

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

1. Agenda:

- a. Agenda Review
- b. Approval of Past Cost Allocation Committee Meeting Notes
 - i. June 24, 2015 Meeting Notes
 - ii. July 1, 2015 Meeting Notes
- c. Stakeholder Comments Received on DF RTP
- d. Attachment K Revisions Update
- e. Next Steps
- f. Round Table/Other business

2. Discussions & Decisions:

Decision: Approval of June 24, 2015 Cost Allocation Committee Meeting Notes

- The committee discussed edits to the June 24th meeting notes and a slight modification was made during the meeting.
- With a motion by Bela Vastag and seconded by Clay MacArthur the June 24th Cost allocation Committee meetings notes were unanimously approved by both Class 1 and Class 2 as modified during the meeting.

Decision: Approval of July, 2015 Cost Allocation Committee Meeting Notes

- With a motion by Clay MacArthur and seconded by Amy Light the July 1st Cost allocation Committee meetings notes were unanimously approved by both Class 1 and Class 2.

Discussion: Stakeholder Comments Received on DF RTP

- NTTG received a set of joint comments from Western Grid Group, Renewable Northwest and the NW Energy Coalition. Their set of comments pertained to planning and looking out into the future.
- John Leland gave a brief overview of the group's comments and NTTG's draft responses:
 - Comment: They would like to see NTTG take into account non wires alternatives (non-transmission alternatives) as well as dynamic analysis.
 - Response for Non-Transmission Alternatives: The requirement to look at non-transmission alternatives is an Order 1000 Attachment K obligation and is already in place. One can also propose a non-transmission alternative into the planning process.
 - Response for Dynamic Analysis: This is something that has not been done in NTTG, and NTTG has relied on the transmission providers for the analysis and input. There currently has been progress within NTTG to build an ability to take the production cost model (PCM) with a selected hour and translate that into a powerflow which would include the transient type of data. The hope is to have the base case accurate enough by the next planning cycle.
 - Comment: Regarding new resource additions and new future resources.
 - Response: While that information is important, NTTG takes the information from its prior plan and the information provided from the transmission providers and stakeholder input.
 - Comment: Ongoing comment regarding the ability to become a part of the Technical Workgroup (TWG).

- Response: NTTG recognizes the comment and will take it under advisement.
 - The TWG is where the study work is done and they are not a decision making group. The TWG can make recommendations, but it is the Planning Committee who are the decision makers.
- In regards to the comments regarding the new resources, Marshall Empey indicated that the comments reiterated what is in our proposed new resource addition. Marshall also commented that he could not find in the Attachment K that an interconnection request was required to submit the new resource addition into PacifiCorp's local transmission planning process.
 - John Leland agreed and indicated that Attachment F is echoing the requirements for the interconnection process. He also noted that NTTG did recognize the new resource in the plan and that the project should be submitted next year through the PacifiCorp L&R or UAMPS can submit it directly to NTTG as a new resource addition.
- The TWG reviewed the comments during their meeting and will submit their draft responses to the NTTG Planning Committee for their review and approval at their next meeting on August 12th. Once approved they will be posted as the official responses.

Discussion: Attachment K Revisions Update

- The legal and drafting team will be continuing their discussion on the Attachment K revisions. During their initial meeting last week, clarifying edits were addressed, such as a proposal to change "Initial Regional Plan" to "Initial Regional Transmission Plan" (IRTP) so the acronym is not confused with "Integrated Resource Plan" (IRP).
- For cost allocation, there were three areas that needed to be discussed with the Committee:
 - Is the comparison of the IRTP and the Draft Final Regional Transmission Plan (DFRTP) the appropriate comparison?
 - Pre-Qualification sponsor qualification, should that be a joint committee evaluation or solely Cost Allocation Committee?
 - Thresholds and benefit metrics for cost allocation.
- Pre-Qualification of a Project Sponsor:
 - Under the Attachment K both the Planning and Cost Allocation Committee will work jointly to determine if a sponsor is pre-qualified.
 - During the current cycle it was noted that there were a few additional meetings and steps taken by the Committee Chairs that could have been due to the start-up year.
 - The general consensus of the Cost Allocation Committee was to keep the Attachment K as is with both committees being involved in the process as the information being provided can be looked at from both a cost allocation and planning perspective which could result in a better outcome.
 - To help streamline the process, the committees can work together and create a clear direction on the responsibilities when looking at the criteria.
- Comparison of the IRTP and the DFRTP:
 - The Attachment K is written that there is a comparison between the IRTP and DFRTP or another change case. There is some confusion among the legal and drafting team on what was meant by the change case.
 - Shay LaBray asked the committee members for their input and thoughts on the comparisons.
 - For the current 2014-2015 cycle, the IRTP was the roll up of the transmission providers plans. In the next cycle, NTTG will be in the position where there will be another plan once the DFRTP is approved.
 - In terms of cost allocation, the committee could make the comparison of the final plan from the previous cycle and compare that to the DFRTP instead of the IRTP. The only issue with this comparison is if the projects stayed exactly the same, meaning the plans would be identical and the comparison would be zero.

