

Description of Meeting:	NTTG Cost Allocation Committee
Meeting Date:	October 8, 2014
Meeting Notes Prepared By:	Amy Wachsnicht
Approved for Posting:	May 4, 2015

1. Agenda:

- a. Agenda Review
- b. Approve August 19, 2014 Meeting Notes
- c. Cost Allocation Scenarios
 - i. Review Discussion at TWG/CAIWG Meeting
 - ii. Decisions on Scenario Targets
 - iii. Scenario Development
- d. Election of new CAC Chair and Vice Chair
- e. Round Table/Other Business
 - i. Next Meeting

2. Discussions & Decisions:

Decision: Approve August 19, 2014 Meeting Notes

- With a motion by Ray Brush, and a second by Brian Fritz, the August 19, 2014 meeting notes were approved as modified during this meeting.

Discussion: Cost Allocation Scenarios

- Review Discussion at TWG/CAIWG Meeting
 - The outcome was to move forward with parallel tracks of the Committees and interaction and discussion between Technical Workgroup (TWG) and the Cost Allocation Implementation Workgroup (CAIWG)
 - The groups discussed what the Cost Allocation Committee was looking for on the allocation scenarios, and how those scenarios would be utilized by the Planning Committee and TWG in terms of affecting the three parameters (capital costs, losses and reserves) used to select projects into the plan as well as the allocation of cost and benefits of the projects selected in the plan.
 - There was also discussion on how this is the first cycle of Order 1000 implementation and what could be done with respect to a project in the plan for cost allocation and how the TWG will be working with alternative scenarios.
 - The Cost Allocation Committee will need to develop the scenarios themselves and once scenarios are developed the question remains, at what state of the planning process would they be utilized.
 - In using new scenarios different than the base case, how far back in the planning process does the TWG need to go to produce the result, process wise and output wise, that the Cost Allocation Committee was expecting.
 - Parties left the meeting with a better understanding of what cost allocation originally envisioned when drafting Order 1000. There was still some hesitation to fully commit to how the allocation scenarios would be utilized in the planning process and the number of scenarios utilized by the TWG.
 - Curt Winterfeld indicated that his thoughts were the CAIWG would meet frequently and have interactions with the TWG as needed to resolve and coordinate issues.
 - The Cost Allocation Committee needs to make a decision on what scenarios they are looking for as well as a number of scenarios.
 - A decision about assumptions or projections would need to be made on the scenarios that are developed.

- During the stakeholder meeting a commitment was made that the Cost Allocation Committee would have an initial discussion on allocation scenarios at the December stakeholder meeting.
- There is a brief meeting scheduled with the chairs of the Committees and the TWG to discuss a matrix that was presented at the joint session in Bozeman as well as talk about what scenarios can be used from TEPPC and if it is possible how far back can the TWG go in their analysis.
- A timeline for getting allocation scenarios done by the stakeholder meeting would include over the next few weeks the CAIWG working with John Leland, WECC and TEPPC members to delve into the details of the portfolio or scenario cases and confirm what is available and how mature or ready these cases are. If they are not ready as of October, when would they be available or what needs to be done to finish them.
 - The CAIWG would then report back to the Cost Allocation Committee with their progress at the end of October.
- John Leland walked through his matrices from TEPPC.
 - The first matrix is a summary of the 2013/2014 TEPPC Studies. This was developed by Keegan Moyer and is available on the TEPPC website.
 - It shows the status of each case submitted in quarter 1. It is anticipated that over the next several months webinars will be held on these studies and the matrix will be filled in as the studies are finished. As of right now there are no study results.
 - The second matrix is what was presented at the joint session and using the TEPPC studies filled in the information of the predetermined elements that was in the matrix.
 - Instead of simply putting in a checkmark, John Leland felt it would be more beneficial to insert the information from the WECC/TEPPC site.
 - If the information regarding the three allocation metrics could be found then NTTG would need to pull the information from the data base and run it through the production cost model (PCM) and then through powerflow analysis to find more information as needed.
- One of the things that was discussed during the joint session in Bozeman was not just the efficiency of alternative realities but also addressing the concern that a scenario case only shows a snapshot of the future and that it is not looking at an alternative view of the future.
 - The groups talked about how the views might be different in several aspects, how limiting the number of scenarios that the TWG has to deal with might be necessary, and that the CAIWG may want to look at scenarios that can be combined in a reasonable manner, in which a single item is not changing the data base but several items that are coherent and consistent with each other.
 - If there is going to be a limited number of allocation scenarios, the future is very uncertain and NTTG does not want to allocate costs to beneficiaries based on a single view that may be quite different from the future reality.
- Decisions on Scenario Targets
 - The first scenario would be the base case, and after that the Cost Allocation Committee would need to decide how many alternative scenarios for cost allocation would be advisable.
 - Two scenarios, four scenarios
 - John Leland indicated that when developing alternative scenarios the committee needs to think about two things:
 - Define the allocation scenarios so that they are robust enough to accommodate a number of things.
 - How many scenarios can NTTG do? How far back in the process does the TWG need to go to get the answers cost allocation is seeking?

