

Railbelt Reliability Council Implementation Committee - Meeting
January 17, 2022
FINAL Minutes

1) Roll-call

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

Primary		Alternate		Organization
Brian Hickey (BH)	Y1	Jeff Warner (JWR)	Y	Chugach Electric Association
Frank Perkins (FP)	Y2	John Burns (JB)	Y	Golden Valley Electric Association
Dave Thomas (DT)	Y	Rick Baldwin (RB)	n	Homer Electric Association
Julie Estey (JE)	Y	Ed Jenkin (EJ)	Y	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)	n	David Lockard (DL)	n	Alaska Energy Authority
Suzanne Settle (SS)	Y3	Sam Dennis (SD)	Y	Cook Inlet Regional Inc.
Joel Groves (JG)	Y	Mike Craft (MC)	Y	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)
Paul Morrison (PM)	Y4	Dustin Madden (DM)	Y	Large Consumer
Hank Koegel (HK)	Y	David Newman (DN)	Y	Unaffiliated seat
<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: BH left meeting at 2:01 PM, returned at 2:30 PM

Y2: FP joined at 1:30 PM

Y3: SS left at 3:09 PM.

Y4: PM left at 2:01 PM.

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

12 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, 1SS, 2BH.

PASSED as amended with no objections. [12-0-1].

3) Consent Agenda

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

MOTION to approve consent agenda, 1EJ, 2SS.

PASSED with no objections. [12-0-1].

4) ExCom

a) Post Application Meeting Schedule

JG provided current ExCom thinking on post-application meeting schedule. RRC and its committees would meet only as needed. Expect this is not at all initially (during RCA review period of 1-2 months in April - May), then as needed to respond to RCA questions / orders. Generally, RCA questions would be routed to appropriate committee to draft response, then to

the RRC for approval. Assuming ~2 RRC meetings / month to deliberate / review / approve responses. Unknown committee meetings to craft topic-specific responses. ExCom, AppCom, BudCom likely meeting at higher frequency, still weekly if needed, to oversee / guide work.

JG solicited comment on this framework, none offered.

5) Transition Funding Cost Estimate and Process Update

JG presented BudCom's estimate for transition funding cost: \$550,000 for March – December period, with very large unknowns including (1) what RRC does with director compensation (~\$100k?), (2) what RCA does with application review (~\$450k?), (3) what elective work RRC chooses to take on (e.g. standards development) (\$0k?).

BH gave update on dialog with RCA to figure out funding options. Talked to BP, he was going to take an informal poll of commissioners on Friday and reply Tuesday. Thinking is RCA could issue statement that prudent ERO development costs would be recoverable through rates. BH will update IC when he has more information.

No questions offered.

6) Draft Application / Notice of Filing

RMR introduced draft application document.

SS asked how this draft will be populated. RMR explained it is an AppCom deliverable so per AppCom. Working on "boiler plate" parts now. Other bits will be deliverable-driven and will wait for those to come from committees. SS asked if RMR is comfortable with resources on deck to get this done within the 70-day deadline. RMR responded feeling confident about it. With JE/BH/JB on AppCom lots of institutional knowledge to populate background rationale. JE concurred, balance is what we can do now vs. later. Will need to watch the later stuff and stay on the plan.

[FP joined meeting at 1:30 PM, 12 of 13 voting members present.]

RMR continued with application outline. It was drafted based on standard CPCN outline to extent possible.

JG enquired when full rules list will be available? RMR said on agenda for AppCom tomorrow.

JG asked to clarify where rules live vis-a-vis other RRC governance. Do rules have primacy over, say bylaws? RMR confirmed yes, rules live above bylaws etc. TL requested that once list of rules is complete that it be passed around to make sure TarCom is consistent. RMR agreed, will distribute the rules once complete.

LF remarked this draft is simple, clear, and accessible. LF added great job and thanked RMR.

SD commented that rules will be mix of entire policy, excerpts from bylaws, or stand-alone statements that exist nowhere else. RMR concurred, but some things that are policies or processes may just be the rule. SD continued, so we'll have a single set of stuff to the extent possible. Some duplication (bylaws) but otherwise single shot. RMR confirmed that is the goal.

