

Minutes



Electricity Framework Review Project Team, Meeting #15

Date: Monday, December 8, 2014
 Time: 10:00 am to 3:30 pm
 Place: Maxim Power, Calgary

In attendance:

Name	Stakeholder Group
Ahmed Idriss	Capital Power
Srikanth Venugopal	TransCanada
Ben Thibault	Pembina Institute
Jim Hackett	ATCO
Randy Dobko	AESRD
Sushmitha Gollapudi	AESRD
Shaun McNamara	Milner Power Inc.
David Lawlor	Enmax
Steven Flavel	Alberta Energy
Kristi Anderson	Mewassin Community Council
David Spink (by phone)	Prairie Acid Rain Coalition
Tom Marr-Laing (at 11:00 am)	Pembina Institute
Wayne Ungstad	Friends of Chain Lakes
Leonard Standing on the Road	Friends of Chain Lakes
Robyn Jacobsen	CASA
Kim Sanderson	Consultant

Regrets:

Brian Jackowich	AUMA
Anamika Mukherjee	CAPP
Peter Moore	Alberta Energy
Don Wharton	TransAlta
Rob Watson	Milner/Maxim Power
Rod Crockford	ENCANA
Marlo Reynolds	BluEarth Renewables

Action items	Who	Due
8.1: Prepare wording around a smart grid recommendation as per discussions at meeting 8.	Kristi, Steven	Update by January 15
11.3: Contact Encana and TransAlta to gauge their on-going participating on the team.	Robyn	On-going
14.3: Inform the HEAT Group of the two requested changes to their final report.	Robyn	ASAP
14.5: Find additional information on Recommendation 3 (2010).	Robyn	Next meeting
14.6: Provide their comments on the implementation of the 2003 recommendations to Robyn for inclusion ASAP.	Industry	ASAP

15.1: Contact Jon Mitchell to discuss Encana's continued operations.	Robyn	Before next meeting
15.2: Develop a general assessment for the review of the CTRS task group. The CTRS task group will report back to the team, at which time the team will revisit Recommendation 1 from the HEAT group.	Randy/CTRS task group	ASAP
15.3: Provide a blurb on how AESRD is replacing Climate Change Central.	Randy	ASAP
15.4: Provide data for the final report on what percentage of Alberta's total NOx and SOx emissions are from electricity generation.	Randy	ASAP

The meeting convened at 10:10 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 the minutes from meeting #14 as presented.
 - i. There were some concerns on the section on the Emissions Trading System. Robyn will edit this section and resend the minutes for approval.
- d. The team reviewed the action items from previous meetings:

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 in mid-January.
11.3: Contact Encana and TransAlta to gauge their on-going participating on the team.	Robyn	On-going
Action Item 15.1: Robyn will contact Jon Mitchell to discuss Encana's continued operations.		
14.1: Provide the team with information comparing the substances in List 2 and Category 2.	Robyn	Done. Appended to minutes from #14.
14.2: Provide accurate wording to amend the factual error in Appendix G in the HEAT group report.	Randy and Jim	Done
14.3: Inform the HEAT Group of the two requested changes to their final report.	Robyn	Carry Forward
14.4: Provide their comments on the implementation of the Emissions Trading System to Robyn for inclusion ASAP.	Industry	Done
14.5: Find additional information on Recommendation 3 (2010).	Robyn	Carry forward
14.6: Provide their comments on the implementation of the 2003 and 2010 recommendations to Robyn for inclusion ASAP.	Industry	Carry forward-2003 recommendations.
Comments on the 2010 recommendations have been received. The comments on the 2003 recommendations are forthcoming.		

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

2. HEAT Group Final Report

The team discussed how they would incorporate the recommendations from the HEAT Group's report into the team's final report.

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.

