

Railbelt Reliability Council Implementation Committee - Meeting

July 26, 2021

Final Minutes (Approved 8/2/21)

1) Roll-call

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

Primary		Alternate		Organization
Brian Hickey (BH)	Y	Jeff Warner (JWR)	Y	Chugach Electric Association
John Burns (JB)	Y1	Frank Perkins (FP)	Y	Golden Valley Electric Association
Rick Baldwin (RB)	Y	Dave Thomas (DT)	Y	Homer Electric Association
Julie Estey (JE)	Y2	Ed Jenkin (EJ)	n	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)	n	David Lockard (DL)	Y	Alaska Energy Authority
Suzanne Settle (SS)	Y	Sam Dennis (SD)	Y	Cook Inlet Regional Inc.
Joel Groves (JG)	Y	Mike Craft (MC)	Y	Alaska Environmental Power, LLC
Veri di Suvero (VDS)	Y	Alyssa Sappenfield (ASF)	Y	Alaska Public Interest Research Group
Chris Rose (CR)	Y	Greg Stiegel (GS)	n	Renewable Energy Alaska Project (REAP)
Hank Koegel (HK)	Y	David Newman (DN)	n	Unaffiliated seat
Jeff Waller (JWL)	Y	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

Y1: JB joined at 1:24 PM.

Y2: JE joined at 1:52 PM.

Steve Mahoney (SM) present; Tom Lovas (TL) present; Rena Miller (RMR) not present.

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

JWL advised that JFH is retiring, informed RAPA will be appointing new alternate.

11 of 12 voting members are initially present, one ex-officio member is initially present.

2) Approval of IC Agenda

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

DB asked for clarification on the two budget requests. Which one is the one listed on the consent agenda? SS clarified BudCom request is on consent agenda, JG's review request is separate item for discussion on the agenda.

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

3) Consent Agenda

Chair asked for requests to remove items from consent agenda, none raised.

MOTION to approve consent agenda, 1BH, 2DB.

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

4) BySub – Draft Bylaws Review

SS introduced current Bylaws sections up for Tentative Approval (TA).

[JB joined at 1:24 PM, 11 of 12 voting members present.]

2.1.3.1, Director's Fees.

HK asked to confirm that a policy would clarify that board resolutions approving a fee for the alternate would not be required every time their vote is necessary. SS / SM confirmed it would.

VDS, BH, DB, HK, SD, JG, and DT discussed director fees for meeting preparation vs. participation and whether those should be delineated in the Bylaws or associated policy.

Remanded to BySub for more work.

2.2.3.3.5, Governance Committee.

SS explained addition of "named compliance officer".

TAd as presented.

4.1.3.4, TAC.

SS advised added standards compliance and enforcement to narrative of TAC duties.

DB, JWR, BH, SD, RB, SS, and CR discussed how compliance monitoring and enforcement actions would flow in the RRC. Responsibilities of compliance engineer, TAC, BOD. Consensus that the compliance engineer would have responsibility to draft compliance actions, the TAC would review and recommend those to the BOD or remand it back to the compliance engineer, and the BOD would be the final approving authority in the RRC. Each phase is conducted at arm's length from the others.

TAd as presented.

5.1. Operating Budget

VDS, BH, SS, JWL, RB, JG, and LF discussed budgeting requirements and how to address initial RRC costs incurred in the gap between RRC organization and ERO certification. May need to revise language to allow for budgeting to recover these costs retroactively. Tangential discussion over ongoing discussions on gap funding mechanism.

[JE joined at 1:52 PM, 12 of 12 voting members present.]

Remanded to BySub for additional consideration.

5.3 Audit

TAd as presented.

5.4.1 Books and Records

TAd as presented.

5.4.2 Annual or Fiscal Accounting

TAd as presented.

5) PubSub – Public Member on a Committee Policy

VDS presented policy.

SS asked about committees, working groups, etc. and whether intent is to run through this type of process for every committee? And is this the responsibility of the TAC chair to manage?

VDS confirmed yes, each time for relevant committees, and it is the responsibility of the working group chair. Each working group would need to be formed, chartered, etc.

