

Description of Meeting:	NTTG Cost Allocation Committee
Meeting Date:	August 19, 2014
Meeting Notes Prepared By:	Amy Wachsnicht
Approved for Posting:	October 8, 2014

1. Agenda:

- a. Agenda Review
- b. Approve August 6, 2014 Meeting Notes for Posting
- c. 2014-2015 Cost Allocation Discussion Items
 - i. TEPPC Scenarios and Alternatives
 - ii. Idaho Power IRP Over View
- d. NTTG Cost Allocation Committee Administrative Discussion Items
 - i. NTTG Cost Allocation Implementation Subcommittee Formation
 - ii. Cost Allocation Committee Chair and Vice Chair nomination and election process
- e. Round Table/Other Business

2. Discussions & Decisions:

Decision: Approve August 6, 2014 Meeting Notes for Posting

- The August 6, 2014 meeting notes were approved as is for posting.

Discussion: 2014-2015 Cost Allocation Discussion Items

- TEPPC Scenarios and Alternatives – Rich Bayless
 - There is a lot of information from the last week TEPPC meeting about the 2024 common case. Information has now been posted for the use of the regions.
 - The 2024 common case was developed through a lengthy process putting together the generation and the load and resources.
 - There has been a lot of scrubbing of the 2024 common case which is why it is in a version 1. Some information found during the scrubbing process needs to be fixed and a version 1.1 is in the process of being developed.
 - Unlike previous cycles, TEPPC is continuously working to improve the cases throughout the cycle rather than waiting to update yearly.
 - The transmission in the 2024 common case is the CCTA which the sub-regional planning group puts together looking at those projects that will be in service in 10 years.
 - Later this year TEPPC will have a round trip capability to go from a 2024 production cost model case to a 2024 powerflow case.
 - TEPPC scenarios are developed through a scenarios subcommittee team
 - **Question:** Curt Winterfeld – What is the nexus in Appendix A and the portfolio cases in Appendix B?
 - **Answer:** Rich Bayless – The portfolios are more or less the scenarios that come out of the discussion of what themes TEPPC want to see studied. Then the actual cases Appendix A are requests that come in specifically from requesters.
 - **Question:** Curt Winterfeld – Are they going to run all the sets of high priority listed in Appendix A and the portfolio cases in Appendix B or are they going to take what is requested in Appendix A and fold them into what is in Appendix B?
 - **Answer:** Rich Bayless – I think that is what they are going to do as they cannot run them all and get the input of requesters and stakeholders.
 - **Comment:** Curt Winterfeld – In Appendix B, when they describe what is in a portfolio case, it looks like these might be some of the things we want to look at when developing our scenarios. Where as in Appendix A is something very specific to

