NOTICE OF FILING OF AN APPLICATION FOR ELECTRIC RELIABILITY ORGANIZATION CERTIFICATE

I. INTRODUCTION

The Railbelt Reliability Council (RRC) is applying under AS 42.05.760-790 to the Regulatory Commission of Alaska (“Commission”) for certification as the regional electric reliability organization (ERO) for the interconnected bulk-electric system serving the geographic area of Alaska extending from the communities of Fairbanks and Delta Junction in the north; south to Homer and Seldovia; west to Tyonek; and east to Glacier View, Seward, and Whittier containing the service territories of Golden Valley Electric Association, Matanuska Electric Association, Chugach Electric Association, Homer Electric Association, and the City of Seward (“Railbelt”). As the ERO for the Railbelt, the RRC would develop and enforce reliability standards, develop transmission and
interconnection standards, and conduct integrated resource planning to meet the reliability requirements of customers served by the Railbelt interconnected electric energy transmission network ("Railbelt Network"). The RRC’s application ("Application") is submitted with this notice. The RRC appreciates the Commission’s guidance at the January 10, 2022 technical workshop held for potential ERO applicants and the assistance from Commission staff on application form and style.

II. PUBLIC BENEFIT

Regulators, utilities, independent power producers (IPPs), and other stakeholders have long recognized the value to ratepayers of an umbrella organization for the Railbelt that would ensure reliable electrical service and joint planning of new transmission and generation. The RRC will establish and enforce clear rules of operation for all entities connected to the Railbelt Network, increasing reliability for electric power consumers and protecting the system against cyberattacks and other threats. The RRC will work to ensure that new large transmission and generation projects are contemplated in advance and coordinated through an integrated system-wide resource planning process with input from entities on the Railbelt Network and other interested stakeholders.

The RRC will foster increased cooperation among the load-serving entities (LSEs) and other entities connected to the Railbelt Network to improve reliability, security, and system efficiencies. The Commission indicated in legislative testimony that a Railbelt
ERO could increase system efficiencies and emphasized that reliability is important to the life, health, safety, and economic wellbeing of the consumers in the network area.¹

In accordance with Commission recommendations and considering the public benefits, the Alaska Legislature in 2020 enacted Senate Bill (SB) 123, requiring an ERO for certain electrical networks. Concurrent with the legislative deliberations, the Railbelt LSEs, in consultation with stakeholders, solidified their support for a reliability organization by signing a memorandum of understanding to form the RRC Implementation Committee (IC). This action marked a major milestone for the utilities, other Railbelt entities, and policy makers who had worked for years toward a collaborative organization. The utilities promptly initiated a process to identify additional stakeholders with an interest in Railbelt reliability and planning. Identified stakeholder groups, including the State of Alaska and IPPs, appointed representatives to work with the utilities. These stakeholders along with the utilities became the RRC IC with the mission of building the RRC organization and applying for certification as the Railbelt ERO. They were soon joined by representatives of consumer interests and an independent member, both appointed following publicly noticed solicitations. Openness and inclusion of all Railbelt stakeholder interests were recognized as integral to the formation of the

¹ Testimony by Regulatory Commission of Alaska Commissioner Antony Scott on SB 123: Electric Reliability Organizations before the Senate Railbelt Electric System Committee on January 24, 2020.
III. RRC FORMATION

The fourteen-member RRC IC\(^2\) began its work in July 2020 and was committed from the start to establishing processes and rules that reflect its founding principles—to strive for openness, inclusiveness, and technically strong work product while balancing the diverse interests of its membership. A balanced subcommittee structure was utilized to develop policies, processes, and application requirements, and to manage independent, nationally recognized subject matter experts (SMEs) on integrated resource planning, governance, standards development and compliance, budget, organizational structure, and public transparency and involvement. The IC required a supermajority threshold (75 percent of total voting representatives) for certain actions to ensure a majority of stakeholder groups concurred with key decisions. This promoted balance, equity, and collaboration, and over time has helped each IC member develop a deeper understanding of the priorities and concerns of the other members. In September 2021, the IC added a seat to represent the large commercial/industrial stakeholder class in recognition of the value of this additional perspective.

On January 31, 2022, the IC voted unanimously to incorporate the RRC as a

\(^2\) Two of the initial fourteen members were nonvoting representatives of the RCA and the Attorney General’s office.
501(c)(4) not-for-profit corporation. The first meeting of the incorporated RRC was held on March 14 to adopt bylaws, policies, and other foundational documents. The voting members of the RRC IC\(^3\) were installed as the RRC’s first directors on March 14.

IV. **RRC BOARD AND STRUCTURE**

a. **Board**

The RRC is applying for certification as a combination independent and balanced stakeholder board under AS 42.05.762(4)(B)(iii) under the balanced board safe harbor provisions in 3 AAC 46.080(a). The RRC Board of Directors (“Board”) is classified in the manner provided under the safe harbor regulations, and the total provider and total consumer interests are equal, as described in the Application at Exhibit E-12 (RRC Bylaws, Section 2.1.2). The Board includes directors for Railbelt stakeholder interests, as identified and categorized in the RRC IC member solicitation process. This inclusiveness at the highest level of the organization, in tandem with voting rules and resources available to directors, ensures that the interests of each represented stakeholder class are fully considered without undue amplification or attenuation, as supported in the Application.

\(^3\) The following voting members of the RRC IC were installed as initial directors of the RRC at the first board meeting: Julie Estey, chair; Suzanne Settle, vice-chair; Joel Groves, secretary/treasurer; Brian Hickey; Frank Perkins; David B. Thomas; Lou Florence; David Burlingame; Bryan Carey; Veri di Suvero; Chris Rose; William Koegel; and Paul Morrison.
The fifteen-member Board is intentionally large to reflect the broad spectrum of interests that either impact or are impacted by a reliable, robust electric system. Directors are subject to professional qualifications. Although directors are not subject to technical qualifications, the technical abilities of individual Board members may be utilized in the development of standards and IRPs, just as the public interest, regulatory, service, and professional expertise and backgrounds of all directors will support the RRC’s work. This stakeholder-interest Board design leverages the knowledge and expertise of each director while requiring collective action to avoid conflicts and self-service.

A supermajority vote is required for many Board actions per the Voting Procedures Rule (ER10, Application Exhibit E-10-10) to provide balance in RRC actions. The design will require directors to act independently of the users, owners, and operators of the system, including those that appointed a director, and to put the interests of the RRC first while representing the interests of their designated stakeholder class. At the same time, directors are expected to draw from their experience and skills to bring value to the RRC and to ratepayers. While each director’s experience may be with an appointing entity, the director is charged with representing the broader interests of their stakeholder class, and not solely those of their appointing entity. These requirements are established

4 A supermajority vote is the affirmative vote of nine or more voting directors representing a majority of the stakeholder classes, as subclassified, represented on the RRC Board of Directors.
through several documents as shown in Table 2 of the Application, and enforced through the Conduct Compliance Rule (ER12, Application Exhibit E-10-12). The RRC believes that open, transparent operations are the best assurance of independent action and ethical conduct. To that end, the RRC’s proposed rules as provided in the Application (see Public Meetings [ER6, Rule Application Exhibit E-10-6], and Confidential Documents and Access Rule [ER4, Application Exhibit E-10-4]) promote broader openness and public involvement than required by regulation.

b. RRC Structure and Operational Overview

i. RRC Structure

As contemplated in the Application, the RRC Board will provide professional, balanced oversight for the organization. The CEO will manage the organization, its activities, and its staff. The RRC envisions a lean organization with permanent staff sufficient to handle the legal, regulatory, and financial affairs of the RRC, and to develop reliability, transmission, and access standards, and integrated resource plans (IRPs).

The Application includes a functional organization chart for the RRC (Exhibit E-2) and a description of expected personnel positions (Application at Part 1, B.4), including for the four senior engineers that will comprise the Technical Advisory Council (TAC). The organization will be permanently staffed to support the RRC’s duties to develop and enforce reliability standards and conduct integrated resource planning. It
may also utilize contractors to supplement basic staffing for shorter-term work projects. The Board will work with the chief executive officer (CEO), once hired, to determine the most cost-effective employee structure with support from contracted expertise for short-term work requirements and specialized management-level functions related to legal and regulatory affairs, human resources, and finance. Certain other support staff, such as administrative personnel, will likely be full-time, permanent employees. At this point, the RRC does not envision having standing committees other than Board committees such as the Executive Committee, Governance Committee, and Finance and Audit Committee. Other non-Board RRC committees will be established as needed.

ii. RRC Technical Advisory Council

The Alaska Legislature tasked an ERO with developing reliability standards and conducting integrated resource planning for a region. Foundational to accomplishing this directive is the technical ability of the ERO. Development of reliability standards and IRPs will be highly technical and must prove sound under scrutiny in order to deliver the desired benefits to the Railbelt. To ensure that reliability standards and IRPs are technically sound and balance the interests of stakeholders, the public, and other interested parties, the RRC constructed its organization to house its technical capacity in the TAC, an independent staff engineering group supervised by the CEO. The TAC will form working groups comprised of SMEs, qualified representatives, and selected
members of the public to obtain input from interested and potentially impacted parties in the TAC development process. Stakeholder class interests will also be represented by directors when the Board considers action on a standard or IRP.

The four senior TAC engineers will each be assigned to a division (standards, planning, studies, or compliance) and must have substantial technical qualifications, including an appropriate engineering degree and directly relevant work experience, as described in the Application at Part 1, B.4. The senior engineers comprising the TAC will support each other in the evaluation of reliability standards and IRP recommendations. Individually, the engineers will be responsible for staff and developments in their division and will manage and chair working groups for developments related to their division.

iii. RRC Operations

Board action is required to initiate the development of a standard or IRP. Such action will trigger multiple processes: (1) the CEO as TAC supervisor receives the Board’s direction and initiates the TAC process, including designating a TAC engineer (“Manager”) to manage the development; (2) the TAC process directs development management, work flow, approvals, and dissents; (3) the Manager initiates the Product Development Rule (ER1, Application Exhibit E-10-1), which ensures that certain requirements of AS 42.05.762(3) are met in the development process; and (4) the Manager proceeds to develop the standard or plan according to the TAC Structure and
Process for standards (Application Exhibit E-7), and the Process for the Development of an Integrated Resource Plan (Application Exhibit E-8).

To ensure that input is received from a variety of interests, including all potentially impacted parties, while maintaining the technical integrity of standards and plans, the TAC process requires standing up one or more working groups, which the Manager will chair. The working groups may focus on an entire development, such as with a standard, or on one specific part of a development with many components, such as with an IRP. The bulk of the development work is done at the working group level, with multiple opportunities for public comment. The working groups may also include members of the public who have successfully petitioned to participate in the development.

The working groups blend technical expertise with input from interested and potentially affected parties. Technical expertise comes from the Manager who chairs the working group, RRC SMEs hired to support the working group as needed, and additional SMEs selected by the CEO in consultation with the Board to serve on the working group. In addition, directors may appoint qualified representatives to sit on the working group to advance the stakeholder class interests of that director’s seat. Directors themselves will not serve on working groups unless a director has technical qualifications that the Board agrees would support the working group but may attend working group meetings to follow the development.
The Manager will solicit and consider input from the public, potentially affected parties, and stakeholder classes through the working group and will strive to balance the technical aspects of the development with those interests. Once a standard or plan is developed, the Manager will advance their recommendation to the working group for comments and dissenting statements, if any, before the Manager’s recommendation is presented to the TAC. The TAC engineers will evaluate the recommendation’s technical soundness and advance a TAC recommendation to the Board. For IRPs, individual IRP components will be approved through this process before the final plan is advanced to the Board for action.

While the TAC process involves multiple layers, the RRC believes this is required for a robust process that balances interests with technical soundness.

V. **RRC’S ABILITY TO PERFORM DUTIES IN AS 42.05.762**

Under 3 AAC 46.050(f), an applicant must demonstrate the ability to perform the duties of an ERO by having established rules that comply with 3 AAC 46.460(a) and established procedures that, before Board approval, ensure a reliability standard or IRP is technically sound. The RRC is able to perform the ERO duties articulated in AS 42.05.762, as demonstrated in the Application.

The RRC has established a Set of Rules to ensure compliance with AS 42.05.762(3), as provided in the Application as Exhibits E-10-1 through E-10-13. These
rules individually and collectively ensure the RRC carries out its responsibilities in the manner prescribed in statute, and in many cases go beyond the minimum requirements to further the RRC’s commitment to public access and involvement; open, transparent operations; and balancing of interests. A full narrative addressing how these rules, individually and collectively, satisfy the requirements in the ERO statutes and regulations is included in the Application at Part II, H.

The RRC will have the technical ability to develop reliability standards and IRPs, as discussed in Section IV of this Notice and as demonstrated in the Application at Part II, J. The RRC’s technical ability is derived from a qualified CEO and senior engineers (Application at Part I, B.4 and Exhibit E-6), and from the robust, iterative development process provided by the TAC process described above and in Application Exhibit E-7. This process requires a finding of technical soundness by the qualified senior TAC engineers before a proposed reliability standard or IRP is submitted for Board approval. The TAC process and its finding of technical soundness satisfy the requirements of 3 AAC 46.050(f)(2).

VI. NEXT STEPS

The RRC is prepared to engage in the work of a certificated ERO. The Board is cognizant of the extensive work ahead and is eager to begin serving as the ERO upon certification. Filed with this notice and Application is a petition to make the RRC’s initial
tariff and proposed surcharge effective upon certification to enable the RRC to function as the ERO immediately upon certification. As a first step following certification and implementation of the initial surcharge, the RRC plans to hire a CEO. As the Commission is likely aware, many organizations are experiencing challenges in filling open positions. While the RRC plans to move aggressively, recent experiences of the utilities and organizations involved with the RRC indicate that hiring a CEO could take several months. The CEO’s priority will be recruiting senior engineers to form the TAC and hiring support staff and contractors needed to enable the RRC to initiate work on reliability standards development and integrated resource planning.

As reflected in the standards and IRP work plans and budgets in the Application (Exhibits E-4 and E-9, respectively), the RRC target date to complete and file reliability and other standards is September 2025. The initial IRP is estimated to take four years from initiation to filing.

The RRC respectfully requests that the Commission account for the start-up considerations noted in this section when issuing orders requiring RRC filings by a specific date.

VII. COMPLIANCE WITH ERO REGULATIONS

The RRC appreciates the significant efforts by the Commission to develop the robust set of regulations that will govern the ERO’s actions. The RRC interpreted and
applied the ERO regulations based on valuable input from the Commission and staff to prepare an application that fully satisfies all requirements in regulation but requests the opportunity to revise the Application if the Commission finds that the RRC has not satisfied the requirements of any provisions of the ERO regulations.

As discussed above, the Application reflects almost two years of intensive work by the RRC IC to develop the governing documents of the RRC. The RRC believes that the documents submitted with the Application fully satisfy the requirements in the ERO regulations and will allow the RRC to function as the ERO immediately upon certification. The RRC will, however, continue to develop rules, procedures, and policies to guide its actions. Some of the exhibits filed with the Application include references in brackets to those documents the RRC plans to prepare after certification.

VIII. RRC REQUESTS

a. Request that Rules Take Effect Upon Certification

The RRC’s proposed rules as submitted in the Application (Exhibit E-10) have been approved by the RRC Board and formatted and numbered in accordance with RCA regulations. As such, the RRC requests that the Commission make the rules effective upon certification and waive any additional filing requirements for such rules. The RRC believes this request is consistent with the ERO regulations for an initial set of ERO rules and does not require a request for waiver.
i. Request that Tariff and Surcharge Take Effect Upon Certification

A critical precursor to the RRC engaging in ERO business is securing necessary funding. The RRC has provided a cost allocation methodology in the Application (ER13 – Equitable Allocation of Costs Rule, Exhibit E-10-13), and the proposed tariff (Exhibit E-3) includes an initial surcharge. The initial surcharge would cover anticipated start-up costs for the RRC, including hiring a CEO and other staff, securing long-term office space, constructing a website to support public participation and openness, and more. A petition requesting that the initial tariff and included surcharge be made effective upon certification is being filed concurrently with the Application.

ii. Request for Certification as Expediently as Possible

Based on the RCA’s January 10, 2022 technical workshop, we understand that the Commission may open separate dockets for investigation of specific Application components. The RRC respectfully requests that the Commission certificate the RRC once it has adequate assurance of the RRC’s ability to serve as the ERO so that critical work can begin.

IX. CONCLUSION

An ERO is required for the Railbelt interconnected bulk-electric system.\(^5\) The certification of the RRC as the regional ERO is in the public interest. The RRC is uniquely

\(^5\) See AS 42.05.760; R-20-001(5); R-20-002(6); R-20-003(6).
positioned to meet the Railbelt Network’s reliability and efficiency needs. The RRC represents all Railbelt stakeholder interests, with proven leadership that developed the organization from the ground up to best serve Railbelt ratepayers. As reflected in the Application, the RRC will have the technical capability to develop and enforce reliability standards and conduct integrated resource planning. The RRC’s governance structure and rules ensure stakeholder interests will be fairly considered and balanced. Finally, the RRC is committed through its rules and policies to conducting business in an open, transparent manner and engaging the public’s input.

The RRC appreciates the Commission’s consideration of this Application and can provide any additional information as requested to assist the Commission in its review.

DATED: March 25, 2022

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Attorneys for the RRC IC
Application for Certification as the Electric Reliability Organization for the Alaska Railbelt Interconnected Electric Energy Transmission Network

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PART 1 GENERAL INFORMATION

The following information is required by 3 AAC 46.090(a)(1-5).

A. Contact Information 3 AAC 46.090(a)(1)

Applicant’s legal name: Railbelt Reliability Council (RRC)
Mailing address: P.O. Box 196300, Anchorage AK 99519
Business phone: The RRC will install a permanent phone number upon certification. The phone number for the application contact is provided in response to C of this Part 1.
Email address: rrc@alaskapower.org

B. Business Structure 3 AAC 46.090(a)(2)

1. Type of business structure

The Railbelt Reliability Council (RRC) incorporated January 31, 2022, as a 501(c)(4) not-for-profit corporation. The certificate of incorporation is included as Exhibit E-1. The RRC’s Articles of Incorporation are provided informationally as Exhibit E-11.
2. **Name, address, phone, email of registered agent**

   The RRC’s registered agent is MB Services Inc., 1127 W. 7th Avenue, Anchorage, AK 99501. The agent’s phone number is (907) 334-5600 and email is email@mb-lawyers.com.

3. **Organization chart**

   A Functional Organization Structure Chart is included as Exhibit E-2. The chart shows major RRC functions and high-level responsibility relationships. As noted in the exhibit, additional relationships will exist between the business and engineering divisions as appropriate to ensure accountability and efficiency.

4. **Expected personnel positions, including key management, financial, and technical positions**

   The RRC’s expected personnel positions are as follows:

   **Chief Executive Officer:** The RRC’s chief executive officer (CEO) will lead and manage the RRC’s employees and business, as guided by the RRC Board of Directors (“Board”). The CEO will advise the Board on industry changes, strategic planning, and RRC policy and will be responsible for ensuring RRC compliance with statutory and regulatory requirements. The CEO must have an in-depth understanding of islanded system operations and will need to develop an understanding of the Railbelt electrical system, including its operational and economic characteristics. The CEO will also be responsible for supervising RRC staff, overseeing financial affairs, maintaining the RRC’s external relationships, and handling stakeholder relations.

   This position requires technical competency, as the CEO will supervise the RRC Technical Advisory Council (TAC) and the RRC’s senior engineers (described below). The CEO will advise, consult with, and provide technical context to the Board regarding standards, integrated resource plans (IRPs), studies, and tariff provisions developed under the TAC and the TAC Structure and Process (PD-03, Exhibit E-7). They must have a strong technical understanding of electric utility operations, planning, transmission and generation economics and pricing, open access transmission practices, and reliability and cybersecurity standards.

   **Senior Standards Engineer:** The RRC’s standards planning engineer will be a member of the TAC with responsibility for developing and implementing reliability standards, cost allocation standards, and transmission access standards. This engineer will manage and chair TAC working groups formed for standards development. This position will support the other senior engineers in TAC matters, including evaluating, developing, and
considering recommendations and dissents. The senior standards engineer will have to meet technical qualifications, including a degree in electrical engineering; experience in transmission and generation operations and in standards compliance; and experience in developing and interpreting standards.

**Senior Planning Engineer:** The RRC’s senior planning engineer will be a member of the TAC with responsibility for developing the IRPs and plan updates. This engineer will manage and chair TAC working groups formed for IRPs. This position will support the other senior engineers in TAC matters, including evaluating, developing, and considering recommendations and dissents. The senior planning engineer will have to meet technical qualifications, including a degree in electrical or mechanical engineering; experience in transmission system planning, generation, IRP development, resource planning, or resource evaluation or development; and experience with islanded power systems such as the Railbelt system.

**Senior Studies Engineer:** The RRC’s senior studies engineer will be a member of the TAC with responsibility for conducting technical studies necessary for the development of standards and IRPs, including transmission system performance studies and production cost simulations. This engineer will manage and chair TAC working groups formed for studies. This position will support the other senior engineers in TAC matters, including evaluating, developing, and considering recommendations and dissents. The senior studies engineer will have to meet technical qualifications, including a degree in electrical engineering; experience in transmission system planning and studies operations; and experience with islanded power systems such as the Railbelt system.

**Senior Compliance Engineer:** The RRC’s senior compliance engineer will be a member of the TAC with responsibility for compliance monitoring and enforcement of all approved standards, including making penalty recommendations to the Board. This position will support the other senior engineers in TAC matters, including evaluating, developing, and considering recommendations and dissents. They will participate in working groups to develop standards. The senior compliance engineer will have to meet technical requirements, including a degree in electrical engineering; experience in transmission, generation operation, and standards compliance; and experience in the development and interpretation of reliability, cost allocation, and open access standards.

**Additional management-level functions:** At the time of application, the RRC has not defined additional management-level positions. While the business divisions depicted in the Functional Organization Structure Chart (Exhibit E-2) will require managers, the RRC will preserve flexibility for its CEO to make decisions to best staff the organization. The RRC intends to first retain a CEO who is qualified to assist the Board in making the decision whether to fill these positions with permanent RRC employees, or to contract
for certain functions to minimize costs to Railbelt ratepayers. Human resources, regulatory, legal, public affairs, and information technology are examples of functions that would be evaluated in that context. Whether filled with permanent or contract personnel, management of these functions must be sufficient to enable the RRC to fulfill its responsibilities under statute and its own Bylaws and rules, including meeting the requirements of a prudent, responsible nonprofit corporation.

C. Application Contact AAC 46.090(a)(3)

Requests from the Regulatory Commission of Alaska for information about this application should be directed to:

Name: Elena Romerdahl, Counsel for the RRC
Address: Perkins Coie, 1029 West Third Avenue, Suite 300, Anchorage, AK 99501-1981
Email: ERomerdahl@perkinscoie.com
Phone: (907) 263-6914

D. Signed Verification 3 AAC 46.090(a)(4)

The undersigned hereby verifies the application and requests the Regulatory Commission of Alaska grant to the applicant a certificate of public convenience and necessity for the services and areas set out above.

Dated at Anchorage, Alaska, this 25th day of March 2022.

Name of Applicant

By: Railbelt Reliability Council
(Applicant)

Julie Estey, Chair, Railbelt Reliability Council Board of Directors
(Name and Title)

5601 Electron Drive, Anchorage AK 99518
(Address of Applicant)

(Signature of Applicant)
PART 2   RRC ORGANIZATION & PRACTICES

Below are items required by 3 AAC 46.090(a)(5-17).

A. Qualifications of directors, and of employees or committee members, if available, who satisfy the requirements of 3 AAC 46.460(a)(1) 3 AAC 46.090(a)(5)

The technical qualifications of specific employees and committee members are not available at the time of application, as employees will be hired after certification. As described above and as provided in the RRC’s Technical Qualifications Vetting Process (PD-02), included as Exhibit E-6, the TAC engineers will be required to meet specific technical qualifications that enable the RRC to develop reliability standards and IRPs.

Some committee members may be subject to technical qualifications based on the purpose and responsibilities of a specific committee, once established. Directors will not be required to have technical qualifications. General requirements for directors are provided on application page 20.

B. Proposed tariff and tariff completion plan 3 AAC 46.090(a)(6)

The RRC’s proposed tariff is attached as Exhibit E-3. The tariff is the means by which the RRC provides regulated services, including reliability standards, transmission open access standards, Railbelt integrated resource planning, and cost recovery for additions and modifications to meet system requirements.

Significant effort was made to develop a comprehensive initial tariff that will enable the RRC to begin providing ERO services immediately upon certification. The tariff was drafted by a committee of Railbelt stakeholder representatives with the assistance of a regulatory consultant and valuable input from RCA staff. The tariff supports the unique characteristics of an ERO by providing for initiation of RRC services, funding the RRC’s inception year through a levied surcharge, and accommodating the sequential addition of tariff content over time. The tariff can go into effect while reliability and other standards are developed and submitted for RCA approval.

The RRC tariff includes content beyond the minimum required content for an application under 3 AAC 46.090(a)(6). The major features of the tariff include:

- General arrangement and content as specified under 3 AAC 46.360(a)(1-6);
- Additional general requirements as specified at 3 AAC 46.360(c) and (d);
- Symbols as specified at 3 AAC 46.360(e) with regard to the initial surcharge;
- Structural arrangements as specified under 3 AAC 46.360(h) for the filing of 3 AAC 46.360(a)(7) standards in the future;
• An initial surcharge to meet the intent of 3 AAC 46.430;
• Terms, conditions, and schedules to provide for open access and interconnection in accordance with 3 AAC 46.440; and
• Terms, conditions, and a schedule to provide for transmission cost recovery under 3 AAC 46.450.

The tariff is just, reasonable, not unduly discriminatory or preferential, and in the public interest. It has been prepared with input from the representatives of the stakeholders to which the tariff will apply, accommodating considerations of each to ensure that the tariff is not discriminatory or preferential to any entity. Enabling the tariff at certification is in the public interest as it allows the RRC to expeditiously begin carrying out ERO responsibilities.

The work plan and budget to complete the tariff is in Table 1 below and contemplates tariff filings of reliability standards and other materials developed over time. The proposed tariff is complete, with an index of contents and tariff rules and regulations. By separate motion filed concurrently with this application, the RRC seeks RCA approval to implement the tariff and initial surcharge included in the proposed tariff (Tariff Sheet 25, Exhibit E-3) upon certification of the RRC as the Railbelt ERO. The work plan for the completion of the tariff therefore consists of a compliance filing in response to an anticipated order implementing the tariff, and future tariff filings upon regulatory approval of standards promulgated by the RRC.

Each standard, or a group of standards, will, upon approval of the RRC, be filed as a new or revised tariff provision in accordance with 3 AAC 46.320, 3 AAC 46.410, and 3 AAC 46.440. A separate work plan and budget for developing reliability and other standards is attached as Exhibit E-4. Standards will be developed under the TAC Structure and Process (PD-03, attached as Exhibit E-7) and RRC rules (Exhibit E-10). The Product Development Rule (ER1, Exhibit E-10-1) is how the RRC will identify and directly notify potentially affected parties, as required in an application by 3 AAC 46.090(a)(6)(C). In addition, the RRC is informationally providing the Standards Authorization Request Process (PD-01, Exhibit E-5), which supplies a process for any interested person to request that the RRC develop a particular reliability standard.

The budget for the completion of the tariff will be the administrative cost of preparing and supporting a compliance filing of the initial tariff upon certification, and each tariff filing for the addition of proposed standards. It does not include annual surcharge revisions or other routine tariff filings post-certification. The work plan and budget in Table 1 assumes a Senior Standards Engineer at a fully loaded annual salary of $309,600 (wages plus benefits) or $148.85/hour, and legal representation at $500/hour.
Table 1  Tariff Work Plan and Budget

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C. Location in state where books are kept 3 AAC 46.090(a)(7)

RRC books will be kept at the RRC’s initial office at 5601 Electron Drive, Anchorage, AK, 99518. The RRC anticipates transitioning to a permanent office following certification and will update the RCA accordingly.

D. Expectations for ethical conduct 3 AAC 46.090(a)(8)

Alaska statute requires the RRC to establish rules to ensure that the organization and its directors act independently of the users, owners, and operators of the interconnected electric energy transmission network. The RRC’s rules containing the provisions in 3 AAC 46.110(a) require independent action of the RRC and its directors and are supported by strong compliance procedures. The RRC believes organizational transparency are essential to ensure independent action and ethical conduct.

The Ethical Conduct Rule (ER11, Exhibit E-10-11) provides requirements for ethical behavior and independent action for all RRC directors, employees, and committee members, as well as for contractors and members of the public approved for public participation in RRC developments. The rule is enforceable through the Conduct Compliance Rule (ER12, Exhibit E-10-12).

The Product Development Rule (ER1, Exhibit E-10-1) provides a process for complying with RCA regulations, including the requirement in 3 AAC 46.110(a)(2)(C) to provide a public, written explanation addressing how interests were considered and balanced when developing plans, rules, tariff provisions, and standards.
The Conduct Compliance Rule (ER12, Exhibit E-10-12) provides instructions for reporting potential violations of conduct rules and a process for investigating reports and sanctioning violations, as required by 3 AAC 46.110(a)(3). Portions of the RRC Bylaws (Exhibit E-12) and the Voting Procedures Rule (ER10, Exhibit E-10-10) are also enforceable under the Conduct Compliance Rule (ER12), as described in Table 2.

Cumulatively, these documents satisfy the requirements in 3 AAC 46.110(a), as described below in Table 2. Several requirements (indicated with an asterisk in the table) are not stated explicitly but are included in broader provisions. The RRC believes that overly explicit ethical conduct provisions risk the misperception that improper conduct outside of the explicit provisions may not be a violation of RRC policy and rules. Therefore, the RRC has elected to adopt broad, comprehensive language in its governing documents. The requirement in 3 AAC 46.110(b) is satisfied by the entirety of the RRC’s application and exhibits and is included in Bylaws Section 3.2 – Nonvoting Members.
Table 2  Table of Provisions Meeting 3 AAC 46.110(a)

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 AAC 46.110(a)(1)(A)</td>
<td>The Ethical Conduct Rule, Section 5.1, prohibits personal profit or gain. This prohibition covers the use of ERO equipment or tools for unauthorized projects or activities.*</td>
</tr>
<tr>
<td>3 AAC 46.110(a)(1)(B)</td>
<td>The Ethical Conduct Rule, Section 5.1, prohibits personal profit or gain. This prohibition covers payment or acceptance of bribes, kickbacks, or other improper payments.*</td>
</tr>
<tr>
<td>3 AAC 46.110(a)(1)(C)</td>
<td>The Ethical Conduct Rule, Section 5.1, prohibits personal profit or gain. This prohibition covers the use of position, title, or employment status at the RRC to exert inappropriate influence for personal gain or benefit, or the gain or benefit of an individual’s employer.*</td>
</tr>
<tr>
<td>3 AAC 46.110(a)(2)(A)(i)</td>
<td>The Ethical Conduct Rule, Section 5.2, includes requirements to act in the best interests of the Railbelt network, and to provide impartial consideration of and give due weight to the interests of all stakeholder classes.</td>
</tr>
<tr>
<td>3 AAC 46.110(a)(2)(A)(ii)</td>
<td>The Ethical Conduct Rule, Section 5.2, requires directors, employees, and committee members to act independently and in the best interests of the Railbelt network.</td>
</tr>
<tr>
<td>3 AAC 46.110(a)(2)(A)(iii)</td>
<td>The Ethical Conduct Rule, Section 5.2, provides generally accepted principles for an organization operating in the public interest. These provisions prohibit a director from promoting their own financial or other interests or those of a particular person or organization.</td>
</tr>
<tr>
<td>3 AAC 46.110(a)(2)(A)(iv)</td>
<td>The Ethical Conduct Rule, Section 5.0, requires directors, employees, and committee members, as well as contractors and members of the public approved to participate in RRC developments, to comply with the RRC’s governing documents, code of conduct, and other policies and procedures.</td>
</tr>
<tr>
<td>3 AAC 46.110(a)(2)(B)</td>
<td>The Voting Procedures Rule, Provision D, requires directors to recuse themselves from voting on an alleged violation of a reliability standard by, or on an associated penalty assessed upon, the director’s employer or appointing entity. Only the RRC Board may approve enforcement actions related to reliability standards. This is enforceable under the Conduct Compliance Rule.</td>
</tr>
<tr>
<td>3 AAC 46.110(a)(2)(C)</td>
<td>The Product Development Rule includes a requirement for a public, written explanation addressing how interests articulated in the development of a rule, reliability standard, or integrated resource plan were considered and balanced and to which a director may append a dissent and provides a process for building a record sufficient to support the explanation.</td>
</tr>
<tr>
<td>3 AAC 46.110(a)(3)</td>
<td>The Conduct Compliance Rule ensures adherence to the rules that implement the requirements of AS 42.05.762(3)(A) by providing instructions for reporting potential violations and processes for investigating complaints and sanctioning violations.</td>
</tr>
<tr>
<td>3 AAC 46.110(a)(4)</td>
<td>Bylaws Section 2.1.2.6 – Qualifications prohibits RRC employees from serving as RRC directors. This is enforceable under the Conduct Compliance Rule.</td>
</tr>
<tr>
<td>3 AAC 46.110(a)(5)</td>
<td>The Voting Procedures Rule, Provision C requires a supermajority vote of the Board for approval or revision of reliability standards and IRPs and enforcement of reliability standards. A supermajority vote requires an affirmative vote of 9 or more directors representing a majority of stakeholder classes, as subclassified (Bylaws Article 12-Definitions). This vote threshold ensures an affirmative vote from directors representing at least three different stakeholder classes. This is enforceable under the Conduct Compliance Rule.</td>
</tr>
</tbody>
</table>

* Items indicated with an asterisk are not stated explicitly but are included in broader requirements.
E. Rules that comply with AS 42.05.762(3)(C) – Enforcement 3 AAC 46.090(a)(9)

The RRC rule for fair and impartial enforcement of reliability standards is the Compliance Monitoring and Enforcement Program (CMEP) Rule (ER2, Exhibit E-10-2). The RRC developed the CMEP Rule to meet the requirement of AS 42.05.762(3)(C) to provide fair and impartial procedures for enforcing reliability standards while ensuring the ongoing reliability of the Railbelt interconnected bulk-electric system. Conflict of interest, anti-trust, and due process provisions paired with a cooperative approach provide fairness and balance. The CMEP provides sufficient confidentiality protections for registered entities. The CMEP is a robust program encouraging a collaborative process with registered entities to ensure system reliability.

The CMEP was modeled on the North American Electric Reliability Corporation’s (NERC’s) Compliance Monitoring and Enforcement Program, under the jurisdiction of the Federal Energy Regulatory Commission (FERC) for the lower-48 states and Canadian Provincial Regulators for Canada. Mandatory reliability standards with penalties and sanctions have been in effect in NERC jurisdictions since June 2007. The RRC relied on one of the principal developers of that program, David W. Hilt, in developing the RRC’s CMEP. Mr. Hilt served as vice president of compliance for NERC and was responsible for implementing NERC’s CMEP.

Establish Rules for Fair and Impartial Enforcement of Reliability Standards

The CMEP Rule provides fair, impartial procedures the RRC will follow to ensure registered entities comply with reliability standards. First, entities that meet the criteria of a registered entity under 3 AAC 46 (criteria and process to be developed by the RRC after certification) may register with the RRC. The RRC also has the ability to register an entity that meets registration criteria. Entities may appeal a requirement to register. As with other CMEP processes, the appeal process includes a hearing to provide due process. Next, the CMEP provides compliance and enforcement procedures with multiple checks and balances to ensure fairness and impartiality and prevent preference and prejudice. These checks and balances include the following:

- Compliance auditors and investigators may not have conflicts of interest.
- Compliance audits and investigations cannot be carried out by persons employed by - either directly or by contractual arrangement - or affiliated with the registered entity that is being audited or under investigation for a reliability standard violation.
- The RRC will develop anti-trust compliance guidelines for employees and others working under the CMEP.
• Confidentiality is maintained throughout the audit and investigation process. Specific confidential, critical infrastructure, and cybersecurity information is protected.

• Compliance auditors and investigators will receive training related to CMEP activities.

• REs may appeal the selection of any compliance auditors or investigators.

• Enforcement actions are developed by RRC staff and not the audit or investigation team.

• Processes are established for appeals of alleged violations and proposed penalties or sanctions.

• All Notices of Confirmed Violation, including settlement agreements, are posted to the RRC website for public comment when the notice is provided to the RCA.

The RRC will use a risk-based approach to identify reliability standards, if any, that are subject to audit on an annual basis. Audits will not single out any particular entity but will focus on specific reliability standards based on risk to the reliability of the interconnected bulk-electric system. The RRC will publish an annual notice of scheduled audits, including the standards to be audited, and will provide registered entities with direct advance notice of an audit. The RRC will conclude each audit with an exit briefing with the registered entity, even if no potential violations are identified.

**CMEP Ensures Compliance with Reliability Standards**

The CMEP includes multiple monitoring methods to ensure compliance with the reliability standards and preserve system reliability. The process calls for collaboration with registered entities by encouraging self-monitoring and reporting of violations. Self-reporting is encouraged to ensure that registered entities have sound internal compliance monitoring programs. Self-reported violations are not subject to audit while under mitigation. Entities that self-report are given credit in a violation with an associated penalty.

As part of the self-reporting process, registered entities can use the Find, Fix, Track, and Report process for minimal and moderate risk violations. The registered entity would identify a violation, mitigate the matter, track the mitigation, and report the violation and the mitigation to the RRC. The RRC will not assess penalties for violations identified through the Find, Fix, Track, and Report process, unless the RRC determines a different CMEP process should have been used.

The CMEP includes a self-certification process by which the RRC can ask registered entities to certify that they are in compliance with specific reliability standards. The RRC may
conduct spot checks to verify this. The CMEP provides for compliance investigations in case of system events, and a process for receiving external complaints of potential violations.

**Enforcement Actions**

Under the CMEP, penalties and sanctions must bear a reasonable relation to the seriousness of the violation. Once the RRC has confirmed a potential violation, the RRC will issue a formal Notice of Alleged Violation and Proposed Penalty or Sanction to the registered entity. The registered entity may contest the violation, the penalty or sanction, or both under a formal hearing process.

If the violation allegation is sustained, a Notice of Confirmed Violation and Penalty or Sanction is submitted to the RRC Board for action. When voting on a reliability standard violation or associated penalty, directors appointed or employed by the entity that is the subject of the alleged violation or penalty must recuse themselves under the RRC Voting Procedures Rule (ER10, Exhibit E-10-10). The registered entity may provide a statement to the Board regarding the violation. The Notice of Confirmed Violation, the penalty or sanction, and the registered entity’s statement (if any) will be posted to the RRC website for public comment and filed with the RCA.

Settlement of alleged violations is encouraged and may be initiated at any time by the registered entity. Settlement agreements require Board approval and will be noticed for public comment before transmittal to the RCA. To encourage settlements, the registered entity does not need to concede that a violation has occurred but must agree to terms including mitigation.

**Ensuring Reliability**

Mitigation of reliability standard violations is necessary to ensure the reliability of the Railbelt interconnected bulk-electric system. Mitigation plans are required for all violations except those corrected via Find, Fix, Track, and Report, and RRC staff will track mitigation progress.

The RRC may issue a Remedial Action Directive (RAD) to a registered entity if the RRC identifies an imminent or actual threat to reliability based on a possible reliability standard violation. The RAD will require immediate mitigation to prevent emergent or ongoing threats. A registered entity can appeal a RAD. The RRC will monitor RAD implementation to ensure the reliability threat is resolved.
F. Proposed cost allocation method 3 AAC 46.090(a)(10)

The RRC’s proposed cost allocation method is provided as the Equitable Allocation of Costs Rule (ER13), submitted as Exhibit E-10-13. The RRC is proposing a net energy for load (NEFL) cost allocation calculation substantially but not wholly consistent with the definition in 3 AAC 46.999. The proposed calculation provides an administratively efficient and simple methodology that is fair, equitable, and commensurate with net retail energy delivery for each load-serving entity (LSE).

The NEFL method defined at 3 AAC 46.999(b)(18) is not administratively simple, due in part to the requirement to maintain hourly data. Another concern is the consideration of field equipment required to properly record data. Adopting the 3 AAC 46.999 calculation may require upgrades to ensure that revenue-quality equipment is in service to determine an equitable cost allocation. The primary concern would be field equipment located at each generation resource. The RRC’s proposed method in ER13 resolves these concerns.

G. Proposed rules ensuring compliance with AS 42.05.762 3 AAC 46.090(a)(11)

The RRC has established a Set of Rules (Exhibit E-10) containing the rules intended to comply with AS 42.05.762(3). These rules must be filed with the RCA for approval, are subject to the RCA’s authority under AS 42.05.767, and would take effect once validated by the RCA.

The Set of Rules includes the rules specified in 3 AAC 46.090(11)(A)-(C), and additional rules required elsewhere in regulation that relate to AS 42.05.762(3). As requested in the Notice of Filing submitted with this application, the RRC is asking the RCA to allow the Set of Rules to take effect upon certification. In support of that request, the rules within the Set of Rules are formatted and numbered as required in 3 AAC 46.470. The support for each rule, which would be included in a rule letter for a certificated ERO, is provided in this application in the narrative for each rule. The Set of Rules is listed in Table 3.

Separately, the RRC has established the Technical Qualifications Vetting Process (PD-02, Exhibit E-6) for determining an individual’s technical qualifications as required in 3 AAC 46.460(a)(1). As this requirement does not address the subject matter in and is not intended to comply with the requirements of AS 42.05.762(3) and instead addresses the RRC’s ability to comply with AS 42.05.762(1) and (2), the procedure is submitted as Exhibit E-6 and is not included in the Set of Rules.
### Table 3  
**Rule Names and References**

<table>
<thead>
<tr>
<th>Rule #</th>
<th>Rule Name</th>
<th>Exhibit #</th>
<th>As Required By</th>
</tr>
</thead>
<tbody>
<tr>
<td>ER1</td>
<td>Product Development Rule</td>
<td>E-10-1</td>
<td>AS 42.05.762(3)(D); 3 AAC 46.460(a)(2); 3 AAC 46.460(a)(4)(H); 3 AAC 46.460(a)(4)(I)</td>
</tr>
<tr>
<td>ER2</td>
<td>Compliance Monitoring and Enforcement Program Rule</td>
<td>E-10-2</td>
<td>AS 42.05.762(3)(C); 3 AAC 46.460(a)(3); 3 AAC 46.460(a)(4)(J); 3 AAC 46.090(a)(9)</td>
</tr>
<tr>
<td>ER3</td>
<td>Documents Retention and Access Rule</td>
<td>E-10-3</td>
<td>AS 42.05.762(3)(D); 3 AAC 46.460(a)(4); 3 AAC 46.460(a)(4)(A)(i-iii); 3 AAC 46.460(a)(B), (D), (G),</td>
</tr>
<tr>
<td>ER4</td>
<td>Confidential Documents and Access Rule</td>
<td>E-10-4</td>
<td>AS 42.05.762(3)(D); 3 AAC 46.460(a)(4)(B-C)</td>
</tr>
<tr>
<td>ER5</td>
<td>Public Participation in a Development Rule</td>
<td>E-10-5</td>
<td>AS 42.05.762(3)(D); 3 AAC 46.460(a)(4)(E); 3 AAC 46.460(a)(4)(F)</td>
</tr>
<tr>
<td>ER6</td>
<td>Public Meetings Rule</td>
<td>E-10-6</td>
<td>AS 42.05.762(3)(D); 3 AAC 46.460(a)(4)(K), (L); 3 AAC 46.460(a)(6); 3 AAC 46.090(a)(11)(C)</td>
</tr>
<tr>
<td>ER7</td>
<td>Public Notice Rule</td>
<td>E-10-7</td>
<td>AS 42.05.762(3)(D); 3 AAC 46.460(a)(4)(H); 3 AAC 46.460(a)(6): 3 AAC 46.090(a)(11)(C)</td>
</tr>
<tr>
<td>ER8</td>
<td>Original Set of Books Rule</td>
<td>E-10-8</td>
<td>AS 42.05.762(3)(D); 3 AAC 46.460(a)(7)</td>
</tr>
<tr>
<td>ER9</td>
<td>Rule Amendments Rule</td>
<td>E-10-9</td>
<td>3 AAC 46.090(a)(11)(A)</td>
</tr>
<tr>
<td>ER10</td>
<td>Voting Procedures Rule</td>
<td>E-10-10</td>
<td>AS 42.05.762(3)(D); 3 AAC 46.090(a)(11)(B)</td>
</tr>
<tr>
<td>ER11</td>
<td>Ethical Conduct Rule</td>
<td>E-10-11</td>
<td>AS 42.05.762(3)(A); 3 AAC 46.110(a); 3 AAC 46.090(a)(8)</td>
</tr>
<tr>
<td>ER12</td>
<td>Conduct Compliance Rule</td>
<td>E-10-12</td>
<td>AS 42.05.762(3)(A); 3 AAC 46.110(a)(3)</td>
</tr>
<tr>
<td>ER13</td>
<td>Equitable Allocation of Costs Rule</td>
<td>E-10-13</td>
<td>AS 42.05.762(3)(B)</td>
</tr>
</tbody>
</table>
H. Narrative explaining proposed rules that separately and in totality, ensure compliance with AS 42.05.762(3) 3 AAC 46.090(a)(12)

The RRC’s Set of Rules as depicted in Table 3 individually and collectively ensure compliance with the requirements of AS 42.05.762(3) and include the provisions required in RRC rules under 3 AAC 46.460(a)(2-7) and elsewhere in regulation.

The Set of Rules provides the expectations of how the RRC will carry out its responsibilities. The rules, once approved by the RCA, are binding on the RRC. Much like regulations of the RCA, the rules are established, maintained, and followed in a manner that is clear and understood by the RRC, the RCA, the public, entities subject to reliability standards, and entities affected by or with an interest in integrated resource planning. The RCA will have oversight of the rules governing an ERO’s conduct to ensure that the ERO’s duties are carried out in the manner intended by the Alaska Legislature and the RCA through its regulations. As the RRC’s actions will directly affect certain parties and the RRC will operate in the public interest, those parties and the public may look to the Set of Rules to understand how they can provide input to and participate in RRC processes. The RRC provides due process to the parties and the public and operates in the public interest by complying with the Set of Rules. The RRC invites scrutiny of its practices by the public and the RCA to hold the RRC accountable to these rules.

AS 42.05.762(3) requires an ERO to establish rules governing four functions. Those requirements, and the RRC rules that satisfy them, are as follows.

1. Act Independently from Users, Owners, and Operators

The rules ensure directors and the RRC itself act independently of the users, owners, and operators of the Railbelt network. Specific rules require independent action, such as the Ethical Conduct Rule (ER11, Exhibit E-10-11) and the Conduct Compliance Rule (ER12, Exhibit E-10-12). More generally, the existence of rules requiring openness and public process ensure independent action by providing transparency in RRC operations and action. A transparent organization inherently holds the directors and the RRC accountable.

2. Equitable Allocation of Costs

The rules ensure equitable allocation of fees and charges among all LSEs connected to the Railbelt interconnected electric energy transmission network. The Equitable Allocation of Costs Rule (ER13, Exhibit E-10-13) adopts a cost allocation methodology similar to that proposed by the RRC. The Public Notice Rule (ER7, Exhibit E-10-7) ensures the RRC’s proposed budget is available for public review and comment in advance of a surcharge filing.
3. **Fair and Impartial Enforcement of Reliability Standards**

The rules ensure fair and impartial procedures for enforcing reliability standards. The Ethical Conduct Rule (ER11, Exhibit E-10-11) requires recusal of a director from voting on an alleged violation of a reliability standard by, or an associated penalty against, the director’s employer. The Compliance Monitoring and Enforcement Rule (ER2, Exhibit E-10-2) provides a clear, fair, and impartial process that applies evenly to all registered entities subject to reliability standards. The CMEP Rule requires that no persons affiliated with the registered entity participate in an audit or investigation and provides registered entities an opportunity to object to compliance team members based on actual or perceived conflicts. The CMEP Rule requires substantial documentation in compliance monitoring and enforcement, with multiple levels of informational reporting to the RCA. Regularly scheduled audits will be posted to the RRC website in advance of the year they are to occur to ensure that registered entities are treated impartially. Unscheduled audits will not be arbitrary and must be triggered by an event or following a risk-based assessment of system vulnerability. Investigations will be kept confidential until a penalty is proposed, ensuring the process is fair to registered entities including those entities that are investigated and found not to have violated a reliability standard. Finally, the CMEP Rule requires the RRC to notice proposed enforcement actions to the public and accept comments. Together, these provisions ensure fair and impartial enforcement of reliability standards.

4. **Public Comment, Due Process, Openness, and Balancing Interests**

The RRC’s rules require reasonable notice and opportunity for public comment, due process, openness and balancing of interests, as mandated by statute. In many instances, the proposed rules go beyond the minimum regulation requirements to provide a more robust public process.

Balancing of interests is required under the Ethical Conduct Rule (ER11, Exhibit E-10-11), which requires a majority of stakeholder classes to support a standard or plan, or enforcement of a reliability standard, in order for it to pass. This rule also supports balancing of interests through the requirement to provide a public explanation of how interests were considered and balanced. The Product Development Rule (ER1, Exhibit E-10-1) similarly requires a report to the RCA to be filed with proposed standards, plans, tariff provisions, and rules explaining how interests articulated in the development were given due consideration.

Due process is ensured through the establishment of clearly stated rules that will be publicly posted to the RRC website, and that the RRC must follow. These rules require certain processes, including an opportunity for people to be heard and the ability for
people to appeal RRC decisions. The Public Notice Rule (ER7, Exhibit E-10-7) provides people with clear, advance notice of proposed RRC actions, and the Public Meetings Rule (ER6, Exhibit E-10-6) ensures the public can comment at the beginning and end of every RRC meeting and in writing, including in response to a public notice.

Openness is woven into all the RRC’s rules and governing documents. The Documents Retention and Access Rule (ER3, Exhibit E-10-3) and the Confidential Documents and Access Rule (ER4, Exhibit E-10-4) establish a presumption that all RRC documents are public unless classified confidential. A means for access to confidential documents is provided. Public documents will be posted to the RRC website in a manner that promotes accessibility. The Public Meetings Rule (ER6, Exhibit E-10-6) limits the use of executive session, requires sufficient disclosure of the purpose for an executive session, and states agenda requirements to ensure openness to the greatest extent possible.

Below is a summary of each rule and its intended effect.

**ER1  Product Development Rule**

The Product Development Rule (ER1, Exhibit E-10-1) provides a process for satisfying statutory and regulatory requirements in the development of plans, rules, tariff provisions, and standards, ensuring the RRC provides reasonable notice and opportunity for public comment, due process, openness, and balancing of interests in exercising its duties. This rule is intended to address the requirements of AS 42.05.762(3)(D), 3 AAC 46.460(a)(2), 3 AAC 46.460(a)(4), 3 AAC 46.460(a)(4)(H), and 3 AAC 46.460(a)(4)(J).

