

**Alaska Intertie Management Committee**  
**MEETING MINUTES**  
Tuesday, July 9, 2013  
Anchorage, Alaska

**1. CALL TO ORDER**

Chair Brad Evans called the meeting of the Alaska Intertie Management Committee to order on July 9, 2013 at 9:40 a.m. A quorum was established.

**2. ROLL CALL**

Members present: Brad Evans (Chugach Electric); Jim Posey – Anchorage Municipal Light & Power (AML&P); Joe Griffith – Matanuska Electric Association (MEA); Cory Borgeson - Golden Valley Electric Association (GVEA); and Gene Therriault – Alaska Energy Authority (AEA).

**3. PUBLIC ROLL CALL**

Public present in Anchorage: Louis Agi (AML&P); Burke Wick, Brian Hickey (Chugach Electric); Ashish Agrawal (Army); Denali Daniels (MEA); Don Zoerb (MEA); Bernie Smith – Regulatory Commission of Alaska (RCA); Henry Dale (AEA consultant); Brian Bjorkquist (Department of Law); Kirk Gibson (McDowell Rackner & Gibson PC); Krin Kempainen (AIDEA); and Sunny Morrison (Accu-Type Depositions).

**4. PUBLIC COMMENT**

There was no public comment.

**5. AGENDA COMMENTS/MOTION FOR APPROVAL**

Mr. Griffith asked to table item 8D.

**MOTION: Mr. Borgeson made a motion to approve the agenda as amended. Motion seconded by Mr. Therriault. The motion was approved unanimously.**

**6. APPROVAL OF PRIOR MEETING MINUTES - May 23, 2013; June 11, 2013**

**MOTION: Mr. Griffith made a motion to approve the minutes of May 23, 2013, and June 11, 2013 as amended. Motion seconded by Mr. Borgeson. The motion was approved unanimously.**

## 7. UNFINISHED BUSINESS

### 7A. Railbelt Reliability and Reserves Criteria Discussion (Action Item)

Mr. Borgeson requested a summary of the standards that are currently under consideration. Mr. Hickey explained during the 2007 to 2009 timeframe the Railbelt Utility Group (RUG), directed the formation of the Railbelt Reliability Council (RRC). Mr. Hickey was initially the Chairman. When Mr. Hickey left the Council, Mr. Dale became Chairman. The North American Electric Reliability Corporation (NERC) standards were edited to adjust them to the railbelt and that process continued under Chair Dale. The very detailed interconnection standards, primarily distribution interconnection standards, developed by Golden Valley, Chugach and ML&P were redrafted to apply to the transmission system. Mr. Hickey took the standards approved by the Committee, went through the project schedule and selected the key standards that needed to be included.

No VAR (voltage and reactive) standards have been approved by the RRC. Mr. Hickey included the VAR standards in this proposed reliability standards. The language was adjusted in the transmission planning standards to reflect having the option of studying the faults from the fault tables. The recommended standards were brought forth at the June 7th meeting and subsequently reformatted by Mr. Griffith.

There is a requirement to perform a set of studies every two years, which will be the burden of the utilities. The end user interconnection standard is not included in this update. It will have to be addressed at a later date. Mr. Hickey noted this is an ongoing process and recommends studying the new system regularly for a few years in order to understand how it operates. Mr. Hickey reviewed the documents in detail and believes the technical tracking capability is adequate. Mr. Posey commented there will be more stability beginning in 2016 and beyond.

Mr. Hickey reviewed the comments made by Mr. Dale and submitted by AEA and stated that none of the comments were controversial. He stated that working through the comments to reach consensus would probably not take long.

Mr. Borgeson stated he is ready to vote in favor and adopt the proposed standards, which apply to the Alaska Intertie. He suggested the utilities have the discussion of adopting standards that would apply to all of the interties in the system for anyone who wants to connect. Mr. Griffith agreed the standards should be adopted. He expressed concern that the dates on the resolution do not reflect the revisions.

Mr. Therriault commented the state is not prepared to vote in favor of adoption at this point. He advised being cautious and fully understanding any potential unintended consequences, as well as addressing the technical and typographical fixes suggested in Mr. Dale's comments.

**MOTION: Mr. Borgeson made a motion to approve the Railbelt Reliability and Reserves Criteria Resolution 13-1. Motion seconded by Mr. Hickey. Roll call was taken, with Mr. Therriault voting against. The motion does not carry for the Alaska Intertie System. The motion carries for all other systems.**

Mr. Bjorkquist stated under Section 3.1 of the Alaska Intertie Agreement, the affirmative vote of the Alaska Energy Authority is necessary for the reliability standards, but is not necessary for the operating standards. He said it is beyond his capability at this meeting to separate those standards in the document. Chair Evans advised he will assign someone to separate those out for clarity for a new motion. Mr. Hickey commented there is no term of art "operating standards" or "reliability standards." Mr. Griffith stated operating standards and reliability standards are the same thing. Chair Evans said operating standards and reliability standards are one and the same. Mr. Griffith commented the reliability standards have not been adopted for the Alaska Intertie, but have been adopted for all the other systems. Mr. Griffith noted that is the first time AEA has ever vetoed anything regarding the intertie operation.

