

ALASKA INTERTIE MANAGEMENT COMMITTEE
Friday, March 22, 2019
Alaska Energy Authority Board Room
813 West Northern Lights Boulevard, Anchorage, Alaska 99503

1. CALL TO ORDER

Chair Brian Hickey called the meeting of the Alaska Intertie Management Committee to order on March 22, 2019. A full quorum was established.

2. ROLL CALL FOR COMMITTEE MEMBERS

Brian Hickey (Chugach Electric Association [CEA]); Cory Borgeson (Golden Valley Electric Association [GVEA]); Tony Izzo (Matanuska Electric Association [MEA]), Mark Johnston (Municipal Light & Power [ML&P]), Kirk Warren (Alaska Energy Authority [AEA]).

3. PUBLIC ROLL CALL

AEA Staff Members: Curtis Thayer, Jocelyn Garner, David Lockard, Owen Berklund, Brandi White, and Ashton Compton.

Other members of the public: Kirk Gibson (McDowell Rackner & Gibson PC); Russell Thorton (CEA); David Pease, (MEA); Jeff Warner, (ML&P), Stefan Saldanha (Department of Law), Burke Wick (CEA); Bernie Smith (Public); Janice Scott, Dana Gallipeo and Ladonna Lindley (Accu-Type Depositions).

Members of the Public who participated telephonically: Jay Layne (RCA).

4. AGENDA APPROVAL

MOTION: Mr. Johnston made a motion to approve the agenda. Motion seconded by Mr. Borgeson. The motion was approved as submitted.

5. PUBLIC COMMENTS

There were no public comments.

6. APPROVAL OF PRIOR MINUTES - FEBRUARY 14, 2019

MOTION: Mr. Warren made a motion to approve the minutes of February 14, 2019. Motion seconded by Mr. Borgeson. The motion was approved unanimously by voice vote.

7. NEW BUSINESS

There was no new business.

COMMITTEE REPORTS

There were no committee reports.

8A. IOC REPORT

Jeff Warner provided the IOC Report which included discussion about adding to the Railbelt Reliability Standards. IOC is currently not looking at adding any new standards until a determination is made on forming a Railbelt entity specifically tasked with standards review and enforcement.

In updating the committee on system modeling, Mr. Warner said work is continuing on generation testing, control modifications and modeling. The Systems Studies Subcommittee is commissioning a study to analyze system oscillations at an estimated cost of \$150,000.

Mr. Warner noted that high voltage during intertie trips has created problems at the distribution and transmission levels. The Systems Studies Subcommittee is looking into what can be done to mitigate those concerns.

Regarding Project Development, Mr. Warner said the IOC had approved AEA's RFP for engineering services for a new transmission tie from Redington Substation to a substation near Lake Lorraine. He added that CEA is working to identify what is needed for an engineering analysis to approve communications link from Teeland to Douglas substation.

Mr. Warner pointed out that IOC members will be discussing a document containing recommended edits to the Alaska Intertie Agreement Open Access language at its next meeting.

Regarding ICCP data transfer among utilities, Mr. Warner said the SCADA group under IMC is working on ensuring visibility of data to better evaluate system conditions.

Mr. Warner noted that IOC has asked GVEA and MEA to provide 10-year load projections at the next IOC meeting to prompt a detailed discussion on future wheeling rates and other cost recovery mechanisms based on the amount of energy flowing over the tie.

After discussions at the IOC level and at ML&P, Mr. Warner said he anticipates that IOC will include a budget item in the next budget cycle for a LIDAR survey. He noted that HEA had provided a cost for LIDAR surveys on 50 to 57 miles of the Quartz Creek to Soldotna line segment which was in the \$150,000 range. He anticipates 170 miles for the intertie, adding that GVEA might want to fly over the northern section.

He concluded his written report with Golden Valley's focus on clearing vegetation and patrolling the northern section of the tie in 2019.