This rule requires the RRC to consider and balance interests articulated by stakeholders, potentially affected parties, and the general public in developing plans, rules, tariff provisions, and standards. The rule ensures the public is notified in advance of a development so they have an opportunity to participate, and to ensure that potentially affected parties are identified as such so that the RRC receives input from all interests.

**ER2  Compliance Monitoring and Enforcement Rule**

The Compliance Monitoring and Enforcement Program (CMEP) Rule (ER2, Exhibit E-10-2) provides fair and impartial procedures for enforcing reliability standards. This rule is addressed in detail above and is intended to address the requirements of AS 42.05.762(3)(C), 3 AAC 46.460(a)(3), and 3 AAC 46.460(a)(4)(J).

**ER3  Documents Retention and Access Rule**

The Documents Retention and Access Rule (ER3, Exhibit E-10-3) establishes the presumption that all RRC documents are public unless classified confidential under the
Confidential Documents and Access Rule (ER4, Exhibit E-10-4); defines documents; provides a documents retention schedule; and provides public access to nonconfidential documents.

This rule is intended to address the requirements of AS 42.05.762(3)(D) and 3 AAC 46.460(a)(4)(A)(i-iii), (B-D), and (G). The intended effect is to clearly establish terms for document management and storage and to ensure public access to public documents. The rule also ensures accessibility by requiring the RRC website to host documents in a manner that supports access.

**ER4  Confidential Documents and Access Rule**

The Confidential Documents and Access Rule (ER4, Exhibit E-10-4) reiterates the presumption that all RRC documents are public unless classified confidential. The rule provides a process for designating documents confidential and addresses access to confidential documents. This rule is intended to address the requirements of AS 42.05.762(3)(D) and 3 AAC 46.460(a)(4)(B-C).

The intended effect is to support openness by providing clear parameters for how the RRC designates and manages confidential documents, including rights for the owner of confidential documents and opportunities for the public to appeal a designation. The rule provides due process for both document owners and the public and protects the RRC as the holder of confidential information. The rule further provides a process for members of the public who successfully petition to participate in a development to access confidential information necessary for their participation, as required by 3 AAC 46.460(a)(4)(F).

**ER5  Public Participation in a Development Rule**

The Public Participation in a Development Rule (ER5, Exhibit E-10-5) provides a process for an interested person to petition the RRC to participate in the development of a proposed plan, standard, tariff provision, or rule. This rule is intended to address the requirements of AS 42.05.762(3)(D) and 3 AAC 46.460(a)(4)(E-F). The rule supports the requirements for the ERO to be open and to balance interests by enabling an interested person to participate in a development at a deeper level than providing public comment. The rule further provides due process to interested persons who believe they have an interest that may not otherwise be fully represented in a development.

**ER6  Public Meetings Rule**

The Public Meetings Rule (ER6, Exhibit E-10-6) governs scheduling, accessibility, and types of RRC meetings. All meetings must be scheduled and noticed according to these
provisions. This rule is intended to address the requirements of AS 42.05.762(3)(D), 3 AAC 46.460(a)(4)(K-L) and 3 AAC 46.460(a)(6) and the application requirement in 3 AAC 46.090(a)(11)(C). The rule ensures that the RRC operates transparently and openly by providing clear requirements for noticing and holding meetings, including the types of meetings RRC bodies may hold. The rule also requires the RRC to provide a clear explanation for the need to go into an executive session and ensures that any actions are taken in public session.

**ER7 Public Notice Rule**

The Public Notice Rule (ER7, Exhibit E-10-7) provides the process for notifying the public of RRC meetings and certain actions, including the noticing of the intent to develop plans, standards, tariff provisions, and rules; proposed plans, standards, tariff provisions, and rules before a Board vote; proposed reliability standard enforcement actions; and the annual budget. This rule is intended to address the requirements of AS 42.05.762(3)(D), 3 AAC 46.460(a)(4)(H), 3 AAC 46.460(a)(6), and the application requirement in 3 AAC 46.090(a)(11)(C). The rule ensures openness by setting forth the timelines and content for required notices to the public, as well as multiple publication venues. The rule also ensures that the public has sufficient advance notice of RRC actions so that the public may comment in a meaningful way.

**ER8 Original Set of Books Rule**

The Original Set of Books Rule (ER8, Exhibit E-10-8) requires the RRC to keep an original set of books and records in Alaska that is public record except when classified confidential, and to provide the RCA reasonable access. This rule is intended to address the requirements of AS 42.05.762(3)(D) and 3 AAC 46.460(a)(7). The rule supports openness and accountability to the RCA as the entity certificating an ERO.

**ER9 Rule Amendments Rule**

The Rule Amendments Rule (ER9, Exhibit E-10-9) provides processes for rule amendments and revisions, both at the RRC’s instigation and at the RCA’s direction under AS 42.05.767. This rule is intended to address the application requirement in 3 AAC 46.090(a)(11)(A). The rule provides a clear process for managing the Set of Rules and revisions to the rules consistent with the RCA’s authority under AS 42.05.767.

**ER10 Voting Procedures Rule**

The Voting Procedures Rule (ER10, Exhibit E-10-10) provides the voting requirements for the RRC. This rule is intended to address the requirement of AS 42.05.762(3)(A) and (D) and 3 AAC 46.090(a)(11)(B). The rule supports the RRC’s responsibility to balance
interests and to ensure that the ERO and its directors act independently of the users, owners, and operators of the network.

**ER11 Ethical Conduct Rule**

The Ethical Conduct Rule (ER11, Exhibit E-10-11) functions as the RRC’s code of conduct and requires specific conduct of RRC directors, employees, and committee members. This rule, along with the Conduct Compliance Rule (ER12, Exhibit E-10-12), is intended to address the requirements of AS 42.05.762(3)(a) and 3 AAC 46.110(a)(1), (2), (4) and (5), and to meet the application requirement in 3 AAC 46.090(a)(8).

The rule ensures that the RRC and its directors act independently of the users, owners, and operators of the Railbelt network and in accordance with ethical conduct expectations.

**ER12 Conduct Compliance Rule**

The Conduct Compliance Rule (ER12, Exhibit E-10-12) enforces the Ethical Conduct Rule (ER11, Exhibit E-10-11), the RRC’s Whistleblower Policy (P-02, attached as Exhibit E-15), and certain provisions of the Bylaws and Voting Procedures Rule (ER10, Exhibit E-10-10), by providing a process for (1) filing a complaint alleging a potential violation of the conduct rules and policies, (2) investigating alleged violations, and (3) issuing sanctions for violations. This rule is intended to address the requirements of AS 42.05.762(3)(A) and 3 AAC 46.110(a)(3).

The rule ensures the RRC (1) complies with the requirements that directors and the ERO act independently of the users, owners, and operators of the Railbelt network; (2) balances interests and provides due process; and (3) fairly and impartially enforces reliability standards.

**ER13 Equitable Allocation of Costs Rule**

The Equitable Allocation of Costs Rule (ER13, Exhibit E-10-13) specifies the cost allocation methodology employed by the RRC in determining the surcharge assessed to LSEs. This rule is intended to address the requirements of AS 42.05.762(3)(B) and is further required to meet the application requirement in 3 AAC 46.090(a)(10). This rule provides an equitable allocation of fees and charges among all LSEs of the network for all ERO activities.
I. Board Member Qualifications & Criteria for Determining Board Member Ability to Contribute to Technical Support

1. Proposed board member qualifications 3 AAC 46.090(a)(13)(A)

The RRC will be governed by a professional Board suited to the range of disciplines relevant in managing the RRC’s business. RRC directors are required to meet the qualifications as articulated in Bylaws Section 2.1.2.6 – Qualifications (Exhibit E-12). Directors must have relevant management-level expertise and experience in one or more of the following disciplines: academics, finance, accounting, electric industry, engineering, energy development, law, regulation, commercial markets, consumer advocacy, trading and associated risk management, or other relevant expertise. The RRC believes management-level experience and experience in the specified fields will sufficiently equip directors to guide the RRC in developing reliability standards and IRPs, with additional technical expertise provided as needed. The qualifications will further ensure that the RRC complies with statutory requirements to act independently of the Railbelt’s users, owners, and operators; be fair and impartial; ensure due process and openness; and balance interests.

Directors must be at least 19 years old and may not be RRC employees or convicted felons. Directors will need to be able to represent the interests of their designated stakeholder class. The director for the independent Seat M must meet the requirements in 3 AAC 46.070(a). The RRC Board’s Governance Committee is responsible for verifying a proposed director’s qualifications (see Governance Committee Charter, attached as Exhibit E-13).

2. Criteria for determining a board or committee member’s ability to contribute to the technical support required under 46.460(a)(1) 3 AAC 46.090(a)(13)(B)

The technical ability of the RRC to develop reliability standards and IRPs will derive from the CEO and the four senior TAC engineers and does not rely on technically qualified directors or committee members. However, individual directors with relevant technical expertise may, with Board approval, be members of a TAC working group for reliability standards and plans. Directors may appoint a qualified representative to serve on a TAC working group to represent the interests of the director’s stakeholder class. The Technical Qualifications Vetting Process (Exhibit E-6) provides the criteria for determining whether employees and qualified representatives meet technical qualifications sufficient for the RRC to develop reliability standards and IRPs.

TAC working group members may include, along with directors’ qualified representatives, subject matter experts (SMEs) to support directors. Working group member qualifications will be established by the TAC manager and will be specific to the working group’s task.
Qualifications may include technical qualifications for SMEs and qualified representatives and other qualifications the manager identifies as necessary to ensure broad representation of interests.

Members of the public approved to participate in a development under the Public Participation in a Development Rule (ER5, Exhibit E-10-5) may also serve on a working group but are not required to contribute to the RRC’s technical ability to develop reliability standards and IRPs.

J. Narrative explaining the RRC’s technical ability to satisfy 42.05.762(1) and (2) 3 AAC 46.090(a)(14)

The RRC has the technical ability to develop reliability standards and IRPs. This ability is established through robust technical qualifications for staff who lead the development process; sound content development plans constructed with national experts; a rigorous recommendation, review, and approval process that demands technically sound outcomes; and the guidance of the RRC’s Board. These mechanisms ensure the RRC will be able to craft and consider the merits of independent, technically sound reliability standards and plans.

Recognizing that reliability standards and IRPs must be technically sound and must also balance stakeholder interests, the RRC constructed its organization to house the technical capacity in the Technical Advisory Council (TAC) through the TAC Structure and Process (Exhibit E-7). The TAC is an independent staff engineering group supervised by the CEO that manages the reliability standards and IRP developments in accordance with the TAC process. Under that process, stakeholder, public, and other interests are heard and considered by working groups as the reliability standard or IRP is developed with technically qualified staff and external RRC resources as needed. The TAC is charged with independently assessing recommendations for reliability standards and IRPs and must find recommendations technically sound before they are submitted to the Board for approval.

Robust Technical Qualifications

The four TAC engineers will be required to meet stringent technical qualifications, as provided in Part I of this application. As TAC supervisor, the CEO must also meet technical qualifications sufficient to ensure it can satisfy this responsibility and support the RRC’s overall technical ability. The TAC engineers’ expertise is supplemented at the TAC working group level with external resources retained to support the reliability standard or IRP development, SMEs retained to support directors, and other working group members who may, on an individual basis, further provide technical expertise in a development.
Sound Content Development Plans

While a reliability standard or IRP is developed under the TAC process and the RRC’s Set of Rules, the RRC has also adopted a content-based plan for developing an IRP. The Process for the Development of an Integrated Resource Plan (Exhibit E-8) is submitted with this application.

The RRC contracted with nationally recognized industry experts to build the process for developing an IRP (Exhibit E-8), and separately for developing the methodology underpinning the CMEP Rule (ER2, Exhibit E-10-2), which provided insight for the reliability standards development process under the TAC (Exhibit E-7). As such, the IRP process and CMEP Rule were designed with the assistance of technically qualified experts and reflect industry standards and best practices. These solid foundational documents were built by people who understand the implications of these structures and enhance the RRC’s ability to develop reliability standards and IRPs.

David Hilt of Grid Reliability Consulting was retained to support the CMEP (ER2, Exhibit E-10-2) development. Mr. Hilt formed Grid Reliability Consulting in 2014 and is a leading expert in bulk power system reliability, including planning, design, operations, and compliance. As a consultant, he has led numerous projects for clients and assisted other organizations and law firms with projects. Mr. Hilt also served as the Vice President of Compliance for NERC from September 1999 through October 2010. In this role, he was responsible for the development and implementation of the compliance monitoring and enforcement program for approved reliability standards in North America. He also established and implemented the regulatory framework used by NERC including organization registration, compliance, audits, event investigation and analysis, and enforcement processes.

Synapse Energy Economics supported the IRP development plan (Exhibit E-8). Synapse is a research and consulting firm specializing in energy, economic, and environmental topics. Integrated resource planning is one of Synapse’s key capabilities, and the company has engaged in these docket in many jurisdictions. The firm’s expertise is described in further detail in Part II, Item M, of this application.

Rigorous Development Process

The TAC will employ a rigorous process that requires, at its conclusion, a finding of technical soundness before a recommendation is submitted for Board approval. This finding is particularly crucial to ensure that the RRC capably executes its responsibilities under AS 42.05.762(1) and (2) with a professional rather than technical Board. The process and its
finding of technical soundness also ensure that even as interests are considered and balanced during a development, the final product remains technically sound.

The working groups blend technical expertise with interested and potentially affected parties. Technical expertise comes from the TAC engineer manager who chairs the working group, from RRC external resources (SMEs hired to support the working group as needed), and from additional SMEs selected by the Board to serve on the working group. In addition, directors may appoint qualified representatives to the working group to advance the interests of that director’s stakeholder class.

The TAC process involves multiple layers of review and approval, which the RRC believes is necessary for a robust process that balances interests with technical soundness. Key components of each development are approved through the process to ensure that the proposed reliability standards and IRPs have technically sound foundations. As each component of a development moves from the working group, up to the TAC manager, to the full TAC, and ultimately to the Board, the process allows for dissent that also must be evaluated for technical soundness. The back-and-forth exchange of proposed recommendations among the working groups, the TAC manager, and the full TAC prior to Board approval ensures technically sound developments.

**Professional Board**

While the TAC process, development plans, and qualified staff ensure reliability standards and IRPs are technically sound, the RRC also ensures directors charged with representing interests that need to be considered in the development have the technical resources to effectively do so.

The RRC has established qualifications for a professional board that ensure the RRC is able to execute its mission. While the Board has final approval authority for each reliability standard and IRP prior to filing with the RCA, the Board will also guide the development from its inception and will make decisions on the inputs of a development to provide a solid foundation. The Board will also establish the budget and appropriate policies to develop technical products and will ensure compliance with RRC rules, policies, and procedures that provide the framework for technical developments.

As previously described, directors can participate on TAC working groups through a qualified representative, and directors with technical expertise relevant to the development may directly participate on the working group with Board approval. This leverages the expertise and deep knowledge of the Railbelt electrical system that many of the directors hold—a valuable asset to the RRC, especially in a low-population state.
Directors who are not qualified in specific technical areas will have resources available to enhance their understanding of the development and to assist in representing their stakeholder classes in the development process. SMEs retained specifically for directors will provide technical support. Directors’ qualified representatives, while primarily a means to represent the interests of a director’s stakeholder class in the development process, may also provide technical support.

K. Description of committees and responsibilities 3 AAC 46.090(a)(15)

The RRC Bylaws (Exhibit E-12) Section 2.2.6 – Board Committees provides terms for Board committees and establishes three standing Board committees. Board committees must include three or more voting directors and may include members other than directors, except for the Executive Committee. Members and committee chairs are appointed by the Board chair, subject to approval by a supermajority vote of the Board. This ensures that a wide range of stakeholder classes approves committee membership.

The standing Board committees and their responsibilities are as follows:

- The Executive Committee is empowered to act on behalf of the Board when the Board is not in session. The committee will include the independent Seat M director and the Board’s chair, vice-chair, treasurer, and secretary. For a full description of responsibilities, see Bylaws (Exhibit E-12) Section 2.4.1.

- The Finance and Audit Committee will ensure appropriate, regular management of the RRC’s finances, working with an independent auditor. The RRC treasurer will chair the committee, which must have at least five members, three of whom must be voting directors. The Finance and Audit Committee has the responsibilities as defined in Bylaws Section 2.4.2.

- The Governance Committee has a wide range of responsibilities including coordinating the appointment/election process for directors; reviewing RRC bylaws, policies, and procedures; setting director fees; and overseeing the investigation and response to reported violations of policies. The committee must have at least five members, three of whom must be voting directors, with the RRC Board chair serving as an ex officio member. A full description of Governance Committee responsibilities is in Bylaws (Exhibit E-12) Section 2.4.3 and the Governance Committee Charter (Exhibit E-13).

At the time of application, the RRC does not contemplate any non-Board standing RRC committees. However, the TAC will serve an established function with specific responsibilities that may otherwise have been assigned to a committee. A summary of the TAC and its responsibilities is provided above, and a detailed description is included in the TAC Structure and Process (Exhibit E-7).
Working groups will be established for individual standards and IRP development, with composition and responsibilities specific to the development. The working groups will be chaired by an RRC TAC senior engineer and will advance recommendations and dissents, if any, to the full TAC. The full TAC has responsibility to take a final recommendation to the Board. Additional detail on these working groups is provided in the discussion of the RRC’s technical ability above.

L. Board and executive compensation plan, if applicable 3 AAC 46.090(a)(16)

RRC Bylaws (Exhibit E-12) Subsections 2.1.2.11 – Director Fees, 2.1.2.12 – Fee Oversight, and 2.1.2.13 – Director Fee Review provide for director compensation. A compensation plan will be developed after the Governance Committee is formed, beginning with an independent director fee study. The RRC’s intention is to reasonably compensate directors in line with comparable positions for the time required to execute their responsibilities, while remaining responsible to Railbelt ratepayers who ultimately bear RRC costs. Fees will be set to attract qualified, capable directors.

As provided in the Bylaws (Exhibit E-12), voting directors will receive a fee for preparing for and attending Board and Board committee meetings and when attending an RRC committee meeting as the qualified representative for the Board seat; for representing the RRC or receiving training in an official capacity approved by the Board; and for associated travel. The Bylaws prohibit the RRC from providing health insurance or other benefits for directors, other than insurance for actions taken in a directors’ official capacity.

The Governance Committee will review director fees annually and recommend changes to the Board. Every other year, the Board will commission a director fee study for the Governance Committee’s use in formulating its annual recommendations.

An executive compensation plan will be developed after the RRC is certificated and as the RRC, with its CEO, determines the organization’s executive positions.

M. Proposed plan for initial IRP 3 AAC 46.090(a)(17)

The Process for the Development of an Integrated Resource Plan for the Railbelt Interconnected Electric Energy Transmission Network (IRP Process Report, Exhibit E-8) is the RRC’s plan to develop and file the initial integrated resource plan (IRP). The IRP Process Report, the TAC Structure and Process (PD-03, Exhibit E-7), and the Product Development Rule (ER1, Exhibit E-10-1) cover the full process, including how the RRC will identify and directly notify potentially affected parties, as required by 3 AAC 46.090(a)(17)(B). The IRP work plan and budget, including a proposed date of filing and budget, are included as Exhibit E-9.
As required by AS 42.05.780, the IRP will be a long-term plan identifying the combination of resources to meet customers’ collective needs in a manner that provides the greatest value consistent with the public interest. The IRP Process Report details a resource planning process that is appropriate for an islanded, transmission-constrained system like the Railbelt and that is formed by a robust stakeholder and public participation process. The plan reflects the unique attributes of the Railbelt when compared to systems in the lower-48 states, particularly in transmission planning. The report also describes the process for developing the IRP Action Plan and nonbinding framework that conform to Alaska’s regulations and reliability, and other standards.

The IRP process elements are grouped into five phases: (1) Develop IRP Principles, (2) Develop Planning Approaches, (3) Develop Planning Inputs, (4) Develop the IRP, and (5) Review and Implement the IRP, as illustrated on Figure 1 of Exhibit E-8. Section 2.0 addresses public participation and includes a description of how the RRC plans to identify and directly notify potentially affected parties. This description supplements the process required in the RRC Product Development Rule (ER1, Exhibit E-10-1). The report sections 3.0 through 7.0 describe the elements that comprise each of the five key steps.

As noted above, the work plan and budget are submitted as Exhibit E-9. The budget is sufficient to fund the technical resources required to develop and file the IRP. The RRC expects to begin the IRP process within about a year of certification and estimates the initial IRP will take approximately four years to complete and file. Commencement is contingent on hiring RRC staff necessary for IRP activities. Development of first-time inputs to the initial IRP, such as standard load-forecasting, study methodologies, and definitions, will add considerable time to IRP Process Report steps 1 through 3. The schedule for completing the first IRP is considerably longer than for subsequent IRPs, which will only require review of key inputs and so will likely take 18-24 months from start to filing.

The IRP Process Report, work plan, and budget were a collaborative effort of the RRC Implementation Committee’s IRP subcommittee and third-party consultant Synapse Energy Economics, Inc. (Synapse). The members of the IRP subcommittee included Chair David Burlingame, Jeff Warner, Frank Perkins, Kirk Warren, Sam Dennis, Mike Craft, Chris Rose, William Koegel, and Lou Florence, all directors or alternates of the RRC Board of Directors¹ and cumulatively representing a balance of stakeholder interests.

Based in Cambridge, Massachusetts, Synapse is a research and consulting firm specializing in energy, economic, and environmental topics. Since its inception in 1996, Synapse has

¹ The Alaska Energy Authority replaced its director, Kirk Warren, with Bryan Carey after the IRP Process Report was complete but before the RRC filed for certification.
become a leader in providing rigorous analysis of the electric power sector for public interest and governmental clients. Integrated resource planning is one of Synapse’s key capabilities, and the company has engaged in these dockets in many jurisdictions.

Principal Associate Rachel Wilson, Synapse’s project manager for the IRP Process Report work, is a national expert on IRP best practices and has completed critiques and alternative IRP modeling for numerous jurisdictions. As part of her work on utility resource planning, Ms. Wilson co-authored the widely cited Best Practices in Electric Utility Integrated Resource Planning: Examples of State Regulations and Recent Utility Plans, prepared for the Regulatory Assistance Project, and contributed to the chapter on resource planning in the EPA’s Guide to Action. She also presented on integrated resource planning at the Institute of Public Utilities’ Grid School, which educates state utility commissioners and their staff, from 2017 to 2021.

**PART 3  RRC BOARD OF DIRECTORS**

Below are the items required by 3 AAC 46.090(d)-(g) for a Combination Independent and Balanced Stakeholder Board, filed under 3 AAC 46.080 Balanced Board Safe Harbor.

**A. Filing as a Combination Balanced/Independent Board under Safe Harbor**

The RRC is filing this application for certification with a combination balanced stakeholder and independent board under AS 42.05.762(4)(B)(iii). The RRC is also filing under balanced board safe harbor, 3 AAC 46.080(a). The RRC’s proposed stakeholder classification is consistent with the requirements in 3 AAC 46.080(a)(1), (2)(B) and (2)(C), and the numerical interests assigned to board interests are consistent with the terms of 3 AAC 46.080(a)(2)(D). The RRC Bylaws (Exhibit E-12) include the remaining 3 AAC 46.080 requirements:

- Bylaws Section 2.3.6 – Voting, states that voting directors each have one vote on matters before the Board, in accordance with 3 AAC 46.080(2).
- Bylaws Section 2.1.2.1 – Number of Directors and Terms, requires the number of directors to be odd in number, in accordance with 3 AAC 46.080(2)(A).
- Bylaws Section 2.3.10.4 – Qualified Representatives, allows each director to designate a qualified representative to serve on an RRC committee, in accordance with 3 AAC 46.080(3).

The RRC further meets the requirements for a balanced stakeholder board and for a combination board with an independent director, as demonstrated below.
B. Describe process to remove and replace a director that fails to meet the requirements of 3 AAC 46.070(a) 3 AAC 46.090(d)

The RRC Bylaws (Exhibit E-12) Section 2.1.2.7 – Removal allows for removal of the Seat M director if they no longer meet the independence requirement. Removal requires a majority vote of the Board. The Seat M director is required under Bylaws Section 2.1.2.9 – Resignation to immediately offer their resignation if they no longer qualify as independent. If the independent director resigns or is removed, the Seat M alternate becomes the voting director and the Board will replace the alternate. The process to replace an independent director or alternate is also the process for electing an independent director, as provided in Bylaws Section 2.1.2.10 – Election of Independent Director. The Governance Committee will identify potential candidates, including those proposed by other directors and by the public, and evaluate candidates’ qualifications. The Governance Committee will present a slate of two (2) to five (5) qualified candidates to the Board, which will vote until one of the candidates receives a majority vote.

C. Table listing each director’s designated stakeholder class 3 AAC 46.090(e)(1)

Table 4 lists the directors and designated stakeholder classes.

<table>
<thead>
<tr>
<th>Director</th>
<th>Class No.</th>
<th>Stakeholder Class</th>
<th>Seat</th>
<th>Numerical Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Hickey</td>
<td>1</td>
<td>Provider, Subclassified Integrated – Cooperative</td>
<td>A</td>
<td>½ P- ½ C</td>
</tr>
<tr>
<td>Frank Perkins</td>
<td>1</td>
<td>Provider, Subclassified Integrated – Cooperative</td>
<td>B</td>
<td>½ P- ½ C</td>
</tr>
<tr>
<td>David B. Thomas</td>
<td>1</td>
<td>Provider, Subclassified Integrated – Cooperative</td>
<td>C</td>
<td>½ P- ½ C</td>
</tr>
<tr>
<td>Julie Estey</td>
<td>1</td>
<td>Provider, Subclassified Integrated – Cooperative</td>
<td>D</td>
<td>½ P- ½ C</td>
</tr>
<tr>
<td>Dave Burlingame</td>
<td>2</td>
<td>Provider, Subclassified Distribution – Municipal</td>
<td>E</td>
<td>½ P- ½ C</td>
</tr>
<tr>
<td>Lou Florence</td>
<td>3</td>
<td>Provider, Subclassified Distribution</td>
<td>F</td>
<td>1 P- 0 C</td>
</tr>
<tr>
<td>Bryan Carey</td>
<td>4</td>
<td>Provider, Subclassified State</td>
<td>G</td>
<td>½ P- ½ C</td>
</tr>
<tr>
<td>Suzanne Settle</td>
<td>5</td>
<td>Provider, Subclassified Independent Power Producer</td>
<td>H</td>
<td>1 P- 0 C</td>
</tr>
<tr>
<td>Joel Groves</td>
<td>5</td>
<td>Provider, Subclassified Independent Power Producer</td>
<td>I</td>
<td>1 P- 0 C</td>
</tr>
<tr>
<td>Veri di Suvero</td>
<td>6</td>
<td>Consumer, Subclassified Residential – Small</td>
<td>J</td>
<td>0 P – 1 C</td>
</tr>
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</table>
### Application for Certification as the Electric Reliability Organization for the Alaska Railbelt Interconnected Electric Energy Transmission Network

<table>
<thead>
<tr>
<th>Director</th>
<th>Class No.</th>
<th>Stakeholder Class</th>
<th>Seat</th>
<th>Numerical Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Morrison</td>
<td>7</td>
<td>Commercial</td>
<td>K</td>
<td>0 P – 1 C</td>
</tr>
<tr>
<td>Chris Rose</td>
<td>8</td>
<td>Consumer, Subclassified Large Commercial – Industrial</td>
<td>L</td>
<td>0 P – 1 C</td>
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<tr>
<td>William Koegel</td>
<td>N/A</td>
<td>N/A, Independent Director</td>
<td>M</td>
<td>0 P – 0 C</td>
</tr>
<tr>
<td>Robert M. Pickett</td>
<td>N/A</td>
<td>N/A, Nonvoting director appointed by Regulatory Commission of Alaska</td>
<td>N</td>
<td>N/A</td>
</tr>
<tr>
<td>Jeffrey J. Waller</td>
<td>N/A</td>
<td>N/A, Nonvoting director appointed by Attorney General for the State of Alaska</td>
<td>O</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Notes:**
1. Seats M through O do not represent stakeholder classes but are included in the table to provide a complete representation of the RRC Board of Directors.
2. P/C: P = provider interest, C = consumer interest

**D. Explanation why each director listed in above table has sufficient association with, is drawn from, and understands and can articulate the interests of its designated stakeholder class 3 AAC 46.090(e)(2)**

The RRC Board of Directors has twelve seats filled by directors appointed to represent designated stakeholder classes and an independent seat. Those directors and their ability to represent their designated class are as follows.

**Seat A: Provider Stakeholder Class, Subclassified Integrated – Cooperative**

**Brian Hickey** is the Chief Operating Officer of Chugach Electric Association, Inc. (CEA) and brings a deep understanding of his designated stakeholder class. Mr. Hickey previously served as CEA’s Senior Vice President of System Operations and as Executive Manager of Grid Development. His experience includes working as senior project manager for NANA WorleyParsons and for Electric Power Systems, where he managed power plant and hydrocarbon projects in Alaska’s Railbelt and on the North Slope. His earlier work experience includes 20 years with CEA in various senior management roles, including System Operations Supervisor, Manager of Substation Operations, Manager of Power Control, Director of Technical Services, and Vice President of Power Delivery. Mr. Hickey is a registered Professional Electrical Engineer and registered project management professional. He holds a B.S. in electrical engineering, a certificate in project management, and a master’s degree in global finance. He is a graduate of the National Rural Electric Cooperative Association (NRECA) Robert I. Kabat School of Cooperative Management.
Mr. Hickey understands and can articulate the interests of his designated stakeholder class, as he has demonstrated over 30 years representing, within CEA and to the RCA and other outside parties, the interests of Railbelt municipal ratepayers and electric cooperative members regarding reliability, power supply, and power delivery issues.

Jeff Warner serves as Mr. Hickey’s alternate. Mr. Warner has 37 years of experience in the electric power industry working for Railbelt electric utilities. Mr. Warner retired from CEA and is now a consultant to CEA. His experience includes 17 years in power generation, with responsibility for maintaining fossil fuel, steam, and hydro turbine generator control systems including associated power management; he managed system dispatch and worked closely with all interconnected Railbelt utilities in the safe and reliable operation of the electric grid. He was a member of six critical, technically based committees that included all Railbelt utilities and provided direction and support in matters relating to grid stability, reliability standards, and operations and maintenance (O&M) of the state-owned Bradley Lake hydroelectric facility and the Alaska Intertie. He also participated in joint utility initiatives, including evaluating the creation of a Railbelt-wide transmission company and the formation of a power pool between Southcentral Alaska utilities.

**Seat B: Provider Stakeholder Class, Subclassified Integrated – Cooperative**

Frank Perkins is Vice President of Power Supply for Golden Valley Electric Association (GVEA), with responsibility for the operations of GVEA’s Healy and North Pole Power Stations. He also oversees GVEA’s 24.6 megawatt (MW) Eva Creek Wind Farm and 563 kilowatt (kW) Solar Farm. Mr. Perkins is well associated with his designated stakeholder class, having worked in the commercial electric power industry since 1993 following 10 years of U.S. Navy service as a nuclear machinist mate on board aircraft carriers. While the majority of his industry experience is in natural gas-fired combined-cycle power generation, Mr. Perkins has also worked in coal-fired generation, geothermal generation, and nuclear generation. His experience runs deep, having worked in O&M and management. This depth ensures Mr. Perkins can articulate the interests of his designated stakeholder class.

Much of Mr. Perkins’ career was spent at Arizona Public Service (APS), which is the largest electric utility in Arizona, with 4,000 MW of generating capacity and more than 2.7 million customers. Mr. Perkins oversaw the operations of the Four Corners Coal Plant with two 770-MW turbines. He holds a B.S. in Manufacturing Engineering Technology and a master’s degree in Business Administration. He is a licensed first grade engineer through the Maryland Department of Labor, an industrial water operator 2 through the Maryland Department of the Environment, and a hydroelectric machinery mechanic journeyman through the U.S. Department of Labor. Mr. Perkins has received two Best Practices Awards for safety and design from the Combustion Turbine Operators Task Force and a Technology
Transfer Award for an R(0) compressor blade study for GE 7FA gas turbines from the Electric Power Research Institute. As both a GVEA employee and customer, Mr. Perkins is an appropriate representative for his stakeholder class. As a co-op member, he is familiar with and understands the interests of members as they relate to reliability, resiliency, cost, and environmental impacts.

**John Burns** serves as Mr. Perkins’ alternate. Mr. Burns is the President and CEO for GVEA. Prior to serving as GVEA’s president and CEO, he served as GVEA’s Vice President and General Counsel and as GVEA’s Corporate Counsel. His general counsel work encompassed all aspects of the utility’s operations, including state and national issues. Mr. Burns was an attorney in private practice for more than 30 years and served as Alaska’s Attorney General in Governor Parnell’s administration. For nearly 15 years, he taught Business Law as an adjunct professor at the University of Alaska Fairbanks (UAF). Mr. Burns co-chairs the Alaska Power Association Managers Forum Committee and is Chair of the Intertie Management Committee. As GVEA’s President and CEO, Burns is familiar with Railbelt issues and the challenges the Railbelt faces relating to generation, transmission, reliability, and cost, as well as the integration and regulation of renewables.

**Seat C: Provider Stakeholder Class, Subclassified Integrated – Cooperative**

**David B. Thomas** is a registered Professional Civil Engineer (Alaska) serving as Director of Strategic Services for Homer Electric Association (HEA), with responsibility for strategic planning and implementation of new, utility-scale, renewable energy generation projects. He has additional experience in Railbelt energy issues through more than 13 years of service with the Alaska Electric and Energy Cooperative (AEEC), where he is a director and president, and through nearly a decade of service as director of the Alaska Power Association. Through the NRECA, he is a Credentialed Cooperative Director and earned a Board Leadership Certificate.

As a director and officer of a distribution cooperative and as director and president of a generation and transmission cooperative, Mr. Thomas reviewed and approved dozens of annual $60- to $100-million budgets; negotiated and coordinated new generation and transmission facilities with other utilities and state officials; selected from numerous generation portfolios to meet future needs; and reviewed construction of AECC’s own combined-cycle plant, simple-cycle combustion turbines, and new transmission lines. As an elected cooperative director he continually received input from member-ratepayers, most frequently on rates, in addition to other tariff issues around net-metering, new services, and cost of power adjustments. Now on staff, he meets regularly with ratepayers to explain and receive feedback on HEA’s rates and plans to increase renewable generation assets. He can articulate the interests of producers and consumers and has additional experience doing so.
within his former service as director of the Alaska Power Association. There, he followed policy issues and legislative developments and maintained relationships with legislative leadership and stakeholder groups.

Mr. Thomas brings extensive technical knowledge, including evaluating electrical generation options, both combustion-based and renewable; bidding and procurement processes for simple-cycle and combined-cycle gas combustion turbines; reviewing offerings from wind and solar independent power producers (IPPs); developing greenfield and enhancing existing hydro projects; and extending and upgrading transmission lines.

**Keriann Baker** serves as Mr. Thomas’ alternate. Ms. Baker is Director of Member Relations for HEA. Her department provides the cooperative’s customer service programs, public relations efforts, and legislative affairs. Ms. Baker has served on numerous boards including local and state chambers of commerce and state and national bar associations and currently serves on the Board of Directors for South Peninsula Hospital. Prior to her employment with HEA, Ms. Baker practiced law with Reeves Amodio in Anchorage and Lewis, Longman & Walker in Palm Beach County, Florida. She received a B.S. from Utah Valley University and a J.D. from Loyola Chicago School of Law.

**Seat D: Provider Stakeholder Class, Subclassified Integrated – Cooperative**

**Julie Estey** is the Director of External Affairs and Strategic Initiatives at Matanuska Electric Association (MEA). She previously was the Business Director for the Alaska Center for Energy and Power, an energy research group at the UAF. Other prior experience includes nonprofit management and board service, management consulting, strategic planning, corporate communication, change management, and process improvement.

As an MEA employee, Ms. Estey is drawn from and has sufficient association with her designated stakeholder class. Ms. Estey has worked for MEA for eight years and provided leadership in bringing fellow utility members together to form the RRC. She has provided additional leadership in forming the RRC Implementation Committee and served as chair while acting as MEA’s primary representative. She actively participated in the legislative process to enact the ERO legislation and was often called upon to represent the utilities at legislative hearings. Ms. Estey’s ability to articulate the interests of her designated stakeholder class is further demonstrated through her management of MEA’s participation in the associated regulatory docket before the RCA, including management of SMEs and associated filings. Her job duties include overseeing the Public and Member Relations Division; managing MEA’s strategic plan and carbon reduction goal; and educating local, state, and federal elected officials and other audiences on MEA’s interests as developed with consumer input through member surveys, input from member-led committees, and other feedback mechanisms. She also represents the broader regional utility interests at the
state and federal level and is currently facilitating a Railbelt-wide effort to secure federal infrastructure dollars for transmission improvements for the Railbelt grid.

Ed Jenkin serves as Ms. Estey’s alternate. Mr. Jenkin is an Alaska-licensed Professional Engineer with over 30 years of experience working for electric cooperatives. He performed design work, system planning, and power system dispatch before moving into management. He is presently the chief operations officer for MEA. In this role, he has oversight of MEA’s system planning, engineering, operations, and system dispatch. Mr. Jenkin has provided expert testimony to the RCA on multiple electrical utility matters. He graduated from the UAF with a B.S. in electrical engineering. He also has an M.A. in cross-cultural studies.

**Seat E: Provider Stakeholder Class, Subclassified Distribution-Municipal**

Dave Burlingame is a Principal at Electric Power Systems, Inc., a consulting firm whose primary focus is supporting power distribution, transmission, and generation for utilities, large industrial users, and IPPs. He has worked in the power-engineering field for 40 years and has experience in system studies, relaying and protection design, substation design, substation maintenance, system troubleshooting, and system operation. He previously worked at electric utilities as engineering manager and manager of power control and as vice president of engineering, transmission, and power production. He was involved in renewable integration projects in three states and Guam. He gained experience with open access standards, transmission planning, and access issues while working as vice president of a generation and transmission cooperative.

Mr. Burlingame has been directly involved in transmission system studies for the Railbelt for the past 26 years, including studies supporting the Alaska Energy Authority (AEA) 2010 Integrated Resource Plan study. He participated in the development of current Railbelt reliability standards and reliability standards in Guam and in Hawaii, where he was the Hawaii utilities’ representative in the standards development. Many of the power system studies he worked on have provided the basis for IRPs in Alaska, Hawaii, and Guam.

Mr. Burlingame is a registered Professional Engineer in Alaska, Hawaii, Guam, Oregon, Washington, and the Commonwealth of the Northern Marianas. He was elected to the Board of Governors for the Western Electric Coordinating Council and the Regional Planning and Policy Committee. He received a B.S. in electrical engineering from the University of Oklahoma in 1981 and has worked in the power-engineering field for over 40 years. Mr. Burlingame has provided engineering design, investigation, and operational support for commercial and industrial customers in the Railbelt for over 20 years. He has performed quality of service studies and analysis for both residential and commercial customers and performed efficiency studies for industrial and commercial customers throughout Alaska.
Rob Montgomery serves as Mr. Burlingame’s alternate. Mr. Montgomery is the Director of Seward Electric System, a position he assumed in January 2021. He has spent over 20 years working in the electric utility industry, first with South Carolina Electric & Gas Company and later with the Tennessee Valley Authority. With a primary focus on strategic communications, he worked closely with business units throughout the organizations on key projects and issues, including regulatory compliance, rate cases, siting of electric transmission and natural gas facilities, right-of-way clearing and maintenance, new plant construction, crisis planning and response, and power restoration. Mr. Montgomery also managed regional advisory boards and directed communication efforts with customers, government officials, and other important stakeholders to explain the scope of critical projects, address concerns, and build relationships.

Seat F: Provider Stakeholder Class, Subclassified Distribution

Lou Florence is President and CEO of Doyon Utilities, LLC (DU) where he leads a company that provides utility services to three military installations. The company has over 170 employees, $400 million in assets, and $100 million in annual revenues. Mr. Florence previously worked as Vice President of Operations for Reliability Management Group, where he provided assessments and implementation of O&M strategies and optimization of asset management plans for clients such as power generation, petroleum refining, natural gas storage and distribution, and electrical distribution companies. He is a former Vice President of Alberta Coal Operations at TransAlta Corporation and President of TransAlta USA. Prior to that, he was Director of Power Plant Production and Operations Manager for TransAlta Corporation. Mr. Florence brings experience in small and large electrical systems, including operations management in forums governing interconnected operations and with the North American Electric Reliability Corporation (NERC). He oversaw the implementation of reliability and cybersecurity standards in two jurisdictions, including audits.

As President and CEO of DU, Mr. Florence is particularly able to articulate the interests of his designated stakeholder class. He is familiar and has relationships with other entities similar to DU, such as the military-owned distribution and generation systems at some Alaska military installations, and the UAF and Aurora cogeneration plants.

Shayne Coiley serves as Mr. Florence’s alternate. Mr. Coiley is a Senior Vice President at DU, where he is responsible for strategy and vision in the utility’s operational and administrative initiatives including asset management, infrastructure upgrades, and technology improvements. He oversees DU’s 12 operating utilities, ensuring operations are within the parameters of government contracts and environmental and safety regulations. Mr. Coiley has 30 years of experience in the utility industry and previously worked at DU as vice president of project development and as a utility site manager. He earned a certificate from
the NRECA’s Robert I. Kabat Management Internship Program. He is directly drawn from his designated stakeholder class, and his experience with DU enables him to understand and articulate the interests of the stakeholder class.

**Seat G: Provider Stakeholder Class, Subclassified State**

**Bryan Carey** is Director of Owned Assets at the Alaska Energy Authority (AEA), where he has worked for over 20 years. During that time, Mr. Carey was the longtime project manager for AEA’s Bradley Lake Hydroelectric Project (Alaska’s largest hydroelectric project) and Bradley Lake transmission assets, and project engineer for the Susitna-Watana Hydroelectric Project and AEA-owned Snettisham Hydroelectric Project. He was a substantial participant in integrated resource planning. In addition, Mr. Carey was a project manager for various rural Alaska energy projects that included bulk fuel facilities, power plants, and small hydroelectric and wind projects. He recently managed the studies, licensing, and construction of the West Fork Upper Battle Creek Diversion Project to increase the energy output of Bradley Lake by 37,000 megawatt-hours (MWh) a year. Mr. Carey received a B.S. in engineering from the UAF and an M.B.A. from the University of Alaska Anchorage. He is a licensed Professional Engineer.

**David Lockard** serves as Mr. Carey’s alternate. Mr. Lockard brings 27 years of experience managing energy infrastructure construction in Alaska and 33 years of experience in energy engineering and analysis, with an emphasis on renewable energy resources and power generation. He is currently Operations Manager for the Alaska Intertie, where he represents the state on the Intertie Operating Committee and participates in Railbelt grid studies. He has six years of experience managing the maintenance, repair, and operations of the Alaska Intertie. At various times, he has been the AEA’s Bulk Fuel, Solar, Geothermal, and Ocean and River Energy Program Manager and has been the State of Alaska contact for nuclear power, heat pumps, and fuel cell technologies.

Mr. Lockard has extensive experience in engineering analysis of the technical and economic feasibility of renewable energy projects and contributed to the 2010 Alaska Railbelt Regional IRP. Other work at the AEA included managing the design and construction of rural Alaska energy projects and organizing energy conferences. He is an Alaska-licensed Professional Engineer.

**Seat H: Provider Stakeholder Class, Subclassified Independent Power Producer**

**Suzanne Settle** is Vice President of Energy, Land, and Resources for Cook Inlet Region, Inc. (CIRI), where she successfully developed the first IPP-owned, utility-scale wind project in Alaska. The project had a capital budget of $95 million and included a 13-mile intertie spanning Cook Inlet and a Phase 2 expansion. Her experience with CIRI includes negotiating
and managing commercial agreements, including power offtake; natural resource leases; engineering, procurement, and construction (EPC) and financing agreements; land use permits; electrical interconnection; O&M; logistics; project permits; real estate leases; and easements.

She previously worked as Director of Energy Resources at Chugach Electric Association, where she led strategies and negotiations for gas supply contracts; managed outside counsel on regulatory matters and major resource-related issues; represented CEA’s interests on various projects to enhance service reliability and to diversify the power generation base; and regularly briefed policymakers at the local, state, and national levels on regulatory and energy issues. Other previous experience includes serving as chief financial officer, chief compliance officer, and partner at Enchanted Rock Capital, where she built and marketed a $240 million energy asset management fund; asset manager at Dynegy Marketing and Trade; and financial trader at Kinder Morgan (formerly KN Energy).

Ms. Settle is a board member for CIRI Development Corporation and the Renewable Energy Alaska Project (REAP). She is a founder and a board member of the Alaska Independent Power Producers Association (AIPPA). Her experience with this trade group for IPPs, along with her employment at CIRI, allows Ms. Settle to articulate effectively the interests of her designated stakeholder class.

**Sam Dennis** serves as Ms. Settle’s alternate. Mr. Dennis is a Co-Founder and Chief Operating Officer of Renewable Independent Power Producers (RIPP), which designed, built, and operates the largest solar farm in Alaska. He was responsible for project design and construction of solar projects in 2018 and 2019. Through this work, he is familiar with the various commercial and technical processes of the Railbelt LSEs and the current RCA process for IPP project approval. This experience enables him to articulate the interests of his designated stakeholder class. RIPP is a member of and has a seat on the board of AIPPA, which enhances Mr. Dennis’s knowledge of IPP interests.

Mr. Dennis has 20 years of experience in surface facility engineering and projects for major oil companies, including projects involving power generation and distribution and multiple facility planning efforts, which have many similarities with the IRP process that the RRC will undertake. He has extensive experience developing new processes and procedures for screening and executing energy projects; expertise in front-end evaluation of operational problems to identify optimal solutions; and first-hand experience with the challenges of implementing solar energy projects in the Railbelt.
Seat I: Provider Stakeholder Class, Subclassified Independent Power Producer

Joel Groves brings an extensive background working with prospective and existing Alaska IPPs, establishing an IPP, and advocacy efforts to forge a level playing field so IPP benefits can flow to Alaska’s utility ratepayers and the public. He is Vice President and Senior Civil Engineer for Polarconsult Alaska, Inc. (Polarconsult) and is a member and project manager for Fishhook Renewable Energy. An Alaska-licensed Professional Civil Engineer with expertise in project management, Mr. Groves has worked on numerous energy projects. In his work at Polarconsult, he consults on engineering, contractual, and technical matters related to the IPP-LSE interface for clients that include prospective or existing IPPs owning, operating, and/or developing small hydropower projects. In his capacity with Fishhook Renewable Energy, Mr. Groves is a founding member and President of the AIPPA.

Independent of his professional practice, Mr. Groves has been involved in several IPP ventures to develop small hydropower resources for wholesale power delivery to Alaska electric utilities on and off the Railbelt grid. He is a seasoned advocate for hydropower and IPPs, which enables him to articulate the interests of his designated stakeholder class. He has provided comments, testimony, and presentations to the Alaska Legislature and the RCA on IPP issues and has served as an SME in IPP topics in forums held by the American Society of Civil Engineers, Renewable Alaska Energy Project, Cook Inlet Keeper, the Denali Commission, the Alaska Center for Energy and Power, Alaska Rural Energy conferences, and others.

Mike Craft serves as Mr. Groves’ alternate. Mr. Craft has owned and operated Alaska Environmental Power (an IPP) and its 2-MW wind farm in Delta Junction, Alaska, for 14 years. The wind farm is the first renewable energy project on the Railbelt system. Over the last 12 years, Mr. Craft has advocated before the state legislature on efforts to modernize the Railbelt system. He completed integration and interconnection studies for REAP and developed with GVEA electrical infrastructure for Fairbanks residential service. He is a founding member of AIPPA. Mr. Craft’s years of experience as an IPP and advocate on issues important to IPPs enable him to represent his designated stakeholder class.

Seat J: Consumer Stakeholder Class, Subclassified Residential – Small Commercial

Veri di Suvero is the Executive Director of the Alaska Public Interest Research Group (AKPIRG) and leads AKPIRG’s ratepayer advocacy program. AKPIRG is the only nonprofit, statewide consumer advocacy organization in Alaska. Its mission is to advocate on behalf of all consumers for the public interest. AKPIRG represents a variety of consumers, from large commercial to small residential users, as its advocacy includes individuals who may pay bills but not be registered as a member of a utility. AKPIRG works with larger consumers as well,
from housing entities to local governments to Tribal organizations. This is done through proactive outreach, continued conversation, and relationship building.

Mx. di Suvero is an experienced advocate for Railbelt consumers who has hosted numerous consumer forums to identify issues and provide resources; filed pro se amicus briefs and complaints about regulatory matters; successfully advocated before the state legislature on consumer priorities; and provided technical recommendations in regulatory dockets for electric utility, pipeline, and telecommunications matters. AKPIRG conducts consumer satisfaction surveys, hosts ratepayer town halls, and coordinates utility board member candidate forums for consumers to engage effectively with their utilities. This regular and ongoing communication with consumers enables Mx. di Suvero to understand and articulate the interests of the designated stakeholder class.

AKPIRG, and in particular Mx. di Suvero, was endorsed as an RRC director by consumers and representatives of groups of consumers throughout the Railbelt who expressed their confidence in Mx. di Suvero’s ability to fairly balance interests and represent consumers.

Alyssa Sappenfield serves as Mx. Di Suvero’s alternate. Ms. Sappenfield is an Energy Analyst at AKPIRG, where she applies her legal education and experiences to champion good governance, accountability, and transparency, prioritizing public interest advocacy. Her responsibilities include analyzing energy infrastructure and industry operations in Alaska and advising on legislative and regulatory matters. She also supports AKPIRG on matters related to proposed infrastructure investments and institutional processes that impact Alaskans. She is a graduate of the University of Notre Dame and obtained her Juris Doctorate at Lewis & Clark Northwestern School of Law, completing a special certification in Public Interest Law.

### Seat K: Consumer Stakeholder Class, Subclassified Large Commercial – Industrial

Paul Morrison has worked as Senior Manager of Capital Projects for the Alaska Native Tribal Health Consortium (ANTHC) for more than two decades. His responsibilities have included planning and constructing many of ANTHC’s facilities on the Alaska Native Medical Campus and more than 100 clinics in rural communities; maintenance and improvement assistance to tribal healthcare facilities around the state; and capital projects on the Alaska Native Medical Center and Alaska Pacific University campuses. Energy use and service reliability were key components of these projects. An Alaska-licensed Professional Mechanical Engineer and Certified Health Facilities Manager, Mr. Morrison’s previous work included Chief Utility Engineer for the RCA, where he provided technical assistance on utility filings and applications and provided technical recommendations and testimony on power purchase agreements, utility acquisitions, rate cases, tariffs, and rule-making proceedings. He was the lead staff for the Report to the Alaska Public Utilities Commission and the Alaska
State Legislature – Study of Electric Utility Restructuring in Alaska by CH2M Hill, which introduced reliability councils and other electrical system restructuring ideas to the state legislature. Throughout his career, Mr. Morrison has focused on energy systems and infrastructure. He brings additional experience in mechanical design engineering and project management and in conducting energy audits. He is a past president and current board member of the Alaska Society of Healthcare Managers and Engineers.

