

Railbelt Reliability Council Implementation Committee - Meeting

August 30, 2021

Final Minutes (Approved by IC 9/7/21)

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)	n	Frank Perkins (FP)	n	Golden Valley Electric Association
Rick Baldwin (RB)	Y1	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)	Y	Rob Montgomery (RM)	n	City of Seward
Kirk Warren (KW)	Y2	David Lockard (DL)	n	Alaska Energy Authority
Suzanne Settle (SS)	Y3	Sam Dennis (SD)	Y4	Cook Inlet Regional Inc.
Joel Groves (JG)	Y	Mike Craft (MC)	Y4	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

Y1: RB left at 3:50 PM.

Y2: KW left at 4:36 PM.

Y3: SS left at 3:10 PM

Y4: SD and MC left at 3:56 PM.

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

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

Paul Morrison (PM), large consumer candidate representing ANTHC, present.

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, 2KW.

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, 2JG.

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

4) Interim Large Consumer Director Election

JE provided update and explained voting process. Simple majority vote. If no majority, repeat voting until a simple majority wins. JG, SS, DT, MC BH, and VDS spoke to caliber and broad representation of candidates and to aspects of individual candidates.

IC voted, with Paul Morrison of ANTHC winning the election on the first round with 7 votes. (CEA, MEA, DU, AEA, CIRI, AKPIRG, and REAP). Kinross and Marathon tied for 2nd with two votes each (SES and AEP, and HEA and Independent, respectively). GVEA absent.

JE thanked PM for participating, stated remainder of meeting was closed.

CR asked why the remainder of meeting was closed.

JE clarified that ExCom need IC guidance on next step. MC, RB, BH, HK, SS, VDS, and JG expressed support for PM being invited to stay on in an ex-officio capacity so that he can get up to speed immediately. RB expressed concern about how to address the additional vote, hadn't thought through that. JG clarified the default process was that PM would not vote until the RRC was organized and Bylaws adopted, thereby establishing new voting thresholds, etc. Any other process would require separate consideration and approval of the IC in the context of the utilities' MOU.

MOTION to have PM and alternate serve on IC in ex-officio capacity until formally seated on the RRC board. 1JG, HK.

AMENDMENT that PM and alternate be allowed to attend and sit on committees as desired. 1RB, 2BH.

AMENDED with no objections.

CR asked if this precluded future action to allow PM to come on as a voting member sooner.

JE and JG clarified it did not, the IC could take future action in that regard.

AMENDMENT to add a date certain of December 1, 2021 to revisit PM's ex officio status 1VDS, 2CR.

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

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

PM thanked all and remained in the meeting.

5) Umbrella Process Meeting Update

JE provided update. RMR leading an effort to form uniform process for doing public facing things to help various IC / RRC functions. Plan is to bring the plan forward at the next meeting. Looking at Wed 1-2 PM for a work meeting to review the revised draft – that draft will be out tomorrow AM.

6) BudCom

a) CAM Narrative Update

JG provided update. Turns out the methodology presented last week that defined RRC funding entities that are similar to but not quite LSEs violates SB 123, which specifies cost allocation by LSEs. DU is not an LSE, so proceeding with 5 LSEs. Some grey area remains, deferring legal argument with them for until an RRC/IC regulatory attorney is on board.

SS asked who is in the grey area and why DU is not an LSE. JG responded that Department of Defense might be construed to be an LSE as they do public utility-ish things and also directly invoice 10+ customers for electric service. Issue is they have no CPCN and there is little apparent public interest/benefit from their getting one. So maybe they're not. Some other

entities out there that would probably ultimately not meet the definition of LSE but that determination may benefit from some backup analysis. JG continued, general plan is to task a future IC-contracted regulatory attorney to flesh out the rationale for grey-area entities either for inclusion in the Application or to keep in our back pocket if questioned by the RCA.

JG explained statute defines LSE as public utility that directly invoices 10+ customers for electric service. DU only invoices Department of Defense, so doesn't meet the definition.