JE agreed with LF, builds confidence we can do this. Thanked RMR for preparing this.

JE added this is going through review process now and will come back for IC approval after that.

7) RRC Organizational Structure

JG presented updated RRC functional org chart. Similar to prior chart TA'd in August 2021. Still a functional org chart, describing RRC functions, but not how they are staffed. That detail will accompany the RRC budget, explaining basis for labor budgets with due deference to CEO to decide how to build/staff the organization. Changes include (1) authority lines direct from CEO to engineering division section instead of all thru TAC, (2) retain TAC lines for work product that still flows through TAC, and (3) TAC named a "Council". Prior version implied all engineering division management was through TAC and do not want to make that assumption.

MOTION to approve RRC Functional Organizational Structure as presented. 1SD, HK.

SD commented legal counsel may be outside of the CEO.

EJ observed most utilities do have legal counsel under the CEO.

DT mentioned standard view that a board has three employees: CEO, general counsel, and auditor. CEO may use same attorney or others to also do various functions.

CR commented that in the interest of trying to trim costs, what was the difference between stakeholder relations and public outreach?

JG replied functions were distinguished, not level of effort. BudCom felt the two groups (stakeholders and public) while similar were sufficiently different to warrant separate callout. But agreed those two functions could be the responsibility of one person, or partial responsibility of one person along with other things, depending on the level of effort to do the job.

CR suggested renaming divisions to functions so as to not overstate the organization. Division makes it sound like we are big and expensive when we are not.

HK commented on legal counsel and where it belongs. IOUs in Lower 48 all have general counsel reporting to CEO. But that is not necessarily the right model for us, and the question warrants a discussion. Does general counsel represent the board or the CEO?

MOTION to AMEND to strike 'counsel' from 'legal counsel'. 1JE, 2SS.

AMENDED with no objections [12-0-1].

MOTION to AMEND to change “business division” and “engineering division” to read “business functions” and “engineering functions”, and revise legend accordingly. 1SS, 2HK.

AMENDED with no objections [12-0-1].

PASSED as amended with no objections. [12-0-1].

8) TAC Charter

JG presented current draft of TAC charter. Intent is to focus on three provisions today.

a) Introduce concept of a Restricted WG. JG reviewed draft language.

JG introduced. DB clarified needs assessment is the only restricted WG he is aware of. Results of WG are still reviewed and approved by TAC. Results of needs assessment do go to the BOD as it is an input to the IRP. The study does not. Results are not CEII, not detailed enough to qualify, but detailed enough to explain to BOD for due diligence. Unaware of any like entity that makes public the full needs assessment study.

SS commented to agree with concept, noted she hasn't reviewed charter yet. Appreciate TAC review, still have firm view that WG is advisory group. Perform work, provide input, but TAC is responsible for doing the things. Critically important, as all the deliverables need to be independently created and approved.

JG clarified will address SS comments in the WG workflow, next item up.

CR commented to agree w/ SS 100%. Agree with needs assessment language concerns. Locking out stakeholder SMEs from working to develop RRC work products is a big issue.

DB remarked it is important to remember WGs work under TAC. Chaired by TAC engineer, all agendas etc. are done by TAC. WG member input is advisory.

SD observed that (1) board access to whatever, this is where executive session would make sense. Summary is available, that's public. Questions can be executive session material. Directors all have confidentiality agreements in place. (2) housekeeping matter, need to get restricted WG clause aligned with 3.1.1.2 all stakeholder classes clause.

JG mentioned that SD brought up good point. JG added that he is unsure how to navigate balance between public disclosure and protecting CEII. JG agreed language here could be modified to better define this situation.

DB observed difficult to judge because of nature of board. It is not highly technically qualified, and needs assessment is not our expertise. Need to make sure we aren't asking board to make decisions for which they are not qualified.

SD don't think board will ask for some bit of minutia. Could see a scenario in which TAC says you must do this, board says that's expensive, why, and TAC says trust us. That isn't sufficient. That is where we enter executive session, TAC explains it to BOD satisfaction. DB agreed w/ SD 100%.

b) WG Work Flow

JG read draft workflow language at 3.1.2.