ANTHC’s Medical Campus is located in Anchorage’s U-Med District and receives its primary electric power from CEA. In fiscal year 2020, ANTHC’s campus facilities used 19 gigawatt-hours (GWh) of power with a billing demand of 2 MW. Most of this load is connected to critical infrastructure, such as the Alaska Native Medical Center, which depends heavily on reliable power during normal and disaster events for life-saving care. ANTHC has also studied self-generating its power to increase reliability and reduce operating costs. ANTHC is a large commercial consumer, and Mr. Morrison has knowledge and can articulate the interests of his designated stakeholder class, as evidenced by his tenure and senior-level employment at a large commercial power consumer and his leadership position with statewide healthcare managers, many of whom are located within the Railbelt.

Dustin Madden serves as Mr. Morrison’s alternate. Mr. Madden is the Rural Energy Program Manager at ANTHC, where he oversees project managers implementing a portfolio of approximately $20 million in renewable energy and energy efficiency projects in more than 40 rural Alaska communities. He also has responsibility for developing new renewable energy and efficiency projects, including project prioritization, prefeasibility work, funding strategies, and grant applications. He previously worked as a policy researcher and data scientist at the Cold Climate Housing Research Center with a heavy emphasis on energy issues. He developed and updated commercial and residential energy efficiency standards for Alaska and conducted energy and economic analyses of energy efficient programs, standards, and energy projects. Mr. Madden has multiple energy efficiency publications in his name.

In his work researching and implementing energy efficiency, Mr. Madden collaborated with a wide variety of large electricity consumers, including school districts, health facilities, and public buildings. These projects provided a broad understanding of the energy issues and concerns of his designated stakeholder class.

Seat L: Consumer Stakeholder Class, Subclassified Environmental Advocacy

Chris Rose has been the Executive Director of the Renewable Energy Alaska Project (REAP) since he founded the organization in 2004. REAP is a statewide nonprofit coalition of over 60 dues-paying member organizations that share REAP’s mission of promoting the development of renewable energy in Alaska and promoting energy efficiency. Under Mr.
Rose’s leadership, REAP has been instrumental in the passage of several pieces of energy-related legislation in Alaska, including the creation of the state’s Renewable Energy Fund in 2008; the state’s Emerging Energy Technology Fund in 2010; and Senate Bill 123 in 2020, which established the requirement that the Railbelt set up an ERO. Mr. Rose has served on numerous committees and task forces related to clean energy in the past 20 years and has been appointed by four consecutive governors to serve on the state’s Renewable Energy Fund Advisory Committee. He was a member of the citizen advisory committee for a Railbelt IRP study produced by Black and Veatch for the AEA in 2010. He served for two years as a member of the Mitigation Advisory Group for Governor Palin’s Subcabinet on Climate Change and for two years on Governor Walker’s Climate Action Leadership Team.

An attorney licensed to practice in Alaska, Mr. Rose had a private law and mediation practice for 13 years before he founded REAP. He has provided pro bono support to energy-related grassroots citizen initiatives. Before law school, Mr. Rose worked for five years for several nonprofit public interest groups in six states, including Alaska.

**Greg Stiegel** serves as Mr. Rose’s alternate. Mr. Stiegel is the Operations Director for REAP, comprehensively supporting the organization in its mission of increasing the development of renewable energy and promoting energy efficiency throughout Alaska. Mr. Stiegel has a breadth of experience in member-based nonprofits, working with the public, and advocating for issues related to the advancement of clean energy. Mr. Stiegel participates in REAP’s Public Policy Committee meetings and has organized several outreach events through REAP’s Energy Speaker Series to educate the public on the need for Railbelt grid reform and similar topics.

**Seat M: Independent Director**

**William Koegel** is appointed to the independent director seat. Mr. Koegel brings 22 years of experience working for an integrated electric utility company, Kansas City Power & Light Company. While his primary work was legal, he also worked in power sales and capital construction management related to energy transmission and sales and worked with transmission owners and operators on interconnection agreements and coordinating construction of interconnection points. After retiring, Mr. Koegel joined EDF Renewables (EDF), one of the largest renewable energy companies in the United States. In his nine years with EDF, Mr. Koegel negotiated contracts for real estate leases, wind farm construction, and power sales. He continues to work as a consultant for EDF on preconstruction matters for solar projects.

**David Newman** serves as Mr. Koegel’s alternate. Mr. Newman has been Professor of Physics at the UAF for nearly 24 years and serves as director of the university’s Center for Complex Systems Studies. He was previously a senior research scientist in the Fusion Energy
Division at Oak Ridge National Laboratory. He has spent nearly 30 years researching reliability and causes of failure in electric power transmission grids, among other research areas. In this area, he has more than 40 publications to his credit on topics from vulnerability assessment and mitigation to the impact of regulation and markets on grid reliability. Much of his recent research has focused on the impact of increased penetration of sustainable generation on grid operation and grid structures. The transmission grids explored range in size from the Western Electricity Coordinating Council grid covering the western portion of the lower-48 states to the Cordova, Alaska, distribution grid, and has involved both data analysis and modeling. Mr. Newman is the recipient of numerous awards and serves or has served in his professional capacity on many local, state, and national committees.

E. Explanation of the process by which each director designated to a stakeholder class was selected 3 AAC 46.090(e)(3)

The RRC Board is the former RRC Implementation Committee (IC), with minor changes in directors made by appointing entities². The IC primary and alternate representatives became the RRC directors at the Board’s inaugural meeting on March 14, 2022. While each director was selected prior to adoption of the RRC Bylaws, the process used was very similar to the process for director appointments in the Bylaws (Exhibit E-12), which establish an appointment process for each seat’s director. When possible, the director is appointed directly by the entity or entities whose interests are represented by the seat’s stakeholder classification; in this way, directors are drawn from and can clearly understand and articulate the interests of the stakeholder class. When a stakeholder class consists of multiple entities, a group of those entities will jointly appoint a director who represents their interests.

The following explanation of the process by which RRC directors were selected also describes the evolution of the IC.

In the spring of 2020, a group of entities with diverse perspectives interested in collaboratively establishing a Railbelt ERO formed the RRC IC. The group had representatives for all Railbelt LSEs, non-LSE power producers, and the Alaska Energy Authority (AEA). The RCA and the Alaska Attorney General’s Office also appointed representatives and alternates.

Each LSE appointed a primary and an alternate representative to the IC, reflecting the significant role the LSEs have in the Railbelt network and the way regional diversity and

² Appointing entities were able to remove and replace primary and alternate representatives as necessary to meet the needs of their organizations.
system realities determine each LSE’s interests in reliability standards and IRPs. At the time, Anchorage’s Municipal Light & Power utility was an LSE. Once it ceased to exist, the IC revised that LSE seat to provide additional governance balance. The new seat represents for-profit utilities that only provide a single function of electrical service. The IC asked Doyon Utilities to appoint a representative to that seat. The Alaska Independent Power Producers Association (AIPPA) appointed two primaries and two alternates to the IC. AIPPA appointed those representatives from four different independent power producers - Cook Inlet Region Inc., Alaska Environmental Power, Renewable IPP, and Fishhook Renewable Energy, LLC - to ensure that a broad group of interests is represented. AEA also appointed a representative and an alternate.

This initial group issued public notice through the RCA listserv and other media channels to solicit applications from parties interested in serving as directors for a consumer seat and two independent seats. Alaska Public Interest Research Group (AKPIRG) was the only entity to submit a letter of interest from the Railbelt consumer advocacy constituency. The IC determined AKPIRG qualified as a consumer interest group and was able to seat a director.

Following the addition of the consumer advocate seat, the IC formed a subcommittee to conduct a search, establish review criteria, and manage the selection process for two independent directors. All IC members were able to participate in scoring and discussion, and a selection subcommittee made the final selection. REAP was selected to fill one of the independent seats. Initially, a candidate from the Northwest Power Pool was selected to fill the second seat; however, he resigned a few months later. The IC voted to appoint the next-highest-scoring candidate and authorized that independent director to select an alternate.

As the RCA advanced regulations and to further balance representation of stakeholder interests, the IC made two changes to the governance structure. First, the IC added a seat representing large commercial and industrial consumers. The IC established applicant qualifications and publicly advertised the seat. To encourage interest, each LSE directly contacted customers who met the criteria. Four diverse, highly qualified entities applied. The IC selected the Alaska Native Tribal Health Consortium to represent the large commercial and industrial stakeholder class seat. Second, the IC reduced the number of independent members from two to one and added a seat to represent consumers who prioritize environmental issues. REAP’s representative, who was already filling an independent seat, became the representative for the new consumer stakeholder class seat.

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3 Acquired by Chugach Electric Association Inc. on October 30, 2020.
F. Explanation of how the RRC satisfies the requirements of 3 AAC 46.060(b)(4)(B) through committee composition and procedures, staffing levels, or other mechanisms 3 AAC 46.090(e)(11)

The RRC understands that to ensure stakeholder class interests are balanced on the Board, directors need sufficient resources to effectively represent their stakeholder class. Effective participation helps ensure that a class’s interests are not unreasonably amplified or attenuated. The balanced board stakeholder classifications bring directors from varied fields, experiences, and skillsets. The RRC recognizes that some directors may need additional resources to adequately represent their stakeholder class and is committed to providing such resources.

The RRC has established the Technical Advisory Council (TAC), a panel of senior staff engineers who will form working groups with diverse membership to develop standards and plans. While directors will not typically be seated members of the working groups, each director may designate a qualified representative to participate on the director’s behalf. These qualified representatives will be paid from a budget allocated to each director. The qualified representatives will advocate for the director’s stakeholder class interests in the working group process, which is intended to hear and consider interests during the development of standards and plans.

In addition, Board-selected SMEs may be working group members. The SMEs will help bridge any technical gaps so that directors’ stakeholder class interests are not unduly amplified or attenuated.

Bylaws Section 2.3.10.4 – Qualified Representatives also enables directors to appoint a qualified representative to serve on any other RRC committee (other than TAC working groups). Bylaws Section 2.3.10.4 – Board Expert Resources requires the RRC to retain expertise to assist directors on any matter if at least three voting directors affirm that need.

The RRC has not retained staff or adopted a director compensation plan at the time of application, as previously discussed in this application.

G. Description of the ERO’s procedures to meet the requirements of 3 AAC 46.060(b)(5) 3 AAC 46.090(e)(12)

The RRC will employ specific procedures to ensure that stakeholder class interests are considered and not unduly amplified or attenuated as those stakeholder class interests change. Board membership and composition, Board and committee voting procedures, and the sufficiency of resources available to directors are ways in which the RRC ensures stakeholder class interests are fairly considered. As stakeholder class interests change
regarding reliability standards and IRPs, the following mechanisms provide a means to adjust to changing conditions.

- The RRC will, on a continuous basis, evaluate Board balance and whether stakeholder class interests are changing. The Governance Committee has this responsibility through its charter (Exhibit E-13), as provided in the RRC Bylaws Section 2.5 – Standing Committees (Exhibit E-12). In addition, Bylaws Article 8 – Bylaw and Policy Amendments requires a triennial review of the RRC’s governing documents, policies, and rules, and will recommend changes to ensure that the requirements of 3 AAC 46.060(b)(4) continue to be met. This review will include an independent review of Board balance and stakeholder class representation. The results will be provided to the Board, the RCA, and the public.

- Board membership and composition may be changed at any time through revision of the RRC Bylaws. Such a revision requires a supermajority vote, defined in Bylaws Article 12 as the affirmative vote of nine (9) or more voting directors representing a majority of stakeholder classes to ensure that there is broad support for any changes.

- Similarly, Board and committee voting procedures may be changed at any time with a supermajority vote to promote balance through revision of the RRC Bylaws. To further support ongoing balance, the RRC Bylaws Section 2.1.2.2 – Stakeholder Classes provides that any person, at any time, can propose changing or adding Board stakeholder classifications. The Governance Committee would review such proposals and recommend action to the Board.

- The core function of the RRC is to develop reliability standards and IRPs. Directors must have adequate resources to fully evaluate these standards and plans in order to represent their stakeholder class’s interests and ensure those interests are fairly considered. Because reliability standards, standards, and plans will be developed under the TAC, the RRC Bylaws require that each director is able to appoint a compensated qualified representative to a working group, and under the Technical Advisory Council Structure and Process (PD-03, Exhibit E-7), working group members may include RRC-compensated SMEs to support directors.

H. Description of processes to remove and replace a director that fails to meet the requirements of 3 AAC 46.070(a) 3 AAC 46.090(e)(13)

See response to B in Part III of this application (page 28).
I. Additional information that makes specific reference to the factors set out in 3 AAC 46.060(d) 3 AAC 46.090(e)(14)

The RRC does not have additional information to submit at this time but will provide any additional information requested by the RCA.

J. An explanation of how classification of stakeholders is consistent with 3 AAC 46.080(a)(1) 3 AAC 46.090(f)(2)(A)

The RRC’s stakeholder classification is depicted in Table 4 on page 29 and is consistent with the classification provided in 3 AAC 46.080(a)(1) while reflecting the nature of the Railbelt network. Stakeholders are first classified broadly as providers or consumers in accordance with the definitions in 3 AAC 46.999, then subclassified as permitted by 3 AAC 46.080(a)(1).

Provider Classification: The provider stakeholder classes are subclassified into five groups:

1. Integrated nonprofit. This subclass is comprised of LSEs that own and operate assets in two or more functions and are nonprofit since member-owned cooperatives do not stand to profit from new facilities and are not owned by the state.

2. Municipal nonprofit. This subclass includes municipal LSEs that do not stand to profit from new facilities and are not owned by the state. The class may have interests that own and operate assets involved in one or more functions.

3. Distribution. This subclass includes entities that own and operate assets involved in only one function (distribution), are not owned by the state, and may profit from new facilities.

4. State. This subclass includes entities with assets primarily or entirely owned by the state.

5. Independent power producer. This subclass includes entities that own and operate generation assets only, are not owned by the state, and may profit from new facilities.

Consumer Classification: Consumer stakeholder classes are subclassified based on whether the class’s stakeholders are primarily residential, commercial, or industrial, and whether the class’s stakeholders have a primary interest other than price or reliability. The RRC’s classification provides one class for residential and small commercial interests, and one class for large commercial and industrial interests. The RRC believes dividing the commercial interests by size aligns with the need to group interests according to their interests in reliability standards and IRPs. Consideration of the characteristics in 3 AAC 46.060(d)(1)(B), in particular the public safety and economic consequences of disruptions in electricity service, further supports this subclassification. Since many of the Railbelt’s large commercial
consumers are related to health care, government facilities, and other essential services, their reliability impacts the availability of life, health, and safety resources to all consumers.

The third consumer subclass, Environmental Advocacy, has members whose highest priority is advocating that electricity service is provided in an environmentally responsible manner. Outside of price and reliability, environmental concern is a top interest of consumers throughout the Railbelt, as indicated by LSE members and customer feedback.

K. A declaration of the numerical value, as calculated under 3 AAC 46.080(a)(2)(D), of each director’s provider interest and consumer interest 3 AAC 46.090(f)(2)(B)

The numerical value of each director’s interests as depicted in Table 4 on page 29 is calculated in accordance with 3 AAC 46.080(a)(2)(D). The voting directors are composed in number and type so that the total provider interests and total consumer interests are equal.

- Directors for seats A-D are assigned ½ provider and ½ consumer each in accordance with 3 AAC 46.080(a)(2)(D)(i), as these provider stakeholder classes are cooperatives that do not profit from the construction of new facilities.
- The director for Seat E is assigned ½ provider and ½ consumer in accordance with 3 AAC 46.080(a)(2)(D)(i), as the provider stakeholder class is municipal and as such does not stand to profit from the construction of new facilities.
- The director for Seat F is assigned 1 provider and 0 consumer in accordance with 3 AAC 46.080(a)(2)(D)(ii), as the provider stakeholder class both profits from the construction of new facilities and does not have assets primarily owned by the state.
- The director for Seat G is assigned ½ provider and ½ consumer in accordance with 3 AAC 46.080(a)(2)(D)(ii), as the provider stakeholder class does not stand to profit from the construction of new facilities and has assets primarily owned by the state.
- Directors for Seats H and I are assigned 1 provider and 0 consumer each in accordance with 3 AAC 46.080(a)(2)(D)(i), as the provider stakeholder classes profit from construction of new facilities and do not have assets primarily or entirely owned by the state.
- Directors for Seats J-L are assigned 0 provider and 1 consumer each in accordance with 3 AAC 46.080(a)(2)(D)(iii), as they are assigned to consumer stakeholder classes.
- The director for Seat M is assigned 0 provider and 0 consumer in accordance with 3 AAC 46.080(a)(2)(D)(iv).
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Exhibit E-1

Proof of Incorporation
State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Incorporation

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

RAILBELT RELIABILITY COUNCIL

IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective February 10, 2022.

Julie Sande
Commissioner
Exhibit E-2

Functional Organization Structure Chart
This graphic depicts major RRC functions, how they are organized, and the high-level authority and responsibility relationships between them. Additional relationships not shown here will exist between and within the business and engineering divisions as appropriate to perform the duties of the RRC with accountability and efficiency. This graphic does not depict staffing levels or staffing methods.

Board subcommittees may not be entirely comprised of directors.
Exhibit E-3

Proposed Tariff
Railbelt Reliability Council

TARIFF NO. 1

Railbelt Reliability Council

5601 Electron Drive
Anchorage, AK 99518

www.akrrc.org
907.____.____
Email: Info@akrrc.org

Electric Reliability Organization
Providing Electric Reliability Standards and
System Planning Services for:

The Alaska Railbelt Interconnected Bulk-Electric System

of:

Fairbanks North Star Borough
Southeast Fairbanks Census District
Denali Borough
Matanuska-Susitna Borough
Municipality of Anchorage
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2020 - Base Railbelt System

2020 - Base Railbelt System
RULES AND REGULATIONS

1.0 GENERAL

1.1 Contacting the Railbelt Reliability Council

Normal working hours for the Railbelt Reliability Council (RRC) are 8 a.m. through 5 p.m., Monday through Friday. The RRC will be closed for regular business on all state and federal holidays.

The RRC may be contacted by email at info@akrrc.org, or by telephone at 907.___.____. Messages and calls should state the purpose for the call and the person to whom the message or call should be directed, if known. All emails and calls will be forwarded appropriately.

Personnel and departments of the RRC will be identified on the RRC website www.akrrc.org with contact information and links provided.

1.2 Tariff Adoption and Revisions

The RRC tariff is subject to the jurisdiction of the Regulatory Commission of Alaska (RCA) (http://rca.alaska.gov). Upon approval of the RCA, each effective tariff sheet, form, or other document will be validated with the RCA’s date-of-receipt in the upper right corner and the effective date on the bottom right corner. Each effective tariff on file with the RCA is lawful until revised.

Tariff revisions and additions are publicly noticed in accordance with 3 Alaska Administrative Code (AAC) 46.370 and subject to review and approval by the RCA. Rules and policies for public and Registered Entity (RE) comment on proposed tariff revisions and additions are available at www.akrrc.org.

1.3 Conflicts & Complaints

The RRC should be notified, as provided in Section 1.1, if conflicts are perceived among tariff provisions, including conflicts among standards. In the event questions or conflicts arise, the tariff will remain in effect until the conflict is resolved. The RRC will respond with identification of additional sources of information on www.akrrc.org in order to resolve the perceived conflict.

1.3.1 Conflicts Unresolved by RRC

Conflicts of a reliability standard with any approved tariff provision that are unresolved by the RRC may be addressed by petition to the RCA in accordance with 3 AAC 46.010.
1.3.2 Process

The RCA may, upon petition or on its own motion, open a docket of investigation to review an approved reliability standard for conflict with a function, rule, tariff, rate schedule, or agreement that has also been accepted, approved, adopted, or ordered by the RCA.

If the conflict is affirmed by an order of the RCA, the RRC will resolve the conflict not later than 180 days after the RCA’s order, unless extended by the RCA. The RRC will resubmit the reliability standard in a compliance filing in the docket of investigation and will resubmit the reliability standard under a new tariff letter if required under 3 AAC 46.410(e).

Complaints regarding services provided or tariff rules and regulations must be addressed to the RRC as provided in Section 1.1. Complaints placed with the RRC will be handled pursuant to procedures available at www.akrrc.org.

1.4 Definitions

Interconnected Bulk-Electric System (BES) – The Railbelt interconnected electric energy transmission network that includes two or more load-serving entities, at least one of which is subject to the provisions of Alaska Statute (AS) 42.05.291 (i.e., Public Utility – Standards of Service and Facilities).

Interconnected Electric Energy Transmission Network – A network of interconnected electrical generation resources, transmission lines, interconnections, and associated equipment operated at voltages of 69 kilovolts or more, operating in a geographic area that are synchronized so that the failure of one or more of the components may adversely affect the ability of the operators of other components within the system to maintain reliable operation of the facilities within the control of the operators.

Load-serving Entity (LSE) – An electric utility that has a service obligation to distribute power to more than 10 customers that receive invoices directly from the entity.

Railbelt – The geographic area of Alaska extending from the communities of Fairbanks and Delta Junction in the north, south to Homer and Seldovia, west to Tyonek, and east to Glacier View, Seward and Whittier, containing the service territories of Golden Valley Electric Association, Matanuska Electric Association, Chugach Electric Association, Homer Electric Association, and the City of Seward.

Registered Entity (RE) – A User, Owner, or Operator registered with the RRC and subject to reliability standards approved by the RRC and the RCA.

RRC Surcharge – An amount by which the RRC will allocate the cost of the RRC to the LSEs.

User, Owner, or Operator (UOO) – A person or entity that is, or within a reasonable time will be, generating, transmitting, storing, or distributing electricity; and may, as a result of electric facilities or equipment it owns, leases, operates, or controls, adversely affect the reliable operation of the BES.

1.5 Acronyms and Abbreviations

AAC Alaska Administrative Code
AS Alaska Statute
BES Interconnected Bulk-Electric System
ERO electric reliability organization
IRP integrated resource plan
kV kilovolt
LSE load-serving entity
OAS Open Access Standard
RCA Regulatory Commission of Alaska
RE Registered Entity
RRC Railbelt Reliability Council
UOO User, Owner, or Operator
VRF violation risk factor
VSL violation severity level
2.0 SERVICES

2.1 RRC General Information

The RRC is a certificated electric reliability organization (ERO), authorized to provide reliability standards and electric system planning services in accordance with Alaska Statutes (Article 9A – Electric Reliability Organizations, Plans and Standards, Sec. 42.05.760-Sec. 42.05.790). The RRC provides these services in accordance with regulations adopted by the RCA under Chapter 46 of the Alaska Administrative Code.

2.2 Registered Entities

A User, Owner, or Operator (UOO) that is subject to an RRC standard will be registered in accordance with the entity registration program of the Compliance Monitoring and Enforcement Program Rule (ER2) adopted by the RRC and available at www.akrrc.org. Each RE has both obligations and responsibilities with respect to the RRC and is obligated to comply with the RRC tariff.

2.3 Load-serving Entities

Each electric utility that is interconnected with the BES and has a service obligation to distribute power to more than 10 customers that receive invoices directly from the electric utility is a load-serving entity (LSE). Each LSE has both obligations and responsibilities with respect to the RRC and is subject to the RRC tariff. The LSE obligations include payment of the RRC Surcharge authorized by the RCA.

2.4 RRC Administration

The RRC is the legal entity that (1) prepares, administers, oversees, and enforces the authorized activities of the RRC certificate; and (2) provides reliability standards, standards for open access transmission and interconnection, standards for transmission system cost recovery, and planning services for the BES.

2.4.1 Administrative Rules

The RRC administrative rules are established at certification of the RRC and available for review on the RRC website, www.akrrc.org.

2.4.2 Tariff Administration

This tariff is administered by the RRC through processes outlined in the RRC’s administrative rules. All proposed tariff additions and revisions will only be effective upon review and approval by the RCA.
2.5 Reliability Standards

The RRC establishes and enforces reliability standards that will provide for reliable operation of the BES. The standards so established and incorporated herein are subject to approval of the RCA and are enforced pursuant to the RCA regulations.

Reliability standards of the RRC include, but are not limited to, any class of standards for the Transmission Network, including balancing, modeling, protective relaying, reserve sharing, transmission planning, reactive power generation and control, physical security, and cybersecurity.

2.6 Open Access Transmission and Interconnection Standards

2.6.1 RRC Open Access Standard – Transmission Services

The RRC establishes and enforces the standard for nondiscriminatory open access transmission services on the BES. The RRC Open Access Standard – Transmission Services is subject to approval of the RCA.

2.6.2 RRC Open Access Standard – Interconnection

The RRC establishes and enforces the standard for nondiscriminatory open access interconnection to the Transmission Network. The Open Access Standard – Interconnection is subject to approval by the RCA.

2.7 Integrated Resource Planning

The RRC will periodically prepare a multiyear integrated resource plan (IRP) for meeting the reliability requirements of all customers within the Railbelt interconnected electric energy transmission network. The RRC’s IRP is subject to approval by the RCA, will be consistent with the obligations of an LSE, will satisfy the requirements of AS 42.05.780 and all applicable state regulations, and will meet the obligations of the RRC.

2.8 Additions or Modifications

Reliability standards, as well as the RRC Open Access Standard – Transmission Services, may provide for additions or modifications to a system facility and may result in enlargement of BES facilities or construction of new transmission capacity or generation capacity on the Transmission Network at 69 kV and above. Additions and modifications to provide for the reliable operation of the Transmission Network or of a Transmission Network facility may be eligible for transmission cost recovery.
2.9 Transmission Cost Recovery Standard

The RRC establishes and administers a standard for cost recovery of additions and modifications to the Transmission Network, or new transmission or generation capacity that result from compliance with reliability standards or IRPs. The RRC Transmission Cost Recovery Standard is subject to RCA approval.

2.10 Additional Information

Additional information regarding the services provided by the RRC is available on the RRC’s website.
3.0 OBLIGATIONS AND RESPONSIBILITIES

3.1 Registered Entity

3.1.1 RE Obligations

All REs interconnected with the Transmission Network are subject to the RRC tariff. Each RE shall comply with the requirements of the RRC standards for those operating and planning services provided by the RRC to which the RE is subject.

An RE is obligated to operate in conformance with the standards to which it is subject and will provide information requested by the RRC or required by the standard to substantiate compliance with the standard.

3.1.2 RE Responsibilities

Each RE will maintain current registration information with the RRC, including the RE’s designated point of contact and contact information. Each RE is responsible for supplying the RRC with operational information as required by the standard(s) to which the RE is subject and as requested by the RRC to support the RRC’s integrated resource planning services. An RE will provide any additional information requested by the RRC to fulfill the obligations of the RRC.

The RRC will make a good faith effort to notify each RE electronically about the proposed RRC budget, developed in accordance with Section 4.1 of this tariff, and will provide the location of the public documents that support a proposed budget filed with the RCA. It is the responsibility of each RE to submit comments, if any, through procedures supplied in such notices.

3.2 Load-serving Entity

3.2.1 LSE Obligations

LSEs interconnected with the Transmission Network, including an LSE otherwise exempt from RCA regulation under AS 42.05.711 or another provision of AS 42, are subject the RRC tariff. An LSE shall comply with the RRC standards requirements and planning services.

An LSE is obligated to pay the RRC surcharge and other applicable charges in accordance with the tariff. An LSE may collect the RRC surcharge from those electric customers that receive invoices for electric service directly from the LSE. The RRC surcharge, among other authorized dues and fees, will be used to fund all authorized operating activities of the RRC. The RRC surcharge periodically invoiced to each LSE is listed in the Schedule of RRC Surcharges.
3.2.2 LSE Responsibilities

An LSE will maintain current registration information with the RRC, including the LSE’s designated point of contact and contact information. An LSE will provide information requested by the RRC to fulfill the obligations of the RRC.

An LSE that owns, operates, or uses the Transmission Network and generates, transmits, distributes, or stores electric energy for direct compensation within the network may be subject to a reliability standard of the RRC. Each LSE that is subject to a reliability standard will register with the RRC in accordance with the procedures of the RRC.

An LSE must notify the RRC of all persons within an LSE’s service territory that are subject to a reliability standard or that may be subject to a reliability standard that the RRC may develop in the reasonably foreseeable future.

LSEs must participate in RRC integrated resource planning activities and processes that are developed to meet the reliability requirements of the Transmission Network. Each LSE will participate in such planning activities and processes regarding those aspects of the IRP that pertain to the LSE, or may affect the system or other LSEs.
4.0 RRC ADMINISTRATION

4.1 RRC Administrative Cost Determination – Budget

The RRC prepares forecasts of revenues and expenses that will be incurred in providing the services of the RRC. The forecasts and annual budgets are prepared under guidelines adopted by the RRC. Revenues will include receipts of the RRC, including penalties collected. The expenses will include the costs of general administration, developing reliability standards, compliance with and enforcement of reliability standards, integrated resource planning, and the costs associated with other authorized activities of the RRC.

4.2 Nonrecurring Charges

Reserved

4.3 Participation Dues

Reserved

4.4 RRC Surcharge

The annual budget of the RRC, as revised from time to time, will be allocated and assessed as a surcharge that will be invoiced to each participating LSE. The RRC Surcharge will be revised at least annually and may be revised more frequently upon request to the RCA. The RRC Surcharge, and any revisions thereto, is subject to approval by the RCA with an effective date. Each LSE may implement a separate charge on its bill to retail customers to collect the RCA-approved RRC Surcharge. Implementation of the surcharge by the LSE is subject to the requirements of 3 AAC 46.420(f).

4.5 Surcharge Allocation

The annual RRC Surcharge will be allocated to an LSE on the basis of net energy for load in accordance with the RRC Equitable Allocation of Costs Rule (ER13). The surcharge that an LSE is allocated and assessed is shown in the Schedule of Surcharge.

For purposes of determining surcharge revisions, the RRC will maintain a surcharge balancing account and enter the balance into the surcharge calculation in accordance with 3 AAC 46.420(c)(1)-(4).

The RRC Surcharge is assessed to each individual LSE. The RRC surcharge and assessment may be revised if the number of LSEs should change.
4.6 Surcharge Billing Procedures

The RRC will prepare and send invoices to each LSE to collect the RRC Surcharge under an account structure defined by the RRC. The invoice will be in a format developed by the RRC and issued monthly. Invoices will be distributed electronically to the person, place, or contact designated by the LSE.

4.7 Surcharge Collection Procedures

Surcharge invoices are due and payable no later than thirty (30) days upon issuance. Payments may be submitted electronically by such means as may be identified on the invoice.

4.8 Surcharges Past Due and Delinquent

Surcharge invoice payments that are not received by the due date are subject to late fees. Surcharge invoice payments that are past due by more than thirty (30) days will be deemed delinquent, and LSE accounts over thirty (30) days due will be assessed interest charges. The Schedule of RRC Surcharge specifies late fees and interest charges to be assessed on delinquent accounts.
5.0 RELIABILITY STANDARDS

5.1 Applicability

The RRC establishes reliability standards that will provide for reliable operation of the interconnected electric energy transmission network. A UOO of the Transmission Network that generates, transmits, distributes, or stores electricity, including an entity exempt from other regulation under AS 42.05.711, is subject to the reliability standards. A UOO that is subject to a reliability standard shall register in accordance with the RRC entity registration program of the Compliance Monitoring and Enforcement Program Rule (ER2) adopted by the RRC.

An RE shall comply with any standard to which it is subject.

5.2 Cybersecurity and Physical Security – Confidentiality

A reliability standard for protection from a cybersecurity incident, or for the physical security of network facilities, may require withholding from public distribution certain information on the Transmission Network and facilities. Confidential information so designated associated with the Transmission Network and facilities may be disclosed only under those conditions addressed in the cybersecurity and physical security standards, and in accordance with the Compliance Monitoring and Enforcement Program Rule (ER2) Confidential Documents and Access Rule (ER4).

5.3 Reliability Standards Development and Notice

The RRC reliability standards are developed and implemented in accordance with the RRC bylaws, rules, and policies, as well as the RCA review and approval processes. Notice of standards development is available to the public on the RRC website and provided to Users, Owners, and Operators through alternative channels, as may be adopted by the RRC.

5.4 Schedule of Reliability Standards

The approved reliability standards of the RRC are entered in the Schedule of Reliability Standards. The Schedule of Reliability Standards includes new and revised standards as developed and implemented in accordance with the reliability standards development process.

5.5 Compliance

Compliance directives associated with each reliability standard are provided in the Compliance Monitoring and Enforcement Program Rule (ER2). Any RE to which a reliability standard applies is subject to the compliance directives of the reliability standard.
5.6 Monitoring

The RRC is authorized to monitor compliance in accordance with the Compliance Monitoring and Enforcement Program Rule (ER2). Any RE to which a reliability standard applies is subject to the monitoring conditions of the reliability standard.

5.7 Conflicts – Identification and Resolution

Conflicts relating to a reliability standard with other tariff conditions are subject to resolution in accordance with Section 1.3 of this tariff. Conflicts that involve confidential information will be additionally subject to administrative procedures of the Confidential Documents and Access Rule (ER4).

If, as a condition of a contract with the U.S. Department of Defense, a UOO is subject to a federal standard, rule, or function that conflicts with a reliability standard, the UOO shall comply with the federal standard, rule, or function until the conflict is resolved.

5.8 Determination of Monetary Penalties

Monetary penalties associated with a reliability standard will be determined through the reliability standards development process and incorporated in the pertinent reliability standard.

5.9 Penalty Matrix

Monetary penalties associated with a violation of a reliability standard, as such violation is characterized in the reliability standard, may include, as appropriate, a matrix of violation risk factors (VRFs) and violation severity levels (VSLs) that reflect the size of a penalty associated with a violation of a reliability standard.

5.10 Penalty Imposition and Assessment

Penalties imposed by the RRC for violations of a reliability standard will be noticed and processed in accordance with 3 AAC 46.120 and the administrative rules of the RRC. Penalties may be monetary or nonmonetary and may include a limitation on an activity, function, operation, or other sanction as identified in the notice.

5.11 Nonmonetary Penalties or Sanctions

Reserved
5.12 Completion of Enforcement Action

The RRC will prepare and send an invoice to each entity assessed a monetary penalty. The invoice will be in a format developed by the RRC and submitted contemporaneously with a notice of penalty.

Monetary penalty invoices are due and payable no later than thirty (30) days upon issuance. Payments may be submitted electronically by such means as may be identified on the invoice. Certification by RRC of the payment of a monetary penalty will constitute completion of enforcement action.

Completion of enforcement action on a nonmonetary penalty enforcement will be certified in accordance with the terms and conditions of the nonmonetary penalty or sanction.

5.13 Waivers

Reserved

5.14 Appeals

An entity subject to a penalty imposed by the RRC may appeal the penalty amount or imposition to the RCA not later than ten (10) business days after receiving notice of the penalty. Such appeal shall be conducted in accordance with 3 AAC 46.140. Monetary penalties that are appealed remain due and payable under Section 5.12 unless stayed by the Commission pursuant to 3 AAC 46.140(c) but will be held in trust pending resolution of such appeal and will be subject to the terms of resolution.
6.0 **RRC OPEN ACCESS STANDARD – TRANSMISSION SERVICES**

6.1 **Applicability**

The RRC Open Access Standard – Transmission Services addresses the rights and responsibilities of transmission owners and transmission users.

6.2 **Transmission System Defined**

Reserved

6.3 **Eligible Entities**

Reserved

6.4 **Open Access Standard Development and Notice**

The RRC Open Access Standard – Transmission Services is developed and implemented in accordance with the RRC bylaws, rules, and policies, as well as the RCA review and approval processes. Notice of the standard development is available to the public on the RRC website and provided to Users, Owners, and Operators through alternative channels, as may be adopted by the RRC.

6.5 **Schedule of Open Access Standard - Transmission Services**

The authorized and approved RRC Open Access Standard - Transmission Services is entered in the RRC Schedule of Open Access Standard – Transmission Services. The Schedule of Open Access Standard – Transmission Services includes new and revised content of the standard as developed and implemented in accordance with the standards development process of the RRC.

6.6 **Transmission Services Rates and Charges**

The RRC Open Access Standard – Transmission Services includes provision for the establishment of rates, terms, and conditions of granting and providing transmission services on the Transmission Network.

6.7 **Compliance and Monitoring**

Any entity to which the RRC Open Access Standard – Transmission Services applies is subject to the compliance and monitoring conditions of the standard.
RRC OPEN ACCESS STANDARD – INTERCONNECTION

7.1 Applicability

The RRC Open Access Standard – Interconnection addresses the rights and responsibilities of transmission owners and operators to ensure nondiscriminatory transmission interconnection.

7.2 Transmission System Defined

Reserved

7.3 Eligible Entities

Reserved

7.4 Open Access Standard Development and Notice

The RRC Open Access Standard – Interconnection is developed and implemented in accordance with the RRC bylaws, rules, and policies, as well as the RCA review and approval processes. Notice of the standard development is available on the RRC website and provided to Users, Owners, and Operators through alternative channels, as may be adopted by the RRC.

7.5 Schedule of Open Access Standard - Interconnection

The authorized and approved RRC Open Access Standard – Interconnection is entered in the Schedule of Open Access Standard – Interconnection. The Schedule of Open Access Standard – Interconnection includes new and revised content of the standard as developed and implemented in accordance with the standards development process of the RRC.

7.6 Interconnection Rates and Charges

The RRC Open Access Standard – Interconnection includes provision for the establishment of rates, terms, and conditions for interconnection with the Transmission Network.

7.7 Compliance and Monitoring

Any entity to which the Open Access Standard – Interconnection applies is subject to the compliance and monitoring conditions of the standard.
8.0 INTEGRATED RESOURCE PLANS

8.1 Integrated Resource Plan Requirements

The RRC is authorized to develop IRPs in accordance with AS 42.05.780, 3 AAC 46.230, and 3 AAC 46.250. An IRP must address the forecast period and include resource portfolios, including a preferred portfolio, each of which must comply with the RRC reliability standards and the requirements of the RRC certificate.

8.2 Applicability

The IRP of the RRC will reflect the entirety of the Transmission Network and will identify resource options, resource portfolios, and, as applicable, specific projects or project portfolios without regard to service territory boundaries within the Transmission Network.

8.3 Integrated Resource Plan – Action Plan

The RRC will develop an IRP Action Plan that provides a process for implementing the preferred resource portfolio and includes a process by which LSEs of the BES determine how they will apportion cost responsibility for the measures that satisfy the needs identified in the IRP.

8.4 Integrated Resource Planning Costs

The costs of the RRC’s integrated resources planning will be included in the surcharge allocated and assessed under sections 4.4 and 4.5 and reflected in the Schedule of Surcharge. The RRC will maintain records of the RRC’s integrated resources planning costs, among other activities.
9.0 ADDITIONS AND MODIFICATIONS

9.1 Applicability

The RRC reliability standards, RRC Open Access Standard – Transmission Services, and RRC Open Access Standard – Interconnection, may provide for additions or modifications to a BES facility to the extent necessary to provide for reliable operation of the Transmission Network. Such additions and modifications may result in enlargement of BES facilities or construction of new transmission capacity or generation capacity.

The IRP Action Plan will identify the necessary additions or modifications to implement the plan.

9.2 Additions

Additions include network components and facilities that are constructed or implemented on the Transmission Network. Additions may include components, facilities, and equipment of a UOO if the absence of the addition will adversely affect the reliable operation of the BES.

9.3 Modifications

Modifications include changes to network components, facilities, or operating characteristics of the Transmission Network. Specifically, modifications may include those changes to components, facilities, and equipment of a UOO if the absence of the modification will adversely affect the reliable operation of the BES.

9.4 Cost Responsibility – Reliability Standards and Open Access Standards

The cost of additions and modifications required under the RRC reliability standards, RRC Open Access Standard – Transmission Services, and RRC Open Access Standard – Interconnection that are necessary to provide for the reliable operation of the Transmission Network will be the responsibility of the RE that is required to provide the addition or modification.

9.5 Cost Responsibility – Integrated Resource Plan

The cost of additions or modifications required to implementing the preferred resource portfolio of an IRP will be apportioned to the LSEs.
10.0 TRANSMISSION COST RECOVERY STANDARD

10.1 Purpose

The RRC Transmission Cost Recovery Standard will provide for recovery of transmission system costs in accordance with 3 AAC 46.450.

10.2 Applicability

The Transmission Cost Recovery Standard will apply to the costs of transmission assets among Users, Owners, and Operators of the BES. The standard will consider the additions and modifications addressed in Section 9.0.

10.3 Transmission Cost Recovery Standard Development and Notice

The RRC Transmission Cost Recovery Standard is developed and implemented in accordance with the RRC bylaws, rules, and policies, as well as the RCA review and approval processes. Notice of the standard development is available to the public on the RRC website and provided to users, owners, and operators of the BES through alternative channels, as may be adopted by the RRC.

10.4 Transmission Cost Allocation

The Transmission Cost Recovery Standard provides methodologies for addressing transmission costs that ensure the costs are allocated to those that derive benefits from the transmission system in a manner that is generally commensurate with the estimated benefits derived from the transmission system. Only the costs of assets that provide transmission benefits will be included.

10.5 Schedule of Transmission Cost Recovery Standard

The authorized and approved RRC Transmission Cost Recovery Standard is entered in the Schedule of Transmission Cost Recovery Standard. The Schedule includes new and revised content of the standard as developed and implemented in accordance with the RRC standards development process.
SCHEDULE OF NONRECURRING CHARGES

Reserved
SCHEDULE OF PARTICIPANT DUES

Reserved
### SCHEDULE OF RRC SURCHARGE

<table>
<thead>
<tr>
<th>Load-serving Entity</th>
<th>Annual Surcharge $</th>
<th>Invoice $/mo.</th>
<th>Purpose or Effect</th>
</tr>
</thead>
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<tr>
<td>Chugach Electric Association, Inc. (CEA)</td>
<td>1,979,429</td>
<td>164,952</td>
<td>N</td>
</tr>
<tr>
<td>Golden Valley Electric Association, Inc. (GVEA)</td>
<td>1,231,544</td>
<td>102,629</td>
<td>N</td>
</tr>
<tr>
<td>Homer Electric Association, Inc. (HEA)</td>
<td>474,989</td>
<td>39,582</td>
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</tr>
<tr>
<td>Matanuska Electric Association, Inc. (MEA)</td>
<td>781,065</td>
<td>65,089</td>
<td>N</td>
</tr>
<tr>
<td>City of Seward, dba Seward Electric System (SES)</td>
<td>61,381</td>
<td>5,115</td>
<td>N</td>
</tr>
</tbody>
</table>

LATE FEES: Reserved

INTEREST ON DELINQUENT ACCOUNTS: Reserved
SCHEDULE OF RELIABILITY STANDARDS

The initiating entry on the Schedule will be: “RRC Reliability Standards – Exhibits”

Each reliability standard will be identified as: “RRC Reliability Standard – 001: Title”

Reliability Exhibits and Standards will paginate as: “RRC-RS Exhibits Original Page 1”

“RRC-RS-001 Original Page 1”

Additional pages of a Standard will paginate as: “RRC-RS Exhibits Original Page 1.1”

“RRC-RS-001 Original Page 1.1”

**RRC Reliability Standard General Format:**

A. Introduction

B. Requirements
   R1, R2, Rn

C. Measures
   M1, M2, Mn

D. Compliance
   1. Compliance Monitoring Process
   2. Levels of Noncompliance – A
   3. Levels of Noncompliance – B

E. Regional Differences

Attachments
SCHEDULE OF RRC OPEN ACCESS STANDARD – TRANSMISSION SERVICES

The initiating entry on the Schedule will be: “RRC Open Access Standard – Transmission Services”

The Standard will be paginated as: “RRC-OAS – Services Original Page 1”
“RRC-OAS – Services Original Page 2”

Additional pages of the Standard will paginate as: “RRC-OAS – Services Original Page 1.1”
“RRC-OAS – Services Original Page 2.1”

RRC Open Access Standard – Transmission Services General Format:

Exhibits/Definitions

A. Introduction
B. Requirements
   R1, R2, Rn
C. Measures
   M1, M2, Mn
D. Compliance
   1. Compliance Monitoring Process
   2. Levels of Noncompliance

Attachments
SCHEDULE OF RRC OPEN ACCESS STANDARD – INTERCONNECTION

The initiating entry on the Schedule will be: “RRC Open Access Standard – Interconnection”

The Standard will be paginated as: “RRC-OAS – Interconnection Original Page 1”
“RRC-OAS – Interconnection Original Page 2”

Additional pages of the Standard will paginate as: “RRC-OAS – Interconnection Original Page 1.1”
“RRC-OAS – Interconnection Original Page 2.1”

RRC Open Access Standard – Interconnection General Format:

A. Exhibits/Definitions
B. Introduction
C. Requirements
   R1, R2, Rn
D. Processes
   P1, P2, Pn
E. Measures
   M1, M2, Mn
F. Compliance
   3. Compliance Monitoring Process
   4. Levels of Noncompliance – A

Attachments
SCHEDULE OF TRANSMISSION COST RECOVERY STANDARD

Reserved
Exhibit E-4

Standards Work Plan and Budget
## Consultant Time

<table>
<thead>
<tr>
<th>Consultant Time</th>
<th>Minimal Revisions</th>
<th>Hours to Finalize</th>
<th>Total Hours</th>
<th>Significant Revisions</th>
<th>Hours to Finalize</th>
<th>Total Hours</th>
<th>Extended Hours</th>
<th>Number of Consultants</th>
<th>Hourly Rate</th>
<th>Total</th>
<th>Total Budget</th>
<th>Timeline for RRC Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating / Planning Standards - 21 standards</td>
<td>16</td>
<td>6</td>
<td>96</td>
<td>5</td>
<td>20</td>
<td>100</td>
<td>196</td>
<td>4</td>
<td>$300.00</td>
<td>$235,200.00</td>
<td>March 31, 2025</td>
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</tr>
<tr>
<td>CIP Standards - 12 standards</td>
<td>12</td>
<td>20</td>
<td>240</td>
<td></td>
<td>4</td>
<td>240</td>
<td></td>
<td></td>
<td>$300.00</td>
<td>$288,000.00</td>
<td>September 30, 2025</td>
<td></td>
</tr>
<tr>
<td>Committee consultant to help draft</td>
<td>436</td>
<td>2</td>
<td>240</td>
<td></td>
<td>4</td>
<td>240</td>
<td></td>
<td></td>
<td>$125.00</td>
<td>$109,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Facilitation</td>
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<td>2</td>
<td>240</td>
<td></td>
<td>4</td>
<td>240</td>
<td></td>
<td></td>
<td>$160.00</td>
<td>$139,520.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultant Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>$771,720.00</td>
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</tr>
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</table>

## RRC Staff Time 2023 Dollars

<table>
<thead>
<tr>
<th>Salary</th>
<th>Cost Allocation</th>
<th>Duration (Years)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAC Standards Senior Engineer</td>
<td>$309,600.00</td>
<td>50%</td>
<td>2</td>
</tr>
<tr>
<td>TAC Studies Senior Engineer</td>
<td>$309,600.00</td>
<td>30%</td>
<td>2</td>
</tr>
<tr>
<td>TAC Compliance Senior Engineer</td>
<td>$309,600.00</td>
<td>30%</td>
<td>2</td>
</tr>
<tr>
<td>TAC Planning Senior Engineer</td>
<td>$309,600.00</td>
<td>20%</td>
<td>2</td>
</tr>
<tr>
<td>TAC Standards Junior Engineer</td>
<td>$240,000.00</td>
<td>50%</td>
<td>2</td>
</tr>
<tr>
<td>TAC Studies Junior Engineer</td>
<td>$240,000.00</td>
<td>40%</td>
<td>2</td>
</tr>
<tr>
<td>TAC Compliance Junior Engineer</td>
<td>$240,000.00</td>
<td>30%</td>
<td>2</td>
</tr>
<tr>
<td>TAC Planning Junior Engineer</td>
<td>$240,000.00</td>
<td>20%</td>
<td>2</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>$112,000.00</td>
<td>20%</td>
<td>2</td>
</tr>
<tr>
<td>Staff Totals</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Grand Total Over the Initial Two Year Completion Timeline

* Does not include the cost of data collection and management or compliance audits
* Does not include the cost of filing Reliability Standards with the RCA for approval

| Grand Total Over the Initial Two Year Completion Timeline | $2,293,480.00 |

---

Exhibit E-4 - Page 1 of 4
### Consultant Time

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Total Hours</th>
<th>Number of Consultants</th>
<th>Hourly Rate</th>
<th>Total Budget</th>
<th>Timeline for RRC Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Access Standard - Transmission Services</td>
<td>120</td>
<td>1</td>
<td>$300.00</td>
<td>$36,000.00</td>
<td>September 30, 2024</td>
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<tr>
<td>Open Access Standard - Interconnection</td>
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<td>1</td>
<td>$300.00</td>
<td>$36,000.00</td>
<td>September 30, 2024</td>
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<tr>
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<td>240</td>
<td>1</td>
<td>$125.00</td>
<td>$30,000.00</td>
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</tr>
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<td>$160.00</td>
<td>$38,400.00</td>
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<td>Consultant Totals</td>
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<td>$140,400.00</td>
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</table>

### RRC Staff Time 2023 Dollars

<table>
<thead>
<tr>
<th>Position</th>
<th>Salary</th>
<th>Cost Allocation</th>
<th>Duration (Years)</th>
<th>Total Budget</th>
<th>Years</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAC Standards Senior Engineer</td>
<td>$309,600.00</td>
<td>30%</td>
<td>1</td>
<td>$92,880.00</td>
<td></td>
<td>$92,880.00</td>
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<tr>
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<td>5%</td>
<td>1</td>
<td>$15,480.00</td>
<td></td>
<td>$15,480.00</td>
</tr>
<tr>
<td>TAC Compliance Senior Engineer</td>
<td>$309,600.00</td>
<td>5%</td>
<td>1</td>
<td>$15,480.00</td>
<td></td>
<td>$15,480.00</td>
</tr>
<tr>
<td>TAC Planning Senior Engineer</td>
<td>$309,600.00</td>
<td>5%</td>
<td>1</td>
<td>$15,480.00</td>
<td></td>
<td>$15,480.00</td>
</tr>
<tr>
<td>TAC Standards Junior Engineer</td>
<td>$240,000.00</td>
<td>30%</td>
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<td>$72,000.00</td>
<td></td>
<td>$72,000.00</td>
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<tr>
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<td>1</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>TAC Compliance Junior Engineer</td>
<td>$240,000.00</td>
<td>0%</td>
<td>1</td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>TAC Planning Junior Engineer</td>
<td>$240,000.00</td>
<td>0%</td>
<td>1</td>
<td>-</td>
<td></td>
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</tr>
<tr>
<td>Administrative Assistant</td>
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<td>1</td>
<td>$11,200.00</td>
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<td>$11,200.00</td>
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<td>Staff Totals</td>
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<td>Grand Total Over the Initial Year Completion Timeline</td>
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<td>$362,920.00</td>
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</table>

* Does not include the cost of data collection and management or compliance audits
* Does not include the cost of filing Open Access Standards with the RCA for approval
* Does not capture all internal costs including overhead and general administrative costs
* Costs are expected to significantly decline after the initial developments

---

Exhibit E-4 - Page 2 of 4
## Budget estimate and schedule for Transmission Cost Recovery*

<table>
<thead>
<tr>
<th>Consultant Time</th>
<th>Total Hours</th>
<th>Number of Consultants</th>
<th>Hourly Rate</th>
<th>Total Budget</th>
<th>Timeline for RRC Completion</th>
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<tr>
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<td>250</td>
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<td>$300.00</td>
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</tr>
<tr>
<td>Committee consultant to help draft</td>
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<td>1</td>
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<td>$31,250.00</td>
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</tr>
<tr>
<td>Project Facilitation</td>
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<td>$160.00</td>
<td>$40,000.00</td>
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<tr>
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<td><strong>$146,250.00</strong></td>
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</table>

<table>
<thead>
<tr>
<th>RRC Staff Time 2023 Dollars</th>
<th>Salary</th>
<th>Cost Allocation</th>
<th>Duration (Years)</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAC Standards Senior Engineer</td>
<td>$309,600.00</td>
<td>30%</td>
<td>1.5</td>
<td><strong>$139,320.00</strong></td>
</tr>
<tr>
<td>TAC Studies Senior Engineer</td>
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<td>5%</td>
<td>1.5</td>
<td><strong>$23,220.00</strong></td>
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<tr>
<td>TAC Compliance Senior Engineer</td>
<td>$309,600.00</td>
<td>5%</td>
<td>1.5</td>
<td><strong>$23,220.00</strong></td>
</tr>
<tr>
<td>TAC Planning Senior Engineer</td>
<td>$309,600.00</td>
<td>20%</td>
<td>1.5</td>
<td><strong>$92,880.00</strong></td>
</tr>
<tr>
<td>TAC Standards Junior Engineer</td>
<td>$240,000.00</td>
<td>30%</td>
<td>1.5</td>
<td><strong>$108,000.00</strong></td>
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<tr>
<td>TAC Studies Junior Engineer</td>
<td>$240,000.00</td>
<td>0%</td>
<td>1.5</td>
<td>-</td>
</tr>
<tr>
<td>TAC Compliance Junior Engineer</td>
<td>$240,000.00</td>
<td>0%</td>
<td>1.5</td>
<td>-</td>
</tr>
<tr>
<td>TAC Planning Junior Engineer</td>
<td>$240,000.00</td>
<td>20%</td>
<td>1.5</td>
<td><strong>$72,000.00</strong></td>
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<tr>
<td>Administrative Assistant</td>
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<td>Grand Total Over the Initial 1.5 Year Completion Timeline</td>
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<td><strong>$621,690.00</strong></td>
</tr>
</tbody>
</table>

* Does not include the cost of data collection and management or compliance audits
* Does not include the cost of filing Transmission Cost Recovery Standard with the RCA for approval
* Does not capture all internal costs including overhead and general administrative costs
* Costs are expected to significantly decline after the initial developments
<table>
<thead>
<tr>
<th>Seat fee</th>
<th>Salary Load</th>
<th>Duration (Years)</th>
<th>Participants</th>
<th>Meeting weeks</th>
<th>Hours per Participant</th>
<th>QRs Total</th>
<th>RS Total</th>
<th>OA Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting fees - QRs</td>
<td>$234,000.00</td>
<td>100%</td>
<td>2</td>
<td>9</td>
<td>$500.00</td>
<td>$468,000.00</td>
<td>$1,092,000.00</td>
<td>$362,920.00</td>
<td>$4,838,090.00</td>
</tr>
<tr>
<td>SME fees - QRs</td>
<td>$546,000.00</td>
<td>100%</td>
<td>2</td>
<td>1.75</td>
<td>$300.00</td>
<td>$1,092,000.00</td>
<td>$2,293,480.00</td>
<td>$621,690.00</td>
<td>$4,838,090.00</td>
</tr>
</tbody>
</table>

RRC QR Expenses

QR Total $1,560,000.00
RS Total $2,293,480.00
OA Total $362,920.00
Trans. C/R $621,690.00
Grand Total $4,838,090.00
Exhibit E-5

Standards Authorization Request Process
(PD-01)
STANDARDS AUTHORIZATION REQUEST PROCESS

Table of Contents
1.0 Process Overview ............................................................................................................................................ 1
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   3.2 Step 2: Evaluating a SAR............................................................................................................................. 2
   3.3 Step 3: Process for Developing a Standard ................................................................................................. 3

1.0 PROCESS OVERVIEW

All reliability standards and associated developments are initiated with a Railbelt Reliability Council (RRC) Board of Directors (Board) directive to the Chief Executive Officer. Any person or entity may request the Board initiate a reliability standard or revise or retire a reliability standard by submitting a Standards Authorization Request (SAR) as provided in this process.

