

Draft Minutes



Electricity Framework Review Project Team, Meeting #14

Date: Friday, November 14, 2014
Time: 10:00 am to 3:30 pm
Place: CASA office, Edmonton

Name

Stakeholder group

In attendance:

Ahmed Idriss	Capital Power
Colin Dumais	Enmax
Wayne Ungstad	Friends of Chain Lakes
Leonard Standing on the Road	Friends of Chain Lakes
Njoroge Ngure	TransCanada
Srikanth Venugopal	TransCanada
Peter Moore	Alberta Energy
Tom Marr-Laing	Pembina Institute
Ben Thibault	Pembina Institute
Anamika Mukherjee (by phone)	CAPP
Jim Hackett	ATCO
Shaun McNamara	Milner Power Inc.
Kristi Anderson	Mewassin Community Council
Sushmitha Gollapudi	Alberta ESRD
Randy Dobko	Alberta ESRD
Brian Jackowich	Alberta Urban Municipalities Association
Robyn Jacobsen	CASA
Celeste Dempster	CASA

Regrets:

David Spink	Prairie Acid Rain Coalition
Steven Flavel	Alberta Energy
Don Wharton	TransAlta
Rob Watson	Milner/Maxim Power
Rod Crockford	ENCANA
Marlo Reynolds	BluEarth Renewables
David Lawlor	Enmax

Guests:

Kim Sanderson

Action items	Who	Due
8.1: Prepare wording around a smart grid recommendation as per discussions at meeting 8.	Kristi, Steven	Steven to provide an update.
11.3: Contact Encana and TransAlta to gauge their on-going participating on the team.	Robyn	On-going
14.1: Provide the team with information comparing the substances in List 2 and Category 2.	Robyn	ASAP
14.2: Provide accurate wording to amend the factual error in Appendix G in the HEAT group report.	Randy and Jim	ASAP
14.3: Inform the HEAT Group of the two requested changes to their final report.	Robyn	ASAP
14.4: Provide their comments on the implementation of the Emissions Trading System to Robyn for inclusion ASAP.	Industry	ASAP
14.5: Find additional information on Recommendation 3 (2010).	Robyn	Next meeting
14.6: Provide their comments on the implementation of the 2003 and 2010 recommendations to Robyn for inclusion ASAP.	Industry	ASAP

The meeting convened at 10:05 am. Quorum was achieved.

1. Introductions and Administration

- a. The group did a round-table of introductions.
- b. The meeting objectives and agenda were approved as presented.
- c. The team reviewed and approved the minutes from meeting #13 as presented.
- d. The team reviewed the action items from previous meetings:

Action items	Who	Status
8.1: Prepare wording around a smart grid recommendation as per discussions at meeting 8.	Kristi, Steven	Carry forward
11.3: Contact Encana and TransAlta to gauge their on-going participating on the team.	Robyn	On-going
12.5: Each caucus discuss and prepare remarks on the ETS one week prior to next meeting.	Co-chairs	Done. See item 5.
13.1: Provide feedback on the HEAT group's final report at the November 14 team meeting. This includes gathering feedback from members' respective constituencies.	All	Done. See item 2.
13.2: Share the CCME requirements for gas-fired generation that have been released in the Canada Gazette Part 1 with the CTRS task group.	Robyn	Done.
<i>Environment Canada (not CCME) is preparing requirements for gas-fired generation. ESRD has requested permission to share this information but is unable to do so at this time. The team will revisit this once the information has been made available.</i>		

- e. Robyn provided an update of recent CASA activities.

2. HEAT Group Final Report

Kristi Anderson presented the Final Report on behalf of the HEAT Group. Key points made during the discussion included:

- The HEAT Group has developed the following categories for the air emissions substance review:

Category		Description
1	Priority List	Substances that are known to be an issue, and known ways of managing them exist and are being employed (i.e., existing priority substances, for which there is insufficient evidence to remove from the list).
2	Management action needs to be considered	Substances that need to be evaluated by the Project Team for further management action.
3	Ongoing surveillance recommended	Substances that the 2018 Review should explicitly include in the search terms of the health and ecological literature, with the express purpose of watching for potential emissions trends over time, and to identifying data gaps.
4	Insufficient information	Substances for which there is insufficient evidence to indicate that action is required.

