

**Balzac Community Advisory Panel (BalCAP)**

**Meeting Notes – April 14, 2009**

**Balzac Community Advisory Panel (BalCAP) Meeting  
Balzac Community Hall  
Tuesday, April 14, 2009**

**Meeting Notes**

(Approved May 12, 2009)

**Attendees:**

Wayne Brown – MD of Rocky View	Fiona Buchanan – Nexen Inc.
Mike Dingle – City of Airdrie	Allan Fraser – Community
Keith Graham – Community	Keith Greenaway – Nexen Inc.
Ian Jerrard – TransCanada	Rick Johnson – Community
Rick Jones – Enersul	Dave Lantz – Community
Eve Lantz – Community	Nancy Lowery – Community
Susan MacDonald – ERCB	Deidre Macht – City of Calgary
Darrell Miller – Community	Ed Pluemecke - Community
Ray Rowland – Nexen Inc.	Weldon Stacey – Community
Wilf Stark – Community	Greg Steiner – Saddleridge CA
Jim Stevenson – Ward 3	Barry Whillans – Nexen Inc.

**Regrets:**

Lynn Banning – Ward 3	Kim Currie – EnCana
Roy Hanson – Enmax Calgary Energy Centre	Rod Ross – MD of Rocky View

**New Faces and Guests:**

D.R. Clark – Community	Leanne Dawkins – AESO
Warren Frost – AESO	Paul Lavoie - Community
Roger McIntosh – Community	Linda Murphy – Community
Don Popowich – AUC	Pat Wickel – AUC

**Facilitator:**

Gay Robinson

**Scribe:**

Jaymie Marshall

- 1. Welcome, Introductions & Opening Comments** **Gay Robinson**
  - Gay welcomed everyone to the meeting.
    - Brief introductions were made for the new faces in the crowd.
  - Gay reviewed the agenda for the evening.

- The meeting objective is to receive organizational updates and learn about Alberta's Electric System and how it is regulated.
- The notes from the March 10<sup>th</sup> meeting were reviewed.
  - The notes were approved as distributed.
  - Gay will mark the meeting notes as approved.
  - Copies of all approved notes will be kept on file and made available upon request.

2.

### **Organization Updates**

- Nexen:
  - Keith Greenaway updated the group on activities at the Balzac Gas Plant.
    - There was an incinerator incident and surrounding residents were notified.
    - Planning has started for the 2011 plant Turnaround.
    - Drilling for Project Parkway is scheduled to start June 30, 2009.
      - There are currently two wells scheduled to be drilled – the first is located at 6-8-26-28W4M and the second at 6-21-26-28W4M
      - Emergency Response Information updates for residents and businesses within the Project Parkway Emergency Response Plan (ERP) are underway, with completion scheduled for mid-May 2009.
  - Ray Rowland provided a brief overview of the Emergency Response exercise, which was held on March 30, 2009.
- EnCana:
  - No update at this time, as Kim Currie is on vacation.
- TransCanada:
  - Ian Jerrard indicated that TransCanada is still working on laying concrete slabs over their pipeline to allow for a road crossing (as discussed last month).
- ERCB:
  - Susan MacDonald provided some updates on behalf of the ERCB.
    - The ERCB has revised its informational brochure on setbacks – EnerFAQs 05 – Explaining ERCB Setbacks. Susan has copies available and it is also available on the ERCB website – [www.ercb.ca](http://www.ercb.ca).
    - There is also a revised version of Directive 31 – Guidelines for Energy Proceeding Cost Claims posted on the ERCB website.
      - There was a question as to whether Directive 31 is retroactive. Susan will look into this and respond directly to Deidre.

- Susan also provided an update on the Petro-Canada hearing which had been put on hold due to a personal relationship between an ERCB employee and a Petro-Canada employee.
  - A third-party investigator was hired to determine if the integrity of the hearing was affected at all by the relationship. It was found that there was no affect on the integrity of the hearing and the hearing is now proceeding with written arguments.

