

INTERTIE MANAGEMENT COMMITTEE

RESOLUTION No. 12-1

BACKGROUND: On November 18, 2011, the Intertie Management Committee (“IMC”) approved Resolution 11-1 which resolved that all then-currently existing contracts, customs, and operating policies and procedures associated with the Alaska Intertie and recognized by the Alaska Energy Authority (“AEA”) and the Intertie Operating Committee (“IOC”) were to remain in effect and be maintained by the IMC until such time as the IMC expressly addresses such contracts and operating policies and procedures relating to the operation of the Alaska Intertie (Intertie).

PURPOSE: The purpose of this Resolution is to formally address and establish the reserve capacity and operating reserve responsibilities for all users of the Intertie.

THEREFORE, IT IS HEREBY RESOLVED THAT:

WHEREAS, the interconnected electric utilities along the Railbelt each own and operate electric utility facilities and are engaged in the business of providing capacity, energy and related services to the public; and

WHEREAS, it is desirable to maintain the reliable operation of the electric power grid in order to secure the maximum benefit of these services for the public; and

WHEREAS, all of the interconnected electric utilities along the Railbelt have operated and continue to operate as an interconnected electrical system since 1985 pursuant to the terms and conditions of the Reserve Capacity and Operating Reserve Responsibility Agreement; and

WHEREAS, the Reserve Capacity and Operating Reserve Responsibility Agreement is a separate and independent contract by and between the Railbelt electric utilities that was made as Addendum No.1 to the Original Agreement, in order to provide for the reliable operation of the Intertie and the interconnected Railbelt electrical system; and

WHEREAS, adherence to the principles and responsibilities of the Reserve Capacity And Operating Reserve Responsibility Agreement has improved the reliability of the all Railbelt electrical systems and allowed the utilities to engage in economically advantageous contracts and transactions for electrical capacity and energy; and

WHEREAS, it is therefore desirable to continue to abide by these uniformly applicable standards and for the IMC to begin the development of methods and procedures for maintaining and enforcing such operating standards; and

WHEREAS, pursuant to Section 3.1 of the Amended and Restated Alaska Intertie Agreement (“Intertie Agreement”), the Intertie Management Committee (“IMC”) has the delegated authority to adopt and implement operating policies and procedures, Reliability Standards for the Intertie, and enforcement processes, including sanctions and other remedies; and

WHEREAS, coordination of all interconnected electric utilities and other bulk power generators and transmitters with the IMC is necessary for sustained and improved reliability of the Railbelt interconnected electrical system; and

WHEREAS, the principles and responsibilities contained in the Reserve Capacity And Operating Reserve Responsibility Agreement were in effect for the planning of all major generation improvements now under development in and along the Railbelt; and

WHEREAS, the IMC believes that the principles and responsibilities contained in the Reserve Capacity And Operating Reserve Responsibility Agreement constitute fundamentally sound engineering operating practices for interconnected electric utilities along the Alaska Railbelt; and

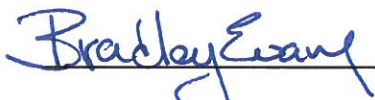
WHEREAS, the IMC believes that the same engineering operating practices for interconnected electric utilities that are contained in the Reserve Capacity And Operating Reserve Responsibility Agreement will continue to assure the reliability of the all Railbelt electrical systems and will allow the interconnected electric utilities to engage in economically advantageous contracts and transactions for electrical capacity and energy ; and

WHEREAS, the IMC wishes to formally adopt and reaffirm the principles and responsibilities contained in the Reserve Capacity and Operating Reserve Responsibility Agreement for use as the policies and procedures governing the reserve requirement responsibility on the Intertie

BE IT RESOLVED THAT All parties generating, delivering, or receiving bulk electrical capacity and energy across the Intertie shall be obligated to comply with the reserve requirement responsibilities contained in the Reserve Capacity And Operating Reserve Responsibility Agreement for all activities associated with or relating to the use of the Intertie; and

Further, let it be RESOLVED by the Intertie Management Committee that it expressly reaffirms the principles and responsibilities contained in the Reserve Agreement.

The Secretary hereby certifies that this is a true and correct copy of Resolution No. 12-1 and Resolution No. 12-1 was approved by the IMC on September 13, 2012.


Brad Evans, Chairman


Gene Therriault, Secretary

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