FHMC. No further action required respecting this item at this time.

f) Dispatch Instruction

George Porter reported that the NBSO is willing to explore ways to make this requirement work better or be more easily administered. NBSO is looking at its systems to see what can be done, but the NBSO is not comfortable with exempting some generators from this requirement.

It was agreed to leave this item on the agenda for further discussion.

**4. New Business**

a) Exit Fees

Ed Howard raised the issue of exit fees, indicating that the lack of clarity as to how they would be calculated is detrimental to the development of a competitive market in New Brunswick.

There was agreement among the committee members that a letter from the MAC to the PUB requesting that the PUB clarify this issue should be drafted, circulated among the members, and reviewed at the next meeting.

b) Net Wind Production

Ed Howard raised a concern that the Tariff and Market Rules deal only with wind generation in New Brunswick specifically with respect to the policy of permitting automatic tradeoffs of hourly imbalances. There are concerns in other parts of the Maritimes Area that “net” wind should be addressed on a regional, rather than provincial basis.

George Porter noted that although the Tariff deals with New Brunswick, agreements with the NMISA and others could be developed to deal with this issue. George to review the matter to determine what can be done within the current Tariff. George Porter later indicated that he had checked the tariff wording and that the wording did not explicitly restrict the use of this policy on a regional basis rather than a provincial basis.

c) Firm Energy/External Capacity

Ed Howard noted that Market Rule 6.4.2 covers the situation where external capacity serves load in New Brunswick. There is no provision, however, to cover a situation respecting the use of default generation from NB Genco to assist

external generation serving external load. A lengthy discussion took place on this topic, including the matter of what qualifies as “cold condition” and related notification periods under the Market Rules.

George Porter to review the matter and report back to the MAC via email within 48 hours as to what immediate market rule changes would be required, if any.

## **5. Reliability Coordinator Agreements**

Kevin Roherty noted that the near final drafts of agreements between the NBSO, and NSPI, MECL and NMISA respecting NBSO’s role as Reliability Coordinator for the Maritimes Area had been circulated to the Committee for information purposes. The NBSO intends to finalize and sign these agreements very shortly.

## **6. Standing Agenda Items**

### **a) Market Monitoring**

The Chair led a discussion as to the role the Committee should play in market monitoring and the development of a competitive market. Issues such as exit fees, certainty of supply in the future, and barriers to the development of a competitive market were discussed. It was noted by Kevin that similar issues were being discussed by the NBSO Board and senior staff as that group works on developing a Strategic Plan.

It was suggested that the MAC and the NBSO Board of Directors should hold a joint session to identify areas of mutual concern and interest. Kevin Roherty to follow up.

### **b) Energy Limited Resources**

George Porter advised that there was nothing new to report on this item.

### **c) FHMC**

George Porter advised that there was nothing new to report on this item, but that it should be recognized as one area which could be serving as a barrier to market development. Perhaps there is value in publishing prices within bands. Don Jessome reiterated his position that pricing must be published on a timely, i.e. hourly, basis to be of any value.

**7. Date of Next Meeting**

The next meeting is scheduled for Monday, September 19, 2005, at 10:00 a.m., at NBSO headquarters.

Meeting Adjourned

Respectfully Submitted,

**(Original Signed By)**

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Jessie L. Davies  
Chairperson

**(Original Signed By)**

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Kevin C. Roherty  
Secretary and General Counsel