

Railbelt Reliability Council Implementation Committee - Meeting
October 18, 2021
Draft 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)	n	John Burns (JB)	Y	Golden Valley Electric Association
Rick Baldwin (RB)	n	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)	n	City of Seward
Kirk Warren (KW)	Y2	David Lockard (DL)	n	Alaska Energy Authority
Suzanne Settle (SS)	n	Sam Dennis (SD)	Y	Cook Inlet Regional Inc.
Joel Groves (JG)	Y	Mike Craft (MC)	Y3	Alaska Environmental Power, LLC
Veri di Suvero (VDS)	Y	Alyssa Sappenfield (ASF)	Y	Alaska Public Interest Research Group
Chris Rose (CR)	Y4	Greg Stiegel (GS)	Y	Renewable Energy Alaska Project (REAP)
Hank Koegel (HK)	Y	David Newman (DN)	n	Unaffiliated seat
Paul Morrison (PM)	Y	Dustin Madden (DM)	Y	Large Consumer
<i>Jeff Waller (JWL)</i>	n	<i>James "Jay" Layne (JL)</i>	n	<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: LF joined at 1:24 PM.

Y2: KW joined at 1:20 PM.

Y3: MC joined at 1:42 PM.

Y4: CR was on intermittently throughout the meeting.

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

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

10 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, 2JB.

MOTION to AMEND to add ANTHC status to ExCom Update. 1JG, 2CR.

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

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

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. [10-0-2]

[KW joined at 1:20 PM, 11 of 12 voting members present.]

4) ExCom

a) Regulatory Attorney Recommendation

JE provided update on selection process. ExCom met with all short-list candidates. Met with Pam Anderson and Elena Romerdahl at Perkins Coie (PC), then Michael McLaughlin with Guess & Rudd (GR). ExCom liked the Perkins Coie team, but there is a significant rate difference between the two. Upon request PC discounted their rate just this morning. ExCom said there could be a reopener post RCA-certification.

JE continued that ExCom agreed that PC is the right team. Asked JG for his thoughts.

[LF joined at 1:24 PM, 12 of 12 voting members present.]

JG commented the cost difference is significant, concurred that PC felt like a better fit, but there are a host of pros and cons with both candidates so it is a knife-edge decision.

MOTION to authorize ExCom to authorize a contract with Perkins Coie. 1JG, 2VDS.

JB expressed concern about the higher hourly rate of ExCom's recommendation, asked what timing is driving this decision?

JE explained the decision does not need to happen today, but regulatory clarity is something the IC needs to be able to move forward with confidence on several items, and the IC has previously weighed in that a regulatory attorney is part of obtaining that confidence. At a higher level, it is an important matter to move forward.

JB commented he will defer to will of the IC on the matter. Suggested the IC convene a broader interview process to further vet the candidates.

JE commented that she felt the style and experience with RCA put PC ahead, these skills will help the IC more directly. She also disclosed that she did some informal reference checks which also favored the PC team. Invited further clarification from JG.

JG clarified some of the pro / con elements. Hourly rate favors GR, concern over direct conflicts favors GR as he has very limited if any clientele amongst the IC members, electric industry experience favors PC as they have it, but both candidates are very experienced with RCA practice, as GR has experience in the telecom and water utility industries as well as pipeline (oil/gas) sector. Again, net result is a knife-edge decision, but don't think there's a wrong choice to be made here.

HK asked if there has been an estimate made of hours that will be expended under this work scope? That would help him weigh the significance of the rate difference.

VDS thanked ExCom for leadership on this and restated AKPIRG's concerns with Michael. AKPIRG strongly disagrees with the positions he has taken for prior clients that have caused material harm to public disclosure and transparency interests.

LF apologized for joining late, asked for status recap. JE repeated motion under debate.

BH commented to support moving forward, defer to ExCom judgment.

JB commented to support moving forward with ExCom recommendation, withdrew suggestion to hold full IC interviews of candidates.

