

Railbelt Reliability Council Implementation Committee - Meeting

August 9, 2021

Final Minutes (Approved by IC 8/16/21)

1) Roll-call

The meeting was held via Zoom, was called to order at 1:17 pm, and was chaired by SS.

Primary		Alternate		Organization
Brian Hickey (BH)	Y1	Jeff Warner (JWR)	Y	Chugach Electric Association
John Burns (JB)	n	Frank Perkins (FP)	Y	Golden Valley Electric Association
Rick Baldwin (RB)	n	Dave Thomas (DT)	Y	Homer Electric Association
Julie Estey (JE)	n	Ed Jenkin (EJ)	Y2	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)	Y	Unaffiliated seat
<i>Jeff Waller (JWL)</i>	Y	<i>James "Jay" Layne (JL)</i>	Y	<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: BH joined at 1:27 PM

Y2: EJ left at 3:30 PM

Steve Mahoney (SM) present; Tom Lovas (TL) present; Rena Miller (RMR) present.

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

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

JWL introduced JL. JL used to work at RCA, now at RAPA. To his understanding, was not assigned to any SB123 matters. Don't see any conflicts given we also have ex officio RCA commissioners on here. SS asked that concerns be routed to chat. No concerns raised.

2) Approval of IC Agenda

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

CR requested add time to discuss two items: (1) confidentiality, process and policy and (2) MEA letter to AG dated 7/29 and released to IC today.

SS suggested we develop some bullets to structure a discussion on confidentiality.

SS suggested since JE is not here, defer the MEA letter to next week, address at agenda.

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

3) Consent Agenda

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

MOTION to approve consent agenda, 1JG, 2VDS.

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

4) RCA Questions

VDS introduced RCA questions for approval.

[BH joined at 1:27 PM, 12 of 12 voting members present.]

BH completed introduction of letter and prior comments.

LF, BH, EJ, CR, RMR, VDS, SS, RSK, and DN commented on the content of the letter, the format of the request and the nature of the desired response.

Consensus that:

- A workshop with RCA staff would be a preferable venue to gain clarification on the issues raised to a formal letter.
- BH will distribute the word doc of the draft letter. Further comments need to be provided in writing by COB Wednesday, and he will include a final draft in the meeting packet for final IC consideration on 8/16.

5) RRC Physical Address

JG presented need to specify physical address for RRC as part of the Application. CEA is the only candidate that has volunteered their office for a temporary location.

MOTION to establish the initial physical address of the RRC at CEA's headquarters at 5601 Electron Drive in Anchorage. 1JG, 2HK.

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

6) BySub

SD presented draft Bylaws for review.

a) Draft Bylaws Review

Section 2.1.2.XX staggered term of director service.

SD clarified terms run from annual meeting to annual meeting. TA'd as revised.

Section 2.1.2.9.5 independent director selection.

Eliminate ranked choice vote.

JG, EJ, SS, SD, HK, LF, DT, DN, VDS and BH commented on the proposed language. Consensus that the Bylaws defer the matter to a policy under the governance committee and remand the matter to BySub to consider comments and refine the selection process. TA'd as revised.

Article IX, Bylaw and Policy Amendments.

Mechanism to modify policies as well as Bylaws.

TA'd as presented.

Definitions

Independent Power Producer. TL asked if this definition would apply to an independent entity that installed an energy storage system.

LF, TL SD, JG, SS, HK, DN, BH, and EJ offered perspectives and clarifications.

Remanded to Bysub for clarification.

Load serving entity: changed to reference definition in statute and provide current statutory definition as a footnote for ease of reference.

All definitions TA'd as presented or revised with exception of Independent Power Producer which was remanded to BySub for further consideration.

b) Introduce Motion to set Initial Director Fee

SD described proposed motion and explained intent. The IC would pass this, with the expectation that the RRC BOD would reaffirm this at its first meeting.

FP, BH, SS, SD, DB, VDS, JG, EJ and JWR discussed the director fee amount and justification, timing of when it would / should take effect. General lack of consensus on these matters, no formal action taken.

7) TarCom

a) TA revisions to Draft Tariff Section 3

JG disclosed he has not reviewed yet and will abstain. Clarified he doesn't seek to delay TAing. SS expressed same concern, asked to defer action. EJ stated will bring it back next week. TL clarified next week will come forward as clean copy.

b) A Draft Tariff Section 9

MOTION to TA section 9 of proposed Tariff. 1EJ, 2HK.

CR, TL, DB, EJ, JWL and LF discussed the language in 9.1 and 9.2 and how/whether oversight of system additions/modifications that are initiated to conform with reliability requirements should/could differ from those initiated under an IRP action plan. Also discussed interface with the special requirements for large energy facility pre-approval. EJ asked that members provide their comments in writing.

MOTION TO AMEND to Tentatively Approve sections 9.3, 9.4, 9.5 and remand sections 9.1 and 9.2 to TarCom for revision to address comments. 1EJ, 2HK.

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

c) Introduce Draft Tariff Section 10

TL provided first read of Section 10.

