

Railbelt Reliability Council Implementation Committee - Meeting
January 10, 2022
FINAL Minutes

1) Roll-call

The meeting was held via Zoom, was called to order at 1:15 pm, and was chaired by JE/SS.

Primary		Alternate		Organization
Brian Hickey (BH)	Y	Jeff Warner (JWR)	Y	Chugach Electric Association
Frank Perkins (FP)	Y	John Burns (JB)	n	Golden Valley Electric Association
Dave Thomas (DT)	Y	Rick Baldwin (RB)	n	Homer Electric Association
Julie Estey (JE)	Y1	Ed Jenkin (EJ)	Y2	Matanuska Electric Association
Lou Florence (LF)	Y3	Shayne Coiley (SC)	n	Doyon Utilities
Dave Burlingame (DB)	Y	Rob Montgomery (RM)	n	City of Seward
Kirk Warren (KW)	Y	David Lockard (DL)	Y	Alaska Energy Authority
Suzanne Settle (SS)	Y4	Sam Dennis (SD)	Y	Cook Inlet Regional Inc.
Joel Groves (JG)	Y	Mike Craft (MC)	Y5	Alaska Environmental Power, LLC
Veri di Suvero (VDS)	Y	Alyssa Sappenfield (ASF)	Y	Alaska Public Interest Research Group
Chris Rose (CR)	Y6	Greg Stiegel (GS)	n	Renewable Energy Alaska Project (REAP)
Paul Morrison (PM)	Y	Dustin Madden (DM)	n	Large Consumer
Hank Koegel (HK)	Y	David Newman (DN)	Y7	Unaffiliated seat
Jeff Waller (JWL)	Y8	James "Jay" Layne (JL)	Y9	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: JE left meeting at 3:00 PM, returned at 3:15 PM

Y2: EJ left meeting at 3:23 PM

Y3: LF left meeting at 2:10 PM returned at 2:12 PM

Y4: SS joined meeting at 2:00 PM.

Y5: MC joined meeting at 2:54 PM.

Y6: CR joined meeting at 1:17 PM

Y7: DN left meeting at 2:00 PM

Y8: JWL left meeting at 1:28 PM returned at 1:43 PM

Y9: JL left at 2:57 PM

Steve Mahoney (SM) present; Tom Lovas (TL) not present; Rena Miller (RMR) present; Elena Romerdahl (ER) present. Bayunt Ollek (BO) and Sebastian Orillac (SO) with Sapere present. Rachel Wilson (RW) with Synapse present.

13 of 13 voting members are initially present, one ex-officio member is initially present.

2) Approval of IC Agenda

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

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

3) Consent Agenda

Chair asked for requests to remove items from consent agenda, none raised.

MOTION to approve consent agenda, 1JG, 2FP.

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

4) ExCom

a) RCA Workshop Outcomes

JE provided recap of the RCA work session and outcomes. Highlights included BP advocated for good and appropriate use of waivers, clarification of thinking on potentially affected parties vis-à-vis UOOs and REs, transition funding appears to warrant petition filing for a declaratory ruling to clarify an allowable process.

BH commented he has a dialog going with Gazaway to define the process to get a transition funding ruling.

FP asked if we think there are other groups out there. JE clarified there is no indication of others. None disclosed themselves at the work session.

CR observed on the question of tariff and rules approval by the certification proceeding, the commissioners would not consent to that. They preserved their right to open investigatory dockets into those matters. But BP stated we could petition for approval of rules with the certification, and commission will act accordingly. No need to complete a conforming public process pre-application as we are not subject to ERO regulations until we're certified.

EJ commented that he thinks we can request approval of tariff upon certification also.

DB remarked he thought it was interesting how they delineated between rules and bylaws. Not one and the same.

HK mentioned that commissioner comments underscored what RMR and JWL have been saying all along, that we need to include reasoning with all submittals. JE concurred. Also observed there appears to be much uncertainty amongst the commissioners on what is to come.

[JWL left meeting at 1:28 PM, 13 of 13 voting members present.]

BH asked if we are in the pre-application space as we would be for a CPCN or some other space? This seems like a different process but unclear. JE concurred regs are silent on this space for an ERO, whereas they are better defined for a utility.

EJ commented the work session left the door open to us circulating an application with staff before submitting it in final. Unclear whether we can utilize an informal review iteration within our timeframe though.

CR remarked that one assumption in JE's opening remarks was that our due date is 3/28, but that was not affirmed. Something to follow-up on just to confirm this is the correct due date.

ER emphasized BP's waiver request comment, that we should over-explain things, and they generally sound eager to see the proposal and are supportive of our work.

