

RAILBELT TRANSMISSION ORGANIZATION (RTO)
REGULAR AGENDA
February 14, 2025
Alaska Energy Authority
Conference Room

1. CALL TO ORDER

Curtis Thayer, AEA, called the Railbelt Transmission Organization Governance Committee meeting to order at 12:00 p.m. A quorum was established.

2. ROLL CALL (for Committee members)

Ed Jenkin (Railbelt Reliability Counsel [RRC]); Travis Million (Golden Valley Electric Association [GVEA]); Tony Izzo (Matanuska Electric Association [MEA]); Brad Janorschke (Homer Electric Association [HEA]); Brian Hickey (City of Seward); Arthur Miller (Chugach Electric Association [CEA]); and Curtis Thayer (Alaska Energy Authority [AEA]).

3. PUBLIC ROLL CALL (for all others present)

Karen Bell, Jennifer Bertolini, William Price (AEA); Joel Paisner (Ascent Law Partners); Kody George (City of Seward); Daniel Heckman (GVEA); Andrew Jensen (Office of the Governor); Jessica Spuhler (HEA); Tony Zellers (MEA); Carl Monroe (Munro Advisors); Bernie Smith (Public); and Tina Grovier (Stoel Rives, RTO Working Group).

4. AGENDA APPROVAL

MOTION: A motion was made by Mr. Million to approve the agenda. Motion seconded by Mr. Izzo.

Mr. Janorschke asked if Item 9. should be moved to before Item 8. Chair Thayer agreed to that possibility. He believes that much of what is discussed in Item 9. will be discussed in Item 7. Chair Thayer asked Tina Grovier, Stoel Rives, RTO Working Group, if there are any concerns moving Item 9. to before Item 8. Ms. Grovier noted there were no concerns. There was no objection to the friendly amendment.

A roll call was taken, and the motion to approve the agenda, with the friendly amendment to move Item 9. to before Item 8., passed unanimously.

5. PUBLIC COMMENTS - None

6. APPROVAL OF THE MEETING MINUTES – December 6, 2024 / December 16, 2024

MOTION: A motion was made by Mr. Janorschke to approve the Meeting Minutes of December 6, 2024, and December 16, 2024. Motion seconded by Mr. Miller.

A roll call was taken, and the motion to approve the Minutes of December 6, 2024, and December 16, 2024 passed unanimously.

7. OLD BUSINESS

A. RTO Working Group Update

i. Workplan for the OATT

Daniel Heckman, GVEA, provide the RTO Working Group update. Mr. Heckman discussed that the RTO Working Group has been working on the effort and process toward filing the Open Action Transmission Tariff (OATT) document that is due on or before July 1, 2025. The consultant has completed the assignment to outline the OATT and to assign the specific sections to members of the RTO Working Group or to legal representatives. The consultant has also been working with various entities, AEA, and the City of Seward on the financial analysis that will drive the annual transmission revenue requirement. Mr. Heckman noted that anything from the legal and regulatory side that could support the OATT development process is being discussed. The hope is that the RTO Working Group will agree on a resolution within the next couple of months.

Mr. Heckman believes the work plan is audacious, aggressive, and necessary, given the current time constraints. He noted that the subcommittee Working Group is meeting more frequently with the intent to propose additional governance committee meetings so that the RTO sees the results of the RTO Working Group's efforts on a consistent basis and be able to provide feedback. The next two-day workshop will be next week at AEA offices, and will focus on deliverables to present at the March RTO Governance Committee meeting.

Mr. Janorschke expressed appreciation for the update and for the efforts of the RTO Working Group. He commented that the Legislature has mentioned, and Mr. Heckman mentioned the elimination of wheeling costs in the Railbelt. Mr. Janorschke does not believe that there is anything in the bill that eliminates wheeling. The bill eliminates pancaking of rates. Mr. Janorschke asked for clarification. Mr. Heckman noted that he does not have the bill in front of him, and apologized if he misspoke. Mr. Heckman believes the intent is to set a consistent rate that is being paid regardless of the access to the Railbelt electric system. Mr. Heckman explained that wheeling, as it is understood today, will not be the same after the OATT is filed.

Mr. Hickey discussed his understanding of the objective is to gather the costs and uplift them to an end-use consumer, rather than attach them to a transferred megawatt, which has the effect of eliminating wheeling as it is known today. This does not eliminate transmission costs. Mr. Heckman agreed. He explained that it has been stated to the Regulatory Commission of Alaska

(RCA) that the costs that are already being incurred by the utilities for wheeling will be uplifted to the end-user, similar to a line item on bill. Mr. Heckman noted that the costs and events are already occurring, and those will be morphed from the utilities to the RTO.

