

Railbelt Reliability Council Implementation Committee - Meeting
September 20, 2021
Final Minutes

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) | Y1 | Jeff Warner (JWR) | n | Chugach Electric Association |
| Frank Perkins (FP) | Y | John Burns (JB) | Y | Golden Valley Electric Association |
| Rick Baldwin (RB) | Y | Dave Thomas (DT) | Y | Homer Electric Association |
| Julie Estey (JE) | Y | 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) | Y3 | David Lockard (DL) | n | Alaska Energy Authority |
| Suzanne Settle (SS) | Y | Sam Dennis (SD) | n | 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 |
| Paul Morrison (PM) | Y | Luke Welles (LW) | n | ANTHC, Large Consumer |
| Jeff Waller (JWL) | Y | James "Jay" Layne (JL) | Y | 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: BH joined at 1:30 PM.

Y2: EJ joined at 1:35 PM.

Y3: KW left the meeting at 1:55 PM.

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

Rebecca Sexton-Kelly (RSK) and Sebastian Orillac (SO) with Sapere present.

Paul Morrison present as ex-officio member.

11 of 12 voting members are initially present, two ex-officio members are initially present.

2) Approval of IC Agenda

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

MOTION to AMEND to remove IRPcom items listed for TA on 9/27.

JE advised IRPcom is not on today's agenda, just note it for next week's expectations during agenda setting item.

MOTION to AMEND withdrawn.

MOTION to AMEND to read a statement from non-utility members prior to TAC item. 1MC, 2VDS.

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

PASSED as amended 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, 1JG, 2VDS.

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

4) ExCom

a) Regulatory Attorney

JE provided update on regulatory attorney status. ExCom discussed the list of candidates received from IC members and narrowed down to short list of Elena Romerdahl, Pam Anderson, and Mike McLaughin.

MOTION that IC approve short list of three attorneys for ExCom to engage with to serve as our regulatory attorney. 1JG, 1VDS.

CR asked what conflict Steve DeVries has and why he was excluded from the short list. Also curious what we need a regulatory attorney for now, prior to having final regulations to interpret.

[BH joined meeting at 1:30 PM, 12 of 12 voting members present].

JE responded on point 2, having a regulatory attorney adept at interpreting statute limitations and advising the group would be helpful. The request was brought to the IC and approved last week.

CR continued, don't feel we need an attorney for draft regulations, so concerned about timing.

VDS offered three comments. 1 disagree w/ CR on timing, feel this support would be helpful now. Not recalling specific needs, but having someone available before we need them is key. 2 what is the process for selection? 3 AKPIRG would oppose Mike McLaughin based on his work for Hilcorp before the RCA – not pro-transparency. Perhaps just his client's view, but still have serious concerns.

[EJ joined meeting at 1:35 PM, 12 of 12 voting members present].

JG restated two tasks in the draft budget authorization presented last week (1) provide interpretation of regulations and (2) represent the RRC before the RCA for the Application.

DB disagreed with CR. IC has wasted lots of money arguing over regulations. Need someone to interpret regulations for us. Would like to see Steve DeVries on the list because JWL and SM recommended him. Would like to make sure that anyone on the list has no current dealings with IC members so they are not biased.

RB advised having looked for people to represent HEA without conflicts, don't think we can find anyone that is conflict-free. Also advised that Pam and Elena have represented HEA on gas contract negotiations. Not sure that this necessarily needs to eliminate them from contention if IC members don't think this is a conflict, but if so, issue is that the market is just too small.

JWL requested better disclosure of why other attorneys were eliminated than what has been presented. Pam and Elena have also represented entities on electrical matters. Mike has done AWWU work. We need someone familiar with RCA, but they will have prior relationships.

JE asked if SS or JG had more guidance. She was not present during those discussions at ExCom. JG did not, SS was stuck on mute and was unable to answer.

HK requested the motion be restated. JG restated it. HK asked to clarify 'engage with' JG apologized for lack of clarity, 'engage with' means for ExCom to interview candidates, obtain rates and level of effort estimates, and if possible, come back to IC with recommendation consistent with whatever selection process is agreed to.

CR objected to the motion. He stated that this is a very important position for the IC. Members need more information before we can approve this list.

ASF restated objection to Mike McLaughin, and suggested replacing him with Steve DeVries.

FP commented last week we got stuck on definitions, which is blocking progress on two committees. He stated that last week he suggested ask RCA commissioners for clarity on regulations, IC said no, that's fine, don't disagree. Can we ask RCA staff to clarify this instead? That seems to be the short-term need. There are other long-term needs also, but that short-term need is key.

JE responded that RCA has informed that they will not comment on the regulations until they come back from AG review.

LF commented that he prefers to defer to committee to advance attorney selection process.

EJ responded to FP comment, apparent conflict between statute and regulations. Yes, it is holding up tariff completion, but don't think it is impacting the IC's overall schedule.