[BH left meeting at 2:01 PM, 12 of 13 voting members present.]

SS commented there is still too much deference to WG vs TAC, but need to read through it. Can't rely on volunteers on WG to do this. Could be more strongly TAC driven.

LF sought clarification. Maybe just have a preconception. Presumption is TAC is small for cost efficiency. When they have a task, they would pull in a WG. WG is contaminated with biases. TAC is clean and makes recommendation.

JG offered stew analogy. WG is the pantry of ingredients, WG chair/TAC engineer is the chef that selects from ingredients to make the tasty stew. No one offered a better analogy.

CR concurred with SS. At step 5. "...WG forming a recommendation...". JG thanked CR for comment and reference. Observed the draft saw significant progress last week and agreed that language was misleading and warranted clarification. Other language clarifies WG chair drafts the recommendation. BudCom will revisit the language.

SS agreed w/ LF on controlling cost but emphasized that RRC work is important. TAC can't rely on WG volunteers to do important technical work. SS presumed TAC will hire consultants to develop this stuff. Will also have paid consultants in WG. Consultants hired by TAC. Confusing and doesn't conform to regs.

LF commented that the TAC engineer gets a task order, hired consultants or ?. JG clarified that the TAC / WG chair collaboratively scope out the WG structure that will fulfill the task order, which likely includes TAC consultants that will assist in developing work products. Those consultants will work for the TAC / WG chair, not the WG.

DB commented to emphasize that regs say stakeholders 'participate'. Not advise or otherwise. WG chair must consider all the participants when they write their recommendation. Not just advisory, its participation. Confident this passes regulatory muster writing and intent as currently drafted. Language tune up warranted, but intent is clear, and want to find problems with structure.

[BH joined meeting at 2:30 PM, 12 of 13 voting members present.]

HK thanked BudCom for efforts and drafting a good document for discussion. Agreed step 5 needs word smithing. Emphasized the TAC chair has role as drafting recommendation. But TAC needs to approve the final recommendation to the CEO.

JG clarified that we are in the WG process step, apologized for diving straight into minutia. The next part of the TAC Charter (3.1.2) explains what the full TAC does with the recommendation passed up by the WG chair. TAC votes and passes up to CEO or remands back down to WG for reconsideration.

JWR thanked JG for work, concurred there was lots of movement on this last week. WG is required by statute to be venue for public input to reliability standards. That is what we tried to capture here. The process for populating a WG is responsibility of WG chair. As JG stated, recommendations come up to the TAC, then up to BOD. Critical that stakeholder groups have the right to fully participate at WG.

DB commented that an important point is that a TAC consultant in WG or TAC is hired by the RRC and overseen by a TAC engineer. The WG is not directing the consultant, the TAC or WG chair is directing them.

JG stated he is focusing today's discussion on most controversial parts of TAC. He encouraged everyone to read through TAC and if they find further issues they can send comments to JG and BudCom.

SS appreciated the fact that committees need stakeholder input. Get that. RRC employees are the ones who need to be responsible for the work product.

- c) RRC Director representation in WGs. Required for safe harbor due to ~080(d)(3).

JG read draft section 3.1.1 through end of 3.1.1.2.

SD commented the paragraph 2 person must be director or their representative. Directors on WGs is bad. Cannot overcome the power problem.

JG agreed, observed the tension is between this power imbalance and violating the undue attenuation / amplification regulatory clause, as not all board members have equal resources to appoint supplemental representatives.

VDS commented to offer a further complication here and question of other discussion. Whether stakeholder classes that the RRC pays for would cover the attenuation / amplification matter. Also have concern that even if RRC board members sit on committees or hire someone, still we are walking away from intent of having stakeholder class designees act as the representative on the WG or loading WGs up with more stakeholder perspectives. Asked whether ER or RMR can enlighten?

RMR deferred as the TAC has been evolving, need to review current draft before engaging too much and commenting on balancing interests.

