

# Railbelt Reliability Council Implementation Committee - Meeting

August 2, 2021

## Final Minutes (Approved by IC 8/9/21)

### 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)	Y	Jeff Warner (JWR)	Y	Chugach Electric Association
John Burns (JB)	Y	Frank Perkins (FP)	Y	Golden Valley Electric Association
Rick Baldwin (RB)	Y	Dave Thomas (DT)	Y	Homer Electric Association
Julie Estey (JE)	Y	Ed Jenkin (EJ)	Y	Matanuska Electric Association
Lou Florence (LF)	n	Shayne Coiley (SC)	Y	Doyon Utilities
Dave Burlingame (DB)	Y1	Rob Montgomery (RM)	n	City of Seward
Kirk Warren (KW)	n	David Lockard (DL)	Y	Alaska Energy Authority
Suzanne Settle (SS)	Y2	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)	n	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)	Y	Unaffiliated seat
<i>Jeff Waller (JWL)</i>	Y	<i>Vacant</i>	v	<i>Regulatory Affairs and Public Advocacy</i>
<i>Bob Pickett (BP)</i>	n	<i>Antony Scott (AS)</i>	n	<i>Regulatory Commission of Alaska</i>

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

Y1: DB joined meeting at 1:58 PM.

Y2: SS left meeting at 2:52 PM and rejoined at 3:50 PM.

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

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

JWL advised that JFH is retiring, requested she be removed from roster.

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, 1BH, 2SS.

**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, 2SS.

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

#### 4) ExCom- IC to RRC Transition Timeline

JE introduced current transition timeline.

Highlighted pace of work will not be completed by Oct. 12 deadline, bottleneck is IC approvals more than subcommittee work. Raised some options for addressing IC progress.

RSK highlighted current degree of schedule dependencies sophistication, plan to touch base with committee chairs for refinement of schedule, deliverable dependencies. Also flagged very limited time in the schedule for RMR to complete Application integration. Current schedule and IC history says we will not meet Oct 12 deadline.

FP, JG, CR discussed options for adding additional IC meetings to get through the IC approvals bottleneck. Suggestions included scheduling back-to-back IC meetings when deliverables stack up, one meeting early in the week and one later in the week to allow committees to work through IC requested revisions, and scheduling meetings during off-hours to accommodate volunteer members who do not have additional availability during business hours.

CR asked who the large consumer applicants are. JE said applicants are ANTHC and Tesoro. Other nominees that are still active are Providence, UAA, BOMA, Pogo mine, and Fort Knox mine [*also JL Properties*].

JG observed large consumer candidates have been told the vote for the interim large consumer director would occur next week. IC needs to agree on a new timeline so we can update candidates.

**MOTION** to set the schedule for large consumer seat applicants/nominees to finalize their submittals to the IC ExCom by Wednesday 8/18, ExCom to include applicant/nominee materials in /with the meeting packet for the 8/23 IC meeting, and the IC to select the interim large consumer director at the 8/30 IC meeting. 1JG, 2CR.

RB commented we need to adhere to the agenda, voiced non-opposition to this motion continuing. JE clarified that the motion is aligned with the current agenda item.

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

EJ, BH, VDS discussed alternative options for additional IC meeting time to get through deliverable approval backlog. JE advised ExCom will take suggestions into consideration at their meeting this week.

JWR suggested revisiting committee balance with regard to stakeholder representation. May improve quality / balance of committee products. CR asked if BySub will continue to exist post Bylaws / policies completion, perhaps those members can move to other committees to address balance.

JG asked what the 'must-do' notice requirements are for the organizing meeting, given that we are not yet the ERO, have no Bylaws, etc. SM explained there are none. Just need the organizers to be present for the meeting. JE, others, expressed a desire to adhere to some of the public participation / notice requirements that the RRC will be obligated to follow.

JG asked whether the MOU expires at RRC filing (the RRC shell officially exists), or at the organizing meeting (the official shell gains some flesh and guts). SM clarified that depends on MOU. The IC could approve Bylaws, Articles, etc. all at same meeting if desired. JG observed depending on the

answer, or the MOU signatory's opinion of the answer, the IC funding mechanism may end on 8/30 rather than 9/27 under the presented transition schedule.

#### 5) AppCom – RCA questions

BH presented the proposed list of questions to RCA on regulations.

