

Meeting: #05-06

Minutes of Meeting

Date: October 17, 2005
Time: 10:00 am
Location: Energy Control Center

Attendance: Jessie Davies (*Chair*)
Andrew Booker
Eric Marr
Arden Trenholm
Blair Kennedy
Stacy Dimou
George Porter
Don Jessome (*via telephone*)
Andrew Secord (*for George Gunter*)
Ed Howard
Kevin Roherty

Absent: Brian Scott
Ron Beaulieu

Guest: Ross Stairs

1. Resignation of George Gunter

The Chair advised at the meeting that George Gunter had submitted his resignation as the representative of environmental interests on the Market Advisory Committee, due to health reasons. George's resignation was accepted with regret. The Chair will contact the Minister regarding the appointment of a replacement.

2. Minutes of Previous Meeting

The minutes of the meeting of September 27 were reviewed.

On motion duly moved and seconded, the minutes of the meeting of September 27, 2005 were approved as presented.

3. Business Arising from Previous Minutes

a) Energy Imbalance Application Update

Kevin advised at the meeting that the NBSO had filed its application respecting changes to energy imbalance with the PUB on October 6. It was suggested that the MAC should submit a letter to the PUB in support of the application and that representatives from the various sectors should consider filing interventions in favour as well.

On motion duly moved and seconded, the Committee unanimously approved the sending of a letter under the Chair's signature indicating the Committee's unanimous support for the Application.

b) Exit Fee Letter Update

George Porter led a discussion of the most recent draft of a letter from the Committee to the PUB regarding exit fees. A number of changes were discussed and agreed upon.

On motion duly moved and seconded, the Committee unanimously approved the sending of the letter, as amended, respecting exit fees to the PUB under the Chair's signature.

c) Proposed Amendments to Market Rules

Kevin reported that the required notice respecting the implementation of the Market Rule amendments, originally published on July 6, 2005, had been posted on the NBSO website on September 29. These amendments take effect on November 1, 2005.

A review of proposed amendments respecting audits/reviews of NBSO systems was deferred to later in the agenda when the NBSO Controller would be joining the meeting.

d) Dispatch Instructions

George Porter and Ross Stairs led a discussion about the issue. Ross provided additional background and highlighted potential local and zonal issues which could arise if dispatch instructions are not formally acknowledged.

Following a lengthy discussion, no agreement was reached to change the existing requirements under the Market Rules. The NBSO will continue to work with concerned parties to improve the administration of the process where practical to do so. For example, a dispatch instruction acknowledgement screen for multiple Generation Facilities will be developed.

e) Dispatch Data Service on Weekends

George Porter led this discussion noting that determining additional costs to the SO of staffing on the weekends would require a clearer definition as to the level of service required. Arden Trenholm indicated that Genco, after submitting schedules and dispatch data on Friday for Saturday, Sunday and Monday holidays, would like to be able to change the next day schedule and dispatch data by 11:00 a.m. on the previous day.

George and Ross noted that going further and allowing changes to dispatch data within the day would encourage additional entrants into the market. George will develop this concept further and bring it to the next meeting.

George also noted that the Committee should consider a rule change which would allow loads to bid in on redispatch. This matter will also come forward at the next meeting.

Stacy Dimou left the meeting at this point.

4. Wind Integration Study

Scott Brown, a planning engineer for the NBSO, joined the meeting and made a presentation respecting the Maritime Wind Integration Study which had been carried out on behalf of the Atlantic Energy Ministers' Working Group.

George Porter reported that Bob Younkens of Maritime Electric had proposed a model to deal with wind generation on a regional basis. George distributed a summary of the model for information and discussion at a future meeting.

Following a discussion of other models for dealing with variances, Ed Howard agreed to obtain and circulate the methodologies used by NYISO and others.

5. Review of Meeting of September 27

Kevin asked for feedback respecting the September 27th meeting involving the MAC, members of the NBSO Board of Directors, NBSO staff, and interested parties. All agreed the meetings are a good idea and should continue. The Chair suggested that a structure for follow-up of issues raised at such meetings be established.

6. Status of Audit Plan/Proposed Market Rule Change

NBSO Controller, Lynne West, joined the meeting at this point. Lynne advised the meeting that the NBSO has retained Ernst & Young as its internal auditor and Price Waterhouse Coopers as its external auditor. Audit plans with each are being developed.

Lynn and George Porter reviewed proposed amendments to the Market Rules respecting the requirements for reviews and audits under Chapters 6 & 7 of the rules. It was explained that the current wording requires a “review and audit within one year of Systems Implementation Date and thereafter no less than every three years”. As it is impossible to meet the one-year requirement and many of the relevant systems are not and will not be sufficiently mature to warrant an audit for a period of time, the proposed amendment would create a five-year cycle of “review or audit” of the various systems.

Some committee members expressed concern that “review and audit” was being changed to “review or audit”, since a review is a less stringent standard than an audit. In response, NBSO representatives noted that an annual audit plan would be developed and brought to the MAC for review and comment. A lengthy discussion followed.

On motion duly moved and seconded, the Committee approved the proposed amendment by a vote of 6 to 1*.

It was agreed that an audit plan would be presented at the next meeting.

**NOTE: Dr. Andrew Secord, as alternate for George Gunter, voted against the motion as well. The Secretary has determined, however, that because the proxy procedure was not followed, Andrew was not eligible to vote).*

7. Standing Agenda Items

a) NBSO Current Activity

George Porter reported that the NBSO would shortly be filing with the PUB additional information on the proposed policy for a mechanism to limit the self-supply of capacity-based ancillary services in Compliance with the PUB’s April 26, 2005 Decision.

b) Energy Limited Resources

George Porter reported that although there have been two occurrences of reportable events (i.e. loss of supply of over 300 MW) since the Urgent Amendment Market Rule was implemented, revisions to dispatch data for Energy Limited Resources were not requested.

c) FHMC

George reported that the possibility of posting FHMC on a day-after basis is being reviewed.

8. Other Business

a) Standards of Conduct

Ed Howard inquired about the filing of Standards of Conduct with the PUB. Kevin to follow-up.

b) Reserve Sharing

Ross Stairs updated the meeting as to changes in reserve-sharing arrangements with Nova Scotia Power Inc. contained in the new Interconnection Agreement between NBSO and NSPI. Ross also advised that an additional 50 MW of shared reserve is scheduled to become available through NPCC on December 1, 2005.

9. Date of Next Meeting

The next meeting is scheduled for Monday, December 5, 2005, at the Energy Control Center, commencing at 10:00 a.m.

Meeting Adjourned

Respectfully Submitted,

(Original Signed By)

Jessie L. Davies
Chairperson

(Original Signed By)

Kevin C. Roherty
Secretary and General Counsel