### 3. Presentations

#### A) Alberta Electric System Operator Warren Frost

- Warren provided an overview of Alberta’s electric industry and the role of Alberta Electric System Operator (AESO).
  - AESO is a non-profit organization independent of all other electricity market participants. It was started in 2003 through the EUA to integrate the Power Pool of Alberta and Transmission Administrator.
    - Governed by an independent board appointed by the Minister of Energy.
    - Regulated by Alberta Utilities Commission.
    - Funded through Pool Trading Charge and Transmission Tariff.
  - AESO has four core business areas: Markets, Transmission System Development, Transmission System Access and System Operations.

#### A) Alberta Electric System Operator cont.

- The electricity industry includes many players such as the Balancing Pool & Generator Facility Owners, Transmission Facility Owners, Distribution Facility Owners and Retailers.
- Alberta has a system peak demand of 9,710 MW; with 12,161 MW total maximum generating capacity.
  - There are over 280 generating units, about 200 market participants and more than 21,000 km of transmission lines.
- Alberta has led North America in load growth – up 28% since 2000 and forecasted to grow by about 3% per year.
- There is adequate supply in the near term, but forecasts call for double the current capacity by 2027.
- The presentation was followed by a question period.
  - How will the new Alberta Land Use Framework affect the AESO, e.g. with respect to transmission utility corridors?
    - At this point, there has been no impact to AESO.
  - Where are things standing with regards to solar energy?
    - Due to Alberta’s higher altitude, the costs vs. efficiencies make solar energy much more expensive than conventional sources for power.

#### B) Regulating Alberta’s Utilities

**Don Popowich / Pat Wickel**

- Don provided an overview of the Alberta Utilities Commission (AUC) and its role in regulating Alberta's electric system.
  - The AUC was newly formed in January 2008 and regulates the utility sector, natural gas, electricity and water markets to protect social, economic and environmental interests of Alberta, where competitive market forces do not.
  - Utility regulation is a balancing act that must be fair to both the utility and the customer. The AUC must be impartial and objective.
  - The AUC regulates utility rates, electric and gas facilities and both the wholesale and retail gas and electricity markets.
    - When setting rates, the AUC ensures utilities are allowed to recover their reasonable costs, including a fair return on their investment, while customers receive service at reasonable rates.
    - Siting and construction of facilities must be approved to ensure that facilities are built, operated and decommissioned in an efficient and environmentally responsible way.
      - Facilities include power plants, power lines, electric substations, natural gas pipelines and compressor stations.
  - Several recent rulings issued and/or revised can be found on their website –[www.auc.ab.ca](http://www.auc.ab.ca).
- Pat outlined the application processes for electric and gas facilities and how the public can be involved in this process.
  - The process begins with the submission of an application.
  - From there, the AUC reviews the application for completeness.
    - Application is either closed or put on hold if key information is missing.
    - The application must be processed within 180 days of being deemed complete.
  - Once the application is deemed complete, the AUC issues a Notice of Application to all potentially affected parties.
  - If there are no objections to the application, then the process continues routinely.

#### B) Regulating Alberta's Utilities cont.

- If there are objections, the concerns are evaluated and the applicant is encouraged to resolve the concerns with the affected parties.
  - There is an Alternate Dispute Resolution (ADR) process available.
- If there is no resolution between the applicant and the concerned parties, then a hearing will take place.
- Lastly, a decision on disposition of the application is made.
- Public involvement in facility applications includes the following:
  - Before: The applicant has a duty to identify and communicate with all the potentially affected parties via a Participant Involvement Program.
  - During: Public can make submissions in response to the Notice and as a part of the ADR or hearing process.

- After: Public can file a Review and Variance request to the AUC or appeal to the Alberta Court of Appeals.
- The presentation was followed by a question period.
  - When setting the utility rates, does the AUC regulate how the utilities buy or hedge supply?
    - There are no regulations on how utilities buy or hedge. There is only regulation on the default rate that is provided to the public that have not signed a supply contract with a company.
  - With regards to the recent application for the large transmission line, how will the company be charging for the costs of that project?
    - The facility charge is designed to recoup the costs for the transmission wires, capital cost and depreciation costs.
  - Have the issues been addressed with regards to the proposed new transmission line between Edmonton and Calgary?
    - There has been an internal review and the next application will come through AESO.

#### **4. Community Issues, Updates and Announcements**

- No community issues, updates or announcements at this time.

#### **5. Next Meeting**

- May 12, 2009, Balzac Community Hall at 7:00 pm.
- Future meeting dates – June 9 (tentative).