

<b>Description of Meeting:</b>	<b>NTTG Cost Allocation Committee</b>
<b>Meeting Date:</b>	<b>May 27, 2015</b>
<b>Meeting Notes Prepared By:</b>	<b>Amy Wachsnicht</b>
<b>Approved for Posting:</b>	<b>June 3, 2015</b>

## 1. Agenda:

- a. Agenda Review
- b. Technical Workgroup Update
- c. Revised Study Plan for Cost Allocation
- d. Alternative Project Cost Allocation Template Update
- e. Round Table/Other Business

## 2. Discussions & Decisions:

### Discussion: Agenda Review

- Gil Coulam, the Technical Workgroup (TWG) project manager will give an update on the progress of the workgroup in terms of getting the data to the Cost Allocation Committee for the committee to start the calculations.
- John Leland will walk through the revisions to the Cost Allocation Study Plan which was previously approved by the Planning Committee and Cost Allocation Committee. These revisions include corrections to remove conflict in the study plan that was discovered as a result of discussions last week as well as making sure the study plan is aligned with Attachment K requirements.
  - Given the fact that the Revised Study Plan was distributed to committee members late Tuesday, seeking approval of the Revised Study Plan should be held during the next Cost Allocation Committee meeting on June 3<sup>rd</sup>.
  - The TWG is assuming the revisions will be approved and are continuing their efforts based on that assumption, given the short time line.
- John Leland will also walk through the changes to the template workbook for the Alternative Project cost allocation resulting from the revised study plan and make sure the cost allocation template aligns with Attachment K requirements.

### Discussion: Technical Workgroup Update

- Gil Coulam updated the committee on the progress of the TWG. He commented that he was very pleased with the fact that the TWG made a lot of progress in the past week.
  - The TWG is compiling the loss information from the cases and should have the analysis finished by the end of the day or Thursday morning. They were able to determine the facility capital costs for the Alternative project in the Draft Final Regional Transmission Plan (DFRTP) and provided the information to John Leland.
- By the end of the day or Thursday morning, the TWG will have completed the information needed to run through the calculations for cost allocation.
  - This information will be provided in the Planning tab of the workbook.
- One of the requirements of the Attachment K is to include in the Final Regional Transmission Plan (FRTTP) the calculations and data not subject to Critical Energy Infrastructure Information ("ceii"), used in the cost allocation analysis.
  - Sharon Helms made the suggestion that the Planning tab of the workbook could be included in the FRTTP as an attachment to satisfy that requirement.
  - Shay LaBray indicated that the suggestion sounded reasonable and asked committee members if there were additional comments or concerns with that approach.
    - None were heard.

- John Leland also commented that the TWG analysis would be completed by the end of the day or Thursday and that the TWG recognized in the shorten schedule the Planning Committee had to use its best judgment in some cases and wasn't able to go through the full robustness analysis that they had hoped to get done.
  - It was suggested that it could be noted in the assumptions being made so that information is known.
- Next week the Cost Allocation Committee will be looking at the calculations in the workbook and will not have the benefit of having John Leland as he will be on vacation and unavailable to take any questions regarding the workbook. John will work with Gil Coulam on the workbook so he is familiar with it and can try to answer any questions the committee may have during their next meeting.

#### **Discussion: Revised Study Plan for Cost Allocation**

- John Leland took the lead in putting together the Cost Allocation Study Plan. During that time it was uncertain, from a Planning side how the analysis would work from cost allocation which resulted in the current cycle using a Cost Allocation Change Case and comparing that to the DFRTP, deviating from comparing the DFRTP to the Initial Regional Transmission Plan (IRTP).
- The Cost Allocation Committee reviewed and discussed two templates to the workbook at the last committee meeting.
  - Version 1.0 was consistent with the Attachment K requirements in comparing the DFRTP to the IRTP.
  - Version 1.1 was consistent with how the Cost Allocation Study Plan was written. Concerns with this version were raised by both Ray Brush and Bela Vastag.
  - During a discussion with the Planning leadership it was decided that the Cost Allocation Study Plan needed to be updated to follow the Attachment K requirements.
- John Leland walked through the updates to the Cost Allocation Study Plan:
  - Section III updates included (in bold):
    - *The DFRTP is the basis for creating the cost allocation **scenarios**.*
    - *The Change Case will be the DFRTP **compared to the Initial Regional Plan (IRTP), as adjusted for updated Quarter 5 loads and resources. The cost allocation scenarios will also be compared to the IRTP.***
  - Section VI updates included (in bold):
    - *A common year will be selected for net present value calculations for all cases to enable a comparative analysis between each Change Case and the Initial Regional Plan, **as adjusted for updated Quarter 5 load and resource data.***
- Sharon Helms encouraged committee members to review the suggested changes and send any additional comments or concerns via email to herself, Shay LaBray and John Leland by the end of the day so they can be addressed prior to sending the Revised Study Plan to the Planning Committee for approval.
  - Since the Planning Committee does not have an upcoming meeting, they are seeking approval via email which will require 100% unanimous approval of all member representatives which is a different requirement than during a committee meeting.
  - Recognizing that changes to the Study Plan were sent to the Cost Allocation Committee shortly prior to today's meeting, approval of the Revised Study Plan from the Cost Allocation Committee will be sought at the next committee meeting on June 3<sup>rd</sup>.