- study and single issue cases. Appendix B seems to be more comprehensive and multiple cases and more efficient way of studying alternative cases in scenarios.
- **Comment:** Rich Bayless - They are going to start doing the combining process over the next few months and as the cases get ready they will run it against the 2024 cases.
 - **Question:** Curt Winterfeld – Who is the best person to dial in the expectations of the development of the portfolio cases in Appendix B, such that they would be available for entities to use?
 - **Answer:** Rich Bayless - The Study Workgroup chair is Tom Carr from WIEB.
 - **Question:** Curt Winterfeld – who is the staff person at WECC supporting that Committee?
 - **Answer:** Rich Bayless – Keegan Moyer is the guys with the influence.
 - They will have a set of webinars coming up, so that would be a good time to give our input on what we would like to see as priorities.
 - Curt suggested that between now and the meetings in Bozeman it would be beneficial to reach out to Tom Carr regarding the portfolio cases as they could be very useful for testing and developing to the NTTG cost allocation scenarios.
 - Idaho Power (IPCO) IRP Over View – Dave Angell
 - For the assumptions on load and resources, there is planning for peak hour and planning for energy
 - For Peak hour, IPCO uses a 95th percentile for peak hour, and 95th percentile for hydro – the peak hours that are driving any resource acquisitions IPCO is taking.
 - For Energy there is a 70th percentile and water conditions are 50th percentile
 - For Peak we are stacking the deck to see if we have adequate resources
 - In putting together scenarios or plans IPCO uses a planning process that incorporates an advisory committee (some members include regulators, lobbies for the larger irrigation customers, and some of the larger industrial customers).
 - IPCO looks at putting together groupings of resources (several scenarios of different resources) to satisfy of the peak deficits that occur; particularly looking at the summer deficits.
 - The type of units apart of that are market purchases and NW transmission. Single and combined cycle combustion turbines, co-generation type projects, storage facilities, and several others.
 - In the past IPCO grouped them together with the input from the advisory committee.
 - There has been requests to put together some aggressive plans, and others that focus on what is going to be the least costs, some that are on the more reliability side, some that include market purchases and some that don't.
 - The IPCO action plan includes a transmission project B2H and continued permitting on the Gateway West project, emission control upgrades at coal fired plants, demand response, and some small hydro projects.
 - **Question:** Curt Winterfeld – when you say you put together different groups of resources, but in action plan describe specific items.
 - **Answer:** Dave Angell – It's the resource portfolio that is selected as the preferred portfolio.
 - **Question:** Curt Winterfeld – Do you develop portfolios for different assumptions such as load growth?
 - **Answer:** Dave Angell – No we don't. We basically show high and low load growths on our charts and indicate the one that we select.
 - **Question:** Curt Winterfeld – On your preferred portfolio for generation development, the transmission projects that you are planning are designed to accommodate the preferred resource portfolio and they would go hand in glove?
 - **Answer:** Dave Angell – Yes they do. As we are developing these portfolios. Such as a combined combustion turbine plan. The power supply folks would

- identify that location and we include in the cost of those projects the assumption on transmission requirements as well. In the IRP planning process the approved plan feeds into our local transmission planning process. Which mirrors that NTTG planning process as a biennial process.
- **Question:** Bela Vastag – B2H was in the action plan. Is that project included in the base and the resources were developed based on that project being there?
 - **Answer:** Dave Angell – For background, we had been planning IRP wise to meet generation in the future. In the mid 90's the Commission indicated that along with the resources being looked at locally, that one should also look at the transmissions into the NW and the markets in the NW. In the subsequent planning cycle we looked at transmission as one of the resources options as opposed to self-generation. It immediately became one of the most cost effective resources to produce. And we have been looking at that ever since.
 - We do not anticipate the B2H coming on line for another few years and still waiting on a draft environmental impact study that is set to come up this fall. The part of the action plan is to continuation of permitting as an immediate action and then what year it may come into service is a further out action.
 - Our IRP process is a 20 year process- 10 year look and 20 year look. Because of the long term nature of siting transmission lines, and understand that 10 years is not long enough.
 - **Question:** Bela Vastag – Do you show benefits besides PCM for transmission.
 - **Answer:** Dave Angell – not in specific detail.
 - Dave Angell informed the committee that the IPCO IRP is posted on the Idaho Power website and he would be happy to answer any questions or direct them to the correct person.

Discussion: NTTG Cost Allocation Committee Administrative Discussion Items

- NTTG Cost Allocation Implementation Subcommittee Formation
 - There have been discussions with members of NTTG regarding the integration of cost allocation scenarios in Quarter 6. If NTTG were to have any projects selected into the plan and asked for cost allocation then NTTG would run the benefits evaluation using the 3 metrics.
 - It is important that members of the Cost Allocation and Planning Committee are consistent in the interpretation of the development of the three metrics Planning will be using to select projects into the plan and then Cost Allocation scenarios to evaluate the benefits of the selected projects under the alternative scenarios.
 - Curt Winterfeld suggested that a subcommittee the Cost Allocation Implementation Subcommittee be formed to work with the Planning Committee's subcommittee the Technical Workgroup to come up with the cost allocation scenarios.
 - Unlike the Technical Workgroup this subcommittee the Cost Allocation Implementation Subcommittee would be a limited time subcommittee and not an ongoing workgroup with a specific purpose for developing the cost allocation scenarios and the work plan for that.
 - Looking at Attachment K obligations, the Cost Allocation Committee charter, does allow the Cost Allocation Chair to establish a subcommittee to further the processes of the committee.
 - This is the same approach the Planning Committee utilizes with the Technical Workgroup.
 - Curt asked that Committee members to nominate 1 person from each funder, and 1 person from each state.
 - These people should have the background and technical expertise to develop the cost allocation scenarios.

