

LTA Working Group

Meeting Summary – February 13, 2006

2:00 to 4:00 pm – AESO Offices

Attendance:

Colleen Fairhead	AESO	Judith Athaide	EnCana (Cogent)
Gordon Nadeau	AESO	Terry Dumonceau	EnCana
Kevin Willerton	AESO - Chair	Chris Joy	ENMAX
Dick Buckland	AMEC	Daniel Jurijew	EPCOR
Peter Karl	Altagas	Dan Macnamara	IPCAA
Hao Liu	Altalink	Evan Bahry	IPPSA
Carl Fuchshuber	ATCO	Allen Crowley	Luscar
Norman Mills	BP	Howie Thomas	Nexen
Lisa Doig	Canexus/ADC	Marcy Cochlan	TransAlta
Bruce Roberts	Constellation	Cheryl Terry	TCE
Gil Nault	DOE		
Peter Leier	DOE		

Discussion of LTA Objectives

Kevin Willerton presented the next version of the LTA Objectives discussion document. This version appears to more adequately articulate the distinctions between an “assurance plan” and “enhancements”.

There was significant discussion with respect to renaming “assurance plan” to “emergency plan”. The AESO committed to considering using the term “emergency plan” in its first proposal, due in a couple of months or to including both terms, assurance plan and emergency plan in the proposal.

Adequacy contracts were discussed. Some stakeholders assert that including any form of an adequacy contract in the assurance plan will signal the end of the energy-only market or will lead to the end of the energy-only market. Other stakeholders do not hold the same view. All stakeholders and the AESO agree that an adequacy contract must be considered an out-of-market solution and will have an impact on the energy market.

Terms of Reference for Consultant

The AESO distributed, before the meeting, a discussion document to stakeholders proposing two different approaches for hiring a consultant to help with the evaluation of the various actions/measures that could be included as an enhancement or in the assurance/emergency plan.

The group agreed to move ahead with the second option presented in the discussion paper, that being the hiring of a consultant to complete a technical modeling exercise. The group agreed that the most important task for the consultant would be to create a “status quo” scenario that would provide an assessment of the reliability of the Alberta system given the known generation additions and retirements. The consultant would then use the model to run sensitivities that will provide the LTA Committee with insights into the costs and benefits of several of the potential action items listed in the Comment Matrix.

The AESO committed to update the discussion paper and/or create a one page summary term sheet and send out to stakeholders for comment.

Reserve Margin

There was a quick discussion about the reserve margin information the AESO would like to release to the public. Some stakeholders commented that they remain concerned about issuing the information before the LTA Committee’s work is complete.

Consultation Process

The proposed consultation process was discussed briefly. Stakeholders are concerned about their ability to provide comments. The AESO understands this concern and will ensure that Stakeholders have adequate opportunities to provide feedback, including after the AESO creates its first and second draft LTA proposals. The AESO reiterated that it will provide ample opportunity for stakeholders to provide feedback and comments but that it is attempting to limit the ability for all stakeholders and the AESO to introduce completely new concepts near the end of the consultation process.

Summary of Action Items:

- The AESO committed to update the terms of reference for consultant discussion paper and/or create a one page summary term sheet and send out to stakeholders for comment.

Meeting Documents

- [Agenda](#)
- [Discussion Document – LTA Objectives](#)
- [Discussion Document – Terms of Reference for Consultant](#)