This process governs requests to develop, revise, or retire reliability standards and associated items such as violation risk factors, violation severity levels, interpretations, definitions, variances, or reference documents developed to support reliability standards (collectively, “products”), for the reliable operation and planning of the interconnected bulk-electric system.

This process will be carried out in accordance with all RRC rules and policies.

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>Product</td>
<td>In this process document, reliability standards and associated items such as violation risk factors, violation severity levels, interpretations, definitions, variances, or reference documents developed to support reliability standards</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
<tr>
<td>Requestor</td>
<td>A person who submits a SAR</td>
</tr>
<tr>
<td>SAR</td>
<td>Standards Authorization Request</td>
</tr>
<tr>
<td>TAC</td>
<td>Technical Advisory Council</td>
</tr>
</tbody>
</table>

Exhibit E-5 - Page 1 of 3
3.0 PROCESS STEPS

3.1 Step 1: Process to Initiate a Standards Authorization Request

1. Any person or entity (Requestor) may use a SAR electronic form through the RRC website to submit a request to develop, revise, or retire a product.

2. The RRC will assign a unique tracking number for each SAR.

3. The RRC staff will notify the Requestor in writing whether the SAR is complete within thirty (30) days from receipt of the SAR.
   - A SAR is considered complete if all required information has been provided in sufficient detail.
   - Each complete SAR will be posted to the RRC website and sent to the Technical Advisory Council (TAC).

4. If the SAR is deemed incomplete, the RRC will notify the Requestor in writing that the SAR has been deemed incomplete and provide a list of items that require revision or addition to complete the SAR. The Requestor shall have sixty (60) days after notification from the RRC to revise and resubmit the SAR.
   - Upon request by the Requestor, RRC staff may assist with revising an incomplete SAR.
   - A SAR that remains incomplete will be closed if the Requestor does not resubmit the SAR within sixty (60) days of RRC notice of an incomplete SAR.

5. Documents received and developed in response to a SAR will be handled in accordance with the Documents Retention and Access Rule (ER3) and Confidential Documents and Access Rule (ER4).

3.2 Step 2: Evaluating a SAR

1. The TAC will consider a completed SAR at its next regularly scheduled meeting.

2. The TAC will decide whether to accept or reject the SAR and will notify the Requestor of its decision within thirty (30) days of the meeting at which the SAR was considered.
   - If the TAC rejects a SAR, the TAC shall provide in writing the reason for the rejection to the RRC chief executive officer (CEO) and the Requestor. The TAC explanation will be posted to the RRC website.

---

1 The RRC SAR form will be developed after the RRC is certificated as an electric reliability organization by the RCA. The RRC SAR will be based generally on the North American Electric Reliability Corporation (NERC) SAR form, with Alaska Railbelt-appropriate revisions.
- The Requestor may appeal the decision to the RRC Board of Directors (Board) or its designee.

3. A SAR approved by the TAC will be transmitted to the Board for action. If approved, the Board will issue a directive to the CEO, who will proceed in accordance with Technical Advisory Council Structure and Process (PD-03) 3.1 - Task Order Initiation and Task Order Work Plan Approval.

### 3.3 Step 3: Process for Developing a Standard

1. Standards will be developed in accordance with the Technical Advisory Council Structure and Process (PD-03). The SAR will be included in the documentation kept by TAC.
Railbelt Reliability Council

Exhibit E-6

Technical Qualifications Vetting Process
(PD-02)
TECHNICAL QUALIFICATIONS VETTING PROCESS

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4.0 Technical Qualifications Required ............................................................................................................ 1
5.0 Vetting Process................................................................................................................................................ 2

1.0 PURPOSE

This process will be used to determine whether a Railbelt Reliability Council (RRC) director’s qualified representative or RRC employee possesses the technical qualifications required by the RRC.

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>CEO</td>
<td>RRC chief executive officer</td>
</tr>
<tr>
<td>Manager</td>
<td>In this process document, the senior engineer designated by the CEO to manage a task order and chair a working group on a reliability standard or integrated resource plan</td>
</tr>
<tr>
<td>QR</td>
<td>qualified representative</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
<tr>
<td>TAC</td>
<td>Technical Advisory Council</td>
</tr>
</tbody>
</table>

3.0 RESPONSIBLE PARTY

- The chief executive officer (CEO) is responsible for reviewing qualifications of employees other than the CEO.
- The Manager of a Technical Advisory Council (TAC) working group is responsible for reviewing qualifications of qualified representatives (QRs).
- The RRC Board of Directors (Board) Governance Committee is responsible for reviewing qualifications of the CEO.

4.0 TECHNICAL QUALIFICATIONS REQUIRED

The following must meet technical qualifications established by the RRC that ensure the RRC is technically able to develop reliability standards and integrated resource plans:

- CEO
• Senior standards engineer
• Senior compliance engineer
• Senior planning engineer
• Senior studies engineer
• Qualified representatives appointed by directors to a TAC working group

5.0 VETTING PROCESS

The CEO will review qualifications of RRC senior engineers, and the Board’s Governance Committee will review qualifications of the CEO, as follows:

1. Technical qualifications must be submitted to the RRC at the time of hire or appointment as applicable and documented as such by the RRC.
2. Qualifications will be verified by contacting applicable educational institutions, professional licensing bodies, references, and employers.
3. The reviewer will evaluate the qualifications for consistency with the requirements in the job description.
4. The reviewer will prepare a written assessment of whether the person’s technical qualifications satisfy the technical qualifications established by the RRC to ensure the organization is able to develop reliability standards and integrated resource plans.

The Manager of a TAC working group will review qualifications of qualified representatives appointed by Board directors to a TAC working group as follows:

1. The Manager will determine the technical qualifications, if any, required for working group members, including QRs, based on the working group subject matter and the availability of subject matter experts.
2. A QR must present their qualifications to the Manager for review and approval.
3. The technical qualifications must be sufficient to allow the QR to effectively represent the director’s stakeholder class interests on the working group.
4. The Manager will prepare a written assessment of whether the QR’s technical qualifications satisfy the technical qualifications determined in Step 1. The Manager must submit this assessment to the CEO for approval.
Exhibit E-7

Technical Advisory Council Structure and Process (PD-03)
TAC Structure & Process

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  5.2 Working Group Structure ....................................................................................................... 3
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  6.1 STAGE 1: Task Order Initiation, Development, and Approval...................................................... 7
  6.2 STAGE 2: Task Order Work Plan Development and Approval...................................................... 7
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1.0 PROCESS OVERVIEW

This document describes the Technical Advisory Council (TAC’s) responsibilities and structure, the Railbelt Reliability Council (RRC) workflow processes involving the TAC, and steps for developing TAC recommendations and other deliverables.

2.0 ACRONYMS & ABBREVIATIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>BES</td>
<td>interconnected bulk-electric system</td>
</tr>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>CEO</td>
<td>RRC chief executive officer</td>
</tr>
<tr>
<td>IRP</td>
<td>integrated resource plan</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
<tr>
<td>SME</td>
<td>subject matter expert</td>
</tr>
<tr>
<td>TAC</td>
<td>Technical Advisory Council</td>
</tr>
<tr>
<td>TAC Process</td>
<td>Technical Advisory Council Structure and Process (this document)</td>
</tr>
<tr>
<td>WG</td>
<td>working group</td>
</tr>
</tbody>
</table>
### 3.0 DEFINED TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>Task Order Manager. The TAC staff assigned responsibility for executing a task order and the same person as the Manager in the RRC Product Development Rule (ER1).</td>
</tr>
<tr>
<td>Manager’s Recommendation</td>
<td>The deliverable and narrative developed by the Manager with due consideration of input received in the development process and reviewed by the Working Group that is the recommended deliverable for a task order.</td>
</tr>
<tr>
<td>Manager’s Recommendation Submittal Package</td>
<td>Recommendation to the TAC by the Manager addressing task order deliverables. The submittal package includes the Manager’s Recommendation, dissenting statements, if any, from WG members and addresses why dissenting positions were not adopted as the recommendation.</td>
</tr>
<tr>
<td>RRC Resources</td>
<td>RRC employees (“internal resources”) or consultants, contractors and/or volunteers (“external resources”) that are made available by the RRC to the TAC and/or Manager to support their efforts executing TAC responsibilities. At the direction of the Manager, RRC Resources may present to, solicit input from, otherwise interface with, and/or attend a WG. RRC Resources are not members of a WG.</td>
</tr>
<tr>
<td>Restricted WG</td>
<td>A WG as defined at 5.2.3 with restrictions to protect critical energy infrastructure or cybersecurity information.</td>
</tr>
<tr>
<td>Senior Engineer</td>
<td>A senior engineer employed by the RRC.</td>
</tr>
<tr>
<td>Stakeholder</td>
<td>A provider stakeholder, consumer stakeholder, or hybrid stakeholder as defined in 3 AAC 46.999.</td>
</tr>
<tr>
<td>Standard(s)</td>
<td>Reliability standards as defined in 3 AAC 46.999 and standards for open access interconnection and transmission and for transmission cost recovery.</td>
</tr>
<tr>
<td>TAC Recommendation</td>
<td>The narrative approved by the TAC that is the recommended deliverable for a task order.</td>
</tr>
<tr>
<td>TAC Recommendation Submittal Package</td>
<td>A submittal of the final TAC Recommendation and other required documentation listed at 6.6 to the Board for consideration.</td>
</tr>
<tr>
<td>Task Order</td>
<td>A directive issued by the CEO, based on Board authorization, to develop a recommended Standard or IRP, or other specific item that is a component of a Standard or IRP development.</td>
</tr>
<tr>
<td>Task Order Work Plan</td>
<td>The scope, schedule, budget, deliverables, workflow, and WG member qualifications required to complete a Task Order, as developed by the Manager and approved by the TAC and CEO.</td>
</tr>
<tr>
<td>Working Group (WG)</td>
<td>A group of people including stakeholders and/or members of the public convened to deliberate on the subject matter of a task order and participate in the development of task order deliverables by providing input and advice to the Task Order Manager to inform the Manager’s Recommendation to the TAC.</td>
</tr>
</tbody>
</table>
4.0 RESPONSIBILITIES

The TAC is a body of senior, technically qualified RRC employees. The RRC's chief executive officer (CEO) is supervisor of the TAC. The TAC shall:

1. Develop Integrated Resource Plan (IRP) and IRP update recommendations through the Working Group (WG) process.
2. Develop Standards and maintain approved Standards through the WG process.
3. Support the compliance engineer in monitoring and enforcing compliance with Standards.
4. Perform other duties as assigned by the CEO.

The TAC will provide technically sound recommendations that fairly and impartially consider and balance interests articulated in the development of these work products. TAC deliberation processes are not open to the public, members of the RRC Board (Directors), or potentially affected parties, except by TAC invitation.

5.0 STRUCTURE

5.1 TAC Structure

5.1.1 TAC Composition

The CEO supervises and has direct responsibility for the TAC but is not a member of the TAC. TAC members are the Senior Engineers employed by the RRC, as assigned by the CEO. TAC members must have technical qualifications, which are subject to review and approval under the RRC Technical Qualifications and Vetting Process (PD-02). TAC members may designate other qualified RRC employees to serve as alternates to participate on the TAC in their absence. The CEO shall affirm that alternates meet technical qualifications.

5.1.1.1 TAC Independence

Not more than half of the TAC members may have been a director or officer of, represented, advised, been employed by, or assisted for compensation during the previous two (2) years any entity that appoints a Voting Director, as defined in RRC Bylaws Article 12 – Definitions, to the RRC Board of Directors (Board). The Board may waive this requirement at the CEO’s request.

If the departure of a TAC member from RRC employment results in a violation of this section, the CEO shall appoint a temporary TAC member to restore compliance before any official action of the TAC may be taken.
5.1.1.2 **TAC Member Residency**

All TAC members and their alternates must live within the service territory of an LSE subject to the authority of the RRC. The CEO may provide a new employee a reasonable period of time to relocate. The Board may waive the residency requirement at the CEO’s request.

5.1.2 **TAC Operations**

The TAC executes its responsibilities as provided in this process (PD-03).

5.1.2.1 **Integrated Resource Plans and Standards**

TAC Recommendations on Task Orders (as defined in Section 3.0 – Defined Terms) involving IRPs and Standards will be developed as described in Section 6.0 – Standards, Planning, and Studies Process.

5.1.2.2 **Reliability Standards Compliance Monitoring and Enforcement**

The TAC member responsible for monitoring and enforcing compliance with reliability standards (Compliance Engineer) will oversee the Compliance Monitoring and Enforcement Program (CMEP) Rule (ER2). The Compliance Engineer will consult with other TAC members as appropriate before taking recommendations to the CEO in accordance with the CMEP. Such actions are not TAC Recommendations subject to TAC action as described in Section 5.1.3. The TAC may serve as a resource for studies, analyses, or reviews pertaining to an investigation or audit.

5.1.2.3 **Studies and Other TAC Operations**

Studies and other TAC work products that are not part of a Standard or IRP development will be conducted as directed by the CEO and may not be subject to the processes in Section 6.0.

5.1.3 **TAC Recommendations**

Any action by the TAC must be approved by a majority of TAC members. TAC Recommendations to the Board must be approved by a majority of TAC members prior to being passed to the CEO for submittal to the Board for approval.

5.2 **Working Group Structure**

WGPs provide the venue for members of the public, including stakeholders, to participate in a development either as approved WG members pursuant to the RRC Public Participation in a Development Rule (ERS) or by providing public comment in accordance with the Public Comment and Meeting Attendance Policy (P-03). WG structure is described in this section.
5.2.1 Working Group Manager

The Manager will form, manage, and chair all WGs formed under a Task Order. The Manager is also responsible for other duties as described herein, and in the RRC Product Development Rule (ER1).

5.2.2 Working Group Members

5.2.2.1 Directors’ Qualified Representatives

Pursuant to RRC Bylaws Section 3.1.2 – Technical Advisory Council, any Director may designate a qualified representative to serve on a WG. A Director may change their qualified representative during the development process. Only one qualified representative per Director, per WG, may serve.

5.2.2.2 Subject Matter Experts Representing Directors on a WG

The CEO shall solicit a list of preferred SME(s) for each subject matter within a WG from the Voting Directors. Based on this input, the CEO will develop a slate of proposed SMEs to serve on a WG, with the intent that the members of the slate provide adequate technical support to the Board. If the Board unanimously approves this slate, those SMEs will be the only RRC-funded SMEs representing Voting Directors on that WG for each subject matter within a WG.

If the Board does not unanimously approve the slate, each dissenting Voting Director shall identify the missing relevant expertise and the CEO shall present a revised slate that attempts to fill the indicated expertise gaps for Board approval.

If the Board does not unanimously approve the revised slate, or if unanimous agreement is later withdrawn, each dissenting Voting Director may engage one SME, paid for by the RRC, to represent the director on the subject matter within a WG. Each Voting Director may have only one SME on each subject matter within a WG and may designate different SMEs to serve on the WG as the issues being considered by the WG change.

An SME is not intended to replace a director’s qualified representative described in Section 5.2.2.1 – Directors’ Qualified Representatives, in representing the total interest of a Director, but an SME may serve as a director’s qualified representative.

Non-voting directors may each retain an SME for each subject matter within a WG, at their own expense.

5.2.2.3 Members of the Public

Members of the public including those with interests not represented on the Board may petition to participate in the TAC development process in accordance with the Public Participation in a
Development Rule (ER5). Successful petitioners (Approved Participants) may be appointed to serve as WG members.

5.2.2.4 Working Group Member Qualifications

WG member qualifications may include:

1. Appropriate technical qualifications for SMEs or qualified representatives;
2. Qualifications consistent with the Public Participation in a Development Rule (ER5); and
3. Other qualifications developed by the Manager to expand the interests represented on the WG beyond those interests represented by members of the Board.¹

Qualified representatives are subject to the Technical Qualifications Vetting Process (PD-02). SMEs shall present their applicable qualifications to the Manager for review and approval.

5.2.2.5 Working Group Member Compensation

WG member compensation, if any, will be in accordance with RRC Bylaws and policies.

5.2.3 Working Groups and Confidential Information

Task Orders may involve documents that are classified confidential under the Confidential Documents and Access Rule (ER4). WG members may access confidential documents under the terms of that rule.

The Manager may form Restricted WGs for Task Orders that require review of Critical Energy Infrastructure Information (CEII) or Cybersecurity Incident Information (CII). Restricted WGs will be defined in the Task Order Work Plan and are subject to approval by the CEO.

6.0 Standards, Planning, and Studies Process

The TAC will prepare Standards and IRPs and studies used in their developments through the six-stage process described in this section. Key tenets of this process are:

1. To solicit input on RRC developments from participating stakeholders and the public through WGs, with the Manager giving due consideration to all input received in a fair and impartial manner;

¹ Examples of such additional interests include potentially affected landowners (local, state or federal agencies, private parties, etc.) by a proposed transmission link, consumers potentially impacted by the proposed transmission link, or other interests that may be potentially affected by actions derivative from a task.
2. To ensure independence and technical soundness of development recommendations;
3. To ensure TAC and WG members can provide dissenting statements to recommendations as those recommendations are prepared or modified by the Manager, TAC, or Board; and
4. To develop TAC recommendations in an expeditious, manner, while fulfilling the above objectives consistent with RRC policies and procedures.

6.1 STAGE 1: Task Order Initiation, Development, and Approval

TAC preparation of Standards, IRP, and related studies are initiated by a Task Order from the CEO. The process for initiating a Task Order and developing a Task Order Work Plan is as follows:

1. The Board submits a directive to the CEO.
2. The CEO reviews the directive, formulates it into a proposed Task Order, and submits the proposed Task Order to the TAC. A Board directive may result in more than one proposed Task Order.
3. The TAC prepares a draft Task Order, based on the proposed Task Order, that more clearly outlines the scope of the task, the methodology to complete the task, and required deliverables. Upon approval by the CEO, the draft Task Order becomes a Task Order.
4. The CEO designates a TAC engineer as the Manager responsible for executing the Task Order.

6.2 STAGE 2: Task Order Work Plan Development and Approval

1. The Manager develops the detailed scope, schedule, budget, workflow, needed RRC Resources, and deliverables required to complete the Task Order, and qualifications for members of WGs needed to fulfill the Task Order (collectively, the “Task Order Work Plan”). The Manager submits the Task Order Work Plan to the TAC and CEO for approval.
2. The TAC, with CEO approval, may amend a Task Order or Task Order Work Plan at any point in the development process. Before authorizing a Task Order or Task Order Work Plan amendment, the TAC shall duly consider the impacts an amendment will have to the RRC’s mission, schedule, and budget.

6.2.1 RRC Resources for Task Order Execution

In accordance with the approved Task Order Work Plan, the Manager will arrange for RRC Resources to be assigned to or procured for Task Order Work Plan execution under the Manager’s supervision.

The Manager will ensure RRC Resources are available to support the TAC, Manager, and WGs.
6.3  STAGE 3: Working Group Formation

6.3.1  Notice

The Manager issues, for a Standard or plan, a Notice of Intent to Develop in accordance with the RRC Product Development Rule (ER1). The notice should describe the WG and Task Order Work Plan and may advertise for WG members. The Manager may additionally advertise in other ways for potential WG members. An advertisement for potential WG members should describe the qualifications identified in Section 5.2.2.4 – Working Group Member Qualifications and the distribution should be designed to reach prospective candidate pools for these interests, as well as the public.

6.3.2  Populating Working Group

The Manager will first seat Directors’ qualified representatives and SMEs under Section 5.2.2.2 as WG members.

The Manager may then appoint Approved Participants under the Public Participation in a Development Rule (ER5).

6.3.3  Working Group Formation Documentation

The Manager shall document the process of appointing WG members by recording the following:

- A list of interested candidates organized by their relevant interest and including their relevant qualifications and eligibility to serve on the WG.

- The criteria and process used to select WG members, including the process of considering petitions submitted under the Public Participant in a Development Rule (ER5) and how the factors in Section 4.0 of that rule were considered.

- Records created during the formation of the WG, including the proposed and final WG member rosters and a summary of the Manager’s deliberation and approval process.

- A record of changes to the WG roster over time, including why and how members were added to or removed from the WG.

6.4  STAGE 4: Working Group Workflow & Manager’s Recommendation Development

The WG workflow will start with documents compiled under the direction of the Manager, which may include drafts of work products, deliverables, agendas, reference information, and other relevant work product designed to direct work towards the desired goal. These documents will be used as the basis for WG discussion, advice, and input to the Manager. The Manager will facilitate WG meetings and ensure that WGs provide a fair and impartial opportunity for WG members and members of the public to
provide input. The Manager may also provide other information deemed necessary to allow the WG to work in a timely and efficient manner.

The Manager is responsible for developing the Manager’s Recommendation with fair and impartial consideration of input and discussion from the WG and public comments. The Manager can utilize available resources including the WG and RRC Resources. As WG chair, the Manager will ensure fair and impartial opportunity for participation by stakeholders and the public at meetings.

The Manager will manage the WG and develop the Manager’s Recommendation in accordance with the following process.

1. The Manager will use the Task Order Work Plan to manage the WG.

2. The Manager will balance the goal of achieving WG unanimity against adherence to the Task Order Work Plan schedule to complete the Task Order in the best interest of the RRC. If the Manager believes that unanimity cannot be achieved within the confines of WG meetings convened under the Task Order Work Plan, the Manager after the WG issues have been addressed and related input received, may proceed with Step 3.

3. Following the WG’s deliberations, the Manager will develop the Manager’s Recommendation. The Manager’s Recommendation may incorporate guidance received from the TAC and may include input from the WG. The Manager will issue the Manager’s Recommendation to the WG for review.

4. If any WG member disagrees with the Manager’s Recommendation in whole or in part, they may prepare a written dissent to submit to the TAC with the Manager’s Recommendation. A WG member that wishes to prepare a dissent shall promptly notify the Manager of their intent and submit their dissenting statement within ten (10) business days of receiving the Manager’s Recommendation.

5. If no dissenting statements are received, the Manager will append a statement that no dissents to the Manager’s Recommendation were received, and that the Manager’s Recommendation was unanimously supported by the WG.

6. If dissenting statements are received, the Manager may either:
   - Revise the Manager’s Recommendation and resubmit it to the WG.; or
   - Prepare a statement that addresses dissenting statements and why each was or was not incorporated into the Manager’s Recommendation. The Manager’s Recommendation accompanied by this statement and the WG members’ dissenting statements becomes the Manager’s Recommendation Submittal Package to the TAC.
7. The Manager will submit the Manager’s Recommendation Submittal Package to the TAC.

6.5 STAGE 5: TAC Recommendation Process

6.5.1 TAC Recommendation

Upon receipt of a Manager’s Recommendation Submittal Package, the TAC shall review the submittal and may take one of the following actions.

1. Approve the Manager’s Recommendation as the TAC Recommendation. Upon approval, the TAC proceeds with the technical soundness review in Section 6.5.2 and then with preparation of the TAC Recommendation Submittal Package per Section 6.5.3.

2. Reject the Manager’s Recommendation. Upon rejection, the TAC may:

   a. Identify specific deficiencies in the Manager’s Recommendation, provide guidance on necessary corrective actions, and remand the matter to the Manager to proceed with the process in Stage 4 of Section 6.4.

   b. Adopt a TAC Recommendation that differs from the Manager’s Recommendation. This TAC Recommendation may consist of:

      i. Revising portions of the Manager’s Recommendation to create the TAC Recommendation;

      ii. Adopting a WG member’s dissent as the TAC Recommendation; or

      iii. Developing the TAC’s own, original TAC Recommendation.

An action under (b) requires return of TAC Recommendation formed under (b) to the Manager to solicit WG dissents.

The outcome of this process is a TAC Recommendation approved by the TAC.

6.5.2 TAC Determination of Technical Soundness

Consistent with 3 AAC 46.050(f)(2), a TAC Recommendation for a proposed reliability standard or IRP must include a determination that the recommendation is technically sound.

1. If the TAC determines that the Manager’s Recommendation is technically sound, the process continues at provided in Section 6.5.3.
2. If the TAC determines that the Manager’s Recommendation is not technically sound, the TAC remands the Manager’s Recommendation to the Manager, who then proceeds from Stage 4, Step 3 of this process. The remand should specify how the recommendation is unsound.

The TAC shall also make determinations on the technical soundness, if relevant, of TAC and WG dissenting statements for proposed reliability Standards or IRPs. Dissents not found technically sound will be included in a submittal with explanation of why they are not technically sound.

6.5.3 TAC Recommendation Submittal Package

Once the TAC has an approved TAC Recommendation and made a determination of technical soundness, it will compile the TAC Recommendation Submittal Package using the following process.

1. If the TAC unanimously approved a TAC Recommendation, the CEO shall append a statement to that effect to the TAC Recommendation and that, with all relevant content from the Manager’s Recommendation Submittal Package, becomes the TAC Recommendation Submittal Package. The CEO transmits the TAC Recommendation Submittal Package to the Board in accordance with Stage 6 in Section 6.6.

2. If the TAC did not unanimously approve a TAC Recommendation, within ten (10) business days of the decision TAC members who did not support the TAC Recommendation shall provide written dissenting statements to the CEO. The CEO will distribute these dissenting statements to the TAC. TAC dissents will be subject to the determination of technical soundness in Section 6.5.2.

Upon receipt of dissenting statements from TAC members, the TAC majority may either:

a. Prepare a statement that addresses dissenting statements of both the TAC and WG and why each was or was not incorporated into the TAC Recommendation. TAC and WG member dissenting statements and the TAC statement will be included in the TAC Recommendation Submittal Package transmitted to the Board under Stage 6 in Section 6.6.

b. Revise the TAC Recommendation to address TAC member dissenting statements. This action requires remand of the revised TAC Recommendation to the Manager to proceed with the process in Stage 4 of Section 6.4.

6.5.4 TAC Documentation

6.5.4.1 TAC Recommendation Submittal Package

The TAC Recommendation Submittal Package shall include the following information:

- The standard, plan, study or other deliverable.
- The recommendation narrative (the “TAC Recommendation”).
• Documentation as required by the RRC Product Development Rule (ER1).

• A general narrative of the TAC and WG deliberation and review process, and draft iterations of the TAC Recommendation narrative.

• An itemized listing of TAC and/or WG dissenting statements to the final TAC Recommendation and whether they are technically sound, and a report that outlines the basis for each dissent, the impact of selecting the dissent, and the impact of not selecting the dissent. The documentation shall include how each dissent was considered and/or addressed in the final recommendation. The existence of dissent on prior drafts may be disclosed, but draft recommendations and corresponding dissenting statements do not need to be included.

• Determination of technical soundness per Section 6.5.2 – Determination of Technical Soundness.

6.5.4.2 General Records

The Manager will maintain a record of the development as required by the RRC Product Development Rule (ER1). The record may also include the following as appropriate:

• Task Order and Manager assignment
• Task Order Work Plan
• Any Task Order Work Plan revisions
• WG records described at Section 6.3.3 – Working Group Formation Documentation
• WG deliberation records
• Manager’s Recommendation
• TAC Recommendation
• Reports, studies, or other documents used in the development process

6.6 STAGE 6: Submission to Board and TAC Process Following Board Action

The CEO will submit the TAC Recommendation Submittal Package to the Board. The CEO, or their designee, shall present the TAC Recommendation to the Board. The presentation shall identify and summarize all dissenting statements. TAC and WG members who provided dissenting statements shall be given the opportunity to present the rationale for their dissent at the Board meeting at which the TAC Recommendation is considered.

Upon Board approval of a TAC Recommendation Submittal Package, the TAC process ends.

If the Board rejects a TAC Recommendation Submittal Package, the Board may modify or remand the TAC Recommendation.

Board modification of a TAC Recommendation
If the Board modifies a TAC Recommendation, the Board-modified TAC Recommendation is returned to the TAC to proceed with the following process.

1. The TAC will confirm technical soundness.
   a. If the Board modified the TAC Recommendation by adopting a dissenting statement that the TAC has already found to be technically sound, no further TAC determination of technical soundness is required for that matter.
   b. If the Board-modified TAC Recommendation has not previously been found technically sound, the Board-modified TAC Recommendation is returned to the TAC for a determination of technical soundness.
      (i) If the Board-modified TAC Recommendation is found technically sound, the TAC issues the determination.
      (ii) If the TAC finds that the Board-modified TAC Recommendation is not technically sound, the TAC shall prepare and approve a technically sound, Board-modified TAC Recommendation that addresses technical shortcomings and otherwise preserves to the extent practical the character of the Board-modified TAC Recommendation.

2. The Board-modified TAC Recommendation, with the determination of technical soundness from a or b above, goes to the Manager to solicit dissent from WG members and to the CEO to solicit TAC dissent to the Board-modified TAC Recommendation. WG and TAC members will have ten (10) business days to prepare written dissenting statements.

3. The CEO compiles all dissenting statements and transmits these to the Board.

4. The Board will consider all dissenting statements submitted by the CEO.

5. The Board will take action.

**Board remand of a TAC Recommendation**

If the Board remands the TAC Recommendation to the TAC, the remand shall include specific direction for desired revisions utilizing the TAC process in Section 6.0.
Exhibit E-8

Process for the Development of an Integrated Resource Plan
PROCESS FOR THE DEVELOPMENT OF AN INTEGRATED RESOURCE PLAN

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1.0 **OVERVIEW OF INTEGRATED RESOURCE PLAN PROCESS**

The Integrated Resource Plan (IRP) for the Railbelt’s Interconnected Electric Energy Transmission Network will be the Railbelt Reliability Council’s (RRC’s) plan for meeting the combined forecasted annual peak and energy demand of its Load-serving Entities (LSEs), in a manner that minimizes costs and maximizes benefits while meeting the reliability requirements of the Railbelt. The Integrated Resource Plan (IRP) will be composed of the Preferred Plan and the Action Plan. The Preferred Plan will be the portfolio with the greatest value selected from at least two Resource Portfolios, pursuant to 3 Alaska Administrative Code (AAC) 46.230(a)(4)(A), with the lowest reasonable costs. The IRP process is time intensive, with multiple steps that must occur in sequence.

The IRP process will follow RRC rules approved by the RCA and will be conducted by the RRC’s Technical Advisory Council (TAC) as provided in Technical Advisory Council Structure and Process (PD-03).

The IRP process contains five key steps, which are shown in the dark blue boxes in Figure 1 and listed below. Each step will be completed by the TAC and its working groups (which may include third-party consultants), and with public participation and comment as described in Section 2.0. Each of the assumptions and key steps of the IRP process may have multiple components that require RRC Board of Directors (Board) approval as the key step is developed. The five key steps and their components are detailed in the following sections of this report:

- **Step 1.** Develop IRP Principles – Section 3.0
- **Step 2.** Develop Planning Approaches – Section 4.0
- **Step 3.** Develop Planning Inputs – Section 5.0
- **Step 4.** Develop Integrated Resource Plan – Section 6.0
- **Step 5.** Review and Implement the IRP – Section 7.0

In addition, three appendices are included with this report:

- Appendix A includes definitions of general terms used in this document
- Appendix B is a list of definitions of key terms used in an IRP
- Appendix C is a flowchart of the IRP Action Plan Process

This report was prepared by the Railbelt Reliability Council with major contributions by Synapse Energy Economics, Inc. Rachel Wilson led Synapse’s contribution with assistance from Divita Bhandari, Bob Fagan, and Tim Woolf.
2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAC</td>
<td>Alaska Administrative Code</td>
</tr>
<tr>
<td>AACE</td>
<td>Association for the Advancement of Cost Engineering</td>
</tr>
<tr>
<td>AGC</td>
<td>automatic generation control</td>
</tr>
<tr>
<td>AS</td>
<td>Alaska Statute</td>
</tr>
<tr>
<td>BCR</td>
<td>benefit-cost ratio</td>
</tr>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>CHP</td>
<td>combined heat and power</td>
</tr>
<tr>
<td>CPI</td>
<td>consumer price index</td>
</tr>
<tr>
<td>DCF</td>
<td>discounted cash flow</td>
</tr>
<tr>
<td>DERs</td>
<td>distributed energy resources</td>
</tr>
<tr>
<td>EBIT</td>
<td>earnings before interest and taxes</td>
</tr>
<tr>
<td>EIA</td>
<td>Energy Information Administration</td>
</tr>
<tr>
<td>ELCC</td>
<td>effective load carrying capability</td>
</tr>
<tr>
<td>ERO</td>
<td>electric reliability organization</td>
</tr>
<tr>
<td>IC</td>
<td>Implementation Committee of the RRC</td>
</tr>
</tbody>
</table>
### 3.0 Public Participation

Alaska Statute (AS) 42.05.762(3)(D) requires that the RRC provide for “reasonable notice and opportunity for public comment, due process, openness, and balancing of interests in exercising its duties.” The IRP process complies with this requirement by following the RRC rules that address those requirements.

1. **Public Comment**: Public comment may be provided at meetings and in response to public notices, per the RRC Public Comment & Meetings Attendance Policy (P-03).

2. **Public Participation**: Public participation in developing the plan will be managed in accordance with the Public Participation in a Development Rule (ER5).

3. **Openness and Balancing of Interests**: Certain key considerations important to the stakeholder engagement and public participation processes are described below.
 Participation in the IRP process by stakeholders and potentially affected parties\(^1\) will be encouraged through TAC working groups. Potentially affected parties may be identified and notified about the IRP process using the Product Development Rule (ER1).

- In addition to the notices required under the Public Notice Rule (ER7), other means may be used to notify the public of opportunities to participate, such as radio, newspapers, the RRC website, and direct email communication or use of a listserv.

- IRP working group meetings will be scheduled and noticed according to the Public Notice Rule (ER7) and Public Meetings Rule (ER6), and each meeting will provide opportunities for public comment.
  - The number of working group meetings required at each step in the IRP process will depend on the topics covered, the agendas, the number of hours allotted for each meeting, and more.

- Identification and balancing of interests will be accomplished through public comments, public presentations, and the involvement of members of the public approved to participate in the development (Approved Participants), along with the interests expressed by Board stakeholder class representatives.
  - All interests and comments will be considered by the working group. The chair of the working group (“Manager”) will relay these interests and comments to the TAC for inclusion in the recommendations presented to the Board.

4. **Due Process**: Due process will be accomplished by IRP adherence to the Product Development Rule (ER1) and other RRC rules, including by the inclusion of Approved Participants and public comments in the development of the IRP and in the ability to present dissenting statements.

### 4.0 DEVELOP IRP PRINCIPLES (STEP 1)

The first step in the IRP process is to develop the IRP principles, which create the foundation for further development of the IRP. This step includes three elements: (1) select the IRP objectives, (2) articulate the key planning parameters, and (3) define key terms and phrases. The broad IRP objectives are established by the Board and provided to the TAC. The goals will be further enhanced and identified by the TAC and its working groups and approved by the Board at the outset of the IRP process and will flow into all aspects of subsequent IRP planning and development.

#### 4.1 Select IRP Objectives

Development of an IRP, particularly one that covers multiple individual balancing areas, requires input

\(^1\) Examples of potentially affected parties may include, but are not limited to, large end-users, power generation groups, clean energy groups, environmental groups, consumer groups, and community groups.
from multiple groups of diverse stakeholders and the public throughout the process. These participants are unlikely to share all the same objectives, and selection of the plan objectives to meet the broad objectives approved by the Board at the outset is a key element of a successful IRP. The objectives will guide the remaining steps of the IRP process. As shown on Figure 2, examples of key objectives include affordability, the environment, reliability, resiliency, and risk. Also identified in Figure 2 are subsequent elements of the IRP process that will be guided by the approved objectives. Note that the objectives shown below are illustrative for the purposes of this report and will be updated as necessary during the IRP process.

Figure 2. IRP Objectives and Subsequent Elements Influenced by the Stated Objectives

4.2 Articulate Key Planning Parameters

The IRP process will develop a Preferred Plan that is selected from a lowest reasonable cost portfolio that provides the greatest value, subject to a variety of specific planning constraints. Articulating the key planning parameters identifies those key constraints under which the system is expected to both optimize around and operate within. Below is the current list of planning parameters, which will be updated as necessary during the IRP process:

- Load model
- Local vs. bulk criteria boundaries
- Constraints
- Seasonal capacity
- Available transfer capacity
- Acceptable deficiencies
- Reliability state
- Resiliency state
- Comment inclusion guidelines
- Reserve margin characteristics
- Technology innovation
• Relevant state and federal policy

4.3 Definitions

A list of relevant terms grouped into four categories is provided on Figure 3. These categories are:

• **Financial parameters** include both input assumptions to the IRP analysis related to utility financing and cost metrics used to value the resulting portfolios. Specific terms within the financial parameters have not traditionally been defined as such (i.e., “public interest” and “soft costs/benefits”) and may be difficult to quantify solely with dollar values.

• **Operational definitions** include terms that refer to provision of energy and ancillary services over a specific area.

• **Economic dispatch definitions** include terms that relate to the provision of energy from individual units to serve customer load over a given time period.

• **Planning definitions** include those terms that are used in the IRP process itself to develop and evaluate candidate Resource Portfolios.

Appendix B provides full definitions for the terms. These definitions are preliminary and will be updated as necessary during the IRP process.

**Figure 3. Relevant Terms**

<table>
<thead>
<tr>
<th>Financial Parameters</th>
<th>Operational Definitions</th>
<th>Economic Dispatch Definitions</th>
<th>Planning Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit Cost Ratio</td>
<td>End Use Customer</td>
<td>Available Transfer Capacity</td>
<td>Action Plan</td>
</tr>
<tr>
<td>Benefit Cost Ratio Hurdle</td>
<td>Frequency Limits</td>
<td>Capability vs. Capacity</td>
<td>Baseline Load Forecast</td>
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<td>Competitive Bidding</td>
<td>Heat Rate</td>
<td>Capacity Factor</td>
<td>Capacity Expansion Model</td>
</tr>
<tr>
<td>Cost Effectiveness</td>
<td>Islanding Systems</td>
<td>Cogeneration</td>
<td>Carbon Emission</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>Microgrid</td>
<td>Declared Unit Capacity</td>
<td>Cost Estimating Accuracy Classes</td>
</tr>
<tr>
<td>Hard Benefits/Costs</td>
<td>Must Run Units</td>
<td>Demand Response</td>
<td>Emissions</td>
</tr>
<tr>
<td>Inflation Rate</td>
<td>Non-Spinning Reserves</td>
<td>Demand-Side Resources</td>
<td>Integrated Resource Plan</td>
</tr>
<tr>
<td>Levelized Cost of Energy (LCOE)</td>
<td>Operating Areas</td>
<td>Dispatchable Resource</td>
<td>Planning Costs</td>
</tr>
<tr>
<td>LSE Obligation</td>
<td>Operating/Contingency Reserves</td>
<td>Distributed Generation</td>
<td>Planning/ Horizon</td>
</tr>
<tr>
<td>Operating and Maintenance Costs</td>
<td>Planning Areas</td>
<td>Energy Efficiency</td>
<td>Planning Reserve Margin</td>
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<td>Power Purchase</td>
<td>Reliability</td>
<td>Generation Resource Capacity/Energy</td>
<td>Portfolio Development Costs</td>
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<td>Agreements</td>
<td>Resiliency</td>
<td>Hydrothermal Optimization</td>
<td>Production Costing</td>
</tr>
<tr>
<td>Public Interest</td>
<td>Spinning Reserves</td>
<td>Independent Power Producers</td>
<td>Real-time Operations</td>
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<tr>
<td>Rate Design</td>
<td>System</td>
<td>Non-Dispatchable Resource</td>
<td>Reference Case/Base Case</td>
</tr>
<tr>
<td>Revenue Requirements</td>
<td>Voltage Limits</td>
<td>Seasonally Sensitive Generator</td>
<td>Renewable Portfolio Standard</td>
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<td>Soft Benefits/Costs</td>
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<td>Security Constrained</td>
<td>Resource Portfolio</td>
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<td>Sustainability</td>
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<td>Economic Dispatch</td>
<td>Short/Mid/Long Term</td>
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<td>Temperature Sensitive</td>
<td>Scenario</td>
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<td>Value/Social Value/Greatest Value</td>
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<td>Generation Resource</td>
<td>Sensitivity</td>
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<tr>
<td>WACC</td>
<td></td>
<td>Unit Commitment</td>
<td>Work Papers</td>
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5.0 DEVELOP PLANNING APPROACHES (STEP 2)

The second step in the IRP process is to develop planning approaches. This step contains four elements: (1) develop reliability planning approaches, (2) develop resiliency planning approaches, (3) determine planning tools and modeling protocols, and (4) develop the portfolio selection process. All developed approaches and protocols will align with the IRP objectives. This section describes each element.

5.1 Develop Reliability Planning Approaches

The development of reliability planning approaches involves identifying unknown or unforeseen events, incorporating the relevant reliability standards into the planning process, defining the metrics, evaluating impacts of reliability events on customers, and identifying opportunities for addressing reliability. Figure 4 depicts this process.

Figure 4. Reliability Planning Approaches Flowchart

- Develop Definitions for Reliability
- Identify Reliability Concerns (e.g., blue sky events, N-1 analytical approaches, existing reliability standards, resource adequacy, reserve margins, balancing area coordination gaps)
- Develop Metrics for Assessing Reliability (e.g., System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), Customer Average Interruption Duration Index (CAIDI))
- Estimate the Impact of Reliability Related Events (e.g., Value of lost load)
- Identify Opportunities to Meet Reliability Standards and Protocols
- Develop IRP Inputs to Address Reliability (e.g., reserve margin, resource adequacy)
5.2 Develop Resiliency Planning Approaches

Resiliency planning involves identifying key resiliency events and concerns, defining the metrics, evaluating the impact of resiliency scenarios on critical loads, and identifying opportunities for addressing resiliency. A flowchart of this process is shown on Figure 5.
Figure 5. Resiliency Planning Approaches Flowchart

1. Develop Definitions for Resiliency
2. Identify Resiliency Concerns
   - Identify and Define Resiliency Concerns and Scenarios (e.g., storms (natural), gas pipeline failure (infrastructure), cyber attacks (attacks))
   - Identify Critical Loads and Customers
3. Develop Metrics for Assessing Resiliency (e.g., frequency of events, duration of events, customer outages)
4. Estimate the Impact of Resiliency Events on Critical Loads (e.g., Value of Lost Load (VoLL))
5. Identify Opportunities to Address Resiliency Deficiencies (e.g., non-wires alternatives, microgrids, demand-side response, supply-side diversification, dual fuel capability, storage, wire hardening)
6. Prioritization of Solutions Based on Likelihood and Impact
7. Provide IRP Inputs to Address Resiliency Sensitivities and Solutions (e.g., load forecasts, energy storage, transmission solutions, dispatch and commitment protocols)
5.3 Determine Planning Tools and Modeling Protocols

One or more industry standard electric system models will be used to develop a robust IRP for the Network. These simulation models will have the ability to develop long-term Resource Portfolios to meet future system requirements under different scenarios and test the sensitivity of these portfolios to specific risk factors. A high-level overview of the types of simulation models is shown on Figure 6.

**Figure 6. Determining Resource Planning Tools and Models**

Sample tools and their capabilities include:

- **Capacity Expansion Model** – Determines the optimal resource mix over time; often simplifies the dispatch.
- **Production Cost Model** – Simulates hourly dispatch; does not build new capacity.
- **Combined Expansion/Production Cost Model** – Examples of relevant modeling tools include (1) AURORAxmp, (2) PLEXOS, (3) EnCompass, (4) PowerSimm, and (5) GenTrader.
- **Transmission System Modeling** – Performs simulations for analysis and planning of transmission system; the primary tool used in the Railbelt is the Power System Simulator for Engineering (PSSE).

The various types of available computer simulation models were designed to answer specific questions; thus, selection of the correct model, or models, depends on first identifying the questions that the models are required to answer. The selected modeling tools will be relied upon to answer many questions related to resource planning. Examples of questions to consider that will enable identification of the most relevant tools might include the following:

- What is the lowest reasonable cost capacity build-out in a carbon-constrained future?
5.4 Develop Portfolio Selection Process

The last element of this step is to develop the portfolio selection process. As shown on Figure 7, there will first be an evaluation of the criteria by which each Resource Portfolio will be evaluated. Using quantitative and qualitative metrics as necessary for each criterion, the analytical process by which a Preferred Portfolio is selected will then be determined.

