

Railbelt Reliability Council Implementation Committee - Meeting
October 11, 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)	Y	Jeff Warner (JWR)	Y	Chugach Electric Association
Frank Perkins (FP)	Y	John Burns (JB)	Y1	Golden Valley Electric Association
Rick Baldwin (RB)	Y2	Dave Thomas (DT)	n	Homer Electric Association
Julie Estey (JE)	Y3	Ed Jenkin (EJ)	Y4	Matanuska Electric Association
Lou Florence (LF)	n	Shayne Coiley (SC)	n	Doyon Utilities
Dave Burlingame (DB)	Y	Rob Montgomery (RM)	n	City of Seward
Kirk Warren (KW)	Y5	David Lockard (DL)	Y	Alaska Energy Authority
Suzanne Settle (SS)	Y6	Sam Dennis (SD)	Y	Cook Inlet Regional Inc.
Joel Groves (JG)	Y	Mike Craft (MC)	Y7	Alaska Environmental Power, LLC
Veri di Suvero (VDS)	Y	Alyssa Sappenfield (ASF)	Y	Alaska Public Interest Research Group
Chris Rose (CR)	n	Greg Stiegel (GS)	n	Renewable Energy Alaska Project (REAP)
Hank Koegel (HK)	Y	David Newman (DN)	n	Unaffiliated seat
Paul Morrison (PM)	n	Dustin Madden (DM)	n	Large Consumer
<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: JB joined at 1:25 PM.

Y2: RB joined at 1:30 PM.

Y3: JE left meeting from 3:25 to 3:30 PM due to technical difficulties.

Y4: EJ left meeting at 2:33 PM.

Y5: KW joined meeting at 1:20 PM and left at 2:33 PM.

Y6: SS left meeting at 3:50 PM.

Y7: MC left meeting at 3:41 PM.

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

Bayunt Ollek (BO) and Sebastian Orillac (SO) with Sapere present.

9 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, 1BH, 2JG.

PASSED as amended with no objections. [9-0-3].

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. [9-0-3].

[KW joined at 1:20 PM 9 of 12 voting members present.]

4) ExCom

a) Update from AG's Office

JE advised ExCom has been continuing its meetings to chart the overall IC course. SS was tasked with checking in with the AG's office. She reported that her contact at the AG's office told her

the regulations were not approved at a meeting last Tuesday but could not provide a timeframe for when they would be. Her contact initially said it could be by the end of the year but withdrew that estimate. SS asked if talking to AG would help, but contact said that any queries would be routed back to contact. Her sense is that last week's internal meeting changed the review track, but no details are forthcoming. AG office is being very tight-lipped about it.

JG asked if retracting the December timeframe implied AG review would be completed before or after December. SS clarified her contact's information was vague and she doesn't know.

[JB joined at 1:25 PM, 9 of 12 voting members present.]

b) RCA Update

JE presented proposed comments to the RCA that JE is planning to read at public comment window Wednesday 10/13. Requested motion to authorize and sanction these comments.

MOTION to approve bullet points to be read in public comment period at next RCA meeting. 1SS, 2BH.

VDS commented in support of the motion. Asked whether our current impasse would be addressed. JE responded that ExCom sense of that is it is an internal matter that is not useful to the RCA, and update should focus on what RCA can act upon. VDS agreed that makes sense but seems dishonest.

[RB joined at 1:30 PM, 10 of 12 voting members present.]

JG added his perspective, the RCA is not in a position to act upon IC's internal issues, so no point telling the RCA about it. Constrain scope of comments to information that is useful to commissioners – such as regulatory ambiguities and their impact on our work. Keep scope of our comments within that context.

SS concurred with JG, added that the main message towards the RCA should reflect the need for guidance that has been lacking so far.

MOTION to AMEND last bullet to read "... , and questions which are currently hindering the RRC IC creating a successful application." 1VDS, 2SS.