Mr. Miller agreed that his understanding is that the costs are pooled, and the costs will then be allocated on one coincident peak (CP) basis to each of the respective utilities, and each utility will be assigned and responsible for a dollar amount, which will be updated annually or periodically. There is no change in the overall cost structure, but the cost responsibility will be different based on the new basis. In this context, there is no wheeling rate, but the utilities are still paying the cost.

Mr. Izzo noted that Mr. Miller mentioned one coincident peak. Mr. Izzo asked Mr. Heckman if that was decided by the Working Group. Mr. Heckman noted that the Working Group did not make that decision. He referenced that the bill includes language describing a coincident peak basis. Mr. Heckman discussed his understanding is that is part of the information Carl Monroe, Munroe Advisors, is presenting as part of a suite of possible options for the utilities to review.

Mr. Izzo commented that his question was not an indication of support or opposition. It was to clarify that the Working Group had not made that determination.

Mr. Jenkin noted that Mr. Heckman mentioned there were still two entities missing financial data that is needed to determine a unified method for allocations. Mr. Jenkin asked Mr. Heckman if he knew what was causing the delay in acquiring the financial data to move forward with the analysis. Mr. Heckman indicated that Mr. Monroe is attending online. Mr. Heckman believes that Mr. Monroe is in direct contact with the entities that need to finalize the missing data, and that a separate, but related discussion should focus on the different ways the entities have been allocating the costs. Mr. Heckman requested that Mr. Monroe provide additional information. There was no objection.

Mr. Monroe reiterated that Mr. Heckman did a great job explaining the context. Mr. Monroe discussed that the financial analysis includes taking the current ATRRs and evaluating how to move forward to determine a rate. The second part of the process is the ATRR review, and includes the two entities that are missing financial data. The analysis will review the similarities and differences between the way each entity calculates their ATRR. There were no other comments or questions.

B. RTO Certificate Filing

Ms. Grovier provided the update on the RTO Certificate Filing. Ms. Grovier stated that the application and the motion for exemption and waivers was filed on December 20, 2024. The public was noticed, and three comments were received from Regulatory Affairs & Public Advocacy (RAPA), Renewable Energy Alaska Project (REAP), and Alaska Public Interest Research Group (AKPIRG). The Commission granted the motion for exemption and waivers, and invited RAPA and other intervenors to file in the docket. The prehearing conference was scheduled for

February 18, 2025, and a statutory deadline was set for June 8, 2025. Ms. Grovier indicated that RAPA has filed to participate and AKPIRG has filed to intervene. The response to AKPIRG is due February 19, 2025. Ms. Grovier commented that Mr. Heckman's update was very good.

C. Open Access Transmission Filing

MOTION: A motion was made by Mr. Million to enter into Executive Session to discuss confidential financial matters related to the RTO finances and legal strategy. This is consistent with the Bylaws, which allow a Board to consider confidential matters in executive session. In this case, the RTO believes that these are subjects in which would have adverse effect upon the finances of the RTO, are being discussed with an attorney, the immediate knowledge which could have an adverse effect in the legal position of the Committee or protected by law due to those rules protecting personal privacy and certain business information. Motion seconded by Mr. Miller.

A roll call was taken, and the motion to enter into Executive Session passed unanimously.

9. EXECUTIVE SESSION – 12:23 pm. To discuss matters with an attorney for the Committee, the immediate knowledge of which could have an adverse effect on the legal position of the committee or Authority.

The RTO Governance Committee reconvened its regular meeting at 1:37 p.m. Chair Thayer advised that the RTO did not take any formal action on matters discussed while in Executive Session, except as authorized in the Bylaws 5.12.2, to give directions to an attorney or to negotiate regarding the handling of specific legal matters or pending litigation.

8. NEW BUSINESS

A. Election of Officers

Chair Thayer explained the process for the election of officers is contained in the Bylaws and was followed. Chair Thayer read the slate of nominees for Chair, Vice Chair, and Secretary. Chair Thayer requested that each member mark their ballots once and turn them in. The Committee decided to take a brief at-ease while the votes are tallied. Chair Thayer opened the floor for comments.

