

Railbelt Reliability Council Implementation Committee - Meeting

August 23, 2021

Final Minutes (Approved by IC 8/30/21)

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)	n	Jeff Warner (JWR)	Y	Chugach Electric Association
John Burns (JB)	Y	Frank Perkins (FP)	Y	Golden Valley Electric Association
Rick Baldwin (RB)	Y3	Dave Thomas (DT)	Y	Homer Electric Association
Julie Estey (JE)	Y	Ed Jenkin (EJ)	Y	Matanuska Electric Association
Lou Florence (LF)	Y1	Shayne Coiley (SC)	n	Doyon Utilities
Dave Burlingame (DB)	Y	Rob Montgomery (RM)	Y	City of Seward
Kirk Warren (KW)	n	David Lockard (DL)	Y	Alaska Energy Authority
Suzanne Settle (SS)	Y	Sam Dennis (SD)	Y2	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)	n	Unaffiliated seat
<i>Jeff Waller (JWL)</i>	n	<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

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

Dana Zentz (DZ) joined for agenda item 13 (StanCom).

Rebecca Sexton-Kelly (RSK) and Maya McNichol (MM) with Sapere present.

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

Y1: LF left at 3:30 PM.

Y2: SD left at 4:00 PM.

Y3: RB arrived at 1:32 PM.

2) Approval of IC Agenda

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

MOTION to AMEND to add TAC to BudCom agenda item to solicit IC guidance. 1JG, 2VDS.

CR, SS requested clarification on the intent, advised they are still preparing comments.

JG clarified intent is an advisory motion that 2 of 4 TAC engineers be subject to anti-revolving door provision to gauge IC support for a compromise position. Sentiments expressed to date indicate IC deadlock and he would like BudCom to have more IC direction. CR advised his comments would be broader than just this issue.

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

PASSED AS AMENDED 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, 1HK, 2JG.

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

4) RCA Questions Update

JE provided update on list of questions going to RCA for discussion. She will provide most recent copy to the IC next week.

RMR provided update on her conversation with Chairman Pickett.

5) Academic Research Team Request

JE provided update. They did not get NSF grant, but do still have funding they can use to help us and they are still pursuing other funding options. They have agreed to help with high-level review. They are currently working with PubSub on research for confidentiality policy, and fielded a separate request from DN for review of bylaws and governance matters. They requested that ExCom be the gatekeeper for such requests. ExCom doesn't want their comments to be detailed and burdensome and to remain focused on high level important stuff. Objective review would be valued though.

MOTION that the RRC request the academic research team to review key foundational documents for critical concerns and comparison with best practices and that all review requests will be facilitated through the Executive Committee. 1CR, 2MC.

FP reiterated having them review may help them understand where we're going, but if we start reopening things to further review, we'll never get finished. Concerned could turn into a fiasco if not controlled carefully.

HK, DB, MC, and FP discussed and agreed research team should look for glaring holes, all comments should go to ExCom to be passed to appropriate subcommittee, but IC will have access to all comments as well.

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

JE will get in touch with researchers and with ExCom continue with this course.

6) Transition Meeting Update

JE provided update. Transition team, consisting of representatives from ExCom, BudCom, utility finance and tariff staff, JWL and select consultants met Friday. CEA has ball to put ideas on paper to solidify a path forward. Idea is to maintain the status quo until we're certified, and a bit beyond that, to let the RRC surcharge get approved and for revenues to start flowing. BudCom to put together a tentative budget for that period of time.

7) Large Consumer Applications

JE provided update. Highlighted applicants. Explained the process. Simple majority, or ranked choice. Opened floor to comments and motion.

SD long term, entities will pick their own alternates. Asked whether we might just ask them to align themselves? JE responded that is contrary to the process we've laid out. JG clarified that the summary memo was incorrect, and one candidate has already proposed their alternate.

VDS recommended the vote happen by ranked-choice voting (RCV) as that is in the draft bylaws and is a great system. Advised that the non-profit RCV123 has a free on-line service to handle the voting. Also, offered perspective that this is an amazing opportunity to have more perspective on the board. Expressed a preference towards ANTHC as the best advocate for large consumer perspectives.

