

Railbelt Reliability Council Implementation Committee – Meeting
February 16, 2022
FINAL Minutes

1) Roll-call

The meeting was held via Zoom, was called to order upon reaching quorum at 11:00 AM, and was chaired by SS.

Primary		Alternate		Organization
Brian Hickey (BH)	Y1	Jeff Warner (JWR)	Y	Chugach Electric Association
Frank Perkins (FP)	Y	John Burns (JB)	n	Golden Valley Electric Association
Dave Thomas (DT)	Y2	Rick Baldwin (RB)	Y	Homer Electric Association
Julie Estey (JE)	n	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)	Y3	David Lockard (DL)	n	Alaska Energy Authority
Suzanne Settle (SS)	Y	Sam Dennis (SD)	Y4	Cook Inlet Regional Inc.
Joel Groves (JG)	Y	Mike Craft (MC)	n	Alaska Environmental Power, LLC
Veri di Suvero (VDS)	Y	Alyssa Sappenfield (ASF)	Y5	Alaska Public Interest Research Group
Chris Rose (CR)	Y	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)	Y	Unaffiliated seat
<i>Jeff Waller (JWL)</i>	Y	<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 joined at 11:04, left at 11:39 AM. Y3: KW joined at 11:11 AM. Y5: ASF joined at 11:06 AM.
Y2: DT joined at 12:08 PM. Y4: SD joined at 12:00 PM.

IC Consultant	Y/n	Attendance Notes
Tom Lovas, Energy and Resource Economics (TL)	Y	Present through CAM update
Dana Zentz, Fish Bay Consulting (DZ)	n	
David Hilt, Grid Reliability (DH)	n	
Steve Mahoney, Manley & Brautigam (SM)	n	
Elena Romerdahl, Perkins Coie (ER)	Y	
Bayunt Ollek, Sapere (BO)	Y	
Sebastian Orillac, Sapere (SO)	n	
Rachel Wilson, Synapse (RW)	n	
Lori-Jo Oswald, Wordsworth (LO)	n	
Rena Miller (RMR)	Y	

11 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, 1CR, 2EJ.

PASSED with no objections. [11-0-2].

3) Consent Agenda

Chair observed three sets of minutes in this week’s packet. Since minutes came out late, asked if members want to defer approval? No concerns raised. Asked for requests to remove items from consent agenda, none raised.

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

PASSED with no objections. [11-0-2].

4) AppCom Update

a. Rules

RMR introduced rule to change rules and walked through the document. She explained that this is up for first look today, will be back for approval next week.

b. RMR contract change request

BH introduced contract change request. Emphasized we must increase if we want her help to finish everything. Change request is to add \$35k under existing scope due to extended application timeline.

MOTION to approve RMR contract change request as presented. 1VDS, 2KW.

HK asked to clarify whether we've exhausted RMR's budget or RMR herself? RMR clarified she has at least a month left in her.

PASSED with no objections. [11-0-2].

5) BudCom Update

a. Cost Allocation Methodology (CAM)

JG introduced issue. BudCom tasked JWR to engage with LSEs to review CAM implementation. LSEs concluded it is easier to calculate on basis of net energy at load than net energy at generation, which is the regulatory default. Truing up the interchange values can be involved and this different approach side-steps that matter. The net result, percentage share of ERO costs borne by each LSE is immaterially changed, basically the pie that defines the division gets ~6% smaller, but the slices are substantively similar to those carved under the regulatory default method. Impact to the IC is (1) IC voted to approve the regulatory method, so need a revote to do it differently, and (2) we have to justify the method and get RCA approval. Bringing the issue to the IC for first look for awareness and to hear discussion / concerns with expectation we can vote on it next week.

PM asked to clarify this is metered load. JG confirmed in essence, yes.

SS asked if this is not consistent with regulations, what are the application impacts? Queried ER.

ER responded she still needs to review. Can look at waiver or other options.