JG commented to respond to HK's question with a funding request he had drafted at the outset of the regulatory attorney selection process. The estimate has not been reviewed or endorsed by ExCom or the IC, but as an initial point of reference it estimated 250 hours of work for the IC through application preparation and RCA application consideration phases concluding at an RCA decision on the ERO application. Based on that estimate, the hourly rate difference, if billed hours from either candidate ended up being identical, amounts to very roughly \$20,000 on a \$100,000 contract.

JE thanked JG for clarification.

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

b) REAP Presentation

JE advised of upcoming REAP presentation on RRC IC status on Wednesday 10/20. JE and JG will be doing it with GS as moderator. IC comments will be based on Commonwealth North / Alaska Power Association presentation previously circulated to IC. Will also discuss high-level issues that IC is tackling, resource issues, balance, etc. Session is virtual this Wednesday 12-1p.

LF asked if this is the presentation being made to Alaska Center of Energy and Power (ACEP)?

GS clarified, this is REAP's 4-session fall speaker series. Not related to ACEP.

LF clarified, ACEP must have rebroadcast the invite.

JE clarified, will be playing two roles, JE/JG as IC members and also as individuals.

ASF requested prior Commonwealth North presentation.

JE agreed she will distribute after the meeting so we can add any guidance from IC members.

[MC joined at 1:42 PM, 12 of 12 voting members present.]

c) ANTHC status

JE recapped prior events with ANTHC selection - when ANTHC was approved as the interim large consumer director for the RRC, we had planned to be the RRC by now and they would be a fully participating board member. Intent was that they would come in after the fact so they would not be placed in a position to approve matters they were involved in developing. Since that process is in an indefinite delay, it is warranted that the IC revisit this and PM has requested such.

MOTION that ANTHC be brought in as full voting member of the IC. 1JG, 2MC.

PM spoke in favor, feel he and Dustin would bring fresh perspectives to the process and would hopefully help bring the current issues plaguing the IC to rest.

HK requested clarification, this is a motion for immediate addition?

JE confirmed yes that is the motion.

BH commented, this is a new motion, just heard about it. Asked how would this affect our voting thresholds? There's a series of agreed-to items that ANTHC would be thrown into the middle of? How would all that work?

JG responded to the question of voting thresholds to clarify that the IC's voting thresholds would remain unchanged unless the IC decided to do something different.

PM commented that ANTHC would bring fresh perspectives, and it makes sense for us to participate fully.

DT commented that new members are intrinsic to the process and lack of first-hand involvement in matters should not be cause for exclusion. If new members feel they cannot make informed votes on matters, they are free to abstain.

BH asked how PM would deal with the IC's existing mediated settlement.

PM responded he would need to review it before answering. Would have to come up to speed on legacy matters or abstain.

LF objected. Clarified nothing against ANTHC or PM, objection is to delay action on this to allow more time for deliberation.

BH also objected for same reason as LF.

MOTION to TABLE to two weeks from today. 1BH, 2LF.

MC commented that PM is capable of doing his homework and think fresh voice / perspective would be of value. Why have him here if he can't participate. In lieu of TA'd material from the mediation, he may prove very helpful to get us to common ground.

HK objected.

MOTION TO TABLE FAILS by roll call vote, with HEA, MEA, AEA, CIRI, AEP, REAP, and unaffiliated voting against tabling [5-0-7].

BH objected.

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

5) RRC Mission Statement

JE recapped prior efforts on mission statement, turned it over to BO. BO introduced current draft.

MOTION to accept mission statement 1HK, 2MC.

SD ok with it as-is, questioned whether the statute says greatest value or long term value to consumers? Want to parallel broadness of statute.

JE requested that SD frame his concern as an amendment.

MOTION TO AMEND to change to "...greatest long term value for the railbelt" 1SD, 2MC.

VDS commented like having consumers in the mission statement, but specify to railbelt consumers would be good. Curious, who else would benefit in addition to consumers if we leave them out?

VDS objected.

AMENDMENT PASSED by roll call vote with AKPIRG voting against [12-1-0].

MOTION to AMEND to reorder list in mission to read "...safety, reliability, cost, and environmental responsibility" 1BH, 2HK.

