

Meeting: #05-05

Minutes of Meeting

Date: Tuesday, September 27, 2005

Time: 9:30 a.m.

Location: Fredericton, New Brunswick

Attendance: Jessie Davies (Chair)
Ed Howard
Blair Kennedy
Arden Trenholm
Don Jessome
George Porter
Brian Scott
Richard Burpee, Saint John Energy (Guest)

Absent: Stacy Dimou (Vice-Chair)
Ron Beaulieu
Dr. Lucien Chang
Eric Marr
Andrew Booker
Ron LeBlanc
Kevin Roherty (NBSO Support)

1. Minutes of Previous Meeting

The minutes of the meeting of August 15, 2005 were reviewed.

On motion duly moved and seconded, the minutes of the meeting of August 15, 2005 were approved as drafted.

2. Business Arising from Previous Minutes

a) Energy Imbalance

George Porter reported that an application is to be submitted to the PUB within a week requesting the Board's approval to revise the tariff to settle imbalances at FHMC.

b) Proposed Amendments to Market Rules

(i) Monthly Scheduling

George Porter reported that the rule change pertaining to the ability to submit energy schedules 45 days in advance is to be implemented November 1, 2005. George Porter is to investigate whether or not a daily schedule can be readily copied over to additional daily schedules.

(ii) Audits

George Porter reviewed a proposed market rule change that would provide additional time to complete the review/audits required by the rules and allow NBSO discretion as to whether reviews and/or audits are performed. One party expressed concern about allowing the NBSO Board discretion over the choice of review or audit. Two parties expressed a preference to permit this discretion in order to allow a proper balance between cost and level of assurance.

Don Jessome requested confirmation that the timing of the reviews or audits had no bearing on the right of any party to request a review/audit of its own statements/bills. George Porter confirmed and is to provide the specific Market Rule wording to the committee.

It was also agreed that the review/audit plan would be vetted by the MAC at least annually.

c) Dispatch Instructions

This topic was deferred to the next meeting due to the unavailability of Ross Stairs of NBSO and the absence of MAC representatives of the impacted stakeholders.

d) Letter to PUB re: Exit Fees

After extensive discussion, the committee reiterated the importance of certainty of costs (including exit fees) for any customer to consider leaving standard service. It was also noted that the current uncertainty with respect to exit fees is not the only barrier to customers leaving standard service. The committee agreed to review, finalize and submit a redraft of the letter to the PUB prior to the next meeting.

e) Net Wind Production

George Porter noted that the wording does not rule out participation by generators outside of NB, and the intent is that it apply only within the Balancing Area (NB, PEI, NMe.)

Ed Howard proposed that wind generators should be paid for all of their output at the FHMC and not be required to schedule their output. Further discussion is required

George Porter noted that the wind study performed for the APEWG (Atlantic Provinces Electricity Working Group) is posted on the NBSO website, and NBSO offered to present the findings at a future MAC meeting.

f) Firm Energy/External Capacity

It was agreed that the e-mail from George Porter had clarified the options that exist within the rules and that no rule change is required.

3. Meeting with NBSO Board and Others

Several topics were added to the list that had been distributed by Kevin Roherty. Individuals were identified as responsible to introduce each topic to initiate discussion at the meeting with the NBSO Board and others in the afternoon.

The list is as follows:

Barriers to Market Growth/Potential Solutions:

- a) Exit Fees
- b) Timing of FHMC Publication
- c) Energy Imbalance Penalties
- d) Lack of Competitive Alternatives to Standard Service
- e) Utility Involvement in the Market

Other Topics:

- a) Ancillary Services Market
- b) Wind & Other Sources of Green Energy
- c) Demand Side Management
- d) Security of Supply & Price in the Future
- e) Methodology of Utilization of Network Service
- f) NBSO Systems/Software
- g) Impact on Adjacent Markets
- h) RTO's

4. Standing Agenda Items

a) Energy Limited Resources

George Porter noted that since the implementation of the urgent amendment to the market rules, there have been two “reportable events” thereby triggering an opportunity for revisions to dispatch data (all Q’s in Price-Quantity pairs) for energy limited resources. This opportunity was not utilized in either case.

b) FHMC

Several committee members reiterated their positions on this matter.

5. New Business

The issue of treating Saturdays and Sundays as Business Days with respect to revision of Dispatch Data was returned to the agenda by Kirby O’Donnell. Kirby noted that he would be willing to pay extra for the provision of this service.

George Porter agreed to provide an estimate of the NBSO’s price for providing such a service based on the principle of not burdening other customers with new costs associated with a service that they have not requested.

6. Date of Next Meeting

The next meeting is scheduled for Monday, October 17, 2005, at NBSO headquarters.

Meeting Adjourned

Respectfully Submitted,

(Original Signed By)

Jessie L. Davies
Chairperson

(Original Signed By)

Kevin C. Roherty
Secretary and General Counsel