

FACILITATION OF THE RAILBELT RELIABILITY COUNCIL (RRC)

2ND TECHNICAL CONFERENCE — REGULATORY COMMISSION OF ALASKA
MARCH 16, 2018



This information is for discussion purposes only. It is provided for the sole purpose of facilitating discussion for developing alternatives for consideration by ARCTEC's Board, Participants, and Interested Parties. Until formally approved by ARCTEC's Board, this material or any discussions surrounding it have not been endorsed or approved by ARCTEC or its Members.

DISCUSSION OUTLINE

- Update on the Process
- Stakeholder Outreach
- RCA Jurisdiction
- Reliability Standards
- RRC Scope
- RRC Governance Structure

UPDATE ON THE PROCESS

- Presented at the January 26, 2018 RCA Technical Conference
- Response to Order No. 3, Docket 1-16-002
 - Filed update on the facilitation process (3/7/18)
 - Conducted a technical conference involving all interested parties (3/13/18)
 - Summary of comments received from Stakeholders and Interested Parties to be filed (3/20/18)

STAKEHOLDER AND INTERESTED PARTY OUTREACH

- Alaska Energy Authority
- Alaska Independent Power Producer Association
- American Transmission Company
- Anchorage Municipal Power & Light
- ARCTEC Board
- ARES EIF
- Chugach Electric Association
- CIRI
- Doyon Utilities
- Golden Valley Electric Association
- Homer Electric Association
- Matanuska Electric Association
- RAPA
- REAP
- Seward Electric Association

RCA JURISDICTION

- ✓ RCA approves the establishment of reliability, security, and other operating standards
- ✓ RCA retains authority to review and approve investments and administrative costs of the RRC
- ✓ RCA is the ultimate arbiter of reliability and network access disputes