Arthur Miller commented that there is utility representation on the RTO and the Bradley Lake Project Management Committee (BPMC). He believes it is appropriate from an equitable utility perspective that the RTO rotate the Chair position by utility in order to have equal representation for each utility to serve. He recognizes that GVEA is currently Chair of BPMC, and MEA is Vice Chair of BPMC, which leaves the other utilities to have a role in other capacities. He suggested that going forward, it is appropriate to have a process as he described.

Mr. Janorschke expressed appreciation that the ballots indicate the name of the utility rather

than individual names of representatives.

There were no other comments or questions. The ballots were collected.

A brief at-ease was taken.

The RTO Governance Committee reconvened its regular meeting at 1:47 p.m.

Chair Thayer requested Ms. Grovier reveal the results of the election. Ms. Grovier informed that MEA was elected as Chair, and AEA was elected Secretary/Treasurer. Ms. Grovier indicated that another vote needs to be held for Vice Chair because no candidate received a majority. There was no objection. The candidates for Vice Chair are GVEA and CEA. The ballots were collected.

Ms. Grovier announced that GVEA was elected as Vice Chair.

Chair Thayer reiterated for the record the results of the officer elections; MEA will serve as Chair, GVEA will serve as Vice Chair, and AEA will serve as the Secretary/Treasurer.

Ms. Grovier advised that this slate of officers will serve until the election at the next annual meeting. There were no other comments or questions.

B. Annual RTO Budget

Chair Thayer discussed that the Annual RTO Budget included in the packet is a draft administrative budget for the sole purpose of providing an estimate of the expenses for FY26. The greatest unknown variable is contractual services during the regulatory process. Chair Thayer commented that the Committee has 90 days from July 1, 2025, and can take the information under advisement and report back. He asked for feedback from the Committee.

MOTION: A motion was made by Mr. Izzo to approve the Annual RTO Budget, as presented. Motion seconded by Mr. Million.

A roll call was taken, and the motion to approve the Annual RTO Budget, as presented, passed unanimously.

C. RTO D&O Insurance

Chair Thayer noted that the RTO D&O Insurance is included as a proposed number in the budget. He asked if it is the will of the Committee to request AEA to review the cost, and if it is within the budgeted amount, to procure such insurance. There was no objection. Chair Thayer indicated that AEA would procure the insurance and inform the Committee of the amount. There were no comments or questions.

D. Proposed Meeting Schedule

Chair Thayer highlighted the proposed meeting schedule included in the packet.

Mr. Janorschke indicated that he will be traveling on February 28, 2025. Chair Thayer noted that he can send an email specifying his alternate representative for that meeting.

Mr. Izzo commented that Tony Zellers is the alternate internally for MEA. Mr. Izzo asked if the RTO follows the BPMC format in submitting letters indicating alternate representatives. Ms. Bertolini requested that members who want to appoint an alternate can provide the information to her, and she will add them to the email correspondence. Additionally, she noted that members can also include staff on the RTO email correspondence.

Chair Thayer suggested that members provide the primary and secondary representatives for the Governance Committee, the point of contact for the legal Working Group and the Technical Working Group.

Mr. Miller stated he will also be unavailable on February 28, 2025.

Chair Thayer discussed that the February 28, 2005 meeting was scheduled to provide members with information after the Working Group meeting. He believes that the scheduled Teams meetings can be more flexible in their dates. Chair Thayer requested that members provide alternatives dates. There were no other comments or questions.

10. MEMBERS COMMENTS

Mr. Hickey expressed appreciation to the Working Groups, and specifically to Ms. Grovier, Mr. Heckman, and Mr. Monroe for their great updates. Mr. Hickey noted that he feels comfortable that the deadlines will be met.

Mr. Miller echoed Mr. Hickey's comments, and specifically thanked Ms. Grovier, Mr. Monroe, and Mr. Heckman for their excellent efforts. He expressed his understanding of the amount of work it has taken thus far and that amount of work will increase significantly between now and July 1, 2025.

Mr. Jenkin thanked the individuals who developed the budget. He noted that there was not much discussion on the budget, which is recognition of the good job.

Mr. Million echoed previous comments.

Mr. Izzo echoed the previous comments.

Mr. Janorschke echoed the previous comments.

Chair Thayer congratulated MEA and GVEA on their election. He thanked Ms. Bertolini, Karen Bell and Mark Ziesmer, AEA, for their excellent work and coordination efforts.

11. NEXT MEETING DATE – February 28, 2025

Chair Thayer noted that the next Teams meeting is currently scheduled for February 28, 2025, until a different time is selected near that date.

12. ADJOURNMENT

There being no further business for the committee, the meeting adjourned at 1:57 p.m.