

Description of Meeting:	NTTG Cost Allocation Committee
Meeting Date:	April 29, 2015
Meeting Notes Prepared By:	Amy Wachsnicht
Approved for Posting:	May 13, 2015

1. Agenda:

- a. Welcome & Agenda Review
- b. Cost Allocation Committee Chair Elections
- c. Technical Workgroup Update and Cost Allocation Impacts
- d. Approval of Cost Allocation Committee Scenarios
 - i. **RESOLUTION:** That the Cost Allocation Committee approve the Cost Allocation scenarios that were presented to stakeholders at the December 18, 2014 Stakeholder Meeting
 1. Load Change Case:
 - a. Add/Subtract 1,000 MW in the NTTG footprint for a high/low scenario. Allocate the 1,000 MW to each BA based on 2013 actual peak demand and projected 2024 peak demand
 2. Resource location and type Change Case:
 - a. Take 1600 MW of wind (2024 Q1 data projection, less the 3000 MW wind project submitted by Power Company of Wyoming) and cut wind by 50% and replace with solar energy
 - b. Take 1000 MW of coal and presume units that are not retired in the 2024 case can be reduced pro rata and replaced with equivalent amount of equal shares of wind and solar in the appropriate geographic locations (e.g. wind in WY and MT and solar in ID and UT)
- e. Timeline and Milestones for 2015 NTTG Cost Allocation Process
- f. Round Table/Other Business

2. Discussions & Decisions:

Discussion: Welcome & Agenda Review

- On April 22nd Sharon Helms sent an email to Cost Allocation Committee members informing them Sarah Edmonds had accepted a new position in PacifiCorp and tendered her resignation as of April 28th, making Shay LaBray the NTTG member representative for PacifiCorp.
- Sharon thanked Sarah for her efforts and will work closely with the new Committee Chair to get them up to speed.
- With two approval items on the agenda it was noted that **quorum requirements had been met in both Membership Representative Classes 1 and 2**. These approval items include:
 - The election of a new Cost Allocation Committee Chair and
 - The approval of the cost allocation scenarios developed by the Cost Allocation Implementation Workgroup and discussed during the March 2015 Stakeholder meeting.
 - **NOTE:** It was later identified in the meeting that the scenarios were discussed with stakeholders during the December 18, 2014 stakeholder meeting as written in the resolution.
- Until recently, the impression was that it was unlikely a project selected into the Regional Transmission Plan would require cost allocation. Based on that assumption Sharon Helms and Sarah Edmonds discussed doing a dry run in the fall.
 - This assumption had changed as the Technical Workgroup identified a project in the Draft Regional Transmission Plan (DRTP) that would require cost allocation.

- Since the Cost Allocation Committee meetings are open to the public, Attachment K requires 7 days' notice of public meetings. It was suggested that the committee puts a schedule together to meet the milestones and upcoming work.

Decision: CAC Chair Elections

- According to the Cost Allocation Committee Charter requirements, nominations of officers are to be from Class 1.
 - Sharon Helms sent an email to the Committee members requesting nominations be sent to herself and Sarah Edmonds.
 - None were received.
- During the meeting Ray Brush nominated Shay LaBray for Cost Allocation Committee Chair.
 - There were no other nominations.
- With **unanimous approval** from both Class 1 and Class 2, Shay LaBray was elected as the Cost Allocation Committee Chair.

Discussion: Technical Workgroup Update & Cost Allocation Impacts

- The DRTP completed in Quarter 4 included an unsponsored project.
- During the Quarter 3 and 4 analysis three projects were evaluated, SWIP, Gateway West & South and Boardman to Hemmingway.
 - Results of the analysis, based on the metrics in the Attachment K (Capital Costs associated with projects that are incremental, Losses and Reserve margins) did not select any of the projects into the plan.
 - Without the inclusion of the three projects, the plan met the reliability requirements of the NTTG footprint with the exception of overloads in the Wyoming area in an adjacent entity.
- During the technical analysis the TWG found that PacifiCorp PACE balancing authority area loads and some resources in Wyoming were not consistent with the data submitted in Quarter 1 and needed to be updated. It was also found that the analysis did not take into account the transmission service obligations associated with some projects.
 - It was anticipated that during Quarter 5 NTTG would receive additional information.
- To solve the overloading the Technical Workgroup (TWG) found a project through the planning process that was similar to a portion of the Gateway project which became an unsponsored project spanning from Aeolus to Populus (500kV).
 - With the selection of an unsponsored project in the DRTP and as per Attachment K the unsponsored project requires cost allocation.
- The TWG has been meeting on a weekly basis and recognized after the Quarter 5 data submittal, the changes that needed to be made could potentially change the results of the Quarter 3 and Quarter 4 analysis. They corrected the Wyoming load information as well as new resources proposed in the data submittal.
- Based on that information the TWG needed to redo the Quarter 3 & Quarter 4 work and evaluations on what is needed in terms of unsponsored projects.
 - Through the evaluation the TWG found the issues in the Wyoming area were resolved by adding transmission East to West, West of Populus.
 - The TWG is working on draft study results to suggest an unsponsored project as well as the need for additional facilities West of that.
- The TWG is looking to have a draft report completed by Friday, May 1st and by the end of May have the associated studies of the cost allocation scenarios completed.
- **Question:** Ray Brush - On the resources in Wyoming causing the transmission issues, are those resources we are expecting to see in the next 20 years or is it just a case where it is on the wish list?

