

Description of Meeting:	NTTG Cost Allocation Committee
Meeting Date:	April 18, 2018
Meeting Notes Prepared By:	Amy Wachsnicht
Approved for Posting:	May 2, 2018

1. Agenda:

- a. Establish Quorum Requirements & Agenda Review
- b. Discussion Items:
 - i. Review of Scenario A-D tables and any additional edits from CAC members
 1. CAC support to move forward and complete Scenarios A-D tables for approval at the May 2nd meeting.
 - ii. Possible inclusion of a fifth scenario that is Scenario E with 2029 & 2030 coal retirements also excluded from the 2028 coal MW.
- c. Next Steps
 - i. Edits/comments to the 2018-19 Allocation Scenario Development document need to be submitted to John Leland by April 24.
 - ii. Final draft of the document will be reviewed during the May 2nd meeting.
- d. Round Table/Other Business

2. Discussions & Decisions:

Discussion: Review of Scenario A – D Tables

- Since the last Cost Allocation Committee meeting, the subcommittee members met and gathered data for the allocation scenarios included in the Allocation Scenario Document.
- Load Forecast Allocation Scenario tables:
 - 2028 Peak Load Data table values were updated for 2017 with the exception of PacifiCorp as those values will not be finalized until later this year.
 - A caveat was included indicating the numbers are still under review and will be updated once available.
 - The data included in the 2028 Peak Load Data table will feed into the high and low load forecast data tables. A footnote was added showing how the prorated percentage would be calculated.
 - This information will be provided to the Technical Workgroup, and the Cost Allocation Committee will rely on their expertise on how the loads will be changed.
 - With regards to the sanity check, some utilities do not have a high and low forecast in their IRPs. An alternative would be to look at +/- 10% of the estimates in the IRPs. John Leland asked members if that was a reasonable assumption. Hearing no objection, John Leland indicated he would revise the language to include the +/- 10%.
- Replacement of wind with solar scenario table:
 - This table is looking at the incremental changes of wind and solar between 2018-2028. The wind would be decreased by 800 MW on a prorated share, and the addition of 800 MW of solar would also be on a prorated share.
 - The Cost Allocation Committee would rely on the Technical Workgroup's expertise for the location of the additional solar most likely consistent with where the natural resources are.
- Replacement of coal with wind and solar table:
 - Based on the discussion from the previous meeting, the table was updated to remove the energy component so that the 1,000 MW of coal is replaced with 500 MW each of solar and wind matching the capacity. This scenario is not concerned with what is

happening with the energy nor taking it into account as that is IRP related and dealt with in the IRP process.

- The wind and solar additions would be distributed to the area's they are already in.
- Verification is still needed from PacifiCorp and NorthWestern regarding which existing coal facilities will be retired in 2028. Once that is complete, the table will be updated.

Discussion: Possible Inclusion of fifth scenario “Scenario E”

- During the cost allocation subcommittee meeting, as well as some Technical Workgroup meetings, there have been discussions regarding coal facilities showing online in 2028 may retire in 2029 or 2030.
- While the Attachment K, states a 10-year planning horizon, the question raised to the Cost Allocation Committee was if they wanted to look at an allocation scenario that looked at those possible retirements in 2029 & 2030. This scenario would look at the distribution of benefits and beneficiaries from a cost allocation perspective and be for informational purposes only as a sensitivity study.
- The allocation scenario would be similar to Scenario D, but the amount of coal retired would increase depending on which facilities are retired outside of the 10-year horizon.
- A concern was raised with doing an analysis outside of the 10 year planning horizon as the loads and resources are addressed in that timeframe and not beyond. Unless there is a comprehensive analysis of the retirement and replacement resources, it could send the wrong message. Studies are already being conducted to replace the retired coal plants with other resources in either the same location or looking at different locations. For example, some of the coal retirements are being replaced with gas.
- While this would be a sensitivity study, it could provide information to the Cost Allocation Committee with the risks associated to cost allocation with a plant shut down just outside of the 10-year planning horizon.
- Through further discussion, Ron Schellberg indicated that while the main focus of the Technical Workgroup analysis will be on 2028, they are also looking at running a number of cases with the 2029 coal fleet retirements to see if the transmission plan remains appropriate. He also indicated that the 2029 resources would be replaced with what is showing in the IRPs.
 - Given that, it was suggested the Cost Allocation Committee could piggy back on that analysis and apply Scenario D to both the base 2028 and the modified 2029 dispatch.
- John Leland asked if there were any objections with running Scenario D against the Technical Workgroup 2029 sensitivity case.
 - Hearing none, John Leland indicated he would draft language for inclusion in the allocation scenario document.

Discussion: Next Steps

- John Leland will incorporate language around the proposed 2029 sensitivity study. Once that is completed, he will send the Allocation Scenario Document out to members for their review. He requested that any comments and changes be sent to him no later than April 24th.
- After April 24th, John Leland will consolidate any changes received and send a final version out by April 26th to review at the May 2nd Cost Allocation Committee meeting.

Discussion: Round Table/Other Business

- The next NTTG Stakeholder Meeting is on April 26th in Portland, Oregon.
- As mentioned before, the next meeting of the Cost Allocation Committee is on May 2nd.



3. Assignments:

Item #	Assignment	Owner	Target Date	Status
1.				
2.				
3.				
4.				

Next Meeting: The next Northern Tier Cost Allocation Committee Meeting is scheduled for May 2nd at 1:00pm Pacific.

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

Attendees:

NTTG Cost Allocation Committee Member Representatives

Membership Class 1		
Travis Allen, MATL	Kim McClafferty, NorthWestern	Courtney Waites, Chair, Idaho Power
Marshall Empey, UAMPS	Patience Kerchinsky, PacifiCorp	

Membership Class 2

Bob Davis, UT Div. PU	Belinda Kolb, WY OFC CA	Larry Nordell, MT CC
Bob Decker, MT PSC	Marci Norby, WY PSC	

Other NTTG Members & Guests

Jamie Austin, PacifiCorp	Chelsea Loomis, NorthWestern	Ron Schellberg, NTTG
Bill Hosie, NATC	Rachel Meeker, WY PSC	Amy Wachsnicht, NTTG
John Leland, NTTG		