BH commented he doesn't like "hindering" or "successful". Suggested "creating unnecessary confusion...", conceded still not the best phrasing.

FP concurred with BH those two words are strong. Application will surely have some back and forth. Would prefer to tone down those words.

RB advised he joined late, asked for clarity on where we are at, what motion we are discussing. JE, BO, and JG clarified.

AMENDMENT WITHDRAWN by VDS.

PASSED with no objections. [10-0-0].

c) Regulatory Attorney

JE provided update. ExCom interviewed all three candidates. Pam and Elena were interviewed jointly as they work in the same firm. Mike McLaughlin was interviewed this morning. ExCom hasn't met yet to deliberate. Plan to have recommendation next week.

MC asked about Pam and Elena, if we go with them are we hiring one, or both? Want to be cognizant of cost and how we get what we are paying for. Don't want to pay doctor rates for a physician's assistant.

JE clarified her understanding is that IC would be hiring one, but the other could fill in if needed. ExCom will deliberate and provide recommendation / next steps at next IC meeting.

d) Path Forward

JE informed that prior to meeting she distributed response letter from 'utilities'. Essentially the utilities understand the non-utilities issues, but don't have any specific solutions on the table so issues are not actionable. She requests members to bring forward specific remedies and we can work through those. ExCom thinking is that proposals should be developed over the course of the next week.

MC asked when voting these proposals through, will we use the same voting threshold that we have been using or something different? JE clarified until we decide otherwise, we would use the standard voting criteria (8 and 9 vote threshold) that we have had throughout. But that can be open to change just like everything else.

MC appreciated the clarification; he thinks the non-utilities are wanting to change the voting structures already but will leave it at that.

VDS and JG commented in favor of a longer pause in the 2-to-4-week range to give members time to develop and present well-reasoned proposals to address concerns.

SD commented to emphasize governance concerns as those are less likely to run afoul of regulations should the drafts change materially due to AG review. Technical concerns should be deferred until governance is resolved and as practical until regulations are finalized.

BH, FP, DB, and HK commented that we need a specific deadline and framework for resolving these issues. Failure to impose those will risk time going by with little tangible progress being made.

SS agreed with the concern of taking time off and not making progress but lacking final regulations, questioned if we are making progress or wandering in the wilderness unproductively. Per AG office discussion, they can reject, accept, or partially accept/reject the regulations. They don't change anything, rejected proposals get remanded to RCA for redress.

BH commented to SS' point, to the extent we can have a consensus and put specific elements in our application, the more power we will have. Failure to go in with a consensus cedes power to the RCA. Many of the regs allow for RCA waiver so they can adopt our consensus proposals.

DB, MC, ASF, and FP agreed with SS. If portions of the regulations are part of our problem, then a slowdown is warranted. But issues like governance are internal to us and we should proceed to solve those. Also, some technical elements of the proposal are not sensitive to the regulations and those can and should continue.

JWL observed this dialog is a two-ships-passing-in-the-night situation. Letter of issues went out but didn't click. Agree need specific actions to help focus effort.

JG offered two specific issues that can be addressed immediately:

1. PM of ANTHC has expressed an interest in becoming a full member of this group ASAP. Don't know if that means adopting the RRC articles near term and forming the RRC board, or amending the utility MOU to add that seat, or something else. But warrants addressing his concern.
2. Governance – what is balance, and does the proposed RRC board have it? Are we running with the narrow definition of balance in the regulations (producer / consumer) or are we adhering to a more plain-language definition?

KW commented to add AEA's perspective. The issues of understanding the unique nature of the creation of the RRC and for the non-utility members to get up to speed does warrant having the resources available to digest the issues – there's no way to come back to these fundamental issues once decisions are made. KW continued that AEA supports a longer pause so non-utility members can articulate their positions and understand the issues.

JE commented that many of these issues are based on fear. No matter what we do, that fear will continue to pervade what we are doing. Not sure that whatever micromangement crutches we devise in governance will solve the fear factor. Instead, we need a means to reopen things if unintended consequences emerge.

