

INTERTIE MANAGEMENT COMMITTEE
Resolution No. 13-2

WHEREAS, Section 3.1 of the Amended and Restated Alaska Intertie Agreement provides that the Intertie Management Committee ("IMC") shall determine Reserve Capacity and Operating Reserves for the Intertie, and the IMC has the authority to adopt operating policies and procedures, reliability standards, and enforcement mechanisms, for the Intertie.

WHEREAS, 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).

WHEREAS, on September 13, 2012, the IMC formally addressed and establish the Reserve Capacity and Operating Reserve responsibilities for all users of the Intertie by adopting Exhibit H of the Amended and Restated Alaska Intertie Agreement, but Exhibit H is a 1985 document that does not reflect the current configuration of the Railbelt system nor current operating protocols.

WHEREAS, it is in the best interests of the Railbelt system to establish operating standards and reliability criteria applicable to the entire interconnected Railbelt system, and to have those standards and criteria apply to the Intertie, rather than to adopt standards and criteria solely for the Intertie.

WHEREAS, the only entity that has established reliability criteria for the interconnected Railbelt system is the Alaska System Coordinating Council (ASCC) that has been defunct for 15 years.

WHEREAS, in 2005 the Railbelt Utilities formed the "Ad-Hoc Railbelt Reliability Committee ("RRC"), to work with the Alaska Energy Authority ("AEA") in an open public process to review the substantial NERC operating, reserve capacity, and reliability standards, and to adapt those standards to meet Railbelt conditions and practices.

WHEREAS, the RRC-prepared the "Intertie Management Committee's Railbelt Operating and Reliability Standards, updated June 7, 2013."

WHEREAS, the IMC is the entity with authority to adopt policies, criteria and standards for the Intertie related to reserve capacity, operating reserves, operating policies, reliability, and enforcement mechanisms.

WHEREAS, the IMC is willing to work with other interested parties to establish and implement Railbelt wide policies, criteria and standards related to reserve capacity, operating reserves, operating policies, reliability, and enforcement mechanisms.

WHEREAS, the purpose of this Resolution No. 13-2 is to adopt the "Intertie Management Committee's Railbelt Operating and Reliability Standards, updated June 7, 2013" as a guideline

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Resolution No. 13-2 (Continued)

for the IMC working with other interested parties to establish and implement Railbelt wide policies, criteria and standards related to reserve capacity, operating reserves, operating policies, reliability, and enforcement mechanisms.

WHEREAS, to ensure that the Intertie and the Railbelt system have the same criteria and standards applied related to reserve capacity, operating reserves, operating policies, reliability, and enforcement mechanisms, this Resolution shall sunset on July 9, 2014 unless extended by the IMC to allow for monitoring of progress, and the "sanctions" enforcement mechanisms shall not become effective until separately approved by the IMC.

BE IT RESOLVED THAT the "Intertie Management Committee's Railbelt Operating and Reliability Standards, updated June 7, 2013." prepared by the RRC is hereby accepted as the Reserve Capacity and Operating Reserves for the Intertie, Exhibit H of the Amended and Restated Alaska Intertie Agreement, and is accepted as the operating policies and procedures, reliability standards, and enforcement mechanisms, for the Intertie, with two modifications.

First, this resolution shall sunset on July 9, 2014 unless extended by the IMC to enable the IMC to monitor progress on establishing Railbelt system wide standards and criteria and ensure uniformity with Intertie standards and criteria. If the sunset is implemented, the currently existing Exhibit H and standards and criteria for reserve capacity, operating reserves, operating policies, reliability, and enforcement mechanisms shall become effective.

Second, the "sanctions" portions of the enforcement mechanisms in the "Intertie Management Committee's Railbelt Operating and Reliability Standards, updated June 7, 2013" shall not become effective until separately approved by the IMC.

BE IT FURTHER RESOLVED THAT this resolution and the "Intertie Management Committee's Railbelt Operating and Reliability Standards, updated June 7, 2013." prepared by the RRC shall be submitted as an informational filing to the Regulatory Commission of Alaska (RCA).

The Secretary hereby certifies that this is a true and correct copy of Resolution No. 13-2 and Resolution No. 13-2 was approved by the IMC on July 9, 2013.



Bradley Evans, Chairman



Gene Therriault, Secretary