TL asked what definition is JG using as the regulatory default. JG clarified with RMR assistance ~46.999(c)(18), and read it out. TL advised will need to change the tariff to reflect this. The tariff points to ~160(f) for the methodology, which uses the term defined at ~999(c)(18).

SS commented that the tariff should be specific and not just reference regulation. TL confirmed it will, JG concurred. TL will flag tariff change required.

RMR commented will need a rule speaking to this.

BudCom will work with AppCom to finalize language.

JG asked JWR if he had anything to add.

JWR mentioned LSE draft language was sent yesterday to RMR / ER for review, that can be circulated to IC upon BudCom addressing any comments. that language should suffice or provide good foundation for the tariff clause and rule.

b. TAC Process Update

JG provided update. BudCom has TAC comments back from RMR / ER. BudCom agreed with most comments, a few high-level exceptions are:

- (1) RMR / ER advised the document should be cleaved in two, one part speaking to TAC function, the other covering the standards / IRP development process.
- (2) RMR suggests renaming the 'manager's recommendation' to the 'Working group's recommendation' to emphasize the role of the working group and demonstrate conformance to regulations. This would be a name change only, with no change to the underlying process or product ownership. BudCom acknowledged how contentious this was and is reluctant to go there.

SS requested clarification of these two documents. JG clarified (1) TAC function, analogous to a charter but that is not the right term as not a committee, and (2) IRP / standards development process. JG deferred to RMR for more detail.

RMR added to the JG's explanation. Doc 1 would be a papered buildout of TAC as an organizational function: who, what, how.

Doc 2 would be a process document for how TAC does standards and IRP. TAC still does CMEP and other things. Not described in the existing document. Can update to board to cement them.

SS asked how concrete this is? What does it mean? RMR explained these don't need to be rules, but need to be filed informationally to support the structures and processes we propose. Bylaws is a tool to reference the TAC document.

CR voiced his initial response, very concerned about changing the name to 'WG recommendation'. Contrary to process. Interested to hear ER response / rationale for this. ER clarified, suggested name change is to manager's recommendation, not TAC recommendation, and that it become WG's recommendation. No change to function or role, just the name.

JWR posed a question to RMR, if we break the docs apart, anticipate just cleave the doc, or do we need to be adding new material to the TAC document? You mentioned CMEP and if we need to

provide more detail it will have to be put in soon. RMR responded that minimal, if any, new content is needed. Section in new doc of top-level TAC duties, one of those is CMEP related information. JWR replied that makes sense, but compliance is different than developing IRP or standards, so be sure that we honor that and task it to someone.

DB clarified BudCom didn't talk about the split yesterday and expressed a real hesitancy about it. Hard to get through revisions as-is, don't think we can get there in the time available. SS agreed, added why split the document if it's not strictly necessary.

RMR responded, right now we have a document titled process, but much of the stuff in there is not process. And process stuff doesn't apply to other TAC functions. Adds clarity to these docs to split them. SS noted lots of work has gone into this doc, and it has a very delicate balance around IC consensus. Asked ER, can you justify it? Is it critical?

ER responded, if not a split, a reorganization and rename of headings to broaden its scope to more than just process. TAC function + WG process. Need clarity, and need TAC to retain flexibility for other processes.

[BH left the meeting at 11:39 AM, 11 of 13 voting members present.]

JWL spoke to SS's question on TAC description. Assumptions: TAC members are staff employees who make recommendations to the board based on WG recommendations, and that the TAC will be presented as being similar to RCA staff in form and functions. Could make these all be job descriptions and work functions, that would underscore alignment with parallel RCA staff functions.

SS asked for IC direction on this matter.

EJ observed good recommendations from consultants, but this is the subcommittee's decision.

CR commented that aside from the substantive change he previously mentioned, there are two others. (1) Reorganization of document to clarify or split in two documents and (2) his view is that this is fundamental, should not be easily changed. Needs to be tied to bylaws to honor that.

