

**Meeting: #05-07**

**Minutes of Meeting**

**Date:** December 5, 2005

**Time:** 10:00 am

**Location:** Energy Control Center

**Attendance:** Jessie Davies (*Chair*)  
Don Jessome  
Ed Howard  
Blair Kennedy  
Arden Trenholm  
Andrew Booker  
Brian Scott  
George Porter  
Ron LeBlanc (*Alternate*)  
Andrew Secord (*Alternate*)  
Kevin Roherty

**Absent:** Eric Marr  
Stacy Dimou  
Ron Beaulieu

1. Minutes of Previous Meeting

The minutes of the meeting of October 17, 2005 were reviewed.

**On motion duly moved and seconded, the minutes of the meeting of October 17, 2005 were approved as submitted.**

2. Business Arising from Previous Minutes

a) New Committee Member

The Chair reported that the Minister of Energy has nominated Dr. Andrew Secord to complete George Gunter's 3-year term replacing George Gunter as the MAC representative for environmental interests.

**On motion duly moved and seconded, the Committee unanimously approved a recommendation to the NBSO Board of Directors for the appointment of Dr. Andrew Secord to fulfill the remainder of the 3-year term of Mr. George Gunter as the representative on the Committee for environmental interests.**

b) Energy Imbalance Application Update

Kevin Roherty updated the Committee as to the status of the NBSO's application. No interventions opposing the application have been filed. It is expected that the review of the application by the Public Utilities Board will take the form of a written, rather than oral, procedure.

c) Exit Fee Letter Update

Kevin Roherty advised the Committee that the Committee's letter had been submitted to the Public Utilities Board the previous week. A response is awaited.

d) Dispatch Instructions

George Porter reported that discussions continue with Generation as to ways to improve the administration of the process for acknowledging dispatch instructions.

e) Dispatch Data Service on Weekends

George Porter advised that the proposed Market Rule change regarding intra-day changes to Dispatch Data may assist in the resolution of this matter. NBP Genco will take this suggestion into consideration.

f) Wind Generation

As agreed at the previous meeting, Ed Howard distributed a document providing information as to how NYISO handles wind variances. It was noted that the New York market is an hourly market, unlike the market in New Brunswick. A general discussion followed as to the feasibility of adopting the NYISO model in New Brunswick. Among the suggestions made was that the NBSO take over forecasting. Such a plan would need to be balanced, however, against removing any onus for accuracy from wind generators. More discussion is required.

George Porter brought forward a proposal to have a graduate student develop a model for day-ahead and hour-ahead forecasting of wind production. This would provide a better idea as to how wind generation might best be integrated into the market. It was also agreed that there is a need to expedite the 2<sup>nd</sup> phase of the Maritime Wind Integration Study.

Following further discussion, it was agreed that George Porter would prepare a scoping document containing the guiding principles against which two studies would be carried out respecting the integration of wind energy in the Maritime region. The two studies would deal with i) wind forecasting, and ii) impact on the

transmission system. Committee members are to submit to George Porter questions which should be addressed in the studies.

It was noted as well that there are significant policy issues related to this topic. The Chair agreed to try and have someone from Government attend a future meeting to address policy issues.

George Porter also undertook to review how wind integration with New England and Quebec could be dealt with.

g) Market Rule Change re: Audits and Reviews

Kevin Roherty reported that the Proposed Market Rule change related to Audits and Reviews, which had been approved by the Committee at its previous meeting, would be brought to the December meeting of the NBSO Board for approval.

h) Standards of Conduct

Kevin Roherty reported that Standards of Conduct for the NBSO and WPS Generation Canada Inc. would shortly be submitted to the Public Utilities Board, in compliance with the Board's earlier directive.

3. Appointment of Alternate for Eric Marr

The Chair reported that Eric Marr had submitted Mr. Dan Dionne's name to replace Mr. Tony Furness as his alternate as the Committee member representing "other distributors". Eric's nomination document indicates that Mr. Dionne is the Chief Administration Officer for the Village of Perth Andover and that his nomination has the support of three parties which constitute this sector.