HK agreed with JE. There is a lot of fear here. Not a good way to go. We will not attain perfection; we will need to adjust our course as we go. Also added a personal statement: When I started with this group, I said I was semi-intimidated by the people in this group. Because you are amazingly talented, you have great judgement. I respect all of you. I think we need move forward with respect for everyone's position. One of things we haven't done is given enough thought to the other side. We need to do that and open our mind and see if we can reach an agreement. We need to embrace other solutions. Let's go forward with the thought that we're not out to crush one another.

JE stated she will need a motion to guide future direction.

RB agreed with SD that we must focus on governance; all other issues are peripheral. RB made the comparison that the elephant in room is board balance. One of the first issues BySub focused on was governance. There were disparate views on that, but we agreed on an outcome. We mediated it and came to an agreement. View this as the biggest issue we need to address. If people want to repudiate the agreement that came of mediation, we have very little hope of being able to move forward.

VDS thanked HK for comments. Unfortunate we are doing this through Zoom rather than in person. Delay does not mean nothing is happening. It is imperative for the issues and solutions to be crafted so we can make another swing at consensus. Time is vital for VDS because they have limited bandwidth to focus on these things. VDS responded to RB's comments to clarify that was their first mediation experience. We signed nothing at the outcome, it was all TA'd and there was a lack of understanding of what that meant. VDS objected to the perception that we are going back on our word.

FP and JWR commented to clarify and emphasize that the IC's consultants are freely available to IC members to provide technical advice. This has been stated previously and remains so. BH

added that many of our contractors have profound talent in these matters and are great resources if folks have questions or need help. Urged people to use them.

BH commented that he appreciated the letter raising the issues. He was operating under verbal consensus set early on that we would bring things to parent organizations ASAP and raise showstoppers ASAP. Intent was changes in documents would not be substantive. Fear at the time was that utilities would be the problem. BH has been staying very close to his board to prevent that. The list of challenges brought up is broad and touches almost everything we've done. Bottom line, this needs to be a consensus governance structure otherwise we're out. So, it does feel like we're backing up from all that progress.

VDS responded to BH's point, that is why now is so urgent. TA confusion is part of why things came to a head now. The permissible scope of modification in TA'd matters is unclear. When is the last chance to make substantial changes – it seems to be now. That is why this is happening. It sounds like for others, that time was six months ago. If the pace is so fast and we don't have time to review things, that process is not viable. VDS doesn't have specific solutions at hand, or the time to craft well-reasoned solutions in a week. But now is better than later.

DB agreed with RB, we dealt with this at mediation. Need to decide if that is a solvable issue, if not figure out what we're going to do about it. If two sides can't agree on that. Hearing desire to toss out the voting thresholds for the IC, not interested in that at all. IRP has work to do, are we suspending work, or what?

SD commented that a root cause of this is the remote venue. Need to focus on governance. Willing to brave Alaska's COVID hell to come up and meet in person to solve this. Governance is the only thing worth talking about until we fix that.

JE recapped that there have been no motions, no votes, ExCom will continue to discuss. Mentioned transition at Sapere, RSK left for new job at the Northwest Power Pool. ExCom met with Sapere, BO is now running point for Sapere, with SO in a supporting role.

BO thanked JE for kind words, this has been a great opportunity and looking forward to working through your issues and seeing this project come to a successful outcome.

SO introduced himself, working from east coast in DC.

5) RRC Vision / Mission (V/M)

JE introduced V/M. SS had pulled together existing ones for similar organizations for reference.

BO thanked SS, ExCom and commenting members that helped to develop strawman proposal. Start by stepping back for a level-set on what V/M are supposed to do. Vision: Top level is to bring an organization together and state your dream. What is the outcome if all the things become optimally addressed? Does not need to be concrete, can be aspirational – an ideal end state. Should be inclusive, concise, and easy to understand. Mission statement is more concrete, action driven. Still inspirational and aspirational, but more action-driven and outcome orientated.