- Looking that the capital cost, instead of the benefit being the capital cost, the committee could look at the benefits associated with and without the projects through PCM.
 - There is an ongoing concern with the capital cost metric within the committee and it was suggested that this may not be the correct metric for cost allocation.
- John Leland explained the reasoning behind the capital cost metric was prompted by the analysis done by E3 for NTTG. E3 was asked to take a PCM, benchmark it back to a particular year and see if the results could be replicated; unfortunately the results did not turn out too well.
- The legal and drafting team are still working on identifying all the changes and the scope of the Attachment K revisions. Some of the changes are non-substantive while others are substantive which would require a stakeholder process.
- The initial proposed filing date for the Attachment K revisions was the end of October 2015 to enable FERC to approve by the effective date of January 1, 2016. There is a concern that substantive changes could need more time than October.
 - A suggestion was made that the filing could be bifurcated where the non-substantive changes are filed by the end of October 2015 and then NTTG could work on the substantive changes through the next year.
- The next meeting of the legal and drafting team is on August 5th. Shay LaBray asked that any input or areas that the Cost Allocation Committee wanted to explore for potential changes would be helpful prior to the August 5th meeting.
 - Sharon Helms indicated that the Attachment K she was working on included initial comments and issues as a list of thoughts and that she could send it out to the committee for additional input.
 - John Leland suggested that going into the August 5th meeting, it could be noted that for cost allocation, capital cost is not the right metric for beneficiary definition for cost allocation.
 - Other areas the Cost Allocation Committee could be thinking about include:
 - The cost allocation portion of the spread sheet.
 - The spread sheet is laid out exactly like Attachment K and with the startup year, there are some aspects that have not been addressed, such as if the 1.1 benefit/cost ratio is the correct number.
 - Legal's interpretation of the Applicant.
 - When going through the startup cycle it was believed that the cost allocation for the unsponsored project would follow the project and if a project sponsor wanted to pick up the costs, they would have to assume the costs. However, legal's interpretation was that unless there is an Applicant, then there is no cost allocation.
- Johanna Bell commented on the study done by E3 and suggested the committee go back and review that report to see the analysis and why the results showed that PCM was not useful for cost allocation.
- Looking ahead to the activities for cost allocation:
 - Starting October 1st the window opens for the project sponsor pre-qualification.
 - The committee will need to start developing the cost allocation scenarios to be included in the Quarter 2 Study Plan.
 - Also starting October 1st NTTG will be engaged in the Interregional Order 1000 process. In the process an entity can submit an interregional project for cost allocation. The interregional cost allocation process will be the same as the regional process, but there will be coordination that needs to happen among the planning regions.



Discussion: Next Steps

- The next Cost Allocation Committee meeting will be scheduled for August 19th. On the agenda will be a debrief of the August 5th meeting as well as the August 18th Western Planning Regions Stakeholder Meeting.

Discussion: Round Table/Other Business

- There was none.

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 August 19th at 11am Pacific.

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

Attendees:

<u>NTTG Cost Allocation Committee Member Representatives</u>		
Membership Class 1		
Ray Brush, NorthWestern	Shay LaBray, PacifiCorp	Clay MacArthur, Deseret
Marshall Empey, UAMPS	Amy Light, Portland General	Courtney Waites, Idaho Power
Membership Class 2		
Johanna Bell, Idaho PUC	Marci Norby, WY PSC	Bela Vastag, UT OF CS
Bob Decker, MT PSC	Larry Nordell, MT CC	Joni Zenger, UT Div. PU
Belinda Kolb, WY OFC CA		
<u>Other NTTG Members & Guests</u>		
Gil Coulam, NTTG	John Leland, NTTG	Jamie Stamatson, MT CC
Sharon Helms, NTTG	Kim McClafferty, NorthWestern	Amy Wachsnicht, NTTG
Bill Hosie, TransCanada		