SD posted regulatory excerpt in chat. Participation right is for director's qualified rep, not the director. That is mostly fulfilled by the paragraph 1 people under 3.1.1.2. LSEs (4 directors for one SME) and IPPs (2 directors for one SME) are only exceptions. Everyone else is 1-to-1.

JG confirmed SD point, acknowledged draft language does not recognize this.

DB raised same issue as SD. Language was from draft regulations, need to check against final. Emphasized WGs are not balanced, do not presume they are. Not a voting group. All interests are voiced, WG chair listens and drafts recommendation.

EJ noted that the SME voice on the WG representing large commercial is enough, the director doesn't necessarily get to participate also.

JG pointed out that the chair curates the WG roster to hear all stakeholders / interests and avoid duplication per the public member on a committee policy.

VDS commented to DB's point, voting versus non-voting. Haven't decided, not in TAC charter. Offered as flag to JG. Agreed designated experts are designees of directors, some experts representing several directors. AKPIRG good example, gets one designee. Impossible for us to get 2nd rep. Unless IPPs or LSEs have dissenting views that would pass muster to WG Chair. That would be extenuating circumstance.

JG clarified vote function. "Vote" is regulatory requirement of committee that first approves a recommendation [3 AAC 46.050(f)(2)]. "Vote" is achieved by requirement for unanimous approval, or not with dissents.

VDS emphasized importance of understanding the vote function.

CR thanks VDS and JG for explanations. Going back to 3.1.1.2 (2), commented that the WG chair should have discretion on roster.

JG confirmed the WG chair does have that responsibility and must document choices and that there is an undetailed appeal provision. Also clarified that WGs are "committees" per ~999(5) and subject to all the requirements of committees.

DB commented it is important to distinguish between stakeholder groups and interests. RRC has stakeholder class representation, but interests are different. Stakeholder interests must be represented in the committees. Other item, WG is not balanced by definition. There's no mechanism for balance. Regs do allow for balanced board to stress independence and representation of independent TAC. Don't forget that or its independence.

SD asked question about logistics. Is the word version on SharePoint? JG and BO confirmed it is.

JG requested comments back by COB Thursday 1/20 so BudCom can prepare next draft.

SS asked RMR to pull relevant regs to aid in review. RMR confirmed she would.

9) Intent to File Under Safe Harbor

JE introduced issue. AppCom and ExCom discussed this last week, consensus is yes move forward under safe harbor. Consulted w/ RMR / ER also. Some of the items in TAC charter also check those boxes. It is our intent to file under safe harbor. Any questions or move on? No questions.

10) Final Articles of Incorporation

SD introduced final AOI and reviewed changes from prior versions. Now has three incorporators and current directors / addresses.

MOTION to approve this Articles of Incorporation document, but not approve its filing. 1SD, 2BH.

BO noted other change in BySub last week was to remove duplicative language from one section. SM clarified language was in the statement of activity vs. prohibitions due to 503(c) restrictions. Yes, confirmed fixed.

No discussion.

PASSED with no objections. [12-0-1].

SD commented BySub is done, now sitting with AppCom. JE corrected, with ExCom.

11) Synapse Funding Request

DB introduced funding request for Synapse to provide RRC support through application process. Want to stay ahead of process. Unsure what will happen with application and near end of budget so want to stay ahead of budget.

MOTION to approve funding request for Synapse as presented. 1DB, 2HK.

JG stated budget authorization, existing NTE of \$58.5k, increasing by \$35K to \$93.5k.

DB clarified original IC authorization for IRPcom was \$70k, \$58.5k was actual contracted NTE with Synapse, so increase to IRPcom authorized funding is less than \$35k. BO confirmed this is correct.

PASSED with no objections. [12-0-1].

[SS left at 3:09 PM, 12 of 13 voting members present.]

12) Committee Updates

TarCom: EJ gave update. TarCom went thru full meeting today, tariff is headed to tech review, hope to pass out of committee on 1/24. TL questioned what LJO would do beyond formatting? Technical language is already done and is in required format. Only issue is sheet numerology. Still color differentiations that will be finalized on 1/24 by TarCom. LJO will just do tech edit. RMR clarified process. LJO/RMR → TarCom → ER → TarCom → IC. JE added RMR also does check against Precious requirements. EJ clarified this step is not just formatting but all compliance.