EJ commented that transmission projects may follow a different process than other IRP projects due to the statutory carve out for transmission cost allocation and recovery.

CR thanked BH for compiling. Offered revision to the introductory paragraph to refine the tone of the request. Asked why/when we should send this out so as to avoid unduly accelerating the RCA's schedule. JE responded goal is to give RCA an opportunity to respond to these questions in the LSE ERO order that starts the application clock. We could do it after the order but that is less ideal. BH observed that the longer we defer this, the more Application revisions the RCA's response may require.

JG offered several edits/comments. BH asked JG to provide comments in writing so AppCom can consider and revise the document, JG affirmed he would do so.

*[DB joined at 1:58pm, 12 of 12 voting members present.]*

#### 6) BudCom – RRC Org Chart

JG presented org chart and described revisions from first look last week. Staffing levels removed from chart and it is strictly functional now. Described plan for presenting staffing details and corresponding budget proposals – let StanCom and IRPcom present their completion plans, then BudCom will do a rollup of all budgets, staffing estimates for those activities and associated RRC support functions.

SD noted that Board committees may not be entirely comprised of Board members. Suggested noting this on the org chart. JG agreed, will add as footnote.

**MOTION** to Tentatively Approve RRC functional organization chart as presented. 1JG, 2BH.

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

#### 7) BySub

SD presented draft Bylaws for review.

##### a) Draft Bylaws Review

##### 2.1.3.1 Directors Fees

JG commented that lacking an initial fee valuation in the Bylaws, it appears per language at end of 2.1.3.3 the BOD cannot adopt a fee until the governance committee is formed and their first compensation study is completed. That deferral of BOD compensation may jeopardize the RRC's Application and/or unduly invite the RCA to reach into the RRC and tweak to conform with regulations regarding balance, stakeholder amplification/attenuation, and/or equal opportunity to participate.

RB commented his understanding was that an interim value would be set by the BOD at the first meeting. SD concurred. JG clarified that was conceptually fine, not clear this was allowed

per the Bylaws due to the last sentence of 2.1.3.3. SD informed that BySub will draft that resolution and start tracking the organizational meeting agenda.

HK wanted to clarify that alternate language covers instances where the alternate is required to vote. SD confirmed it did, that would also be covered in policy. TA'd as presented.

#### 2.2.3.3.2 Audit

TA'd as presented.

#### 4.1.3.1 TAC

JWR, SS, BH, CR, JG, and DB discussed specific duties mentioned in narrative. Consensus fine as is, details will be specified in charter. TA'd as presented.

#### 5.1 Operating Budget

TA'd as presented.

#### 5.3 Audit

TA'd as presented.

#### 5.4.1 Public Access

TA'd as presented.

#### 5.4.3 Records

BH asked which laws were applicable and whether the list was correct. SM suggested change to "laws" to capture all. VDS at 4, clarified that parts of documents may be restricted to protect items and maintain maximum transparency. SM advised to modify global statement at section intro and not bullet 4.

*[following discussion by DN, RB, SD came later, moved here for continuity.]*

DN suggested 'data' be added to 'documents' in above whole/part revisions.

RB expressed concern that 'data' is very broad. Suggested define 'documents' to catch everything, concerned 'data' could be abused. SD confirmed will add data in but address this nuance in definition of documents / data.

TA'd as revised.

#### 5.5 Contracts, Checks, and Deposits

TA'd as presented.

#### 5.5.4 Corporate Loans, Guarantees and Advances

TA'd as presented.

#### 5.5.5 Political and Lobbying Activities

TA'd as presented.

#### 6.4 Addressing Material Conflicts in Decision Making

TA'd as presented.

7.1 External Dispute Resolution and Appeal

CR flagged minor grammar corrections. TA'd as revised.

7.2 Internal Dispute Resolution

TA'd as presented.

Article VIII, Indemnification (All Sections)

SM advised this entire section is boilerplate that was developed by an Alaska Bar Association committee about 8 years ago, and reviewed the general intent, applicability and function of the language. Flagged that this language protects volunteer directors and is important. TA'd as presented.

10.1 No Seal

TA'd as presented.

10.2 Shares of Stock

TA'd as presented.

10.3 Loans

TA'd as presented.

10.4 Severability

TA'd as presented.

