



Description of Meeting:	Cost Allocation Committee Meeting
Meeting Date:	June 14, 2010
Meeting Minutes Prepared By:	Lyndee Restad
Approved for Posting:	June 21, 2010

Attendee List: Rich Bayless, Marshall Empey, Sharon Helms, Matt Muldoon, Marcy Norby, Lyndee Restad, Lou Ann Westerfield, Curt Winterfeld

Committee Members Not in Attendance: Brian DeKiep, Bryce Freeman, Marc Hellman, Sam Liu, Jim Logan, Larry Nordell, Joni Zenger, Darrell Zlomke

1. Agenda:

- Review draft notes from the May 24, 2010 Cost Allocation Committee meeting; modify as required and approve to post
- Open discussion on three related topics:
 - Intel/speculation on the FERC NOPR
 - Critical analysis of why cost allocation methods proposed/used in centralized markets won't work in the West, and what does (and will) work
 - Any new Intel/speculation as to where the WGA is or will be on the cost allocation issue
- Agreement on a schedule for producing a detailed illustration of a B/C allocation methodology
- Roundtable / Next Steps

2. Decisions / Discussions:

Discussion: Review draft notes from May 24, 2010 Cost Allocation Committee meeting

- The notes were approved to post on the NTTG website

Discussion: Open discussion on three related topics

- Intel/speculation on the FERC NOPR
 - The FERC NOPR will be published on June 17, 2010
 - The Committee members have not received additional information regarding the NOPR, at this point it is unclear what the NOPR will contain
 - FERC currently has two purposed revisions for Cost Allocation for PJM and MYSO
 - Committee members notes that FERC could potentially be attempting to develop a Cost Allocation standard for all utilities to utilize
 - The outcome of the FERC NOPR will be the focus of the next Cost Allocation Committee meeting



- Critical analysis of why cost allocation methods proposed/used in centralized markets won't work in the West, and what does (and will) work
 - The transmission processes utilized in the Eastern Interconnection would be challenging to utilize in the Western Interconnection; at least outside of the CALISO
 - A strong argument on the Eastern Interconnection side remains that the TPs can justify assigning a portion of renewables over a long distance as they have organized, integrated markets that already effectively "socialize" the benefits of resources
 - In the West the TPs do not have the advantage of organized markets; simply assuming the socialization of benefits on the generation side is much more difficult
 - FERC's NOPR could potentially point in this direction; the results in the East could be the goal, but the question remains "how would the West go about getting that result"?
 - Is it possible to implement a regional uplift charge for transmission?
 - A Western Market Monitor study was conducted a few years ago
 - The study posited that charges could be assessed by each Balancing Authority for every single use of the transmission system
 - Each user could pay a fee; the study broke it down to .10 cents per customer per year
 - The BAs already have the necessary data
- Any new Intel/speculation as to where the WGA is or will be on the cost allocation issue
 - Currently it is unclear if the WGA staff is in favor for a formal regional Cost Allocation process
 - Committee members noted that it seems there may be some support for a regional rate
 - A meeting to discuss the next steps will take place on June 18th; the FERC NOPR could have a large impact on the outcome

Discussion: Agreement on a schedule for producing a detailed illustration of a B/C allocation methodology

- Due to the NOPR, the discussion for the schedule has been postponed until the next meeting
- The goal is to have a weekly Cost Allocation Committee meetings to focus on the NOPR comments and on scheduling

Discussion: Roundtable / Next Steps

- The next meeting will take place on Monday, June 21st

3. Assignments:

Item #	Assignment	Owner	Target Date	Status
1.	Distribute CAC Meeting invitation	L. Restad	Completed	