JE added ExCom / AppCom will consider how we can fold RCA staff into application development.

b) IC Workplan Update

JE provided update, BO and SO have circulated through most committee chairs for workplan coordination. Application effort is doable, but aggressive. No more luxury of time must move forward and act. Emphasized that IC approvals need to focus on “can I support this” and not “how might I change this”. Transferred to BO.

BO reviewed workplan. Focused on end process, director review, final review workshop. Deliverables needed for the Rules packet need to be done by 2/14 so that the Rules Packet can be approved by 2/28. No more slack in schedule. Committees should review their responsibilities and advise of any issues ASAP so they can get resolved. Future slips must impact workload, not schedule. TarCom is one committee that was not involved in the update. Sapere gave them as much time as the schedule allows.

EJ advised the tariff is queued up for a TarCom vote next week. BO confirmed this is consistent with the plan.

[JWL rejoined meeting at 1:43 PM, 13 of 13 voting members present.]

CR commented that the TAC charter is the biggest outstanding item.

SD concurred, schedule shows one week to approve TAC charter. Ton of detail in there.

JE commented that ExCom had suggested taking some of the minutia in the charter out and formatting it as a draft policy.

JG confirmed making the charter more svelte is under consideration, BudCom will be doing next round of review tomorrow and will consider this.

LF echoed SD, TAC is on critical path, may need to focus some IC meetings just to the TAC to wade through it.

DB concurred lots of detail in the TAC, but the principal concerns for folks are not in those details. Things like the working groups v TAC for work product ownership is easy to split out and discuss directly.

BH agreed w/ DB. IC can focus on WG / TAC flow, decide if bottom-up or top-down process.

EJ highlighted another key issue is what is a registered entity? Tariff will defer to StanCom deliverables, and the matter will not be resolved in the application. It will be kicked down the road. All should be aware of this – TarCom is not solving the matter, we’re sidestepping.

BO emphasized that documents need to have a week-1-intro / week-2-approval cadence. Comments should, if at all possible, be submitted while documents are still in the committee review process – before they come to the IC for week-1-intro. If last minute comments arise, they need to be issued during or immediately following the week-1-intro IC meeting so they can be reconciled by committee and included in the week-2-approval session.

BO introduced detailed upcoming agendas to emphasize the level of effort and lack of flexibility moving forward.

c) Additional IC Meetings (As Necessary)

JE introduced Wednesdays 11am-1pm AST as new alternate meeting time for IC. Goal for this time slot is to be held as an overflow reserve. If we get done Monday, we can cancel Wednesday, but it is on the calendar to maintain the pace and possibly deal with minor issues to get deliverables fixed and resolved on schedule.

LF commented to thank BO and Sapere for compiling this, it helps clarify what is coming.

d) Application Workshop in Anchorage

JE introduced the schedule, March 14 and 15 in person in Anchorage all day. LSEs will support travel to enable in-person attendance. Travel reimbursement process details are yet to come.

e) Application Deliverables on SharePoint

BO presented SharePoint file structure and file naming convention to facilitate finding current documents. Plan to restrict write access to RMR/BO/SO to preserve document integrity.

[SS joined meeting at 2:00 PM, 13 of 13 voting members present.]

RMR commented to flag concern over version control, need to limit member focus on grammatical edits and focus on content, trust that the tech edit will address grammar and typos.

SS thanked RMR for this nuance. Emphasized members need to get to yes, not find a no. It's an application. Otherwise, we will never be done.

CR observed no issue on a 2-day review session, but this is final review as there's no time for big changes so what is the format of the review and do we need two days? JE concurred, clarified two days are reserved but if we don't need them then day 2 will be released.

f) Sapere Contract Change Request

JE introduced change order and led discussion. ExCom solicited a proposal from Sapere including the ConCom resources facilitation role. Change order covers through the end of April,

contract term is through end of December, recognizing the potential for application-phase work.

BH asked about April vs. December completion dates. JE clarified April is estimated budget end, December is contract term from prior blanket contract term extension.

JG noted that budget presumes a ~\$35k burn in April. We will know more as we go, but at this point seems possible this budget authorization could continue a bit beyond April. Huge amount of work to do so hard to predict where the budget lands, but that seems a possibility.

MOTION to approve Sapere contract change order as presented. 1JG, 2BH.

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

g) RRC Incorporators

MOTION to bring incorporator motion from 1/3 back from the table. 1LF, 2SS.

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

RESTATED MOTION from 1/3: *“that the three ExCom members be the incorporators.”*

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

5) IRP Process Presentation

[LF left meeting at 2:10 PM, 12 of 13 voting members present.]