***-- These acknowledgments will be part of the MOU
and subsequent RCA documents --***

RELIABILITY STANDARDS

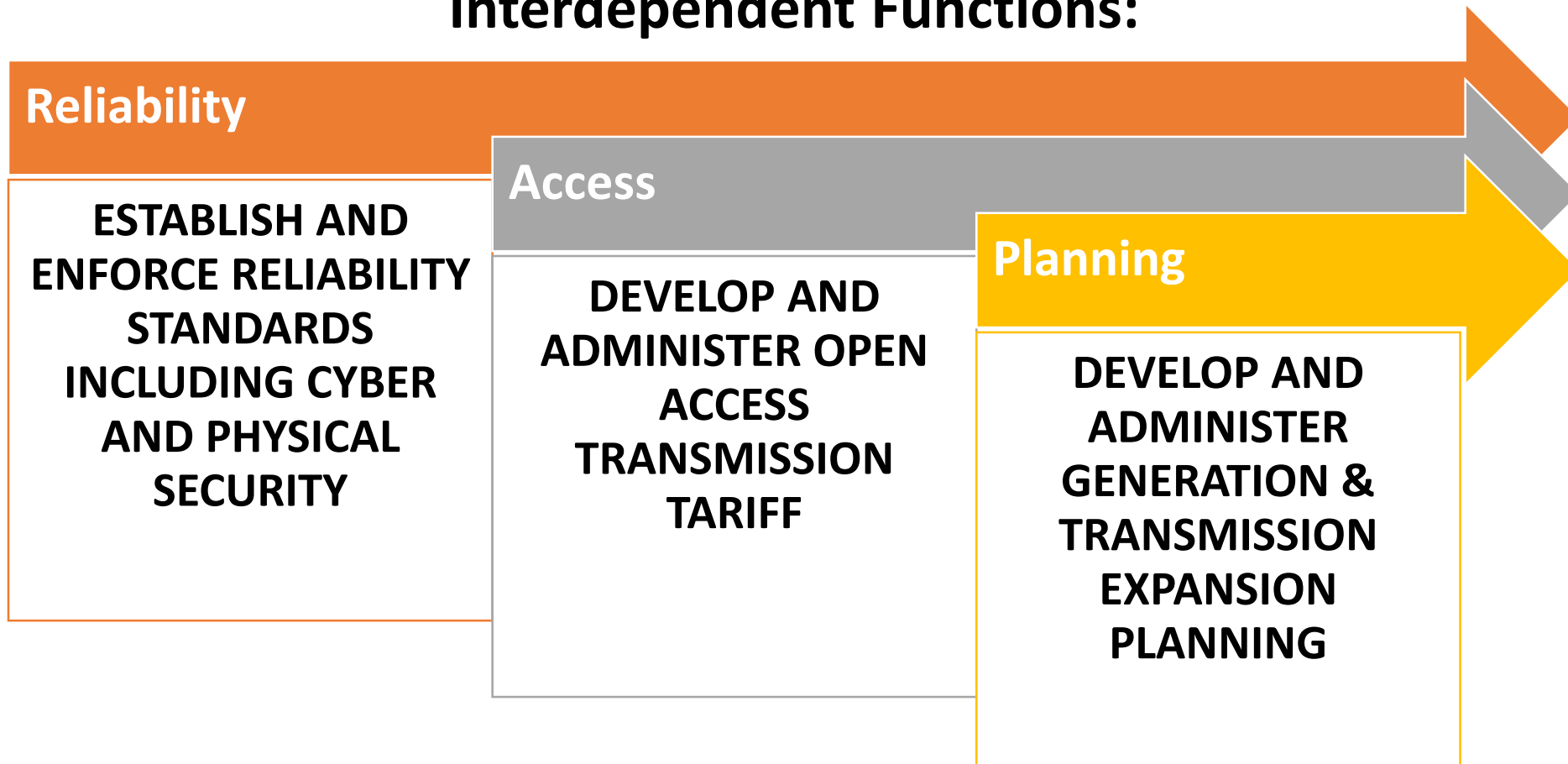
- The six utilities are developing consensus reliability standards to govern Railbelt grid operations
- As agreed to in their MOU of October 11, 2017 they will file a report on these standards on April 1st 2018
- These standards, for informational purposes, will be filed as expeditiously as practical
- It is anticipated that these standards will serve as “Version 1.0” reliability standards for adoption, administration, monitoring, and enforcement

RELIABILITY STANDARDS

- Railbelt Managers have created the Railbelt Cybersecurity Working Group
- This group is developing a scope of work and budget, including consulting support, to enable the collaborative establishment of a single set of enforceable cybersecurity standards
- The Railbelt Cybersecurity Working Group will be incorporated into the RRC when established

RRC SCOPE AND FUNCTIONS

Interdependent Functions:



