

# Railbelt Reliability Council Implementation Committee - Meeting

March 29, 2021

## Final Minutes (Approved by IC 4/5/2021)

### 1) Roll-call

The meeting was held via Zoom, was called to order at 1:15 pm, and was chaired by JE.

Primary		Alternate		Organization
Brian Hickey (BH)	n	Jeff Warner (JWR)	Y	Chugach Electric Association
John Burns (JB)	Y	Frank Perkins (FP)	Y	Golden Valley Electric Association
Rick Baldwin (RB)	n	Dan Chay (DC)	Y	Homer Electric Association
Julie Estey (JE)	Y	Ed Jenkin (EJ)	Y	Matanuska Electric Association
Lou Florence (LF)	Y	Shayne Coiley (SC)	n	Doyon Utilities
Dave Burlingame (DB)	Y	Rob Montgomery (RM)	n	City of Seward
Kirk Warren (KW)	Y	Curtis Thayer (CT)	n	Alaska Energy Authority
Suzanne Settle (SS)	n	Sam Dennis (SD)	n	Cook Inlet Regional Inc.
Joel Groves (JG)	Y	Mike Craft (MC)	Y	Alaska Environmental Power, LLC
Veri di Suvero (VDS)	Y	Enei Begaye (EB)	n	Alaska Public Interest Research Group
Chris Rose (CR)	Y	Greg Stiegel (GS)	n	Renewable Energy Alaska Project
Hank Koegel (HK)	Y	David Newman (DN)	n	Unaffiliated seat
Jeff Waller (JWL)	n	Janet Fairchild-Hamilton (JFH)	n	Regulatory Affairs and Public Advocacy
Bob Pickett (BP)	n	Antony Scott (AS)	n	Regulatory Commission of Alaska

Y: Attending n: Not attending v: seat is vacant

Steve Mahoney (SM) present; Tom Lovas (TL) present until 2:50 pm.

Rebecca Sexton-Kelly (RSK) and Bayunt Ollek (BO) with Sapere present.

Seth Blumsack (SB) and Stephanie Lenhart (SL) not present.

11 of 12 voting members are initially present, no ex-officio members are present.

### 2) Approval of Agenda

**MOTION** to approve today's agenda, 1CR, 2HK.

RSK: Asked the IC if additional time was needed for the review of the Tariff TOC and offered a friendly amendment to compress the committee updates agenda item in order to free up additional time for this.

**PASSED** as amended with no objections. [11-0-1].

### 3) Approval of March 22 Meeting Minutes

**MOTION** to approve 3/22/2021 meeting minutes, 1JG, 2CR.

**PASSED** with no objections [11-0-1].

### 4) Review ERO Application Table of Contents (TOC)

JG: BudCom reviewed and approved draft Application TOC last week. TL subsequently update TOC organization to reflect RCA guidance from last week's meetings.

TL: Presented draft Application TOC to IC.

JE: The PM will assign Application TOC content to committees as appropriate and will track committee progress toward completion.

JG: IC members please review the Application TOC in depth and provide comments to TL and JG. The BudCom will bring changes to IC for approval next week.

## 5) Review Tariff TOC

EJ: TarCom is tracking RCA action on Tariff structure / content, some changes are being incorporated, mostly waiting for final regs though.

TL: Reviewed the Tariff TOC with the IC.

EJ: Plan is similar to that for the Application TOC. IC members should ruminate over the content and send comments to TL and EJ. BudCom will bring back for IC approval next week.

## 6) BySub Draft Language

HK: BySub has two TAC proposals from BH and SS but has not discussed them yet and prefer not to bring them to the IC today. HK encouraged all IC members to attend Wednesday's BySub meeting for sake of efficiency, introduced SM to review draft language.