PASSED by roll call vote with AKPIRG abstaining and REAP voting against [10-1-1].

b) Contract Change Requests (M&B, Miller)

JE introduced change order for Rena Miller and Manley and Brautigam to reflect their changing scope and extending schedule. Rena Miller increase NTE to \$80,500 and extending the term to end of December.

MOTION to approve contract change for Rena Miller. 1VDS, 2HK.

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

JE introduced M&B change order. Previous contract did not include all the fees etc. associated with incorporation, or registered agent costs. Those are the ExCom changes. BySub changes per SS.

SS advised she can't speak to BySub cost changes as SD was leading those discussions and is out today. Outstanding committee work includes lots of comments on Bylaws to reconcile, also committee charters, narratives, additional policies.

MOTION to approve contract change for M&B. 1HK, 2BH.

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

5) Statement from Mike Craft

MC read paragraph developed by 'non-utility' members that met this past Sunday.

[IC members represented by MC statement include CIRI, AEP, AKPIRG, REAP, Independent].

The 'non-utility' members statement raised concerns that the TAC charter doesn't conform to regulations. IC needs regulatory attorney before we can proceed. Non-utilities asked for help multiple times, were denied it. Have significant concerns about independence or balance - board governance may not meet these. Have concerns about prior TA'd language on standards process that have emerged as we better understand regulatory requirements and implications. There is no consensus on RE or UOO definitions. We feel like we are behind the curve on all of these matters. We need to take a two-week hiatus to get caught up on these issues.

KW commented to clarify AEA was not a part of this meeting.

MC concurred with KW clarification, apologized for any confusion.

DB asked to clarify what has been asked for and denied.

MC clarified non-utilities asked multiple times for funding for expert help. We are volunteers that feel outgunned. Don't know how to decide things because don't have resources or vision to understand the implications of the decisions.

JE asked to clarify what will be done in two weeks.

MC advised he is not prepared to fully respond to that. Generally, need to review board structure, balance.

LF asked for written statement of what help is requested, and what TA'd materials are being objected to. Need clear understanding of what issues are and what needs to be done.

MC agreed with LF, clarified that document is being drafted, two-week hiatus is primarily to allow time for review and to allow time to articulate these concerns.

SS thanked MC. Feel the utilities may agree that with all the docs flying around, it is challenging to meet duties of care to approve things in an informed manner. We are flying an airplane under construction. Now that things are coming together it's important to make sure everything lines up. Two-week hiatus is to get organized, figure out what our concerns are, and get together on things. Continuing to TA things during this time is not productive.

[KW left meeting at 1:55 PM, 11 of 12 voting members present].

BH agreed with LF. Suggested maybe have Sapere compile list of expert requests that were denied.

VDS thanked MC, offered perspective to LF and BH points. Objective of two-week hiatus is to develop written list. This is a way to have clearer conversations moving forward. Sad that resolution (JG's "dead horse" proposal) got that name, because it is emblematic of the problem.

[JG's "dead horse" proposal for supplemental technical support was introduced on 6/28, reintroduced on 7/12, and reintroduced and defeated on 7/26].

JG commented to confirm his dead horse proposal was the 'cry for help' MC mentioned. Recalled that it cautioned outside resources were intended to avoid delays. They weren't approved, and delay is the consequence. Hopeful that everyone's goal remains to approve the RRC, but to get there need to make sure we know what everyone's must haves are, have everyone show their cards, figure out where the sticking points are and focus on those. Failure to do this and remain

focused on TA'd minutia documents of the ERO application is to build an illusion of false progress when fundamental issues remain unresolved.

ASF added that as we get further along in the Application process, less opportunity to do it. Discussed a TA protocol, but haven't approved that. Unclear what TAing means, need due diligence.

LF commented that JG and MC comments are not aligned. Need some clarity to make sure understand the issues and purpose of a delay.

JWL offered some observations. Look forward to issues from 'non-utilities'. Also would like to hear about any issues from 'utilities'. Observed he's never seen a regulation process as lengthy as this one. The first ERO application will see very through scrutiny from the RCA. We need to be one voice going in. If RCA raises an issue and we provide conflicting testimony, things could get messy. Observed we have a good group of people here. If RCA does it on its own, he knows RAPA and RCA are there, but no one else is a given.

MC asked for clarification from LF on perceived conflicts between his and JG's comments.

LF clarified primary MC message was need more resources to accomplish the work, and objections to some TA'd stuff. From JG is that there are critical points of disagreement. Maybe related, but not the same. Doesn't really matter if different, want to see it on paper.

DB expressed enthusiastic support for a two-week hiatus. Moved to adjourn and go hunting. JE interpreted as a rhetorical motion.

FP commented in favor of two-week hiatus. Just to generate a list, understand documents, reasonable due diligence. Concern is process as a whole, lots of pieces that people may not agree on, but unclear how we get a consensus. Is that mediation? Unclear.

