

Meeting: #08 -02

Minutes of Meeting

Date: Feb 20,2008

Time: 10:00 am

Location: Conference Call

Attendance: In person @ NBSO Conference Room

George Porter

Blair Kennedy

Norm Seely (Recording Secretary)

Guests :

Ross Stairs

Kevin Roherty

On the phone :

Dan Dionne

Ed Howard

Rick McGivney

Ron Leblanc

Brian Scott

Andrew Booker

Stacy Dimou

Special Meeting of the MAC to Discuss the Proposed Amendements to the Market Rules

- 1. The Chair called the meeting to order and asked the MAC to begin the discussion around Items #1,2,3 and 5 of the Proposed Amendments so that they may be forwarded to the NBSO Board as recommended changes and that #4 (Scheduling Deadlines) and #6 (Monthly Procurement of CBAS) require further discussion.**

On a Motion duly moved and seconded, the MAC approves items 1,2,3 and 5 of the Proposed Amendments to the Market Rules as presented.

Item # 4 Scheduling Deadlines

Rick McGivney expressed concern about proposed changes of scheduling deadlines which would align NBSO's deadline with New England's current deadline of t-60 as the current scheduling deadline works well at-t-30. Ross Stairs indicated that the schedules submitted to New England ISO must be submitted at 60 minutes before the next hour and that the Automated Checkout is not functioning properly when New England and NBSO run the program looking for NB schedules at t-60 if the Market Participant has not yet submitted the schedule to NBSO.

The group discussed the possibility of a timeframe of t-45 minutes for schedules, however it was determined that this would not work with the current within- the- day transactions. It was verified that the current Tariff states that schedules submitted after 11:00am of the previous Business Day will be accommodated if *practicable*, and that no changes to scheduling will be permitted after 30 minutes prior to the Dispatch Hour.

NBSO Operations is looking ahead to see if it is possible for intra-hour changes to be accommodated using the Facilitated Checkout software with ISO-NE. This would allow for dispatchable transaction changes and accommodate changes in wind transactions.

Several MAC members indicated that this was the first time schedule checkout details and scenarios were discussed as a group and that having this item on the next MAC meeting agenda to discuss in person would allow time for a summary of how the checkout process works to be prepared for the next meeting. It was the view of the MAC that discussion around this proposed change would be deferred to the next meeting.

#6 Monthly vs. Hourly Procurement of Capacity Based Ancillary Services

The chair asked Ed Howard, the representative for the Marketer class, to brief the MAC on his concerns relative to this proposed change. He expressed a strong desire to not have this proposal considered by the MAC at this time but to have it addressed by a larger group comprised of the attendees of the last NBSO Surplus Allocation Technical Conference. The NBSO will be holding another Technical Conference later this spring (May 22).

In the current scenario, hourly payment can lead to over collection or under collection of funds depending on circumstances related to procurement costs above or below the nominal value. Ed Howard stated that the method by which the elimination of the surplus can be accomplished *is* the issue, not how the surplus funds are divided up. He indicated that the *perception* of over collection should be addressed as well. The MAC acknowledged that if more than one supplier is available, this rule may have no effect, and that the outcome of the technical conference could lead to further revisions to the rule. Mr. Howard indicated that the interim method proposed to calculate Monthly is not something that Integrys Inc will support.

It was the view of the MAC that a strawman model on a comprehensive plan to address the CBAS surplus be prepared by NBSO by the end of March for distribution and discussion to the MAC and later to the Participants.

At the conclusion of these discussions, the Chair called for a vote on the matter pertaining to the MAC recommending the proposal to the NBSO Board prior to a Technical Conference.

On a Motion duly moved and seconded, the MAC approves the proposal as submitted, with seven in favour (Andrew Booker, Blair Kennedy, Dan Dionne, Rick McGivney, Ron Beaulieu, Brian Scott, Stacy Dimou) , one opposed (Ed Howard), and one abstention (George Porter).

A discussion on the agenda of the technical conference to be held in May will include, the proposed rule becoming null and void, the implications of a new supplier (multiple suppliers) of Ancillary Services and the magnitude of the surplus going forward.

Kevin Roherty confirmed that the Board can address the MAC report at the Feb. 29, 2008 meeting. The Report is published for 30 days to allow for comment back to Kevin. The Report will be published on the NBSO web site as soon as possible following this meeting.

Date of Next Meeting

March 10, 2008

Meeting Adjourned

Respectfully Submitted,

(Original Signed By)

(Original Signed By)

Blair Kennedy
Chairperson

Norm Seely
Recording Secretary