

# Minutes



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## *Electricity Framework Review Project Team, Meeting #12*

Date: Monday, September 22, 2014

Time: 10:00 am to 4:00 pm

Place: CASA office, Edmonton

### **Name**

### **Stakeholder group**

#### **In attendance:**

Njoroge Ngure	TransCanada
Colin Dumais (phone 11-11:40am , 1:45-2:30pm)	Enmax
Anamika Mukherjee (by phone at 1:20)	CAPP
Jim Hackett	ATCO
Steven Flavel	Alberta Energy
Peter Moore	Alberta Energy
Vinson Banh	Alberta Energy
Randy Dobko	Alberta ESRD
Sushmitha Gollapudi	Alberta ESRD
Kristi Anderson	Mewassin Community Council
Wayne Ungstad	Friends of Chain Lakes
David Spink	Prairie Acid Rain Coalition
Brian Jackowich	Alberta Urban Municipalities Association
Ben Thibault	Pembina Institute
Tom Marr-Laing	Pembina Institute
Srikanth Venugopal	TransCanada
Shaun McNamara	Milner Power Inc.
Tom Marr-Laing	Pembina Institute
Ahmed Idriss (at 12:40)	Capital Power
Robyn Jacobsen	CASA
Celeste Dempster	CASA
Sarah Hanlon	CASA

#### **Regrets:**

Don Wharton	TransAlta
Rob Watson	Milner/Maxim Power
Al Schulz	CIAC
Rod Crockford	ENCANA
Marlo Reynolds	BluEarth Renewables
David Lawlor	Enmax

#### **Guests:**

Merry Turtiak	Alberta Health
Kim Sanderson	

Action items	Who	Due
8.1: Prepare wording around a smart grid recommendation as per discussions at meeting 8.	Kristi, Steven	Update at next meeting
11.1: Provide a budget update at the next meeting, at which point the team can discuss the need to pursue more funding.	Robyn	Review as necessary
11.3: Contact Encana and TransAlta to gauge their on-going participating on the team.	Robyn	Update at next meeting
11.14: Develop a draft table of contents for final report to be presented at the September team meeting.	Co-Chairs	Update at next meeting
12.1: Circulate the website for the mandate letters for Alberta Energy and AESRD.	Robyn	ASAP
12.2: Circulate the 2011-2014 CASA Performance Evaluation document.	Robyn	ASAP
12.3: Forward the HEAT presentation to the team.	Robyn	ASAP
12.4: Circulate the Emissions Trading Regulation.	Robyn	ASAP
12.5: Each caucus discuss and prepare remarks on the ETS one week prior to next meeting.	Co-chairs	One week before next meeting
12.6: Poll for meetings in October, November, and December.	Robyn	ASAP

The meeting convened at 10:10 am. Tom Matt-Laing chaired the meeting. 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 #11 as presented.
- d. The team reviewed the action items from previous meetings:

Action items	Who	Status
1.10: Provide an update on discussions regarding contributing funding to the team.	Jim/Robyn	Combined with Action Item 11.1
8.1: Prepare wording around a smart grid recommendation as per discussions at meeting 8.	Kristi, Steven	Carry forward
<i>Kristi has shared draft wording with Steven and is awaiting feedback.</i>		
10.1: Circulate the work done by the previous PM Management task group.	Robyn	Done
<i>A small group of interested parties participated in teleconference on July 28 and reviewed previous work. An update is provided in Agenda Item #4.</i>		
11.1: Provide a budget update at the next meeting, at which point the team can discuss the need to pursue more funding.	Robyn	Carry forward
<i>Currently, the team is not in a funding shortfall. They agreed to defer pursuing additional funding until such a time that it was necessary.</i>		

11.2: Ensure that the Interim Report is transmitted to appropriate Government of Alberta departments.	Robyn	Done.
11.3: Contact Encana and TransAlta to gauge their on-going participating on the team.	Robyn	Carry forward
<i>These stakeholders received the meeting materials, but did not attend. Robyn will continue to encourage their participation.</i>		
11.4: The team requested that the HEAT group provide a summary of the July workshop, even if a final agreement has not been reached.	Robyn/Michelle	Done. Agenda Item #3
11.5: Distribute the Phase 1 report of the Emissions Forecast to the team.	Robyn	Done
11.6: Have a discussion on conventional vs. unconventional coal to the next CTRS meeting.	Robyn	Done. See Agenda Item 4
11.7: Convene a meeting for a small group to discuss the path forward for developing a PM Management System.	Robyn	Done.
11.8: Provide a written summary of the current state of the Emissions Trading System.	Randy/Stephen Dobson	Done.
11.9: Send a request for interested parties to submit their perspectives on the implementation of the ETS.	Robyn	Agenda Item #6. Now Action Item 12.5
11.10: Confirm their representatives on the small group that will review the implementation of recommendations.	Jim and Steven	Done
11.10: Convene a meeting of the small group to review the implementation of recommendations.	Robyn	Done. See Agenda Item #4
11.12: Solicit Communications task group members by email.	Robyn	Done.
11.13: Poll for dates for a team meeting in mid-September.	Robyn	Done.
11.14: Develop a draft table of contents for final report to be presented at the September team meeting.	Co-Chairs	Carry forward