SD advised this discussion could affect Bylaws, director seat definitions, etc. BySub will discuss on Wednesday.

b) TAC Charter Comments

JG provided high-level overview of comments received, and solicited IC discussion on the TAC with regard to independence and function, which are the prevailing concerns/questions.

SD observed level of local expertise available to serve on WGs, asked what is the main concern with anti-revolving door provision (ARDP) excluding expertise from TAC given WG representation?

BH, DB, SS, CR, EJ, VDS, JWR, RB, SD, MC discussed TAC / WG workflow and function, ARDP, TAC independence. Some members expressed concern with limiting ERO applicant pool by precluding those currently working on the Railbelt system. Raised concern with ability to attract qualified talent from outside of Alaska. Noted fundamental disagreement with pre-judging ability of potential candidates to conduct themselves independently without implicit bias from previous employers. Other members noted importance of independent TAC, especially with regards to outside perception of independence. Don't see how a TAC made up of former Railbelt employees could ever be truly independent. There was not consensus on TAC / WG workflow and function or ARDP.

JG summarized discussion. Next steps are 1. Work through TAC function and then 2. Revisit ARDP issue. BudCom will revise the draft TAC Charter document to add detail to further define TAC / WG function and will bring back to the IC for further discussion.

7) BySub

(1) Bylaws Update

JE set stage, Bylaws ready for circulation to parent organizations. SD added, RMR did high-level consistency check / cleanup. SD is to review it, then SM review. That product can be done in the next few days, and go out for parent review.

JE informed plan is for ~2 week member organization review cycle, then ~2 weeks for IC to address comments. Will finalize that once the doc is ready. Also, the academic team will be doing high level review in parallel with that.

JG disclosed that he has finally had a chance to review the supermajority voting mechanism with regard to overall balance of the RRC, and has concerns with it. As it is, think will need to change the supermajority vote from 9 to 8 to support it. Will follow up ASAP with written articulation of concerns so people can understand and respond to them in a timely fashion.

CR asked if IC is voting on Bylaws provision prematurely. Are there other outstanding things that could impact this?

SD even if nothing major, little tweaks do keep coming up. Makes sense to slow roll the Bylaws to let these nits come forward until most everything else is done.

JE agreed, will need to adjust even after they are in effect most likely. Main issue is that members expressed desire for Bylaws approval as pre-requisite for approval of other items. Difficult to reconcile this.

RSK confirmed that in the schedule, one of the largest concerns was that a huge portion of Application work would come from the Bylaws, so wanted TA of them to make sure we are working productively. Not just for incorporation but also for Application prep.

JE agreed, will finalize process hopefully this week.

(2) Code of Conduct

SD reviewed code of conduct.

HK suggested, on Retaliation section, add good faith. EJ responded, still shouldn't retaliate, should delete qualifiers. HK observed that discipline for false allegation is appropriate. EJ, OK, but that's not retaliation. HK concern, flip side, I can do anything I want. SM whistleblower policy says good faith throughout. VDS retaliation should be broader than just the whistleblower tie back. Appeals policy is another relevant one. Could be others.

JG asked when is retaliation ever okay?

SD asked whether discipline for an allegation found to be made not in good faith would be considered retaliation by definition? SM advised that this would not be considered retaliation.

VDS asked, in light of discussion to include specifically RRC Whistleblower policy and any other relevant policy.

JG flagged that independence preamble only refers to directors, then other language later included all RRC representatives. SM clarified clause applies to all representatives.

[SS left at 3:10 PM, 11 of 12 voting members present].

MOTION to Tentatively Approve the Code of Conduct as currently amended. 1SD, 2BH.

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

(3) Whistleblower, Discrimination and Harassment Policies

SD emphasized Whistleblower and Discrimination and Harassment Policies in packet last week. Plan is to approve those next Monday. Please provide any comments by noon on Wednesday 9/2 so BySub can address.