DB turned over to RW for presentation. IRPcom completed final review last week, final changes made by Synapse.

RW introduced IRP process.

[LF rejoined meeting at 2:12 PM, 13 of 13 voting members present.]

RW continued with IRP goals, process flow, definitions, reliability planning approaches, resiliency planning approaches, planning tools and modeling protocols, portfolio selection process,

JG asked, when process says “RRC will decide” what body within the RRC is making those decisions? RW/DB clarified that it is a working group recommendation that leads to a TAC decision. Generally, these would not be board decisions.

SS commented this sounds right to me. DB commented bingo!

JWL asked if these models are something the RRC can buy and own, or rent/lease? The issue came up at FCC recently, they needed to lease a model at one-time cost of \$100k. If it is an RRC-owned model, can others have access to the models?

DB replied both pricing structures (purchase / lease) exist, and neither is cheap. \$100-500k model expense is budgeted. Input data is substantial and very unlikely anyone, but the TAC would be positioned to run the models.

JWL continued, Hawaii went through this process in the recent past. Access for interested parties was an issue. Will an IPP be able to petition to do a model run? DB clarified the ERO is the 'Oz behind the curtain'. If an IPP wants to run a scenario, they will need to submit the data to the TAC for it to run, and it will do so when appropriate. Outside of an IRP process, an IPP or others wouldn't have the right to have the RRC do a specific model run for some specific proposed project.

PM asked to confirm, under reliability, the ERO is charged to include cybersecurity and facility security standards. DB responded neither would be addressed by the IRP as it is not capacity planning issue. These would be addressed by standards development. The IRP is about how you serve the power / energy loads of the system consistent with other constraints.

RW continued at developing planning inputs. Most laborious part of the process. Includes develop planning assumptions, characterize existing system, identify new resource options.

Develop resource plan. Portfolio development, risk and uncertainty analysis, portfolio analysis, outside consultations.

SS asked what happens if an LSE doesn't support the preferred resource portfolio (PRP)? This step could gut the independence of the whole ERO process. RW replied, if an LSE said no, the element would be offered to other LSEs rather than redo the whole process. DB added, this step received much discussion at IRPcom. As LSEs are involved, expect they will be supportive of the output. This is an LSE board approval opportunity to make sure they are supportive.

SS commented the result of the IRP process should be unimpeded by LSE reactions. The result needs to be published and public. If an LSE board balks at an IRP outcome they should face the fullest consequences for doing so.

DT commented that the hammer over an LSE is that if they walk, they have burden of proof that their alternate plan is justifiable.

JWL offered a clarification. If IRP says build a big wind farm and all LSEs say no, why stop there? Other parties could do it. DB responded, yes lots of other entities can build a facility, but only a LSE can put it in their rate base. No one else can do this, and the RRC can't force an LSE to do it. If an LSE wants to balk at the IRP that's fine, but the burden is on them to do it and justify it.

JWL concurred on the DB's rate base point, but that is not the end. An IPP could do a COPA arrangement. DB clarified no one would build something covered by the IRP without a power sales contract with an LSE. That is the point.

JG provided two comments (1) suggested a different name for this process such as 'LSE board consultation', as this process is not really an 'outside consultation'. (2) to DT's point, an LSE's rebel plan would have to be approved by the RCA as an ex-IRP large energy facility. DB confirmed that is correct. SS clarified or the LSE could opt to do nothing, which is also a choice. DB clarified this kind of disconnect is highly unlikely and would be a terrible outcome, as this is a multi-million dollar effort with direct involvement of the LSEs.

EJ remarked that this is pre-development IRP, when it goes to the RCA the LSEs could speak against it at the RCA approval stage. Still very strange outcome. DB clarified the IRP is blind to the project developer, anyone could do it. The IRP just identifies types of projects, but the Action Plan must include ownership, hosting, etc. This is the last step – if no one will buy the output, the project can't move forward.

EJ asked if someone could clarify what 'host' means, which is just 'host'. Which entity is responsible for managing the project? DB clarified 'host' means the LSE buying the output.

BH commented no project will be built without a load, due to physics. Project can't have a load without a power purchase agreement. That is where the LSEs come in, and LSE board approval comes in. If they object to the plan, they will have to go to the RCA for project pre-approval of their alternate plan.