MC discussed Kinross, excited to see them applying. He was just on a meeting about one of their mines, a new prospect at Tetlin. Ft Knox is one of the largest consumers on the entire grid at about 30 MW load. 35,400 trucks annually will be hauling ore from Tetlin to Kinross for leaching.

JB agreed with MC comment on Kinross. Added that they are a public traded company and very attuned to environmental issues. Feel the IC would be very impressed with them.

CR, VDS, SD, and JB discussed voting methodology. Consensus preference for RCV, but concern it won't work well with only 12 voters. Consensus around HEA's rapid-fire repeat voting scheme as a reasonable alternative.

FP asked if we are voting by entity or person? Confused. JE, SS, JG clarified voting for both for interim term. The future full-term director for this seat will be selected by a group of large consumers.

MOTION to use the HEA method. 1HK, 2CR.

CR, DT, SD, DB, DT, and JE discussed process for HEA voting and logistics, and how this could look in the future.

VDS commented, once we're certified it will be exciting to have a handful of entities elect small and large consumer directors. It makes sense to stay consistent for now, and have that collective input start in the future. The HEA process sounds... effective... in a sort of brute force RCV way.

JE ExCom can coordinate and make it quick.

VDS objected for AKPIRG.

PASSED by roll-call vote with AKPIRG voting against [11-1-0].

8) TA'd Documents Process Update

JE gave update. AppCom discussed this matter and decided to just have bylaws and articles come back. ExCom suggested at a minimum add the initial proposed tariff and allow others to petition for additional item review.

SS asked to clarify that anyone can initiate a petition for IC review of TA'd items. If an IC vote is required to do so she will not support that process.

JE clarified, the alternatives are everything comes back for a second look, or the entire package comes back. JE requested a motion, none advanced.

CR sought clarification - lacking a motion here, does AppCom's proposal get adopted? JE responded no, the matter remains unresolved. CR added, his assumption is that TA meant things

would come back for final approval once the entire suite was done so the interrelationships are known and members approve a fully functional set of documents. He does not support limiting final approval to just a few documents. JE clarified that is the final application direction. The IC's schedule doesn't have individual doc review built into it right now.

SD suggested initially just bringing back key docs, if they pass move on, if not, expand the scope.

HK agree with CR on reviewing everything, and also SD on throttling the scope. That middle ground seems appropriate.

SS, JG, DL concurred with HK. Members can flag items that warrant detailed review / revote.

9) IRP Com

DB provided update. Last comments came in Friday PM. IRPcom is working through those. Some comments conflict, so working to resolve this week for return to IC next week. One item that received much discussion was how the IRP achieves lowest reasonable cost (LRC). Still working through how we do it and what it means.

RSK clarified agenda item, thought IRPcom wanted IC guidance on this matter.

DB continued, the issue is how do you determine LRC. Comments are welcome. Discussion revolved around RFPs, action plans, etc. How do you do that, what processes are required.

CR commented that he remembers the conversation differently. LRC is part of it, also greatest value, and also how is the action plan is developed. Just by the LSEs or by a broader stakeholder process? DB clarified two issues. (1) The action plan is developed by the whole process, public, participants etc. (2) the implementation plan is different, two issue there – 2a) what process to determine the entities involved in procurement and 2b) how do we develop a process to ensure projects are acquired at LRC. Much discussion, LSEs, IPPs. The matter's above IRPcom's pay grade.

SS commented she thought the RRC's job was to decide the preferred resource portfolio (PRP), and the PRP is not project-specific. DB countered that the PRP may or may not be project specific. Also clarified that preferred alternative is LRC, selections before (portfolios) that are greatest value, and projects themselves are evaluated on lowest cost. From that, the RRC builds the action plan. Implementation is where we are at now.

JE asked RMR to refresh the IC on what the regs say.

RMR confirmed DB on LC, GV, LRC sequence. At the higher level, the ERO application requires a plan to develop the IRP. Part of that is the action plan. Not all of this needs to be determined right now. DB agreed the action plan isn't part of the application, but the process to decide on one does need to be in the application. RMR commented that the plan to develop the plan – her personal take – leaves some room to defer this to future RRC. DB agreed, all we need to do is in the AP section of regs. We just need to define the process we will use.