## 2. CASA Update

The team reviewed the letter received from the Government of Alberta in response to the Interim Report. The discussion included the following key points:

- The letter notes that Alberta Environment and Sustainable Resources Development (AESRD) is working with Alberta Energy and Alberta Health to develop a cross-ministry plan to review the interim report and determine next steps.
- It was clarified that there is an existing group consisting of Alberta Energy and AESRD that has been discussing the interim report.
- Government representatives weren't able to provide clarity on the expected timelines for the development of the cross-ministry plan and are awaiting further direction from their new Premier and/or Minister.
- It was suggested that the team review the mandate letters given to the Ministers of Energy and ESRD by Premier Prentice. The mandate letter for the Minister of Energy includes a specific reference to the electricity framework.
- It was noted that the team should proceed with business-as-usual and complete their work by the end of the year unless further direction from the Government of Alberta is received.

**Action Item 12.1: Robyn will circulate the website for the mandate letters for Alberta Energy and AESRD.**

The team received an update on other CASA activities:

- The CASA Board has initiated their regular 3 year performance review. At the September Board meeting, Directors reviewed the “2011-2014 Performance Evaluation.” This discussion will be continued at the December Board meeting.
- The Non-Point Source Project Charter was approved in principle at the September Board meeting, contingent on a commitment from industry and government to provide funding. The project team will be convened as soon as funding discussions have concluded.
- The Odour Management Team is on track to finish their work in early 2015. The Alberta Energy Regulator was not able to provide the team with their outstanding funding requirements, but the team will complete their work to the fullest extent possible with a minimal budget.

**Action Item 12.2: Robyn will circulate the 2011-2014 CASA Performance Evaluation document.**

### **3. Update from the Health and Ecological Assessment Task (HEAT) Group**

Kristi Anderson provided a presentation on the work of the HEAT group:

- The HEAT group has completed two literature reviews and a chemical screening to identify emissions associated with electricity generation in Alberta, and they held a workshop in August to review and categorize each substance identified in the chemical screening.
- At the August workshop, the task group finalized the categories for further action that would be used to classify substances, as follows:
  - Category 1 - Priority List
    - Substances that are known to be an issue, and known ways of managing them exist and are being employed.
    - This category was carried forward from the 2003 Framework. No substances were added to the existing 5 priority substances.
  - Category 2 - Management action needs to be considered
    - Substances that need to be evaluated by the Project Team for further management action.
    - 11 substances are included in this category.
  - Category 3 - Ongoing surveillance recommended
    - Substances that the 2018 HEAT group should explicitly include in the search terms of the health and ecological literature reviews. The purpose is to watch for potential emissions trends over time, and to identify data gaps.
    - 41 substances are included in this category.
  - Category 4 - Insufficient information
    - Substances for which there is insufficient evidence to indicate that action is required.
    - 43 substances are included in this category.
- The task group is currently reviewing the first draft of their final report and recommendations and expects to forward their report to the Project Team by the end of October.
- The draft recommendations are as follows:

- **Recommendation 1:** The Project Team should evaluate each substance listed in Category 2 for further management action.
- **Recommendation 2:** The 2018 HEAT group should explicitly include substances listed in Category 3 in the search terms of the health and ecological literature reviews.
- **Recommendation 3:** CASA should form a standing Working Group to address the data gaps that were identified in the current review, and to ensure continuity between the reviews, in preparation for the 2018 air emission substance review (rec 72).
- **Recommendation 4:** Support science that might inform work on the effects of mixtures, and of low doses over long periods of time.

