

LTA Working Group

Meeting Summary – April 27, 2006

1:30 to 3:30 pm – AESO Offices

Attendance:

Colleen Fairhead	AESO	Terry Dumonceau	EnCana
Gordon Nadeau	AESO	Pete Griba	ENMAX
Kevin Willerton	AESO - Chair	Daniel Jurijew	EPCOR
Peter Karl	Altagas	Evan Bahry	IPPSA
Carl Fuchshuber	ATCO	Allen Crowley	Luscar
Norman Mills	BP	Mike Nozdryn-Plotnicki	MSA
Bruce Roberts	Constellation	Howie Thomas	Nexen
Gene Lung	Direct Energy	Sterling Koch	TransAlta
Gil Nault	DOE	Joanna Luong-Tran	TransAlta
Peter Leier	DOE	Cheryl Terry	TCE
Judith Athaide	EnCana (Cogent)	Ron Henderson	UCA

Reserve Margin Report

The AESO had sent out before the meeting a Reserve Margin Report marked “draft for discussion”. The AESO had asked the members of the LTA Committee to review the report and provide suggestions at the meeting.

There were many suggestions including:

- The report should include an extended introduction that makes it clear what is included in the report and how the reader must use caution when interpreting the results.
- Many stakeholders were uncomfortable with the report being released without some historical reserve margins also being included. There is the possibility of seeing the report and incorrectly assuming that reserve margins are trending ever lower.
- There was a suggestion that if increased load is being forecast then generation additions (those not known with certainty) should also be forecast. Some stakeholders thought it was contradictory to use forecasts of load but only future generations additions that are certain to occur.

The AESO thanked everyone for their suggestions. The AESO asked everyone to provide their suggestions in writing by May 5th.

DOE Letter – Clarification of Intent and Direction of DOE Policy

At the previous LTA Meeting, held March 9th, Gil Nault of the ADOE verbally provided some direction on how the ADOE believes the June 6th 2005 Policy paper should be

interpreted. At that meeting Gil committed to put those words in writing. The ADOE sent a letter to the LTA Committee chairman on April 25. The AESO then distributed the letter to the LTA Committee.

There were several topics of discussion with respect to the paper. The main areas of conversation included:

- How the DOE chose the dates on the last page of the letter and if they were realistic.
- Some stakeholders felt #2 and #1 on page 6 should be reversed.
- Most stakeholders thought that “thresholds” should be determined after #1 and #2 were completed.

AESO Proposal to Create Strawman

Kevin Willerton suggested that the AESO thought the most efficient way for the LTA Committee to move forward would be for the AESO to prepare a “Strawman” proposal. The strawman would include:

- The most appropriate metrics for reporting on LTA
- A list and ranking of “enhancements” that the AESO would work to implement
- The most appropriate threshold(s)
- The out of market solutions the AESO would have in its toolbox should one or more thresholds be breached.
- Why certain potential in market and out of market solutions were not included as enhancements or tools for the toolbox.

The group was concerned that the AESO would spend too much time vetting the strawman internally. The AESO committed to consider how to put forward the strawman more quickly.

Summary of Action Items:

Stakeholders provide comments on the ADOE paper by May 5th

Stakeholders provide comments and suggestions on Reserve Margin Report by May 5th

Meeting Documents

- [ADOE Letter](#)
- [Reserve Margin Report – Draft for Discussion](#)