JG commented that new system assets should go through a competitive RFP process to determine the best (RCV) project proponent. The successful bidder would execute the project. A wrinkle he doesn't understand yet is how the revenue stream for these projects gets defined and committed. Government grants are simple enough when available, but other revenues come from the

ratepayers via the LSEs. The ERO needs power sales contracts, precedents agreements or other agreements in place prior to being able to issue an RFP. How those happen is still unclear.

CR agreed with RMR unclear how clear we need to get for an action plan. This is the question at IRPcom. If we are supposed to be implementing PRP at lowest cost, seems to suggest an RFP process. Maybe we leave it blank, but might be nice to do it now.

DB agreed w/ CR, big part of discussion. Issues are conflicts between IPP always being least cost and LSEs higher. Something that needs to be evaluated and shown. That is a paradigm shift from status quo. LRC is goal. Need to show how we get there.

LF appreciates CR comments, makes it clearer. Agree w DB, only need the minimum for the application. This is a big issue, and have lots of thoughts about it. Limit to application needs and not solve it now.

SD offered quick thought. Haven't nailed down specificity. Maybe work on that. Might have a very specific transmission line, very vague new generation. Maybe delineate this discussion per that detail.

[RB joined the meeting, 12 of 12 voting members present]

10) BudCom –

a) Introduce CAM Narrative

JG introduced CAM narrative. Explained general direction is per the regulations (net energy for load per each LSE's pro rata share), but as BudCom scrutinized the definition of LSE against the body of railbelt entities, it became evident the delineations were fuzzier than ideal. BudCom's language sidesteps the fuzziness by coining a new entity, an RRC funding entity (RFE) defined in the tariff as the six LSE-ish entities on the IC.

JG skimmed over language over approval process – waiver or petition – as minutia to be figured out later, and narrative reviewing various entities that may or may not be LSEs. It is presented for IC member awareness, and can go into the application for now to be culled or not as appropriate as the application takes form.

JG continued to outline IC process for this deliverable. Soliciting comments from IC on this, but don't expect it to be controversial. Suggested process is for BudCom to incorporate any comments and include this in the consent agenda for TA on 8/30.

TL commented that there needs to be a process to modify the list of RFEs in the future and that needs to be in the tariff. JG suggested BudCom draft language that the RRC would monitor the railbelt, and petition to change the list of RFEs if conditions warrant. TL felt that would suffice.

b) Straw Poll on TAC Independence

JG again framed the issue of apparent IC deadlock on TAC independence and the anti-revolving door provision.

MOTION that the IC conceptually approve the principle that two of the four TAC engineers be subject to an anti-revolving door provision 1JG, no second.

MOTION FAILS for lack of a second.

JG commented BudCom will dive into the TAC wilderness. Fear not, we have a compass!

11) BySub

SD presented process for policies. Comments by 30th, vote in consent agenda on 6th.

FP asked which version of the policies should be reviewed. SD clarified the one that came out later.

a) Draft Bylaws Review

2.1.2.7. qualifications. New sentence to exclude RRC employees from being directors.

TA'd as presented.

Definitions, IPP

DB proposed adding transmit to the definition? SD explained BySub elected to not go there, observed transmission doesn't 'produce power'. DB asked what independent transmission owners are then.

HK offered that they are transmission owners.

JG asked if broader applicability of this definition had been considered so we could stick with a single one everywhere? SD responded it had not. JG observed this seemed to be a good definition so it should try to be the standard. TL clarified IPP does not appear in the tariff.

TL commented he preferred "or" instead of "and/or" in the definition.

TA'd as revised.

b) Introduce Code of Conduct

SD reviewed draft COC.

MC raised the accountability for others clause as pretty strong, overlap with whistleblower policy as possible means of implementing this.

JG asked about enforcement of post-employment violations. SD and SM clarified the COC is more aspirational, and doesn't have enforcement means.

At independence clause, RMR added 'balanced' to stakeholder board.

RB commented that the conflict between a director's entity interest and RRC interest setup in statute is inherently unresolvable. No solution offered, just flagging as an inherent problem with the language and presumption of statute. Offered the example of an IPP sole proprietor /director as perhaps the most extreme example, where that individual may be forced to act against their direct interest and for the interest of the RRC.

JWR flagged lack of standardized terminology to refer to the applicable electric system. Suggested adopt standard terms. RMR offered that the regs require the Board act in the best interests of the ERO, not the system/network. SD commented it is unclear why those should be distinctive.