StanCom: JWR gave update. Substantially completed review of LJO/RMR comments on CMEP. Current work is definitions, distribute tonight, for StanCom review. Will circle also to LJO/RMR again. Redlines are limited to penalties. Do that in tandem. CMEP capitalized defined terms, hopefully that is the right choice. Concerned about timing. Pre-1/24 is great, but StanCom mtg is Wednesday. Hope to get onto IC agenda for Friday. RMR commented also needs to go to ER. JWR yes, tight timeline. RMR yes, midday wed is OK. TL, one other change in tariff subject to CMEP description, will submit TarCom language and flag for StanCom compatibility. JWR clarified CMEP is aligned with Tariff pending committee approval.

IRPcom: DB gave update. Comments from SS recently on IRP process. They're at committee. Comments back from LJO and RMR, DB overlay and back to Committee. Will work through this Thursday. Hope to be done COB Thursday. Then to ER. Suggest to IC before ER. Start this next week on IRP narrative (we = Rachel). EJ asked to resend invitation.

BudCom: JG gave update. Chart of accounts is done, transition budget estimate is done, Org chart is done, TAC charter follow up, then pivot to budget and many little blurbs. JWR advised no Friday meeting is scheduled for BudCom. JG confirmed not yet, earlier statement was speculative.

PubSub: VDS gave update. PubSub reviewed public notice policy, back to PMOC policy comments, will have at least for IC look if not TA next week. PATD not ready yet, week after. PubSub meeting this week Tuesday 430P. Comments to VDS prior.

AppCom: JE gave update. Discussing deliverables. RMR did crazy precious update again with workshop and final regs. Final review pending. Also did review for current workplan to find missing pieces. Will close that loop tomorrow. Also looking at different narratives for cover letter, complete over next few weeks. Then RMR will get started on rules drafting. She will draft for single voice consistency. Tomorrow is plan for rules, divvy up and scheduling. RMR added, on umbrella process, AppCom + technical products folks directed RMR to start tech edit process. Edits out to group for next steps. Pending guidance. JE thanked RMR LJO ER on fast turnaround.

ExCom: JE gave update. Post-application strategy. March 28 will be glorious! Other items. Will be RRC, so board will be in action. Potential for new leadership, ER role, RCA question routing, no

ExCom anymore, just a board, so think about workflows etc. Thinking about reaching out to RCA point of contact to see if current dialog is appropriate. Also, safe harbor dialog too.

BySub: SD gave update. RMR review flagged some gaps in BySub. They will pull some bits and pieces out of policies and will turn into a board policy about it. New policy that is amalgam of other stuff. JG asked if language will be duplicated or excised? SM replied excised, existing policies will reference new policy.

13) Member Comments

JG solicited member comments, none offered.

14) Tentative Future IC Agenda for 1/24

JG transferred to BO to lead overview of 1/24 agenda.

Major highlight is that everything needs to be approved by 2/14.

Rules need to be approved by 2/7.

The tentative IC agenda for next week is as follows:

IRP process – may be delayed by one week depending on review

TAC charter and budgets

COA narrative

CMEP

Near Final Bylaws

Governance Policies (Code of Conduct, Whistleblower, and Discrimination)

Product Development Process (Umbrella)

Public Member on a Committee Policy

Public Notice and Meetings Policy

BO stated that 2/14 is the summit of workload. Afterwards it will be easier.

JE reminded group that Wednesday meeting slot exists for supplemental IC if needed.

JG asked when is the deadline for the supplemental packet? BO/JE replied that it is Monday at noon before IC starts.

JE verified IC will not meet this Wednesday (1/19)

15) Adjourn

MOVE to adjourn 1HK, 2BH.

MEETING ADJOURNED at 3:41 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) RRC Functional Org Chart
- 2) RRC Articles of Incorporation
- 3) Synapse Change Order