JG noted vague applicability language with regard to which working groups, committees, or sub committees this policy applied. Sometimes it refers to working groups, sometimes committees. Don't think the IC has this nailed down so can't fix it now, but flag this for cleanup before finalizing. VDS concurred, don't have enough information to address this now, but something that will need to be addressed prior to final approval for Application.

MOTION to Tentatively Approve policy as presented. 1VDS, 2SS.

FP, BH, LF, DB, and JG discussed qualifications of Type 1 participants and how / whether they should have any technical qualification requirements. Consensus that they were not technical contributors but maintain the flexibility / discretion for seating members that we are given in the regulations.

JG flagged terminology used to describe Type 1 participants: 'interests', 'qualifications', 'perspectives', 'background' and 'knowledge' that are used somewhat interchangeably / inconsistently. Final proof should scrutinize and standardize language and/or maintain distinctions as appropriate.

PASSED with no objections [12-0-0].

6) BudCom

a) Call for CPA Nominations

JG advised current CPA list for just-approved BudCom funding authorization includes Swalling & Associates, Sramek-Hightower, and Altman Rogers. BudCom will proceed with selecting a firm from this list, expanded if more firms are promptly forwarded.

b) Introduce RRC Org Chart

JG introduced draft RRC org chart for review / feedback.

Comments from SD, BH, ST, CR, LF, DB, JWR, SD, HK, SS and FP. Consider build-out timing and phasing of org chart including sustainability of organization, and viability / attractiveness of the staff positions to secure necessary talent. Rephrase 'junior' to 'staff' under TAC. Chart is good for the Application, leave details in the narrative and preserve flexibility for the CEO / future organization to adapt to its needs. Consider an engineering pool rather than attaching staff to seniors to boost flexibility. Staffing flexibility cannot be met by seconding staff from stakeholders and preserve independence requirements of the TAC. Staffing, budget, etc. all are directly dependent on the timing of how quickly the RRC pursues development of standards and the first IRP.

JG thanked all for input, will take org chart back to BudCom for finalization and continue with developing narrative for later IC first look.

7) ExCom

a) Approve Large Consumer Nominees

JE gave report, received two applicants – ANTHC and Tesoro / Marathon from the public solicitation, in addition to the nominees from the IC. ExCom narrowed down the IC nominees to remove real or perceived conflicts and remove entities that have affirmed non-interest.

BH suggested reach out to broader group. JE confirmed that was the plan.

Discussion on whether Marathon was conflicted as a fuel supplier or IPP. Member input indicated they did not supply natural gas to utilities anymore and while they do self-generate, they do not sell to the grid and are always a net-buyer, so they are not an IPP. Consensus they are eligible as a large consumer / industrial applicant/IC nominee.

b) Bylaws Update

JE explained plan is to finish Bylaws this week at BySub. Next week will add an hour to the end of the Monday IC meeting to finish Bylaws review so that members can start working to secure approval from their organizations.

c) Incorporation Timing Update and Transition Period Funding Update

JE advised the LSE CEOs are meeting this week to continue discussion of gap funding options. JG/VDS (non-LSE BudCom members) will eventually be let into LSE meetings to represent the RRC IC. JE added that while the regs indicate LSEs will levy a surcharge to their ratepayers, it would be nice to have them structured uniformly so also working on that.

d) IC Packet Deliverables Deadlines Reminder

JE emphasized will be enforcing meeting packet deadline of 11 AM Friday going forward.

8) TarCom

a) Introduce Tariff Sections 7&8

TL introduced sections 7 and 8.

SS commented, at 7.2, large energy facilities that interconnect at voltages below 69kV, would Fire Island Wind be subject to this (selling just to CEA) now and/or in the future, when it hypothetically sells to someone else via the network? TL: not now, yes later.

JG at 7.1, why not term “users owners operators”? TL explained that he followed SB 123 language. At 7.2, eligible entities, Large Energy Facilities do not include entire universe. Will follow up separately.

DB, FP, LF, JWR, BH, CR and SD discussed standards applicability and enforcement responsibility above and below 69 kV and various sales patterns. Generally, utilities are responsible for enforcement below 69 kV and RRC is above 69 kV, but RRC also has enforcement responsibilities if the contract path for the electricity uses the network. When asked who enforces standards for connections under 69 kV, TL clarified that the interconnecting utility does. Consensus that this is an important point and warrants a diagram or flowchart to help explain the different roles and applicability. TL will draft.