- No new substances were added to the Priority List (category 1) which continues to reflect the substances identified in the 2003 Framework (NO_x, SO₂, PM, and Mercury). The substances that appeared on the previous “List Two” were re-categorized, along with additional substances, into categories 2, 3 and 4. This approach represents the evolution of the process to a more scientifically robust way to categorize and prioritize substances emitted by electricity generation.
- The definition of Category 2 is not the same as the previous List 2. It was clarified that the original 2003 Framework identified five priority substances to be addressed and another group of substances referred to as “List Two.” List Two substances were deemed to require further assessment for co-benefits resulting from the management of priority substances.
- Recommendation 1
The Project Team should determine a mechanism that will, prior to commencement of the 2018 Electricity Framework Review, ensure that each substance listed in Category 2 (i.e. Management actions need to be considered) will be evaluated as described in Table 1 of this report.
 - The “mechanism” can be whatever the team deems appropriate. For example, it could be done by a CASA group prior to the next review or another organization could be charged with this task. It was noted that in order to be completed in time to provide input into the 2018 Five Year Review, this task should be initiated early because it will likely be a lengthy process.
 - The HEAT group conferred this task to the team because they felt that decisions about management actions would need to include considerations beyond the task group’s scope of work and expertise.

Action Item 14.1: Robyn will provide the team with information comparing the substances in List 2 and Category 2.

[Facilitator's Note: I have done this and it is appended to these minutes.]

- There is a factual error in Appendix G in the second bullet (p. 29). It currently reads that the focus is on NO₂ rather than NO_x because only NO₂ can be measured from stack emissions. This is not true – the focus is on NO₂ because there is an AAQO, not because of the stack monitoring.

Action item 14.2: Randy and Jim will provide accurate wording to amend the HEAT group report.

- Recommendation 3
CASA should form a standing Working Group to address the data gaps that were identified in the 2013 Review, and to ensure continuity between the reviews, in preparation for the 2018 air emission substance review (rec 72).
 - The “standing working group” can be whatever the Team deems appropriate.
 - There were some concerns that a standing group may create a never-ending Five Year Review process. Two specific concerns were:
 - On-going capacity requirements to maintain a standing group
 - Regulatory and other uncertainty if the work is perpetual.
 - This sounds like work that needs to occur as a foundation for the next Five Year Review. There was a suggestion that this could be included as preparation work for the next team. As such, if a standing group existed, it would likely also do the work suggested under Recommendation 1.
- It was unclear what the requirements are for the team to include task group recommendations in their team final report. Robyn suggested adding a caveat to task group reports as follows:
These recommendations are given as advice to the project team and may or may not be included in the project team's final report which will be forwarded to CASA Board of Directors for their approval.
- It was also suggested that the recommendations be marked as “draft”.
- At their next meeting, the team will discuss if/how to include the HEAT Group's recommendations in their final report.

Action Item 14.3: Robyn will inform the HEAT Group of the requested changes to their final report.

The team agreed by consensus to accept the HEAT Group final report.

3. Task Group Updates

Control Technologies and Reduction Strategies Task Group

- The task group has received the draft report from ERG on control technologies for gas-fired generation. This report has been forwarded to the team for their information.
- The group has working agreements for coal-fired generation and reciprocating engines.

- For gas-fired generation, the group is waiting for information from CAPP and for additional information from consultant before proceeding with their work. The timeline is unknown.
- For biomass-fired generation, the group has drafted a recommendation that the 2018 Five Year Review team should review the need to develop emissions standards for biomass-fired generation.