Mr. Griffith requested clarity on the effects of AEA's veto of the reliability and operating standards regarding MEA's leg from Teeland to Willow. Mr. Bjorkquist explained that part of the original Alaska intertie is being operated under the Regulatory Commission of Alaska joint use and interconnection order, except for a five-mile stretch that is subject to a lease. Mr. Griffith asked if he can now accept the new reliability and operating criteria on MEA's segment. Mr. Bjorkquist believed that is correct.

**Mr. Therriault made a motion to approve Resolution 13-2 with the sunset date of December 31, 2013.**

Chair Evans recommended the sunset date be at least a year. He inquired about the process of eliminating the sunset date. Mr. Bjorkquist stated another motion could extend the sunset or remove it permanently. Chair Evans said the goal is to remove the sunset, not extend it. Mr. Therriault expressed the state's intent is to allow the sunset to be in place while the full implication of the reliability and operating standards are being assessed because it preserves the state's right to vote. Mr. Therriault stated we can continue to move forward, but can be cautious as we move forward. He commented a six-month sunset date would also provide an impetus for the Legislature to determine if there needs to be statutory change, legislation, regarding the enforcement provisions on the broader system.

Mr. Borgeson inquired about AEA's plan to work on these standards. Mr. Therriault stated AEA would devote time to work with the designee from the utilities to determine any technical clarifications. Mr. Borgeson requested a list of AEA team members. Mr. Therriault noted Kirk Warren and Mr. Dale. Mr. Borgeson asked who is paying for Mr. Dale's work and suggested there might be a conflict of interest since Mr. Dale does work for other utilities. Mr. Therriault said AEA is paying for Mr. Dale's work on the reliability issues. Mr. Dale stated his work with the other utilities is not on reliability issues. He is only working on reliability issues with AEA.

Mr. Borgeson requested further explanation on AEA's plan, so the same problem does not reoccur in six months. He commented the state submitted these comments after 5:00 p.m. last night, even though they have known since June 9th that these rules were going to be adopted at this meeting. He stated it is unacceptable activity by AEA to present this way. Mr. Griffith concurred with Mr. Borgeson's statement. Mr. Therriault stated again that AEA will work with the designee or designees from the utilities.

**Mr. Borgeson motioned to amend the motion on the table to extend the sunset date to January 7, 2015.**

Mr. Therriault stated Ms. Fisher-Goad was concerned with the length of time of the sunset, particularly if technical problems occur and he recommended the sunset date be July 9, 2014. Mr. Borgeson agreed to the date and commented the rules need to be in place for open access. Chair Evans stated it is his responsibility as task manager to ensure people are meeting regularly and producing results. The goal is to not extend this out longer.

Mr. Griffith commented he received the state's information at 9:00 p.m. last night and encouraged the state to distribute their information in a timely manner. He requested clarification from the state regarding the sentence stating the purpose of the resolution is to be a "guideline for the IMC working with other interested parties to establish and implement railbelt-wide policies, criterion and standards related to reserve capacity, operating reserves, operating policies, reliability and enforcement mechanisms." Mr. Griffith asked if this is something other than an established criteria like Resolution 13-1.

Mr. Bjorkquist expressed his understanding was the IMC was adopting railbelt-wide standards that the IMC would export to the railbelt, as opposed to the IMC adopting standards for the intertie itself. Mr. Bjorkquist stated IMC's jurisdiction and authority respects the intertie. It does not go beyond the intertie to the rest of the railbelt. Mr. Griffith stated he believes IMC's jurisdiction goes beyond the intertie to the rest of the railbelt. Chair Evans stated there may be a difference of opinion. Mr. Bjorkquist commented this is one of the issues where the standards need clarification and it may be just a matter of semantics. The intent was the IMC would work with others within the railbelt to adopt the same standards so that railbelt-wide, there was a uniform set of standards that the intertie is also subject to, rather than the IMC imposing standards on the rest of the railbelt.

Mr. Griffith believed the intent of the IMC document was a railbelt-wide transmission guideline for all power transfers and operation of the intertie system. He requested clarification. Mr. Gibson stated the IMC has the authority over the access of the intertie. Chair Evans stated participants and users of the intertie are subject to these rules.

Mr. Borgeson inquired about the reasons the state requires a sunset date. Mr. Bjorkquist commented the history of working on some of these issues that are connected to the Alaska Intertie Agreement includes, in some circumstances, AEA's only ability to compel necessary changes is through the termination process. The idea of the sunset is to have a shorter timeframe to be able to move forward in a cautious, but expeditious fashion. Mr. Borgeson asked what role has AEA played in working on these standards. Mr. Bjorkquist stated AEA has worked with the RRC as they have developed the standards.