10.5 Deposits

SD flagged as redundant with earlier provisions, struck language from Bylaws.

10.6 Governing Law

TA'd as presented.

10.7 Antidiscrimination

TA'd as presented.

10.8 Agents and Representatives

TA'd as presented.

10.9, Waiver of Notice

JE asked if this conformed with 3 AAC 46 notice requirements. SM clarified this applies only to members of the private corporation – Directors and committee members - not the public, so 3 AAC 46 public processes do not apply.

JE requested we clarify that this is just an internal provision and not generally applicable to the public. SM clarified this could not apply to the public as you could not seek signed waivers from the public generally.

RB advised this clause is specific to the State's Corporation Act. JE advised Bylaws are built on RCA regs, so still a problem. SM suggested change "person or persons" to "board or committee members" to resolve ambiguity. JE concurred. TA'd as revised.

Article XI Dissolution

TA'd as presented.

Article XII Effective Date

RB suggested change Article XII to 'Effective Date', eliminate 'Transition'. TA'd as revised.

*[SS left meeting at 2:52pm, 12 of 12 voting members present.]*

SD advised definitions are next up, will have next week.

b) Whistleblower Policy

SD reviewed policy language.

Policy Statement

JE queried scope, can have internal and external whistleblowers, to which does this apply?

SM clarified this is a broader-scoped policy applying to both.

TA'd as presented.

Purpose

JG, FP, JWL, CR suggested language revisions to broaden scope to more covered entities (contractors, registered entities).

HK at last sentence, suggested add "no negative effects to their relationship with the RRC." To capture consultants. SD advised add this in retaliation section later in document.

TA'd as revised.

Scope

JG suggested expand to contractors and registered entities. Assume would need to add provision in RRC contract template and in Tariff to formally engage those entities with these requirements.

JWL asked if this obligation reporting or something lesser? SD asked for a specific recommendation. JWL clarified, what is the recourse if someone observes a violation and does not report it.

SM explained, COC states covered parties have a duty to report, but doesn't provide penalties. COC does state employee termination and director expulsion as potential recourses. Continued, COC does not establish penalties, it is more aspirational than that. SM suggested this type of detail best should end up in employee handbook.

TA'd as presented.

Responsibilities

SD clarified this compliance officer is not the standards compliance officer.

SM clarified this will be detailed in the Governance Committee charter. JE suggested to adopt two different titles to avoid conflict / confusion.

TA'd as presented.

#### No Retaliation

JG flagged terminology - directors, staff, and others for consistency. SM clarified he will scrub document and standardize language to address scope globally. TA'd as presented.

#### Reporting Violations

TA'd as presented.

#### Compliance Officer

TA'd as presented.

#### Accounting and Auditing Matters

JG suggested replacing "and" with "or", and add "...to the RRC." at the end of the sentence. TA'd as revised.

#### Acting in Good Faith

JWL asked about scope of good faith, SM clarified covered at 1.0. TA'd as presented.

#### Confidentiality

TA'd as presented.

#### Handing of Reported Violations

JE commented 5 days seems long if something bad is happening. SD clarified that timeframe is just to acknowledge receipt. TA'd as presented.

**MOTION** to TA whistleblower policy as revised. 1SD, 2CR.

VDS advised not ready to vote, will probably abstain.

JG asked for clarification on whether this would apply to registered entities. SD confirmed it would. SM can adapt the definitional issues to cover them. RB cautioned he hadn't thought about that broad of a scope but okay to TA for now.

JWL observed, down in the weeds a bit, that an RCA commissioner could observe something, and an appeal that lands in front of the commission could require a commissioner to recuse themselves.

RB suggested we deal with registered entities differently. Not sure we need to bite that off in this document. SM suggested RFP process as a likely venue for that to become an issue, and that process would have a different means of redress.

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

### 8) TarCom

EJ advised TarCom not ready to TA 7 or 8. Will just do 1<sup>st</sup> read and TA for other sections next week.

## 9) Brief Committee Updates

StanCom: JWR provided update. 1<sup>st</sup> meetings with David Hilt and Dana Zentz last week. Building off NERC 4c framework. Also developing more detail to support BudCom on standards scope and budget. Brief discussion on whether to try and approve standards before ERO certification.

