

Minutes



Electricity Framework Review Project Team, Meeting #1

Date: Tuesday, May 14, 2013
Time: 9:30 am to 4:00 pm
Place: CASA Office, Edmonton

In attendance:

Name	Stakeholder group
Randy Dobko	Alberta Environment and Sustainable Resource Development
David Lawlor	Enmax
Ahmed Idriss	Capital Power
Srikanth Venogopal	TransCanada
Jim Hackett	ATCO
Don Wharton	TransAlta
Paul DiJulio	Slave Lake Pulp
Rod Crockford	ENCANA
Anamika Mukherjee	CAPP
Tom Marr-Laing (at 1pm)	Pembina
Kristi Anderson	Mewassin Community Council
Tim Weiss	Pembina
Krista Brindle	Alberta Energy
Brian Jackowich	AUMA
Wayne Ungstad	Ponoka Fish and Game
Al Schulz	CIAC
Robyn Jacobsen	CASA
Celeste Dempster	CASA
Struan Robertson	CASA
Michelle Riopel	CASA

Regrets:

Name	Stakeholder group
David Spink	Prairie Acid Rain Coalition

The meeting convened at 9:30 am. Quorum was achieved.

Action items	Who	Due
1.1: Each caucus will elect a co-chair before the next meeting.	All	June 24
1.2: Research the regulatory definitions of “electricity generation” and the “electricity sector” and report back to the team.	Randy and Kritsa	Next meeting
1.3: Provide a summary of the 2008 EFR team’s discussions on the definition for natural gas.	Robyn	Before the next meeting
1.4: Update the Project Charter as discussed.	Robyn	ASAP

1.5: Provide a contact name for Maxim. Robyn will follow-up with them about joining the team.	Jim	ASAP
1.6: Provide a contact name for AltaGas. Robyn will follow-up with them about joining the team.	Srikanth	ASAP
1.7: Contact Environment Canada about joining the team.	Robyn	ASAP
1.8: Develop questions about the nature of the Review Triggers that team members will respond to before the next meeting. This work will form the basis for discussion at the next meeting.	Robyn/All	Questions sent out by May 24 and due May 31
1.9: Provide an update on the status of funding from AESRD.	Randy	Next meeting
1.10: Provide a report on their discussions regarding contributing funding to the team.	Industry	Next meeting

1. Roundtable

The group did a round-table of introductions, including a brief overview of their history with CASA and collaborative processes and their specific interest in the work of the project team.

2. Introduction

The meeting objectives and agenda were approved. Robyn also provided a brief update on other CASA activities.

3. Overview of CASA and the EFR Project

Robyn provided a brief overview of the history of the EFR project to date. Highlights included:

- The Framework has 72 recommendations, pertaining to standards for new units, requirements for existing units, continuous improvement, hot spots, monitoring and transparency, and the Five-Year Review. The Five-Year Review requirement is why we're all here – the Review should evaluate the performance of the Framework over the past five years and if any core assumptions are proven wrong, the Framework should be revised.
- The Framework recommended further work on renewable and alternative energy and energy conservation and efficiency, which was undertaken by multi-stakeholder groups.
- The first Five-Year Review convened in 2007 and we are now initiating the second Five-Year Review.

Robyn discussed the difference between positional negotiation and interest-based negotiation. She explained that your position is something you have decided upon and your interests are what caused you to so decide. If you define the issue based on positions, one side is likely to “lose”. If you ask yourself why you want what you want, this will help you get a better understanding of your interests. Your interests are more complex than your positions (like an iceberg, on the surface it may seem obvious what people want, but you have to dig deeper to uncover their interests). In complex public policy conflicts that typically involve multiple parties, interest-based negotiation is the most effective way to reach a resolution.

Robyn reviewed the roles and responsibilities of the project manager, team members, and co-chairs.

Action Item 1.1: Each caucus will elect a co-chair before the next meeting.

4. Commitment to the Project Charter

The team discussed the Project Charter and had a chance to ask questions for clarification. The key points from the discussion were:

- A list of working group members should be added to the Charter.
- The Charter should include other initiatives that could affect the Framework, i.e. BLIERs for other sectors. Objective number 6 of the Project Charter directs the team to review proposed BLIERs and consider if/how they might affect the Framework.
- The team agreed to shift the language of the Charter from “electricity sector” to “electricity generation in Alberta”. It was generally felt that there should be equivalent requirements across all types of generation.

Action Item 1.2: Randy and Kritsa will research the regulatory definitions of “electricity generation” and the “electricity sector” and report back to the team.

- There was some discussion about what defines alternative gaseous fuels. Will we be using the Canadian Pipeline Spec for natural gas (90% methane)? Or the BLIERs definition (75% methane)? There was agreement that the team needs to have a discussion on this and this activity will be added to objective 4 in the Charter.

Action Item 1.3: Robyn will provide a summary of the 2008 EFR team’s discussions on the definition for natural gas.

- It was clarified that, in regards to Particulate Matter, the Framework applies to all Primary Particulate Matter.

None of these changes are significant enough to warrant a Board review.