- **Answer:** John Leland - They submitted them as projects that they believe will come on in the next 10 years. This is from PacifiCorp data submittal basically Quarter 1 that wasn't quite captured in our analysis in Quarter 3 & 4.
- **Question:** Shay LaBray - Of the additional needed facilities identified, how far west did those extend from Populus? All the way to Hemmingway or somewhere in the middle?
 - **Answer:** John Leland - Somewhere in the middle, I do not know the exact end point but it does go West of Bora a little bit. There is also some underlying fixes that need to be done as well. Those will hopefully be finalized in the report.

Decision: Approval of Cost Allocation Committee Scenarios

- The Cost Allocation Implementation Workgroup (CAIWG) were tasked with creating allocation scenarios for those parameters that would likely affect the amount of total benefits of a project and their distribution among beneficiaries; in recognition that the distribution of benefits may be highly uncertain and depending upon key assumptions and projections.
- Planning will provide the beneficiaries associated with these scenarios primarily looking at the reserve, losses and capital costs. John Leland informed the committee that the Load Change Case listed, it was originally suggested to use the 2013 actual peak demand and was represented in the first slide of the December 18, 2014 presentation. The 2014 actual peak data became available through the process and it was used along with the projected 2024 peak demand as the weighting element of the prorated share.
 - Suggested amendment to the resolution: to include 2013/2014 actual peak demand and projected 2024 peak demand.
- **Question:** Ray Brush – Have the scenarios being proposed been provided to the Cost Allocation Committee since presented at the stakeholder meeting?
 - **Answer:** John Leland – Prior to that there was a word document that went through each scenario and used some data to show the actual calculation and was prior to the stakeholder meeting and was the source of what was presented in December and has not changed since.
 - **Comment:** Sharon Helms - The report has been posted to the NTTG website as material for today's meeting.
- **RESOLUTION:** *That the Cost Allocation Committee approve the Cost Allocation scenarios **as amended** that were presented to stakeholders at the December 18, 2014 Stakeholder Meeting*
 - **Load Change Case:**
 - *Add/Subtract 1,000 MW in the NTTG footprint for a high/low scenario. Allocate the 1,000 MW to each BA based on 2013/**2014 (amended during the meeting)** actual peak demand and projected 2024 peak demand*
 - **Resource location and type Change Case:**
 - *Take 1600 MW of wind (2024 Q1 data projection, less the 3000 MW wind project submitted by Power Company of Wyoming) and cut wind by 50% and replace with solar energy*
 - *Take 1000 MW of coal and presume units that are not retired in the 2024 case can be reduced pro rata and replaced with equivalent amount of equal shares of wind and solar in the appropriate geographic locations (e.g. wind in WY and MT and solar in ID and UT)*
- David Walker motioned to approve the resolution as amended with Johanna Bell seconding.



- Class 1 – With one abstention from Ray Brush, **approved the resolution as amended.**
- Class 2 – With one abstention from Joni Zenger, **approved the resolution as amended.**

Discussion: Timeline and Milestones for 2015 NTTG Cost Allocation Process

- May 1, 2015
 - TWG will finalize project identification and development
- Mid-May 2015
 - TWG will develop the project cost estimate to confirm it meets the qualification criteria to exceed the \$20 million and develop a study plan for the cost allocation scenarios and cases
- End of May/Beginning of June 2015
 - TWG will be running change cases and producing cost allocation results.
- June 1, 2015
 - TWG should provide the calculations to the Cost Allocation Committee.
- End of June 2015
 - The DRTP including the Cost Allocation Committee determination should be posted for stakeholder review and input.
- June 30, 2015
 - NTTG Quarter 6 Stakeholder meeting in Boise, ID.
 - Cost Allocation Committee to discuss the allocation scenarios.
- Per Attachment K the Committee will need the calculations, input and output data, and models utilized to ensure the data is available to any stakeholder who requests it.
- There will be opportunity for the Cost Allocation Committee to interact with the TWG while they are running the cases to make sure both are aligned.

Discussion: Round Table/Other Business

- Sharon Helms suggested the Committee establish reoccurring weekly meetings starting in mid-May and with the notion that some meetings may be cancelled. This would ensure that the meetings are on member's calendars as well as posted on the NTTG website complying with the 7 day posting notice of public meeting.
 - Amy Wachsnicht was tasked to send out a doodle poll to members to identify a 2 hour timeslot.

3. Assignments:

Item #	Assignment	Owner	Target Date	Status
1.	Sent Doodle Poll to CAC members to establish weekly reoccurring meetings	A Wachsnicht	4/29/2015	Completed
2.				
3.				
4.				

Next Meeting: The next Northern Tier Cost Allocation Committee Meeting is scheduled for TBD.

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



Attendees:

NTTG Cost Allocation Committee Member Representatives

Membership Class 1		
Ray Brush, NorthWestern	Shay LaBray, PacifiCorp	Jim Tucker, Deseret
Marshall Empey, UAMPS	Amy Light, Portland General	Courtney Waites, Idaho Power

Membership Class 2

Johanna Bell, Idaho PUC	Jamie Stamatson, MT CC	David Walker, WY PSC
Chris Leger, WY OFC CA	Bela Vastag, UT OF CS	Joni Zenger, UT Div. PU
Margo Schurman, MT PSC		

Other NTTG Members & Guests

Jamie Austin, PacifiCorp	Sharon Helms, NTTG	Sam Liu, UT Div. PU
Sarah Edmonds, PacifiCorp	John Leland, NTTG	Amy Wachsnicht, NTTG