8) **TarCom**

EJ provided overview, lots of comment / revision iterations on these provisions of the Tariff.

TL walked through the Tariff language.

JG requested clarification of where penalty fees go in instances where the LSE levies penalties for violations on its system below 69 kV. TL explained how it would work and the Tariff didn't need to specify it. EJ clarified the RRC would issue a fine to the LSE, and the LSE would be responsible for paying the fine or eating it. LSE would need to include a recovery mechanism in its contracts.

CR asked if the IRP clause would apply to just that LSE or to the Railbelt as a whole.

EJ suggested insert 'Railbelt' to clarify the broader applicability.

BH raise a matter for RMR to track. We don't understand how existing contracts will be folded into this. Things like Bradley Lake and so on. Asked what the statutory / regulatory guard rails for such might be?

RB commented that the Bradley Lake agreements are outside the purview of the RCA. For everything else, special contracts are subject to RCA review and future modification by the RCA per the public interest. Don't see how the RCA can get into Bradley Lake contracts absent legislation. On the rest, could just be between LSEs and entities, keep the RCA out of it unless an impasse develops. Standard contract should be able to handle it, maybe a blanket order from the RCA.

TL continued through revisions to prior TA'd provisions of Tariff.

EJ lots of comments have been considered and addressed in these sections. Intent is to move this for TA on the consent agenda next week. Plan is next meeting, bring home sections 1 and 2 for review. Now that 3-10 are pretty well buttoned up, bring 1-2 back for a new 1st read.

9) PubSub

VDS provided update.

a) Public Notice Policy

MOTION to tentatively approve public notice policy and associated Public Notice Template 1VDS, 2HK.

PASSED with no objections and JG abstaining [10-0-2].

b) Confidentiality Discussion

VDS reviewed high level elements of confidentiality under discussion such as sunset provisions, and differing aspects of confidentiality needs for different types of entities (LSEs, IPPs, consumers, etc.) Working with Seth Blumsack (SB) to delineate some of these consistent with industry standards. SB also looking at Railbelt practices to seek out guidance and conformity at that level.

VDS introduced the IRP data list. Requested that stakeholders review this list and delineate which should and should not be confidential.

[RB left meeting at 3:50 PM. 11 of 12 voting members present.]

BH asked about the intent of the exercise. VDS clarified, intent is not that this feedback go into policy, but guide PubSub in crafting the policy. If results are diverse, then what RRC can retain as public will be inconsistent, and we will need to know and consider that.

BH thanked for clarification. Advised he doesn't think this list is comprehensive. It's much of it, but not all.

VDS thanked for guidance. Would welcome revisions to make list more comprehensive.

JE added, two more buckets. Stuff the ERO receives to do its work, and confidentiality of stuff the ERO produces (if any is confidential). So trying to delineate it. So this is part of the Application but also part of what we need to agree on to advance with the IC/RRC.

[SD and MC left meeting at 3:56 PM. 10 of 12 voting members present].

BH once CEA had ISA certification review of its practices, lots of things I thought were public became confidential.

[PM left the meeting at 3:58 PM, 10 of 12 voting members present].

VDS explained that the plan is to have this come back to IC on 9/13.

c) Public Access

VDS presented current draft of policy.

BH asked about section II(D). Expressed concern that automatic declassification of documents without review could be problematic. Suggest a mandatory review at 3 years and manual declassification process instead.

VDS thanked BH for concern. This is the most interesting provision here. Two other options for this (1) burden is on public to petition for release, VDS thinks this is wrong, undue burden on public, (2) burden on RRC staff to review everything and reconsider release doc by doc. This process is open for discussion.

VDS continued walk through document.

