

**Meeting: #08 - 04
Minutes of Meeting**

Date: June 23, 2008

Time: 10:00

Location: NBSO Conference Room B

Attendance: Blair Kennedy (Chair)
Rick McGivney
Stephen Fairweather
Ed Howard
Andrew Booker
Ron Beaulieu
Rob Apold
Stephen Russell
Brian Scott
George Porter
Norm Seely (Recording Secretary)

Guests: Alden Briggs, NBSO
Randy Macdonald, NBSO
Calvin Duncan, NBSO
Rob Murray, NBSO

1. Minutes of Previous Meeting

On a motion duly moved and seconded, the minutes of the March 27, 2008 meeting be approved as amended

2. Business Arising from the Previous Minutes

a) Transmission Planning Update (Alden Briggs).

The Chair introduced the MAC to Mr. Rob Murray, assigned to the Settlement group and Alden Briggs, Director of Engineering.

Alden reported that *three* documents are being prepared: a *Transmission and Planning Governance Document* (Planning Document) which outlines the direction and documentation responsibilities for planning initiatives in this region. The document was drafted to reflect the intent of FERC Order 890. The draft calls for the establishment of a Planning Advisory Committee. The MAC has been designated as the Planning Advisory Committee (PAC) for the region.

Brian Scott indicated that here in New Brunswick, we are not bound by FERC Orders. Moreover, the changes that have been proposed to be included in the NBSO Tariff filing to support this have been dropped to focus only on ancillary services.

A *Transmission Planning Performance Requirement Document* which establishes the Standards to be used by NBSO and Transmission planners to be consistent with NERC/NPCC standards and criteria. It outlines the responsibilities of the NBSO and NB Power Transmission planners in the following:

- Resource Adequacy
- System Impact Studies
- Creating the 10-Year Outlook (to be published before the end of June)

The Area Technical Planning Committee document outlines the “methodology for Planning Coordination on a Regional basis”. This draft calls for the sharing of Assessments in the Maritime area, and to examine the Available Transfer Capability from a reliability perspective.

Alden told the MAC that there have been three (3) meetings to date and good progress has been made.

Alden indicated that ISO-NE wished to have NBSO participate in transmission planning initiatives in the State of Maine. These projects would include studies to increase transmission capacity from Orrington southward and would be reviewed at on an economic basis.

A general discussion followed the presentation with regard to transmission planning. GENCO indicated that Transmission expansion was *the* number one priority with New England. 20% of the total scheduled hours of GENCO’s exports were curtailed. It was suggested that NBSO/GENCO DISCO and the Energy Dept. make recommendations on how to address these issues.

Brian Scott informed the MAC that NB Power filed a complaint about 1 month ago with FERC regarding the MEPCO Roll-In. It was suggested that the MAC or NBSO raise concerns with the Maine PUC with respect to additional generation and Transmission capacity/upgrades, limitation of further generation expansion in the wind industry and express concerns to regulators with a unified position.

The chair recommended a new Standing Agenda item: Transmission Developments and Updates under item 4 d). This will appear as a new agenda item for the next MAC meeting.

GENCO expressed concern that having the tie line to New England limited to 700 MW will have a significant impact this winter.

b) Metering Review

George reported that a meeting has taken place to discuss what type of metering review and audit should be conducted. This meeting included Brian Scott, Darren Verner and a representative from DISCO.

3. New Business

Market Procedure MP-08 Reliability Compliance

The Chair asked the recording Secretary to brief the MAC on the procedure for adopting MP-08. The MAC agreed to review MP-08 and provide comments to the Chair by June 30th. The Market Procedure will be published on the NBSO web site and the Market Participants and Transmitters will be notified. The adoption of MP-08 will come into effect no less than 10 days after publication.

The Chair introduced Calvin Duncan, Senior Compliance Engineer, and Randy MacDonald to the MAC. Randy has been working on the MP-08 document up to this point and now has handed off to Calvin Duncan for implementation.

- The MAC reviewed a slide presentation outlining the key components of MP-08. Alden Briggs reported that a Memorandum of Understanding will be drafted and implemented between the NBSO, Dept. of Energy and NERC.
- The Key components of MP-08 were outlined and discussed on slide #3, which stated the following:

Purpose - “Describes how NBSO will set, monitor, assess and enforce compliance with Reliability Standards in NB.”

Application - “Applies to all NB Market Participants identified by NBSO as having a responsibility to comply with Reliability Standards.”

Authority - “Implemented under the authority of the *Electricity Act* and the Market Rules.”