In items not included in his written report, Mr. Warner noted that the tie has been intact since January 25, 2019. He then briefed the group about a trip that occurred at Plant 2A on January 29, which had been a topic of discussion at a recent Regulatory Commission of Alaska meeting. He explained that Plant 2A had sustained a 4060 breaker trip; the plant lost 107 megawatts which prompted a reportable excess contingency disturbance because it exceeded what is anticipated in policy by 47 megawatts. That excess called for contingency reserves to be deployed first, then protection reserves were deployed. At the time of the trip, the load was 594 megawatts and load shed 64.8 megawatts at stage one which, he said, is just about right. The disturbance recovery period required in the standards is 10 minutes; we recovered to 60 cycles in about 6.3 seconds, noting that the standards were met as required during the event.

Mr. Borgeson asked what the 107 megawatt loss at Plant 2A did to the spinning reserve. Mr. Warner explained that it was carried amongst the Railbelt which participates in reserve sharing. Plant 2A, he explained, is ML&P's unit and ML&P had no spin to provide. The utility has since made internal changes to prevent the rare event from happening again. In further discussion, he said the IMC could determine if the Railbelt wants to spin for a larger amount or have a particular utility carry more spin for a particular purpose, adding that we don't want to carry more spin for events that don't happen often.

Mr. Izzo thought the remedial actions provided to the RCA seemed to satisfy that agency. Since ML&P had made internal corrections, he didn't think spin requirements needed to be addressed, unless it happened again for different reasons.

Mr. Gibson strongly recommended that he and AEA's Attorney General review Open Access language "just to make sure it says what you think it says" before IOC submits the document to the IMC.

Chair Hickey asked about reestablishing the Machine Rating Subcommittee to accelerate system modeling. Mr. Warner stated that the IOC was in process of making a proposal to the IMC, which would change the make-up of the group to include more generation testing folks.

Chair Hickey encouraged the SCADA committee to accelerate its work to get data transfer on the ICCP link so that spinning reserve numbers are shared and visible to all utilities.

8B. BUDGET REPORT

Jocelyn Garner presented the Alaska Intertie FY19 Status Report for the Period July 1, 2018 through December 31, 2018, adding that the report did not reflect the budget amendment that occurred in February. The current calculated surplus through December was 1.7 million, which will be addressed with the new budget amendment and billing the utilities at a lower rate. She noted that there are several major projects that have not submitted billings yet. Once operating costs get more in line with what's budgeted, she said the surplus will decrease.

The budget subcommittee is currently working on compiling the FY20 budget. In response to Chair Hickey's question about the date when the budget needs to be approved, Ms. Garner said there needs to be a 30-day public posting period so it has to be approved before the fiscal year starts so the IMC would need to approve its budget by the end of May.

Her report showed budgeted usage versus actual usage. Once again, the budget amendment will align the budgeted usage to be more in line with actual usage, so that rates billed now will address the surplus. The final page of her report showed the balance in the trust fund as of December 31, 2018.

Mr. Borgeson noted that only \$20,179 had been spent on studies year to date when \$250,000 was originally budgeted, meaning roughly \$230,000 remains to spend.

Mr. Warren received an affirmative response when he asked if \$850,000 to repair Tower 748 is still in the budget.

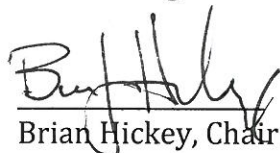
9. NEXT MEETING DATE

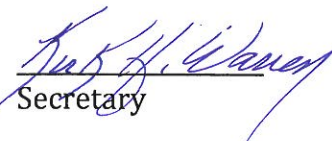
Noting that May 24 is the Friday before the holiday weekend, Mr. Borgeson suggested moving the next regular meeting to May 17, 2019, which committee members concurred.

OFF AGENDA ITEMS: Chair Hickey assigned the IOC to coordinate with Mr. Gibson on the Open Access language. Additionally, Chair Hickey noted that Curtis Thayer is now the alternate member for AEA on the Intertie Management Committee.

10. ADJOURNMENT

There being no further business of the AIMC, the meeting adjourned.


Brian Hickey, Chairman


Secretary