PM said he is curious how long it would take to do a draft of the suggested revisions.

RB spoke to CR's point. If we want to cast anything in concrete, put it in bylaws or articles. Don't think it would be difficult to reference this structure in the bylaws. Otherwise, ways to make changes that no one wants.

SS noted that a few meetings ago, there was a vote on whether TAC was foundational. That vote failed. It was a low attendance meeting and the TAC was still a work in progress. Think that vote needs to be revisited once the document is more solid.

JG advised, based on guidance heard, the TAC document will not be cleaved. How it ties into bylaws is not BudCom responsibility. BudCom will get this document done.

JWR commented that the TAC Process does two things. Bylaws speak to other aspects, not an expert there. JWR advised that IC doesn't want to get into process details too much in the bylaws. Time is short.

c. Qualifications

JG introduced issue. BudCom is tasked with narratives explaining how the various qualifications requirements of regs are met. One element of that is board qualifications, and a critical issue is how the lay stakeholder board is qualified to vote on technical reliability standards. As drafted, the board will be faced with approval of a recommended standard and various dissenting views that may be very technical in nature. How a lay board meeting the current qualifications in bylaws does this (1) responsibly and (2) consistent with regulatory requirements, is unclear. Disclosed that BudCom discussed this at great length yesterday and landed on a universal board education requirement, by time certain, that new directors complete a manager-level course in power systems so they would have some context for the system before they make decisions on reliability standards. Concept is they would pass the course before they vote on standards matters.

SS asked ER for opinion on how current board structure deviates from regulations as-is? ER responded can interpret regs either way, that the technical director qualifications are, or are not, required. But conceded that standards are technical subjects. Did talk through plenty of options. ER and RMR landed that technically qualified board is not required by regs.

CR said he has no problem getting educated and taking a course within a time frame. But some comments. Legislature and RCA knew a balanced board would not be all engineers. CR investigated ERCOT board, both chair and vice chair are accountants. Not sure this course is necessary, but not a problem.

RMR observed that from a regulatory compliance perspective, this requirement could also help demonstrate how the RRC addresses undue attenuation / amplification of class interests, as it ensures all directors have a base-level of technical understanding.

SS agree that educational opportunity is best practice and directors should take advantage of those opportunities. But board was not expected to be technical experts. Will not support changing rules so some directors are disenfranchised. Don't support that at all.

DB commented this has nothing to do with balance. There's nothing to prevent an IPP from submitting a technical person as a director. Where it is different is there's a committee of stakeholders and they vote. We didn't go that way, we went with the independent TAC to prevent board technical bias and unbalance. However, part of the TAC process is dissents, but those go to the board and the board needs to be able to judge these. This is a fundamental issue.

HK agreed with SS, cannot disenfranchise directors. Educational provisions should be available, and should be exercised, but should not be mandatory. Director needs to have an SME if required, and

needs to be engaged in the WGs and other deliberations to understand the issues and controversies in depth.

JG explained that BudCom's charge is to document how directors conform to various regulations. BudCom will come up with requirements that are consistent with today's comments and regulations.

SS asked whether the LSE lay boards approved the current standards? How did that pass muster? If someone on WG disagreed with TAC recommendation and they went to board with concerns the board has to be able to discern if these concerns are valid or not.

[SD joined at 12:00 PM, 11 of 13 voting members present.]

JWR observed the question at onset of this discussion was what do the regs require? Less clear yesterday in BudCom that there was no requirement in the regs. Noted that the TAC as we designed it wasn't in the regs. Regs didn't contemplate the TAC, didn't contemplate this either. Standards will come to the board from the TAC, and board has to do something with them, consider the dissents. Lacking the background to make an informed decision on this is a problem. Directors having basic qualifications is key to this. We considered having a subpanel of qualified members, that is problematic. Can see the problem with disenfranchisement. The other solution here is to have nominating entities pick technical people for the board.

