



## Meeting Notes

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**Meeting Description:** WestConnect Planning Management Committee (PMC) Meeting  
**Meeting Date:** December 12, 2018, 9:00 a.m. – 12:00 p.m. (MST)  
**Notes Prepared by:** Energy Strategies  
**Approval Status:** Approved

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### 1. Introductions

A list of meeting attendees is provided in Attachment 1.

### 2. Meeting Logistics and Administration

#### a) Antitrust Statement Reminder

Mr. Green reminded participants of the WestConnect guidelines for complying with the antitrust laws and the need to comply with those guidelines.

#### b) Agenda

Motion: Ms. Prochnik made a motion to approve the agenda.

Second: Mr. Taylor seconded the motion.

Discussion: None.

Vote: No objections were stated, so a roll call vote was not taken.

Result: Motion passes.

#### c) November 2018, PMC Meeting Notes

Motion: Mr. Smith made a motion to approve the November 2018 PMC meeting notes as amended by EPE, SRP, and with proposed editorial edits from LADWP.

Second: Mr. Taylor seconded the motion.

Discussion: None.

Vote: No objections were stated, so a roll call vote was not taken.

Result: Motion passes.

### **3. Financial Report**

Ms. Porter reported that invoices have been sent for funding through February 2019. The PMC was under budget for November and is under budget year to date. There are 80 days of funding on hand and no members are over 30 days past due. Some members receive an annual invoice and those will be sent out in January.

### **4. PMC Organizational Activities**

Mr. Reinhold presented the organizational chart on [slide 10](#). Membership has not changed and there is no indication of future members joining WestConnect.

#### **a) Open Leadership Position**

##### **i) Contract and Compliance Subcommittee (CCS) Chair**

Mr. Reinhold reported that the CCS Chair position remains open and no nominations have been received. He suggested that Transmission Owners with Load Serving Obligations (TOLSO) should begin looking to fill this position as there are activities that will require their support in the near term. Mr. Bhuiyan asked if the nominations need to come from an Enrolled Transmission Owner (ETO). After some discussion, Ms. Pacini clarified that nominations for the CCS chair position do not need to come from an ETO specifically.

##### **ii) Planning Subcommittee (PS) Vice Chair**

During the last PMC meeting, Mr. Bhuiyan nominated his colleague, Faranak Sarbaz at LADWP for the PS Vice Chair position. That nomination was approved at the last meeting. Ms. Sarbaz was introduced to the PMC.

### **5. Planning Consultant Report**

Mr. Brownlee reported on the status of Energy Strategies' support of WestConnect PMC activities in November and December. The majority of the work has been associated with continued technical project management for the model development, webinar support for model development, and facilitating review and development of the draft economic model. Energy Strategies also incorporated feedback provided by members on Draft 4 and prepared Draft 5 of the economic assessment. Throughout the rest of December, Energy Strategies will

work to complete the Model Development Report and will initiate a draft of the Regional Assessment Report.

Energy Strategies continues to facilitate project management and planning management support. A summary of the 2018-19 process timeline can be found on [slide 15](#).

## **6. Cost Allocation Subcommittee (CAS) Report**

No update took place.

## **7. Planning Subcommittee (PS) Report**

Mr. Gearhart reported on the discussion that took place the prior day at the PS meeting. Topics included: the 2018-19 Regional Economic Assessment, 2018-19 Model Development Documentation Review, and Model Development.

### *2018-19 Regional Economic Assessment*

Mr. Gearhart reported on the discussion regarding the 50% wheeling charge case vs. Draft 5 of the 2028 production cost model (PCM) which contains 100% wheeling charges. During the PS meeting, the PS resolved to recommend the 100% wheeling charge case as the base PCM and the 50% wheeling charge case as a sensitivity to the PMC. The PS presented three recommendations to the PMC, as outlined on [slide 24](#). Two of these recommendations were formally voted on by the PMC.

The first recommendation was that the PMC approve that WestConnect does not have regional economic needs for the 2018-19 planning cycle. Tri-State made a motion, which was seconded by TANC, for the PMC to accept the conclusion that WestConnect has no regional economic needs based on the annual congestion results from Draft 5 of the PCM.

