

INTERTIE MANAGEMENT COMMITTEE

Resolution No. 13-3

WHEREAS, Article 3 and Article 9 of the Alaska Intertie Agreement, dated December 23, 1985 (1985 Agreement), provided that the Intertie Operating Committee (IOC) would be responsible for operating the interconnected Railbelt system and for developing operating procedures and standards practices with respect to such operations. The Intertie Management Committee (IMC) has assumed these responsibilities under the Amended and Restated Alaska Intertie Agreement, dated November 18, 2011 (2011 Amended Agreement). Further, that through Addendum No. 1 to the 1985 Agreement entitled “Reserve Capacity and Operating Reserve Responsibility” (incorporated as Exhibit H of the 2011 Amended Agreement) the Utility Participants of that agreement would be responsible for reserve requirements for the interconnected system; and

WHEREAS, the IMC (and previously the IOC) has been the de-facto Railbelt reliability coordinator for the Railbelt interconnection for over 25 years; and

WHEREAS, the IMC (and previously the IOC) has been the asset manager and operator of the Alaska Intertie Assets for over 25 years; and

WHEREAS, Section 3.1 of the 2011 Amended Agreement provides that the 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; and

WHEREAS, on July 9, 2013, the IMC passed Resolution No. 13-1 without the affirmative vote of the Alaska Energy Authority (AEA) and passed Resolution No. 13-2 with the affirmative vote of the AEA, each Resolution regarding the “Intertie Management Committee’s Railbelt Operating and Reliability Standards, updated June 7, 2013” (“June 7, 2013 Standards”); and

WHEREAS, IMC passage of Resolution 13-1 without the affirmative vote of AEA adopted the June 7, 2013 Standards as the operating policies and procedures for the Alaska Intertie assets, but did not adopt the Reliability Standards and enforcement processes for the Alaska Intertie assets;

WHEREAS, IMC passage of Resolution 13-1 without the affirmative vote of AEA adopted the June 7, 2013 Standards as the operating policies and procedures, Reliability Standards, and enforcement processes for the Railbelt interconnected system, exclusive of the Alaska Intertie assets; and

WHEREAS, IMC passage of Resolution 13-2 with the affirmative vote of AEA accepted the June 7, 2013 Standards, as the Reserve Capacity and Operating Reserves for the Intertie, Exhibit H of the 2011 Amended Agreement, and accepted as the operating policies and procedures, reliability standards, and enforcement mechanisms, for the Intertie, with two modifications. Resolution 13-2 incorporates a July 9, 2014 sunset and a requirement that the “sanctions” portions of the enforcement mechanisms in the document shall not become effective until separately approved by the IMC; and

WHEREAS, the IMC believes that the Reliability Standards and enforcement processes, including sanctions and other remedies that are the subject of Resolution 13-1 and 13-2, are a critical component of the conditions of joint use and interconnection of electric utilities in the Railbelt; and

WHEREAS, the IMC further believes that the public convenience and necessity would be served by formal adoption of these standards for the interconnected electric utilities of the Railbelt; and

WHEREAS, the IMC further believes that the Regulatory Commission of Alaska (RCA) may, under AS 42.05.141, "...do all things necessary or proper to carry out the purposes and exercise the powers expressly granted or reasonably implied in ..." AS 42.05; and

WHEREAS, the IMC further believes that the Regulatory Commission of Alaska (RCA) has authority under AS 42.05.321 to resolve disputes between interconnecting utilities regarding the conditions of joint use and interconnection of those utilities and further to determine the terms, conditions and compensation for that interconnection;

NOW, THEREFORE,

BE IT RESOLVED THAT the IMC repeals Resolutions 13-1 and 13-2.

BE IT FURTHER RESOLVED that the IMC adopts the "Intertie Management Committee's Railbelt Operating and Reliability Standards, updated October 1, 2013," as the Reserve Capacity and Operating Reserves for the Intertie, Exhibit H of the 2011 Amended Agreement, and as the operating policies and procedures, reliability standards, and enforcement mechanisms, with one modification made at the request of the Alaska Energy Authority respecting the Alaska Intertie assets and 2011 Amended Agreement:

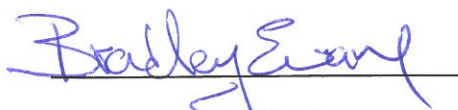
The "sanctions" portions of the enforcement mechanisms in the "Intertie Management Committee's Railbelt Operating and Reliability Standards, updated October 1, 2013," shall not become effective for purposes respecting the Alaska Intertie assets and 2011 Amended Agreement until separately approved by the IMC.

BE IT FURTHER RESOLVED that the Utility Participants of the IMC adopt the "sanctions" portions of the enforcement mechanisms in the "Intertie Management Committee's Railbelt Operating and Reliability Standards, updated October 1, 2013," for purposes respecting the interconnected Railbelt electric utilities, excluding the Alaska Intertie assets and 2011 Amended Agreement; and

BE IT FURTHER RESOLVED THAT this Resolution and the "Intertie Management Committee's Railbelt Operating and Reliability Standards, updated October 1, 2013" shall be submitted as an informational filing to the Regulatory Commission of Alaska (RCA).

BE IT FURTHER RESOLVED that the IMC shall request that the RCA exercise the authority granted to it under AS 42.05.321 and other applicable authority and to enter an order

1. Finding that the approval of these standards will serve the public convenience and necessity;
2. Formally approving the standards and finding that they are just and reasonable; and
3. Providing for mechanisms and processes for periodic review of the standards.


Bradley Evans, Chairman


Gene Therriault, Secretary