Alden reported that the jurisdiction within New Brunswick is pursuant to the *Electricity Act* and that reliability standards fall under the Market Rules and the Market Procedures. The NBSO is registered with the US regulators as Reliability Coordinator, the Balancing Authority, and the Transmission Operator for the

region. Randy reported that Prince Edward Island is complying with the Standards. He also indicated that Reliability and Reporting compliance will be reported to NPCC.

Alden indicated that the United States regulators were meeting at the NBSO on June 24, 2008 and he wished to inform them that this procedure has been reviewed by the MAC.

c) State of the Market Report-Rob Murray

Rob Murray reported the State of the Market Report is prepared on an annual basis as per the Market Rules. The last report published covered a period of approximately two and a half years. NBSO prepares the report which is about 25 pages in length and defines the State of the Market, Market Monitoring, Future Development, various studies and outcomes.

Rob asked the MAC to review both the existing report and a draft report to be circulated and to forward comments to him. He asked the MAC for feedback and suggestions and received some preliminary comments. It was suggested that a brief statement on industrial load additions or losses be included and indicate if new generation has come on line.

d) Energy Conference Presentations

The Recording Secretary stated that the Power Point Presentations in PDF format are available on the NBSO web site. A list of the available presentations was circulated to the MAC for their review.

e) NBSO Video

The Recording Secretary presented the promotional video to the MAC. The video is approximately 4 minutes in length and will soon be posted on the website. It was reported that the target audience were potential Market Participants and the industry sector participants who may be unfamiliar with our operations. It will be widely use during conferences, meetings etc.

f) Wind Power Rule Changes

George reported that wind load forecasting is the key element with respect to reliability and dispatch. Wind will be integrated in the day ahead process with the submission of a balanced schedule. Accuracy of the wind forecast is very important in the process of dispatch, wheeling, and the availability of renewable energy credits to the generator.

It was reported that the possibility exists where a load forecast from the generator and another from NBSO would be compared and used as a means of providing

accurate data. GENCO stated that they were informed that the accuracy of the wind forecasting has been very good in this region.

George reviewed the previously distributed spread sheet which defined wind power dispatch and settlement. An explanation on wind forecast/actual/ imbalance settlement could work.

Action Item: George will circulate a new spreadsheet to the MAC with actual numbers entered for review.

g) Alternate for Andrew Booker (JDI)

The Chair indicated that he had received in writing a request to name Gilles Gagnon as an alternate for Andrew Booker on the MAC. The Chair received a recommendation from the Canadian Manufacturers Association endorsing Mr. Gagnon's appointment as an alternate. There were no objections from the MAC.

4) Standing Agenda Items

a) Ron Leblanc requested that the following item be added to the agenda for this meeting. However Ron was unable to attend. He indicated that Hydro Québec was concerned with the following:

Overview and rationale with regard to the allocation of Residual Monthly Cost between Point-to-Point Transmission Customers and Network Transmission Customers.

HQ's concern is that Point-to-Point Transmission Customers do not contribute to the costs incurred by the NBSO that are included in the determination of the Residual Monthly Cost

George spoke briefly and suggested that Ron Leblanc formalize this request from Hydro Quebec and bring this item forward at the next meeting.

b) NBSO Update

Since the last meeting, the Strawman model was developed and submitted to the Energy and Utilities Board for review. The NBSO responded to comments and held a technical conference. All parties impacted by the surplus have subsequently supported a settlement agreement.

George reported that the Tariff evidence was filed May 1, 2008.

Bill Marshal will remain as President until June 30, 2008. His replacement has not been announced.

c) MAC Member Updates

The recording Secretary was asked about the vacancies on the MAC, particularly the Environmental Interests sector. The Secretary reported that the Minister's office has been informed of the procedure (in writing) and that the nomination should be forthcoming. The NBSO will follow up with the Ministers office and report to the MAC.

George reported that a proposed agreement on balancing between the System Operators was going to be developed. A Memorandum of Understanding has been drafted by George. The purpose would be to share forecasts, actuals and services between S.O.'s and to provide operator to operator balancing services.

The Northeast International Committee on Energy (Nice) is reviewing the HVDC Trunk Line and other proposed projects and would share data between the parties.

d) Wind Integration

George updated the MAC on the Ea Energy Analyses consultants study and indicated that a draft report is under review. This report will be released in the near future.

There was general consensus from the MAC that the NB/NE tie line is of great value to New Brunswick, that some flexibility for wind scheduling and shorter deadlines would be advantageous and we should continue to make sure our interests are known in New England.

5. Date of Next Meeting

August 25, 2008

Meeting Adjourned 2:30 p.m.

Respectfully Submitted,

(Original Signed By)

Blair Kennedy
Chair

(Original Signed By)

Norm Seely
Recording Secretary