Figure 7. Portfolio Selection Process

6.0 DEVELOP PLANNING INPUTS (STEP 3)

The third step in the process, developing planning inputs, is likely to be the most laborious step and to require the most input from LSEs, other stakeholders, and relevant participants, including Users, Owners, and Operators (UOOs). Developing the planning inputs includes all assumptions, forecasts, and constraints needed to develop candidate Resource Portfolios. There are three elements to this step: (1) development of the planning assumptions, (2) characterization of the Network, and (3) identification and characterization of the new Resource Options.
6.1 Develop Planning Assumptions

When developing the planning assumptions, the following will be documented for use in the resource planning analysis:

1. Current operating and planning coordination approaches used throughout the Railbelt region by all entities, especially each of the following:
   a. Unit commitment practices
   b. Dispatch practices, including energy exchanges with adjacent balancing areas
   c. Operating reserve provision/sharing between regions
   d. Existing transmission operations and maintenance (O&M) planning
   e. New resource planning – transmission and supply resources
   f. Current hydro-thermal coordination practices
   g. Current renewable regulation practices
   h. Current unit commitment practices

2. Historical annual energy sales and peak system loads for each balancing area or LSE (5-10 years, or the period that allows for sufficient time to establish baseline data)

3. Recent (3 years) monthly energy sales and monthly system peak loads

4. Historical demand-side management savings for each balancing area or LSE (5-10 years, or the period that allows for sufficient time to establish baseline data)

5. Forecast annual and monthly energy sales and peak system loads (20 years) for each balancing area or LSE
   a. Forecasts by customer class, if currently produced or available
      i. Residential
      ii. Commercial
      iii. Industrial
      iv. Electric vehicles
      v. Distributed energy resources (DERs)

6. Commodity price forecasts (fuel and emissions)
   a. Contract volumes and duration

7. Capital and financing costs of generation and transmission equipment
   a. Regional/local cost differences

8. Technology performance characteristics
   a. Fossil – all conventional parameters (heat rate, forced and planned outage rates, seasonal variations)
   b. Hydro – all conventional parameters (monthly output patterns, capacity factors, peak output) and prospective hydro patterns
   c. Evaluate renewable potential, by historical balancing area

---

2 While this information is required to produce a comprehensive analysis, some may be classified confidential in accordance with the RRC Confidential Documents and Access Rule (ER4).
d. Capacity factors, availability, and output patterns for hydro, solar photovoltaics, wind
e. Variations in resource performance by region, as applicable
f. Analysis of differences in renewable potential considering the RRC as a single balancing authority versus the historical individual balancing authorities

9. Energy efficiency potential and program costs
10. Avoided cost of generation
11. Resource availability and constraints
12. Gas pipeline reliability/availability assumptions, including any upgrades or constraints
13. Transmission upgrades or constraints
14. Lead times for permitting and construction
15. Future regulations
16. Local, state, and federal policies
17. LSE specific standards (e.g., their own carbon performance standards)
18. Resource adequacy and reliability metrics
   a. Reliability standards developed by the RRC
   b. Loss-of-load criteria, exceptions
   c. Minimum planning reserve margin, current, by LSE/balancing area
   d. Minimum RRC-wide planning reserve margin under consolidated balancing area scenarios
   e. Transmission security criteria – contingency requirements (N-1, etc.)
   f. Analyze past reliability events to inform future metrics
19. Resiliency metrics
   a. Extreme contingency assumptions to consider
   b. Requirements to resolve violations
20. Additional relevant factors determined by the working group

6.2 Characterize Existing System

When characterizing the existing system, the TAC, LSEs, and other UOOs will provide data in the following areas:

1. Existing customer load, by historical balancing area
   a. Peak demand by customer class
   b. Energy demand by customer class
   c. Load shapes by customer class

2. Existing supply-side resources, by historical balancing area
   a. Utility-owned units and their characteristics
   b. Independent power producer (IPP)-owned units and their characteristics
   c. Storage units and their characteristics

3. Existing demand-side resources, by historical balancing area
   a. Energy efficiency programs and achieved savings to date
   b. Demand response programs and achieved savings to date
c. Existing distributed resources (including combined heat and power [CHP]) and their characteristics

4. Existing infrastructure, by historical balancing area and between balancing areas
   a. Transmission links/constraints
   b. Fuel transportation infrastructure

5. System Security Constraints
   a. Must run units
   b. Corridor constraints

6.3 Identify New Resource Options

Finally, data related to new Resource Options will be collected, considering the full range of options on both the supply side and the demand side, as well as those technologies that are already commercially available and those still under development. New Resource Options include the following:

1. Supply-side resources
   a. Commercially available technologies
      i. Utility-scale
      ii. DERs
      iii. Storage resources
      iv. Transmission
   b. Maturing technologies
      i. Utility-scale
      ii. DERs
      iii. Storage resources
      iv. Transmission

2. Demand-side resources
   a. Conservation
   b. Energy efficiency
   c. Demand response
   d. Distributed generation
   e. Storage
   f. Electrification

3. Considerations
   a. Cost
      i. Overnight capital costs vs. levelized cost ($/megawatt-hour [MWh])
      ii. Publicly available sources of information
         1. National Renewable Energy Laboratory (NREL) Advanced Technology Baseline (ATB)
         2. Energy Information Administration (EIA)
         3. Third-party vendors
      iii. All-source resource procurement
   b. Resource availability
i. Potential studies (demand-side management)
ii. Reconnaissance studies

c. Output
i. Firm capacity contribution
ii. Effective load carrying capability (ELCC)

7.0 DEVELOP THE INTEGRATED RESOURCE PLAN (STEP 4)

The fourth step in the process is the development of the IRP using the key inputs and protocols defined in the prior steps. As with steps 1-3, the IRP development step will include the consideration of input from all identified interests. Multiple candidate Resource Portfolios will be developed, utilizing both scenario and sensitivity analysis, and evaluated using the lowest reasonable cost analysis. The Preferred Portfolio will be selected after a full analysis that considers the objectives identified at the outset, the criteria selected for evaluation, and the greatest value metric. Note that the scenarios and sensitivities use varying combinations of individual input assumptions, and the portfolios contain the different lowest reasonable cost resources selected to meet peak and annual energy demand and attain the planning objectives in each of the different scenarios/sensitivities.

As required in the TAC Structure and Process (PD-03) and RRC rules, public comment will be solicited as the candidate Resource Portfolios are developed and analyzed and the Preferred Portfolio is selected. Many IRP items will go individually through the TAC process to progressively build upon the final output of the IRP.

A Preferred Portfolio becomes a Preferred Plan on approval by the Board. Following Board approval of a Preferred Plan, the LSEs will have the opportunity to consider hosting and implementing specific new resources identified in that Preferred Plan. The nonbinding Action Plan will be developed to include responses by the LSEs, allowing for implementation of the Preferred Plan. The IRP will be the Preferred Plan combined with the Action Plan.

The components of this Step 4 are further detailed as follows.

7.1 Portfolio Development

Multiple candidate Resource Portfolios will be developed and evaluated. In developing candidate Resource Portfolios, consideration will be given to the full universe of Resource Options, including:

- Existing resources (continue operation, repower, retire early, etc.)
- Supply-side resources
- Demand-side resources

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3 The expectation is that the LSEs and all other stakeholders will be kept up to date the IRP process and findings via their representatives on the various working groups.
• Storage resources
• Transmission expansion
• Purchases and sales

Candidate Resource Portfolios will be evaluated under a variety of different scenarios, allowing for the performance of Resource Options to be measured under different conditions. Those scenarios may include, for example:

• High, medium, and low load growth
• High, medium, and low fuel prices
• High, medium, and low demand-side resources
• High, medium, and low levels of dispatch coordination across balancing areas.
• High, medium, and low environmental impact scenarios

7.2 Portfolio Analysis

Analysis of the different Resource Portfolios will include:

• Evaluation of results from capacity expansion modeling runs. Questions to consider might include:
  o Are reliability criteria and regulatory constraints being met?
  o Do modeling results present unsurmountable challenges (e.g., economic retirement of a unit that is needed for reliability)?
  o Do modeling results reveal unique opportunities? Examples include:
    ▪ Cost savings associated with early integration of particular technologies
    ▪ Resiliency benefits that are attributable to a particular resource

• Analysis of the risks and uncertainties inherent in the various portfolios (note that this list is meant to be illustrative and not exhaustive)
  o Compare results from scenarios and sensitivities
    ▪ Are resulting Resource Portfolios similar in terms of the optimized resource build-out over the planning period, or quite different?
    ▪ Are there large differences in revenue requirements, or other cost metrics, between Resource Portfolios?
  o Apply additional analyses (e.g., probabilistic risk assessment or Monte Carlo simulation\(^4\) for risk analysis) as necessary
  o Measure performance on reliability and resiliency metrics

\(^4\) Monte Carlo simulation furnishes the decision-maker with a range of possible outcomes and the probabilities they will occur for any choice of action.
Assess current and future environmental policies and regulations
- Re-runs of models as necessary, documenting reasoning behind any adjustments

### 7.3 Portfolio Selection

When selecting portfolios for evaluation as the lowest reasonable cost, the quantitative and qualitative metrics established in earlier steps will be used to evaluate which portfolios meet the objectives identified at the outset. At least two Resource Portfolios that offer the lowest reasonable cost will be identified by:

- Defining the individual components of cost and value to arrive at a comprehensive picture of the total portfolio, and
- Determining which portfolio best meets the IRP objectives defined in Step 1 (Section 3.1), using the criteria determined in the portfolio selection process. For example:
  - Cost, in terms of present value of revenue requirements
  - Environmental impacts
  - Reliability
  - Resiliency
  - Risk

The evaluation criteria identified at the outset of the process will be used to evaluate the Resource Portfolios chosen as possible lowest reasonable cost portfolios, to determine at least two as the lowest reasonable cost. Of these portfolios, the greatest value metric will be applied to identify the Preferred Portfolio for the RRC.

### 7.4 Outside Consultations

Following the development and approval of the Preferred Portfolio by the Board, the Preferred Portfolio becomes the Preferred Plan, and the LSEs will have a period in which to consult with their respective boards and project committees to determine whether they will support, host, and participate in specific new resources identified in that portfolio. As part of this process, the LSEs will assess the rate impacts of specific resource decisions to their customers or members. The expected outcome is that the LSEs previously identified to host new resources in the Preferred Plan will agree to host those resources.\(^5\)

Those hosts will have been identified as such during the development of the portfolios.

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\(^5\) If an LSE identified to potentially host a project does not agree to do so, the project will be offered to the remaining LSEs. If no LSE agrees to participate, the project will be removed from the IRP Action Plan.
7.5 Develop IRP Action Plan and Nonbinding Framework

Alaska regulations\(^6\) specify the core requirements of an IRP. A flowchart of the RRC processes to meet these requirements is shown in Appendix C. As part of the Action Plan, the near-term decisions and actions needed to implement the resources in the Preferred Plan will be identified and the ways in which resources will be developed over the next three to five years will be considered. In accordance with the regulations, after a Preferred Plan is approved, the following will be developed:

- **Processes to determine entities involved**
  - A process to determine which entities are involved in the procurement of the facilities identified in the Preferred Plan.
  - The IRP’s Preferred Plan will identify the relevant LSE service territory, if there are locational constraints, for new resources.
  - For resources shared by more than one LSE, a process for determining the project beneficiaries and cost allocations will be defined.

- **Processes to ensure that Preferred Plan elements are obtained at the lowest reasonable cost**
  - Evaluate various procurement methods and processes to determine which are applicable to each of the projects in order to construct the projects at the lowest reasonable cost
  - Institute a process to determine the lowest reasonable cost option for implementation
  - Agree on a reasonable set of general guidelines for resource solicitation; and
  - For transmission resources, determine who is best positioned to procure transmission resources at the lowest reasonable cost

- **A schedule of key activities and timelines**
  - The schedule of key activities, including public presentations at specified milestones, will be determined in collaboration with LSEs and other parties involved in carrying out the Action Plan
  - A process to monitor progress of the Action Plan will be developed

A sample timeline for a 5-year Action Plan is provided on Figure 8, below. Sample milestones and public presentations for the initial IRP are included in the IRP Work Plan and Budget (see application Exhibit E-9). Note that the timeline may vary by resources (e.g., Resource A may be in the Procurement: Process Finalization phase in Quarters 3-4 of 2023, while Resource B may still be in the Procurement: Process

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\(^6\) 3 AAC 46.230.
Initiation phase). As such, for plans with multiple resources, there will be overlap between the phases. Similarly, certain resources may require more time in each phase than what is shown on Figure 8.
Figure 8. Sample 5-year IRP Action Plan Timeline
8.0 Review and Implement the Integrated Resource Plan (Step 5)

The fifth (and final) step of the IRP process involves submission to and review, modification, and approval by the Regulatory Commission of Alaska. This step also includes developing a process for the RRC to monitor and coordinate the Action Plan implementation by the LSEs.

8.1 RCA Submission, Review, Modifications, and Approval

Submission

The IRP must be submitted to the RCA at least every four (4) years in accordance with 3 AAC 46.220-260.

Approval, Rejection, and Suspension

The RCA may approve, reject, or suspend the IRP in accordance with 3 AAC 46.240. The IRP is in effect once it is approved by the RCA.

Updates

IRP updates must be filed within two years after the filing of the full IRP, in accordance with 3 AAC 46.250. Required updates include, but are not limited to:

- Updated demand forecast
- Progress on the Action Plan
- Assessment of materially changed circumstances, including:
  - Technological advancements
  - Resource retirements and additions
  - State or federal policy
  - Reliability standards

8.2 Coordinate and Monitor Implementation of Nonbinding IRP Action Plan

The RRC will work with the LSEs and other UOOS to coordinate and monitor the implementation of the Action Plan. This will include coordinating to procure the resources identified in the Preferred Plan in the respective service territories, commensurate with the Action Plan steps. Should an LSE determine for any reason that it is unwilling or unable to undertake the steps included in the approved Action Plan, or if the LSE wishes to host a different size project than what was approved in the Action Plan, the LSE will immediately notify the RRC. The RRC will amend the Action Plan to reflect any reallocation of project costs among LSEs who agree to host all or part of a project different than the original Action Plan.
APPENDIX A  GENERAL DEFINITIONS

**Action Plan:** As required by 3 AAC 46.230(a)(10), a plan that provides a nonbinding framework to implement the Preferred Plan and includes the determined allocation of each host LSE’s participation in each project included in the Preferred Plan.

**Customer Average Interruption Duration Index (CAIDI):** The average outage duration that any given customer would experience, or the average restoration time.

**Interconnected Electric Energy Transmission Network:** A network of interconnected electrical generation resources, transmission lines, interconnections, and associated equipment operated at voltages of 69 kilovolts or more, operating in a geographic area that are synchronized so that the failure of one or more of the components may adversely affect the ability of the operators of other components within the system to maintain reliable operation of the facilities within the control of the operators.

**Load-serving Entity (LSE):** An electric utility that has a service obligation to distribute power to more than 10 customers that receive invoices directly from the entity.

**Preferred Plan:** Means the Preferred Portfolio with the greatest value as approved by the RRC Board.

**Preferred Portfolio:** Means the portfolio with the greatest value as selected from at least two portfolios with the lowest reasonable cost and recommended to the Board for approval as the Preferred Plan.

**Resource Option:** Means (A) a specified asset or asset type that provides generation, transmission, or battery storage; or (B) a specified conservation or efficiency improvement program or program type to affect customer demand.

**Resource Portfolio:** A mix of resource options that could meet customers' collective needs, as projected in an Integrated Resource Plan.

**System Average Interruption Duration Index (SAIDI):** The average outage duration for each customer served.

**System Average Interruption Frequency Index (SAIFI):** The average number of interruptions that a customer would experience.

**User, Owner, or Operator (UOO):** A person or entity that (1) is, or within a reasonable time will be, generating, transmitting, storing, or distributing electricity; and (2) may, as a result of electric facilities or equipment it owns, leases, operates, or controls, adversely affect the reliable operation of the interconnected bulk-electric system.

**Value of Lost Load (VoLL):** The estimated amount that customers would be willing to pay to avoid an interruption in electricity service.
APPENDIX B  DEFINITION OF KEY TERMS USED IN THE INTEGRATED RESOURCE PLAN

Below are the definitions of the relevant financial, operational, economic dispatch, and planning terms. Note that these definitions are still tentative and may be revised or refined by the RRC as part of the IRP process.

B.1  Financial Parameters

Benefit-cost ratio: A benefit-cost ratio (BCR) is a ratio used in a cost-benefit analysis to summarize the overall relationship between all costs and all benefits of a proposed project. The BCR can be expressed in monetary or qualitative terms. If a project has a BCR greater than 1.0, the project is expected to deliver a positive net present value to a firm and its investors and will have an internal rate of return (IRR) above the discount rate used in the discounted cash flow (DCF) calculations.

Benefit-cost ratio hurdle: The minimum rate of return on a project or investment required by a manager or investor. It allows companies to make important decisions on whether or not to pursue a specific project. The hurdle rate describes the appropriate compensation for the level of risk present; riskier projects generally have higher hurdle rates than those with less risk. To determine the rate, some of the areas that must be considered are associated risks, cost of capital, and the returns of other possible investments or projects.

Competitive bidding: The process by which supply- or demand-side resources are procured through a formal bidding or request for proposal (RFP) process.

Cost effectiveness: The degree to which something is effective or productive in relation to its cost.

Discount rate: The discount rate refers to the interest rate used in DCF analysis to determine the present value of future cash flows.

Hard benefits: A measurable financial result of a certain activity. This can include a special project, a new policy, or a targeted program. Hard benefits tend to be fairly straightforward to determine because they are based on measurable facts. They are also often directly attributable to a specific action or condition. A hard benefit is quantifiable. For example, it can be expressed as a percentage increase or a financial amount. It is a benefit that can be proven with results such as statistics.

Hard costs: The monetary costs directly related to construction, including material, labor, and financing costs as well as fuel, operating, and maintenance costs.

Inflation rate: The percentage at which a currency is devalued during a period. This devaluation is evident in the fact that the consumer price index (CPI) increases during the planning period.

Levelized cost of energy (LCOE): Measures the total lifetime costs of building and operating a power plant, divided by energy production, over the assumed life of the plant.
LSE obligation: The term “load-serving entity” (LSE) means a distribution utility or an electric utility that has a service obligation to distribute power to more than 10 customers that receive invoices directly from the entity.

Operating and maintenance (O&M) costs: Actions taken after construction to ensure that facilities constructed will maintain performance by being properly operated and maintained to achieve normative efficiency levels in an optimum manner.

Power purchase agreement: A transaction to purchase wholesale capacity and/or energy from another electric power supplier.

Public interest: Anything affecting the rights, health, or finances of the public at large. Public interest is a common concern among citizens in the management and affairs of local, state, and national government. Value of public interest is often composed of the soft costs and benefits. While it thus may not be easily quantifiable in terms of dollar values, the value of public interest shall be developed during the IRP process for each IRP project.

Rate design: The means by which class revenue requirements are collected within each customer class to recover costs for the delivery of service and to promote efficient use of electricity services, including considerations for effective conservation and management of peak loads.

Revenue requirements: The total revenues required to recover capital investments and expenses as determined in a rate case decision issued by the Regulatory Commission of Alaska (RCA).

Soft benefits: Benefits that cannot be readily assigned a specific financial value nor are they easily quantifiable. An example of a soft benefit is an increased positive public image. Soft benefits are generally not measured in financial terms.

Soft costs: Costs that are not considered direct construction costs or “hard costs.” These costs typically are associated with nontangible items, such as design, fees, taxes, and insurance, or might include costs with public interest implications. Soft costs can be a significant part of a project’s budget.

Sustainability: Meeting the needs of the present without compromising the ability of future generations to meet their needs. The concept of sustainability is composed of three pillars: economic, environmental, and social – also known informally as monetary costs, planet, and people.

Times interest earned ratio (TIER): A measure of a company’s ability to meet its debt obligations based on its current income. The formula for a company’s TIER number is earnings before interest and taxes (EBIT) divided by the total interest payable on bonds and other debt.

Value: The monetary, material, or assessed worth of an asset, good, or service. Value can mean a quantity or number, but in finance, the term “value” is often used to determine the worth of an asset, a company, and its financial performance. Social value serves as an umbrella term for these broader effects, and organizations which make a conscious effort to ensure that these effects are positive can be seen as adding social value by contributing to the long-term well-being and resilience of individuals,
communities, and society in general. **Greatest value** is a combination of an item’s hard cost/benefit value and social value.

**Weighted average cost of capital (WACC):** A firm’s WACC represents its blended cost of capital across all sources, including common shares, preferred shares, and debt. The cost of each type of capital is weighted by its percentage of total capital and they are added together. The WACC formula is:

\[ \text{WACC} = \frac{E}{V} \times \text{Re} + \frac{D}{V} \times \text{Rd} \times (1 - T) \]

Where:

- \( E \) = market value of the firm’s equity (market cap)
- \( D \) = market value of the firm’s debt
- \( V \) = total value of capital (equity plus debt)
- \( E/V \) = percentage of capital that is equity
- \( D/V \) = percentage of capital that is debt
- \( \text{Re} \) = cost of equity (required rate of return)
- \( \text{Rd} \) = cost of debt (yield to maturity on existing debt)
- \( T \) = tax rate

**B.2 Operational Definitions**

**End-use customer:** The IRP process must define the end-use customers

1. LSE
2. Generator owner
3. Transmission resource owner
4. Battery resource owner
5. Commercial customer of LSE
6. Industrial customer of LSE
7. Residential customer of LSE
8. Differences if industrial customer is connected to bulk-electric system

**Frequency limits:** Shall be those defined in AKTPL 1-4.

**Heat rate:** Measure of the amount of thermal energy required to produce a given amount of electric energy. It is usually expressed in British thermal units per kilowatt-hour (Btu/kWh). The performance of a power plant is measured by its fuel consumption rate (Btu/hr) and the corresponding amount of electric energy generated; thus, heat rate can be used to indicate the efficiency with which thermal energy is converted into electric energy.

**Interconnected bulk-electric system (BES):** An interconnected electric energy transmission network that includes two or more LSEs, at least one of which is subject to the provisions of AS 42.05.291.

**Interconnected electric energy transmission network:** A network of interconnected electrical generation resources, transmission lines, interconnections, and associated equipment operated at
voltages of 69 kilovolts or more, operating in a geographic area that are synchronized so that the failure of one or more of the components may adversely affect the ability of the operators of other components within the system to maintain reliable operation of the facilities within the control of the operators.

**Islanding systems:** The portions of the bulk-electric system that are separated from the remainder of the bulk-electric system following application of any of the planning criteria in AKTPL 1-4.

**Microgrid:** A group of interconnected loads and distributed energy resources (DERs) within clearly defined electrical boundaries that acts as a single controllable entity with respect to the distribution grid. A microgrid can connect and disconnect from the distribution grid, when available, to enable it to operate in either grid-connected or off-the-grid (islanded) mode.

**Must-run units:** Units that are required by:

1. System stability simulations
   - Transient stability
   - Voltage support
   - Reserve response
2. Defined by operating area

Or

3. Defined by planning area, considering system security constraints

**Nonspinning reserves:** A generating reserve not connected to the system but capable of serving demand within a specified time, usually 10 minutes.

**Operating areas:** The electrical area operated and controlled by one entity. In the RRC, there are currently three operating areas. The following may be defined for the operating areas:

- Impact of operating areas on renewables
- Impact of operating areas on transmission planning
- Impact of operating areas on nonrenewable resources
- Generation commitment/dispatch by operating area vs. planning area
- Planning resource restrictions by operating area vs. planning area
- Impact on minimum turndown defined by time of day/season/load

**Operating reserves/contingency reserves:** A combination of spinning and nonspinning reserves. Operating reserve is the portion of all reserves that each LSE is required to carry over and above firm system demand to provide for regulation, load-forecasting error, equipment-forced and scheduled outages, and local area protection.

**Planning areas:** The defined limits of planning responsibilities for an electric reliability organization.
There could be several planning areas within an ERO's limit of responsibility. Different planning areas could define different reliability/resiliency targets for different purposes such as:

- Transmission system planning
- Generation resource planning
- Transmission resource planning 69 kilovolts (kV) and above
- Reliability and resiliency projects of transmission system
- Reliability projects within a transmission area

**Reliability:** The ability of a system to experience planning criteria contingencies within established criteria. This can be defined at a system-wide level, by area, by voltage, and for islanding.

**Resiliency:** The ability of a system to restore power if the system experiences events that exceed the planning criteria contingencies. Resiliency scenarios can be defined by planning area, transmission outage(s), type of generation resource for each possible island, and N-2 contingencies.

**Spinning reserves:** Available generating capacity that is synchronously connected to the electric grid and capable of automatically responding to frequency deviations on the system.

**Voltage limits:** Shall be those defined in AKTPL 1-4.

### B.3 Economic Dispatch Definitions

**Available transfer capacity:** The measure of the transfer capability (in megawatts [MW]) remaining in the physical transmission network for further commercial activity over and above already committed uses. It is defined as total transfer capability less net transmission commitments (including retail customer service), less a capacity benefit margin, less a transmission reliability margin.

**Capability:** The maximum active and reactive power that a synchronous generator can deliver at its terminals.

**Capacity:** The maximum electric output generally (in MW) a generation resource can produce under specific conditions. Nameplate generator capacity is determined by the generator's manufacturer and indicates the maximum output of electricity a generator can produce without exceeding design limits.

**Capacity factor:** The amount of energy produced by a generation resource expressed as a percentage and calculated by dividing the actual unit electricity output by the maximum possible output over a period of time.

**Cogeneration:** The production of electricity using waste heat from an industrial process or the use of steam from electric power generation as a source of heat.

**Declared unit capacity:** A capacity measure not less than the load (MW) on the unit at any point in time and not more than the maximum amount of load (MW) the unit is capable of supplying for a two-hour period or immediately supplying through the actions of automatic generation control (AGC) under the
conditions existing at the time of the declaration.

**Demand response:** A category of mechanisms designed to provide incentives to customers to reduce their load in response to high electric market prices or electric system reliability concerns. Demand response measures could include direct load control programs, such as cycling of air conditioner load or customer-initiated load reductions. Price response programs include real-time pricing, dynamic pricing, critical-peak pricing, time-of-use rates, and demand bidding or buyback programs.

**Demand-side resources:** The resources produced by energy efficiency programs, demand response programs, and distributed generation that reduce retail customer consumption or shift the time of consumption from end-users.

**Dispatchable resource:** Resource that generates electricity or provides capacity or reserves on demand at the request of AGC or through the actions of power grid operators for the purpose of matching generation output to load, capacity, or reserves.

**Distributed generation:** Generation facilities owned by retail customers and located on the customer side of the meter, which is primarily for the use and consumption of energy by retail customers, may provide any electric power generated in excess to the LSEs. Distributed generation resources may include combined heat and power, renewable and nonrenewable generators, microgrids, and storage technologies including electric vehicles. Distributed generation includes both customer-owned and leased resources.

**Energy efficiency:** Actions taken by consumers to reduce their overall consumption of electric energy. These reductions could be the result of installation of more efficient equipment, improvements to the thermal envelopes of structures, or behavioral changes. Energy efficiency improvements can be encouraged through utility-sponsored programs, mandated by building codes or other standards, or simply implemented by the customer.

**Generation resource capacity:** The maximum electric output generally measured in MW that a generation resource can produce under specific conditions. Nameplate generator capacity is determined by the generator’s manufacturer and indicates the maximum output of electricity a generator can produce without exceeding its design limits. The capacity of a generating resource may differ from nameplate capacity depending on operating conditions.

**Generation resource energy:** The amount of energy a generation resource produces over a specific period measured in megawatt-hours (MWh).

**Hydrothermal optimization:** The optimal coordination of hydro and thermal plants both long-term (multi-year, annually, semiannually) and short-term (hourly, daily weekly, monthly) to meet the system load demand at minimum possible operational cost of the thermal plants while satisfying the system constraints.

**Independent power producers (IPPs):** An independently owned generation facility that provides wholesale power to the LSEs through a contractual arrangement.
Nondispatchable resource: Resource that generates electricity which cannot be dispatched at the request of the AGC or through the actions of power grid operators for matching generation output to load.

Seasonally sensitive generation resource: A generation resource whose maximum capacity and energy varies with seasonal factors such as irradiation, wind, and water.

Security-constrained economic dispatch: A Railbelt-wide optimization process designed to meet electricity demand at the lowest cost, given the operational and reliability limitations of the area’s generation fleet and transmission system.

Temperature-sensitive generation resource: A generating resource whose maximum real power capability changes by more than 10 percent due to change in ambient air temperature. The 10-percent change in real power capability is based on the local average annual maximum and annual minimum ambient air temperatures.

Unit commitment: The committed resources needed to meet load and reserve requirements at the lowest possible cost. Unit commitment takes into account all costs of producing energy, including no-load costs and start-up costs. Unit commitment respects resource characteristics such as minimum uptime, minimum downtime, ramp rates, and notification times.

Variable resource: A nondispatchable resource that varies its energy output or production without control or command from AGC.

B.4 Planning Definitions

IRP Action Plan: A plan that identifies the specific actions to be performed during the first five years of the planning period to implement the preferred resource portfolio.

Baseline load forecast: Future estimated changes in demand and energy for the planning areas of the bulk-electric system. The IRP process must include the incorporation of LSE load projections into a single bulk-electric system load projection to be used for the development of the IRP.

Capacity expansion model: A computer model designed to seek a least-cost, or “optimal,” portfolio of electricity supply- and demand-side resources that meets the Railbelt’s load forecast, accounting for system constraints and the need to maintain the reliability of the system over the planning period in the preferred resource portfolio.

Carbon emission: Emitted gaseous carbon emissions from operating fossil-fueled generation equipment.

Cost estimating accuracy classes: The range of accuracy of a cost estimate of a development phase at a specific time using the Association for the Advancement of Cost Engineering (AACE) Cost Estimate Classification System. The AACE does not include financing costs, interest during construction, or escalation.
Emissions: Discharges into the atmosphere from stacks, other vents, and surface areas of commercial and industrial facilities; from residential chimneys; and from motor vehicle, locomotive, or aircraft exhaust.

Integrated Resource Plan (IRP): The plan and associated process for integrating supply- and demand-side resources to provide energy services at a cost that balances the interests of all stakeholders and members of the public. The goals of IRP have evolved from least-cost planning and encouragement of demand-side management to broader, more complex issues. These issues include core competitive business activity, risk management and sharing, accounting for externalities, and fuel switching between gas and electricity.

Planning costs: The costs of evaluating the future demand for services and alternative methods of satisfying future demand.

Planning horizon: Planning period in the future for a specific plan. Projects with a commission date outside the planning horizon are not in the plan. The IRP regulations specify a planning horizon of at least 20 years, with a new IRP required every four years and an update, if required, due to certain events every two years.

Planning reserve margin: The reserve margin required to operate the system reliably.

Portfolio development costs: The costs of preparing a resource in a portfolio for timely acquisition of the resource.

Production cost simulations: The process of estimating the lowest cost production simulation for the bulk-electric system that takes into account hydro-thermal coordination, security system constraints, must-run units, reserve obligations, regulation requirements and other system costs and constraints required to develop an accurate annual cost of energy for the system.

Production costing: Total amount of costs assigned to produce a unit of energy, including all variable and fixed costs.

Real-time operations: Operational activity that manages the economic commitment of generation resources to match the system load on a real-time basis. Requires making decisions to optimize system operation to provide the lowest cost, reliable power to customers.

Reference case/base case system: Typically, a simulation case that utilizes the current utilities’ loads and generation systems’ unit commitment, economic dispatch, hydrothermal coordination, and other attributes to establish the first year of production cost simulations for the existing system.

Renewable portfolio standard (RPS): Policy designed to increase the use of renewable energy sources for electricity generation. An RPS requires electric utilities and other retail electric providers to supply a specified minimum percentage (or absolute amount) of customer demand with eligible sources of renewable energy.
Resource portfolio: A selection of supply-side, demand-side, and transmission resources that best serves the needs under a given forecast scenario.

Scenario: Representation of a change to a major assumption; tends to portray a “world” or a “future” that looks markedly different from base assumptions.

Sensitivity: Representation of uncertainty around specific input variables.

Short-, mid-, long term: Planning periods where the forecast load and changes in unit availability are used to evaluate available options for the system with increasing options and decisions made with longer time periods. Short term has limited option to construct new assets. Long term has options to construct new assets (e.g., generation, transmission, and substation).

Work papers: All documents, spreadsheets, reports, correspondence and communications, computer simulation runs, calculations, and other materials relied upon to develop the IRP filing, including any power requirements studies and the IRP Action Plan.
APPENDIX C  IRP ACTION PLAN PROCESS FLOWCHART

Acronyms: BOD = RRC Board of Directors Committee  
LSE = load-serving entity  
TAC = Technical Advisory
Exhibit E-9

Integrated Resource Plan Work Plan and Budget
Task Name | Start | End | Duration | Milestone Type
--- | --- | --- | --- | ---
1 | IRP Process | Mon 10/2/22 | Wed 9/30/26 | 783 days | IRP Process
2 | Significant Milestones | Mon 10/2/22 | Wed 9/30/26 | 783 days | Significant Milestones
3 | Kickoff Meeting | Mon 10/2/22 | Wed 9/30/26 | 783 days | Kickoff Meeting
4 | Public Presentation | Mon 10/2/22 | Wed 9/30/26 | 783 days | Public Presentation
5 | Task 1 - IRP Objectives | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 1 - IRP Objectives
6 | Task 2 - Planning Parameters | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 2 - Planning Parameters
7 | Task 3 - Definitions | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 3 - Definitions
8 | Task 4 - Reliability Planning Approaches | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 4 - Reliability Planning Approaches
9 | Task 5 - Resiliency Planning Approaches | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 5 - Resiliency Planning Approaches
10 | Task 6 - Planning Tools and Modeling Protocols | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 6 - Planning Tools and Modeling Protocols
11 | Task 7 - Portfolio Selection Process Development | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 7 - Portfolio Selection Process Development
12 | Portfolio Selection Process | Mon 10/2/22 | Wed 9/30/26 | 783 days | Portfolio Selection Process
13 | Task 8 - Planning Assumptions | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 8 - Planning Assumptions
14 | Develop Planning Assumptions | Mon 10/2/22 | Wed 9/30/26 | 783 days | Develop Planning Assumptions
15 | Task 9 - Existing System Evaluation | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 9 - Existing System Evaluation
16 | Evaluate Existing System | Mon 10/2/22 | Wed 9/30/26 | 783 days | Evaluate Existing System
17 | Task 10 - New Resource Options | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 10 - New Resource Options
18 | Identify New Resource Options | Mon 10/2/22 | Wed 9/30/26 | 783 days | Identify New Resource Options
19 | Task 11 - Portfolio Development | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 11 - Portfolio Development
20 | Portfolio Development | Mon 10/2/22 | Wed 9/30/26 | 783 days | Portfolio Development
21 | Task 12 - Risk and Uncertainty Analysis | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 12 - Risk and Uncertainty Analysis
22 | Perform Risk and Uncertainty Analysis | Mon 10/2/22 | Wed 9/30/26 | 783 days | Perform Risk and Uncertainty Analysis
23 | Task 13 - Portfolio Analysis | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 13 - Portfolio Analysis
24 | Perform Portfolio Analysis | Mon 10/2/22 | Wed 9/30/26 | 783 days | Perform Portfolio Analysis
25 | Task 14 - Portfolio Selection | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 14 - Portfolio Selection
26 | Portfolio Selection | Mon 10/2/22 | Wed 9/30/26 | 783 days | Portfolio Selection
27 | Task 15 - Outside Consultations | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 15 - Outside Consultations
28 | Outside Consultations | Mon 10/2/22 | Wed 9/30/26 | 783 days | Outside Consultations
29 | Task 16 - Action Plan Development | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 16 - Action Plan Development
30 | Develop Action Plan | Mon 10/2/22 | Wed 9/30/26 | 783 days | Develop Action Plan
31 | Task 17 - RCA Approval | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 17 - RCA Approval
32 | RCA Submittal, Review, Modification, Approval | Mon 10/2/22 | Wed 9/30/26 | 783 days | RCA Submittal, Review, Modification, Approval
33 | Task 18 - Action Plan Implementation - ONGOING | Mon 10/2/22 | Wed 9/30/26 | 783 days | Task 18 - Action Plan Implementation - ONGOING
34 | Monitor and Coordinate Action Plan Implementation - ONGOING | Mon 10/2/22 | Wed 9/30/26 | 783 days | Monitor and Coordinate Action Plan Implementation - ONGOING
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<td>4</td>
<td>$928,800.00</td>
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<td>Studies Engineer</td>
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<td>Junior Engineer - Planning</td>
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<td>Junior Engineer - Studies</td>
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<td>$648,000.00</td>
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<td>Administrative Assistant</td>
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### RRC QR Expenses

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| **Grand Total Over the Initial Four Year Completion Timeline** | $12,666,280.00

*Costs are expected to significantly decline for subsequent IRPs*
Exhibit E-10

Set of Rules
## Exhibit 10 Set of Rules

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Rule</th>
<th>Required By</th>
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<tbody>
<tr>
<td>E-10-1</td>
<td>Product Development Rule (ER1)</td>
<td>3 AAC 46.090(a)(11)</td>
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<td>E-10-2</td>
<td>Compliance Monitoring and Enforcement Program Rule (ER2)</td>
<td>3 AAC 46.090(a)(9), (11)</td>
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<td>E-10-3</td>
<td>Documents Retention and Access Rule (ER3)</td>
<td>3 AAC 46.090(a)(11)</td>
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<td>E-10-4</td>
<td>Confidential Documents and Access Rule (ER4)</td>
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<td>Public Participation in a Development Rule (ER5)</td>
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<td>Public Notice Rule (ER7)</td>
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<td>Rule Amendments Rule (ER9)</td>
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<td>Equitable Allocation of Costs Rule (ER13)</td>
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Exhibit E-10-1

ER1: Product Development Rule
1.0 PURPOSE & SCOPE

This process carries out statutory and regulatory requirements and Railbelt Reliability Council (RRC) rules in the development of integrated resource plans, rules, tariff, reliability standards, and standards, ensuring the RRC provides reasonable notice and opportunity for public comment, due process, openness, and balancing of interests in exercising its duties.

2.0 DEFINITIONS

<table>
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<th>Term</th>
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<tr>
<td>Board</td>
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<td>CEO</td>
<td>RRC chief executive officer</td>
</tr>
<tr>
<td>RCA</td>
<td>Regulatory Commission of Alaska</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
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3.0 RESPONSIBILITIES OF KEY PERSONNEL

<table>
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<th>Title</th>
<th>Responsibilities</th>
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<tbody>
<tr>
<td>Manager</td>
<td>The CEO or their designated staff member to manage development of a plan, rule, tariff, reliability standard, or standard</td>
</tr>
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</table>

4.0 APPLICABILITY

This process applies to the development of (including any material update or revision to) integrated resource plans, rules, tariff, reliability standards, and standards (collectively referred to herein as “products”) and is supplemental to individual processes for development of those products. This process will be implemented upon initiation of the development of a product, unless expressly waived by another rule for the development, update, or revision to a product.

5.0 INITIATION OF DEVELOPMENT AND RECORD KEEPING

Upon initiation of the development of a product, the chief executive officer (CEO) or their designated person responsible for developing the product (hereafter “Manager”) will maintain records with sufficient granularity to support the following:

- The written explanation due under 3 Alaska Administrative Code (AAC) 46.110(a)(2)(C) for plans, rules, and reliability standards, and
- The report to the Regulatory Commission of Alaska (RCA) due under 3 AAC 46.460(a)(4)(I) for all products.

The Manager will issue a Notice of Intent to develop a product, in accordance with the Public Notice Rule (ER7). The notice will also be sent electronically to all parties enrolled in the RRC online notification system and sent electronically to all entities registered with the RRC as registered entities. The notice must include:

1. A description of the intended action to develop a product, and the purpose for doing so;
2. A request that potentially affected parties respond to the notice to identify themselves as such with the RRC;
3. An invitation to the public to comment on the development;
4. A statement that persons interested in participating in the development may petition the RRC in accordance with the Public Participation in a Development Rule (ER5), a timeframe for doing so,
and, if any, a description of qualifications specific to the development required to enable effective participation; and

5. The date of the initial RRC meeting to begin the development process and a preliminary schedule and timeline of meetings for the development.

6.0 DURING DEVELOPMENT

Products will be developed in accordance with this process, the Technical Advisory Council Structure and Process (PD-03), and individual processes related to those products, as applicable.

During the development process, the Manager will do the following:

1. Ensure all documents related to the development, including drafts of the development, are posted to the RRC website, subject to the RRC Documents Retention and Access Rule (ER3) and Confidential Documents and Access Rule (ER4).

2. Provide meeting notices in accordance with the Public Meetings Rule (ER6).

3. Handle petitions submitted under the RRC Public Participation in a Development Rule (ER5). As appropriate to the development process, the Manager may appoint working groups and designate membership by approved petitioners.

4. If additional potentially affected parties are identified at any point in the development process, promptly attempt to contact those parties and ensure they are aware of the development.

Once the proposed product is complete and ready for submission to the RRC Board of Directors (Board), the Manager will issue a public notice (1) stating the completed product is available for review on the RRC website (www.akrrc.org) and (2) providing a public comment period.

7.0 PRIOR TO SUBMISSION FOR BOARD CONSIDERATION

The Manager will evaluate the completed proposed plan, rule, reliability standard, or standard and prepare a statement to the Board that the plan, rule, reliability standard, or standard does not grant any person or entity an unreasonable preference or advantage or subject any person or entity to an unreasonable prejudice or disadvantage, as required by 3 AAC 46.460(a)(2). This may be supported by adherence to RRC development processes for those products, where applicable.
8.0 SUBMISSION FOR BOARD CONSIDERATION

When the Manager submits the developed product to the RRC Board for consideration (in accordance with the individual development processes where applicable), the Manager will also provide:

1. For a plan, rule, or reliability standard, the written explanation required under 3 AAC 46.110(a)(2)(C);
2. For a plan, rule, tariff, reliability standard, or standard, the report required under 3 AAC 46.460(a)(4)(I);
3. For a plan, rule, reliability standard, or standard, the finding that the proposed plan, rule, reliability standard, or standard does not grant any person or entity an unreasonable preference or advantage or subject any person or entity to an unreasonable prejudice or disadvantage.

9.0 FOLLOWING BOARD APPROVAL

1. Upon Board approval of and direction to file with the RCA the proposed plan, rule, or reliability standard, a director dissent, if any, will be appended to the written explanation required under 3 AAC 46.110(a)(2)(C), and the written explanation will be published with the approved plan, rule, or reliability standard on the RRC website.

2. Upon Board approval and instruction to file with the RCA a proposed rule, the board-designated authorized filer will publish a Notice of Filing on the RRC website. The notice must contain the items required in 3 AAC 46.470(d)(6).

3. Upon board approval and instruction to file with the RCA a proposed plan, the board-designated authorized filer will, no later than twenty (20) days before filing with the RCA, do the following:
   1. Post a Notice of Filing on the RRC website, and
   2. Directly notify registered entities of the intent to file.

4. For all products, the report required under 3 AAC 46.460(a)(4)(I) will be addressed to the RCA and filed, according to RCA regulations, with the submittal requesting approval of the proposed product.
Exhibit E-10-2

ER2: Compliance Monitoring and Enforcement Program Rule
# COMPLIANCE MONITORING AND ENFORCEMENT PROGRAM RULE

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1.0 INTRODUCTION

This Compliance Monitoring and Enforcement Program (CMEP) Rule (ER2) will be used by the Railbelt Reliability Council (RRC), certificated as the electric reliability organization (ERO) with authority for the Interconnected Electric Energy Transmission Network within the Railbelt region of Alaska, to monitor, assess, and enforce compliance with Reliability Standards. This CMEP Rule was developed to meet the requirements established by Alaska Statute (AS) 42.05.760 - 790 and the Regulatory Commission of Alaska (RCA) 3 Alaska Administrative Code (AAC) Part 7, Chapter 46 for the establishment of an ERO. In particular:

- AS 42.05.762(3)(C) requires the ERO to establish rules providing fair and impartial procedures for enforcement of Reliability Standards;
- 3 AAC 460(a)(2) requires the ERO to establish procedures for ensuring that the CMEP does not grant any person an unreasonable preference or advantage or subject any person to an unreasonable prejudice or disadvantage;
- 3 AAC 46.460(a)(3) requires the ERO to establish a procedure for ensuring that enforcement investigations, including penalty recommendations, undertaken by the ERO cannot be carried out by persons employed by, either directly or by contractual arrangement, or affiliated with the person under investigation; and
- 3 AAC 46.460(a)(4)(J) requires the ERO to establish a process for providing public notice and an opportunity for public comment on each proposed enforcement action.

1.1 Document Organization

This CMEP Rule is organized as follows:

- Section 1.0 describes the RRC’s authority to collect information and the management of confidential information.
- Section 2.0 explains the Entity Registration Program, including the RRC Compliance Registry Process.
- Section 3.0 discusses the following compliance monitoring processes: Compliance Audits, Self-Certifications, Compliance Investigations, Self-Reports, and Preliminary Screens.
- Section 4.0 details enforcement actions used by RRC, including notices, responses, and enforcement.
- Section 5.0 explains the use and content of Mitigation Plans.
- Section 6.0 lists Remedial Action Directives (RADs).
- Section 7.0 clarifies reporting and disclosure procedures.
- Section 8.0 is a list of references used in this report.
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- Appendix A provides definitions of key terms used in this CMEP Rule.
- Appendix B is a list of acronyms and abbreviations used in this CMEP Rule.

### 1.2 Definitions

Definitions specific to this document are included in Appendix A. Acronyms and abbreviations are defined in Appendix B.

### 1.3 Authority to Collect Information

The RRC has the authority to collect and retain documents, data, and information in the manner it deems most appropriate and that is applicable to the investigation of a specific occurrence or Reliability Standard to which the Registered Entity is subject. This authority includes requiring that copies of documents, data, and information be made available to the RRC requesting staff for removal from the Registered Entity’s location. Removal of documents, data, and information will be in accordance with appropriate security procedures and other safeguards as required to maintain the confidential status of the documents, data, and information. The RRC Documents Retention and Access Rule (ER3) and Confidential Documents and Access Rule (ER4) apply.

The RRC and Registered Entities engaged in the processes described in this document should consult with each other on the documents, data, and information that would be appropriate for effectively addressing process requirements. If a Registered Entity believes that a request for documents, data, or information is unreasonable, the Registered Entity may, in writing, contest the request with the requesting RRC staff. Any disputes unable to be resolved with the requesting staff may be submitted to the Board or its designee for a determination.

Any documents, data, and information required by the RRC must, when delivered to the RRC, include a cover letter that is signed by an officer, employee, attorney, or other authorized representative of the Registered Entity. Electronic signatures are permitted in accordance with processes established by the RRC. The RRC may require the signer to provide a statement of the basis of their authority to sign on behalf of the Registered Entity.

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1 Defined as a User, Owner, or Operator registered with the ERO and subject to Reliability Standards approved by the RRC and the RCA. Appendix A contains definitions for terms used in this document.

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| Rule Letter ER2-CERT # [Insert] | Issued By: Railbelt Reliability Council | Effective Date: [Insert] |
1.4 Confidential Information

1.4.1 Protected Information

The RRC may classify and protect from disclosure certain documents, including those involving critical energy infrastructure information and cybersecurity incident information, as confidential under the Confidential Documents and Access Rule (ER4).

1.4.2 Confidential Information Treatment

The RRC will treat all Possible Violations and Alleged Violations of Reliability Standards and matters related to a CMEP process, including for example the status of any Compliance Investigation or other CMEP process, as confidential in accordance with this rule and the Confidential Documents and Access Rule (ER4).

1.4.3 Identification of Confidential Information

Confidential information shall be submitted to the RRC pursuant to the Confidential Documents and Access Rule (ER4). The entity submitting information to the RRC is responsible for identifying and requesting confidential classification of any confidential information.

1.4.4 Provision of Information to the Regulatory Commission of Alaska

Information will be provided to the RCA in accordance with the requirements set forth in this document.

2.0 ENTITY REGISTRATION PROGRAM

To identify entities responsible for complying with RCA-approved Reliability Standards, the RRC has established an Entity Registration Program (ERP). Entities that are registered shall be included on the [RRC Compliance Registry]² and are responsible for knowing the content of and complying with all applicable Reliability Standards.

2.1 Entity Registration

All entities in the Railbelt region of Alaska that are currently, or expecting to be operational as, a Registered Entity as defined in the [RRC Compliance Registry Criteria] must register with the RRC and comply with applicable Reliability Standards.

² Items in brackets are planned and the name may change.
In the event an entity that satisfies the criteria for a Registered Entity fails to register with the RRC after receiving notification of the requirement to register, the RRC may include the entity on its Compliance Registry in accordance with the process described in Section 2.2 – Compliance Registry Registration Process of this CMEP Rule.

The RRC shall ensure through its Compliance Registry that (1) no Interconnected Bulk-Electric System (BES) areas are lacking any entities to perform the duties and tasks identified in and required by the Reliability Standards to the fullest extent practical, and (2) there is no unnecessary duplication of such coverage or of required oversight of such coverage.

2.2 Compliance Registry Registration Process

The RRC shall use the following rules for establishing and maintaining the Compliance Registry based on the [RRC Compliance Registry Criteria] established by the RRC and posted on the RRC website:

- **Notification:** The RRC shall notify each entity that it has been included on the [RRC Compliance Registry] and as such is a Registered Entity. Each Registered Entity is responsible for compliance with all the Reliability Standards applicable to the functions for which it is registered from the time it receives the registration notification from the RRC.
  - Any entity placed on the Compliance Registry by the RRC may challenge placement and request deactivation as provided for in Section 2.4 – Registration Review Process Challenges of this CMEP Rule. Any entity may also challenge whether the function for which it is registered is one that the entity is, or is capable of, performing.
  - The RRC shall also notify each entity that has been removed from the Compliance Registry or if the entity is no longer responsible for a function.

- **Changes:** Each Registered Entity shall inform the RRC promptly, but no less than five (5) business days before such changes take effect, of changes or planned changes to the Registered Entity’s registration information.

- **Website:** The RRC shall maintain on its website the Compliance Registry of entities responsible for meeting the requirements of the Reliability Standards currently in effect and shall update the Compliance Registry as changes occur.

- **Contact Information:** The RRC will designate a contact person(s) and require each Registered Entity to designate a contact person(s) responsible for sending and receiving all necessary information and communications concerning compliance matters. A Registered Entity shall also provide their chief executive officer’s (CEO’s) (or equivalent’s) contact information to the RRC. The RRC will designate the receiving staff and where Registered Entities are to send information, data, Mitigation Plans, or any other compliance-related correspondence.
2.3 Load-serving Entity Responsibility

Load-serving Entities (LSEs) will notify the RRC in writing as required by the RRC’s tariff of all potential Registered Entities that may be subject to (1) an RCA-approved Reliability Standard, or (2) a Reliability Standard that the RRC may develop in the reasonably foreseeable future provided for in Section 2.2 – Compliance Registry Registration Process as described under “Contact Information.” The RRC will determine whether a potential Registered Entity meets the [RRC Compliance Registry Criteria].

2.4 Registration Review Process and Challenges

The RRC will establish a Registration Review Process (RRP) to evaluate the following: (1) Registered Entity requests for deactivation (i.e., removal from the Compliance Registry) or decisions by entities not to register when the RRC has determined they should, (2) requests to add an entity that does not meet the RRC Registry Criteria, and (3) disputes regarding the application of the [RRC Compliance Registry Criteria]. Challenges to inclusion or deactivation from the [RRC Compliance Registry] shall follow the process described below:

1. The requesting challenging entity will submit a written request to the RRC’s designated person as provided in Section 2.2 – Compliance Registry Registration Process for a formal review of its registration. The entity should include its reasoning for the request for inclusion to or deactivation from to the Compliance Registry based on the [RRC Compliance Registry Criteria]. The burden of proof is on the entity that makes the request for the review.

2. The RRC will review the submitted documentation and determine whether the request is valid or invalid within thirty (30) days of receipt.

3. If the request is deemed invalid, the RRC will send a written notice to the entity and other affected parties.

4. If the request is deemed valid, the RRC will send a written notice of the RRC’s acceptance of the valid request to the entity and other affected parties. The entity will continue to be expected to comply with Reliability Standards (if applicable) until the challenge has a final determination.

5. The standard of proof in any proceeding under the RRP shall be a preponderance of the evidence. The RRC will evaluate all documentation, assessments, and responses submitted to determine whether the weight of the evidence supports the registration action under review more than it does not support the action. The RRC may issue a request for information to the entity or any other parties and will copy all parties on any such correspondence. The RRC will render its decision within sixty (60) days of receipt of all relevant information related to the request from any party.
6. The RRC may use its discretion to extend the timelines of the review process for good cause. Any party may also request to extend the timelines by sending a request for extension. The RRC shall notify all parties of such time extensions.

7. The RRC decision will be issued to the entity with a copy to all parties, and the Compliance Registry will be updated as required. The RRC will post a challenge and the decision on its website.

3.0 COMPLIANCE MONITORING PROCESSES

The RRC will monitor Registered Entities’ compliance with Reliability Standards using the compliance monitoring processes described in this section and consistent with the [RRC Compliance Monitoring and Enforcement Manual].

If the compliance monitoring processes described in this section reveal potential noncompliance with a Reliability Standard, the RRC will conduct a Preliminary Screen of the potential noncompliance in accordance with Section 3.7 – Preliminary Screens. If the Preliminary Screen results in an affirmative determination with respect to the Preliminary Screen criteria, the RRC will proceed in accordance with Section 4.0, except as otherwise authorized in this CMEP Rule.