- It was reiterated that this task is beyond the scope of expertise on the HEAT group. It is more likely a better fit for the CTRS task group.
- One stakeholder felt that we should either do this as part of this review or as part of the 2018 review, but that there shouldn't be a standing group.
- It was agreed that the current CTRS task group should undertake a general, "first level" assessment to determine if there are any substances that require immediate action, or whether they can be reevaluated in 2018. This work would assist in focussing the work of the 2018 team.

Action Item 15.2: Randy will develop a general assessment of the substances in Category 2 for the review of the CTRS task group. The CTRS task group will report back to the team, at which time the team will revisit this recommendation.

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.

- The team accepted this recommendation as written and will include it in their final 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).

- There was some concern regarding a standing working group. Some members of the team felt it would be more appropriate to start this work as soon as the 2018 project team is established by convening a HEAT group. The current HEAT group has established a good process, so their terms of reference should be provided to the 2018 group.
- It was noted that the convening of the team, and subsequently this task group, would be contingent on securing appropriate funding.
- The team agreed to recommend the process described above.

3. Base Case Working Group

The BCWG presented an update on their draft report. Highlights of the presentation included:

- Mercury performance has improved across the board, with the widest difference being almost 60% less, over the next several years, and 46.3% lower at the end of the forecast (2030).
- PM forecast has worsened between 2014 and 2027, but is 58.9% lower by the end of the study period. The higher forecast does not, and should not, suggest that units are expected to worsen their performance, just that the past particulate matter intensity estimates were understated.
- SO₂ is marginally higher until 2020, at which point the forecast shows steady improvement, with 2030 77.1% lower than in the previous report. It can be noted that in the front-end when the forecast has risen, the average of any forward-looking 5 year period never exceeds 15.0%.

- NOx emissions are also forecast to be marginally higher until 2020 (aside from being down 0.4% in 2014), with the end of the forecast 46.1% lower than previously reported. In the front-end, when the forecast has risen, the average of any forward-looking 5 year period never exceeds 15.0%.
- As such, the task group has concluded that the 15% trigger has not been exceeded.

It was noted that team members should endeavour to share this update with their constituencies.

4. CTRS Task Group

The CTRS Group provided an interim update on their work. Highlights of the presentation included:

- 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 presented their working agreements for standards 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.
- 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.

Key points made during the discussion included:

- ESRD has formally responded to Environment Canada (through comments provided on the MSAPR regulation) about the need for consistent emission standards for common equipment within all sectors. Further, it has been noted that a growth area for new reciprocating engines is their use, both continuous and emergency electrical generation (sometimes several engines are banked to meet electrical needs) in SAGD operations. Whether or not these engines are connected to the grid is immaterial. Further, both the size range and emission standard outlined in the MSAPR response are what is being actually achieved in the field. It is one stakeholder's interest to ensure that this consistency is not weakened in other forums. The CTRS group will discuss this.
- There was also a concern about timelines for the CTRS group. There was a question about whether there is a chance to reach a consensus on the gas-fired standards in the time remaining. The CTRS task group will discuss this.
- It was once again noted that the GoA has not made a decision on the non-consensus item from 2010. Some stakeholders feel that the GoA not making a decision on the non-consensus issue from 2010 is actually creating a way for stakeholders to maintain the status quo and it detracts from the CASA process.

5. Implementation of Recommendations

The team reviewed the implementation of recommendations from the 2003 Framework.

Recommendation 5 – Design Life

Recommendation 22 – Co-Benefits of Mercury

- Although these recommendations were considered complete, some stakeholders feel there is an outstanding issue. If the PM Task Group develops a PM Management Plan that everyone can agree to, this becomes moot. But if not, this will be an outstanding issue.

Recommendation 31 - Responsibility for Implementing the Outcome of the Five-Year Reviews

- Even though Recommendations 6, 7, and 9 (re: source standards and credit generation thresholds) from the 2010 report were agreed to by consensus, they are only being used informally by ESRD and have not been formally incorporated into standards. This has the potential to create problems for new builds and for credit generation, because it is uncertain what standards apply.
- At their November 14 meeting, the team agreed to develop a recommendation that the CASA Board request an update on the status of implementation from the GoA.