#### **Discussion: Alternative Project Cost Allocation Template Update**

- Planning Benefit Tab Updates:
  - The final cost of the IRTP with the Quarter 5 updates have been included. This number no longer is the capital costs and is now the annualized capital related costs.

- Capital Costs for the Un-sponsored Alternative Project have also been included. The segments are, Windstar to Aeolus to Populus and Aeolus to Clover.
- It was suggested that the titles of the different cost allocation scenarios should be updated to be labeled as "A, B, C & D" so they match the labels in the Cost Allocation Study Plan.
- Since the TWG is still working on the loss analysis, John Leland included hypothetical numbers for the loss metric. Once the actual numbers are received he will update that information.
- The Alternative Project did not provide any additional reserve sharing opportunities so those numbers under the reserve metric were set to zero.
- The Benefit table was updated to show the Annual Dollar Benefit.
- A table was added showing the beneficiaries:
  - For the losses it shows the LSEs responsible for the percentage being allocated.
  - For the capital costs, the distribution is pursuant to who is causing it.
- Cost Allocation Template Tab Updates:
  - John Leland included both the Benefits and Beneficiaries table as Data from Planning. He indicated that in the Beneficiaries table under the Alternative Project he was not sure of the exact name for the LSE which currently showed "UT LSE".
    - This was further discussed later in the meeting and was updated to "PACE BAA LSEs".
  - The cause for the Alternative Project was the additional generation in the Wyoming area and an additional 1,500 MW of new load in the PacifiCorp BA that came from the Quarter 5 data submittal.
    - When the cost allocation scenario of +/- 1000 MW was developed the additional 1,500 MW was not anticipated.
    - When the TWG ran the analysis for that scenario, due to the 500 MW difference, it did not get the results down to the loads that were being analyzed in Quarter 4. The 500 MW difference is higher than the load actually resolved in the Quarter 4 Alternative Project.
    - In conclusion the scenarios for the capital costs of unsponsored project did not change any of the scenarios.
    - Based on the conclusion it was asked in the TWG meeting if NTTG needed to have an initial capital project to satisfy the analysis or could NTTG get by with a lesser project.
      - The answer given was that the project was needed to meet reliability.
  - The Beneficiaries show who a project sponsor would go to, to recover the costs of the unsponsored project should it be picked up.
  - In looking at the results for the first round of cost allocation, when comparing the IRTTP to the DFRTTP, it shows an allocation to Idaho Power, NorthWestern and PacifiCorp.
    - There is a remaining cost of \$1 million that would need to be accepted by a project sponsor. If they do not accept the remaining costs, the project is no longer accepted for cost allocation.
  - Bela Vastag asked if the Energy Gateway South and Energy Gateway West were considered one project or if NTTG was displacing two projects.
    - Pursuant to the request from PacifiCorp in the IRTTP, they are being considered as one project.
    - When looking at the Alternative Project it is similar to a portion of the Gateway project but it was an independent project borne from the DRTP. Boardman to Hemmingway was needed for Gateway West to go northbound into the Pacific Northwest, however that project was submitted by Idaho Power and did not request cost allocation therefore it is not being compared in the analysis.

- At the request of Shay LaBray, John Leland walked through the areas in the template that would change once the TWG provides updated loss data. Overall the costs in the allocation scenarios will change but it is expected that the results could remain the same.
- Ray Brush commented that the updates to the workbook and the Cost Allocation Study Plan are moving the committee in the right direction.
- Given the amount of information provided to the Cost Allocation Committee, some members indicated they are still digesting the information. Shay LaBray again requested that if any committee members have questions to email herself, Sharon Helms and John Leland.

**Discussion: Round Table/Other Business**

- Sharon Helms requested that by the end of the day, comments and/or changes on the Revised Cost Allocation Study Plan and the workbook be submitted.
- The next Cost Allocation Committee meeting is on June 3<sup>rd</sup>. During that meeting members will be voting to approve the Revised Cost Allocation Study Plan and past meeting notes. Gil Coulam will be available to review the project benefits with the committee and answer any additional questions regarding the workbook.
- Amy Wachsnicht committed to get the May 20<sup>th</sup> meeting notes along with these meeting notes out to the committee by Thursday morning.
- John Leland informed the committee that unless there are methodology changes from the Cost Allocation Committee, the only changes to the workbook will be the numbers after receiving the updated data from the TWG.

**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 June 3rd at 11am Pacific.

- Dial: **(630) 869-1013**
- Access Code: **579-186-509**



**Attendees:**

**NTTG Cost Allocation Committee Member Representatives**

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

Membership Class 2		
Johanna Bell, Idaho PUC	Marci Norby, WY PSC	Bela Vastag, UT OF CS
Bob Decker, MT PSC	Jamie Stamatson, MT CC	Joni Zenger, UT Div. PU
Belinda Kolb, WY OFC CA		

**Other NTTG Members & Guests**

Gil Coulam, NTTG	John Leland, NTTG	Amy Wachsnicht, NTTG
Sharon Helms, NTTG		