Registered Entities found in violation of a Reliability Standard will be required to mitigate the violation regardless of any enforcement actions taken.

3.1 Data and Information

Timely information, reports, and data from Registered Entities are required for the RRC to effectively monitor compliance with Reliability Standards. The RRC has the authority to collect all information it deems necessary on a timely basis in accordance with Section 1.3 – Authority to Collect Information.

3.2 Compliance Audits

All Registered Entities are subject to audit for compliance with those Reliability Standards applicable to the functions for which the Registered Entity is registered. Compliance Audits are conducted on-site at the Registered Entity’s main office, off-site through tabletop audits, or a combination of on-site and off-site processes as determined by the RRC. Compliance Audits, whether scheduled or unscheduled (i.e., “spot checks”), are a process to determine compliance with certain Reliability Standards and to identify potential best practices. Compliance Audits are not conducted as the result of a system event.
3.2.1 Compliance Audit Process Steps

The process steps for a Compliance Audit are as follows:

- **Notification**: If the RRC identifies a need to conduct scheduled Compliance Audits, the RRC will post an Audit Plan on the RRC website by October 1 of the year preceding the first audit (as described in Section 3.2.3 – Compliance Audit Plan and Schedule).
  - The RRC will also provide additional information to those Registered Entities identified for scheduled Compliance Audits, including Compliance Audit materials, typical agendas for an audit, and any changes to the posted schedule.
  - At least ninety (90) days prior to commencement of a scheduled Compliance Audit, the RRC will notify the Registered Entity of (1) the Compliance Audit and the Reliability Standards to be evaluated; (2) the Compliance Audit Team member(s), including employment history; and (3) requested data, including an RRC pre-Compliance Audit questionnaire to be completed by the Registered Entity.
    - A Registered Entity may object to a Compliance Audit Team member as provided for in Section 3.2.2 – Registered Entity Objections to Compliance Audit Team Members.
    - If the Compliance Audit Team members change from the time of the original notification, the RRC will promptly notify the Registered Entity of the change and will allow time for the Registered Entity to object to the new Compliance Audit Team member(s) as provided for in Section 3.2.2.

- **Information Submittal**: The Registered Entity will provide all required information to the RRC in the format and by the required date specified in the request.
- **Review**: The Compliance Audit Team will review the submitted information for conformance with the noticed Reliability Standards.
- **Compliance**: The Compliance Audit Team will notify the Registered Entity if it finds the entity is in compliance with the noticed Reliability Standard and that no further review will be conducted on-site. Additionally, the Compliance Audit Team will conduct an exit briefing with the Registered Entity, provide for a review of the draft Compliance Audit Report with the Registered Entity before it is finalized (per Section 3.2.6.1 – Draft Report), and complete a final Compliance Audit Report in accordance with Section 3.2.6.2 – Final Report.
- **Noncompliance**: If the Compliance Audit Team identifies evidence of potential noncompliance with a Reliability Standard by the Registered Entity, the RRC will conduct a Preliminary Screen of the potential noncompliance in accordance with Section 3.7 – Preliminary Screens.
3.2.2 Registered Entity Objections to Compliance Audit Team Members

A Registered Entity subject to a Compliance Audit may object to any member of the Compliance Audit Team on grounds of a conflict of interest or the existence of other circumstances that could interfere with the team member’s impartial performance of their duties. Any such objections must be provided in writing to the RRC no later than sixty (60) days prior to the start of Compliance Audit work.

This sixty (60)-day requirement shall not apply where a Compliance Audit Team member has been appointed less than twenty (20) days prior to the start of on-site Compliance Audit work or after Compliance Audit has commenced. In that circumstance, the Registered Entity must provide any objections to the RRC within five (5) business days after receiving notice of the appointment of the Compliance Audit Team member.

In the case of an unscheduled Compliance Audit pursuant to Section 3.2.3.2 – Unscheduled Audits, the Registered Entity must provide any objections to the RRC at least five (5) business days prior to the start of on-site Compliance Audit work for the unscheduled Compliance Audit.

The RRC will make a final determination on whether the Compliance Audit Team member will participate in the Compliance Audit. Nothing in Section 3.2 – Compliance Audits shall be interpreted to limit the participation of RRC staff in the Compliance Audit. Additionally, nothing in Section 3.2 shall be interpreted to limit the participation of RCA staff in a Compliance Audit of either a Registered Entity or a portion of the BES over which the RCA has jurisdiction.

3.2.3 Compliance Audit Plan and Schedule

If the RRC identifies a need to conduct scheduled Compliance Audits, the RRC will develop an Audit Plan and post the plan on the RRC website by October 1 of the year preceding the year covered in the plan. The RRC shall notify Registered Entities subject to Compliance Audits during the upcoming year of the Compliance Audit schedule. The RRC will give due consideration to any reasonable schedule changes requested by Registered Entities. Revisions and additions to the Audit Plan shall be communicated to the Registered Entity in a timely manner.

3.2.3.1 Compliance Audit Frequency

The RRC may perform scheduled Compliance Audits as prescribed in the [RRC Risk-based Compliance Criteria].
3.2.3.2 Unscheduled Audits

In addition to scheduled Compliance Audits, the RRC may initiate an unscheduled Compliance Audit of any Registered Entity at any time if the RRC reasonably determines it necessary to ensure the Registered Entity’s compliance with Reliability Standards on its own or at the direction of the RCA. The RRC shall provide at least ten (10) business days’ advance notice to the Registered Entity that an unscheduled Compliance Audit is being initiated. The advance notice shall include identification of the members of the Compliance Audit Team.

3.2.4 Compliance Audit Scope

3.2.4.1 Reliability Standards Included

A Compliance Audit shall include those Reliability Standards applicable to the Registered Entity that are determined by the RRC as material to the audit based on risks to the BES, past performance, emerging issues, and other factors the RRC deems appropriate.

3.2.4.2 Period Covered by Audit

The Registered Entity’s data and information must show compliance with the Reliability Standards that are the subject of the Compliance Audit for the entire period covered by the Compliance Audit (the “audit period”). The RRC will indicate the beginning and end dates of the audit period in its Notice of Compliance Audit. The audit period begins either the day after the end date of the prior Compliance Audit by the RRC, a date selected by the RRC, or the date the Registered Entity became subject to the applicable Reliability Standards if the Registered Entity has not previously been subject to a Compliance Audit. The audit period will not begin prior to the end date of the previous Compliance Audit. The RRC may modify the beginning date of the audit period for any given Reliability Standard requirement based on an intervening compliance monitoring process. The end of the audit period should be a specified date prior to the scheduled start of the Compliance Audit.

The Registered Entity will be expected to demonstrate compliance for the entire audit period. If a Reliability Standard specifies a document retention period that does not cover the entire audit period, the Registered Entity will not be found in noncompliance solely on the basis of its failure to retain applicable documents outside of the retention period specified in the Reliability Standard. However, in such cases, the RRC will require the Registered Entity to demonstrate compliance through other means. In addition, if the Compliance Audit Team discovers potential noncompliance occurring after the end of the audit period, the potential noncompliance will be subject to a Preliminary Screen pursuant to Section 3.7 – Preliminary Screens.
3.2.4.3 Mitigating Activities Review

The Compliance Audit may include a review of any mitigating activities that the Registered Entity has not yet completed for previously identified issues of noncompliance. The purpose of the review is to determine whether the Registered Entity is making adequate progress toward completion of the mitigating activities. No additional noncompliance will be assessed if the Registered Entity is completing the Mitigating Activities per the RRC-approved Mitigation Plan described in Section 5.0 – Mitigations of Violations of Reliability Standards.

3.2.5 Compliance Audit Team Member and Observer Conduct

3.2.5.1 Compliance Audit Team Composition

The Compliance Audit Team shall be comprised of the RRC staff, contractors and industry subject matter experts (SMEs) that have been determined to possess the requisite knowledge, training, and skills to conduct the Compliance Audit consistent with the [RRC Compliance Monitoring and Enforcement Manual]. The chair of the Audit Team (“Audit Team Leader”) shall be an RRC staff member and is responsible for the conduct of the Compliance Audit Team and preparation of the Compliance Audit Report.

3.2.5.2 Compliance Audit Team Member Requirements

Each Compliance Audit Team member must:

- Be free of conflicts of interests in accordance with RRC policies. Employees, immediate family members, or contractors of the Registered Entity being audited, or any of its affiliates or competitors, shall not be allowed to participate as auditors in the Compliance Audit of the Registered Entity.
- Comply with the [RRC Antitrust Compliance Guidelines] and have signed either (1) an appropriate confidentiality agreement, or (2) an acknowledgment that the confidentiality agreement signed by the RRC is applicable.
- Successfully complete all RRC auditor training applicable to the Compliance Audit.

Prior to the Compliance Audit, the RRC shall provide confirmation to the Registered Entity that all Compliance Audit Team members have executed confidentiality agreements or acknowledgements.
3.2.5.3 Compliance Audit Participants and Authorized Observers

In any Compliance Audit of a Registered Entity, the Registered Entity being audited and SMEs representing the Registered Entity are Compliance Audit Participants as approved by the Audit Team Leader.

In addition to Compliance Audit Participants, the Audit Team Leader may approve RRC staff, RRC contractors, RRC SMEs and/or other Registered Entities as authorized observers to the Compliance Audit.

At the request of the Registered Entity being audited, the RRC may allow attendance at the Compliance Audit by:

- Representatives of corporate affiliates of the Registered Entity being audited providing those affiliates are either Registered Entities or provide compliance services, support, or oversight to the Registered Entity being audited, and
- Representatives of Registered Entities whose compliance activities are conducted by the Registered Entity being audited or by the same corporate entity that conducts the compliance activities of the Registered Entity being audited.

Each such additional attendee must execute a confidentiality agreement approved by the RRC and will participate as an observer and not a SME, unless previously designated as such by the Registered Entity.

Compliance Audit observers and attendees are not Compliance Audit Team members and do not participate in conducting the Compliance Audit or in making Compliance Audit findings and determinations.

The Audit Team Leader will communicate in advance with any authorized observers to ensure there are no undue disruptions to the Compliance Audit, such as space limitations, conflicts of interest, and other considerations that in the judgment of the Audit Team Leader may be detrimental to the conduct and quality of the Compliance Audit. If the Audit Team Leader identifies any such issues, they shall work with the authorized observers to facilitate observation in a less disruptive manner; or, alternatively, RRC compliance staff will work with the authorized observers to schedule their observation of a different Compliance Audit in which such issues are not presented.

3.2.6 Compliance Audit Reports

3.2.6.1 Draft Report

The Compliance Audit Team will develop a draft Compliance Audit Report that will include the following:
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- A description of the objective, scope, and methodology of the Compliance Audit;
- Confirmation that no conflicts of interest exist for Compliance Audit Team members;
- Identification of any evidence of potential noncompliance with Reliability Standards by the Registered Entity found by the Compliance Audit Team;
- Identification of any RADs, Mitigation Plans, or other Mitigating Activities that have been completed or are pending in the year of the Compliance Audit; and
- A statement of whether any confidential information has been redacted.

The report may also state areas of concern and recommendations identified by the Compliance Audit Team.

The draft report will be provided to the Registered Entity for response to the findings. The Registered Entity shall respond, including acceptance or dispute of the findings contained in the report, in writing, to the Compliance Audit Team within thirty (30) days.

### 3.2.6.2 Final Report

After receiving the response back to the draft report from the Registered Entity, the Compliance Audit Team will consider any corrections based on comments by the Registered Entity. The Compliance Audit Team will then finalize the Compliance Audit Report and provide the Registered Entity with a copy of the final report on or before the date that the final report is provided to the RRC.

The final Compliance Audit Report shall include a statement of whether the Registered Entity that was the subject of the audit has accepted the result of the audit or disputes the result.

The RRC will provide a copy of any final report that found violations to the RCA, along with the audited entity’s response to the findings. The provision of the final Compliance Audit Report to the RCA shall be in accordance with Section 7.0 – Documents, Reporting, and Disclosure.

Work papers and other documentation associated with the Compliance Audit will be maintained by the RRC in accordance with the Documents Retention and Access Rule (ER3). The RRC will publicly post on its website the final Compliance Audit Report no earlier than five (5) business days but no later than thirty (30) days after the audited entity receives the final Compliance Audit Report from the Compliance Audit Team.

If the final Compliance Audit Report identifies possible violations of one or more Reliability Standards, the final Compliance Audit Report, or pertinent part thereof identifying the possible violations, shall not be released to the public by the RRC until (1) the possible violation is dismissed prior to becoming a
confirmed violation, (2) the RRC submits a Notice of Penalty to the RCA, or (3) the Registered Entity executes a settlement agreement with the RRC pursuant to Section 4.5 – Settlement Process.

Information deemed confidential by the RRC pursuant to Section 1.4 – Confidential Information or the Confidential Documents and Access Rule (ER4) will be redacted from any public reports.

3.3 Self-Certifications

The RRC may require Registered Entities to self-certify their compliance with certain Reliability Standards pursuant to the process defined in this Section 3.3 – Self-Certifications.

3.3.1 Self-Certification Process Steps

The process for the self-certification process is described below:

- The RRC will update, post to its website, and inform Registered Entities of the standards requiring self-certification and the reporting schedule containing the applicable reporting periods. The RRC will ensure that the appropriate Reliability Standards, compliance procedures, and required submittal forms for the Reliability Standards being evaluated are maintained and available.
  - For any Reliability Standards added or removed from those required for self-reporting by the RRC, the RRC will update the reporting schedule, applicable reporting periods, and required submittal forms.
  - The RRC will request that the Registered Entity conduct a self-certification within the advance notice period specified by the Reliability Standard. If the Reliability Standard does not specify the advance notice period, this request will be provided to the RRC within thirty (30) days.

- The Registered Entity will provide the required information to the RRC in the form and manner, and by the required date, specified by the RRC. The self-certification response may state that (1) the Registered Entity is in compliance with the Reliability Standard, (2) the Registered Entity is not in compliance with the Reliability Standard, (3) the Registered Entity does not own facilities that are subject to the Reliability Standard, or (4) the Reliability Standard is not applicable to the Registered Entity.

- At a minimum, the RRC will review Self-Certifications of noncompliance and Self-Certifications in which the Registered Entity has responded that it does not own facilities that are subject to the Reliability Standard or is not subject to the Reliability Standard. The RRC may request additional information as necessary.
If the RRC staff review of the self-certification indicates potential noncompliance with a Reliability Standard by the Registered Entity, the RRC will conduct a Preliminary Screen of the potential noncompliance in accordance with Section 3.7 – Preliminary Screens. Receipt of a self-certification by the RRC staff shall not be construed as a finding by the RRC that the Registered Entity is compliant with, not compliant with, subject to, or not subject to, the Reliability Standard.

3.4 Compliance Investigations

Compliance Investigations can be initiated by the RRC or the RCA, as described below:

- **RRC Initiation**: A Compliance Investigation may be initiated at any time by the RRC in response to a system disturbance, Complaint, or any potential noncompliance with a Reliability Standard identified by any other means. Compliance investigations will be led by RRC staff. The RRC will also initiate a Compliance Investigation if directed by the RCA.
  - **Public vs. Confidential**: Compliance Investigations are confidential as provided for in Section 1.4 – Confidential Information and applicable RRC policies and rules, unless the RCA directs that a Compliance Investigation should be public or that certain information obtained in the Compliance Investigation should be publicly disclosed.
  - **Public Notice**: The RRC may provide public notice that a Compliance Investigation has been initiated. This notice will be posted to the RRC website and need not provide opportunity for public comment. If violations are identified, they will be processed in accordance with Section 4.0 – Enforcement Actions.

- **RCA Initiation**: The RCA may initiate its own investigation. Investigations initiated by the RCA are conducted by the RCA and not subject to RRC jurisdiction.

3.4.1 Compliance Investigation Process Steps

The RRC Compliance Investigation Process is as described below:

- **Notice of Compliance Investigation**: After the RRC becomes aware of circumstances indicating a Reliability Standard may have been or is being violated, the RRC will determine whether a Compliance Investigation is warranted. Within three (3) business days of the decision to initiate a Compliance Investigation, the RRC will (1) issue a Notice of Compliance Investigation to the Registered Entity that provides notice of initiation and the initial scope of the Compliance Investigation, and (2) instruct the Registered Entity to preserve all records and information relevant to the Compliance Investigation. The Compliance Investigation may be expanded...
beyond the initial scope based on information obtained by the RRC after initiation of the Compliance Investigation.

- **Compliance Investigation Team**: The RRC will request data or documentation and provide a list of individuals on the Compliance Investigation Team that includes each member’s employment history. Within ten (10) business days of receiving the Notice of a Compliance Investigation, a Registered Entity subject to a Compliance Investigation may object to any individual member of the Compliance Investigation Team on grounds of a conflict of interest or the existence of other circumstances that could interfere with the team member’s impartial performance of their duties; however, the Registered Entity may not object to participation by RRC staff. Such objections must be provided in writing to the RRC within the ten (10) business day period. The RRC will make a final determination as to whether the individual will participate in the Compliance Investigation of the Registered Entity.

- **Registered Entity Response**: The Registered Entity shall provide the required information to the RRC in the format and by the required date specified in the request. If information is not received in the time and format requested, the RRC may initiate the steps in the [RRC Process for Non-Submittal of Requested Data].

- **On-Site Visit**: If necessary, a Compliance Investigation may include an on-site visit to interview appropriate personnel and review relevant data as determined by the RRC.

- **Requirements**: The RRC may require the Registered Entity to do any of the following:
  - Provide an affidavit signed by an officer, employee, attorney, or other authorized representative of the Registered Entity attesting to the accuracy, completeness, and truth of the Registered Entity’s responses to the RRC’s requests for information; or
  - Produce one or more officers, employees, or other authorized representatives of the Registered Entity who are familiar with the matter(s) that are the subject of the Compliance Investigation, to be interviewed concerning such matters. All interviews shall be recorded, and counsel may be present when an interview is conducted. The RRC shall determine whether additional representatives of the Registered Entity will be allowed to be present when an interview is taking place.

- **Review**: The RRC will review information to determine compliance with the Reliability Standards. The RRC may request additional data and/or information, if necessary.

- **Completion and Report**: The RRC will complete the assessment of compliance with the Reliability Standard, which may include review of a Mitigation Plan or Mitigating Activities, and will provide a report of the Compliance Investigation to the Registered Entity.

- **Preliminary Screen**: If at any time during the Compliance Investigation the RRC identifies potential noncompliance with a Reliability Standard requirement by a Registered Entity, the RRC shall
conduct a Preliminary Screen of the potential noncompliance in accordance with Section 3.7 – Preliminary Screens.

- **Notice of No Violation**: If the RRC determines that no violation occurred, it will send the Registered Entity a notice that the Compliance Investigation has been completed and that no violation was found. The RRC will also notify the RCA of its findings. Any such notice to the RCA will be provided in accordance with Section 7.0 – Documents, Reporting, and Disclosure.

### 3.5 Self-Reports

Self-Reports are encouraged at the time a Registered Entity becomes aware that (1) it has, or may have, violated a Reliability Standard, or (2) the violation severity level (VSL) of a previously reported violation has changed. Self-Reports of a violation of a Reliability Standard are required as part of the Find, Fix, Track, and Report (FFTR) process described in Section 3.5.2 – FFTR Process for minimal or moderate risk Reliability Standard violations. A Self-Report should describe any actions that have been taken or will be taken to resolve the violation.

#### 3.5.1 Self-Report Process

The process for Self-Reports is as follows:

- The Registered Entity will complete and submit an [RRC Self-Report Submittal Form], which will be available on the RRC website, to the RRC.
- The RRC will review the information in the [RRC Self-Report Submittal Form] to evaluate compliance with the Reliability Standards and may request that the Registered Entity provide clarification or additional information.
- The RRC will conduct a Preliminary Screen of the Self-Report information in accordance with Section 3.7 – Preliminary Screens.

#### 3.5.2 Find, Fix, Track, and Report Process

The Find, Fix, Track, and Report (FFTR) process may be used to address noncompliance by a Registered Entity posing a minimal or moderate risk to the reliability of the BES without resulting in a Notice of Penalty, formal Mitigation Plan, or other enforcement action. The FFTR process is as follows:

- The Registered Entity shall promptly mitigate the noncompliance;
- The Registered Entity shall submit the [RRC FFTR Report Form], which will be available on the RRC website at [www.akrrc.org](http://www.akrrc.org), to the RRC that contains the facts and circumstances of the noncompliance, including those facts that support the determination of the level of risk and the mitigation actions taken, and the RRC will determine whether the violation warrants initiation of another compliance monitoring or enforcement process contained herein; and
3.6 Complaints

The RRC may receive Complaints alleging violations of a Reliability Standard. The RRC will conduct a review of each Complaint it receives to determine whether the Complaint provides a sufficient basis for initiating a compliance monitoring or enforcement process.

The RRC will determine if the Complaint may be closed as a result of the initial review and assessment or if it provides sufficient basis for initiating a compliance monitoring or enforcement process. If, as a result of the initial review of the Complaint, the RRC determines that initiating a compliance monitoring or enforcement process is warranted, the RRC shall conduct that compliance monitoring or enforcement process in accordance with the applicable provisions of Section 3.0 – Compliance Monitoring Processes.

3.6.1 Complaint Process Steps

The complaint process is as follows:

- The complainant will notify the RRC by submitting the [RRC Complaint Reporting Form], or by other means provided by the RRC. The RRC shall post a link to the [RRC Complaint Reporting Form] on its website. The Complaint shall include sufficient information to enable the RRC to make an assessment regarding whether the initiation of a compliance monitoring or enforcement process is warranted. The RRC may engage in limited informal investigation of the complaint to determine if the complaint warrants initiation of a CMEP action. The RRC will not act on a Complaint if the Complaint is incomplete or does not include sufficient information.
- If the RRC determines that initiation of a compliance monitoring or enforcement process is warranted, the RRC will initiate the compliance monitoring or enforcement process in accordance with the applicable provisions of Section 3.0 – Compliance Monitoring Processes or Section 5.0 – Mitigation of Violations of Reliability Standards; otherwise, it will take no further action. The RRC will notify the complainant and the Registered Entity of the initiation of the compliance monitoring or enforcement process.
- If the RRC determines that initiation of a compliance monitoring or enforcement process is not warranted, it will notify the complainant and the Registered Entity that no further action will be taken.
- The RRC will fully document the Complaint and the complaint review, and will determine whether another compliance monitoring or enforcement process is warranted.
3.6.2 Anonymous Complainant Notification Process

A complainant who believes, or has information indicating that there has been, a violation of a Reliability Standard and wishes to remain anonymous can report the information on the [RRC Complaint Reporting Form], which includes a request option that the complainant’s identity not be disclosed. All Complaints lodged by a person or entity requesting that the complainant’s identity not be disclosed shall be investigated by the RRC following the process described in Section 3.6.1 – Complaint Process Steps. The RRC shall not disclose the identity of a person or entity that requested to remain anonymous. The identity of the complainant will only be provided on a need-to-know basis. If the RRC determines that initiation of another compliance monitoring and enforcement process is not warranted, it will notify the complainant and the Registered Entity that no further action will be taken.

3.7 Preliminary Screens

If the RRC obtains information through one of the compliance monitoring processes described in this Section 3.0 – Compliance Monitoring Processes, or by any other means, that indicates potential noncompliance with a Reliability Standard, the RRC shall conduct a Preliminary Screen of the potential noncompliance.

3.7.1 Timeline

The Preliminary Screen shall be conducted within five (5) business days after the RRC identifies the potential noncompliance. Exceptions are:

- If the RRC identifies the potential noncompliance during a Compliance Audit, the Preliminary Screen shall be conducted by others not associated with the Compliance Audit Team immediately following the Compliance Audit exit briefing of the Registered Entity, and
- If the RRC identifies the potential noncompliance during a Compliance Investigation, the Preliminary Screen shall be conducted immediately after the Registered Entity is first notified of the potential noncompliance identified by the Compliance Investigation.

3.7.2 Limitations

A Preliminary Screen shall be limited to determining whether:

- The entity allegedly involved in the potential noncompliance is a Registered Entity;
- The Reliability Standard to which the evidence of potential noncompliance relates is applicable to the entity, has been approved by the RCA, and is in effect at the time of the potential noncompliance; and
- If known, the potential noncompliance is not a duplicate of a Possible Violation or Alleged Violation that is currently being processed.

If the Preliminary Screen results in an affirmative determination with respect to the above criteria, the RRC shall proceed in accordance with Section 4.0 – Enforcement Actions, unless the FFTR process is used in accordance with Section 3.5.2 – FFTR Process.

The RRC shall maintain records of all Preliminary Screens.

### 4.0 ENFORCEMENT ACTIONS

Enforcement actions will be taken by the RRC for all violations except those addressed through the FFTR process described in Section 3.5.2 – FFTR Process. Enforcement action recommendations are developed by the Technical Advisory Council’s (TAC) Compliance Engineer in consultation with other TAC Engineers. Once developed, the recommendation is sent to the CEO to forward to the board for action. The RRC shall determine (1) whether there have been violations of Reliability Standards by Registered Entities, and (2) if so, the appropriate Mitigating Activities and Penalties or sanctions/nonmonetary penalties, as prescribed in the [RRC Sanction Guidelines].

Before an enforcement investigation or action is started, the RRC staff to conduct the enforcement must provide verification to the CEO or their designee that the RRC staff is not employed by, either directly or through contractual arrangement, or affiliated with, or a competitor of, the person or entity under investigation. The CEO or their designee shall certify receipt of the verification and shall enter the verification in the enforcement record. A person affiliated with, a competitor of, or employed by a person or entity under investigation may not conduct an enforcement investigation or action, including making a penalty recommendation, related to that person or entity.

The imposition and acceptance of a Penalty or sanctions/nonmonetary penalties shall not be considered an acceptable alternative to any Registered Entity’s continuing obligation to comply with the Reliability Standards.

The RRC has authority to collect documents, data, and information as described in Section 1.3 – Authority to Collect Information.

The enforcement process described in this Section 4.0 – Enforcement Action will be undertaken by the RRC following identification of a possible violation of a Reliability Standard by a Registered Entity.
4.1  Notice of Possible Violation

If a Preliminary Screen conducted in accordance with Section 3.7 – Preliminary Screens results in an affirmative determination with respect to the Preliminary Screen criteria, the RRC shall issue a Notice of Possible Violation to the Registered Entity. The Notice of Possible Violation shall:

- State that a possible violation by the Registered Entity has been identified;
- Provide a brief description of the possible violation, including the applicable Reliability Standard requirement(s) and, if known, the date(s) involved; and
- Instruct the Registered Entity to retain and preserve all data and records relating to the possible violation.

The RRC shall proceed with the investigation of the possible violation in accordance with RRC standards and procedures.

4.2  Assessment of Possible Violation

After issuing a Notice of Possible Violation, the RRC will conduct an assessment of the facts and circumstances surrounding the possible violation to determine whether evidence exists to support a finding that a Registered Entity has violated the Reliability Standard identified in the Notice of Possible Violation, or whether the possible violation should be dismissed. The RRC may consider any additional information to determine whether the possible violation should be dismissed, modified, or resolved through the FFTR process in Section 3.5.2 – FFTR Process.

The Registered Entity may request settlement negotiations at any time pursuant to the Settlement Process in Section 4.6 – Appeal of RRC Penalty Decisions to RCA.

4.3  Notice of Alleged Violation

If the RRC determines, based on an assessment of the facts and circumstances surrounding a possible violation, that evidence exists to support a finding that a Registered Entity has violated a Reliability Standard, the RRC shall notify the Registered Entity of the determination of the alleged violation through issuance of a Notice of Alleged Violation and proposed Penalty or sanction/non-monetary penalty or similar notification. The Notice of Alleged Violation shall be transmitted by the RRC to the Registered Entity by email and shall be effective as of the date of the email message from the RRC transmitting the notification. The proposed penalty or sanction/non-monetary penalty will be publicly noticed for comment. The Notice of Alleged Violation shall include, at a minimum:

1. The Reliability Standard(s) that the Registered Entity has allegedly violated;
2. The date and time the alleged violation occurred or is occurring;

3. The facts the RRC believes demonstrate the alleged violation;

4. The proposed Penalty or sanction/nonmonetary penalty, if any, determined by the RRC to be applicable to the alleged violation in accordance with the [RRC Sanction Guidelines], including an explanation of the basis upon which the particular Penalty or sanction/nonmonetary penalty was determined to be applicable;

5. Notice that the Registered Entity shall, within thirty (30) days, elect one of the following options or the RRC will deem the Registered Entity to have accepted the determination of violation and proposed Penalty or sanction/nonmonetary penalty:
   - Agree with the alleged violation and proposed Penalty or sanction/nonmonetary penalty, agree to provide a response in accordance with Section 4.4 – Registered Entity Response, and agree to submit and implement a Mitigation Plan or complete other mitigating activities to correct the violation and its underlying causes;
   - Agree with the alleged violation, agree to provide a response in accordance with Section 4.4 – Registered Entity Response, and agree to submit and implement a Mitigation Plan or complete other mitigating activities to eliminate the violation and its underlying causes, but contest the proposed Penalty or sanction/nonmonetary penalty; or
   - Contest both the alleged violation and the proposed Penalty or sanction/nonmonetary penalty, and agree to provide a response in accordance with Section 4.4 – Registered Entity Response.

6. Notice that the Registered Entity may elect to submit a Mitigation Plan while contesting the alleged violation and/or the proposed Penalty or sanction/nonmonetary penalty, and that submission of a Mitigation Plan will not waive the Registered Entity’s right to contest the alleged violation and/or the proposed Penalty or sanction/nonmonetary penalty;

7. If the Registered Entity elects to contest the alleged violation and/or the proposed Penalty or sanction/nonmonetary penalty, the Registered Entity may elect to have a hearing conducted pursuant to the [RRC Compliance Hearing Process]; and

8. Required procedures to submit the Registered Entity’s Mitigation Plan.

The RRC shall notify the RCA of the Alleged Violation within five (5) business days of the determination of an Alleged Violation. Any such notice to the RCA shall be provided in accordance with Section 7.0 – Documents, Reporting, and Disclosure.
4.4 Registered Entity Response

Agrees, Does Not Contest, or No Response: If the Registered Entity agrees with, does not contest, or does not respond to the Notice of Alleged Violation within thirty (30) days following the date the Registered Entity was emailed the notice by RRC, it shall be deemed to have accepted the RRC’s determination of violation and Penalty or sanction/nonmonetary penalty. The Registered Entity may agree in writing to the RRC to waive a hearing for an alleged violation that includes a proposed Penalty or sanction/nonmonetary penalty, if the Registered Entity agrees with or does not contest the Notice of Alleged Violation.

No Response Follow-up: In the case of a nonresponse by the Registered Entity, RRC staff will present to the RRC board or their designee Alleged Violations that include a proposed Penalty or sanction/nonmonetary penalty. The Registered Entity shall be given the opportunity to be present (in person or via electronic means. A record of the hearing will be maintained in accordance with the RRC Hearing Process.

Contests: If the Registered Entity contests the alleged violation or the proposed Penalty or sanction/nonmonetary penalty, the Registered Entity shall submit to the RRC, within thirty (30) days following the date of the Notice of Alleged Violation, a response. The response must (1) explain the RE’s position, signed by an officer, employee, attorney, or other authorized representative; and (2) include any supporting information and documents. The RRC may grant a hearing for a Registered Entity contesting the Notice of Alleged Violation and shall grant a hearing for a Registered Entity contesting a proposed penalty or sanction/nonmonetary penalty: If a hearing is granted:

- The RRC will schedule the hearing within ten (10) business days of receipt of the Registered Entity response,
- The RRC will conduct the hearing in accordance with the [RRC Compliance Hearing Process].
- The RRC Board or their designee will make the final determination on a contested Notice of Violation or sanction/nonmonetary sanction.

4.5 Settlement Process

4.5.1 Settlement Negotiations

A Registered Entity can request settlement negotiations at any time, including prior to the issuance of a Notice of Alleged Violation; however, the RRC may decline to engage in or to continue settlement negotiations after a possible violation or alleged violation becomes a confirmed violation in accordance with Section 4.4 – Registered Entity Response. The Registered Entity or the RRC may terminate settlement negotiations at any time. Where the RRC has agreed to engage in settlement negotiations,
the time period specified in Section 4.4 for the Registered Entity to respond to the *Notice of Alleged Violation* will be suspended until settlement negotiations are concluded or terminated. For all settlement discussions, the RRC shall require the Registered Entity to designate an individual(s) authorized to negotiate on its behalf. The RRC may consider all relevant facts in settlement negotiations.

### 4.5.2 Settlement Agreement

The RRC and the Registered Entity will execute a settlement agreement setting forth the final settlement terms, including all Penalties or sanctions/nonmonetary penalties and mitigation requirements provided for in the final settlement.

A settlement agreement must ensure that the reliability of the BES will not be compromised by the settlement and that a violation of a Reliability Standard will not occur as a result of the settlement. All approved settlement agreements must provide for waiver of the Registered Entity’s right to a hearing and further appeal with the RRC.

The RRC will ensure consistency with other settlement agreements entered into for similar violations or under other, similar circumstances. The Registered Entity may submit an explanatory statement, conforming to the requirements of Section 4.4 – Registered Entity Response to be included in the settlement agreement, which shall be subject to consent of the RRC as part of the settlement agreement. The settlement agreement may state that the Registered Entity (1) admits the alleged violation, (2) does not contest the alleged violation, or (3) neither admits nor denies the alleged violation; however, the settlement agreement may not state that the Registered Entity denies the alleged violation.

RRC staff will present settlement agreements to the RRC Board for action. The Registered Entity shall be given the opportunity to be present (in person or via electronic means). A record of the proceedings will be maintained.

### 4.5.3 Reporting and Posting

The RRC will report the approved settlement of the violation to the RCA. Any such report shall be provided in accordance with Section 7.0 – Documents, Reporting, and Disclosure. The RRC will also post on its website publicly the violation settled (regardless of whether the settlement includes or does not include an admission of a violation) and the resulting Penalty or sanction/nonmonetary penalty provided for in the settlement. This posting shall include a copy of the settlement or a description of the terms of the settlement, and a copy of any Mitigation Plan that is agreed to as part of the settlement, with classified information redacted. The RRC will issue and post on the RRC website a letter setting forth the final settlement terms, including all Penalties or sanctions/nonmonetary penalties and mitigation...
requirements provided for in the final settlement. The letter describing the settlement shall be posted on the RRC website for public review and comment pursuant to Section 7.0 – Documents, Reporting, and Disclosure and will be subject to redacting confidential information as necessary.

4.6 Appeal of RRC Penalty Decisions to RCA

A Registered Entity may appeal a penalty decision of the RRC to the RCA in accordance with 3 AAC 46.140 and other applicable RCA regulations.

4.7 Notice of Confirmed Violation

A Notice of Confirmed Violation issued to a Registered Entity pursuant to Section 4.3 – Notice of Alleged Violation or Section 4.4 – Registered Entity Response shall include a detailed record of the enforcement action, including the facts and circumstances analyzed and the information upon which the RRC relied in proposing a Penalty or sanction/nonmonetary penalty.

The RRC’s Notice of Confirmed Violation will also include a Notice of Penalty developed in accordance with the [RRC Sanction Guidelines].

4.7.1 Public Notice & Comment - Violations Resulting in Notice of Confirmed Violation

Upon completion of the Alleged Violation process by acceptance, hearing, or settlement, and approval of the RRC, the RRC shall develop a Notice of Confirmed Violation.

The Notice of Confirmed Violation, including any proposed enforcement actions, as approved by the RRC, will be issued to the Registered Entity as described in Section 4.7 – Notice of Confirmed Violation and will be posted on the RRC website with provisions and a deadline for accepting public comment.

At the time of notifying the Registered Entity of the confirmed violation, the RRC shall also provide notice to the Registered Entity that the Registered Entity may provide a written explanatory statement to accompany the public notice and RCA filing of the confirmed violation. The Registered Entity’s statement must include the name, title, and signature of an officer, employee, attorney, or other authorized representative of the Registered Entity.

The RRC shall file the Notice of Confirmed Violation and Proposed Penalty containing any proposed enforcement action, penalties, and sanctions with the RCA in accordance with Section 4.8 – Enforcement Action Completion.
4.7.2 Notices of Confirmed Violation(s) and Proposed Penalty Submission to the RCA

The RRC will issue a Notice of Alleged Violation and proposed Penalty or sanction/nonmonetary penalty to the Registered Entity and will file the notice with the RCA. Any such filing with the RCA shall be made in accordance with Section 7.0 – Documents, Reporting, and Disclosure. The Notice of Confirmed Violation and Proposed Penalty will include:

- The name of the entity subject to the penalty;
- Identification of each Reliability Standard the Registered Entity violated;
- A statement setting forth findings of fact with respect to the act or practice resulting in the violation of each Reliability Standard;
- A statement describing the Penalty or sanction/nonmonetary penalty imposed;
- A record of the enforcement actions and hearing conducted in accordance with AS 42.05.775(a)(2) to address the assessment of the Penalty;
- Any statement provided by the Registered Entity as set forth in Section 4.4 – Registered Entity Response or Section 4.6 – Appeal of RRC Penalty Decisions to RCA;
- An appendix with the public comments received and any RRC response to those comments; and
- Other matters the RRC finds relevant to the imposition of the penalty.

In the event the Registered Entity has contested the matter through the RRC formal appeal process, the filing with the RCA will also include documents related to the appeal, including:

- Prepared written RRC findings of fact with the reasons for the final decision,
- Information and documentation supporting the RRC hearing process findings,
- A record of the hearing held to address the appeal, and
- Copies of all documents or other evidence presented at the hearing.

Unless remanded to the RRC by the RCA, the Penalty or sanction/nonmonetary penalty will be effective upon expiration of the thirty (30)-day period following filing with the RCA of the Notice of Proposed Penalty (or such longer period as ordered by the RCA) or, if the RCA opens a docket to review the Penalty or sanction/nonmonetary penalty, upon final determination by the RCA.

4.8 Enforcement Action Completion

Following RCA approval of, or expiration of the period for action by the RCA on, a Notice of Proposed Penalty filed by the RRC, the RRC shall issue a payment due notice and invoice to the Registered Entity. The payment due notice and invoice shall state the payment due date, which shall be thirty (30) days from the date of the payment due notice and invoice. Upon payment of all monetary penalties by the Registered Entity, the RRC shall issue a notice confirming payment to the Registered Entity.
The RRC will issue a *Notice of Completion of Enforcement Action* to the Registered Entity as follows:

- Following the completion by the Registered Entity of all requirements set forth in the *Notice of Penalty* and any settlement agreement, including any mitigating actions, the RRC shall issue the Registered Entity a *Notice of Completion of Enforcement Action*.
- If the RRC dismisses or disposes of a possible violation or alleged violation that does not become a confirmed violation, the RRC shall issue a *Notice of Completion of Enforcement Action* to the Registered Entity.

A copy of the *Notice of Completion of Enforcement Action* will also be provided to the RCA by the RRC and posted on the RRC website.

The *Notice of Completion of Enforcement Action* will include a release of any data retention directives that were previously issued to the Registered Entity in connection with the matter. Upon issuance of a *Notice of Completion of Enforcement Action*, tracking of the violation is completed, and the enforcement action will be closed.

### 5.0 MITIGATION OF VIOLATIONS OF RELIABILITY STANDARDS

The RRC has authority to collect, review, approve, and monitor the implementation of mitigation plans required as a result of a confirmed violation of a Reliability Standard as described in Section 4.0 – Enforcement Actions.

#### 5.1 Mitigation Plan Submission Requirement

A Registered Entity found to be in violation of a Reliability Standard shall file the following with the RRC within thirty (30) days: (1) a report detailing how the violation has been mitigated, or (2) a proposed Mitigation Plan to correct the violation. A Registered Entity may also submit a proposed Mitigation Plan at any other time, including with a self-report, or, without admitting it has committed a violation, in response to a *Notice of Possible Violation* or *Notice of Alleged Violation*.

Requirements for Mitigations Plan submittal according to Registered Entity responses are listed below:

- **No Contest**: A Mitigation Plan must be submitted by the Registered Entity within thirty (30) days after being served the *Notice of Alleged Violation* if the Registered Entity does not contest the alleged violation and Penalty or sanction/nonmonetary penalty.
- **Settlement Agreement**: If the Registered Entity and the RRC enter into a settlement agreement, the Mitigation Plan must also be reflected in that settlement agreement.
- **Contests**: The Registered Entity may choose to submit a Mitigation Plan while it contests an alleged violation or Penalty or sanction/nonmonetary penalty or in response to a *Notice of
Possible Violation; such submission shall not be deemed an admission of a violation or of the appropriateness of a penalty or sanction/nonmonetary penalty. If the Registered Entity contests the alleged violation or the Penalty or sanction/nonmonetary penalty with the RRC, the Registered Entity shall submit its Mitigation Plan within ten (10) business days following issuance of the Board’s or their designee’s determination of the contested matter.

If the Registered Entity has not yet submitted a Mitigation Plan, or the Registered Entity submits a Mitigation Plan that is rejected by the RRC in accordance with Section 5.5 – Review and Acceptance or Rejection of Proposed Mitigation Plans, any subsequent violations of the Reliability Standard identified by the RRC before the RRC renders its decision will be considered repeat violations of the Reliability Standard.

5.2 Mitigation Plan Contents

A Mitigation Plan shall include the following information:

- The Registered Entity’s point of contact for the Mitigation Plan, who shall be a person who is (1) responsible for filing the Mitigation Plan, (2) technically knowledgeable regarding the Mitigation Plan, and (3) authorized and competent to speak on behalf of the Registered Entity and respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity’s point of contact described in Section 2.0 – Entity Registration Program.
- The possible, alleged, or confirmed violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
- The cause of the possible, alleged, or confirmed violation(s).
- The Registered Entity’s action plan to correct the possible, alleged, or confirmed violation(s).
- The Registered Entity’s action plan to correct the cause of the possible, alleged, or confirmed violation(s).
- The Registered Entity’s action plan to prevent recurrence of the possible, alleged, or confirmed violation(s).
- The anticipated impact of the Mitigation Plan on the reliability of the BES, and an action plan to mitigate any increased risk to the reliability of the BES while the Mitigation Plan is being implemented.
- A timetable for completion of the Mitigation Plan, including the date by which the Mitigation Plan will be fully implemented and the possible, alleged, or confirmed violation(s) corrected.
- Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates of more than three (3) months from the date of submission. Additional violations may be determined for not completing work associated with accepted milestones.

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Any other information deemed necessary or appropriate by the RRC.

The Mitigation Plan shall be signed by an officer, employee, attorney, or other authorized representative of the Registered Entity.

5.3 Mitigation Plan Timetable

A Mitigation Plan must be submitted by the Registered Entity to the RRC on the following timetable, as applicable:

- Within thirty (30) days after being served the Notice of Alleged Violation if the Registered Entity does not contest the alleged violation and proposed Penalty or sanction/nonmonetary penalty.
- Within the timeframe reflected in a settlement agreement.
- Within ten (10) business days following issuance of the written decision of the RRC if the Registered Entity disputes the alleged violation or the Penalty or sanction/nonmonetary penalty.

5.4 Mitigation Plan Completion and Extensions

The Mitigation Plan shall be completed in accordance with its terms. However, at the RRC’s discretion, the completion deadline may be extended for good cause, including, but not limited to, for the following reasons:

- Operational issues such as the inability to schedule an outage to complete mitigating activities, and
- Construction requirements in the Mitigation Plan that require longer to complete than originally anticipated.

If the Mitigation Plan extends beyond the next applicable reporting/assessment period, Penalties or sanctions/nonmonetary penalties for any violation of the applicable Reliability Standard(s) occurring during the implementation period will be held in abeyance and will be waived if the Mitigation Plan is satisfactorily completed.

Timeline for Extension Requests: A request for an extension of any milestone or the completion date of the accepted Mitigation Plan by a Registered Entity must be received by the RRC at least five (5) business days before the original milestone or completion date. The RRC may accept a request for an extension or modification of a Mitigation Plan if the RRC determines the request is justified.

Additional Violations During Extension: Any additional potential violations assessed during the period of time the accepted Mitigation Plan is being implemented will be recorded by the RRC. The associated Penalties or sanctions/nonmonetary penalties will include a notation that the Registered Entity is
working under an accepted Mitigation Plan with an extended completion date. Penalties or sanctions/nonmonetary penalties will be held in abeyance until completion of the Mitigation Plan. Upon completion of the accepted Mitigation Plan in accordance with Section 5.6 – Confirmation of Mitigation Plan Implementation, the RRC will notify the Registered Entity that any findings of violations of the applicable Reliability Standard during the period that the accepted Mitigation Plan was being implemented have been waived and no Penalties or sanctions/nonmonetary penalties will apply.

5.4.1 Rejected Extended Mitigation Plans

If a Mitigation Plan submitted by a Registered Entity is rejected by the RRC in accordance with Section 5.5 – Review and Acceptance or Rejection of Proposed Mitigation Plans, the Registered Entity will be subject to any additional findings of violation of the applicable Reliability Standards during the period the Mitigation Plan was under consideration, and to imposition of any Penalties or sanctions/nonmonetary penalties imposed for such violations.

5.5 Review and Acceptance or Rejection of Proposed Mitigation Plans

5.5.1 Review Period

Unless the time period is extended by the RRC, the RRC will complete its review of the Mitigation Plan and issue a written statement accepting or rejecting the Mitigation Plan within thirty (30) days of receipt. If no statement is issued by the RRC within thirty (30) days, the Mitigation Plan will be deemed accepted unless the RRC extends the review period, as described below.

- To extend the initial or an extended period for review of the Mitigation Plan, the RRC shall, within the initial or extended review period, notify the Registered Entity that the review period is being extended and identify the date by which the RRC will complete its review of the Mitigation Plan.
- The RRC’s extension notice shall also state that if the RRC has not issued a notice by the end of the extended review period either stating that the RRC accepts or rejects the proposed Mitigation Plan or further extending the RRC’s period for review of the Mitigation Plan, the Mitigation Plan will be deemed accepted.

5.5.2 Rejection of Mitigation Plan

If the RRC rejects a Mitigation Plan, the RRC will provide the Registered Entity with a written statement describing the reasons for the rejection and will require the Registered Entity to submit a revised Mitigation Plan by the required date.
Revised Plan: The RRC will, within ten (10) business days after receipt of a revised Mitigation Plan, notify the Registered Entity of its decision to accept or reject the revised Mitigation Plan; if rejecting, the RRC will also provide a written statement describing the reasons for rejection and the required date for the second revised Mitigation Plan.

Second Review: If the second review results in rejection of the Mitigation Plan, the Registered Entity may request a hearing in accordance with the [RRC Compliance Hearing Process] by submitting to the RRC a written request for a hearing that includes an explanation of why the Mitigation Plan should be accepted. After the hearing is completed, the RRC will issue a written statement affirming its rejection or accepting a Mitigation Plan it deems appropriate.

5.5.3 Requirement for Revision of Mitigation Plan

If the RRC subsequently determines, upon completing its assessment of the possible violation, that the facts and circumstances are different from those on which the accepted Mitigation Plan was based, the RRC may, by Notice of Requirement for Revision of Mitigation Plan to the Registered Entity, require the Registered Entity to submit a revised Mitigation Plan that fully addresses the facts and circumstances of the violation. The notice shall state the additional or different facts and circumstances that need to be addressed in the revised Mitigation Plan.

The Registered Entity shall submit a revised Mitigation Plan in response to the notice within thirty (30) days following the date of the notice, unless the RRC specifies or allows a longer time. The Registered Entity’s revised Mitigation Plan will be subject to review and acceptance or rejection by the RRC in accordance with this Section 5.5 – Review and Acceptance or Rejection of Proposed Mitigation Plans.

If the RRC issues a Notice of Confirmed Violation or enters a settlement with the Registered Entity and does not identify a need to request modifications to the provisionally accepted Mitigation Plan based on additional or different facts and circumstances, the RRC shall issue a Notice of Requirement for Revision of Mitigation Plan to the Registered Entity stating that the “provisional” nature of the acceptance is terminated, and the acceptance is final. The RRC shall issue such notice within five (5) business days of issuance of the Notice of Confirmed Violation or entry execution of a settlement agreement.

5.5.4 Approved Mitigation Plan

The RRC will, within seven (7) business days of approving a Mitigation Plan, submit to the RCA, as a nonpublic informational filing, an approved Mitigation Plan relating to violations of Reliability Standards. The RRC shall also publicly post on its website the approved Mitigation Plan and the related Notice of Confirmed Violation and Notice of Proposed Penalty in accordance with Section 7.0 – Documents,
Reporting, and Disclosure, or if there was a settlement agreement, then in accordance with Section 4.6 – Appeal of RRC Penalty Decisions to RCA.

5.6 Confirmation of Mitigation Plan Implementation

The Registered Entity shall provide Mitigation Plan progress updates as required in the Mitigation Plan. The RRC will track the Mitigation Plan to completion and may conduct on-site visits and review the status of Mitigation Plan milestones and progress toward completion of the Mitigation Plan during the Compliance Audit.

Upon completion of the Mitigation Plan, the Registered Entity shall provide to the RRC a certification signed by an officer, employee, attorney, or other authorized representative of the Registered Entity that all required actions described in the Mitigation Plan have been completed with data or information sufficient for the RRC to verify completion. The RRC may request additional data or information and will conduct follow-up assessments, on-site audits, or other Compliance Audits it deems necessary to verify that all required actions in the Mitigation Plan have been completed.

In the event all required actions in the Mitigation Plan are not completed within the applicable deadline, including any extensions of the original deadline granted under Section 5.4 – Mitigation Plan Completion and Extensions, any violation(s) of a Reliability Standard subject to the Mitigation Plan that occurred during the originally scheduled time period for completion will be enforced immediately, and a new Mitigation Plan must be submitted to the RRC for approval. In addition, the RRC may conduct a Compliance Audit of, or issue a RAD to, the Registered Entity.

5.7 Recordkeeping

The RRC will maintain a record containing the following information for each Mitigation Plan:

- Name of the Registered Entity.
- The date of the violation(s).
- Monitoring method by which the violation was detected (i.e., self-report, Compliance Audit, compliance investigation, or complaint).
- Date(s) of Notice of Possible Violation and Notice of Alleged Violation (if applicable).
- Expected and actual completion date of the Mitigation Plan and major milestones.
- Expected and actual completion date for each required action.
- Accepted changes to milestones, completion dates, or scope of Mitigation Plan.
- Registered Entity’s completion notices and data submitted as evidence of completion.
- Any other information deemed relevant.
6.0 REMEDIAL ACTION DIRECTIVES

The RRC may issue a RAD based on its own knowledge or pursuant to a request or directive of the RCA when such remedial action is immediately necessary to protect the reliability of the BES from an imminent or actual threat. A RAD may include, but is not limited to, the following:

- Specifying operating or planning criteria, limits, or limitations that must be adhered to;
- Requiring specific system studies;
- Defining operating practices or guidelines;
- Requiring confirmation of data, practices, or procedures through inspection testing or other methods;
- Requiring specific training for personnel;
- Requiring development of specific operating plans;
- Directing a Registered Entity to develop and comply with a plan to remediate a violation;
- Imposing increased auditing or additional training requirements; and
- Requiring a Registered Entity to cease an activity that may constitute a violation of a Reliability Standard.