[EJ, KW left meeting at 2:33 PM, 10 of 12 voting members present.]

BO invited comments to supplement his characterization of V/M.

SD commented to add V/M should be concise. If not concise, then its poor. If the organization's people can't memorize it and rattle it off from memory, it's probably no good.

BO posed questions for brainstorming.

MC, JG, JE, BH, FP, DB, VDS, SS offered language and provided comments on vision.

FP questioned if we were developing V/M for the IC, or the RRC as they are very different objectives. BO thanked FP for that important distinction, clarified working on the RRC's V/M.

MOTION to approve vision statement as drafted in the meeting ["A safe, environmentally responsible, reliable, and affordable regional bulk electric system."]. 1JG, 2BH.

PASSED with no objections [10-0-2].

SM clarified this approval is for the IC, the RRC will have to reaffirm this once formed.

BO continued with mission statement.

SD, ASF, JE, and HK provided comments on mission statement. Final language not developed.

BO condensed the first subclause into the mission to create one mission statement without any sub clauses. Brief discussion on finetuning the language of the mission statement.

[MC left meeting at 3:41 PM, 10 of 12 voting members present.]

JE advised ExCom will review and queue for next week. Thanked BO for pulling together strawman and navigating dialog to draft these documents.

6) Member Comments

HK commented about OLE (Old People Education) thanked folks that responded to contribute to educational sessions.

JE commented, for EJ, that CEA / MEA will be giving presentation to RCA on Wed. on their tight power pool.

VDS commented to thank ExCom for working to figure out a path forward and good to see open dialogs to make progress collaboratively.

BH thanked all for a great session, made some good progress.

JWL pointed out that he twice sent out email requesting a standard that is referenced in the IRP. Will that be provided? DB responded he sent it the day it was requested, will resend.

7) Committee Updates

ExCom: JE reported ExCom is still meeting, as previously described.

AppCom: JE reported AppCom is not meeting, next up for us is rules, and those conflict with current issues so on hiatus. Will meet next week to see what we can do productively.

BySub: SD reported BySub is in a holding pattern. Bylaws most of the way there, waiting on final regs and board balance issues. So, on hold. Waiting for IC comment on governance charter.

JG asked about status of final bylaws comments that were due back in September and that were partly the cause of our current hiatus. Asked whether circulation of those to the IC might be productive.

SD responded good point, haven't seen the comments, not sure any were received.

JE clarified comments were received, SM compiled them.

SM confirmed he has a doc with all comments in markup mode, and a compilation of comments received.

SD said BySub will circulate those out to the IC for general information, thanked JG for question.

BudCom: JG reported still meeting as needed to review invoices so IC contractors get paid. Other big item is finishing the transition period cash flow so that can go back to the LSEs so they can resume development of a transition period funding plan for the RRC. This is for the 'post-RRC-formation / pre-certified-RRC-cost-allocation-mechanism-being-operational' period.

PubSub: VDS reported still working to continue policies under review. Only received two comments on confidentiality questionnaire.

IRPcom: DB reported have not met last two weeks, will meet Thursday, will hear folks ideas for the sequence from action plan acceptance to project completion. That is the current stumbling block.

StanCom: JWR reported have been meeting, working on CMEP, that is at around 90%. Also working on a narrative per statute for a hearing process regarding penalties. This deviates from NERC/FERC, as hearings only occur where there is a dispute. Also, StanCom is approaching our \$50k authorized funding limit, so budget change is coming.

TarCom: JE reported for EJ, has not been meeting as tariff needs clarity on definitions that probably will not happen until the regs are finalized.

JE spoke to next steps. Two things teed up are BySub governance charter, and AppCom umbrella process. Don't think we need to meet next week but those are two things we could tackle.

8) Adjourn

MOTION to ADJOURN 1BH, 2SD.

ADJOURNED at 3:56 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.