SS noted, there's so much to comment on. The IRP result is what it is. Who builds the projects or buys the output is a separate process outside the IRP. Will need to scrutinize this in more detail. Could have a project interconnected to a host that is not in the host's territory. That is the point of transmission. RW commented, under regs, need for action plan as part of IRP. This step is bridge between PRP selection and development of Action Plan. LSE rejection is unlikely due to their involvement throughout. PRP projects have real benefits LSEs should want. But... if something goes wrong, this is the step that links the two. Here are resources, here are LSEs that want to take benefits. Action Plan is necessary part of IRP and not separate from it.

[MC joined meeting at 2:54 PM, 13 of 13 voting members present.]

MC commented to agree with SS comments. To BH comment that no generator will be built without a load. This just happened, CEA built a new plant to semi-retire Beluga, so its not that simple. There will be opportunities where new generation will reduce cost, not serve load. DB agreed with MC. Issue is not new load, it is that someone must buy the output of the project. If they idle something else for merit cause, sure. To SS comment, sure could build a project in CEA territory and sell the output to GVEA. But CEA needs certainty there won't be a new project on their system with no buyer. This is the time where that all gets figured out.

[JL left the meeting at 2:57 PM, 13 of 13 voting members present.]

[JE left meeting at 3:00 pm, SS assumed chair, 13 of 13 voting members present.]

BH clarified his earlier comments to conform with MC/DB comments. Need a power purchase agreement to take the output of a project. An LSE must dispatch the project into the system.

RW continued, develop action plan and non-binding framework.

DB commented that this is where the new stuff starts.

PM questioned the second bullet, why least cost vs. greatest value here? RW clarified greatest value is the IRP criteria to pick types of projects, whereas this is speaking to individual resources (new gas plant), so now the criteria are least cost (we need a gas plant and want the least cost option for that). DB clarified the greatest value was prior step. If 100 MW gas plant was an outcome of that, now we are going after that specific plant and least cost is the goal.

BH emphasized that 7.2 of the IRP process ensures that resources be located within their service territories. This is under CEA legal review, but current thinking is that this exceeds the statutory authority and may force a no vote for CEA. DB commented this was a big deal in the committee. It agrees the RRC cannot compel an LSE to do anything. This is a non-binding plan. This arises from the regulations and complies with the regulations. This does not compel action, but non-conformance will have implications outside of the RRC.

CR commented, this can be read in different ways. The regs say if there is something built, it will be at lowest cost. So, this is saying nothing must be built, but if it is, it must conform to this. BH clarified he didn't read it that way, that's totally different. Remanded to IRPcom for clarification.

RW continued with action plan process flowchart summarizing the overall process again, then continued with action plan, IRP approval process, and updating process per regulations. Overview of coordination and implementation monitoring processed for the action plan, and public participation.

RW then presented IRP process timeline and budget for first IRP. Start 1/1/2023, IRP to RCA 10/1/2024 so about three years to IRP approval. Total IRP budget is ~\$3.1M for consultants, ~\$1.5M for RRC staff and \$0.1 to 0.5M for software. So, \$4.6M+. DB clarified budget excludes cost for RRC board technical representatives.

[JE rejoined meeting at 3:15 PM, JE assumed chair, 13 of 13 voting members present.]

JWL commented, may have missed whether the budget includes modeling cost. RW clarified it does include both the software and labor to run it. RMR commented to flag there are some new RRC staff assumptions built in the IRP budget, asked JG if this is on his radar for narrative noodling. JG confirmed he did see the staff callouts and has noodling queued. Much spaghetti to come.

PM asked what defined the timelines for the schedule. RW said based on experience, could try to accelerate it.

JE asked for next steps. DB said to solicit comment, IRPcom has time reserved to work through it as needed. SS commented this is up for next week approval. BO clarified one question is whether this needs to go through technical review. Also, this is not on the critical path so it can take more time. DB observed, if this goes back to committee, it needs guidance on what to change, how, and why. Committee thinks it is done.

JE commented on action item for IRPcom to work on 7.2.

PM asked what is AK TPL 1.4? Is it a standard? DB confirmed that is the current adopted planning standard for the railbelt system. PM asked if that is adopted? DB clarified it is a standard that would need to be adopted by the RRC.

[EJ left meeting at 3:23 PM, 13 of 13 voting members present.]

SS noted at p22 of board packet, there's a 5-page workplan. Trying to figure out what I need to be ready for. 1/17 includes IRP process approval. Is this correct? BO clarified, prior discussion was this was ready for IC approval, but late last week that changed and it did not get propagated into the workplan and agenda schedule. BO clarified the doc and plan are dynamic and getting updated weekly. It will be current on SharePoint.

JE concluded, so this is now under review.

6) BudCom Update

a) RRC Chart of Accounts

JG reviewed history of COA review. First look on 12/6, comments received from CEA, GVEA, MEA and incorporated into draft structure by BudCom working with Aldrich. The current chart of accounts is in the packet. JG provided brief overview of the accounting string and function.