A RAD may be issued to a Registered Entity at any time. The RRC will specify whether a RAD obviates the need for a Mitigation Plan.

A RAD must be provided in a notice to the Registered Entity. The notice shall include:

- A list of the possible violation(s) or alleged violation(s) of Reliability Standards that are the basis for issuance of the RAD;
- A discussion of the factual basis for the RAD;
- The requirements the RRC is imposing to remove the imminent or actual threat to the reliability of the BES;
- A deadline for compliance and a schedule for specific periodic updates to the Compliance Enforcement Authority; and
- Notice to the Registered Entity that failure to comply with the directive by the required date may result in an enforcement action by initiating a compliance monitoring or enforcement process pursuant to the applicable provisions of this CMEP Rule.

The RRC will issue the Notice of Remedial Action Directive to the Registered Entity by (1) email to the Registered Entity’s CEO or equivalent and copied to the Registered Entity’s designated contact person for reliability matters, and (2) a recognized express courier service that provides tracking and verification of delivery to the recipient. The notice will be deemed received on the earlier of the actual date of
receipt of the electronic submission or receipt of the express courier delivery as specified by the express courier service’s verification of delivery.

Once the RRC has given the Registered Entity Notice of Remedial Action Directive, the Registered Entity may appeal the RAD by giving written notice to the RRC (RAD Appeal Notice) within two (2) business days following the date of receipt. Due to the urgency of resolving any objections to a RAD, a hearing will be conducted in accordance with the [RRC Compliance Hearing Process]. Issuance of the RAD Appeal Notice and participation in the expedited hearing process shall constitute the Registered Entity’s right to appeal the RAD. The Registered Entity may elect not to implement the RAD until the hearing process is completed or may proceed with implementing the RAD while it is contesting the RAD.

The RRC will report the issuance of the RAD to the RCA within two (2) business days in accordance with Section 7.0 – Documents, Reporting, and Disclosure.

The RRC will monitor implementation of RADs as necessary to verify compliance.

7.0 DOCUMENTS, REPORTING, AND DISCLOSURE

The CMEP Rule will adhere to the Documents Retention and Access Rule (ER3) and Confidential Documents and Access Rule (ER4).

The RRC will file with the RCA documents related to a Notice of Confirmed Violation and Proposed Penalty as required by statute and regulations. For information classified as confidential by the RRC, the RRC will petition the RCA for confidential status in accordance with 3 AAC 46.120(c). Any violations of Critical Infrastructure Protection (CIP) Reliability Standards will not be shared publicly to prevent information on CIP vulnerabilities from becoming public. For violations of CIP Reliability Standards, the RRC will publicly identify the Reliability Standard violated and any Penalty or sanction/nonmonetary penalty applied, but not the identity of the violator or the details of the violation. Such information will be provided to the RCA on a confidential basis as critical energy infrastructure information.
8.0 REFERENCES

RRC Reports & Other Documents
- RRC Antitrust Compliance Guidelines. To be developed by RRC post-certification.
- RRC Compliance Hearing Process. To be developed by RRC post-certification.
- RRC Compliance Monitoring and Enforcement Manual. To be developed by RRC post-certification.
- RRC Compliance Registry. To be developed by RRC post-certification.
- RRC Compliance Registry Criteria. To be developed by RRC post-certification.
- RRC Process for Non-Submittal of Requested Data. To be developed by RRC post-certification.
- RRC Risk-based Compliance Criteria. To be developed by RRC post-certification.
- RRC Sanction Guidelines. To be developed by RRC post-certification.

RRC Forms
- RRC Complaint Reporting Form. To be developed by RRC post-certification.
- RRC FFTR Report Form. To be developed by RRC post-certification.
- RRC Self-Report Submittal Form. To be developed by RRC post-certification.

RRC Notices
- Notice of Alleged Violation
- Notice of Appeal of Remedial Action Directive
- Notice of Completion of Enforcement Action
- Notice of Compliance Audit
- Notice of Compliance Investigation
- Notice of Confirmed Violation
- Notice of Final Acceptance of Mitigation Plan
- Notice of No Violation
- Notice of Penalty
- Notice of Possible Violation
- Notice of Proposed Penalty
- Notice of Requirement for Revision of Mitigation Plan
- Notice of Remedial Action Directive
- Notice of Violation
APPENDIX A  DEFINITIONS

Alleged Violation
A Possible Violation that the RRC has identified, but which has yet to be confirmed by the Board, based on an assessment of the facts and circumstances surrounding the Possible Violation, for which evidence exists to indicate a Registered Entity has violated a Reliability Standard.

Audit Plan
A plan developed by the RRC that includes the Reliability Standards and Registered Entities to be audited and the schedule of Compliance Audits for the calendar year.

Complaint
An allegation that a Registered Entity violated a Reliability Standard.

Compliance Audit
A systematic, objective review and examination of records and activities to determine whether a Registered Entity meets the requirements of applicable Reliability Standards.

Compliance Audit Participants
The Registered Entity and SMEs representing the Registered Entity scheduled to be audited.

Compliance Investigation
A comprehensive investigation, which may include an on-site visit with interviews of the appropriate personnel, to determine whether a violation of a Reliability Standard has occurred.

Compliance Registry
A list, maintained by the RRC, pursuant to the [RRC Compliance Registry Criteria], of the Users, Owners or Operators of the Interconnected Bulk-Electric System (BES) that perform one or more functions in support of reliability of the BES and are required to comply with one or more requirements of Reliability Standards.

Compliance Monitoring and Enforcement Program (CMEP)
The RRC’s Compliance Monitoring and Enforcement Program responsible for performing compliance monitoring and enforcement activities with respect to Registered Entities’ compliance with Reliability Standards.

Find, Fix, Track, and Report (FFTR)
A streamlined process to resolve minimal- or moderate-risk remediated Possible Violations that are not assessed a financial penalty.
**Interconnected Bulk-Electric System (BES)**
An Interconnected electric energy transmission network that includes two or more load-serving entities, at least one of which is subject to the provisions of AS 42.05.291.

**Interconnected Electric Energy Transmission Network**
A network of interconnected electrical generation resources, transmission lines, interconnections, and associated equipment operated at voltages of 69 kilovolts or more, operating in a geographic area that are synchronized so that the failure of one or more of the components may adversely affect the ability of the operators of other components within the system to maintain reliable operation of the facilities within the control of the operators.

**Load-serving Entity**
An electric utility that has a service obligation to distribute power to more than ten (10) customers that receive invoices directly from the entity.

**Mitigating Activities**
Actions taken by a Registered Entity to correct and prevent recurrence of a noncompliance, whether or not the actions are embodied in a Mitigation Plan.

**Mitigation Plan**
An action plan developed by the Registered Entity to (1) correct a violation of a Reliability Standard, and (2) prevent reoccurrence of the violation.

**Penalty**
Includes all penalties and sanctions. Including but not limited to a monetary or nonmonetary penalty, a limitation on an activity, function, operation, or other appropriate sanction. Penalties must be within the range set forth in the [RRC Sanction Guidelines] approved by the RCA, shall bear a reasonable relation to the seriousness of a Registered Entity’s violation, and shall take into consideration any timely efforts made by the Registered Entity to remedy the violation.

**Possible Violation**
The identification, by the RRC, of a possible failure by a Registered Entity to comply with a Reliability Standard that is applicable to the Registered Entity.

**Preliminary Screen**
An initial evaluation of evidence indicating potential noncompliance with a Reliability Standard has occurred or is occurring, conducted by the RRC for the purpose of determining whether a Possible Violation exists, and consisting of an evaluation of whether (1) the entity allegedly involved in the potential noncompliance is registered, (2) the Reliability Standard requirement to which the evidence of

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**Table:**

<table>
<thead>
<tr>
<th>Rule Letter ER2-CERT # [Insert]</th>
<th>Issued By: Railbelt Reliability Council</th>
<th>Effective Date: [Insert]</th>
</tr>
</thead>
</table>

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potential noncompliance relates is applicable to a reliability function for which the entity is registered, and (3) if known, the potential noncompliance is not a duplicate of a Possible Violation or Alleged Violation which is currently being processed.

**Railbelt**
The geographic area of Alaska extending from the communities of Fairbanks and Delta Junction in the north; to Homer and Seldovia in the south; to Tyonek in the west; and to Glacier View, Seward, and Whittier in the east. The Railbelt contains the service territories of Golden Valley Electric Association, Matanuska Electric Association, Chugach Electric Association, Homer Electric Association, and the City of Seward.

**Receiving Entity**
RRC receiving confidential information from a User, Owner, or Operator of the BES or from any other party.

**Registered Entity**
A User, Owner, or Operator registered with the electric reliability organization and subject to Reliability Standards approved by the RRC and the RCA.

**Reliability Standard**
Reliability standards of the RRC include, but are not limited to, any class of standards for the Interconnected Electric Energy Transmission Network, including balancing, modeling, protective relaying, reserve sharing, transmission planning, reactive power generation and control, physical security, and cybersecurity.

**Remedial Action Directive (RAD)**
An action required by the RRC that (1) brings a Registered Entity into compliance with a Reliability Standard or to avoid a Reliability Standard violation, and (2) is immediately necessary to protect the reliability of the BES from an imminent or actual threat.

**Self-Certification**
An attestation by a Registered Entity that it is compliant or noncompliant with a Reliability Standard requirement that is the subject of the self-certification, or that it does not own facilities that are subject to the Reliability Standard requirement, or that the Reliability Standard requirement is not applicable to the Registered Entity.

**Self-Report**
A report by a Registered Entity stating that the Registered Entity believes it has, or may have, violated a Reliability Standard.
Submiting Entity
A User, Owner, or Operator of the BES or any other party that submits information to the RRC which it reasonably believes contains confidential information.

User, Owner, or Operator
A person or entity that (1) is, or within a reasonable time will be, generating, transmitting, storing, or distributing electricity; and (2) may, as a result of electric facilities or equipment it owns, leases, operates, or controls, adversely affect the reliable operation of the BES.
### APPENDIX B  ACRONYMS & ABBREVIATIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>AAC</td>
<td>Alaska Administrative Code</td>
</tr>
<tr>
<td>AS</td>
<td>Alaska Statute</td>
</tr>
<tr>
<td>BES</td>
<td>Interconnected Bulk-Electric System</td>
</tr>
<tr>
<td>CEO</td>
<td>chief executive officer</td>
</tr>
<tr>
<td>CIP</td>
<td>critical infrastructure protection</td>
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<tr>
<td>CMEP</td>
<td>Compliance Monitoring and Enforcement Program</td>
</tr>
<tr>
<td>ERO</td>
<td>Electric Reliability Organization</td>
</tr>
<tr>
<td>FFTR</td>
<td>Find, Fix, Track, and Report (process)</td>
</tr>
<tr>
<td>LSE</td>
<td>Load-serving Entity</td>
</tr>
<tr>
<td>RAD</td>
<td>Remedial Action Directive</td>
</tr>
<tr>
<td>RCA</td>
<td>Regulatory Commission of Alaska</td>
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<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
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<tr>
<td>RRP</td>
<td>Registration Review Process</td>
</tr>
<tr>
<td>SME</td>
<td>subject matter expert</td>
</tr>
<tr>
<td>TAC</td>
<td>Technical Advisory Council</td>
</tr>
<tr>
<td>VSL</td>
<td>violation severity level</td>
</tr>
</tbody>
</table>
Exhibit E-10-3

ER3: Documents Retention and Access Rule
DOCUMENTS RETENTION AND ACCESS RULE

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1.0 PURPOSE & SCOPE

This Railbelt Reliability Council (RRC) Documents Retention and Access Rule provides a retention schedule for and public access to nonconfidential documents.

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>RRC chief executive officer</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
</tbody>
</table>

3.0 RESPONSIBILITIES OF KEY PERSONNEL

<table>
<thead>
<tr>
<th>Title</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>Oversees compliance with this rule</td>
</tr>
<tr>
<td>RRC staff</td>
<td>Preserves and provides access to RRC documents</td>
</tr>
</tbody>
</table>

4.0 TYPES OF RRC DOCUMENTS

Documents created or received by the RRC are presumed public unless classified confidential in whole or in part pursuant to the RRC Confidential Documents and Access Rule (ER4) and applicable law.

As used in this rule and in the Confidential Documents and Access Rule (ER4), “documents” includes any written, printed, or electronic materials developed or received in connection with the transaction of official business and preserved or appropriate for preservation by the RRC as evidence of the
organization’s function, policies, decisions, procedures, operations, or other activities. This includes but is not limited to:

- All records of communications, including but not limited to public comments, made by or submitted to the RRC;
- Proposed and approved plans, standards, tariffs, rules, and budgets and related comments received from the public;
- Documents related to the development or interpretation of proposed and approved plans, standards, tariffs, and rules, including draft materials and relevant data;
- Documents related to the RRC’s governance, budget, network reliability statistics, and registered entity registration; and
- Documents related to reliability standard enforcement actions.

5.0 RECORDS RETENTION SCHEDULE

The RRC shall maintain, at a minimum:

1. Paper and electronic copies of all current governing documents, including the Articles of Incorporation, Bylaws, rules, and other policies and procedures.
2. Permanent electronic records of all former governing documents no longer in effect.
3. Records of meetings as required in the Public Meetings Rule (ER6), including meeting recordings as applicable – for at least thirty (30) years.
4. Meeting minutes, complete agenda packets, and transcriptions (if any) – permanently.
5. An original set of books, accounts, papers, and records – permanently.

6.0 ACCESS TO DOCUMENTS

6.1 Website Access for Nonconfidential Documents

The RRC website, www.akrrc.org, serves as the primary location of RRC documents. Use will be in accordance with the RRC Website Terms & Use Policy. The RRC’s website will maintain all the capabilities required by 3 Alaska Administrative Code 46.460. The following will be available on the RRC website:

- All proposed and approved plans, standards, tariffs, rules, and budgets; any public documents related to the development or interpretation of those items; and all related comments received
from the public that do not include information classified as confidential or language that could subject the RRC to civil liability if republished will be posted to and accessible from the RRC website.

- Public comments received in writing will be posted providing they do not include information classified as confidential pursuant to the Confidential Documents and Access Rule (ER4), language that could subject the RRC to civil liability if republished, or language that violates the the Public Comment & Meetings Attendance Policy (P-03) or other RRC policies.

6.2 Public Inspection and Copies of Public Documents

Anyone may request physical inspection of nonconfidential RRC documents that are not available on the RRC’s website at the RRC’s office during regular business hours.

Anyone may request electronic inspection of nonconfidential RRC documents that are not available on the RRC’s website by emailing RRC staff at an email provided at akrrc.org.

A request for inspection of nonconfidential RRC documents must include:

a. The requestor’s name and contact information; and

b. A description of the documents to be viewed so that RRC staff can prepare the information for the requester.

The requestor is not required to provide any reason for making a request. Requesters may include an explanation of any need for expedient processing to be considered by RRC staff in their request, and specificity in describing the documents requested is helpful.

RRC staff will provide reasonable support to the public in obtaining copies of nonconfidential RRC documents. Any requests will be completed or responded to within ten (10) business days. Requests for exceptionally large records may take longer to complete; in such a case, RRC staff will report to their supervisor the request and the reason a longer response time is required and will notify the requestor that an extended response time is required and provide an expected time frame for document availability.

6.3 Confidential Documents Access

A person seeking access to documents classified as confidential by the RRC may submit a request for access to such documents pursuant to the Confidential Documents and Access Rule (ER4).
6.4 Historical Documents Access

The RRC will provide access on request to nonconfidential historical documents no longer available online that remain in the RRC’s possession. A reasonable fee may be charged for this service. Such fee may be reduced or waived if doing so is in the public interest or if the fee is less than the cost to the RRC to arrange for payment.
Exhibit E-10-4
ER4: Confidential Documents and Access Rule
CONFIDENTIAL DOCUMENTS AND ACCESS RULE

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1.0 PURPOSE AND SCOPE

Public access to Railbelt Reliability Council (RRC) documents, as defined in the Documents Retention and Access Rule (ER3), is essential to the collaboration, transparency, and openness that underpin RRC processes. Pursuant to 3 Alaska Administrative Code (AAC) 46.460(a)(4)(B), there is a presumption that all documents received by the RRC are public unless the document is classified in whole or in part as confidential under 3 AAC 48.040(b) or for good cause pursuant to Section 4.1 – Classification of Documents as Confidential of this rule.

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Participant</td>
<td>A member of the public approved to participate under the Public Participation in a Development Rule (ER5)</td>
</tr>
<tr>
<td>CEO</td>
<td>RRC chief executive officer</td>
</tr>
<tr>
<td>CMEP</td>
<td>Compliance Monitoring and Enforcement Program (ER2)</td>
</tr>
</tbody>
</table>

Railbelt Reliability Council
Term | Definition
--- | ---
Directors | Members of the RRC Board of Directors
NDA | Nondisclosure agreement
RCO | RRC regulatory and compliance officer, as designated by the CEO
RRC | Railbelt Reliability Council

3.0 RESPONSIBILITIES OF KEY PERSONNEL

<table>
<thead>
<tr>
<th>Title</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>The RRC chief executive officer oversees compliance with this rule.</td>
</tr>
<tr>
<td>RCO</td>
<td>The RCO is responsible for carrying out this rule.</td>
</tr>
</tbody>
</table>

4.0 CLASSIFICATION AND DESIGNATION OF DOCUMENTS

All documents retained by the RRC shall be public unless the RRC classifies the document or certain information contained therein as confidential. Any documents or portions thereof classified confidential will be designated pursuant to Section 4.2 – Document Designation and Access. Each document in the RRC’s possession that is not public shall bear the applicable designation from Section 4.2 – Document Designation and Access. Portions of public documents that have been redacted will include a designation adjacent to each redaction.

The RRC may classify RRC-generated documents or portions thereof as confidential and apply the appropriate designation(s) to such documents pursuant to this rule and applicable law.

The RRC on its own may, but is not required to, classify documents or portions of documents received by the RRC from third parties as confidential. The RRC is not liable for the failure of a third party to request confidential treatment of documents submitted to the RRC.

4.1 Classification of Documents as Confidential

The RRC regulatory and compliance officer (RCO), as designated by the chief executive officer (CEO), may classify a document as confidential pursuant to 3 AAC 48.040(b) or upon a finding that good cause exists. Good cause to classify a document as confidential requires a showing that (1) disclosure of the document to the public might competitively or financially disadvantage or harm the person with the confidentiality interest or might reveal a trade secret; and (2) the need for confidentiality outweighs the public interest in disclosure. The RRC will give the presumption that documents are public all due consideration and will limit classification to specific portions of a document to the greatest extent possible to allow a redacted version of the document to remain public.
When determining whether to classify a document as confidential, public interest in disclosure may be determined based on:

1. Whether disclosure would enable more effective public participation in or oversight of RRC activities, including whether disclosure would promote transparency and open discussion of public affairs or would enhance RRC accountability, such as providing the reasoning for certain decisions and augmenting understanding of the development or interpretation of proposed and approved plans, standards, tariffs, and rules;

2. Whether the information sheds light on the RRC’s performance of its duties or wrongdoing;

3. Whether the information will facilitate lowest reasonable costs or greatest value to ratepayers;

4. Whether the information could inform policy work of other organizations or contribute to innovation and the facilitation of research, such as statistical information;

5. Whether the information relates to a program or initiative that was the subject of a media release or highlighted in a corporate plan or plans that underpin achievement of the RRC’s strategic and operational goals;

6. Whether the information promotes community well-being, such as revealing environmental or health risks or other measures relating to public health and safety (e.g., Occupational Safety and Health Administration) standards; and

7. Other public interest considerations as applicable.

The following considerations are not relevant in determining good cause:

1. Potential embarrassment to the RRC or a Registered Entity

2. The fact that the information is technical or could be difficult to understand

3. The likelihood that the information will be seen out of context, misunderstood, or misinterpreted

4. The likelihood that disclosure will result in confusion or unnecessary debate

### 4.2 Document Designation and Access

All nonpublic documents retained by the RRC and classified confidential shall be designated as follows:

1. “Confidential” shall be the designation for any documents that are classified as confidential. Such documents may be viewed by RRC staff and Directors; Approved Participants who require access to the document(s) and have signed a confidentiality agreement; and contractors who require access to the document(s) and have signed a confidentiality agreement.
2. “Confidential – Restricted Distribution” shall be the designation for any documents classified as confidential that the RCO determines should only be accessible to certain staff, Directors, contractors, and/or Approved Participants due to the nature of the confidential information contained therein, including but not limited to:
   a. Proprietary information or information that could cause competitive harm,
   b. Critical Energy Infrastructure Information as defined in 18 Code of Federal Regulations 388.113(c);
   c. Cybersecurity Incident Information as defined in 3 AAC 48.040(b)(14);
   d. Personal information, including personnel matters and medical or other personal information that, under governing personnel practices and the laws of Alaska, is not public;
   e. Information protected by the attorney-client privilege or attorney work product prepared for the RRC; and
   f. Information collected pursuant to an internal investigation into an allegation of misconduct under the Conduct Compliance Rule (ER12) or the Discrimination & Harassment Policy (P-01).

Labeling, storage, and distribution of such documents will be managed by the RCO to ensure distribution is appropriately restricted.

3. “Confidential – CMEP” shall be the designation for any documents submitted to or copied by the RRC during an audit, review, or investigation in connection with any formal or informal proceeding for a compliance monitoring and enforcement action under the RRC Compliance Monitoring and Enforcement Program (CMEP) Rule (ER2). This designation shall apply automatically to all applicable documents requested during an action under the CMEP Rule (ER2). Documents designed Confidential – CMEP may only be viewed by the CEO, Directors, and RRC staff or contractors directly involved in the proceeding.

5.0 PROCESS TO SEEK CONFIDENTIAL TREATMENT OF INFORMATION

Anyone seeking confidential treatment of document(s) submitted to the RRC may submit a petition for confidential treatment. All petitions for confidential treatment will be posted to the RRC website as public notice of the request. Pending the RRC decision on a petition, the document(s) identified in the request will be treated as confidential. The person seeking confidential treatment may provide notification and withdraw document(s) at any point during the petition process; in this instance, public notice will be posted to the RRC website. The process to petition for confidential treatment of a document is detailed below.

Exhibit E-10-4 - Page 4 of 8
5.1 Filing a Petition for Confidential Treatment

A person seeking confidential treatment of documents filed with, served upon, or otherwise made available to the RRC may file the following with the RRC:

1. A petition for confidential treatment identifying the document(s) for which confidential treatment is requested (including any specific information within a document if redaction is possible) and the proposed designation(s) from Section 4.2 – Document Designation and Access, including any restricted distribution proposed, and setting out good cause or the basis in applicable law for the requested confidential treatment.

2. A printed or electronic copy of the document(s) for which confidential treatment is sought must be delivered to the RRC when the petition is filed. Electronic copies should be provided via flash drive or CD and accompanied by a cover sheet describing the contents of the flash drive or CD. The first page of printed document(s) or the cover sheet accompanying documents submitted electronically should be marked with the proposed confidentiality designation. Printed or electronic copies should be provided in a sealed envelope marked "confidential" and accompanied by a copy of the petition for confidential treatment.

5.2 Response and Opposition

Any person may oppose a petition filed under Section 5.1 –Filing a Petition for Confidential Treatment by filing a statement of opposition with the RRC within ten (10) business days of the date the petition was posted to the RRC website as public notice. The statement must set out the reasons why the document(s) for which confidential treatment is sought should not be classified as confidential.

The person seeking confidential treatment may submit a reply statement within ten (10) business days after the deadline closes for filing a statement of opposition with the RRC. Both the opposition and reply will be posted to the RRC website.

5.3 RRC Decision

The RCO will review the petition and any opposition, reply statements, or public comments. Within sixty (60) calendar days of the date a petition is filed, the RCO must issue a decision granting, partially granting, or denying a petition to classify a document as confidential. The decision must also grant, partially grant, or deny a request for restricted distribution, if any. The decision must address how the RCO considered the public interest in disclosure.

The decision will be posted to the RRC website and the RRC will provide notice of the decision to the petitioner and any person(s) who filed a statement of opposition or public comments.
If the RCO determines that only specific information contained in a document is confidential and may be redacted, the RCO shall include in the notice a request that the petitioner provide the RRC with a redacted version of the document consistent with the RRC decision. The redacted document will be public.

If the RCO denies a petition in whole or in part, the RRC will issue public notice of the decision and provide direct notice to the petitioner and any person(s) who filed a statement opposing the petition. Within ten (10) business days following receipt of notice of a denial, the petitioner may notify the RRC in writing that it is withdrawing the document, the notification of which will be posted on the RRC website. If notice of withdrawal of the document is not received by the RRC within the ten (10) business-day deadline, the document will be retained by the RRC and treated as public.

6.0 DOCUMENTS ELIGIBLE FOR RRC NONDISCLOSURE AGREEMENT

To ensure that the RRC is able to carry out its responsibilities, the RRC may enter into nondisclosure agreements (NDAs) with parties from whom the RRC has requested documents that contain information which may be confidential under 3 AAC 48.040(b) or other applicable law. Prior to executing an NDA, the RRC will issue notice of its intent to execute the NDA on its website and provide an opportunity for public comment. The NDA will not exceed the scope of the RRC’s authority under state law. An NDA shall not be executed without the CEO’s approval. If the RRC determines that any documents received under an NDA do not constitute confidential information under this rule or applicable law, the RRC will return the document(s) to the providing party. A list of executed NDAs will be maintained on the RRC website. The RRC will have an NDA template.

7.0 ACCESS TO CONFIDENTIAL DOCUMENTS

Any person may request access to confidential documents maintained by the RRC or to reclassify a confidential document as public. Such requests may be accepted, partially accepted, or denied as explained in this section.

7.1 Request for Access to or Reclassification of Confidential Documents

A request for access to documents that have been classified as confidential or to reclassify confidential documents as public may be submitted via the form available on the RRC’s website, or by email or mail. The request must include the following:

1. The requestor’s name and contact information;
2. A list or description of the confidential document(s) the requestor seeks access to or seeks to reclassify as public;
3. A description of the requestor’s membership (if any) on an RRC committee;
4. Confirmation that the requestor is not involved in active litigation against the RRC;
5. Indication of whether the requestor would like access to or reclassification of the document requested, or both; and
6. Whether the requestor is willing to enter into a confidentiality agreement.

The request may include any other information the requestor believes to be relevant, such as a statement regarding the purpose for which the requestor seeks access to a confidential document(s).

7.2 RRC Determination of Access or Reclassification

After a request for access to or reclassification of confidential documents is received:

1. The RCO will review the request for completeness, identify the confidential document(s) requested, and, as applicable, provide notice to the person(s) who submitted the confidential document(s) to the RRC that a request for access to the document(s) or to make the documents public has been received. The request will be published on the RRC website.

2. Within ten (10) business days of receiving that notice, the person(s) who submitted the requested confidential document(s) may provide a written statement to the RRC regarding the request for access or reclassification. The statement will be published on the RRC website.

3. The RCO will determine whether full, partial, or no release of the requested confidential document(s) should occur and whether full or partial release should be conditioned upon the requestor executing a confidentiality agreement. The RCO’s written determination will address the public interest in disclosure and whether good cause exists to continue to treat the document(s) as confidential or whether the documents are otherwise eligible under applicable law for classification as confidential. The written determination will be published on the RRC website.

4. If the RCO determines that any portion of a confidential document provided to the RRC by a third party should be made public, the RCO will notify such person(s) and provide seven (7) business days for such person(s) to request withdrawal of the document. The RRC will publish a request for withdrawal on the RRC website.

5. If a request for withdrawal is not submitted within the seven (7) business day period, the document or portion thereof will be provided to the requestor and reclassified as public.
7.3 **Access to Confidential Documents by Approved Participants**

The RRC may provide access to confidential documents or information contained therein to certain members of the public approved as participants in a development (Approved Participants) in accordance with the Public Participation in a Development Rule (ER5) if deemed necessary and appropriate. The process for providing access to confidential documents or information to Approved Participants is as follows:

1. An Approved Participant requiring access to confidential information necessary for their participation may request access using the process in Section 7.1 – Request for Access to or Reclassification of Confidential Documents.
2. The RCO will review the request using the process in Section 7.2 – RRC Determination of Access or Reclassification and determine in writing whether such access is necessary to the requestor’s participation in the development and appropriate. The RCO will provide a written determination of any denials or full or partial access.
3. If the RCO grants the request for access in whole or in part, the Approved Participant must execute a confidentiality agreement prior to accessing the confidential documents or information. The decision will be posted on the RRC website.

7.4 **Confidentiality Agreements**

All RRC Directors, staff, contractors, and Approved Participants will be required to execute a confidentiality agreement prior to accessing RRC confidential documents. The confidentiality agreement will require agreement not to disclose RRC confidential documents and will provide for liability for any release of RRC confidential documents or information contained therein.

8.0 **RECLASSIFICATION OF CONFIDENTIAL DOCUMENTS**

The RRC will review documents classified as confidential on a regular basis to confirm that such documents still qualify for confidential treatment. If the RRC determines that a document should be reclassified as public, the RCO will issue notice of its intent to reclassify the document and seek to reclassify the document through the process identified in Section 7.1 – Request for Access to or Reclassification of Confidential Documents.

If a providing party concludes that information for which it had sought confidential treatment no longer qualifies for that treatment, the providing party will promptly notify the RRC. The RRC will then reclassify those documents pursuant to this section.
Exhibit E-10-5

ER5: Public Participation in a Development Rule
PUBLIC PARTICIPATION IN A DEVELOPMENT RULE

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4.0 TYPES OF PARTICIPATION ................................................................................................................................ 2
5.0 APPROVED PARTICIPANTQUALIFICATIONS AND CRITERIA ............................................................................. 2
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1.0 PURPOSE & SCOPE

The Railbelt Reliability Council (RRC) Public Participation in a Development Policy provides for public participation in the development of a proposed plan, standard, tariff, or rule (collectively, “Products”) by the RRC.

This policy pertains to the RRC and interested members of the public who would like to participate in the development of an RRC Product.

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>RRC chief executive officer</td>
</tr>
<tr>
<td>Manager</td>
<td>The CEO or their designated staff member to manage development of an RRC Product</td>
</tr>
<tr>
<td>Products</td>
<td>Proposed plans, rules, tariffs, reliability standards, and standards</td>
</tr>
<tr>
<td>Railbelt</td>
<td>The geographic area of Alaska extending from the communities of Fairbanks and Delta Junction in the north, south to Homer and Seldovia, west to Tyonek, and east to Glacier View, Seward and Whittier, containing the service territories of Golden Valley Electric Association, Matanuska Electric Association, Chugach Electric Association, Homer Electric Association, and the City of Seward</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
</tbody>
</table>
3.0 RESPONSIBILITIES OF KEY PERSONNEL

<table>
<thead>
<tr>
<th>Title</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>The Manager will review petitions submitted under this rule.</td>
</tr>
</tbody>
</table>

4.0 TYPES OF PARTICIPATION

The public may participate in the development of a Product as one of two types of participants.

1. Approved Participant: An Approved Participant is a member of the public who helps shape the development of a Product through active participation in a product development process. This type of participant will:
   a. Have relevant qualifications as defined in Section 5.0
   b. After petitioning the RRC, be recommended by the Manager and confirmed by the CEO or their designee(s)
   c. May have access to certain confidential information related to the development of a Product
   d. Fully participate in the development process, including in meetings
   e. Fully review all relevant materials prior to each RRC Product development meeting

2. Public Commenter: A Public Commenter is a member of the public who helps shape the development of a Product by providing oral or written comments in accordance with RRC rules and policies during the development process. To provide input, a member of the public:
   a. Will not need to petition and be approved by the RRC
   b. Does not need specific qualifications
   c. Will be limited to commenting about topics relevant to the proposed action

The Public Comment & Meeting Attendance Policy (P-03) details Public Commenter engagement with the RRC.

5.0 APPROVED PARTICIPANT QUALIFICATIONS AND CRITERIA

Approved Participants are not required to be technical experts. However, specific qualifications and criteria must be met or considered.
Minimum Qualifications: The Manager will evaluate petitions (see Section 6.0) to ensure the following qualifications are met. The applicant must

1. Be at least 19 years of age; and
2. Have an interest in an RRC development.

Additional Criteria: The Manager will consider the following criteria in assessing a petition:

- The interests of the petitioner in the development of the Product;
- The effect on the petitioner’s interest in the Product to be developed;
- The availability of other means by which the petitioner’s interest may be protected and perspective may be addressed, recognizing the value of varied perspectives;
- The extent to which the petitioner’s interest will be represented by other development participants;
- The extent to which the petitioner’s participation may reasonably be expected to assist in the development of a sound record, including whether the petitioner demonstrates they possess qualifications relevant to the development; and
- The extent to which the petitioner’s participation will broaden or delay the matter to be developed, including whether the petitioner has a willingness and ability to commit to expend all necessary time and effort to accomplish the relevant work.

Successful petitioners will be subject to the Ethical Conduct Rule (ER11) and the RRC Discrimination & Harassment Policy (P-01) and other RRC policies related to conduct.

6.0 PETITIONING TO BE AN APPROVED PARTICIPANT

6.1 Petition to Participate in a RRC Development

Any person wishing to participate in a Product development as an Approved Participant who meets the qualifications in Section 5.0 must submit a petition. Petitions and submission instructions are located on the RRC website at www.akrrc.org. If a petition is denied, the petitioner may request a written explanation from the Manager. The RRC must respond to such a request within thirty (30) business days. A person whose petition is denied may appeal to the RRC as described in Section 6.2.

6.2 Appealing a Denied Petition

A person whose petition has been denied may submit an appeal to the RRC. The appeal should address the qualifications and criteria in Section 5.0 and any other information the person would like considered. An appeal form and submission instructions are available on the RRC website at www.akrrc.org/petition.
The RRC will decide an appeal within ten (10) business days, beginning the first business day after the RRC receives the appeal. The RRC will base its decision on the qualifications and criteria stated in Section 5.0 and any other relevant information provided in the appeal. The RRC will respond to the appeal with a written decision, delivered in the manner identified by the petitioner (e.g., email, U.S. mail).

7.0 REMOVAL OF AN APPROVED PARTICIPANT

The Manager may end a person’s participation in a development for any of the following reasons:

1. The person has failed to attend at least 50% of regularly scheduled development meetings.
2. The person’s participation has disrupted or prevented completion of work.
3. The person has violated the Ethical Conduct Rule (ER11), the Discrimination & Harassment Policy (P-01), or other applicable RRC rules and policies.

An Approved Participant may be removed immediately from a meeting if they pose a threat to themselves or others or otherwise are violating RRC rules and policies.

To remove an Approved Participant from a development, the Manager must submit a recommendation for removal to the CEO, or where the CEO is the Manager, for approval by the RRC Board of Directors.

A participant who has been removed may reapply to participate in a development after twelve (12) months. Removal from participation in one development does not constitute removal from participation in all developments for which that person is approved.

8.0 NO COMPENSATION

8.1 No Compensation, Salary, Reimbursement, or Other Form of Payment

Approved Participants are not technical consultants and shall not receive from the RRC any compensation, salary, reimbursement, or any other form of payment for their work, participation, attendance, or any other time related to the person’s participation.

8.2 Volunteer/No Employment Status

An Approved Participant in a development is a volunteer. An Approved Participant’s participation in a Product development shall not be construed as or constitute an employment relationship, partnership, joint venture, or agency relationship between the RRC and the participant. Participation under this rule shall not entitle that person to any control over the conduct of RRC business.
9.0 ACCESS TO CONFIDENTIAL INFORMATION

An Approved Participant may have the opportunity to gain access to confidential documents that are relevant to the development the person is approved to participate in through the petition process in the RRC Confidential Documents and Access Rule (ER4).
Exhibit E-10-6

ER6: Public Meetings Rule
PUBLIC MEETINGS RULE

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4.0 MEETINGS REQUIREMENTS AND NOTICE TO THE PUBLIC .............................................................................. 2

1.0 PURPOSE & SCOPE

The Railbelt Reliability Council’s (RRC’s) Public Meetings Rule governs scheduling, accessibility, and types of meetings of the RRC Board of Directors (Board), Board Committees, and RRC Committees. Meetings must be scheduled and noticed according to this rule to ensure the RRC operates transparently and openly.

This rule applies to the Board, Board Committees, and RRC Committees.

2.0 DEFINITIONS

<table>
<thead>
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<td>Board Committee</td>
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<td>RCA</td>
<td>Regulatory Commission of Alaska</td>
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<td>RRC</td>
<td>Railbelt Reliability Council</td>
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<tr>
<td>RRC Committee</td>
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</tr>
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3.0 RESPONSIBILITIES OF KEY PERSONNEL

<table>
<thead>
<tr>
<th>Title</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Board Chair</td>
<td>Oversees Board compliance with this policy</td>
</tr>
<tr>
<td>Board Committee Chair</td>
<td>Oversees Board Committee compliance with this policy</td>
</tr>
</tbody>
</table>
4.0 MEETINGS REQUIREMENTS AND NOTICE TO THE PUBLIC

All Board, Board Committee, and RRC Committee meetings are public, although the entirety of the meeting may not be. Meetings will be held in person or by electronic means (e.g., teleconference, conference call). All portions of meetings open to the public will be recorded electronically.

The Board, Board Committees, and RRC Committees shall issue advance public notice of all meetings in accordance with the Public Notice Rule (ER7), except as provided in Section 4.4.1 of this rule. Notice for all meetings other than emergency meetings must be published at least fourteen (14) days before the meeting, except for Board meetings providing for an amendment or modification of the Articles of Incorporation, Bylaws, or RRC policies, in which case notice shall be issued at least thirty (30) days in advance of the meeting and must include drafts of the proposed amendments or modifications. Notice for all meetings must include:

1. The meeting date, time, and place;

2. An agenda with links to accompanying resolutions and other public documentation if applicable (special meeting agendas shall allow for no other business to be conducted than the business issues explicitly stated in the meeting agenda); and

3. Specific instructions to the public for accessing the meeting by electronic or in-person means and for providing public comment.

All Board, Board Committees, or RRC Committee meetings must provide opportunity for public comment as detailed in the RRC Public Comment & Meeting Attendance Policy (P-03). The Board may restrict public comment as necessary at emergency meetings when immediate action is imperative.

4.1 Regular Meetings

A Board, Board Committee, or RRC Committee meeting is considered a regular meeting if it is regularly scheduled on a recurring basis. The Responsible Officer must keep on file a schedule showing the date,
time, and place of regular meetings. The regular schedule for all meetings will be posted to the RRC website.

If a Board, Board Committee, or RRC Committee revises its schedule of regular meetings, the Responsible Officer must issue public notice of the revised schedule, in accordance with the Public Notice Rule (ER7), at least fourteen (14) calendar days before the first meeting to which the new schedule applies.

4.2  Ad Hoc Meetings

An ad hoc meeting of the Board, a Board Committee, or an RRC Committee is a meeting that is not listed on the schedule of regular meetings and that is not an emergency or special meeting, and that is noticed with an agenda allowing for normal and other business. An ad hoc meeting shall not replace a regular meeting but may allow for conduct of regular business. Ad hoc meetings are subject to the requirements for regular meetings as provided in Section 4.1 of this policy. Ad hoc meetings should be minimized to the extent possible.

4.3  Special Meetings

If the Board, Board Committee, or RRC Committee calls a meeting to address a single business issue or limited related business issues, and this meeting is (1) not listed on the schedule of regular meetings and is (2) not an emergency meeting, that meeting is a special meeting. The business transacted at a special meeting is limited to the business purpose or purposes stated in the notice of the meeting, and no other business or comment shall be entertained at that meeting.

4.4  Emergency Meetings

An emergency meeting is one called because of unexpected circumstances that require immediate consideration or action by the Board, Board Committee, or RRC Committee. Emergency meetings shall be kept to a minimum, only address time-sensitive issues limited in scope to a single topic, and follow the requirements of the RRC’s Public Comment & Meeting Attendance Policy (P-03). The Board may restrict public comment as necessary at emergency meetings when immediate action is imperative. Emergency meetings may be called as follows:

- **Emergency Board meetings** – may be called if any two (2) Board officers agree that an emergency requiring Board action exists.
- **Emergency Board Committee meetings** – may be called if two (2) Board Committee members agree that an emergency requiring Board Committee action exists.
• Emergency RRC Committee meetings – may be called if both the RRC Committee Chair and CEO agree that an emergency requiring RRC Committee action exists. In the case that the RRC Committee Chair and CEO are the same person, the CEO and Board Chair must agree that an emergency requiring RRC Committee action exist.

4.4.1 Notice of Emergency Meetings

Notice for emergency meetings will be published according to the Public Notice Rule (ER7), except as provided below, immediately after an emergency meeting is scheduled, and in no case less than twelve (12) hours before the emergency meeting is scheduled to begin. The following are emergency meeting notice requirements:

• A notice of the emergency meeting will be distributed to all Board directors or RRC committee members, as applicable, and posted on the RRC website and sent via an email listserv maintained by the RRC (registration for the listserv is accessible at www.akrrc.org) at least twelve (12) hours prior to the scheduled start time of the emergency meeting.

• The notice shall include the time, place, and purpose of the meeting, including a description of the emergency for which a meeting is required, and specific instructions to the public for accessing the meeting by electronic or in-person means and for providing public comment. If an agenda is unavailable at the time notice is published, the agenda with links to accompanying resolutions and other public documentation shall be publicly posted on the RRC website as soon as the agenda is available.

• Within seven (7) days after the emergency meeting, the Responsible Officer shall cause to be noticed to the public the agenda, minutes, recording, and transcript of that meeting. Said notice shall be addressed as “Old Business” at the next regular meeting of the Board, Board Committee, or RRC Committee holding the emergency meeting.

4.5 Executive Session

RRC meetings are open to the public so that RRC actions may be taken and deliberations conducted openly. However, there may be topics and discussions that could cause harm if the information were made publicly available; portions of meetings addressing such topics will be private and are called “executive sessions.” The Board, Board Committees, and RRC Committees shall minimize executive sessions to the extent possible. Permitted topics for executive session shall be narrowly construed to effectuate openness and avoid potentially unnecessary executive sessions.
Executive sessions may be held during Board, Board Committee and RRC Committee meetings and will be authorized as provided in this rule and Bylaws Section 2.3.4 – Executive Sessions (available at www.akrrc.org), as applicable. Executive sessions must comply with the Confidential Documents and Access Rule (ER4), and other RRC rules and policies.

Executive sessions of RRC Committees may be held when the RRC Committee Chair, with approval of the CEO, determines the need to discuss confidential matters as outlined in the Confidential Documents and Access Rule (ER4). If the RRC Committee Chair is the CEO, the CEO must obtain approval of the Board Chair.

For executive sessions required at Board, Board Committee, and RRC Committee meetings, the meeting shall first be convened as a public meeting. Prior to entering executive session, there shall be a clear and specific description of the subject of the executive session to provide the public with as much information as possible about the proposed discussion without defeating the purpose of addressing the topic in private. Boilerplate recitals of potential harm are insufficient. Topics may not be considered at the executive session except those mentioned in the description for the executive session unless auxiliary to the main topic. Action may not be taken at an executive session, except to give direction to an attorney or labor negotiator regarding the handling of a specific legal matter or pending labor negotiations. Actions taken contrary to this section are voidable by the Board.
Exhibit E-10-7

ER7: Public Notice Rule
1.0 PURPOSE AND SCOPE

The Railbelt Reliability Council’s (RRC’s) Public Notice Rule (ER7) provides the process through which the RRC must notify the public of RRC Board of Directors (Board), Board Committee and RRC Committee meetings and certain RRC actions.

The purpose of this Public Notice Rule is to provide a means of issuing public notice for meetings and certain other RRC actions to ensure the public is provided with advance notice of and encourage public participation in RRC business.

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>CMEP</td>
<td>Compliance Monitoring and Enforcement Program Rule (ER2)</td>
</tr>
<tr>
<td>Board Committee</td>
<td>A committee of the RRC Board, as provided in RRC Bylaws Section 2.4 – Board Committees</td>
</tr>
<tr>
<td>RRC Committee</td>
<td>A committee, subcommittee, working group, task force, advisory committee, or other topic-specific group of the RRC, other than a Board Committee, that plays a role in RRC decision making</td>
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<td>RCA</td>
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</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
</tbody>
</table>

3.0 RESPONSIBILITIES OF KEY PERSONNEL

<table>
<thead>
<tr>
<th>Title</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Chair</td>
<td>The chair of the RRC Board of Directors oversees compliance with this rule as it pertains</td>
</tr>
</tbody>
</table>
4.0 REQUIRED NOTICES

Public notice is required for the following:

1. RRC Board, Board Committee, and RRC Committee meetings, per the RRC Public Meetings Rule (ER6).

2. Issuance of the Notice of Intent to develop a plan, reliability standard, standards, tariff, and rules that initiates the development process in accordance with the RRC Product Development Rule (ER1).

3. Issuance of proposed plans, reliability standards, standards, tariff, and rules, per 3 Alaska Administrative Code (AAC) 46.460(a)(4)(H), in accordance with the RRC Product Development Rule (ER1).

4. Issuance of a proposed annual budget per 3 AAC 46.160(b).

5. Issuance of proposed reliability standard enforcement actions, per 3 AAC 46.460(a)(4)(J), in accordance with the RRC Compliance Monitoring and Enforcement Program (CMEP) Rule (ER2).

Public notice must inform the public how to provide comments to the RRC in response to the notice, except that Notice of Intent to File proposed plans and rules with the Regulatory Commission of Alaska (RCA) does not require opportunity for public comment to the RRC. Notice of Intent to File rules or rule revisions must include the specific information required in 3 AAC 46.470(d)(6)(B).

4.1 Notice Content

For RRC Board, Board Committee, and RRC Committee meetings, public notice must include the requirements in the Public Meetings Rule (ER6). For other RRC actions, public notice must include, as appropriate:

- The proposed action for which the RRC is seeking comment.
Railbelt Reliability Council

- Links to supporting documents related to the action for which the RRC is seeking comment, other than documents classified as confidential under the Confidential Documents and Access Rule (ER4) or applicable law.
- The means for the public to comment to the RRC and a deadline for doing so.

4.2 Notice Publication

4.2.1 Publication Timelines

Notices for meetings will be published in accordance with the timelines in the Public Meetings Rule (ER6).

No later than 45 days before filing its annual surcharge with the RCA, the RRC will publish on the RRC website notice of the proposed budget and public documents that support that budget.

No later than 20 days before filing an Integrated Resource Plan with the RCA, the RRC will publish a notice of intent to file on the RRC website.

4.2.2 Publication Locations

All public notices will be:
- Published on the RRC website at www.akrrc.org;
- Posted at the main office of the RRC;
- Provided electronically to any individual who has signed up to receive meeting notices via an email listserv maintained by the RRC (registration for the listserv is accessible at www.akrrc.org); and
- Provided electronically to all entities registered with the RRC as registered entities.
Appendix A  Public Notice of Meetings Template

[TYPE OF MEETING—e.g. BOARD MEETING, STANDARDS COMMITTEE MEETING]
MEETING

RAILBELT RELIABILITY COUNCIL
[ADDRESS OF MEETING]

[DAY OF THE WEEK]
[DATE]
[TIME OF STARTING]

ITEM   DOCKET/FILE  ISSUE
1        Public Participation
          (Limited to 5 minutes per presenter, and
          [BOARD/COMMITTEE] questions)
2        [HYPERLINKED DOCKET
          HERE]  [PRESENTATION HERE—WITH ANY HYPERLINKED
          PRESENTATIONS OR ATTACHMENTS]
3        Public Participation
          (Limited to 5 minutes per presenter, and
          [BOARD/COMMITTEE] questions)

Per the RRC Public Comment Process Policy (P-05), written comments and materials given to the RRC Board or committee will be accepted during the public comment period and will be available to the RRC Board or committee. Written comment on agenda topics that are submitted at least 48 hours in advance of the start time of a RRC Board or committee meeting will be distributed to the RRC Board or committee members, as applicable. Written submissions received less than 48 hours in advance of a meeting will be distributed to the RRC Board or committee members to the extent reasonably practicable. Any comments not distributed to members of the RRC Board or committee in advance of a meeting shall be distributed to the Board or committee as soon as practicable. Speakers who have materials for distribution to the RRC Board or committee related to the item they plan to discuss during the public comment period shall provide copies for each member of the Board or committee prior to the start of the meeting.
If joining remotely, callers will enter the teleconference muted. After Board or committee roll call and agenda approval, callers should follow the instructions provided to participate. [INSERT SPECIFIC INSTRUCTIONS HERE]

Railbelt Reliability Council

### Rule Letter ER7-CERT #[Insert]

<table>
<thead>
<tr>
<th>Issued By:</th>
<th>Effective Date: [Insert]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railbelt Reliability Council</td>
<td></td>
</tr>
</tbody>
</table>
Exhibit E-10-8

ER8: Original Set of Books Rule
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1.0 **PURPOSE** ......................................................................................................................................................... 1  
2.0 **ORIGINAL SET OF BOOKS AND RCA ACCESS** .................................................................................................... 1  

**1.0 PURPOSE**

This Railbelt Reliability Council (RRC) Original Set of Books Rule provides for records storage and Regulatory Commission of Alaska (RCA) access.

**2.0 ORIGINAL SET OF BOOKS AND RCA ACCESS**

The RRC will keep an original set of books, accounts, papers, and records within the State of Alaska.

The RRC shall timely provide the Regulatory Commission of Alaska (RCA) with a certified copy of any books, accounts, papers, or records upon request by the RCA. All such certified copies shall be treated as public records unless exempted from public disclosure under Alaska Statute (AS) 42.05.671(b) or the RRC Confidential Documents and Access Rule (ER4).

The RRC shall allow the RCA to inspect its original books, accounts, papers, or records where they are kept at any reasonable time chosen by the RCA.
Exhibit E-10-9

ER9: Rule Amendments Rule
RULE AMENDMENTS RULE

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1.0 PURPOSE AND SCOPE ...................................................................................................................................... 1
2.0 DEFINITIONS .................................................................................................................................................... 1
3.0 RESPONSIBILITIES OF KEY PERSONNEL ............................................................................................................ 1
4.0 RULE AMENDMENTS ....................................................................................................................................... 1
5.0 BOARD-INITIATED REVISIONS .......................................................................................................................... 2
6.0 REVISIONS REQUIRED BY RCA ORDER ............................................................................................................. 2

1.0 PURPOSE AND SCOPE

This Railbelt Reliability Council (RRC) Rule Amendments Rule provides processes for amending RRC Rules.