Base Case Working Group

- The task group has received the final emissions forecast report from EDC. This draft report has been forwarded to the team for their information. There is a working agreement that the 15% trigger has not been exceeded. The group is expecting to send their final report to the team by mid-November.
- The team has requested a presentation from this group at their meeting on Dec 8.

PM Management Task Group

- This task group had their first meeting on October 9 and agreed to allow industry members time to develop a detailed description of current PM management programs and activities and future plans for continuous improvement.
- Industry's deadline for providing their reports was November 7. However, industry indicated that they wished to hire a consultant to prepare this report for them. The timeline is currently unknown.

Communications Task Group

- This task group has distributed an RFP to hire a consultant to develop a Communications Plan for the project. The deadline for proposals is December 12 and the group plans to select a final consultant by December 17.

4. Emissions Trading System

The team reviewed the assessment of the implementation of the emissions trading system from each caucus.

- All three caucuses agreed that, overall, the ~~recommendations elements of the ETS~~ have been implemented as intended. ~~Whether sufficient credits will be created to meet potential needs is a function of industry behaviour and external factors, not the ETS itself.~~
- ~~However, some stakeholders noted that an assessment of the effectiveness of the system has yet be undertaken. At this point in time, it may be difficult to evaluate the effectiveness of the system as there hasn't been much activity, in terms of many trades happening. It was noted that this task was directed at an assessment of whether the system was implemented as designed, and not to provide comment on the effectiveness of system.~~
- ~~As such, T~~there was agreement to develop a recommendation for the 2018 Five Year Review to revisit the ETS and consider the effectiveness of the system, based on the wording in the 2013 Project Charter.

Action Item 14.4: Industry will provide their comments on the implementation of the Emissions Trading System to Robyn for inclusion ASAP.

5. Implementation of Recommendations

The team reviewed feedback from each caucus on the implementation of recommendations in the 2010 report. The team reached consensus on whether the recommendations could be considered to have been implemented, as follows:

- ✓ Recommendation 1: Implementation Status of Emissions Trading Recommendations
 - It was agreed that implementation has been completed as originally envisioned 2003. There are differing views from stakeholders about whether the regulation has been effective. Whether or not there will be sufficient credits created to meet potential needs is a function of industry behaviour and external factors, not the Emissions Trading system itself.
- ✓ Recommendation 2: Public Availability of Monitoring, Reporting and Compliance Data
 - It was agreed that information is available and accessible, and should continue to be so, with further improvements as opportunities arise. The new Alberta Environmental, Monitoring and Reporting Agency may also have a role.
- ? Recommendation 3: Recommendations from CASA Renewable and Alternative Energy Project Team and Electrical Efficiency and Conservation Project Team
 - The team requires more information on what has occurred.

Action Item 14.5: Robyn will find additional information on Recommendation 3.

- ✓ Recommendation 4: Health and Environmental Effects Information
- ✓ Recommendation 5: Analysis of Health and Environmental Effects Research
 - The current Health and Ecological Assessment Task Group completed a review to determine if further work was needed. A peer review was deemed unnecessary as the group had sufficient expertise to draw conclusions from the reviews and communicate conclusions to non-expert readers.
- ✗ Recommendation 6: Source Standards for New Coal-Fired Thermal Generation Units
- ✗ Recommendation 7: NO_x and SO₂ Credit Generation Thresholds (coal and gas)
 - Even though these recommendations were agreed to by consensus, they are being used informally by ESRD but have not been formally incorporated into standards. It was noted that it's not an issue at the moment because no new plants have been approved since January 1, 2011. However, this has the potential to create problems for new builds and for credit generation, because it is uncertain what standards apply.
 - The team agreed to develop a recommendation that the CASA Board request an update on the status of implementation from the GoA.
- ✓ Recommendation 8: Credit for Early Action on Mercury Capture
 - Between January 1, 2011 and January 1, 2013, companies were able to earn credits for Mercury capture rates greater than 80%
 - It appears that some companies did initiate their Mercury control systems early, but credits generated by this early action have not been formally tracked.
 - It was noted that AERSD has not formalized this program in a standards document or any other mechanism.