RRC SCOPE AND FUNCTIONS

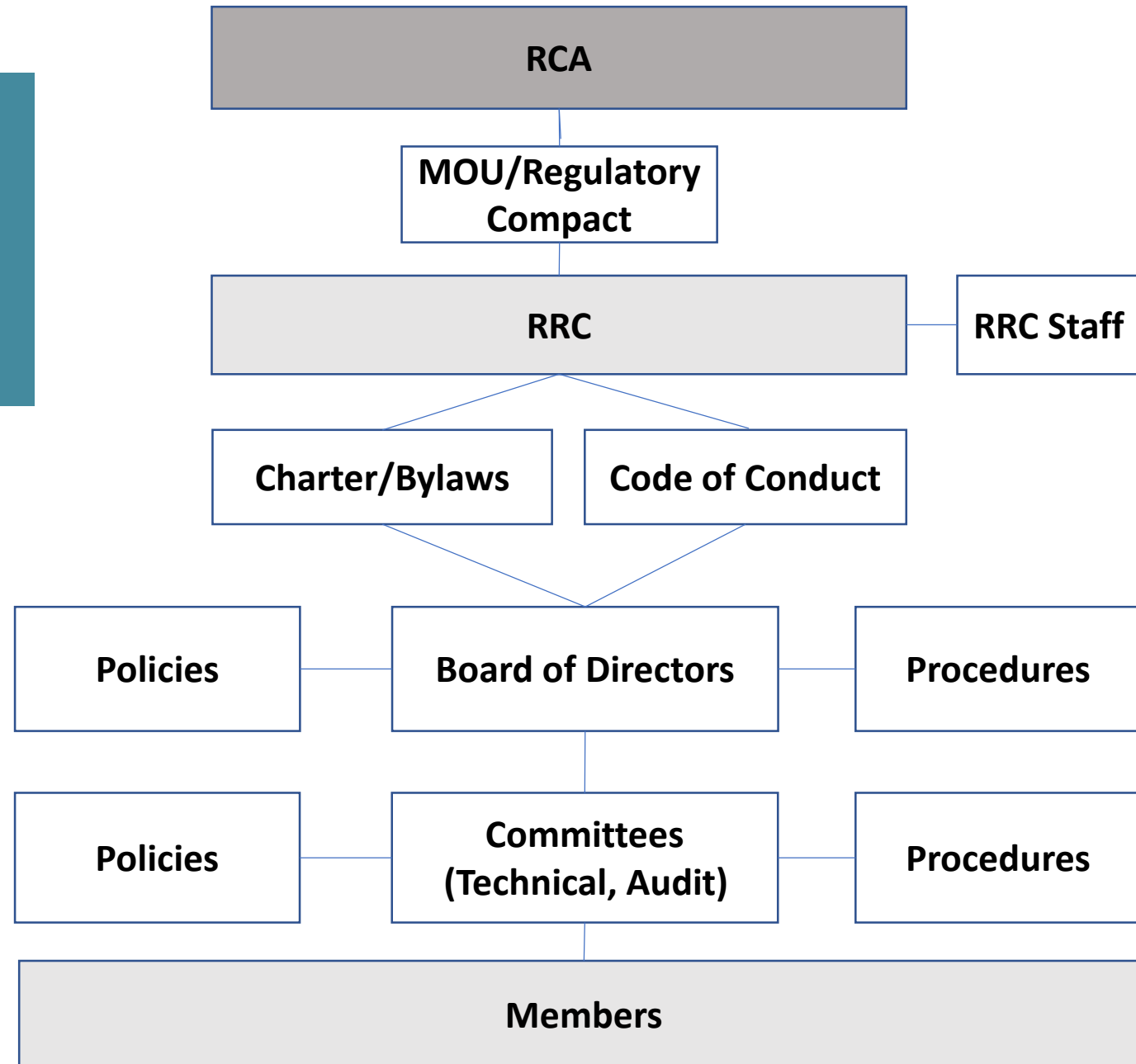
Key Takeaways:

- Protocols, planning, and informational postings will provide transparency to Stakeholders
- RRC Scope and Functions as shown can work in concert with a Transco
- Economic dispatch monitoring and evaluation of potential costs and savings will provide needed information to Stakeholders