JWL, TL, CR, SD, and DB discussed "roughly commensurate" language at the last sentence of section 10.4 as potentially problematic. EJ requested comments in writing, Section 10 will come back next week for TA.

8) ERO Cost Allocation Methodology

JG provided update on proposed cost allocation methodology. Questions raised by JB have been resolved by JB and BH. Proposed methodology is to allocate costs based on LSE pro rata share of Railbelt net energy for load per RCA regulations.

MOTION to approve RRC ERO cost allocation methodology as presented 1JG, 2HK.

TL, LF, JG, BH, SS, EJ, DT, JWR, and JWL discussed following elements of the cost allocation method:

- RCA order awarding certificate to DU established that DU is an electric utility with 10+ customers, so DU is an LSE, is subject to the ERO cost allocation surcharge, and expects to be.
- Seward Electric System (SES) was included under the CEA load data for convenience because they are served by CEA on a wholesale basis. The actual cost allocation will levy surcharges to SES separately.
- Surcharges will be developed from approved RRC budgets and also as appropriate (+ or -) to maintain the RRC's balancing account.
- The recommendation memo from BudCom is to illustrate the difference between energy-based and coincident peak-based cost allocation methods. The memo only serves to aid the IC in deciding on a method and would not be part of the Application. BudCom will develop Application materials based on the IC's cost allocation method decision and direction.

MOTION TO AMEND to clarify approval of method 1 (cost allocation based on net energy for load), and directing BudCom to develop implementing language for IC review and approval. 1JG, 2HK.

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

[EJ left at 3:30 PM, 11 of 12 voting members present].

9) Brief Committee Updates

StanCom: JWR provided update. Meeting Wednesdays, last week tried to finish OAT framework, but didn't get there. Should have OAT framework up for next week. Additional workplan and budget elements, CMEP will not be before IC next week.

TarCom: TL provided update. Rework today's remanded sections and comments on 7 and 8. Starting to focus on Tariff workplan. Realizing the Tariff workplan is compilation of other work plans (standards, IRP, schedule of rates and charges). Also agreed in next two weeks will start drafting narrative of initial Tariff describing philosophy of Tariff and completion. Sections 3, 7, 8, 9.1, 9.2 and 10 for TA next week.

IRPCom: DB provided update. Nearing end of work. On 8/16 will present draft IRP process to IC. Lots of good meetings and discussion, clarifications, view points. Product should reflect all concerns.

BySub: SD provided update. Planning to finish definitions, introduce Code of Conduct

BudCom: JG provided update. Main push is to have TAC charter out for first look next week.

ExCom: JG provided update. Focuses are (1) advancing large consumer director selection process, (2) monitoring workplan and Sapere, and (3) figuring out transition plan.

SS suggested that ExCom could also take on populating RRC post-Application strategic workplan with focus on tasks necessary to complete during the post-Application, pre-certification period.

AppCom: BH provided update. Focusing on questions to RCA. SS asked when the draft application may come out? BO answered that the current schedule has the first draft coming out October 11.

RSK clarified this is where the loop still needs to close. 10/11 is where things landed with all the subcom feedback, next step is to scrutinize and decide to increase the pace or move the goalpost. One day turnaround from initial draft to ready for filing is... unlikely.

PubSub: VDS provided update. Working on two policies. Public Comment and Public Notice. Public Comment will be up for TA in the next few weeks. Public Access policy also in progress, then Public Notice, then done with policies.

SS asked VDS if PubSub needs input on the confidentiality issue. VDS replied not yet, PubSub is still doing research on best practices elsewhere. SS asked if VDS would like to address CR's desire to discuss in today's meeting. CR clarified need to mesh PubSub and BySub work products.

10) Updates / Member Comments

There were no member comments.

11) August 16th Agenda

JWL asked if someone can send out an email highlighting which documents need review prior to each meeting. SS clarified action item list comes out Tuesday, that should include the reading list.

RSK confirmed that is correct, and they usually include docs with that list.

DB advised the IRP presentation next week will take at least an hour.

The August 16th IC meeting agenda will include:

First Look

1. IRPcom – Final IRP process to IC
2. BudCom – TAC charter to IC
3. BudCom – TAC narrative to IC
4. BySub – Anti-harassment policy to IC
5. BySub – Corporate governance committee charter to IC
6. PubSub – Public comment policy to IC
7. StanCom – Additional workplan and budget elements to IC - Push
8. StanCom – Open access transmission standard framework to IC
9. StanCom – Penalty matrix to IC - Push

For Tentative Approval*

10. BySub – IC approve code of conduct
11. TarCom – IC approve Tariff section 3
12. TarCom – IC approve Tariff revised sections 7 & 8
11. TarCom – IC approve Tariff sections 9.1, 9.2
11. TarCom – IC approve Tariff section 10

Other Business

13. ExCom – Workplan update
14. PubSub – Confidentiality discussion

12) Adjourn

MOTION to adjourn 1DB, 2BH.

ADJOURNED at 3:50 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
SES:	Seward Electric System
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. None.