- There was agreement that the recommendation was implemented. There may be additional work for industry and government to recognize credits generated. However, this is outside of the scope and mandate of the EFR team.
- ✗ Recommendation 9: Source Standards for New Gas-Fired Non-Peaking Thermal Generation Units
 - In 2010, the team could not reach agreement on this recommendation and the non-consensus material was forwarded to the GoA for a decision, in accordance with the CASA process. To-date, no decision has been made.
 - Some stakeholders feel that by not making a decision, the GoA is saying that 2003 standards would apply to new development. Some stakeholders find this unacceptable.
 - Some stakeholders feel that not making a decision on the non-consensus issue is actually incentivizing non-consensus. This non-action on the non-consensus creates a way for stakeholders to maintain the status quo and it detracts from the CASA process.
 - The team agreed to develop a recommendation that the CASA Board request an update on the status of the decision from the GoA.
 - In addition, CASA's Performance Measures Committee could be a forum to help bring this attention to the Board.
 - ✗ Recommendation 10: Pre-consultation Phase for Next Five-Year Review
 - This did not occur for a number of reasons, including:
 - Urgent need to discuss the perceived misalignment between CASA's requirements and the federal GHG regulations for coal-fired power plants
 - Extensive consultations were conducted among government, industry, and ENGOS during the development of the Statement of opportunity and the Project Charter.
 - The team agreed to include a recommendation for 2018 Five Year Review team to consider the role of public consultation in the process during the development of the project charter (rather than specifying pre-consultation).
 - ✓ Recommendation 11: Higher Profile for the Electricity Emissions Management Framework
 - Team members agreed that this recommendation was implemented through regular updates to the CASA website. This provided the public with relevant information.

Next Steps for the 2003 Recommendations

- Industry's comments will be forwarded.
- At their next meeting, the team will have a high level overview and roundtable discussion about all recommendations.
- They will review any outstanding recommendations at the next meeting

Action Item 14.6: Industry will provide their comments on the implementation of the 2003 and 2010 recommendations to Robyn for inclusion ASAP.

6. Timelines and Work Plan

- Based on the task group updates, the team has a good idea of how the timelines are progressing and it seems that we're still on track to present our final report at the March 2015 Board meeting.
- The CTRS task group is expecting to complete their work in late Dec/early Jan. The team will need to have at least one more meeting after that report is received.

- Kim and Robyn will write as much of the final report as possible prior to December. The first draft of the report will be ready for review at the December meeting. Kim has only been contracted to the end of December.
- The team agreed that an interim report from the CTRS group at the December meeting would be useful.

7. December 4 Board Meeting

- The team agreed to provide a detailed status report to the Board for their December meeting. The Board can initiate a discussion with team members that are in attendance, if necessary.

8. Next Meeting

Future meetings dates:

- Monday, December 8 in Calgary.
- Robyn will poll for dates for a January in Edmonton.

Objectives:

- Discuss the HEAT recommendations and decide how they should be included in the team's final report
- Receive a presentation from the BCWG on emissions forecast and a status update from the CTRS task group
- Review outstanding recommendations from 2003
- Review and discuss draft team report

The meeting adjourned at 2:55pm.

Action Item 14.1

Final List 2 Substances (2003)	Category 2: Management action needs to be considered (2014)
Arsenic	Arsenic
Benzene	Benzene
Cadmium	Cadmium
Chromium	Chromium (i.e., Chromium III and Chromium VI)
Cobalt	Cobalt
Hydrogen fluoride	Hydrogen fluoride
Lead	Lead
Manganese	Manganese
Selenium	Selenium
Thallium	Antimony
Beryllium	Barium
Dioxins/Furans	Formaldehyde
Hexachlorobenzene	
Hydrogen chloride	
PAHs	