TL continued with section 8.

DB disagreed with language that IRP requirements are for a single planning area. Regulations don't require this. This is one of the first issues in the IRP process and something the RRC BOD will need to decide. Just flagging this for later. TL thought had pulled from statute or reg but will check and confirm.

b) TA Tariff Sections 5&6.

TL continued with brief review of previously discussed Tariff sections 5 and 6.

MOTION to Tentatively Approve sections 5 and 6 of draft Tariff. 1HK, 2BH.

PASSED with no objections [12-0-0].

9) High-Level Document Review Contractor Funding Request

JG introduced and explained revised authorization request.

SS commented in favor of the request. Noted reservations over voting to approve previous materials due to limited review of the documents. She advocated for approving the request as this resource is needed to help fully vet materials.

DB asked how injecting more contractors into the process would help expedite anything, and how adding meetings to overloaded member's schedules would relieve their burden. JG responded reading or attending a single briefing meeting that covered all issues on a matter would be more efficient for members than trying to attend multiple committee meetings, reviewing multiple work product drafts, and understanding multiple complex technical issues.

BH commented appears to be blanket solution to one or more specific problems. Would prefer specific solutions to specific problems. JG responded this authorization would do exactly that, and allows for expedited implementation consistent with our accelerated timeline.

CR agree w SS sentiments and JG analysis.

MC compared his experience with BH's. He is a volunteer with seven current jobs with a 60 hour weekly commitment. He can't review and confidently agree with any of this stuff. He has no staff, budget, or other ratepayer-funded resources to assist him and is entirely uncompensated for his efforts. Observed that others feel the same way. The pace, level of detail, and importance of everything that is going on here is extreme. We just completed technical discussions that not all of us can fully comprehend or participate in.

LF commented he is reluctant to speak because he is hesitant to spend folks money. In interest of expeditiousness, he support this with reservations.

HK agreed with LF, hopes approval of this will help things run more smoothly.

JE commented she finds it problematic for ExCom to be approving contracts under this authorization as two of the three ExCom members are funding authorization sponsors. Expressed a preference that the IC vote to approve contracts. JG responded that full IC approval would unduly delay progress and the intent is to expedite rather than delay progress. Suggested the proposal require unanimous ExCom approval to address JE concern.

JWR noted concerns over the contractor selection process. Some names we considered for StanCom and he did not feel they had requisite knowledge to help with StanCom matters. He suggested adding David Hilt to the contractor list. JG responded that the scope of the authorization was broader than StanCom so not all contractors need to be qualified for standards, and the authorization allows the IC to add approved contractors.

MOTION to approve the presented funding request, modified to require unanimous ExCom approval for contract petitions. 1JG, 2MC.

BH and FP objected.

FAILED by roll-call vote, with CEA, GVEA, HEA, SES, and AEA voting against [7-5-0].

RB for HEA observed he could support this if the full IC approved contracts. He noted his understanding was that the hiring of consultants was meant to be specific to review of material related to standards and IRP issues, not the broad nature of this request that allows members to ask for contractor help with the normal kinds of issues that come with standing up an organization.

DB for SES observed he would support if all potential contractors were listed on the funding authorization form instead of listing "other contractors as may be approved by the IC". He suggested to narrow this request to list specific contractors for specific areas of consultation. Can't see consulting an IRP contractor for help understanding standards work, etc.

10) Brief Committee Updates

StanCom: JWR provided update. Going through contracting process for three contractors. Dana Zentz for open access interconnection standards, David Hilt for CMEP, was VP NERC and developed their first CMEP. GDS will be available to support on transmission cost recovery. Currently working through review of sanction guidelines document. Hoping to bring this to the IC soon.

TarCom: TL provided update. Continuing to work on remaining sections of Tariff and continuing comments from IC, including section 3.

IRPCom: DB provided update. Met again with IRP consultant, general agreement on process, getting into details we don't understand on implementation. Spending next few weeks on that. IC meeting on 8/16 for first look.

BySub: SD provided update. Finish Bylaws (again). Then start on policies. Code of conduct is at top of list.

BudCom: JG provided update. Will continue with org chart, narrative, budget, TAC charter.