MC liked original language. We're acting in interest of the whole system and all the people. But should standardize names.

Stopped review at independence provision 'a'.

c) Introduce Discrimination and Harassment Policy

SD withdrew from agenda due to time.

12) PubSub – Introduce Public Comment Policy

a) Public Process Policy

VDS introduced public process policy. Scope is how comments are handled, etc.

MOTION to TA policy as presented 1VDS, 2HK.

RMR asked if it should be public process policy or public comment policy. VDS clarified public comment policy – heading is obsolete.

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

b) Introduce Public Notice Policy

VDS introduced public notice policy for first look. Flagged missing agenda notice template. Highlighted three types of meetings.

No comments.

JE asked on next steps. VDS advised next meeting is tomorrow at 8 AM. PubSub can hold off for two meetings so folks have time to review. Suggest that comments come before tomorrow morning, otherwise be prepared to comment next Monday. Also advised Seth Blumsack will be in the meeting tomorrow morning from 8 to 8:30 to talk about confidentiality.

[DZ joined the meeting at 3:19 PM]

13) StanCom – Introduce Open Access Transmission Standard Framework

JWR recapped dialog last week about OAT, and presented memo addressing alternatives to the OAT framework, transferred to DZ.

a) Discuss Open Access Alternatives Memo

DZ summarized memo. FERC 888, 889 were implemented 25 years ago and are the nationally accepted standard. They apply to 47 states except Texas, Hawaii, and Alaska. Texas and Hawaii have separately adopted OATs based on FERC 888/889. So that is the only accepted framework in the U.S. Also, 3 AAC 46 regs specifically reference FERC 888/889. So this is pretty clearly the law of the land and the standard path forward.

MC asked DZ to explain the T1 through T8 elements under the OAT and how those affect cost of service? Also, address the need to adapt to reflect our little and unique system?

DZ responded. T1 – T8 are ancillary services that may apply depending on your jurisdiction and nature of your service. Each of those have a separate tariffed price. What is pertinent here and the objective of StanCom is to adopt standard OAT to be developed by each LSE. Method of developing prices is uniform, and applicability is standardized (IPPs and LSEs pay the same rates). Final prices may differ based on due criteria.

JWR added, OAT framework includes T1-T8, on to T12. Intent is that the standard will require standards for developing the costs. Result may differ, but the process is uniform. Not required for application but wanted to include it for completeness.

MC concern is that in L48 those are postage stamp rates for T1 – T8. Railbelt implementation could produce OATs that pancake these costs. Want to ensure a pancake-free mechanism. JWR can't answer that here, haven't gone there yet.

DZ FERC process is just a process. Every participant is treated the same. No discrimination etc.

CR asked whether T1 to T8 include integration of intermittent resources. DZ confirmed yes. CR continued, if this is FERC-based, what is the mechanism for it to apply in some jurisdictions and not others. DZ it depends on the nature of resources in each system. If no intermittent resources exist, there is no need for that T#. FERC doesn't say what services you can or can't have, it requires that they be applied equally.

CR so intent here is to establish which T#s will be included. DZ no, that is not the intent here.

HK thanked StanCom and consultants for their efforts. Concurred the intent is standard pay structure for a given service.

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

b) Approve Open Access Transmission Standard Framework

JWR flagged that the definition of BES and transmission network is still shifting as it gets coordinated with TarCom.

MOTION to approve the Open Access Transmission Standard Framework as presented for inclusion in the ERO application. 1JWR, 2FP.

MC asked, at BES definition, why entities connected under 69 kV are split out and be subject to additional requirements? Raised the example of a 30 MW coal plant connecting at 12.5 kV as significant, but below the 69 kV threshold.

JWR clarified this language mirrors statutory language to define a BES. JWR concurred it is unclear, and that is why this one is still under review. Agreed the 30 MW coal plant at 12.5 KV vs. at 69 kV, the 69 kV delineation seems arbitrary.

RMR offered the definition. For BES, we have a term similar to that in statute, and have shifted it into another statutory term.

JWR clarified this definition will change. RMR continued, what you have is half BES and half network.

TL highlighted the language he and JWR have been circulating today is rooted in statutory definitions.