Recommendation 32 – Identifying hotspots

- Some stakeholders felt that this is not the forum to discuss the PM issue in the Capital Region. There is more than just the electricity sector contributing to the issue in the Capital Region.
- Others agreed that as long as the recommendation is being implemented as intended, there is no issue. However, it is within the team's scope to discuss the implementation of this recommendation at each five year review.
- It was noted that the hotspots protocol is now being managed by AESRD and is being addressed in that forum.

Recommendation 34 – Emissions Growth Review Trigger

- Adjustments to Recommendation 34 will be discussed by the BCWG.

Recommendation 49 - Public Input to Sectoral and Other Industry-Specific Agreements

- We have no control over the implementation of this recommendation and is therefore no longer the responsibility of this team.

Recommendation 67 - Encouraging Electrical Energy Efficiency and Conservation by Governments

- AESRD will provide a blurb on how they intend to replace the function of Climate Change Central.

Action Item 15.3: Randy will provide a blurb on how AESRD is replacing Climate Change Central.

6. Final Report

The team discussed the draft final report and provided comments to be incorporated into a revised draft.

- One stakeholder suggested that one document that links together all the past work would be helpful. We need to document how our understanding of the implementation of the framework has changed over the years.
- This could be an addendum to the 2003 framework, including all the work of the 2008 and 2013 reviews.
- The team will review this at their next meeting.

Section 2

- Pg. 6 - Randy agreed to provide the data.

Action Item 15.4: Provide data for the final report on what percentage of Alberta's total NOx and SOx emissions are from electricity generation.

- P. 7 – it was noted that there is a gap in the timeline as described. The report should note that after their first report to the Board, they were directed to take more time to try and reach consensus.
- P. 9 – It was suggested that a piece be added around the idea that the team proceeded with the review tasks assuming business as usual, i.e. that the Framework would not change. Kim will refer to the wording in the GoA letter in response to the Interim Report to see if it contains appropriate language.

Section 7

- This section needs to note that the team was unable to provide a detailed assessment of the ETS since there hasn't been a lot of activity.
- There was general agreement that the system has been built as intended, but it's difficult to assess if it's actually working as intended.
- This section should include some points on the differences in interpretations on whether the ETS has been implemented.

7. Timelines and Work Plan

- There was a question about how the Communications Task Group's work will fit into the timeline of having a final report completed by March. It was agreed that since their work is only focussed on communicating the work of the team, it might be better for their work to happen after the team's report is finalized.
- The team could include the Communications Plan their report. If there were any results or recommendations, from this task group, they would not be included in the team's report.
- The work of the PM Task Group will likely also go beyond the team's timeline. With regards to governance of the PM Task Group and the Communications Task Group, it was suggested that the project team could be put into abeyance until the rest of the work is complete. There will be further discussion on this at the next meeting.

8. New Business

Implementation of the Emissions Trading System

- There is a concern that the industry rating of the implementation of the recommendation on the ETS (2) would make this a low-rated recommendation. The other two sectors rated this recommendation as implemented (10).
- Industry agreed that since the team will be putting forward a new recommendation on the ETS, they will change their rating to a 4.

Recommendation 34

- Stakeholders feel that there is some ambiguity in the language of Recommendation 34.
- The BCWG is reviewing a straw dog proposal to amend recommendation 34.

9. Next Meeting

- The next meeting is scheduled for January 15 in Edmonton.
- Robyn will poll for dates for a February meeting, before Feb 12 (Board deadline) in Calgary.

Objectives:

- Discuss the BCWG report and recommendations and decide how they should be included in the team's final report
- Receive a presentation/status update from the CTRS task group

- Discuss recommendations for future five year reviews
- Review and discuss revised draft team report
- Review the need to create a summary document of all the reviews that would reflect the current thinking.

The meeting adjourned at 3:45 pm.