Discussion: Several members expressed concern around the net present value (NPV) analysis that were included in the presentation slides. Concerned members explained that providing NPV numbers without agreeing on the various assumptions that go into such calculations (as were discussed in the Cost Allocation Subcommittee meetings) would lead to erroneous comparisons and thereby would be inappropriate to present in this table. The concerned members did not think NPV if done with vetting of assumptions by all members is an inappropriate metric. Further, the concerned members clarified, reduction in adjusted production costs is a benefit metric, not the congestion cost. And, thus decisions based on NPV of congestion costs are misleading. To resolve this concern, the concerned members requested to remove, redact or simply caveat the NPV columns to avoid confusion and in the interest of transparency and clarity. Other members, including ITC, voiced their support for keeping the NPV analysis since this metric is widely used to make business decisions in many industries, include electric utilities. Other supporters noted that it was important to leave the NPV analysis intact to demonstrate the justification for concluding that WestConnect did not have any regional needs in the 2018-19 planning cycle.

The discussion led to a recommendation to modify the motion, so that it was clear that the conclusion that there are no economic needs is not based on NPV figures shown in the slide. Therefore, the motion was amended to state that the PMC conclusion would only be based on annual congestion hours and costs, and not NPV figures.

Tri-State Amended Motion: PMC accepts the conclusion that the results of the WestConnect economic assessment do not show any regional needs, based on annual congestion hours and costs.

Second: TANC agreed to the language and seconded the motion.

Vote: A roll call vote was conducted:

<b>Member</b>	<b>Vote</b>
AEPCO	For
APS	For
BEPC	For
BHP	For
CSU	No response
EPE	For
IID	No response
LADWP	For
NVE	For
PNM	For
PRPA	No response
SMUD	No response
SRP	For
TANC	For
TEP	For
TSGT	For
WAPA	For
Xcel	For
ATC	No response
BFP	No response
Exelon	No response
ITC	Abstain
NRDC	Abstain
SWPG	No response
TransCanyon	For
WEC	No response
Xcel-WTC	For
<b>Total “For” TOLSO sector</b>	<b>14 (100%)</b>
<b>Total “For” all PMC</b>	<b>16 (89%)</b>

Result: Motion passes.

The second recommendation to the PMC by the PS was to distinguish the 100% wheeling charge case as the “base” PCM and the 50% wheeling charge case as the “sensitivity.” The PMC continued discussing the NPV columns for both the 50% and 100% wheeling charge cases. Some members wanted to keep the NPV columns with caveats to explain why the NPV analysis was included, others restated their request to remove the columns all together or redact them. Other members, including ITC, still felt it was important for the Needs Assessment Report to include the NPV analysis because it helps justify the conclusion in the prior motion that WestConnect has no regional needs in the 2018-19 planning cycle.

The PMC concluded that the final Needs Assessment Report will exclude the two NPV columns, but the NPV columns will stay in the December 11 PS slides and the December 12 PMC slides ([slides 21-23](#)). This decision was separate from any official motion that took place during the meeting.

Motion: TEP made a motion to approve the PS recommendation # 2 as described on [slide 24](#) of the presentation that designated the 100% wheeling case as the “base” and the 50% wheeling case as a “sensitivity.”

Second: SRP seconded the motion.

Discussion: LADWP pointed out that the first motion assumed the current motion up for vote, and that it would have been more logical to vote on this item #2 before voting on the approval of no regional needs.

Vote: No opposition was noted to this motion so no roll call vote took place.

Result: Motion passes.

The third recommendation from the PS was to permit the sharing of regional economic congestion results and study assumptions at the Interregional Coordination Meeting in February 2019. This item was not voted on by the PMC. Ms. Nuschler asked if there was anything non-public contained in the appendices to the Model Development Report. Ms. Pacini said she would look into that question to confirm that the information can all be shared.

The next topic covered was a summary of the prior day’s PS meeting discussion regarding a high-level RPS check of the 2028 Base Case PCM vs. the 2026 Base Case PCM from the 2016-17 cycle. During the PS meeting, an action item was recorded to remove state- and balancing authority-specific load, RE, and RPS target information from the posted presentations, which was done prior to the PMC meeting.

*Documentation Review*

Mr. Gearhart summarized the discussion in the prior day's PS meeting regarding the draft Model Development Report and the draft Needs Assessment Report, which are shown on [slides 30-34](#).

For the draft Model Development Report, Scenarios will be left in the report as a placeholder since this work has not yet begun. A draft Model Development Report and a comment form will be distributed in the near term with comments due by December 21, 2018.