*[TL left meeting at 2:50 PM].*

### a. Large Consumer Stakeholder Definition:

**MOTION** to Tentatively Approve seat K language as presented in the meeting packet. 1CR, 2KW.

**PASSED** with no objections [11-0-1].

### b. Small Consumer Stakeholder Definition:

**MOTION** to Tentatively Approve seat J language as presented in meeting packet. 1CR, 2KW.

**FRIENDLY AMENDMENT** by JE to add "... or individuals...". Accepted by 1CR, 2KW.

**AMENDED MOTION FAILED** by roll call vote, with CEA, GVEA, HEA, HK voting NO, AKPIRG abstaining, and CIRI absent.

*[6-4-1-1. A 2/3<sup>rd</sup> majority, eight votes, is required to pass 'all other IC business'].*

**MOTION** to Tentatively Approve language for seat J as presented in meeting packet. 1CR, 2HK.

**PASSED** with no objections [11-0-1].

### c. Recusal:

SM presented draft language for Recusal.

EJ asked about family relationships, SM confirmed yes, both direct and indirect conflicts.

**MOTION** to tentatively approve bylaws section 2.2.1.15 on recusal for personal conflicts 1CR, 2JWR.

**FRIENDLY AMENDMENT** by JG to change "...arise..." to "...exist...". Accepted by 1CR, 2JWR.

JWR: Is it common for there to be a process for the Board of Directors to weigh in on conflict?

SM: yes, that exists elsewhere.

KW: with regard to friendly amendment, perhaps "...exist or arise..."? SM clarified, KW withdrew.

**MOTION TO AMEND** read "...exist, or could exist in the future..." 1DB, 2VDS.

**MOTION TO AMEND WITHDRAWN**, 1DB, 2VDS.

**PASSED AS AMENDED** with no objections [11-0-1].

d. Conflicts of Interest, Section 2 – Interested Party:

**MOTION** to Tentatively Approve Interested Party language 1CR, 2KW.

**PASSED** with no objections [11-0-1].

HK: BySub will bring Bylaws conflict sections 4, 5, and 6 and TAC/ERO Org structure back to the IC next week.

e. **Brief Committee Updates**

ExCom: JE: Meetings are Thursdays 12-1, solidifying our processes.

BySub: HK: Meetings are Wednesdays 2-4, invited IC members to attend to see TAC presentations.

BudCom: JG: Monitoring committee budget developments for IC budget update, reviewing expenses, monitoring org structure development.

TarCom: EJ: Nothing to add.

StanCom: JWR: Last week meeting cancelled due to RCA, same thing happening this week. Working on draft schedule. Produced several documents for internal review, working through those.

IRPcom: DB: RCA also cancelled their meeting.

f. **ExCom Elections**

JE: IC leadership elections are quarterly and are overdue, handed meeting over to RSK to facilitate ExCom elections.

**MOTION** to retain existing IC leadership. 1HK, 2JWR.

**PASSED** with no objections. [11-0-1].

g. **Updates / Member Comments**

JE: Informed IC that utility CEOs file a letter with the RCA soon. Will discuss 1) Ask DOL for clarifying guidance on whether the ERO will be an utility, 2) Observe that the process is really rushed, express concern over outcomes and suggest an extension.

MC: What kind of extension is being considered?

JE: Current draft is asking RCA to ask for 12-month extension.

There were many concerns raised by the non-utility members. The main concern was that the effort to form the RRC is very time-consuming and extending this level of time commitment for another year is not acceptable.

**h. April 5<sup>th</sup> Meeting Agenda**

JE: Tracking following items for next week:

1. Approval of application TOC
2. Approval of Tariff TOC
3. Discussion / Approval of TAC/ERO Org Structure
4. BySub Draft Language
5. Discuss Transition from IC ExCom to RRC ExCom

RSK: yes, also:

6. Monthly reports out to chairs (not agenda item)

JE: Committee Chairs, if missing anything, tell RSK ASAP.

**i. Adjourn**

**MOTION** to adjourn, 1JG, 2JWR.

**ADJOURNED** at 4:16 PM.

**DEFINITION OF ABBREVIATIONS AND ACRONYMS**

All committee members are identified by their initials, as defined in the roll call table.