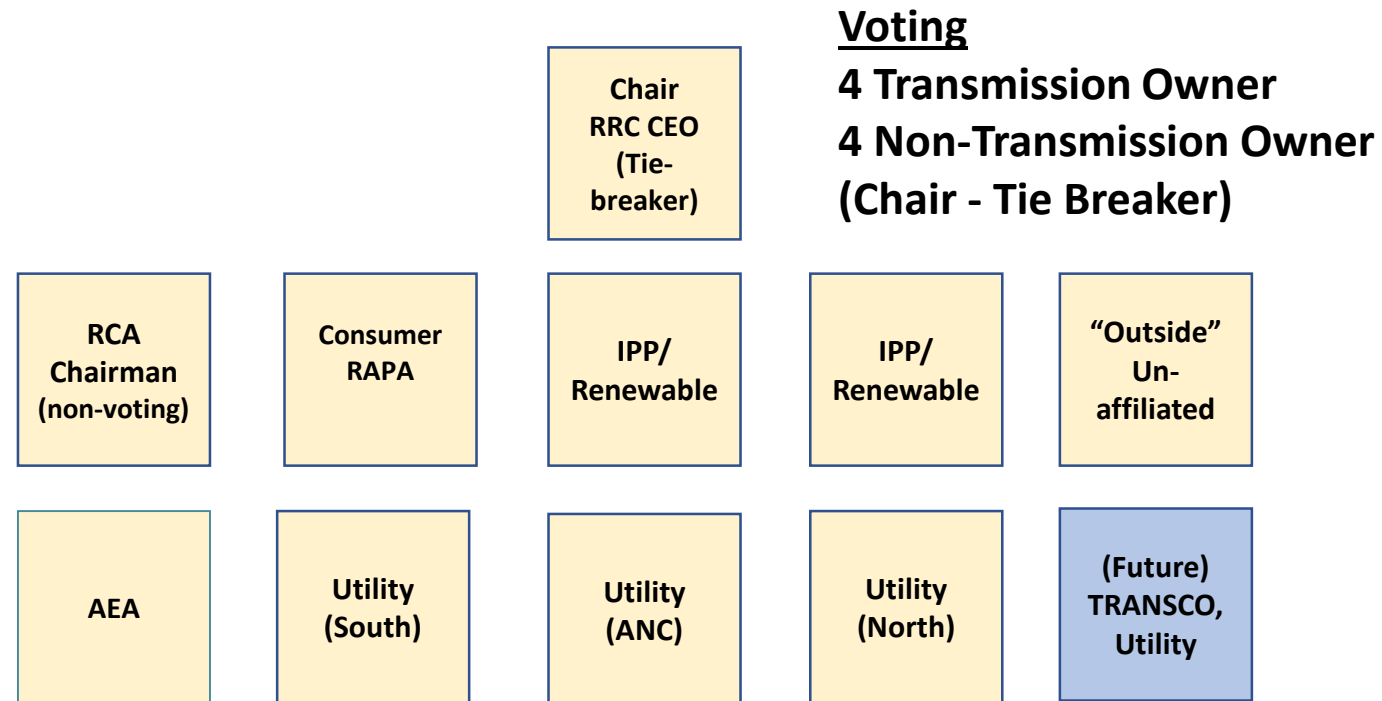
RRC GOVERNANCE STRUCTURE

***RCA will have
full jurisdiction
over the RRC***

***RRC will be
Stakeholder
Driven***



RRC BOARD OF DIRECTORS RECOMMENDATION



Notes:

- All terms are 3 years unless indicated otherwise.
- Must meet qualifications. Outside director – academia, retired utility exec, etc.
- Board expands for addition of new Transmission Owners (TRANSCO, Utility, etc.)

RRC MOU/REGULATORY COMPACT

Key Process Deliverable ---> Recommended MOU

What will it do?

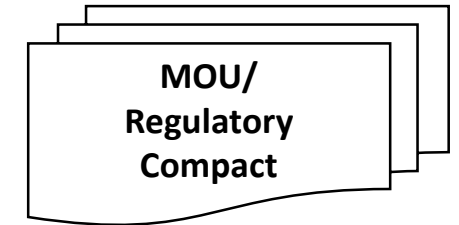
- Document consensus on an RRC
- Recognize the RCA retains full authority over the RRC

What will it contain?

- Outline the RRC's Structure and Scope
- Commitment to develop a formal RRC Business Plan

Who will be party to it?

- All Utility Participants to be signatory
- To be acknowledged by the RCA & Interested Parties



MOU
(Memorandum of Understanding is a Written Document)

RRC FACILITATION PROCESS - SUMMARY NEXT STEPS

- Continue collaboration with Stakeholders
- Follow-up meetings as necessary
- Develop Final Report and recommended MOU

RRC FACILITATION COMMUNICATIONS

Please continue to send comments and questions to:

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RRC FACILITATION PROCESS

***Thanks for your time and attention
and your continued input and support going forward!***