- Nominations should be sent to Curt Winterfeld, Sharon Helms and Amy Wachsnicht by August 28, 2014.
- Immediately following the September 23rd NTTG Quarter 3 Stakeholder meeting in Bozeman, MT the Technical Workgroup and the Cost Allocation Implementation Subcommittee will meet in person on September 23rd and 24th to initiate discussions and have a working session.
- Cost Allocation Committee Chair and Vice Chair nomination and election process
 - For the past several years Curt Winterfeld has held the position of Chair and he will not be nominating himself as he will be retiring in 2015.
 - The Cost Allocation Committee Charter states that “every two years in the fourth quarter, the Committee shall elect, from its member representatives of Class 1, a chair and a vice-chair.”
 - The chair position is held for two years and then the vice-chair will transition into the chair position.
 - Class 1 members include, Deseret, Idaho Power, NorthWestern, PacifiCorp, Portland General and UAMPS.
 - To comply with the charter, Curt suggested holding the next Cost Allocation Committee meeting after October 1st to hold the election of a chair and vice-chair.
 - Nominations should be sent to Sharon Helms and Curt Winterfeld by September 15th.

Discussion: Round Table/Other Business

- Rich Bayless informed the Committee that he was looking to retire and in doing so would like to have John Leland become the NTTG representative on TEPPC. John Leland has been the Chair of the Planning Committee and instrumental through the Order 1000 process.
 - John will be retiring from NorthWestern Energy at the end of August and moving over CPS to transition into the NTTG regional representative.
 - Before John can become the NTTG regional representative, the NTTG Steering Committee will need to send their support and then a formal request will need to be sent to WECC prior to their September board meeting.
- Next Cost Allocation Committee Meeting:
 - Agenda topics include:
 - Chair and Vice-Chair elections
 - Update on discussions at the Technical Workgroup and Cost Allocation Implementation Subcommittee in person meetings
 - Cost allocation scenario development.
 - Amy Wachsnicht will send out a doodle poll for dates and times in the first part of October. Based on those responses, a meeting date and time will be set.

3. Assignments:

Item #	Assignment	Owner	Target Date	Status
1.	Doodle Poll sent to CAC members looking for dates and times in October for next meeting	A Wachsnicht	8/20/2014	Completed
2.	Cost Allocation Implementation Subcommittee Representatives, sent to Curt, Sharon, and Amy. (1 Rep from each Funder & 1 Rep from each state)	CAC Members	8/28/2014	Completed
3.	Chair & Vice- Chair nominations emailed to Curt & Sharon (Class 1 funding members)	CAC Members	9/17/2014	Completed
4.				



Next Meeting: The next Northern Tier Cost Allocation Committee Meeting is scheduled for October 8th at 10:00am PACIFIC.

- Dial: (626) 425-3121, Access Code: 432-608-245

Attendees:

<u>NTTG Cost Allocation Committee Member Representatives</u>		
Membership Class 1		
Ray Brush, NorthWestern	Brian Fritz, PacifiCorp	Courtney Waites, Idaho Power
Marshall Empey, UAMPS	Amy Light, Portland General	Curt Winterfeld, Chair, Deseret
Membership Class 2		
Johanna Bell, ID PUC	Marci Norby, WY PSC	Bela Vastag, UT OFC CS
Belinda Kolb, WY OFC CA	Larry Nordell, MT CC	Joni Zenger, UT Div. PU
<u>Other NTTG Members & Guests</u>		
Dave Angell, Idaho Power	Bob Davis, UT Div. PU	John Leland, NorthWestern
Rich Bayless, NTTG	Sharon Helms, NTTG	Amy Wachsnicht, NTTG