

Meeting Minutes
Export Capacity – Commercial, Market, Tariff and Operating Issues
August 9, 2005 – AESO Office

Attendees:

AESO: Colleen Fairhead, Rob Senko, Jerry Mossing, Cliff Monar, Paul Barry
Larry Sibbald and Dan Levson - TransCanada, Ron Henderson – Utilities Consumer Advocate (UCA), Bert Adam and Susan Dowse – Calpine, Terry Dumonceau - EnCana

Implementation of interim ATC Export Capacity

- The implementation of the interim ATC export capacity software is on schedule for the end of August. Final testing of software and training of system controllers is currently underway.
- Jerry Mossing presented a draft document “AB-BC Export Capability, Summer Export TTC Levels based on Calgary Area Generation Revision 1” dated August 9, 2005. The document provides the basis for the formulas used to calculate the ATC export capacity for summer months. Formulas in the document calculate the incremental ATC export capacity provided by in-merit southern Alberta generators. Stakeholders are asked to review the report and provide comments to the AESO by August 23.
- On an interim basis AESO will be posting ATC export capacity based on the current OPP 304 policy as the minimum ATC export capacity given the expected contingencies at time of posting. Between T-90 and T-60 AESO is planning to post the additional ATC export capacity provided by in-merit southern Alberta generators on the BCTC OASIS system.
- AESO had proposed a confidence factor to allow for southern Alberta generators dispatching out-of-merit within the hour. The current proposal is to include all in-merit generation between T-90 to T-60 and curtail exports before or within the hour as southern Alberta generators dispatch out-of-merit. Therefore, AESO will be using a confidence factor of 1 for the initial implementation but may reduce the confidence factor if a large number of export curtailments become an issue for the system controller, BCTC and energy traders.
- Since the confidence factor for the initial implementation is planned to be 1, relinquishing restatement rights before the new AESO rules are in place will not be needed. The current schedule for the new AESO rules change, relinquishing restatement rights, is November 2005. If the confidence factor is reduced due to excessive curtailments, participants may revisit need for a letter of notification but at the present time the letter is not needed.
- The AESO does not include the Brazeau, Joffre and Medicine Hat generation in the interim software calculation of ATC export capacity. In the report “Alberta-BC Export Capability, Power – Voltage Stability Analysis” dated December 21,

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2004 these generators were included. Upon further study by the AESO, it was determined that a single contingency with exports supported by the Brazeau, Joffre and Medicine Hat generators could result in thermal overload conditions on the transmission system. The AESO may consider including these generators once the final software is implemented at the end of 2005. Wind generation was not included in either study.

- The AESO is currently proceeding with studies to determine the ATC export capacity for the winter of 2005 – 2006. The study will include the capacitor banks to be added in the Calgary area and provide further support for the final software implementation planned for the end of 2005.
- TransCanada agreed to provide an estimate of the increased ATC export capacity based on the 2004 data. The model was used by TransCanada in the 2006 GTA and will be modified to include the formulas presented by AESO in the report “AB-BC Export Capability, Summer Export TTC Levels based on Calgary Area Generation Revision 1” dated August 9, 2005.

Incremental Export Market

- Colleen Fairhead made a presentation on the market related issues with dispatching out-of-merit southern Alberta generators to support increases in ATC export capacity. The presentation proposed that exporters could purchase export capacity and be given a priority in securing export capacity. Cliff Monar provided a copy of the presentation to all participants.
- TransCanada asked the AESO to consider the management of the dispatch of southern Alberta generation through a firm transmission tariff as proposed by TransCanada in the 2006 GTA. This method would allow energy traders to purchase firm transmission capacity and require the AESO to purchase XMR capacity as needed to support firm exports. Cliff Monar agreed to review the argument of TransCanada and convene a meeting on August 18 to discuss this issue further.

GRAS

- Jerry Mossing reported that the study of incremental ATC export capacity using GRAS of a 400 MW Alberta generator is underway. The initial findings of the study appear to show little or no additional ATC export capacity using a single 400 MW generator on GRAS. During off-peak periods, transmission lines (936, 937 and 900L) begin to reach their thermal capacity when the export exceeds 735 MW. The AESO will continue with the study and provide a report to stakeholders in three to four weeks.

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- Until the AESO resolves the technical issues for the provision of additional ATC export capacity using RAS schemes, no further work on the commercial issues¹ will be done.

Import and Export Tariff

- The AESO provided stakeholders with a discussion paper on July 22 and requested comments from stakeholders by August 5. Publication of stakeholder comments will be on August 19 with a meeting of interested stakeholders on September 7.

Next Meeting

- The next meeting is scheduled for Wednesday August 31, 2:30 to 5:00 PM at the AESO offices.

¹ Commercial issues include the development of an RFP for the procurement of GRAS.