Mr. Griffith requested he read into the record the "be it resolves" from Resolution 13-2 so it is clear what they say; "Be it resolved that the Intertie Management Committee's railbelt operating and reliability standards updated June 7, 2013 prepared by the RRC, Railbelt Reliability Council, is hereby accepted as the reserve capacity and operating reserves for the intertie, Exhibit H of the

amended and restated Alaska Intertie Agreement, and is accepted as the operating policies and procedures, reliability standards and enforcement mechanisms for the intertie with the two modifications that follow." One of those modifications is the sunset date and the other is that imposing sanctions will require future affirmative action by the IMC.

Chair Evans suggested the wording of Resolution 13-2 should read "for the intertie and its participants" in any place it reads "for the intertie," because it is for the participants' systems that are connected to the intertie. Mr. Bjorkquist stated Section 3.1 of the Alaska Intertie Agreement provides they are adopted for the Alaska Intertie and that is the language that was used in the resolution. The implication is that it is for the participants, but it is tracking the Section 3.1 language. Mr. Gibson noted 3.1 states "all participants and users shall be obligated to comply with all operating policies and procedures and reliability standards adopted by the IMC."

Mr. Griffith asked if these policies and procedures are binding for anybody delivering Bradley Lake power. Mr. Dale stated the Bradley Lake agreements present a legal question and not an engineering question. Chair Evans asked if a user/participant of the intertie has a transaction with a non-user/non-participant of the intertie, does that transaction then bind them to these rules. Mr. Hickey noted the interconnection standards do state that. Mr. Dale advised for that type of a scenario, the balancing authority has the option to either require the connected entity to carry the rules or the balancing authority to absorb the obligations for the connected entity. Mr. Bjorkquist advised that is consistent with Section 3.3 of the agreement.

**Motion to extent the sunset date to July 9, 2014 was unanimously approved.**

Mr. Therriault asked if Mr. Hickey would be the point person for the utilities regarding Resolution 13-2. Chair Evans stated Mr. Hickey is the point person for Chugach and he is assigned the task of pulling everybody together and resolving the technical fixes. Chair Evans commented it is open to all participants.

Mr. Borgeson commented there was an opportunity here today for the railbelt utilities to adopt reliability standards for the intertie and the state refused to cooperate. He cautioned that the utilities may not be in agreement when the state comes back at a later date.

## **8. NEW BUSINESS**

### **8A. None**

### **8B. Election of Officers - Chairman and Vice Chairman**

**MOTION: Mr. Griffith made a motion to reelect the current officers. Motion seconded by Mr. Posey. The motion was approved unanimously.**

### **8C. Review Draft of Open Access Document**

Mr. Hickey provided a brief description of the open access document. In the effort to be consistent in drafting this document, he reviewed the FERC open access pro forma tariff,

Chugach's open access documents and Golden Valley's open access documents. He stated in an open access tariff, there has to be someone in charge. IMC will be in charge, unless the IMC is the transmission provider. In that event, an arbiter, which he recommends be the executive director of AEA, would negotiate with the IMC to resolve any disputes. This issue needs further discussion by the Committee.

Mr. Hickey explained in these open access rules, he used the NERC standards and the FERC rules as guidelines for creating the Alaska standards. The rated path methodology was used in calculating the available transfer capability. Currently, when this calculation is performed, the intertie is oversubscribed for many hours of the day. During the time when the intertie is not oversubscribed, which is approximately half of the time, the rules would require the owners of the preexisting rights to post the capacity back to the controllers, which could be used by a third-party. Mr. Hickey stated there is a fair amount of technology and work that has to be implemented to make that real-time calculation happen, but this would only be implemented if and when there is an open access participant on the line. Mr. Hickey recommended everyone read the draft open access document and provide comments and discussion regarding content and language.

Chair Evans stated no action would be taken on this document today and further discussion is warranted. Mr. Borgeson presented a scenario asking if Golden Valley has an independent power producer that wants to put a wind farm in Delta Junction, would they have to make an application to interconnect. Mr. Hickey stated the application would have to be made only to Golden Valley. Mr. Griffith requested explanation of scenarios with alternate paths. Mr. Hickey commented the language that addresses alternate paths provides that IMC develop a congestion management system, which will preserve preexisting capacity rights. There is also a capacity benefit margin, which are the rights that preexisting or legacy utilities have to access reserves from other systems. These are only utilized during emergency situations.


Mr. Griffith inquired about the date the open access document has to be approved. Chair Evans stated there is an extension to September 1, and these would be adopted at the end of August.


#### **9. NEXT MEETING DATE**

The next meeting will be held at end of August 2013. A specific date was not set.

#### **10. ADJOURNMENT**

There being no further business of the AIMC, the meeting adjourned at 11:12 am.

  
Bradley Evans, Chairman

  
Gene Therriault, Secretary