

**Meeting: #08 - 06  
Minutes of Meeting**

**Date: September 18, 2008**

**Time: 10:00 a.m.**

**Location: NBSO Conference Room B**

**Attendance: Blair Kennedy (Chair)**  
**Dan Dionne**  
**Stephen Fairweather**  
**Ed Howard**  
**Brian Scott**  
**Ron Leblanc (Vice-Chair)**  
**Jim Coyle**  
**George Porter**  
**Stephen Russell**  
**Rick McGivney**  
**Ron Beaulieu**  
**Rob Apold**  
**Norm Seely (Recording Secretary)**

**Guests: Rob Murray, NBSO**  
**Ross Stairs, NBSO**

**Regrets: Stacy Dimou**  
**Andrew Booker**

**1. Minutes of Previous Meeting**

**On a motion duly moved and seconded, the minutes of the August 25 meeting were approved as amended** (change the Template used for the minutes to include Blair Kennedy's name).

## 2. **Business Arising from the Minutes**

### a) **Monthly CBAS Procurement Update**

George Porter recalled the previous MAC discussion regarding CBAS. He reported that prices are fixed for the duration of the contract. He would like to see those with price contracts to bid in with a lower price (and lower cost to NBSO). The method for bids would be to publish a request for supply for 10 business days and allow 5 days to respond. This process could be implemented prior to final ruling of the EUB. George indicated that this method of procurement of services was not discussed or part of the NBSO EUB filing. The procurement was typically done by capability period and the 90/10 split on self-supply is consistent with the Settlement Agreement.

George indicated that after a review by this committee the cap on self-supply could be changed (i.e. 100%). If all parties self-supplied, there would be no need for the NBSO to purchase service.

### b) **Response to Hydro-Québec Inquiry**

George Porter distributed a draft document outlining the socialization of redispatch costs. Most of the associated cost is allocated to energy imbalance and redispatch. Ed Howard commented on the document stating that determinations were made when this Market Rule was established and has been in place since the Market Rules were implemented. The document should refer to the rule for clarification and to rationalize the position taken in the document. Comments were received from the MAC and the NBSO will respond directly to Hydro-Québec.

### c) **Ea Presentation**

George Porter reviewed the power point presentation based on the final report.

- Last fall, Ea Energy Analyses was engaged. (former System Operator employees).
- Model used has been transferred to NBSO
- Training on model will be provided
- Economic model of entire Northeast
- Use of Balmorel economic model (uses production costs etc.)
- Source of data is public and was sourced by Ea Associates

Three scenarios were studied:

1. **Passive:** 1000 MW already committed
2. **Active:** 16,500 MW could be accommodated
3. **Transmission:** Same as active with more transmission

An operational study was conducted which identified real time balancing constraints. These occur during the winter peak, spring runoff, and Labour Day.

**Action Item:** Add the low water condition scenario in model.

Rob Apold suggested reviewing the Navigant study.

The model looks at a period between 2010-2025. George Porter reviewed the Cost Benefit table. There was a 5 billion dollar total cost savings.

### **Comparative Action Plan**

- Improve integration into the Northeast Market
- Develop a strong System Operator
- Develop long term wind power
- Training
- Industrial benefits
- Investment in wind power

The report was reviewed by NBSO, NB Power and the Department of Energy.

George Porter distributed a resolution drafted by the Premier of New Brunswick and Maine's Governor Baldacci. The resolutions defined the commitment to develop renewable energy resources, enhance energy independence, facilitate energy efficiency and conservation measures, reduce the volatility of energy prices and enhance the regions long term energy independence.

### **2 d) Changes for Large Scale Wind**

George Porter requested input from the MAC on additional rule changes required. Some of the suggestions included:

- Curtailment Rules
- Voltage flicker standards
- Regional Cooperation
- Wind pays their fair share

- Transmission construction
- Risk

## **2 e) Near Term Market Rule Changes for Wind**

Wind Forecast Scenarios:

- The System Operator would produce a forecast for reliability and economics.
- The Market Participant would produce a forecast for the scheduling of the unit.
- Scheduling: Forecast and schedule could be one in the same if one balanced schedule is submitted.
- If more than one schedule is submitted, then a separate forecast will be required for each facility from the Market Participant and the NBSO.
- The NBSO forecast determines capacity needs on a day ahead basis and required energy on an hour ahead basis (run hourly).
- NBSO /Market Participant forecasting could be done in parallel.
- Light load conditions would require wind or hydro curtailed and NBSO would check Market Participants submitted prices to determine order of cuts.
- NBSO directs dispatch and control of units through the SCADA system. Curtailments are performed by unit cue position.

It was determined that a separate session on this topic is need in the near future.

## **3) New Business**

Ron Leblanc requested that the NBSO operations desk provide a longer notice period when closing the desk during a non holiday period. Ross Stairs stated that he would take his request under advisement.

## **4) Standing Agenda Items**

a) Market Rule 6.10.8 was amended to reflect the new timing rules for balanced schedules. The new timing rules will go into effect on November 1, 2008.

### **b) MAC Member update**

There was no update to report on this item.

**c) Wind Integration**

This item was previously covered

**d) Transmission Developments**

The MAC resumed discussion of members' concerns regarding ISO-NE's assumption of tie benefits, and also its practice of derating opportunities for capacity imports to the Forward Capacity Market. Ross Stairs explained that Emergency Energy and Security Energy can be provided to New England if it is available, but that no capacity is set aside for that purpose. The MAC and NBSO staff will have further discussion on this when it is ready to be taken forward.

**Motion: The MAC requests that the NBSO engage ISO-NE and NPCC to review how ISO-NE will treat the New Brunswick/Maine interface tie line benefits.**

On a vote of eight in favour, zero against and one abstention, the motion was carried.

**5. Date of Next Meeting**

November 4, 2008

**Meeting Adjourned**

3:30pm

**(Original Signed By)**

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**Blair Kennedy**  
Chair

**Respectfully Submitted,**

**(Original Signed By)**

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**Norm Seely**  
Recording Secretary