Action Item 1.4: Robyn will update the Project Charter as discussed.

The team agreed by consensus to commit to undertaking the work described in the Project Charter.

5. Team Membership

The team discussed potential gaps in team membership and how to fill them.

- Canadian Fuels – they will not be participating on the team, but are sitting on the CAPP committee that supports Anamika’s participation on the team.
- Maxim – they have existing coal operations and a proposed gas operation.

Action Item 1.5: Jim will provide a contact name for Maxim. Robyn will follow-up.

- AltaGas – has a diversified portfolio in power generation and is also a PPA buyer.

Action Item 1.6: Srikanth will provide a contact name for AltaGas. Robyn will follow-up.

- Alberta Health and Wellness – there is a commitment from AHW to participate on the health effects sub-group.
- The Lung Association received an invitation to participate but hasn’t responded.
- Environment Canada – the CASA Board member has suggested that EC will evaluate CASA projects on an individual basis to determine their participation.

Action Item 1.7: Robyn will contact Environment Canada.

- Aboriginal – the CASA Board members representing aboriginal interests have received the invitation to participate on the team. They have not elected a representative. There will be future opportunities for Aboriginal involvement during the public engagement and throughout the process.
- There was a suggestion the academics could provide a valuable contribution. Their participation would likely be most appropriate at the sub-group level.

It was also noted that team members should be committed to attending every meeting to ensure effective and efficient engagement and collaboration.

6. Workplan and Timelines

The team discussed the potential timeframe for the work to be completed. Highlights of the discussion included:

- The Framework is intended to be responsive. Our timelines should be aggressive to respond to current circumstances.
- The team should consider if/how some deliverables could be moved forward before the whole Review is completed.
- We need to ensure that our timeline is ambitious, we are not duplicating efforts, and that we work within our limited budget.
- For the short-term, some members have capital decisions to make and need certainty in terms of where the Framework is headed.
- In the medium-term, the Federal GHG Regulations will be coming into effect and the alignment issue needs to be considered.

The team brainstormed a list of tasks and prioritized, as follows:

#1

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| <ul style="list-style-type: none">- Commission economic modelling to assist with determining the economic trigger (Rec. 35).- Update the Emissions Forecast to assist with determining the emissions growth trigger (Rec 34).- Identify, consider, and address issues resulting from the implementation of the Federal GHG Regulation |
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#2

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| <ul style="list-style-type: none">- Commission the BATEA review- Commission the Health and Environmental effects literature reviews |
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#3 (Need to be completed, but not a priority)

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| <ul style="list-style-type: none">- Receive continuous improvement report from industry- Review the implementation of the emissions trading system- Develop a PM Management System- Review implementation of recommendations (from 2003 and 2008)- Develop a plan consultation/public engagement |
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7. Triggers

Emissions Growth Trigger

- Quantitative.
- A structural review is triggered if this emissions forecast is 15% higher for a 5 year period than projected for the previous 5 year review.
- Some members felt that this trigger likely wasn't the priority. However, it was noted that we have to do this analysis to provide the baseline for the next Five-Year Review.

Economic Review Trigger

- This trigger is really about the pool price.
- There was hesitancy about using a third party consultant, as this is a subjective question and no one will have "the right" answer. However, since some information is proprietary, we may need a third party. We should consider if there is information in the public domain that we can use.
- The analysis should probably consider some scenarios – low, medium, and high.
- The team should review the assumptions from the 2003 report from EDC to see if they are still relevant.
- Industry members suggested they could provide some information to assist with determining the economic trigger.
- One member noted that after 10 years (2 Five-Year Review periods), there would almost always be a high level of uncertainty around the economics.

Alignment with Federal/National Initiatives

- The team should consider how the GHG Regulations affect the cost and emissions profiles. The analysis could include a number of possible future scenarios with regards to implementation of the GHG Regulations.

Action Item 1.8: Robyn will develop questions on the nature of the Review Triggers that team members will respond to before the next meeting. This work will form the basis for discussion at the next meeting.

8. Budget and Timing

The team discussed their budget. Estimates indicate that we will have a tight budget and we should aim to stay within the limits we have, rather than relying on finding more money. If we start to run up against the budgetary limits, we will have to prioritize tasks.

- We currently have approximately \$95,000 in our bank account. Alberta Energy has already contributed \$75,000 and the previous team left a small "kick-off" fund for the current review.
- The AESRD rep confirmed that there was a request for AESRD to contribute an additional \$75,000.
- Industry will have a discussion about what amount they are able to contribute.

Action Item 1.9: Randy to provide an update on the status of funding from AESRD.

Action 1.10: Industry will provide a report on their discussions regarding contributing funding to the team.

9. Next Steps

In order to make headway on the Review, the team discussed the importance of getting some work done in between meetings. As such, the team will work on the scope of the Review Triggers before the next meeting (Action Item 1.6). The priority for the next meeting will be discussing the Review Triggers.

Next Meeting

Meeting #2	Friday, June 14	Calgary
Meeting #3	Wednesday, June 26	Edmonton