For the draft Needs Assessment Report, the PS is awaiting narratives for Appendix B, Results of *Reliability* Needs Assessment, from two members and narratives for Appendix C, Results of *Economic* Needs Assessment, will be due by December 28, 2018.

### *2018-19 Model Development*

Mr. Gearhart explained that further consideration of scenario case development will be tabled for now and will be discussed again in January.

A tentative PS meeting schedule for early 2019 is included on [slide 36](#).

## **8. Legal Subcommittee Report**

No update took place.

## **9. Contract and Compliance Subcommittee (CCS) Report**

No update took place.

## **10. Regulatory Update**

### **a) Enrolled Transmission Owner (ETO) Proposed Modification to Planning Participation Agreement (PPA)**

Mr. Bhuiyan shared that the 5<sup>th</sup> Circuit approved the EPE request for a 120-day abeyance. The CTOs are waiting on proposals from the jurisdictional members (ETOs) for review.

## **11. Draft WestConnect Data Request Protocol**

Ms. Pacini provided an update on two parallel efforts going on related to the WestConnect Data Request Protocol development. Ms. Pacini and Ms. Nuschler are working together to move these efforts forward. Ms. Pacini previously drafted a WestConnect Data Request Protocol. The document lays out the preferred approach for requesting data from WestConnect members. Her next step is to turn around another draft of that document for feedback.

Ms. Pacini mentioned that she has also discussed some other data-related issues, most recently, the limitations of use aspect of the current WestConnect Non-Disclosure Agreement (NDA). SRP has requested to help revise the NDA. Ms. Pacini has been working with Ms.

Nuschler who is drafting a reciprocal agreement for the use of regional planning models for the TOLSO's local planning purposes. Ms. Nuschler is working with some TOLSO's to get feedback on an initial draft.

The next step for the PMC will be to review the next draft Data Request Protocol document. That next draft is expected for release in January.

## **12. Interregional Coordination Update**

Mr. Reinhold mentioned that annual Interregional Coordination meeting has been scheduled for February 19, 2019, in Salt Lake City and hosted by Northern Tier Transmission Group.

## **13. Stakeholder Comments**

- No stakeholder comments were noted during this time.

## **14. Action Items**

- Ensure notes reflect the discussion around the decision to approve no regional needs.
- Comments on the Model Development Report are due on December 21, 2018.
- Comments/narratives regarding the economic congestion results are due from impacted entities on December 28, 2018.

## **15. Next Meetings**

- The next in-person meetings will be held in Phoenix, Arizona at the APS Headquarters:
  - **PS Meeting:** Tuesday, January 15, 2018, 12-5pm local time
  - **PMC Meeting:** Wednesday, January 16, 2018, from 9am – 12pm local time

## **16. Adjournment**

Mr. Green adjourned the meeting.

## Attachment 1: Attendees

First	Last	Affiliation
Omayya	Ahmad	APS
Mukhles	Bhuiyan	LADWP
Ben	Brownlee	Energy Strategies
Brian	Cole	APS
Jose	Diaz	LADWP
Tom	Duane	PNM
Chris	Fecke-Stoudt	APS
Kathleen	Fraser	Energy Strategies
Alex	Fratkin	NVE
David	Getts	SouthWestern Power Company
Michael	Granados	LADWP
Tom	Green	Xcel Energy
Bill	Hosie	DATC
John	Jontry	SDG&E
Brian	Keel	SRP
Matthew	Laudone	SRP
Todd	Lichtas	TEP
Huang	Lin	SDG&E
Akhil	Mandadi	APS
Thomas	McCall	APS
Joseph	Meier	TANC
Matthew	Munoz	LADWP
Seth	Nelson	Black Hills
Robin	Nuschler	EPE
Denis	Obiang	LADWP
Heidi	Pacini	PAC Energies
Salish	Porter	Xenicus
Julia	Prochnik	NRDC
Mike	Rein	Xcel
Charlie	Reinhold	WestConnect
Joe	Richardson	Xcel
Phil	Sanchez	TANC
Faranak	Sarbaz	LADWP
Bob	Smith	TransCanyon
Matthew	Stoltz	BEPC
Blane	Taylor	Tri-State
David	Tovar	EPE
Boris	Tumarin	AZGT
Louis	Vigil	EPE
Marguerite	Wagner	ITC
Tom	Wrenbeck	ITC