Highlights from the team's discussion include:

- When comparing the 2003 List 2 Substances to the substances in Category 2 from the task group, the substances included in Category 2 are much more specific, rather than including large groupings of substances.
- There was not necessarily any new information since the 2008 review, but the consultant that did the chemical screening was able to systematise the information into a format that proved very useful. The task group also found that there was more information on acute effects and less information on long-term health effects.
- Robyn reminded the team that the process for task group reports is as follows:
  - The task groups submit their final consensus reports and recommendations to the team.
  - The team then has to agree that the task group recommendations will go forward to the project team's final report. The team may select any/all recommendations to go forward to their final report.
- The team discussed the draft recommendations presented at today's meeting, but agreed that more discussion will be required once the full report is received.
- Recommendation 1:
  - There was considerable discussion about how this recommendation would be implemented by the project team.
  - There is a possibility that implementation of this recommendation may fall outside of the team's mandate and project charter. If that was the case, the CASA Board of Directors may have to agree to expand the team's scope.
  - One suggestion was that the team could look at whether any Category 2 substances would be captured as a co-benefit of controlling the priority substances. Although this is one possible path forward, it was noted that co-benefits should not be the only consideration and that a range of management actions might be available.
- Recommendation 3:
  - The data gaps include things like air monitoring, deposition, and exposure. Ensuring continuity between Five-Year Reviews is also a key component of this recommendation.
  - Again, there was considerable discussion about how this recommendation would be implemented.
  - This standing group could be broader than just the EFR team requirements, as there are other CASA project teams that have identified data gaps.
  - The standing group could focus on providing continuity for all aspects of the Five-Year Review, and not just on the requirements of the HEAT group.
  - The group may not have to convene immediately following the completion of the 2013 Five-Year Review. Perhaps one year lead time would be sufficient.

- There should also be consideration given to existing organizations that are better positioned to deal with this work (e.g. airsheds). The standing group could coordinate, rather than doing the actual work.
- Recommendation 4:
  - The Government of Alberta already supports this type of work; it could be considered business-as-usual. Therefore, it may be more appropriate as advice, rather than a recommendation.
  - It was noted that recommendations should be SMART – specific, measureable, action-oriented, realistic, time-bound.

**Action Item 12.3: Robyn will forward the HEAT presentation to the team.**

## 4. Task Groups Updates

### Control Technologies and Reduction Strategies Task Group

- For gas-fired generation, the group has received a final report from ERG on control technologies and is reviewing it. They have a meeting on October 10 to discuss the report.
- For coal-fired generation:
  - The group has agreed to recommend that the standards and credit limits in the *Report on the First Five-Year Review of the Emissions Management Framework for the Alberta Electricity Sector, May 2010* be retained for conventional coal.
  - The group has agreed to recommend that standards and credit limits for unconventional coal should be approved on a case-by-case review by regulator.
  - It was agreed that if GoA felt there was a need to review the standards sooner than the next 5 Year review (2018), there is a CASA process for initiating new work, through a Statement of Opportunity.
  - The group has initiated discussions on standards for Mercury, but are waiting for more information on Mercury capture and optimization.
- The group is fine-tuning a proposed standard for reciprocating engines.
- The group has a presentation from the Alberta Forest Products Association on bio-mass generation. They identified some additional information that is required and will continue the discussion at their next meeting. There is no agreement yet on whether bio-mass generation should be included in the Framework.
- The group expects to have their final report completed in mid- to late-November.

### Base Case Working Group

- The group is reviewing the Phase 2 report from the consultant and will meet on October 15 to discuss some outstanding concerns.
- The EFR team can expect a final report and recommendations (if appropriate) to the team by mid-November.

### Implementation of Recommendations Task Group:

- Peter, Jim, and Tom are taking the lead for each caucus. They have been tasked with gathering information from their caucus. Their tasks are to:
  - Indicate whether the status of any of the 71 recommendations (from 2003) has changed.
  - Complete the Implementation Rating Form for the 11 recommendations from 2008.
- Caucuses are to provide consolidated feedback by October 10.

### PM Management Task Group

- Interested parties participated in a tele-conference on July 28 and agreed to strike a task group to explore the possibility of developing a PM Management System for existing units. Their first meeting is on October 9, 2014.

## 5. Communications Task Group

The team discussed the goals and objectives for public consultation. The Communications Task Group requested this guidance from the team in order to prepare a Communications Strategy.