**On motion duly moved and seconded, the Committee approved the appointment of Mr. Dan Dionne as the alternate for Mr. Eric Marr on the Market Advisory Committee.**

4. Proposed Market Rule Changes

George Porter led a discussion of three proposed amendments to the Market Rules.

i) Intra Day Changes to Dispatch Data

Mr. Porter explained that this proposed change is intended to provide Market Participants with additional flexibility to revise Dispatch Data within the day. Discussion resulted in a change to the proposed wording for the sake of clarity.

**On motion duly moved and seconded, the MAC unanimously agreed to recommend the proposal be accepted by the NBSO Board based on the following revised wording for Market Rule 6.10.5B.**

*“A Market Participant for a Generation Facility may at any time submit to the SO revisions to its Dispatch Data for hours commencing more than 2 hours after the submission of such revisions. Such changes shall be restricted to changes in  $P(1)$  to  $P(n_{max})$  and  $Q(1)$  to  $Q(n_{max})$ . The SO shall approve such requests unless the SO determines that such a change would threaten the Reliability of the SO controlled grid.”*

1. Demand Side Bidding

Mr. Porter led a review of this proposal which is intended to allow for demand side bids for energy redispatch.

Following discussion, the Committee indicated its support for this proposal in principle, but deferred a final recommendation to its next meeting pending receipt of additional information from Mr. Porter.

2. Next Day FHMC Posting

Mr. Porter reviewed this proposal, which would result in the posting of FHMC values, within a bandwidth, for each business day by 10:00 a.m. on the next business day.

Mr. Porter noted that the posting of FHMC in a more timely manner has been the topic of much discussion by the Committee. This proposal amounts to a compromise in that, rather than publishing actual FHMC values, this proposal would see each business days' hourly values, within a \$10/MW bandwidth, posted on the next business day.

Following further discussion, a vote was called. The result was a 3-3 tie with one abstention. The Chair then cast a vote in favor of the motion. Thus:

**On motion duly moved and seconded, the MAC by a vote of 4 to 3 approved the proposed rule change, as drafted.**

5. Use of Network Service for External Loads

Ed Howard led a discussion of this topic, noting that he has discussed it with the NBSO. Ed indicated that the issue for WPS is that they must use NCP for the full load external to New Brunswick, i.e., they cannot net off at the interface. This is not an attempt to avoid ancillary service charges, but rather a request to use Network Service for transmission services, rather than incurring higher costs under Point-to-Point provisions. Ed explained that it was his understanding that Industrial customers in New Brunswick have this flexibility. George Porter indicated that this is only true in the case of on-site generation. Mr. Porter suggested that the long-term solution is to have one integrated rate, but there are no grounds presently for making any change.

6. Changes in Reserve Levels

Ed Howard requested an explanation as to why WPS had received different numbers in the last 3 months and how this relates to the recent agreement signed between NBSO and Nova Scotia Power Inc.

George Porter explained that the sharing formula hasn't changed between NB, northern Maine and PEI, but that NSPI's contribution has changed under the new agreement. Additionally, the overall requirement for the Maritimes Area will be changing under new arrangements within NPCC for shared reserve.

7. Standing Agenda Items

a) Current NBSO Activities

Kevin Roherty distributed copies of the PUB's decision respecting the complaint by WPS as to the distribution of the penalty portion of energy imbalance charges. The decision requires the NBSO to submit a proposal for the distribution of funds related to the period October 1, 2004 to May 1, 2005, by January 6.

b) FHMC

Should the proposed Market Rule change respecting FHMC be implemented, this topic will no longer be included as a standing agenda item.

c) Energy Limited Resources

Nothing new to report.

d) Audit Plan

George Porter reported that the NBSO is awaiting a proposal from its auditors as to an overall "assurance" plan. The plan will be submitted to the Committee at a future meeting.

8. Other Business

a) Upcoming Proposal for Market Rule Change

George Porter advised the Committee that a proposal would be coming to a future meeting regarding Generation Resource Adequacy. There is a need to reflect diversity within the Maritimes and take into account contributions from Quebec and New England in the calculation of the total NB Market requirement for generation capacity for a given Capability Period.

9. Date of Next Meeting

The next meeting is scheduled for Monday, January 30, 2006, at 10:00 a.m., at the Energy Control Center.

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