ExCom/AppCom: JE provided update. Transition plan and large consumer process are major items. AppCom revised the regulations spreadsheet. Meeting with chairs is imminent. Master list includes deliverables, narrative requirements, and actions.

PubSub: VDS provided update. Working on confidentiality.

11) Updates / Member Comments

JE reported she has been asked to give update on ERO/RRC to APA at their annual meeting in Homer. Will update CWN presentation and circulate for review/comment.

JE also advised MEA is reaching out to AG and requesting a through scrub beyond just conformance with the regulatory drafting manual. Not appealing or advocating for change, just requesting a through look at the regulations.

SS requested that MEA share the request with IC. JE said would do so when it is done. Emphasized MEA is not seeking to delay.

CR asked if MEA thinks AG office review would not be through? JE responded no, just unclear if they are doing a full legal review or simply comparing regulations to the drafting manual.

12) August 2 Meeting Agenda

DB requested to develop an implementation schedule / goal development schedule to inform committees who are working on budgets and workplans as part of their deliverable assignments.

TL revised TarCom schedule. Will have Section 9, forgo 10 for the moment. Also will bring section 3 revisions for approval.

JWR advised StanCom may have something for open access interconnection.

August 2nd meeting will include:

First Look:

1. BudCom – Org structure narrative to IC
2. BudCom – TAC policy to IC – 8/9
3. BudCom – TAC narrative to IC – 8/9
4. TarCom – Tariff section 9 to IC
5. PubSub – Public access to documents policy to IC
6. StanCom – Open access interconnection standard framework to IC - possible

Tentative Approval:

7. BudCom – IC approve ERO org structure chart - possible
8. BudCom – IC approve org structure narrative - possible
9. TarCom – IC approve Tariff sections 7-8
10. TarCom – IC approve Tariff section 3 revisions

Other Business:

11. ExCom – Determine notice of 1st RRC Board meeting

13) Adjourn

MOTION to adjourn 1JG, 2HK.

ADJOURNED at 4:09 PM.

DEFINITION OF ABBREVIATIONS AND ACRONYMS

All committee members and consultants are identified by their initials, as defined at 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. |
| AAA: | American Arbitration Association |
| AOI: | articles of incorporation |
| AppCom: | ERO application subcommittee |

BudCom:	budget subcommittee
BySub:	bylaws subcommittee
CEA:	Chugach Electric Association, Inc.
CEO:	chief executive officer
CIP:	critical infrastructure protection
CGC:	corporate governance committee
CME:	compliance / monitoring / enforcement (of reliability standards)
CPA:	certified public accountant
CPCN:	certificate of public convenience and necessity
DaveCom:	See IRPcom
DOL:	Department of Law
DU:	Doyon Utilities
ERO:	Electric Reliability Organization
ExCom:	executive committee
FAC:	finance and audit committee
IC:	Implementation Committee
IPP:	independent power producer
IRP:	integrated resource plan
IRPcom:	IRP process subcommittee
LSE:	load-serving entity
MEA:	Matanuska Electric Association, Inc.
NDA:	non-disclosure agreement
NTE:	not to exceed
PAC:	public affairs committee
PM:	project management
PMP:	project management professional
Precious:	(1) A spreadsheet listing clauses in the implementing regulations for SB 123's ERO provisions, identifying associated ERO application deliverables, and assigning deliverable preparation responsibility to IC subcommittees. (2) A fancy gold ring.
RAPA:	Regulatory Affairs and Public Advocacy
RCA:	Regulatory Commission of Alaska
RRC:	Railbelt Reliability Council
SB:	Senate bill
SOW:	scope of work
StanCom:	standards subcommittee
TA:	tentatively approve, tentative approval
TAC:	technical advisory committee
TarCom:	tariff subcommittee
TIER:	times interest earned ratio
WG:	working group

ATTACHMENTS:

1. BudCom CPA Funding Authorization.
2. Tentatively Approved Bylaws sections.
3. TA'd Public Participation on a Committee Policy.
4. Tentatively Approved Tariff sections.