DB clarified, for the existing standards, boards were not involved. These were developed by LSE technical staff (basically WG sans public), then GMs executed the standards. Totally different than this organization. This organization has IRP and standards. This board is totally fine for IRP and similar to others elsewhere. The problem is [the legislature] mixed IRP and ERO into one organization. The ERO part have standards that are totally different. Look at EROs, most do not have requirements for directors. WECC does have technical qualification requirement for their board as a whole, but not for individual members.

[DT joined at 12:08 PM, 11 of 13 voting members present.]

HK cautioned against using ERCOT as a model for us, they run a market and that is why they are topped by accountants. Think our SME options cover it, and the separate director obligation to self-educate and participate.

CR stated this is not a new issue. We've all known this is not a technical board. Questioned why this comes up now so late in the process. CR has no problem with education. Expect that will happen. We are a governing board, not a working board. When discussing SMEs, we talked about broad perspectives representing stakeholder interests. If we all need to be engineers that violates the principal of a stakeholder board representing broad perspectives.

RB commented to oppose any limit on director participation. All directors need to have equal standing on the board. Also support mandatory education for directors. That is part of their

fiduciary duty to the organization, and refusal to do so in a timely manner would constitute them being unqualified.

RB attributed a salient quote to SD: 'a good idea at the last minute is a bad idea'.

LF commented to appreciate the conundrum this raises. Need to find a way for non-tech directors to be good deciders, and help them make informed decisions.

DB hearing misinterpretation amongst ourselves. Not suggesting a technical board, just an informed board. This is fundamental to the TAC structure. If we lack a board that can decide, may need to change the TAC to take on that missing function in an informed capacity. That is where this comes from.

DB continued, at BudCom, ER said if board decides on a TAC matter, it presumes a qualification. Have not heard that point today, and asked that she clarify?

ER replied yes, and RB's comments are germane here. The issue is more fiduciary than regulatory. Regulations don't address this, but it is still important for fiduciary reasons. BudCom was not just informed on regulations, but the contextual foundation.

JWR stated that contrary to earlier comment, this issue has been discussed many times before. BudCom spend 1.5 hours yesterday, good discussion. Good outcome. Sounds like we're close.

HK viewed education as cosmetic with no practical purpose. It would be a survey course with no depth. SME is the real solution, and director participation to learn the issues.

JG agreed with HK and RB. To HK's point, the suggested course will not turn someone into an engineer. It will give them a basic, foundational understanding of the issues at play. They will still need expert support to understand the nuances that may come before them in a standard recommendation vs. dissent. To RB's point, the education is rooted in fiduciary duties, that makes sense.

VDS added a clarifying question, talking about SMEs as board resources. Also talking about designated qualified representative (QR). Want to make sure that is still in the mix. Confirm these people would be included and available to directors.

JG confirmed that there is language at the 3.1.1.2 section discussing SMEs that part of their role is to support the director or, more correctly, board interest groups, as the intent is to aggregate SMEs as much as the board will support.

VDS replied, ok SMEs but what of the QRs and the interplay?

JG confirmed both are there. SMEs can be, but are not necessarily QRs. You may have two people supporting each director (SME+QR), or one (QR), or somewhere in between as SMEs support multiple, maybe all, directors. *[or zero, if director declined to have an SME or QR].*

VDS thanked JG, that clarification makes them comfortable that directors have the resources they need.

DB asked a follow-up to VDS, to make sure he understood their question. That SME can represent director in other matters than their SME role? That they can be SME and then QR? VDS clarified that was not their question but it is a great one nonetheless. VDS wanted to make sure QRs still exist.

6) PubCom

a. Documents Policy

VDS introduced new documents policy. It has not been reviewed by Lori Jo yet. Nothing for TA today. Walked through the document. Asked ER for comment.

SS observed it's very strange to put staff emails on a website.

ER commented, items like email are public, but only published through a records request. Not just posted by default.

RMR asked about staff work product. Such as revision drafts for example.

HK asked question for group. Are we going to let employees use work email for personal use? Seen it done both ways. Some issues to address.

VDS stated that is a great question, but not one we need to answer for application. Thought is not for personal use.

ER suggested RRC policy be that email is public document with no expectation of privacy.

SS confirmed that makes sense.

LF concurred with ER, different words. IT policy can cover this, concur with VDS, not needed for application.

VDS continued. Meeting recordings and inclusion of executive session. Direction is to not address that issue in this policy. It will be addressed later and will advise IC of that discussion.

That's it for this policy. Will regroup with PubSub.

b. New IC Resource on Confidentiality Protocols

VDS advised PubSub about this this morning. PubSub is working to engage an expert in confidentiality in ISOs and EROs in L48 to make sure we are doing this right and per best practices. Complementary to existing IC resources. His name is Henry Tilghman. Working through process to get Henry on board. Proposal coming to ExCom soon for approval per the IC's process for this resource addition.

SS counselled ExCom meets tomorrow.

JG commented per recollection that unanimous ExCom vote is required for this process, asked EJ if JE will be available tomorrow to fill out ExCom or if he will take her place.

EJ will check and advise shortly.

[concluding remarks on this topic happened near the end of the meeting.]

EJ confirmed JE is unavailable and he will attend ExCom Thursday at 12 noon.

EJ asked SS to distribute an ExCom agenda. SS confirmed she would.

c. Market Prerequisite for Confidentiality

VDS continued, working with DH on confidentiality where he is qualified to help. On IRP, plenty of information is confidential only if we have a competitive market. Heard plenty that it is not true. Looking for guidance.

SS responded, no competitive market, but elements of competition do exist. LSEs and IPPs do receive confidential commercial information they need to protect.

CR asked for clarification, if there is no competitive market then there would be no need for confidentiality? VDS clarified that comment only refers to specific item that are confidential only in a competitive market.

JWR commented no market as DH is accustomed to, but there are competitive transactions between LSEs that need to be considered. Different than in L48. Likely no clear answer. 'market' probably not the right word.

DB agreed with SS. No market today. But on the tail end of the IRP, likely we could have an open market for projects, and that will absolutely involve commercial confidentiality.

EJ comment he can't add much. Never engaged with an IPP without a confidentiality agreement in place. Price negotiations etc. Not competitive market or bid, just one-on-one negotiation. NDA can preclude acknowledgement of dialog to deter competitors.

JWL observed we may be astray on terminology. Laws talk about confidentiality. More about whether the entity faces competition – slightly different. CEA faces no competition for sale to its customers. CEA may face competition on a solar array procurement, so that's different. Clearly no ERO competition. To LSEs, depends on situation. Don't want to disclose someone's salary lest they be poached, but RCA does not allow that as reason for confidentiality. Point is, what we give to RCA, they need to understand it, if it is different than their practice, need more explanation to get them to understand.

VDS concluded, good discussion, useful guidance and clarification. Would like folks to review our drafts. It is about 123 metrics, yes / no and why / why not that define the scope of this. Thanked SS and HK, would appreciate some LSE review as well.

SS concluded PubSub items.

7) Committee Updates

SS offered chairs could volunteer to provide updates as warranted.

BySub: No update.

StanCom: JWR gave update. He will be out 18th through 24th, very limited availability. CMEP should be back after the 24th. StanCom meets Wednesdays from 4-5PM.

TarCom: EJ gave update. Understand minor tariff change required. Tariff is at AppCom, understanding is AppCom will deal with this. RMR confirmed that is correct.

IRPcom: No update.

BudCom: No update.

AppCom: No update.

ExCom: No update.

PubSub: No update.

8) Member Comments

JWL asked if meeting Monday 2/21, Presidents' Day.

BO confirmed yes we are, full agenda is anticipated.

9) MEETING ADJOURNED AT 12:51 PM. 1CR, 2ASF.

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. Rena Miller Contract Change Request