HK commented that consensus is important, FP is right. Once we agree on something we do need to be in lockstep. Worst thing is to have five opinions going in front of the commission. Offered one point lacking understanding – have no clue what 'balance' means. Who is supposed to be it, what is it? Need someone to interpret the regulations on this for us.

ASF commented per regulations, there is a continuing requirement to address attenuation / amplification. IC still formational, folks still don't have best understanding of it all, so things that were TA'd previously may need to be reevaluated.

CR suggested may also have interactive issues as we try to mesh different deliverables. As things come together and we can better understand the full picture, we are seeing more complications arising on several fronts, including legal. Having a regulatory attorney on board is important in a situation like this. None of the 'non-utilities' have legal counsel on board, so need some time to understand all of these issues. A lot of stuff, not enough resources.

JG restated prior comment. All should use this time to define their must haves. Figure those out, get to consensus, or keep working at them. Avoid illusion of false momentum and undue focus on minutia.

JE commented that she, and probably other 'utilities' are a bit taken aback. If we do the pause, encourage folks to reach out across divide. Need to find a way to think beyond the 'utility' / 'non-utility' paradigms.

JE asked whether members wanted to continue with the agenda or if there was a motion to change direction?

MOTION to ADJOURN for a period of two weeks, to skip the next two meetings. 1RB, 2BH.

HK objected.

VDS raised point of order, are subcommittees included? RB responded no. VDS raised point of order, will it end this meeting? RB responded yes.

EJ raised point of order, when will next IC meeting be? JE clarified next IC meeting would be on October 11.

FAILED by roll call vote with GVEA, MEA, DU, AEP, AKPIRG, independent voting against and AEA absent [5-6-1].

FP commented it is useless to adjourn without specific action items to advance these issues. Need to discuss this first. BH concurred.

VDS offered tentative proposal is for each entity to come back with list of questions / concerns / positions as well as comments on documents in the works and that have been TA'd.

JWL raised concern with hiatus until October 11th. Everyone shows up with must-haves, will have limited work. He suggested an earlier deadline for distributing questions / concerns / comments so that members can review and understand.

EJ advised at TarCom, the definitions matter. Balance / independence are all important issues. Maybe part of this timeframe is for acquiring that resource. If we can't hire a regulatory attorney that is problematic also as they are part of the solution.

SS agreed, we should have plan and figure that out. Suggested to write down a list to move towards consensus. Applies to all of us. Going to have to flex on matters to get to the finish line. Issue with JWL characterization that we're raising complaints. We are raising legitimate concerns instead of kicking matters down the road. Not a complaint – a flagging of a problem.

HK agreed with EJ on regulatory attorney. Biggest concern is the unknown unknowns. It is unclear what we should be concerned about. He observed that his interpretation of JG's proposal was to get some expertise to find out what we don't understand.

JE recalled the last time the dead horse proposal failed, there were comments to make it pass.

BH commented he never liked the term 'dead horse'. His main issue was a lack of specificity. Bring a specific expert for specific issues and we can consider those.

VDS observed that JWL made an interesting suggestion. On not meeting on regular IC business, maybe full two week break if we have clear pieces that makes sense so we can come back with clarity of direction. Caveat to maybe having working sessions on additional resources. Tradeoff between more time or more resources. They thanked BH on comment about dead horse proposal.

Hard to know how to do it in constructive way. Feel we addressed IC comments on the first two iterations. Could discuss further amendments or could move on to a new proposal.

DB reiterated points by BH/VDS. After last time it came up, he made specific suggestion to make it something he could support, but nothing ever came of it.

JG responded to DB to confirm DB did provide specific comments after the fact, but JG had given the matter three tries, struck out, and was done with it. Since it has now once again come back, not opposed to revisiting it yet again.

JWL, with regard to a specific expert, observed perhaps 'non-utilities' don't know what kind of expert they need. Sometimes RAPA doesn't know on various matters. Maybe if you have concerns, just identify those. Maybe utilities / IC can help figure out who you should be looking for. It is okay to not know what you need.

JE summarized next steps. Hearing that members should take two weeks to consider materials and articulate any questions / concerns / comments. Need to determine date by which these statements should be distributed to the other IC members to allow time to review others' perspectives. Also need to advance the process of bringing on a regulatory attorney.

MC offered a suggestion about documents. So many acronyms floating around it has become confusing. Would like to understand the 69 kV distinction as one example. It seems extremely arbitrary. OAT is another one that JWL has raised. Also advocated for all to have personal interactions with the other side to build human relationships.

JE agreed with MC on personal interactions.

MOTION that members document their concerns in writing including TA'd items and provide those to ExCom by a date to be determined by CIRI. 1BH, 2VDS.

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

SS will consult and advise on timeframe for members to submit concerns, etc. ExCom will determine next IC meeting time and agenda.

MOTION to adjourn. 1LF, 2VDS.

HK objected.

PASSED by roll call vote with MEA and Independent voting against and AEA absent. [9-2-1].

ADJOURNED at 2:48 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 |
| AKPIRG: | Alaska Public Interest Research Group |
| 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 |