TL clarified that this framework is part of the application but not part of the tariff. The ultimate product generated through this framework would be part of the tariff.

Objection by MC of AEP.

JE disclosed LF notified her prior to his departure of his support for the framework.

[since DU primary and alternate members are both absent, DU's vote is 'absent'.]

PASSED with AEP voting against, AKPIRG and Independent abstaining, and DU absent. [8-1-3].

14) Workplan and Budget Conceptual Framework Discussion

RMR presented overall framework discussion. TL provided additional detail.

CR restated for clarity and to confirm. TL affirmed his view. Proposed tariff is a skeleton, and the flesh will come along later pursuant to the processes being developed as the RRC does those things post certification.

SD asked about the Wednesday meeting. RMR clarified BudCom, StanCom, IRPcom, TarCom were invited as it is germane to their work. Doesn't impact BySub but welcome to join. SD no thanks!

15) Updates / Member Comments

JE offered AppCom update. Working to address cross-committee items. RMR doing a great job of identifying these. JE flagged director qualifications as another needed item. Will need to provide our own qualifications, our technical bona-fides, and how we represent stakeholder interests. AppCom will provide a template but will need directors to provide this content themselves.

CR raised comments from last week: "I'd like to make a comment about something that occurred at last week's meeting. When we asked Julie Estey about the letter that MEA has written to the AG's office about the RCA regulations, and Julie's representations about that letter, she apologized about her inaccurate representation about the letter and for not prioritizing circulating that letter after multiple requests by IC members to do so. However, after her apology Julie stated that she felt like she had faced a quote Lynch Mob with quote pitch forks. After considering Julie's statements over the past week, I'd like to make the following comment about Julie's remarks from last week.

1) The use of the language lynch mob is culturally insensitive and overly dramatic and seemed like an attempt to cast Julie as some sort of victim.

2) The comment seemed in some ways to negate Julie's apology. This is concerning. If there was a legitimate reason for Julie to apologize, then there was a legitimate reason for members of this committee to ask for some accountability about Julie's representations. That concern was legitimate, and those raising it in this public forum should not be compared to murderers.

I make these comments in the context of my appreciation for all the work that Julie does for this committee. However, I could not let her remarks from last week pass without comment."

JE responded to apologize for her choice of words, to emphasize her apology was sincere, and to thank CR for bringing the matter to her attention.

FP commented that MEA sent out a letter. Asked if there an obligation that all correspondence be reviewed by the IC?

CR responded no there is not, but MEA elected to make representations about the letter to the IC, and to share the letter with the IC, but when the letter's content evolved, JE failed to disclose that to the IC and delayed distributing the letter to the IC even though it was copied to most of the

other utilities. These failures to be forthright are the issue. JE did not follow up on her promised actions in good faith.

ExCom. JE gave update on RCA communications. MOU calls for quarterly updates. Any comments on doing this, please send to ExCom.

VDS gave another plug for confidentiality discussion at PubSub at 8 AM. Also hoping Seth will be available next week. Not sure he can make the IC meeting on the 30th due to teaching conflicts, so tomorrow AM is the best time to engage with him.

[DZ left meeting at 4:00 PM]

[SD left meeting at 4:00PM]

16) Set August 30th Agenda

Large consumer vote.

TA item approval process from AppCom

Review of RCA questions

BudCom CAM (to consent agenda)

TL at item 7, also proposed change to Tariff section 4 also.

JE queried SD, will governance be ready SD not there...

StanCom, interconnection framework, maybe.

IRPcom, next week is final review. Approval would be great, but ambitious.

TL advised there is an appeal process in the tariff. Would that not occur through policy? VDS clarified, standards/tariff are separate. Her comments are appeals regarding RRC administrative matters.

MC thanked CR for doing the uncomfortable thing he did calling out JE's comments and terminology. Underscored the IC's need to cultivate a culture of supporting corrective action. Must keep our dialog civil and open.

JG set expectations on TAC charter for 8/30. We can advance most elements of document comments, but deadlock at IC and likely at BudCom on the TAC engineer independence so we can advance this matter for more focused discussion next week but unlikely BudCom will be able to resolve it directly.

14) Adjourn

MOTION to adjourn 1CR, 2VDS.

ADJOURNED at 4:15 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. TA'd public comment policy
2. TA'd OAT standard framework