CR commented, if records are electronic, why delete at 15 years. VDS space and cost are the main reasons. CR felt they could easily be useful beyond 15 years. BH concurred and commented that some assets are amortized over 30 to 60 year lives so longer period is appropriate. SM offered two points (1) what CR and BH said are extremely important with regard to startup. That stuff is all important forever. (2) consider doc longevity beyond startup carefully. Undue document retention can cause problems with litigation if kept too long. VDS thanked all for comments, will follow up with SM for language. CR asked SM for examples of types of documents where extended retention could cause problems. SM responded, it's a balancing test – but a complicated one. Emails have short term value, but they are so terse and contextually specific that they can readily be mis-construed in the distant future and become big headaches.

VDS indicated RRC may have a PC at main RRC office to facilitate members of the public without computer access.

DT noted local public libraries might be a better venue for data access than a central computer.

JG offered operative point is public docs will be on a website perhaps akin to FERC eLibrary that can be accessed via the web generally.

VDS completed review. Highlighted major discussion points are classification and declassification processes, mechanism for public access, and term of records retention.

10) Updates / Member Comments

JG raised need to consider IC balanced governance limitations, chronic schedule slippage, and volunteer bandwidth limitations, and refocus Application efforts on must-haves for Application and/or for IC governance / balance. Offered examples of work products that do not meet this test are the standards frameworks being developed by StanCom. Welcome identification of other items. Want to introduce a motion to suspend this work to honor these concerns and provide StanCom clarity on what they need to be doing.

MOTION that IC development efforts on Standards Frameworks be suspended until after the RRC is formed and ERO Application has been submitted. 1JG, 2VDS.

JWR responded, the OAT and OAI are being developed because we need to provide something to the RCA to demonstrate that we are fit, willing, and able to do these things and describe how we will do them. The frameworks do that and inform the RCA on how we intend to do these things. If we are silent, that may introduce risk.

TL observed there is a specific requirement in the Application and Tariff that the applicant's process for standards development needs to be included. Description of the process could just include the development of frameworks. Question is how far you go. ~762(3)(D). Not a Tariff item, but supports Tariff development and workplan. Level of detail is open question. No problem with frameworks in the Application, goes way beyond the minimum requirement. But there is a place for it.

DB we did talk about how we meet it, came up with framework as a means to get agreement. Framework just articulates the issues that we need to agree on. Agreement at the IC is difficult, so figured this was the best way to get all members on the same page.

BH ditto DB. If we didn't have it, would raise more questions. RCA will ask questions that need the framework to answer. More detail is better than less here.

DB, BH objected.

FAILED by roll call vote with AEP, AKPIRG, and Independent in favor, REAP abstaining, GVEA and CIRI absent, and CEA, HEA, MEA, DU, SES, and AEA against [3-6-3].

JWR offered update for StanCom. They will keep working through the frameworks. Been a difficult process to get them through both StanCom and IC. Also working on CMEP and Sanction Guidelines documents.

JWR continued to emphasize and clarify that the consultants working for StanCom – Dana Zentz and David Hilt - are available to the full IC to help understand and clarify what is going on. Please copy JWR so he can keep track of consultants' time and be aware of the discussions.

DB reported on IRPcom progress. Rousing meeting last week. It is clear that, as with TAC, no consensus or common ideas on how IRP gets implemented. Asking Synapse to work through this process. Issues will impact both schedule and budget. Will need to tackle these before we tackle IRP completion schedule and budget. Hoping to deal with this matter this week, and tackle

schedule and budget for next week. IRPcom was able to agree on language for the last portion of the IRP process.

JE gave ExCom update. When folks come and go, flag it in chat so we can get it in the record. Looking at SM for corporate side, but looking forward to a regulatory attorney / expert. Unclear how we will find an unconflicted one. SM observed great idea.

VDS asked to revisit Application deadline. When is it? JE responded, ExCom is watching the schedule slip. Plan is that BO and RSK will update the workplan this week and review findings at ExCom this week so we can provide an update next Tuesday. If we're a month off for example, need to know that.

JE raised meeting date next week – Monday is Labor Day. Unlikely to get folks on Monday, but don't feel we can take a week off.

DB unavailable on 9/7.