- Curt Winterfeld proposed for the CAIWG attempt to look at 4 scenarios. It is unclear at this point if that is an obtainable number and ultimately it may be concluded that only two could be developed.
 - Johanna Bell agreed that 4 scenarios is appropriate to aim for.
 - Bela Vastag indicated that if resources are available then 4 scenarios is preferable.
- Curt Winterfeld asked what members would like to see in terms of the priority that would be varied in the cases:
 - Load in NTTG footprint
 - Load in the Western interconnection
 - Fuel Prices
 - Resource Type
 - Resource Location
- John Leland indicated that with resources there may be different transmission needs than what is being assumed in the base case.
- Since NTTG will not be weighting the allocation scenarios, the conclusion could be the scenarios chosen are not unreasonable. The purpose is not to stress the system in cost allocation; it is looking for reasonable alternative scenarios that represent a legitimate alternative view of the development.
- Johanna Bell indicated that load and fuel prices are the two she would like to see. In terms of resource location one of the things she would like the scenario to look at is the potential compliance scenarios of 111 (d) and where the resource locations might be under some of the compliance alternatives.
 - Curt Winterfeld indicated one of his concerns is that resource location is a significant factor in the cost allocation process and he didn't know how WECC is doing it, but it would be logical that adding resources in one location, would impact resources in another location.
- **Decision:**
 - The general consensus is to have the CAIWG look at developing 4 scenarios, putting a high priority on 2 scenarios.
 - The parameters are to include the load in the NTTG footprint and resource location.
 - After that it would be load in the Western Interconnection and fuel prices.
- Scenario Development:
 - With the consensus of the number of scenarios and the parameters, the timeline would include having the CAIWG working over the next two weeks and gather information about the availability of the input files from WECC and combining the different portfolio cases into a scenario case.
 - It was suggested that Keegan Moyer would be a good place to start.
 - The CAIWG would report back to the Cost Allocation Committee around the 25th of October on their progress and propose a schedule for the balance of October and November for putting together scenarios and targets from the Committee.
 - Sharon Helms informed the group that since the Cost Allocation Committee meetings are public the updates should be made in a public forum so that stakeholders are getting the same information, in the same manner at the same time.
 - A conference call will be scheduled in the upcoming weeks for the CAIWG to provide their report.

Discussion: Election of New CAC Chair and Vice Chair

- Requests for nominations of the chair and vice chair were sent to Committee members. After several outreaches and to no avail, no nominations were received.
- Curt Winterfeld asked the committee members for nominations for the Chair



- No nominations were given.
- Curt Winterfeld asked the committee members for nominations for the vice chair
 - No nominations were given.
- Curt Winterfeld nominated Marshall Empey for the roll of Chair
 - Marshall Empey declined to accept the nomination due to workload
- Since there are no parties willing to take on the role of chair or vice-chair this issue will now be escalated to the Steering Committee to come up with a resolution prior to the next Cost Allocation Committee meeting.
 - Curt Winterfeld indicated he would continue acting as the chair until the next meeting.

Discussion: Round Table/Other Business

- Next Meeting
 - Doodle poll will be sent to the CAC looking for responses, and availability for 10/23, 24, 27 & 28

3. Assignments:

Item #	Assignment	Owner	Target Date	Status
1.	Doodle Poll distributed to CAC for next meeting.	A Wachsnight	10/10/14	Completed
2.				
3.				
4.				

Next Meeting: The next Northern Tier Cost Allocation Committee Meeting is scheduled for October 24th at 12pm 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
Bob Decker, MT PSC	Jamie Stamatson, MT CC	
<u>Other NTTG Members & Guests</u>		
Sharon Helms, NTTG	John Leland, NTTG	Amy Wachsnight, NTTG