

**LTA Working Group**

**Meeting Summary – March 9, 2006  
1:30 to 3:30 pm – Metropolitan Center**

**Attendance:**

Colleen Fairhead	AESO	Terry Dumonceau	EnCana
Gordon Nadeau	AESO	Chris Joy	ENMAX
Kent McDuffie	AESO	Daniel Jurijew	EPCOR
Kevin Willerton	AESO - Chair	Dan Macnamara	IPCAA
Peter Karl	Altagas	Evan Bahry	IPPSA
Hao Liu	Altalink	Howie Thomas	Nexen
Carl Fuchshuber	ATCO	Monica Balaski	Rep - Powerex
Norman Mills	BP	Marcy Cochlan	TransAlta
Gil Nault	DOE	Cheryl Terry	TCE
Peter Leier	DOE	Ron Henderson	UCA
Judith Athaide	EnCana (Cogent)		

**Temporarily Suspending the Work of the LTA Committee**

Evan Bahry presented a case for suspending the work of the LTA Committee. There was general support for suspending some of the LTA’s work. The chairman thought it appropriate to address the next agenda item before making a decision on this item.

**LTA Objectives – AESO Mandate to Create “Threshold” and “Assurance Plan”**

The AESO presented an analogy of the combination of threshold and assurance plan to a health insurance plan. Just like a healthy person would choose to purchase an insurance policy, the government has asked the AESO to create an insurance plan for what appears to be a healthy market.

The conversation quickly focused on the content of the Assurance Plan. Most if not all stakeholders in the room expressed a strong preference that an adequacy contract not be considered as a tool the AESO could use as part of an Assurance Plan.

The DOE stated that the Policy Framework does ask for the AESO to determine a minimum threshold and determine what tools go into the Assurance Plan toolbox. And, of course, the DOE wants the AESO to do so in consultation with stakeholders. The DOE committed to put in writing a clarification of the Policy Framework.

After completing the “mandate” discussion the group returned to the discussion about suspending the work of the LTA Committee. The group agreed that it would not meet for a month. The AESO committed to preparing and distributing a metrics “straw dog” during the hiatus. The AESO also committed to distribute a next draft of its Reserve

Margin report to the committee for its comments. The AESO committed to call a meeting of the LTA Committee to hear comments before it posts the reserve margin report to its website.

### **Q&A from Stakeholders to Clarify AESO Comments in the Action Item Matrix**

The AESO was asked to clarify the “Discipline for Price Offer Pairs” definition. The AESO responded that the concept was that a limit-up limit-down system could replace the current price cap system. The limit-up limit-down system would be similar to those in place at major exchanges like the NYMEX.

### **Update on Search for Consultant**

There was some discussion on the role of a consultant. The AESO agreed that the scope of the consultant be limited initially to helping the committee understand concepts like adequacy vs. reliability and how to define an acceptable level of adequacy. The AESO committed to bring to the committee a discussion document (which may include some work from a consultant) that will facilitate a discussion toward defining an acceptable level of adequacy for the market.

### **Summary of Action Items:**

- The AESO committed to preparing and distributing a metrics “straw dog” during the hiatus.
- The AESO also committed to distribute a next draft of its Reserve Margin report to the committee for its comments. The AESO committed to call a meeting of the LTA Committee to hear comments before it posts the reserve margin report to its website.
- The DOE committed to put in writing a clarification of the Policy Framework.
- The AESO committed to bring to the committee a discussion document (which may include some work from a consultant) that will facilitate a discussion toward defining an acceptable level of adequacy for the market.

### **Meeting Documents**

- [LTA Agenda March 8 2006.pdf](#)
- [Action Items with AESO Comments V7.pdf](#)