1JE, 2JG.	Shorthand designating which committee members proposed and seconded motions.
[~]:	Secretary's commentary provided for clarity / context as appropriate.
	Vote tally shorthand is Y-N-A, yea – nay – absent or abstain.
Aol:	articles of incorporation
CEA:	Chugach Electric Association, Inc.
CPCN:	certificate of public convenience and necessity
DOC:	duties of care
DU:	Doyon Utilities
ERO:	Electric Reliability Organization
ExCom:	executive committee
IC:	Implementation Committee
IRP:	integrated resource plan
LSE:	load-serving entity
MEA:	Matanuska Electric Association, Inc.
NDA:	non-disclosure agreement
NTE:	not to exceed
PM:	project management
PMP:	project management professional
RAPA:	Regulatory Affairs and Public Advocacy
RCA:	Regulatory Commission of Alaska
RRC:	Railbelt Reliability Council
SB:	Senate bill
SOW:	scope of work

**ATTACHMENTS:**

1. Tentatively approved Bylaws clause on Seat J and Seat K selection process.
2. Tentatively approved Bylaws clause 2.2.1.15 (as amended) on director recusal for personal conflict, and Tentatively approved Bylaws clause (Art XIII, Section 2 preamble) defining interested parties.

**ATTACHMENT 2/2 (2 PAGES)**

**ARTICLE II  
BOARD OF DIRECTORS**

**2.1. Directors**

**2.1.2. Board Composition**

**2.1.2.1. Number**

The number of directors, which shall never be less than three (3), shall be up to thirteen (13). Each director shall hold office for a three-year term and until his/her successor shall have been qualified and appointed. Initially and each time the number of directors is increased by three, one-third of the initial number or increase shall be elected to a one-year term, one-third to a two-year term, and one-third to a three-year term; thereafter, as each term is ended, the new term is three years. No director will serve more than two consecutive three-year terms in office. In the case of a director originally appointed to a term of office of less than three years, such term shall not be counted in applying this two-term rule. A former director who has been out of office for a period of one year or more will be eligible for reelection. No amendment of these Bylaws reducing the number of directors shall reduce the terms of any incumbent director. The Board of Directors may establish qualifications for persons to serve as directors.

**2.1.2.2. Director Seat Allocation**

Directors and their Alternates shall be appointed or elected from time to time as provided in this Section 2.1.2.2. The Corporate Governance Committee of the board shall manage all aspects of the director appointment and election processes. Except for those entities assisting in appointing the Director for Seat G described below, in no event shall the representatives or entities assisting the Corporate Governance Committee in the appointment of directors and Alternates be affiliated with a government entity or be affiliated with any firm that is already represented on the board. The number of Directors and Alternates authorized pursuant to Section 2.1.2.1, defined herein as Seats A through O, shall be seated with those persons qualified for board service in accord with the following criteria:

A-E. Those directors holding seats A, B, C, D and E, and Alternates, shall, from time to time, be appointed by Utility Entities or their successors. Each Utility Entity shall appoint an individual and Alternate to represent the Utility Entity for all purposes. Until amended by the Board in accord with these Bylaws the following seats shall be appointed by the following Utility Entities (or their successors in interest):

- A. Chugach Electric
- B. GVEA
- C. HEA
- D. MEA
- E. City of Seward

F. The director holding seat F (“At Large Utility”), and Alternate, shall be appointed by Doyon Utilities LLC (Doyon) so long as Doyon holds a Certificate of Public Convenience and Necessity to provide

electric distribution service within the Alaska Railbelt or until such time as there are additional public utilities, other than those utilities listed in seats A-E, that are directly interconnected to the electric energy transmission network in the Railbelt, who hold a Certificate of Public Convenience and Necessity to provide electric distribution service, as determined by the Corporate Governance Committee and at which time the board shall elect a director from those entities.

G. The director holding seat G (“State”), and Alternate, shall be appointed by the Alaska Energy Authority (“AEA”) or successor agency of the State of Alaska.