VDS unavailable on 9/7, but ASF available.

EJ have to leave by 4 but otherwise OK.

BH would be 15 minutes late.

JE confirmed meeting will be usual time but on Tuesday 9/7.

[KW left meeting at 4:36 PM, 9 of 12 voting members present.]

11) Set September 7th Agenda

RSK ran through schedule.

JWR penalty matrix yes, but items 10-12 push out a week.

VDS removed confidentiality policy from agenda. Just pub access to docs and appeals policy (later).

DB no IRP process is not going to happen and need to scope out workplan before budget is formed. Step 1 is what's in the workplan. Budget follows. EJ asked how that gets figured out. DB clarified internal discussion. IRP produces a PRP, then what? No consensus there.

RSK AppCom working on common qualifications, template worth coming.

TL transmission cost allocation by BudCom, Tariff will present the outcome.

JG, EJ, JWR, TL clarified, StanCom is developing the transmission cost, not BudCom. JG advised BudCom will be focused on TAC charter and will not be working on anything else until that is complete.

EJ noted transition cost allocation methodology that StanCom is developing is just to the extent needed for Application. Just the process, not the standard or numbers. Hopefully we all understand the level of work – as required for Application.

TL clarified, there will be an order at certification under 3 AAC 46.450, establishing the date for this.

JE advised ExCom will discuss extending member comments and agenda setting items as these have run over time the last few weeks.

DB asked whether folks can advise when they will be out hunting.

The September 7th IC meeting agenda will include:

First Look

1. BySub – Governance committee charter to IC
2. BySub – Balance and stakeholders narrative to IC
3. BySub – Independence narrative to IC
4. BySub – Existing Board classification narrative to IC
5. ~~StanCom – Open access interconnection standard framework to IC - Unlikely~~
6. StanCom – Additional standards workplan and budget elements to IC
7. ~~StanCom – CMEP to IC~~
8. ~~StanCom – Penalty matrix to IC – Possibly~~
9. ~~StanCom – Registered entity list to IC~~
10. ~~StanCom – Standards process narrative to IC – add 1 week~~
11. ~~StanCom – Open access interconnection narrative to IC – add 1 week~~
12. ~~StanCom – Open access transmission narrative to IC – add 1 week~~
13. PubSub – Public access to docs other than confidentiality to IC
14. ~~PubSub – Confidentiality policy to IC – remove~~
15. ~~IRPcom – IRP workplan and budget to IC – not coming~~
16. ~~IRPcom – IRP budget and process narrative to IC – not coming~~
17. AppCom – Common/umbrella process doc to IC
18. ~~AppCom – Safe harbor narrative to IC~~
19. AppCom – 1st RRC Board Director Qualifications Template to IC
20. ~~AppCom – 1st RRC Board Director Qualifications Narrative to IC~~
21. ~~AppCom – Request for TAC waiver to IC~~
22. ~~TarCom – Transmission cost allocation methodology to IC – This is BudCom work, so not TarCom~~
23. ~~TarCom – Tariff Workplan conceptual framework to IC – Under discussion. Can talk about it, but not likely to have draft~~
24. ~~BudCom – Sufficient resources explanation to IC – not coming~~
25. ~~Bud/Stan/IRP Com – Ability to satisfy technical requirements narrative to IC – not coming~~

For Tentative Approval*

1. ~~IRPcom – IRP Process – not coming~~
2. BudCom – IC approve TAC charter/narrative
3. BySub – IC approve discrimination and harassment policy
4. BySub – IC approve whistleblower policy

Other Business

1. StanCom – Finalize standards development process based on TAC charter
2. ExCom/AppCom – Umbrella process meeting update
3. AppCom – Approval of initial Tariff motion to IC

* Items with strikethrough formatting are in workplan, but not expected to be ready

14) Adjourn

MOTION to adjourn 1BH, 2JG.

ADJOURNED at 4:52 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 code of conduct
2. TA'd public notice policy and template