

**Meeting: #09 -03
Minutes of Meeting**

Date: April 15, 2009

Time: 10:00am

Location: Conference Room

Attendance:

Blair Kennedy (Chair)	Dan Dionne
Jim Coyle	Rob Murray
Tim Vickers	Rob Apold
Andrew Booker	Kirby O'Donnell
Ron Beaulieu	Rick McGivney
Stacy Dimou	Stephen Russell
George Porter	Norm Seely (Recording Secretary)
Ed Howard	

Guests: Rob Murray

The Chair introduced the new MAC member for Environmental Interests, Tim Vickers to the MAC members.

The Recording Secretary presented the dates for the future MAC meetings.

May 26, 2009
June 16, 2009
August 18, 2009
October 20, 2009
December 15, 2009

1. Minutes of Previous Meeting

The MAC had asked for amendments to the January Minutes in the February meeting and did not approve the January Minutes at that time.

MOTION: On a Motion duly moved and seconded, that the Minutes of the January meeting be approved as amended.

MOTION: On a Motion duly moved and seconded, that the Minutes of the February meeting be approved as amended.

2. Business Arising from the Minutes

George Porter began the discussion on Market Rule changes for wind as proposed in the material that had been distributed in advance of the meeting.

- George suggested use of our wind forecast as the best estimate for system operations purposes rather than the Market Participants forecasts given that reliability is the main concern, and dispatch will be conducted on an economic basis (economic dispatch)
- Other System Operators are moving toward this method
- Curtailments on a pro rata basis
- The one cent differential for renewables generation over other generation discussed in the February meeting was not voted upon
- Kirby indicated that the bid price is not reflecting his actual MW output. He stated that Hydro/ Wind are equally green and both displace CO2.
- George stated that the differential is in support of government policy for

Rob Murray reviewed the changes from the previously distributed document which are now marked up in red. He stated that there are new additions to the document under items e) and h). The following extract from the first page of the document summarizes the proposal.

- A. Exempt NDV Generators from existing rules that are not workable.
- B. Establish the unique data requirements for NDV Generators (real time forecasting data, unit availability, etc.)
- C. Establish the NBSO's responsibility to forecast production of NDV Generation and to incorporate the results into the scheduling, optimization and dispatch functions.
- D. Require NDV Generators to provide the NBSO with direct real time control over the facilities.
- E. Provide the NBSO with the authority to issue real time control instructions that set production limits for NDV Generators under conditions where reliability is at risk and to take other actions to address an over supply of NDV generation.
- F. Provide market participants with notification of emerging surplus energy situations that may result in facilities being dispatched down or power limitations established for NDV Generators.
- G. Modify the existing rules related to Eligible Unforced Capacity to accommodate the seasonal/monthly variability of NDV Generators.
- H. Establish Dispatch Data requirement rules where the SO sets the bid prices and quantities for NDV Generators.
- I. Establish settlement rules that recognize NDV Generators as price takers where both re-dispatch and variance is settled at the Final Hourly Marginal Cost.
- J. Identify consequential changes to the Market Rules as a result of any of the proposed changes.
- K. Clarify the application of existing Market Rules to NDV Generators where there is uncertainty.
- L. Identify housekeeping changes unrelated to NDV Generators.

- Rob responded to a question regarding tidal power being affected by these rules. He indicated that NBSO would address this when these units come on line in the future.
- Constraints on upper and lower limits of unit output were taken into account
- NBSO will set the dispatch data for NDV based on the market rules
- Kirby indicated he will back off units at night to accommodate wind. Hydro units are effected as well.
- Ed Howard stated that Generation pays in light load conditions if additional transmission is required and is included in the system impact study. This includes backing down internal Generation resources after schedules are already in.
- Kirby indicated that he is concerned wind dispatch in light load conditions will have a profound effect on generators.
- The issue still remains with hydro generation and the one cent differential for wind on curtailments.
- It was suggested that the MAC revisit Stacy Dimou's concerns raised previously with respect to Constrain/Dispatch of units.
- Rob Apold indicated that the wind turbines for Suez are controlled from Hartford Connecticut –The possibility to give up control of the units if dispatch instructions are ignored.
- A discussion around control suggested that direct control could come back to NBSO even for those not on AGC.
- George indicated that for reliability purposes, direct control at the Remote Transmitting Unit (RTU) could be performed if no operator was available on site or that the control room could not be contacted for curtailment purposes.
- The MAC reviewed changes in a previously distributed table within the presentation:
 - Changes to 4.16
 - 4a 1(e) (f)
 - 4a3 TO 4a6
 - Chapter 5 Reliability 5.0.1a and 5.3.1
 - 5.4 Capacity Obligation
 - Capacity Factor in NB related to Imports into NB
 - Reviewed changes to 5.4.15 which applies to all Generators
 - 5.4.16
 - 2.6
 - 6.11
 - 6.4.1
 - 6.5.1
 - Bid Pricing-George indicated that there would be no negative bids
 - Ed Howard stated that third party generators are effected by the wind forecast. Who ever performs the forecast will have an effect on the market.
 - The MAC reviewed 6.611 Day Ahead Forecast
 - 6.7-Initial Assessment
 - 6.82
 - 6.93 Day Ahead Final Input and Commitment Schedule

- 6.95
- 6.10.6
- 6a.12
- 7 Settlement Rules

The next step is for the MAC to make a recommendation to the Board on these changes.

Outstanding issues for the next MAC meeting:

- Stacy indicated that Item (H) was an issue-Stripping transmission from those who pay for it. Wind gets a priority.
- The Chair indicated that “control over a unit” is an issue to be addressed.
- Kirby stated that the one cent differential is an issue to be addressed.
- The Chair made several statements for consideration:
Should we consider zero dollars across the board? This does not address the stranding REC value. Agrees that no one wants to strand the REC market value.

On a Motion duly moved and seconded, that the MAC agrees in principal to all items as proposed by NBSO with the exception of Bid Price and Unit Control.

There was one abstention from the Motion.

3. New Business

Operating Surplus

George indicated that the Operating Surplus for 2008/09 was 1.7 Million dollars based on unaudited results.

All other items on the agenda will be deferred to the next scheduled MAC meeting in May.

4. Standing Agenda Items

5. Date of Next Meeting May 26, 2009

Meeting Adjourned 1:00PM

Respectfully Submitted,

(Original Signed By

(Original Signed By)

**Blair Kennedy
Chairperson**

**Norm Seely
Recording Secretary**