ATTACHMENT 1/4 (2 PAGES)

CONTRACTOR AND FUNDING AUTHORIZATION FORM				
CONTRACTOR REQUEST				
Requestor: BudCom / Groves Date Submitted: 7/19/2021				
DESCRIPTION OF NEED				
<p>The selected consultant will work with the Budget Subcommittee (BudCom) of the Railbelt Reliability Council (RRC) Implementation Committee (IC) to develop budget and finance-related application deliverables that conform to applicable Electric Reliability Organization (ERO) statute, regulations, IRS non-profit rules, GAAP rules and other requirements as applicable and identified by the consultant.</p> <p>Specific anticipated deliverables are listed under Scope and Deliverables on the associated Funding Authorization form.</p>				
CONTRACTOR SELECTION PROCESS				
<p>Given the need to identify and onboard a consultant quickly to ensure schedule is maintained, BudCom proposed the following process:</p> <ol style="list-style-type: none"> 1) 7/19: IC review funding authorization. Solicit candidate list from IC members. 2) 7/26: IC approve funding authorization, final candidate list. 3) 7/27-7/30: BudCom selects candidates for interviews, completes interviews, selects contractor. <ul style="list-style-type: none"> • If BudCom cannot select a contractor, or no contractor is acceptable, it will return to the IC to seek additional feedback or with an alternate plan for approval. 4) 8/2-8/6: BudCom will work with the identified contract managing utility to negotiate and execute a contract with the selected contractor within the approved budget. <ul style="list-style-type: none"> • If the negotiated contract value is more than the IC-approved budget, BudCom will return to the IC for amended approval. 				
ROM BUDGET				
Requested budget approval is provided concurrent with this authorization request. See attached document.				
CONTRACT AUTHORIZATION APPROVAL				
Date approved	Yea:	Nay:	Absent/Abstain:	Date:
IC Chair – Julie Estey				Date:
IC Treasurer – Joel Groves				Date:

ATTACHMENT 1/4 (2 PAGES)

FUNDING AUTHORIZATION				
Date Submitted: Groves Recommended Contracting Utility: MEA Recommended Contract Manager: BudCom / Groves				
SCOPE AND DELIVERABLES				
<p>The Consultant shall be responsible for assisting BudCom in development of the following deliverables consistent with SB 123, implementing regulations, IRS non-profit rules, GAAP rules and other requirements as applicable and identified by the consultant. BudCom expects the following deliverables from this contractor:</p> <ul style="list-style-type: none"> - Review / comment on budget / finance policies (primary author Steve Mahoney) - Annual financial report and narrative templates - Annual budget submittal template - Establish chart of accounts, books, and records - Establish rules for balancing account (part of policies above) - Annual surcharge filing templates (coordinate with Tariff Subcommittee deliverables) - Template(s) for RRC ERO work plans and budgets (IRP, Standards, and Tariff completion plans) 				
CONTRACTOR SELECTION				
See consultant selection process on associated Contractor Request Form.				
SCHEDULE				
<p>The following schedule is based on IC approval of this funding authorization on July 19, 2021.</p> <p>BudCom expects to proceed with developing budgets and other deliverable content in parallel with the below schedule. Contractor deliverables (templates) will be populated with BudCom content as they're developed.</p> <p>July 19: IC recommend candidates.</p> <p>July 26: IC approval of funding request and candidate list.</p> <p>July 30: Contractor selected.</p> <p>August 6: Contract finalized, NTP issued.</p> <p>August 9 to 30: Draft deliverables issued, brought to IC for review / comment. ***</p> <p>August 23 to Sept 6: Final deliverables before IC for approval. ***</p> <p>*** schedule is subject to revision to align with contractor's proposal.</p>				
BUDGET				
<p>Not-to-exceed (NTE) budget for this scope is \$25,000 based on estimated 125 hours at \$200/hour.</p> <p>BudCom anticipates this is sufficient funding to complete the proposed scope of work and additional funding requests will not be required for this activity.</p> <p>BudCom recommends the RRC maintain a contractual relationship with the selected contractor through the RRC ERO application review period to assist the RRC in promptly responding to any RCA information requests.</p>				
CONTRACT AUTHORIZATION APPROVAL				
Date approved	Yea:	Nay:	Absent/Abstain:	Date:
IC Chair – Julie Estey				Date:
IC Treasurer – Joel Groves				Date: