

Railbelt Reliability Council Implementation Committee – Meeting

March 9th, 2022

FINAL Minutes

1) Roll-call

The meeting was held via Zoom, was called to order at 2:05 PM, and was chaired by JE.

Primary		Alternate		Organization
Brian Hickey (BH)	Y	Jeff Warner (JWR)	Y	Chugach Electric Association
Frank Perkins (FP)	Y	John Burns (JB)	n	Golden Valley Electric Association
Dave Thomas (DT)	Y	David Thomas (DT)	Y	Homer Electric Association
Julie Estey (JE)	Y	Ed Jenkin (EJ)	n	Matanuska Electric Association
Lou Florence (LF)	Y1	Shayne Coiley (SC)	Y	Doyon Utilities
Dave Burlingame (DB)	Y	Rob Montgomery (RM)	n	City of Seward
Bryan Carey (BC)	Y	David Lockard (DL)	n	Alaska Energy Authority
Suzanne Settle (SS)	Y2	Sam Dennis (SD)	Y3	Cook Inlet Regional Inc.
Joel Groves (JG)	n	Mike Craft (MC)	Y	Alaska Environmental Power, LLC
Veri di Suvero (VDS)	n	Alyssa Sappenfield (ASF)	n	Alaska Public Interest Research Group
Chris Rose (CR)	n	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)	Y5	Unaffiliated seat
<i>Jeff Waller (JWL)</i>	Y6	<i>James “Jay” Layne (JL)</i>	Y	<i>Regulatory Affairs and Public Advocacy</i>
<i>Bob Pickett (BP)</i>	n	<i>Antony Scott (AS)</i>	n	<i>Regulatory Commission of Alaska</i>

Y: Attending n: Not attending v: seat is vacant

Y1: LF joined at 2:32 PM.

Y4: PM left meeting at 3:37 PM.

Y2: SS joined at 2:05 PM.

Y5: DN left at 4:00 PM.

Y3: SD joined at 2:27 PM.

Y6: JWL left at 3:13 PM.

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

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

2) Approval of IC Agenda

As allowed by motion at 3/7 meeting, CR gave proxy to SS and VDS gave proxy to ANTHC.

[SS joined meeting at 2:05 PM, 11 of 13 voting directors present. With Proxies there are 13 Votes total]

MOTION to approve today’s agenda, 1BH, 2PM.

JE informed ExCom needed to add one sub-item under the ExCom Update, titled “March 14th Meeting”.

MOTION to amend agenda to add sub-item under ExCom Update titled “March 14th Meeting”. 1SS, 2BH.

No discussion.

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

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

3) ExCom Update

a. March 14th Meeting

JE explained that ExCom met to discuss the agenda for the 3/14 workshop. What was discussed was how to work on TA’d items. Motions can be made but they need to be made in writing, in advance. Motions should be submitted to AppCom by the end of this week if they will be considered at the workshop. Additionally, RMR will highlight any changes she has made between the TA version and the workshop version. There will be a few paper copies in binders on the table for members to reference, but mostly it will be online.

JE added that if there are motions, they will be handled as usual. JE emphasized that this is not about wordsmithing but about content.

JWL noted that he was recently informed that with application we are submitting full complete tariff. He thought we were waiting on the tariff. JE replied that we are submitting preliminary tariff and surcharge but not the full inclusive tariff. ER explained that the tariff that we submit will be complete minus standards, which have yet to be developed. It will include the surcharge because we want to have the surcharge approved at certification so that the RRC can begin recovering costs immediately.

FP asked if the cover letter/notice of filing will be available at the workshop. JE replied that a giant pdf of all components will be sent out prior to the workshop. JE added all these exhibits are on SharePoint right now. RMR added they are creating table of exhibits. JE tacked on that there will be no vote on application at this time. That will happen on 3/23.

FP asked what docket is for Tuesday. JE explained it is for overflow of any discussion from 3/14. Still hoping we can conclude all business on 3/14 and send people home early.

JE asked group to send ExCom any concerns or edits.

JE then started to discuss the organizational board meeting. JE explained the various steps for the first board meeting: Agenda approval, public comment, approve articles and bylaws, election of directors, authorize banking and financial stuff.

JE explained that SM advised suspending rules and some provisions of bylaws until certification. This requires a unanimous vote.

SS thanked JE for her summary.

b. Overview of SharePoint Structure

JE asked BO to run through the SharePoint site. BO walked through the site, explaining each folder.

SS wished to clarify about the Rules that were pulled from other documents. Are any not approved. RMR explained the only one not yet approved is on the agenda for approval today.

JE commented that as directors are being elected, their terms will all start at the same time but will terminate at different times. Initial terms for each seat are defined in bylaws and were agreed to back in May 2021.

4) Standards Development Process

JWR introduced the process, it was developed to initiate a process to create, change, or withdraw reliability standards.

JWR explained that this form will be on the RRC website and that anyone could fill it out.

JWL asked if there are other documents that discuss reliability standards? JWR said there are. Standards are developed according to the TAC process and the common development process. This document is intended to outline the process for and to be available for people to request changes to a standard. The language here mimics what is in the TAC charter. JWL is concerned that ERO will not wait for people to develop standards. JWR explained this does not limit creation of RRC standards in any way. Only creates additional avenue for public to request a development.

JWR continued describing process.

MOTION to approve the Standards Development Process. 1JWR, 2SS.

MOTION TO AMEND section 3.5.3, remove reference to 3 AAC 46.410(a) and replace with actual list of items in that regulation. 1PM, 2MC.

[SD joined meeting at 2:27 PM, 11 of 13 voting directors present. With Proxies there are 13 Votes total]

RMR advised that this document has not been reviewed yet. In the review we will true up formatting according to other documents and remove repetitive language.

MC observed that all these references make it harder for people to understand the document. He likes the idea of having the regulations stated directly in the document.

JWR stated he would rather leave this document the way it was but that's up to the committee.

SD understands the motive behind PM's motion, but on the other hand you could end up with multiple sources of the same information. Which is very hard to keep aligned. In the bylaws when references are created they add number and the title of that section so there is some comprehension as to what the reference is for. Not full text of reference, but headings give good context.

FP stated the amendment doesn't really change the document and we should let ER and RMR edit the document so he doesn't see need for motion.

JWL advocated for keeping with the section number reference then we include language "as amended from time to time".

[LF joined meeting at 2:32 PM, 11 of 13 voting directors present. With Proxies there are 13 Votes total]

No further discussion.

FP objected, BH objected.

MOTION FAILED [5-8-0] AEP, ANTHC, AKPIRG, DU, and Independent voting yes.

SS asked to make a new motion to reflect SD's comment. JE explained SD's comment is normal practice so we would just let RMR and ER do their normal edits, thus a motion is unneeded.

HK asked if this would come back for approval. JE explained that this will join the application and people can raise issues when the application is being reviewed the 3/14 workshop.

JWL raised point of order, asked what motion is being debated right now. JE explained motion currently on the floor is to approve the Standards development process.

No further discussion.

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

5) BudCom

a. ERO Budget

DB explained there are two budgets. First is the interim/transition budget. It reflects when positions will be filled, chronologically. Major issue is that if this starts in January, TAC is not filled until October. That scales down the costs before then. The full cost is about \$4.5M.

JWL wondered whether this would be clear to commission? It needs to be clearer on the salary column. For the commission and for the public. DB suggested just hiding those columns so as not to confuse people.

SS thanked DB for this work. She is confused about the second budget, does it reflect 2024 budget, what is the 10.7 million budget? DB explained that the first budget is from certification through the first full year of operations. The cost of this one is lower because we will not be staffed up on day 1, but will gradually add staff as the year goes along. The second budget is for year 2 and 3 and beyond when we are fully staffed and in the middle of standards and IRP developments. After those initial developments conclude, cost may go down, but too far in the future to consider that.

HK suggested a fully loaded cost per FTE column to input the formula. That would help clarify things for people.

PM asked if additional clerical staff are needed? Suggested we make a motion to amend that. DB stated that by that time it would be the CEO's issue. PM and DB debated on hiring practices that effect costs for the CEO. If CEO needs more people, they can make their case to the board.

SS stated this budget need to be approved by RCA. DB acknowledge SS is correct, stated that the budget is also needed to determine cost allocation and support the petition for approval of the initial surcharge.

MOTION to approve ERO transition budget. 1DB, 2JWR.

LF said he wants to amend the budget.

TL called this an inception budget, not a transition. TL stated this budget would be used to create the surcharge.

JWL noted that utilities will collect costs as added on customer's bills. Then RRC will collect these from utilities to run organization. This will cause a time lag of a few months in the collection of revenue for the RRC.

MC asked about internal staff. DB clarified they are full time employees once TAC is up and running. Clerical support starts once two senior engineers are hired.

TL referred to JWL point that a bill could be sent out at the first of every month. JE confirmed that is what the tariff says.

[JWL left meeting at 3:13 PM, 11 of 13 voting directors present. With Proxies there are 13 Votes total]

No discussion.

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

MOTION to approve proforma 12-month budget, 1DB, 2FP.

MOTION TO AMEND change 2023 to 2024 throughout the document, 1SS, 2FP.

No discussion.

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

No further discussion.

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

b. Position Descriptions

DB explained there are 5 position descriptions. DB does not want to go through the paragraphs, they are lengthy.

RMR said she is not 100% sure these need to be submitted, but it would be helpful for the application. FP asked if these can still be changed prior to actual postings? RMR established they are not Rules so they can be changed without RCA consultation.

FP clarified that all these descriptions are fantastic but will change as we get closer to actually hiring a CEO.

SD asked if there is a risk that the RCA approves them, then our hands are tied because the RCA won't allow us to change the descriptions?

RMR stated that since CEO is asked to have technical ability, we need to sum up what those abilities are for the application. Don't necessarily need the full posting, but need to highlight specific qualifications for application purposes. Perhaps a narrative would accomplish this better, but these are great to build off of.

ER said if the descriptions are provided as just informational then it shouldn't constrict the RRC.

SS thanked FP for his question earlier. She stated that she is not ready to vote on these yet. But if they're not going into the application she does not want to spend too much time on them. SS also volunteered to make revisions and return them to group at next Monday's meeting.

JE explained that because this is where expertise lies, it was felt that it was necessary to include some specifics on what the technical experts look like since they are driving the standards and IRP developments.

RMR continued, part 1 is that we need to describe anticipated summary of role, part 2 is that we need to provide a process for how we will determine an employee has qualifications necessary to perform the work that the RRC will be doing.

PM followed up SS's comments. He is not comfortable putting these out on the street. He asked if CEO has to be electrical engineer? Seems unneeded.

[PM left meeting at 3:37 PM, 11 of 13 voting directors present. With Proxies there are 13 Votes total]

SS voiced that her biggest concern is not description of position, but with technical qualifications themselves. Those are the items that need to be discussed. She agreed with PM's idea that CEO does not need to be an electrical engineer. We do not want to make qualifications so narrow that there are few applicants.

DN asked if a motion has been made. JE clarified there was not. DB suggested that this be worked on by people like SS and then brought back on Monday.

SD asked if this could go through another draft version?

JE recapped that this would be redone, she asked BudCom if they wanted to hand this off or be a part of any more revisions. DB stated he does not need to be involved in any further action on these documents.

RMR wondered if the next logical step would be to let her review application deliverables and see what is actually needed for the application? SS agreed with RMR's suggestion.

JWR added that Standards and IRP workplan and budget will be adjusted to mesh with what was approved today. The documents should coincide with budget timeframe.

TL noted that if there is change in schedule of standards development there will need to be change for tariff development. JWR explain that BO has them and he can update them accordingly. Agreed tariff should conform.

6) ER-10 Voting Procedures

JE introduced Rule, explained the majority of this document was pulled from other sections.

RMR elaborated on document background and overview.

SS asked if, under section D, people who are being recused their alternate should recuse themselves as well?

SD replied that if entity hired both primary and alternate they would both recuse themselves. But in the case like CIRI the alternate would not recuse themselves since they work for separate entities.

FP clarified what recusing is for, personal conflicts. But bylaws don't read that way to them. SD explained if personal conflicts exist you recuse. If it's an entity matter you do not recuse. This instance however is from the regulation then you do recuse.

DM asked about the definition of supermajority, hadn't seen that section. He also wondered if proxy voting should be included here as well. RMR replied that supermajority is included in the bylaws. Proxy voting depends on the RRC. Many voting terms in bylaws. SD interjected that proxy voting does not have a provision in bylaws, that is what alternates are for. SM confirmed if there are no clause for proxy voting then it's not allowed.

JE informed that if people want to make an addition or request an amendment, they need to submit a motion by Friday for review on Monday.

RMR explained this is not up for approval today.

JE explained this will be put into draft application and will be up for TA Monday morning before we launch into application review.

7) Motion: Approval of Initial Tariff and Surcharge

JE explained this is a petition from the RRC to the RCA. Let ER and TL take the wheel.

ER explained the petition is to request that the tariff and included surcharge be approved alongside the application so that once the RRC is certificated they can begin collecting the surcharge right away. ER explained this petition is ready to go. TL agreed.

JE asked if this was ready for approval?

TL replied there may need to be a little more language to clarify a few things, but nothing fundamental.

MOTION to approve as is with addition of surcharge information that TL referenced. 1SD, 2DB.

LF stated he would prefer for this to be finished before approval.

MOTION TO TABLE 1MC, 2LF.

MOTION TABLED with no objection [13-0-0].

8) Committee Updates

BySub: No updates.

TarCom: TL stated that tariff narrative is only item outstanding.

StanCom: JWR stated all deliverables are in.

IRPcom: DB that IRPcom is done.

BudCom: TL stated that surcharge allocation cost calculation is outstanding.

PubSub: DN explained there will be one more meeting to discuss editorial items.

AppCom: JE stated they are reviewing narratives.

ExCom: JE recapped work to be done during 3/14 Workshop.

9) Updates / Member Comments

JE opened up member comments.

No comments offered.

10) Next Agenda

[DN left meeting at 4:00 PM, 11 of 13 voting directors present. With Proxies there are 13 Votes total]

Monday 3/14

Notice of Filing

ER – 10

Position Descriptions

Technical Qualifications and vetting process

Application Workshop

11) MOTION to ADJOURN 1DT, 2JWR

No objection.

MEETING ADJOURNED AT 4:03 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) Standards Development Process
- 2) ERO Transition Budget
- 3) 12 Month Pro Forma Budget