AMENDMENT PASSED with no objections. [13-0-0].

PASSED with no objections. [13-0-0].

MC commented it is awesome that PM's first vote was to vote on the mission statement.

LF commented to add he was not involved in discussion on this last week, but speaking from experience, this is way better than average.

6) Path Forward

JE provided update. ExCom heard lots of feedback from members, crux of matter is the governance matter as being front and center. ExCom felt best path is to meet in two weeks, November 1, so folks can articulate and advance their proposals to address governance issues. ExCom prefers individual, anonymous proposals to deescalate the factionalism that has been present within the IC.

MC commented, for clarity, should individuals submit proposal to Sapere then? JE yes, makes sense. JG concurred.

JE continued, so the scope here is amendments to our existing drafted governance process. All ideas welcome - new structure, stipulate future, planned changes to structure to migrate governance, etc.

MC commented that many members feel the mediation outcome is being mischaracterized, suggested the outcome be described as tentatively approved going forward. JE thanked MC for clarification and agreed to use that terminology.

PM asked when comments should be due to Sapere? JE set a due date of COB Wednesday 10/27 to allow time to consolidate and get into packet for 11/1 meeting.

7) Tentative Future IC Agendas

JE stated that working through the member governance proposals would be the sole agenda item for 11/1. JE asked JG for additions, JG offered none.

8) Member Comments

SD reported that Bysub will continue to suspend meetings until IC provides clarity on path forward. Bysub on hold until after 11/1.

DB reported that IRPcom met, is well on way to successfully resolving last remaining item, hope to have it finished this week. This item is the flowchart of how a project goes from being in the IRP action plan to construction.

VDS reported as PubSub chair they have a draft public notice policy, also looking for more member input on confidentiality questionnaire. Continued with member comment to thank JE and ExCom for charting a path through our current place. Excited about a successful outcome where we can move forward with consensus.

HK advised may not be available on 11/1, due to be on a plane. Not sure DN will be available either so unaffiliated seat may be absent at that meeting.

JWR reported StanCom will keep going on its work. Provided update on budget change order he advised may be coming last week. The issue is Fish Bay (Dana Zentz) is bumping against its NTE. Upon further review StanCom is well under its overall authorized budget, so StanCom plans to do an internal budget shift within its IC-authorized budget to increase Fish Bay's contract by \$5,000 to allow completion of that work scope. Also, StanCom engaged GDS to get started on a cost recovery standard. Added that PM also would be welcome at StanCom.

JE added that ExCom has also suggested PM join StanCom to help balance that committee.

EJ reported TarCom is done with most of the tariff. Sticking point is application and how standards flow through. Looking forward to better definition of this, until then we are stuck and are not having meetings. Need agreement on how we apply rules on enforcement and standards.

BH welcomed PM aboard. Thanked ExCom for finding path forward.

BH continued, stating that he doesn't appreciate putting significant items on the agenda and then voting on them in the same meeting. He hopes in the future we can avoid this and provide people with more time to consider important items.

JE thanked BH for his feedback and accepted responsibility for the pace of the ANTHC addition. She clarified she did send out notice of this intent shortly after the meeting packet went out on Friday, but conceded it was still a rapid process.

JE reported will cancel AppCom for tomorrow as we are waiting on rules. But still outstanding items folks can work on, including resumes and member responses to the question of how they are experienced enough to fill their board seats.

JG reported BudCom will be meeting tomorrow morning, mainly for expense review.

9) Adjourn

MOTION to ADJOURN 1VDS, 2JG.

ADJOURNED at 2:21 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. RRC Vision and Mission Statements

ATTACHMENT 1/1 (1 PAGE)

RRC Vision and Mission Statements

Vision: A safe, environmentally responsible, reliable and affordable regional bulk electric system.

Mission: Serve the public interest and provide the greatest long-term value to the Railbelt by working collaboratively and transparently to establish and uphold protocols that sustainably balance safety, reliability, cost and environmental responsibility.

As approved by IC 10/18/21