



Description of Meeting:	Cost Allocation Committee Meeting
Meeting Date:	January 19, 2011
Meeting Minutes Prepared By:	Lyndee Restad
Approved for Posting:	February 14, 2011

Attendee List: Rich Bayless, Brian DeKiep, Marshall Empey, Bryce Freeman, Matt Muldoon, Marcy Norby, Larry Nordell, Lyndee Restad, Lou Ann Westerfield, Curt Winterfeld

Committee Members Not in Attendance: Marc Hellman, Sharon Helms, Sam Liu, Jim Logan, Joni Zenger, Darrell Zlomke

1. Agenda:

- Review and approve the January 10, 2011 Meeting notes
- Report and discussion from the Ad Hoc Subcommittee
- Discussion of presentation at upcoming Stakeholder meeting
- Roundtable / Next Steps

2. Decisions / Discussions:

Discussion: Review and approve the January 10, 2011 Meeting notes

- The meeting notes were approved to post on the NTTG website

Discussion: Report from the Ad Hoc Subcommittee

- On Friday, January 14, 2011, the Ad Hoc Subcommittee had a conference call to discuss Jeff Miller's whitepaper on costs and benefits
 - The Subcommittee created a document that included several of the items that Jeff Miller had covered in his paper as potential benefits
 - The document was distributed to the Cost Allocation Committee for review
- Benefits for non-direct participants were added to the Subcommittee's document
 - Providing a long list of possible benefits and encouraging nonparticipants to evaluate the benefits is a step in the right direction
- Possible measurement tools were also discussed; the Subcommittee noted that they did not get very far in this discussion and would like to defer this topic to the NTTG Planning Committee
 - The work the Planning committee is conducting could be a helpful tool for measuring benefits
- Curt Winterfeld mentioned that Jeff Miller's paper seemed to contain a lot of redundancy
 - For example, Dispatch Savings also encompasses the reduction in carbon emissions
- The Committee discussed the operational savings as well as the planning dimensions of the document that the Ad Hoc Subcommittee developed
 - Regardless of the purpose the project serves, if it benefits people from a reliability standpoint, it is worth pursuing
 - Jeff Miller mentioned this in his paper as well
- The topic of project deferral still remains an issue

- Risk evaluation is an area that the Cost Allocation Committee should consider; risk could be limited by using some of the tools that the Planning Committee has created
 - How we integrate risk and uncertainty as it relate to benefits should be a part of the cost allocation process
- In the Cost Allocation Committee Charter and Principles, it states that the Committee will develop a quantitative process
- Rich Bayless discussed the work that the NTTG Planning Committee is conducting
 - The data that the Planning Committee is working with was provided by area coordinators and is identified by Plant and Bus and then grouped into balancing areas
 - Power Flow studies are a tool that can be utilized to show exactly where congestion will be reduced if a new facility is built
 - Specific contracts, or ownership, are not modeled in the Power Flows
 - The Power Flow models display information for a particular heavy peak hour
 - Production Cost Models – you have a better idea of the movement throughout the year
 - The Grid View Model has a flow based transmission model; it will not display where the flows come from on an incremental basis or contract rights that parties have on a path.
- The majority of the tools that the Planning Committee utilizes only look at the economics for projects
 - At this point, they may not be useful for allocating costs
- Production cost appears to be the closest tool for quantifying all of the savings and changes, although it does not produce the information that the Cost Allocation Committee needs
- Is the Committee in a position to independently put an analysis together?
 - Committee members all agreed on the shortage of staff to work on this process and they do not have the regional tools needed to produce the desired output
- A few years ago, the Committee determined that it would be using the work of the Planning Committee to determine the reasonability of a particular project
 - To date, this has never been accomplished
- The Committee determined they will focus on the second set of responsibilities and review the cost/benefit information that has been submitted by a Project Sponsor.

Decision: Curt will develop a brief write up that summarizes the details of today's discussion. He will send it out to the Committee, for review and input. The final document will be the basis for the slides of the Stakeholder meeting presentation

Discussion: Presentation at upcoming Stakeholder meeting

- The Stakeholder Presentation is due by Friday, January 21st

Discussion: Roundtable / Next Steps

- The NTTG Annual Stakeholder meeting will take place on February 2, 2011 in Boise, ID



3. Assignments:

Item #	Assignment	Owner	Target Date	Status
1.	Distribute Curt's document to the Committee	L. Restad		Complete

Next Meeting: The next Northern Tier Cost Allocation Committee meeting is scheduled for Monday, January 24th at 1pm Pacific.

- Voice Conference Mtg. **503-813-5600** (toll free #800-503-3360)
- Meeting ID **688444** and password **123456**