MOTION to tentatively approve the chart of accounts as presented 1JG, 2PM.

JWL suggested that the chart of accounts/budget materials include a legend in the application so folks can track the codes. Otherwise looks like a chart of accounts. JG thanked for feedback.

PM asked whether there was any LSE review. JG confirmed there was a fair amount of outreach to the LSEs, and CEA, GVEA, and MEA each provided specific useful comments. These were all addressed into the final structure.

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

b) Transition Cost Estimate

JG provided update. Estimate is up for BudCom review tomorrow, upon approval to ExCom for integration with options / recommendations narrative then to IC. Maybe as early as 1/17 depending on rate of progress.

BH asked what the timelines are. JG provided general response, incorporation late Feb and filing late March, BO provided more specific dates. IC vote to incorporate 1/31, first RRC board meeting 2/28. JE clarified the new board not seated until 1st meeting in late February.

DB remarked that SES has asked whether transition period costs will include any director's fees. JG explained that matter will be up to the RRC board's decisions and provided an overview of the process to adopt director's fees in the current draft bylaws. There is no default initial value for director's fees in the draft bylaws.

7) Discrimination and Harassment Policy

SD introduced current draft, requested comments be sent to BySub before Wednesday and BySub will finalize the committee draft.

8) Committee Updates

BySub: SD gave update. ER returned the whistleblower and code of conduct policies. BySub will work through their comments and hopefully add them to the 1/17 agenda packet. Governance charter working through review. Bylaws waiting for final consistency review.

TarCom: VDS gave update. There's a TarCom meeting next Monday.

StanCom: JWR gave update. Still working on CMEP. Meeting Wed 4-5PM. Added a meeting to speed up CMEP so Wed 11-12N also. Standards development process waiting for first review after CMEP.

IRPcom: DB gave update. You saw it.

BudCom: JG gave update. Chart of accounts is done, transition budget estimate is on home stretch, then focus rotates to TAC, then budget, then other littler stuff.

PubSub: VDS gave update. Not much new. Comments back on PMOC policy, reconcile with Umbrella policy to make sure it does what it needs to do. Also looking at all of our policies under draft. Meeting is Friday at 2. Then next up is the whole confidentiality issue.

AppCom: JE gave update. Grinding through little details. RCA insights on rules are helpful to get that framed while waiting on content. RMR did a precious scrub that generated questions. Other big-picture questions will be tackled soon. RMR will be asking questions. Thanks.

JG asked if there is a TOC release date. JE replied up this week for discussion, so maybe next week?

ExCom: No further update from ExCom

9) Member Comments

JE solicited member comments, none offered.

10) Tentative Future IC Agenda for 1/17

JE led overview of 1/17 agenda.

DB mentioned narratives for Workplan and Budget won't be ready for next week

JWR CMEP is not ready, needs to be defined better.

SS commented / requested that we be better about getting work products onto SharePoint so people can use their time to review in-progress documents.

JE asked if JWR could post CMEP on SP. JWR yes it can get on there, will send to BO. JE directed that IPR process and CMEP both get up there. BO confirmed several docs are ready to get posted. SS added TAC charter. JG confirmed yes, will post clean copy after committee tomorrow.

BH suggested auto-update alerts from SP?

Code of Conduct and Whistleblower are a yes for next week. Final comment, approval 1/24.

Organization structure next week.

Transition funding plan maybe for 1/17. Depends on ExCom / BudCom productivity.

Tentative agenda for 1/17 is as follows:

Discrimination and Harassment Policy

IRP Workplan and Budget

CME program

Code of Conducts

Whistleblower Policy

RRC Organizational Structure

Transition funding plan

11) Adjourn

MOVE to adjourn 1JG, 2SS.

MEETING ADJOURNED at 3:55 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)
COA:	chart of accounts
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
PC:	Perkins Coie Law Firm
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
RCC:	regulatory cost charge
RE:	registered entity
RRC:	Railbelt Reliability Council
SB:	Senate bill

SES:	Seward Electric System
SOW:	scope of work
SRF:	simplified rate filing
StanCom:	standards subcommittee
TA:	tentatively approve, tentative approval
TAC:	technical advisory committee
TAQ:	technical advisory quango
TAT:	technical advisory team
TarCom:	tariff subcommittee
TIER:	times interest earned ratio
UOO:	user owner operator
USOA:	uniform system of accounts
WG:	working group

ATTACHMENTS:

- 1) Sapere Change Order
- 2) RRC Chart of Accounts