H-I. The directors holding seats H and I (“IPP”), and Alternates, shall be appointed by the Alaska Independent Power Producers Association or its successor association.

J. The director holding seat J, and Alternate (“Small Consumer”), shall be appointed by that group of no more than 15 entities representing smaller users of electricity (not in that group representing larger users for Seat K) from the *Railbelt* regional *electric* system as determined by the Corporate Governance Committee.

K. The director holding seat K, and Alternate (“Large Consumer”), shall be appointed by that group of entities representing larger users of electricity that are users interconnected to the Railbelt electrical grid and are either: among the top 15 energy or peak demand load users of total energy and/or peak demand from a single site (could be multiple meters but only if on the same campus or on adjacent parcels of real estate), or a representative of an entity that is recognized as a significant industrial user of Railbelt electricity.

L. The director holding seat L (“Environmental”), and Alternate, shall be appointed by that group of exempt organizations as defined under Internal Revenue Code §501(c) representing consumers of power who advocate in support of the reduction of environmentally harmful emissions from the *Railbelt* regional *electric* system as determined by the Corporate Governance Committee.

M. The director holding seat M (“Independent”), and Alternate, shall be elected by the board from a slate of no more than 5 qualified candidates which candidates shall be independent of any entity associated with the Railbelt regional electrical system provided from the Corporate Governance Committee not later than 30 days prior to the Annual Meeting.

N. The nonvoting director seat N shall be appointed by the Regulatory Board of Alaska from time to time.

O. The nonvoting director seat O shall be appointed by the Attorney General for the State of Alaska from time to time.

**ATTACHMENT 2/2 (2 PAGES)**

2.2.1.15.        Recusal

Should a conflict of interest exist with regard to an issue brought to the board of directors requiring a vote for further action, in accord with Article XI Conflicts of Interest, it is the duty of the director, under the law, to disclose to the board, and to recuse himself/herself from any involvement with the issue in which the director has a Personal Interest. Should a director recuse themselves or be recused by action of the board the director's Alternate shall be entitled to vote on the issue upon which the director is recused.

## ARTICLE VI CONFLICTS OF INTEREST

### 6.1 Purpose.

The purpose of the conflict-of-interest provision is to protect this Corporation when it is contemplating entering into a transaction or arrangement that might benefit the Personal Interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This provision is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### 6.2 Interested Party.

Any director, principal officer, or member of a committee with board delegated powers, who has a direct or indirect financial interest or receives any remuneration from the Corporation, is an interested person and is considered to have a Personal Interest.

6.2.1 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family an ownership or investment interest in excess of 5% in any entity with which the Corporation has a transaction or arrangement, or a potential ownership or investment interest in excess of 5% in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. For the avoidance of doubt and notwithstanding any other provision of these bylaws, a director shall not be precluded from voting on or participating in any discussion on a matter solely on the basis that the director has a financial interest in an owner, user, or operator of the Railbelt bulk electric system and the matter relates solely to the use, ownership or operation of the bulk electric system.

6.2.2 Compensation. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation (they are not prohibited from providing information to any committee regarding compensation).

### 6.3 Procedures.

The Board and its members will abide by the following procedures:



6.3.1 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of more than a de minimis ~~the~~ financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

6.3.2 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

#### **6.4 Addressing Conflicts in Decision Making**

Should the potentially conflicted person agree that a conflict may exist the Alternate for that director's seat may participate for all purposes with regard to the issue rather than the director. Should the potentially conflicted person disagree, after determining that a conflict does or may exist, the Board members or committee members present by simple majority of disinterested directors vote to appoint the Alternate for that director's seat to participate for all purposes with regard to the issue rather than the potentially conflicted person.

#### **6.5 Violations.**

If the governing Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest it shall take appropriate disciplinary and/or corrective action.

#### **6.6 Annual Representation Letter.**

Each director, principal officer, and member of a committee with Board-delegated powers shall annually sign a statement which affirms such person has received, read, understood, and agrees to comply with these conflicts of interest provisions.