TarCom: EJ provided update. Expect that Tariff section 3, 7, 9 will be before IC for 2<sup>nd</sup> look next week. May not be ready for TA. 1<sup>st</sup> look at 10. Also need to verify section numbers are correct.

JE asked about 9, no comments received last week. EJ agreed, may have that for TA next week.

IRPCom: DB provided update. Good meeting last week, lively discussion. Consultant still making good progress. Hope to work through issues this week and have presentation draft next week for 8/16 IC presentation.

BySub: SD provided update. Plan to have definitions and COC for IC next week.

BudCom: JG provided update. Continuing work on TAC charter, selecting CPA consultant.

JG requested IC guidance on transition phase cost recovery language that BySub had deferred to BudCom.

BH noted due to being regulated entities, LSEs have issues around how to structure this. Regulations address this for an RCA-stood-up ERO, but not for other applicants.

JWL responded as this is ratemaking. Advised retroactive rate recovery is disallowed by RCA. Allowable cost recovery is framed in two ways. Create a regulatory asset to recover money that was fronted to prepare stuff. Good example, CEA acquisition of MLP as regulatory asset. Other way is deferred debit, both require RCA approval. JWL clarified offering no promises for RAPA's position on either in this instance. Regarding interim rate, JWL agreed with BH that the RCA addressed this for their ERO stand-up process but stayed silent on others. Interim rates could be done but gets hard if the application fails. JWL suggestion is regulatory asset or deferred debit over reasonable amortization period, possibly 3 years, 5 years, or 10 years.

CR asked how far back might LSEs want to go for cost recovery? Post filing, or farther back?

BH clarified, from incorporation forward. Prior costs were already handled under the MOU.

JE added that BudCom had assumed the task raised by DB last week to tackle the strategic plan for post certification.

*[SS rejoined meeting at 3:50pm, 12 of 12 voting members present]*

ExCom: JE provided update. ExCom discussing transition plan, large consumer seat, IC workplan, and RRC strategic plan for post certification which was assigned to BudCom last week.

AppCom: JE provided update. Sapere has regulations spreadsheet with all committee inputs, adding into workplan. RMR still out but gets back Wednesday and is excited. AppCom's next assignment is to start tracking deliverables and maintaining accountability with Sapere and ExCom.

PubSub: VDS provided update. Public access to documents policy work, talking to experts, SM, Academics to try and capture best practices and adhere to standard processes. This week on Thursday will take up public comment policy. Draft is circulating. 9AM Thursday.



## 10) Updates / Member Comments

JG mentioned 300 kW run-of-river Juniper Creek hydro located up the Eagle River valley was newly commissioned and now operational. Congratulated David Brailey and Ram Valley LLC, the owner/developer. JE added and benefiting MEA ratepayers. EJ added that commissioning went well with no major issues.

CR cited discussion last week of MEA's letter to the AG, asked for an update. JE informed that the letter went out Friday and that she will find it and circulate to the IC this week.

## 11) August 9 Meeting Agenda

### First Look:

1. ~~BudCom – TAC policy to IC – Targeting 16th~~
2. ~~BudCom – TAC narrative to IC – Targeting 16th~~
3. BySub – Code of conduct policy to IC
4. ~~PubSub – Public access to documents policy to IC – Replace with Public Comment Policy~~
5. TarCom – Tariff section 10 to IC
6. ~~TarCom – Tariff workplan to IC – Targeting 16th~~
7. ~~TarCom – Tariff budget to IC – Targeting 16th~~

### Tentative Approval:

8. BuSub – Bylaws review
9. ~~BySub – IC approve whistleblower policy – if time allows for 8/2 introduction~~
10. ~~TarCom – IC approve Tariff workplan~~
11. ~~TarCom – IC approve Tariff budget~~
12. ~~TarCom – IC approve Tariff section 9~~

### Other Business:

13. ~~ExCom – IC vote on large consumer applicants – Pushed back~~
14. ExCom – IC workplan discussion
15. AppCom – RCA questions

BH asked to include agenda item to discuss RCA questions.

VDS asked to replace the Public Access to Documents Policy with the Public Comment Policy.

JE asked to include schedule discussion on next week's agenda – either making it or pushing filing date back.

## 12) Adjourn

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

**ADJOURNED** at 4:02 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. Tentatively Approved RRC Organizational Chart.
2. Tentatively Approved Whistleblower Policy.