Key points in the discussion included:

- The public needs to be informed about the process for the 2013 Five-Year Review. An important part of this will be sharing the good news stories.
- The public needs to know what the future holds, i.e. implications of recommendations from the Five-Year Review.
- Public participation may bring to light considerations for future five-year reviews.
- A key reason to communicate with the public is to continue the conversation – we consulted in 2003 and 2008 and we need to ensure the continuation of the dialogue.
- If there were to be a substantive change to the Framework, a more significant consultation would need to be initiated.
- There may be an opportunity for more significant engagement around the development of the PM Management System. Once the scope of that Task Group has been agreed to, the team will need to discuss public participation on that particular piece of work.
- Timing is a major consideration. If the team is aiming to finish their work by the end of the year, there isn't time to launch a significant engagement initiative.
- Public participation could help to promote transparency and accessibility of data.
- The public also needs more information on how the itself Framework operates.
- It will be very important to manage the expectations of the public regarding how much influence they have over the outcomes of the project. The team needs to be clear that the objective is to inform and increase awareness.
- There should be an opportunity for the public to submit questions and comments. Again, expectations will have to be managed with regards to how these comments will be used.
- There was some discussion about whether public participation should be deferred until a Government of Alberta decision on the team's Interim Report. It was generally felt that, since there is no timeline for a GoA decision, we should proceed with wrapping up public participation at the same time as the rest of the team's work.

*The team agreed that the goal of public participation for this Five-Year Review is to:*

*Inform and increase the public's awareness and understanding of*

- *The 2013 Five-Year Review process and outcomes.*
- *The implications of the implementation of recommendations resulting from the 2013 Five-Year Review.*
- *The 2003 Electricity Framework and how it works to improve performance and reduce emissions.*

- The team discussed specific audiences that should be targeted:
  - Affected communities (Wabamun, Stony Plain, Hannah, Sheerness, Brooks, etc.)
  - First Nations
  - Health groups that aren't represented on the CASA Board
  - Renewable energy groups
- The next step is that the Communications Task Group will develop a Communications Plan that will be shared with the team for feedback.

## 6. Emissions Trading System

The team reviewed a summary of the implementation of the Emissions Trading Regulation provided by AESRD and discussed the intended objectives of the Emissions Trading System/Regulation. Key points made during the discussion included:

- It was meant to incentivize voluntary early actions.
- It was meant to provide flexibility to units reaching end of design life.
- It was meant to ensure transparency and accuracy for creation, transfers, and extinguishing of credits.
  - It was noted that the system doesn't track transactional details, such as price.
  - It was felt by some that a "system" should inherently track the flow of credits, among other functions. Alberta's system seems to fall a bit short, and acts more as a registry than an actual "system".
- It was meant to incentivize continuous improvement.
- It was meant to ensure an environmental benefit (through the 10% discount rate for credits).

The next step is for interested parties to provide their assessment on the implementation of the ETS.

- It would be helpful if caucuses could provide consolidated feedback to Robyn. This doesn't necessarily imply that the caucus has to reach agreement on their feedback. The co-chairs will coordinate input from the caucuses.
- A copy of the Emissions Trading Regulation should be circulated to the team to inform their discussions.
- In preparing this feedback, the caucuses should refer to the direction in the project charter, under objectives 11 and 12.

**Action Item 12.4: Robyn will circulate the Emissions Trading Regulation.**

**Action Item 12.5: Each caucus discuss and prepare remarks on the ETS one week prior to next meeting.**

## 7. Timelines and Work Plan

Based on delays in the CTRS group and the BCWG, Robyn provided an updated timeline, with delivery of the final report at the March 2015 Board meeting.

- AESRD indicated that their grant to CASA for the Five-Year Review stipulates that work must be completed by December 31, 2014. It was suggested that the grant monies could be explicitly allocated to the CTRS task group and the BCWG, both of which will have their final reports completed before December 31, 2014. AESRD will advise the team if there are further concerns regarding the grant requirements.



- There is still a pending decision from the GoA from the 2008 Five-Year Review on standards for gas-fired generation. It was suggested that a decision from the GoA on the 2008 non-consensus issue would actually expedite the current dialogue on standards for gas-fired units.
- The team feels confident that they will have reached a “working consensus” (tentative agreement) on their recommendations by mid-November to mid-December. By this time, it should be apparent if there are substantial points of disagreement.

To work as effectively and efficiently as possible, team members and task group members should:

- Work on tasks in parallel as much as possible.
- Ensure that their constituencies are regularly updated about the progress of their work.
- Come to meetings prepared.

The team discussed the final report:

- Robyn suggested hiring a report writer. There is sufficient money in the budget.
- As discussed at the previous meeting, the co-chairs will prepare a draft table of contents for the team to review at their next meeting.

## 8. Next Meeting

**Action Item 12.6: Robyn to poll for meetings in October, November, and December.**

Objectives for next meeting:

- Review the substances in Category 2 from HEAT and brainstorm implementations of Recommendation 1 from HEAT. [Facilitator’s note: use guidelines provided in the MCP on Performance Measurement]
- Task Group Updates
- Input from sectors on implementation of ETS
- Review Table of Contents.

The meeting adjourned at 2:30pm.