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>CEO</td>
<td>RRC chief executive officer</td>
</tr>
<tr>
<td>RCA</td>
<td>Regulatory Commission of Alaska</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
</tbody>
</table>

3.0 RESPONSIBILITIES OF KEY PERSONNEL

<table>
<thead>
<tr>
<th>Title</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>The chief executive officer of the RRC is responsible for carrying out this rule.</td>
</tr>
</tbody>
</table>

4.0 RULE AMENDMENTS

This process applies to the amendment of rules developed pursuant to Alaska Statute (AS) 42.05.762(3) that have been filed with the Regulatory Commission of Alaska (RCA) as required by AS 42.05.767 and 3 Alaska Administrative Code (AAC) 46.470, and to rules or rule revisions required by RCA order pursuant to AS 42.05.767 and 3 AAC 46.470(g).
5.0 BOARD-INITIATED REVISIONS

The RRC Board of Directors (Board) may, on its own, determine a rule revision is required.

1. The Board authorization for a rule revision will include direction to the chief executive officer (CEO) to initiate the revision as a development in accordance with the Product Development Rule (ER1).

2. Upon Board direction to file an approved rule revision with the RCA, the Board-designated authorized filer will submit the rule revision in accordance with AS 42.05.767, 3 AAC 46.470, and the Product Development Rule (ER1).

6.0 REVISIONS REQUIRED BY RCA ORDER

1. Upon receipt by the RRC of an RCA order issued pursuant to 3 AAC 46.470(g), the CEO shall immediately notify the Board.

2. The CEO shall prepare the compliance filing required by the order as expeditiously as possible.

3. The compliance filing shall be submitted to the Board for consideration. Board approval of the compliance filing is required prior to submitting the compliance filing with the RCA.

4. Considering the public process of the RCA before issuing a rule order to the RRC in 3 AAC 46.470(g) and the compliance filing timeline in 3 AAC 46.470(g)(2), the RRC Product Development Rule (ER1) will not apply to rules and rule revisions required by RCA order.
Exhibit E-10-10

ER10: Voting Procedures Rule
1.0 PURPOSE

This rule covers key voting procedures of the Railbelt Reliability Council (RRC).

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>The RRC Board of Directors</td>
</tr>
<tr>
<td>Board Committee</td>
<td>A committee of the RRC Board, as provided in RRC Bylaws Section 2.4 – Board Committees</td>
</tr>
<tr>
<td>RCA</td>
<td>Regulatory Commission of Alaska</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
<tr>
<td>RRC Committee</td>
<td>A committee, subcommittee, working group, task force, advisory committee, or other topic-specific group of the RRC, other than a Board Committee, that plays a role in RRC decision making</td>
</tr>
<tr>
<td>Supermajority</td>
<td>The affirmative vote of nine (9) or more Voting Directors representing a majority of Board stakeholder classes, necessary to take affirmative action on issues so identified in this rule and in the RRC Bylaws</td>
</tr>
<tr>
<td>Voting Director</td>
<td>Directors for Board seats A through M</td>
</tr>
</tbody>
</table>

3.0 PROCEDURES

The RRC voting procedures are as follows:

3.1 For the RRC Board of Directors

3.1.1 Votes

Each Voting Director is entitled to one (1) vote on each matter submitted to a vote of the RRC Board of Directors (Board) unless otherwise required in the RRC Bylaws. Voting shall be by voice vote, unless any
Voting Director attending the meeting at which such vote takes place requests such voting to be by roll call, except for the election of officers, which shall be by secret ballot.

3.1.2 Vote of the Majority

At a meeting, the affirmative vote of a majority of the total number of Voting Directors (Majority) shall be the act of the Board, unless the act of a greater number is required by law or by the RRC Bylaws.

3.1.3 Vote of the Supermajority

A Supermajority vote shall be required to:

1. Amend, repeal, or alter in any way the Articles of Incorporation or Bylaws of the RRC;
2. Initiate, approve, and file with the Regulatory Commission of Alaska (RCA) standards for nondiscriminatory open access transmission and interconnection, in accordance with applicable law;
3. Initiate, approve, and file with the RCA standards for transmission system cost recovery, in accordance with applicable law;
4. Initiate, approve, file with the RCA, and modify reliability standards, in accordance with applicable law;
5. Enforce reliability standards, in accordance with applicable law;
6. Approve proposed penalties, in accordance with applicable law;
7. Initiate, approve, and file with the RCA an integrated resource plan or integrated resource plan update in accordance with applicable law;
8. Hire or terminate the chief executive officer (CEO);
9. Merge or consolidate or agree to merge or consolidate the RRC with or into any other legal entity, or convert the RRC into any other legal entity or to act in contravention of the requirement of an entity exempt under Internal Revenue Code § 501(c)(3);
10. Liquidate, dissolve, or reorganize the RRC or adopt any plan to do so;
11. Sell, lease, exchange, transfer, or otherwise dispose of (1) all or substantially all the tangible, intangible, or other assets of the RRC; or (2) any other asset of the RRC except in the ordinary course of business;
12. Approve or ratify operating budgets of the RRC;

13. Amend, repeal, or alter in any way the Technical Advisory Council Structure and Process (PD-03);

14. Establish or amend policies, procedures, and committee charters;

15. Approve appointment of Board Committee chairs and members;

16. Initiate, approve, file with the RCA, and modify RRC tariff filings;

17. Initiate, approve, file with the RCA, and amend RRC rules; and

18. Approve submittal of compliance filings ordered by the RCA.

3.1.4 Votes on alleged violations of reliability standards or penalties

When voting on an alleged violation of a reliability standard or associated penalty, a Voting Director appointed or employed by the entity that is the subject of the alleged violation or the penalty shall be deemed to have a conflict of interest and shall recuse themselves.

3.2 For Board Committees

A. Each Board Committee, by a charter approved by the Board, may develop its own rules and procedures (subject to Bylaws Section 2.4.3), which shall apply to that Board Committee.

B. A quorum shall be established before conducting business at a meeting, in which a majority of the whole Board Committee shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Board Committee.

3.3 For RRC Committees

Voting procedures for RRC Committees will be determined by the Board when establishing an RRC Committee. Working groups established under the Technical Advisory Council will be non-voting committees and may take action to advance recommendations as provided in the Technical Advisory Council Structure and Process (PD-03).
Railbelt Reliability Council

Exhibit E-10-11

ER11: Ethical Conduct Rule
ETHICAL CONDUCT RULE

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4.0 GUIDING PRINCIPLES.......................................................................................................................... 2
5.0 PROCEDURES......................................................................................................................................... 3
6.0 AFFIRMATION.......................................................................................................................................... 4

1.0 PURPOSE AND SCOPE

The Railbelt Reliability Council (RRC) has adopted this RRC Ethical Conduct Rule (ER11). All RRC Board of Directors (Board), staff, contractors, committee members, and Approved Participants under the Public Participation in a Development Rule (ERS) (collectively, RRC Representatives) are responsible for reading, understanding, and complying with this rule. The RRC has an unwavering commitment to behave in a manner reflecting the highest ethical standards. This commitment includes prohibiting and effectively responding to discrimination, harassment, misconduct, abusive conduct, and retaliation.

The purpose of this rule is to establish a framework for ethical behavior and guide the actions of the RRC Representatives consistent with the RRC’s values in interactions with internal and external parties.

This rule pertains to RRC Representatives.

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>CEO</td>
<td>RRC chief executive officer</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
<tr>
<td>RRC Representatives</td>
<td>Directors, staff, contractors, committee members, and Approved Participants under the RRC Public Participation in a Development Rule (ERS)</td>
</tr>
</tbody>
</table>

3.0 RESPONSIBILITIES OF KEY PERSONNEL

<table>
<thead>
<tr>
<th>Title</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>Receives health and safety concerns related to this rule</td>
</tr>
<tr>
<td>Governance Committee</td>
<td>Receives questions about this rule</td>
</tr>
</tbody>
</table>
Title | Responsibilities
--- | ---
RRC and its Directors | Act independently from Users,Owners, and Operators of the interconnected electric energy transmission network; and act in the best interests of the mission of the RRC

Users, Owners and Operators | A person or entity that is, or within a reasonable time will be, generating, transmitting, storing, or distributing electricity and may, as a result of electric facilities or equipment it owns, leases, operates, or controls, adversely affect the reliable operation of the interconnected bulk-electric system

### 4.0 GUIDING PRINCIPLES

The guiding principles for this rule are as follows:

1. **Compliance**: RRC Representatives shall comply with all laws, regulations, RRC governing documents and rules, and generally accepted principles that apply to an organization operating in the public interest.

2. **Honesty and Integrity**: RRC Representatives shall act with honesty and integrity in all matters both internal and external.

3. **Work Environment**: RRC Representatives shall ensure their actions contribute to a respectful, safe, and inclusive working environment for all employees, contractors, and other persons interacting with the RRC.

4. **Respect**: RRC Representatives shall work to create a culture of respect at all levels of the organization.

5. **Cooperation and Collaboration**: RRC Representatives shall strive to promote cooperation and collaboration within the RRC.

6. **Transparency and Openness**: The RRC will provide as much information to the public as possible consistent with its obligations of confidentiality and public safety.

7. **Fairness and Consistency**: RRC Representatives shall treat all individuals and entities fairly and consistently in all interactions. Policies and procedures shall be applied fairly and consistently across all levels of the organization.

8. **Accountability**: RRC Representatives are responsible for complying with the RRC Articles of Incorporation, Bylaws, this rule, and all other RRC policies and rules. RRC Representatives are likewise responsible for holding one another accountable.
5.0 PROCEDURES

5.1 Prohibition Against Personal Profit or Gain; Conflicts of Interest Disclosure

No RRC Representative shall derive any personal profit or gain, directly or indirectly, including gain by the entity they represent, by reason of their service beyond normal compensation. Directors shall not derive benefit beyond publicly disclosed meeting fees and expense reimbursements. When there is a decision to be made or an action to be approved that could result in more than a de minimis benefit\(^1\) to an RRC Representative, the RRC Representative has a duty to immediately disclose the conflict of interest. Such actions shall at all times comply with requirements of RRC Bylaws Article 5 – Conflicts of Interest.

5.2 Independence

Because the RRC has a combination independent and balanced stakeholder board, many of the directors are appointed by entities that are affected by and have an interest in the outcomes of RRC decisions. However, both statute and regulation require that the directors, employees and member of committees act independently and exercise first loyalty to the mission of the RRC. To ensure that the directors and the RRC itself act independently from Users, Owners, and Operators, RRC Representatives shall:

1. Make every decision based on their good-faith belief that such decision is in the best interests of the Railbelt interconnected electric energy transmission network, even if such decision may not be in the best interests of a director’s appointing entity;
2. Notify the Board chair, RRC chief executive officer (CEO), or committee chair if there is an issue on which they cannot act independently;
3. In furtherance of their fiduciary duty to the RRC, directors shall disclose to the Board any information that may not be known by other directors that may affect their decision on a matter before the Board;
4. Provide impartial consideration of, and give due weight to, the interests of all stakeholder classes, whether represented on the Board or not; and
5. Refrain from promoting the RRC Representatives’ own financial or other interests or the interests of a particular person or organization.

\(^1\) In general, a de minimis benefit is one for which, considering its value and the frequency with which it is provided, is so small as to make accounting for it unreasonable or impractical.
5.3 Discrimination and Harassment

RRC Representatives shall be knowledgeable of and comply with the RRC Discrimination & Harassment Policy (P-01). Policy P-01 is enforceable pursuant to its own provisions.

5.4 Safe and Healthy Workplace

RRC Representatives are prohibited from engaging in any behavior that poses unreasonable risks to the safety, health, or security of RRC Representatives or visitors. Anyone who becomes aware of a risk to the safety, health, or security of the workplace shall report it to the CEO or the designated compliance officer immediately.

5.5 Confidentiality

RRC Representatives shall comply with requirements to maintain certain information or documents confidential, as established by the RRC.

5.6 Retaliation

RRC Representatives, in accordance with the RRC Whistleblower Policy (P-02) or other applicable RRC policies, shall not retaliate in any manner against any person who raises an allegation of a violation of this rule, other RRC policies or rules, or any applicable laws.

5.7 Reporting

The Conduct Compliance Rule (ER12) provides a process for reporting suspected violations and provides parameters for investigating suspected violations and for sanctioning violations. Failure to report a good-faith belief that improper activity has occurred is a violation of this rule. The Discrimination & Harassment Policy (P-01) provides a process for reporting suspected violations of that policy and provides parameters for investigating suspected violations and for sanctioning violations.

6.0 AFFIRMATION

RRC Representatives shall be given an Ethical Conduct Rule (ER11) orientation when they begin their affiliation with the RRC. Questions regarding this rule should be addressed to the chair of the Governance Committee. Rule refresher updates will be provided at least annually for all RRC Representatives.

RRC Representatives shall affirm their adherence to the Ethical Conduct Rule (ER 11) by executing the Ethical Conduct Rule Affirmation Statement (published separately) on an annual basis.
Exhibit E-10-12

ER12: Conduct Compliance Rule
CONDUCT COMPLIANCE RULE

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4.0 COMPLAINT PROCEDURES .............................................................................................................................. 2
5.0 ACCOUNTING AND AUDITING MATTERS......................................................................................................... 3
6.0 CONFIDENTIALITY ............................................................................................................................................ 3
7.0 APPEALS ........................................................................................................................................................... 3
8.0 SANCTIONS FOR VIOLATIONS.......................................................................................................................... 3

1.0 PURPOSE & SCOPE

The purpose of this Railbelt Reliability Council (RRC) Conduct Compliance Rule is to enforce the Ethical Conduct Rule (ER11), certain provisions of the Bylaws, certain provisions of the Voting Procedures Rule (ER10), and the Whistleblower Policy (P-02) (collectively “Conduct Policies”) when alleged violations of Conduct Policies are made, by providing a process for (1) filing a complaint alleging a potential violation of the Conduct Policies, (2) investigating alleged violations, and (3) issuing sanctions for violations.

This policy pertains to RRC Board of Directors, staff, contractors, members of committees, and members of the public accepted for participation in a development (RRC Representatives) and, related to violations of the Whistleblower Policy (P-06), members of the public.

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>CEO</td>
<td>RRC chief executive officer</td>
</tr>
<tr>
<td>CO</td>
<td>compliance officer</td>
</tr>
<tr>
<td>Conduct Policies</td>
<td>RRC Ethical Conduct Rule (ER11), certain provisions of the RRC Bylaws, certain provisions of the Voting Procedures Rule (ER10), and RRC Whistleblower Policy (P-02)</td>
</tr>
</tbody>
</table>

1 The provision that “Employees of the RRC are not eligible to serve as Voting Directors,” as in RRC Bylaws Section 2.1.2.6 – Qualifications.

2 Voting Procedures Rule (ER10) provisions 3.13, numbers 5 and 6, and 3.1.4
### 3.0 RESPONSIBILITIES OF KEY PERSONNEL

<table>
<thead>
<tr>
<th>Title</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance Committee</td>
<td>Oversees compliance with this policy</td>
</tr>
</tbody>
</table>

### 4.0 COMPLAINT PROCEDURES

#### 4.1 Initiating a Complaint

Any person, including members of the public, who in good faith believes a person subject to a Conduct Policy has violated that policy may file a complaint by electronic mail addressed to Governance@RRC.com or, if the allegation involves a member of the Governance Committee, to any member of the RRC Board of Directors (Board).

If a complaint provides contact information, the complainant shall receive an acknowledgment of receipt. Any person filing a complaint (Complainant) is entitled to protection under the RRC Whistleblower Policy (P-02). Complaints can be made anonymously.

#### 4.2 Investigating Complaints

1. When the Governance Committee receives a complaint, it shall determine pursuant to applicable statues, regulations, and RRC rules whether to investigate, how to investigate, and who should lead the investigation.

2. If the Governance Committee decides to open an investigation, it shall appoint a compliance officer (CO) based on expertise necessary to understand and investigate the complaint.

3. The CO shall investigate the complaint and provide a report to the Governance Committee at the end of that investigation with findings, including whether the infraction occurred and, if so, the severity of the infraction and recommendations for corrective action.

4. The Governance Committee shall review all reports, consider findings, recommend any further action, and provide notice to the Complainant of its conclusions.

5. The CO shall report complaints regarding corporate accounting practices, internal controls, or auditing issues directly to the Board’s Finance and Audit Committee.
5.0 ACCOUNTING AND AUDITING MATTERS

The Finance and Audit Committee of the Board shall be informed of and address all reported concerns or complaints regarding corporate accounting practices, internal controls, or auditing. The Governance Committee shall immediately notify the Finance and Audit Committee of any such concern or complaint and work with the Finance and Audit Committee, either directly or through a CO, until the matter is resolved. The Governance Committee shall provide an annual report to the RRC Board and Finance and Audit Committee, regarding any alleged activity that:

- Represents a material internal control or policy deficiency
- May receive media or other public attention
- Involves the misuse of RRC resources or creates exposure to a liability of $10,000 or more
- Involves a significant threat to the health or safety of employees or the public that creates a financial risk
- Suggests improper activity by the chief executive officer (CEO), or any compliance officer (CO) or director

6.0 CONFIDENTIALITY

At a Complainant’s request or in the CO’s discretion, investigations and reports shall be kept confidential to the extent possible, consistent with applicable laws and regulations and the need to conduct an investigation and take appropriate corrective action.

7.0 APPEALS

Appeals related to enforcement of this rule may be made to the Board.

8.0 SANCTIONS FOR VIOLATIONS

The Governance Committee will forward the report and sanction recommendations to the CEO if the violation was the result of employee conduct or to the Board if the person improperly conducting themselves was an RRC representative other than an employee, or a member of the public.

The CEO shall report to the Board any sanctions imposed against employees. Any sanctions imposed against any other person must be approved by the Board.

Anyone found to have engaged in improper conduct may be subject to disciplinary action, up to and including termination of employment, removal from the Board or from a committee, rescission of
contractual relationships, revocation or prohibition of access to RRC resources, and/or prohibition of participation in RRC meetings and activities.

Subsequent to action by the CEO or the Board, subject to employee confidentiality, the Complainant shall be informed that action has been taken.
Exhibit E-10-13

ER13: Equitable Allocation of Costs Rule
EQUITABLE ALLOCATION OF COSTS RULE

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1.0 OVERVIEW ....................................................................................................................................................... 1
2.0 METHODOLOGY TO ALLOCATE RRC COSTS: .................................................................................................... 1

1.0 OVERVIEW

Costs for Railbelt Reliability Council (RRC) activities will be allocated to load-serving entities (LSEs) served by the RRC, based on net energy for load as defined in the following manner:

Net energy for load is total system retail energy (kilowatt-hours [kWh]) sales as measured at delivery within each LSE’s certificated service area. Net energy for load includes energy sales to military bases but excludes wholesale and economy energy sales to entities serving retail loads.

2.0 METHODOLOGY TO ALLOCATE RRC COSTS:

The RRC budgets will be allocated to each LSE on the basis of net energy for load for the previous calendar year or years, as determined by the RRC. The allocated cost to each LSE will be assessed in a surcharge consistent with the RRC tariff. Each LSE is responsible for making payments to the RRC for the surcharge assessed to that LSE.
Exhibit E-11

Articles of Incorporation
ARTICLES OF INCORPORATION
OF
Railbelt Reliability Council

The undersigned natural persons of the age of 19 years or more, acting as the incorporators of a corporation under the provisions of the Alaska Nonprofit Corporation Act (Alaska Statutes 10.20) (the "Act"), hereby signs and verifies the following Articles of Incorporation ("Articles") for such corporation.

ARTICLE I
NAME

The name of the corporation shall be Railbelt Reliability Council (hereinafter referred to as the "Corporation").

ARTICLE II
DURATION

The Corporation shall have perpetual existence.

ARTICLE III
PURPOSES AND POWERS

Section 1. Purposes. The purposes for which the Corporation is organized are to promote social welfare within the meaning of section 501(c)(4) of the Internal Revenue Code (the "Code"). The Corporation's main purpose is to provide reliability benefits to consumers of electricity in the Railbelt, including, but not limited to:

- Creating, adopting, administering, maintaining, and enforcing reliability standards and promoting reliable operation of the Railbelt interconnected bulk power system.
- Performing regional planning, developing, and filing Railbelt integrated resource plans with the Regulatory Commission of Alaska or successor agency.
- Establishing open access nondiscriminatory interconnection standards and processes for all users of the Railbelt interconnected bulk electric system.
- Collecting and maintaining system data relating to reliability and adequacy of the bulk electric system.
- Developing standards for transmission system cost recovery.
- Conducting studies and promoting matters related to the efficient and reliable operations of the bulk electric system.
The Corporation shall never be operated for the primary purpose of carrying on a trade or business for profit.

Notwithstanding any provision of these Articles, the Corporation shall not carry on any activities not permitted to be carried on by an organization exempt from federal income tax under section 501(c)(4) of the Code (or the corresponding provision of any future United States internal revenue law).

Section 2. Powers. In furtherance of the foregoing purposes and subject to such limitations and conditions as are prescribed by law or in these Articles or the Corporation’s Bylaws, the Corporation may receive property by dues, grants, and fees; invest and reinvest the same; and apply the income and principal thereof, as the Board of Directors may from time to time determine, and engage in any lawful activity that may be necessary, useful, or desirable for pursuing its purposes.

Section 3. General. In general, and subject to such limitations and conditions as are or may be prescribed by law or in these Articles or the Corporation’s Bylaws, the Corporation shall have all powers that now or hereafter are conferred by law upon a corporation organized for the purposes set forth above or are necessary or incidental to the powers so conferred or are conducive to the attainment of the Corporation’s purposes.

ARTICLE IV
LIMITATIONS

Section 1. Activities Consistent with Limitations of Section 501(c)(4). Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any activities that are prohibited for (a) a corporation exempt from federal income taxes under Section 501(c)(4) of the Code or a successor provision thereof or (b) to have and exercise powers not permitted under the Act as now in force or as may hereafter be amended.

Section 2. Political Activity. The Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

Section 3. No Inurement to Private Persons. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, any member, director, officer or other private person, except that the Corporation is authorized or empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

Section 4. No Loans. No loans shall be made by the corporation to any of its directors or officers.

Section 5. No Self-dealing. The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code or a successor provision thereof.
Section 6. Minimal Infrastructure. The Corporation shall minimize the infrastructure and expense necessary for its own operation.

Section 7. No Operations. The Corporation, as an independent entity, will not own or operate any generation and transmission assets. Nor will the Corporation provide electric service directly to consumers.

Section 8. Mandate of Utility Participation. The Corporation shall not mandate any utility’s participation in a joint dispatch agreement.

ARTICLE V
MEMBERS

The Corporation shall have no members.

ARTICLE VI
DIRECTORS AND INCORPORATORS

The management of the Corporation shall be vested in a Board of Directors. The powers and duties, number, qualifications, terms of office, manner of election, criteria for removal, time and place of meetings, and powers and duties of the directors shall be prescribed in the Bylaws of the Corporation. The number of directors shall not be less than three (3). The names and addresses of the persons who are to serve as incorporators are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Corporate Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Julie Estey</td>
<td>163 E. Industrial Way, Palmer, AK 99645</td>
</tr>
<tr>
<td>Suzanne Settle</td>
<td>725 E. Fireweed Lane, Suite 800, Anchorage, AK 99503</td>
</tr>
<tr>
<td>Joel Groves</td>
<td>3411 Airport Way, Fairbanks, AK 99709</td>
</tr>
</tbody>
</table>

The names and addresses of the persons who are the initial directors of the Corporation are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Corporate Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Hickey</td>
<td>5601 Electron Drive, Anchorage, AK 99518</td>
</tr>
<tr>
<td>Frank Perkins</td>
<td>758 Illinois Street, Fairbanks, AK 99701</td>
</tr>
<tr>
<td>David B. Thomas</td>
<td>3977 Lake Street, Homer, AK 99603</td>
</tr>
<tr>
<td>Julie Estey</td>
<td>163 E. Industrial Way, Palmer, AK 99645</td>
</tr>
</tbody>
</table>
ARTICLE VII
DIRECTOR LIABILITY LIMITATIONS

No director of the Corporation shall be personally liable to the Corporation for monetary damages for conduct as a director, unless such conduct involves (a) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law by the director, (b) a breach of a director's duty of loyalty to the corporation, or (c) any transaction from which the director derives an improper personal benefit. If the Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be deemed eliminated or limited to the full extent permitted by the Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

ARTICLE VIII
INDEMNIFICATION

Section 1. Authority to Indemnify. The Corporation shall have the power and duty to indemnify, including advancing expenses to, any director, officer, employee, or agent of the Corporation made or threatened to be made a party to any suit or legal proceeding by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation, or arising out of his or her activities undertaken on behalf of the Corporation, except that such indemnity shall not apply on account of the following:

(a) Acts or omissions of such person finally adjudged to be not in good faith, intentional misconduct, or a knowing violation of law;
(b) With respect to directors, conduct of the director finally adjudged to be in breach of a director's duty of loyalty to the corporation; or

(c) Any transaction with respect to which it was finally adjudged that such person derived an improper personal benefit.

This indemnity shall continue after a person has ceased to be a director, officer, employee, or agent of the Corporation and may inure to the benefit of the heirs, executors, and administrators of such a person.

Section 2. Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right that any person may have or hereafter acquire under any statute, these Articles, the Corporation's Bylaws, agreement, vote of disinterested directors, or otherwise.

ARTICLE IX
BYLAWS

Bylaws of the Corporation shall be adopted by the Board of Directors at any regular meeting or any special meeting called for that purpose, so long as they are not inconsistent with the provisions of these Articles. The authority to make, alter, amend or repeal bylaws is vested in the Board of Directors and may be exercised at any regular or special meeting of the Board of Directors by the affirmative vote of a supermajority of the directors then in office as defined in the Bylaws, notwithstanding if the Corporation's Articles, Bylaws, or applicable law permits a lesser number of directors to establish a quorum at a Board of Directors meeting.

ARTICLE X
AMENDMENT

These Articles may be amended by the affirmative vote of a supermajority of the directors then in office as defined in the Bylaws, notwithstanding if these Articles, the Bylaws of the Corporation, or applicable law permits a lesser number of directors to establish a quorum at a Board of Directors meeting.

ARTICLE XI
MAILING AND PHYSICAL ADDRESS OF REGISTERED OFFICE AND AGENT

The mailing and physical address of the initial registered agent and office of the Corporation shall be 1127 W 7th Ave, Anchorage, AK 99501. The name of the initial registered agent of the Corporation shall be MB Services Inc.
ARTICLE XII
Dissolution

No member, director, or officer shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the Corporation or the winding up of its affairs. Upon the winding up or dissolution of the Corporation, the assets of the Corporation remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation, shall be distributed to an organization or organizations in the State of Alaska recognized as exempt under Section 501(c)(3) or 501(c)(4) of the Code, or a successor provision thereof, and used exclusively to accomplish the exempt purposes for which the Corporation is organized. Any such assets not disposed of shall be disposed of by the Courts of the State of Alaska, exclusively for such purposes or to such organization or organizations that are organized and operated exclusively for such purposes.

IN WITNESS WHEREOF, the undersigned incorporators have signed these Articles of Incorporation this _Un_ day of ___February____, 2022:

Julie Estey

Suzanne Settle

Joel Groves
RAILBELT RELIABILITY COUNCIL

DISCLOSURE OF CORPORATE PURPOSE USING THE ALASKA NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) CODE

The 6-digit Alaska NAICS industry grouping code which most clearly describes the initial activities of the corporation is:

813990       Other Similar Organizations (except Business, Professional, Labor, and Political Organizations)
Railbelt Reliability Council

Exhibit E-12

RRC Bylaws
Railbelt Reliability Council

Bylaws

DOCUMENT NO. RRC-BL-01

Effective Date: March 14, 2022

Amended March 15, 2022
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<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>American Arbitration Association</td>
</tr>
<tr>
<td>AAC</td>
<td>Alaska Administrative Code</td>
</tr>
<tr>
<td>AS</td>
<td>Alaska Statute</td>
</tr>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>CEO</td>
<td>chief executive officer</td>
</tr>
<tr>
<td>Chair</td>
<td>RRC Board of Directors Chair</td>
</tr>
<tr>
<td>LSE</td>
<td>Load-serving Entity</td>
</tr>
<tr>
<td>RCA</td>
<td>Regulatory Commission of Alaska</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
<tr>
<td>TAC</td>
<td>Technical Advisory Council</td>
</tr>
</tbody>
</table>
ARTICLE 1   OFFICES

1.1  Principal Office

The principal office of the Railbelt Reliability Council (RRC) shall be located in the State of Alaska. The RRC may have such other offices, either within or outside the State of Alaska, as the RRC Board of Directors (Board) may determine or as the affairs of the RRC may require from time to time.

1.2  Registered Office

The RRC shall have and continuously maintain in the State of Alaska a registered office and a registered agent whose office is identical with such registered office, as required by the Alaska Nonprofit Corporation Act (Alaska Statute [AS] 10.20.005-10.20.725). The registered office may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the Board.

ARTICLE 2   BOARD OF DIRECTORS

2.1  Directors

2.1.1  General Powers

The business, property, and affairs of the RRC will be managed and controlled by the RRC Board of Directors, which shall be called its Board. The Board may exercise all of the powers of the RRC, subject to the restrictions of these Bylaws, the Articles of Incorporation, and the statutes of the State of Alaska.

2.1.2  Board Composition

The Board and Board Committees shall be Balanced\(^1\) and diverse as defined in these Bylaws (Article 12 – Definitions).

\[ \begin{align*}
2.1.2.1 & \quad \textbf{Number of Directors and Terms} \\
\text{The number of Voting Directors shall never be less than three (3) and may be up to thirteen (13) and} & \text{shall be odd in number. In addition to the Voting Directors, the Board will include the two (2) nonvoting} \\
& \text{directors required by AS 42.05.762(4)(A). Each Voting Director shall hold office for a three (3) year term} \\
\end{align*} \]

\[ \]

\(^1\) Capitalized terms are defined in Article 12.
and until their successor has been qualified and appointed. No Voting Director will serve more than three (3) consecutive three (3) year terms in office. In the case of a Voting Director originally appointed to a term of office of less than three (3) years, such term shall not be counted in applying this three (3)-term rule. A former Voting Director will be eligible for reappointment or reelection three (3) years after their previous term in office ended. No amendment of these Bylaws reducing the number of directors shall reduce the terms of any incumbent director. The Board may establish qualifications for persons to serve as Voting Directors.

2.1.2.2 Stakeholder Classes

Each Voting Director and their alternate shall be assigned to a Stakeholder Class based on the entity or group appointing that Voting Director except for the Independent Director (Seat M; see Section 2.1.2.3 – Director Seat Allocation), who shall not be considered part of any Stakeholder Class. Any person may propose an additional or different stakeholder classification in Writing to the Governance Committee for consideration. The Stakeholder Classes are listed in Table 1.

<table>
<thead>
<tr>
<th>Class No.</th>
<th>Stakeholder Represented</th>
<th>Seat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Provider—Integrated – Cooperative</td>
<td>A-D</td>
</tr>
<tr>
<td>2</td>
<td>Provider– Distribution – Municipal</td>
<td>E</td>
</tr>
<tr>
<td>3</td>
<td>Provider – Distribution</td>
<td>F</td>
</tr>
<tr>
<td>4</td>
<td>Provider – State</td>
<td>G</td>
</tr>
<tr>
<td>5</td>
<td>Provider – Independent Power Producer</td>
<td>H-I</td>
</tr>
<tr>
<td>6</td>
<td>Consumer – Residential-Small Commercial</td>
<td>J</td>
</tr>
<tr>
<td>7</td>
<td>Consumer – Large Commercial-Industrial</td>
<td>K</td>
</tr>
<tr>
<td>8</td>
<td>Consumer – Environmental Advocacy</td>
<td>L</td>
</tr>
</tbody>
</table>

Note: Additional seats M through O do not have designated stakeholder classes.

2.1.2.3 Director Seat Allocation

Voting Directors and their alternates shall be appointed or elected as provided in this section. The Governance Committee shall manage all aspects of the Voting Director and alternate appointment and election processes. Except for those entities assisting in appointing the Seat G Director described below, in no event shall the representatives or entities assisting the Governance Committee in the appointment of Voting Directors and alternates be Affiliated with a government entity or be Affiliated with any entity that is already represented on the Board. If a director ceases to be drawn from and can no longer articulate the interests of their designed stakeholder class, the director is subject to removal by the Board. No entity and its affiliates or group may appoint more than one director except the Alaska Independent Power Producers Association, which may appoint two directors. The number of directors and alternates authorized pursuant to Section 2.1.2.1 – Number of Directors and Terms and defined herein as holding seats A through O, shall be seated with those persons qualified for Board service in accordance with Section 2.1.2.6 – Qualifications and the following criteria:
A-E. Those directors holding seats A, B, C, D, and E, and their respective alternates, shall be appointed by Load-serving Entities (LSEs) or their successors. Each LSE shall appoint a director and an alternate. These seats shall be appointed by the following LSEs (or their successors in interest):

- **Seat A.** Chugach Electric Association, Stakeholder Class #1
- **Seat B.** Golden Valley Electric Association, Stakeholder Class #1
- **Seat C.** Homer Electric Association, Stakeholder Class #1
- **Seat D.** Matanuska Electric Association, Stakeholder Class #1
- **Seat E.** City of Seward, Stakeholder Class #2

F. The director holding Seat F (Stakeholder Class #3), and alternate, shall be appointed by Doyon Utilities, LLC. If an additional distribution LSE is directly interconnected to the electric energy transmission network in the Railbelt and holds a certificate of public convenience and necessity to provide electric distribution service, then the Board shall determine the appropriate entity to appoint the director for Seat F, in such a manner that maintains Board Balance.

G. The director holding Seat G (Stakeholder Class #4), and alternate, shall be appointed by the Alaska Energy Authority or successor agency of the State of Alaska.

H-I. The directors holding seats H and I (Stakeholder Class #5), and their respective alternates, shall be appointed by the Alaska Independent Power Producers Association or its successor association.

J. The director holding Seat J (Stakeholder Class #6), and alternate, shall be appointed by that group, as determined by the Governance Committee, of not more than fifteen (15) entities representing residential and/or small consumer users of Railbelt electricity.

K. The director holding Seat K (Stakeholder Class #7), and alternate, shall be appointed by that group, as determined by the Governance Committee, of not more than fifteen (15) entities representing large commercial and/or industrial users of Railbelt electricity and are either (1) among the top fifteen (15) energy or peak demand load users of total energy and/or peak demand from a single site (may be multiple meters but only if on the same campus or on adjacent parcels of real estate); or (2) a representative of an entity that is recognized as a large industrial or commercial user of Railbelt electricity.

L. The director holding Seat L (Stakeholder Class #8), and alternate, shall be appointed by that group, as determined by the Governance Committee, of exempt organizations as defined under Internal Revenue Code § 501(c) representing electricity consumers who advocate in support of the reduction of environmentally harmful greenhouse gas emissions and/or other environmental concerns regarding the Railbelt electric system.

M. The director holding Seat M (Independent Director), and alternate, shall be elected by the Board following the process in Section 2.1.2.10 – Election of Independent Director.
N. The nonvoting director holding Seat N, and alternate, shall be appointed by the Regulatory Commission of Alaska (RCA).

O. The nonvoting director holding Seat O, and alternate, shall be appointed by the Attorney General for the State of Alaska.

### 2.1.2.4 Board Terms

Voting Director and alternate terms expire at the end of each annual meeting according to the schedule in Table 2, except upon resignation or removal where new terms begin on subsequent election or appointment.

<table>
<thead>
<tr>
<th>Board Seat</th>
<th>Term Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>C, D, K, M</td>
<td>Annual Meeting 2023 and every three (3) years thereafter</td>
</tr>
<tr>
<td>A, E, G, H, J</td>
<td>Annual Meeting 2024 and every three (3) years thereafter</td>
</tr>
<tr>
<td>B, F, I, L</td>
<td>Annual Meeting 2025 and every three (3) years thereafter</td>
</tr>
<tr>
<td>N, O</td>
<td>No expiration date</td>
</tr>
</tbody>
</table>

### 2.1.2.5 Alternates

For each director, there shall be an alternate who shall, if the director is unavailable to exercise their powers, stand in place of and hold authority to exercise any and all power that the director for whom they are an alternate might otherwise exercise. Only the director’s alternate can attend Board and Board Committee meetings in lieu of the director. Alternates shall be appointed or elected in accordance with the provisions of these Bylaws at the same time as the director they are alternate for. Each alternate’s term shall be the same as the term of the director they are alternate for. If a director’s seat becomes vacant, the alternate for that seat shall assume the role and responsibility of director for that seat in accordance with Section 2.1.2.8 – Filing Vacancies. The expectation of alternates is to remain cognizant of all Board business and to attend all meetings of the Board when the director is unavailable, or when the alternate is otherwise required by these Bylaws to vote.

### 2.1.2.6 Qualifications

Voting Directors and alternates shall be at least nineteen (19) years of age, not be a convicted felon, have relevant management-level expertise and have experience in one or more of the following disciplines: academia, finance, accounting, electric power industry, engineering, energy development, law, regulation, commercial markets, consumer advocacy, trading and associated risk management, or
other relevant expertise. Voting Directors shall be able to represent the broad, diverse interests of the Stakeholder Class to which they have been appointed or elected to represent. The director for Seat M must also meet the independence requirements in 3 AAC 46.070(a), and as amended. Employees of the RRC are not eligible to serve as Voting Directors.²

2.1.2.7 Removal

The Board may remove for cause, at a meeting called for that purpose, any director or alternate, appointed or elected, before completion of the director’s or alternate’s term of office pursuant to the following provisions.

1. Directors or alternates may be removed for negligence or misconduct (which include three consecutive, unexcused absences from meetings of the Board); violation of local, state, or federal law; failure to meet the fiduciary obligations of directors; if declared of unsound mind by a final order of court; or if disabled to the extent they can no longer participate as a director. In addition, if the director holding Seat M no longer meets the requirements for independence in 3 AAC 46.070(a) they may be removed.

2. Removal of a director or alternate will be by a vote of a Supermajority.
   Exception: Removal of a Seat M director who no longer meets the independence requirements for that seat will be by a simple majority vote of the other Voting Directors.

3. Removal may only take place at a meeting for which notice of the proposed removal has been given in accordance with the Public Meetings Rule (ER6) and Public Notice Rule (ER7). A vote to consider removal of a director or alternate will occur based on submission to the Board Secretary of a petition for such a vote signed by five (5) or more Voting Directors representing at least a majority of Stakeholder Classes. A director removed from the Board, except for a Seat M director removed solely because they no longer met the independence requirement for that seat, is ineligible for reappointment or reelection to the Board.

2.1.2.8 Filling Vacancies

If the position of any director becomes vacant prior to their normal term expiration, the alternate to that director's seat shall assume the director's seat as director. Should the position of any alternate become vacant prior to its normal term expiring, a new alternate shall be appointed or elected as provided in Section 2.1.2.3 – Director Seat Allocation for the remainder of the alternate's term. The group identified to appoint an individual to any director or alternate's seat that has been vacated shall be notified of the vacancy. The Governance Committee shall commence the process for the

² Provision is enforceable under the Conduct Compliance Rule (ER12)
appointment or election of a replacement. Once a replacement director or alternate has been appointed or elected, the Governance Committee shall provide notice to the Board Secretary to update any relevant RRC documents. If the position of any director or alternate remains vacant for a period of six (6) months, the Board may elect a replacement using the procedures in Section 2.1.2.3– Director Seat Allocation or Section 2.1.2.10 – Election of Independent Director.

2.1.2.9 Resignation

Any director or alternate may resign at any time by giving Written notice to the Board Chair (Chair) or Board Secretary. A resignation is effective immediately unless the notice specifies a later effective date. Once delivered, a notice of resignation is irrevocable unless permitted to be withdrawn by the Board prior to its effective date. The Governance Committee will implement the process of replacing the director or alternate in a timely manner.

When any director or alternate is no longer Affiliated with the Stakeholder Class that they were appointed to represent, they shall immediately offer their resignation to the Board. The Board shall consider the recommendations of the Governance Committee when acting on a resignation.

The Board shall decide, after requesting comment from the entity or group that previously appointed that director or alternate, whether such change in employment would negatively impact the Balance of the Board or be in violation of applicable statutes or regulations. If such change in employment does negatively impact Balance or is in violation of the statutes or regulations, such resignation shall be accepted, and that director or alternate’s seat shall be vacant. If the resignation is accepted, the Governance Committee will implement the process for replacing the director or alternate in a timely manner.

If at any time the personal or employment circumstances of the Seat M - Independent Director change such that the Seat M - Independent Director may no longer be independent as required under 3 AAC 46.070(a), they shall immediately offer their resignation.

2.1.2.10 Election of Independent Director

The Seat M - Independent Director and alternate shall be elected at a meeting of the Board to a three (3) year term commencing upon election and continuing until their duly elected successors takes office. The election process shall be as follows:

1. At least ninety (90) calendar days prior to a Board meeting when election of a new director is required, the Governance Committee shall commence the process as defined in the Governance Committee Charter.

2. At least thirty (30) calendar days prior to the Board meeting, the Governance Committee shall determine a slate of no fewer than two (2) and no more than five (5) persons for election as director and alternate. The Board Secretary shall prepare the ballot accordingly and shall deliver the ballot to the Board at least fourteen (14) calendar days prior to the Board meeting.

3. Only those persons nominated to the slate of candidates by the Governance Committee shall be eligible for election to the Board as a director or alternate.
4. Each Voting Director shall be entitled to cast a vote by Written ballot, whether In Person or remotely by email or other reliable electronic means. If no candidate receives a Majority vote, rounds of voting will continue until one candidate obtains a Majority vote. That candidate becomes the Seat M - Independent Director. The Board will then follow the same process with the remaining candidates to elect the Seat M - Independent Director’s alternate. The Governance Committee shall be responsible for tallying and reporting the vote.

2.1.3 Director Fees

2.1.3.1 Attendance Fees

Directors and alternates shall not receive any salary for their services as directors, except that, by resolution of the Board, a fee shall be allowed for Voting Directors and for alternate Voting Directors when acting as that seat’s director or when specifically approved by the Board, for the following:

1. Preparing for and attending a meeting of the Board or a Board Committee, or when attending an RRC Committee as the qualified representative for that director’s Board seat.
2. Representing the RRC in an official capacity as approved by the Board;
3. Receiving training in an official capacity as approved by the Board;
4. Additional time required for travel in connection with any such meeting, training, or representation; and
5. Other participation specifically approved by the Board.

Director meeting fees shall be paid to directors or directly to the director’s employer at the director’s discretion.

Each year the Governance Committee will make director and alternate fee recommendations for the following calendar year. The Governance Committee shall recommend any change to the fees. The RRC may not provide health insurance or other benefits for directors or alternates other than insurance for actions taken in their official capacity as directors.

2.1.3.2 Fee Oversight

Directors’ and alternates’ reasonable expense reimbursement requests shall be reviewed and approved by the Board Treasurer.

2.1.3.3 Director Fee Review

The Board shall direct staff to initiate a director fee study every other year. Such study and decisions regarding director and alternate fees shall comply in all respects with the Internal Revenue Service Rebuttable Presumption guidelines for compensation arrangements. The most recent study shall be used by the Governance Committee in formulating its annual fee recommendation. The Governance Committee recommendation shall be presented to the Board no later than ninety (90) days prior to the Annual Meeting. The Board shall set the fees for the directors at least thirty (30) days prior to the Annual Meeting. When making this decision, the Board shall consider the recommendation of the
Governance Committee and any other material relevant to setting fees. If the Governance Committee is unable to approve a fee recommendation, the Board shall make no changes to director fee amounts.

2.1.4 Code of Conduct

The RRC shall adopt a Code of Conduct (Ethical Conduct Rule [ER11]), which the Board and its directors will be subject to.

2.1.5 Authority

No action by any committee, employee, director, or officer shall be binding upon, or constitute an expression of, the policy of the RRC until it has been authorized, approved, or ratified by the Board.

2.2 Officers of the RRC

Officers of the RRC are elected by the Board except the chief executive officer (CEO), who holds the office of President.

2.2.1 Named Officers

The officers of the RRC shall be as follows:

1. Chair,
2. President (also the CEO),
3. Vice-President (called “Vice-Chair”),
4. Secretary (called “Board Secretary” in these Bylaws),
5. Treasurer, and
6. Additional officers (e.g., additional Vice-Chairs, Assistant Secretaries, and Assistant Treasurers) as may be elected in accordance with the provisions of Section 2.2.2 – Election and Terms.

The powers and duties of officers of the RRC as prescribed in this section or elsewhere in these Bylaws are subject to alteration or suspension by the Board, either in general or in specific instances or for specific purposes, all as set forth in a resolution of the Board effectuating such alteration or suspension. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

2.2.1.1 Chair

The Chair of the Board shall preside at all meetings of the Board; may sign contracts or other instruments that the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, these Bylaws, or statute to some other officer or agent of the RRC; and shall have such other duties as may be prescribed by the Board. The Chair is a Voting Director of the Board.
2.2.1.2 President

The CEO shall serve as the RRC President. The CEO shall be the principal executive officer of the RRC and shall, in general, supervise and control all of the business and affairs of the RRC; may sign contracts or other instruments that the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, these Bylaws, or statute to some other officer or agent of the RRC; and, in general, shall perform all duties incident to the office of CEO and such other duties as may be prescribed by the Board. The President is not a director of the Board.

2.2.1.3 Vice-Chair

In the absence of the Chair or in event of their inability or refusal to act, a Vice-Chair (in the event there is more than one Vice-Chair, the Vice-Chairs in the order of their election) shall perform the duties of the Chair and, when so acting, shall have all the powers of and be subject to all the restrictions of the Chair. The Vice-Chair shall perform such other duties as may be assigned by the Board. The Vice-Chair(s) is a Voting Director of the Board.

2.2.1.4 Board Secretary

In general, the powers and duties of the Board Secretary shall be those ordinarily incidental to the office of secretary of a for-profit corporation and such other powers and duties as may be assigned to the Board Secretary by the Board. The Board Secretary may sign contracts or other instruments that the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, these Bylaws, or statute to some other officer or agent of the RRC, and shall keep or cause to be kept the minutes of the meetings of the Board and Board Committees; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law or RRC rules or policies; be custodian of the corporate records of the RRC; keep a register of the name and address of each director as furnished to the Board Secretary by such director; and, in general, perform all duties incidental to the office of secretary. The Board Secretary is a Voting Director of the Board.

2.2.1.5 Treasurer

In general, the powers and duties of the Treasurer shall be those ordinarily incidental to the office of treasurer of a for-profit corporation and such other powers and duties as may be assigned to the Treasurer by the Board. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the RRC; cause to be received or receive and give receipts for monies due and payable to the RRC; deposit all such monies in the name of the RRC in such banks, trust companies, or other depositories as shall be selected by the Board; and, in general, perform all the duties incidental to the office of treasurer. The Treasurer is a Voting Director of the Board.

2.2.2 Elections and Terms

2.2.2.1 Elections

The officers of the RRC shall be elected annually by the Board at the regular annual meeting of the Board. If the election of officers is not held at such meeting, such election shall be held in a timely manner. New offices may be created and filled at any meeting of the Board.
2.2.2.2  Terms

Each officer shall hold office until their successor has been duly elected.

2.2.2.3  Resignation

Any officer may resign at any time by giving written notice to the Board, or to any officer of the RRC. Any such resignation shall take effect immediately or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall not prejudice the rights of the RRC under any contract to which the officer is a party. Once delivered, a notice of resignation is irrevocable unless otherwise permitted to be withdrawn by the Board prior to taking effect.

2.2.2.4  Removal

Any officer elected by the Board may be removed without cause whenever, in the Board’s judgment, the best interests of the RRC would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer does not of itself create contract rights.

2.2.2.5  Filling Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board in the same manner as provided for election to the office.

2.2.3  Indemnity

The RRC shall indemnify its officers just as they do directors to the fullest extent required or allowed in Article 7 – Indemnification (AS 10.06.490).

2.3  Board of Directors Meetings

2.3.1  Frequency

The Board shall meet at least quarterly and additionally as determined by the Board. Meetings shall be scheduled and noticed in accordance with the RRC Public Meetings Rule (ER6) and the RRC Public Notice Rule (ER7).

2.3.2  Types of Meetings

Annual, Regular, Ad Hoc, and Special Meetings. Meetings of the Board shall be scheduled and noticed in accordance with the Public Notice Rule (ER7) and Public Meetings Rule (ER6) on file with the RCA. The Annual Meeting shall be the last regular Board meeting of each year. Notice shall also be mailed or emailed to each director’s and alternate’s address as registered with the Board Secretary. Any director may waive their notice requirement in Writing or by attendance at the meeting.

Emergency Meetings. The Board may schedule and hold emergency meetings as provided in the RRC Public Meetings Rule (ER6).
2.3.3 Remote Attendance

Directors and Board Committee members may participate in and act at any meeting thereof through the use of a conference telephone, Internet, video conference, or similar communications equipment by means of which all persons participating in the meeting can be heard and speak to each other. Participation in a meeting by such means shall constitute attendance and presence In Person at the meeting.

2.3.4 Executive Sessions

Meetings of the Board are public and will be conducted in accordance with the RRC Public Comment Policy (P-05). Executive sessions to discuss privileged or confidential matters may be held during any Board meeting in accordance with the RRC Public Meetings Rule (ER6). The Board shall minimize executive sessions to the extent possible. A Majority vote of Voting Directors or members, as applicable, is required to enter into executive session, confirming that the executive session is necessary in accordance with the Public Meetings Rule (ER6) to protect confidential information.

2.3.5 Quorum

A simple majority of the total number of Voting Directors shall constitute a quorum for the transaction of business at any meeting of the Board; however, if less than one-third of the total number of Voting Directors are present at a meeting, a majority of the Voting Directors present may adjourn the meeting. Once a quorum is established, the Board may continue to conduct business despite the withdrawal of a director or directors.

2.3.6 Voting

2.3.6.1 Votes

Each Voting Director is entitled to one (1) vote on each matter submitted to a vote of the Board unless otherwise required in these Bylaws. Voting shall be by voice vote, unless any Voting Director attending the meeting at which such vote takes place requests such voting to be by roll call, except for the election of officers, which shall be by secret ballot.

2.3.6.2 Vote of the Majority

At a meeting, the affirmative vote of a majority of the total number of Voting Directors (Majority) shall be the act of the Board, unless the act of a greater number is required by law or by these Bylaws.

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3 2.3.6.1 is in Voting Procedures Rule (ER10)
4 2.3.6.2 is in Voting Procedures Rule (ER10)
2.3.6.3 Vote of the Supermajority

A Supermajority vote shall be required to:

a. Amend, repeal, or alter in any way the Articles of Incorporation or Bylaws of the RRC;

b. Initiate, approve, and file with the RCA standards for nondiscriminatory open access transmission and interconnection, in accordance with applicable law;

c. Initiate, approve, and file with the RCA standards for transmission system cost recovery, in accordance with applicable law;

d. Initiate, approve, file with the RCA, and modify reliability standards, in accordance with applicable law;

e. Enforce reliability standards, in accordance with applicable law;

f. Approve proposed penalties, in accordance with applicable law;

g. Initiate, approve, and file with the RCA an integrated resource plan or integrated resource plan update in accordance with applicable law;

h. Hire or terminate the chief executive officer (CEO);

i. Merge or consolidate or agree to merge or consolidate the RRC with or into any other legal entity, or convert the RRC into any other legal entity or to act in contravention of the requirement of an entity exempt under Internal Revenue Code § 501(c)(3);

j. Liquidate, dissolve, or reorganize the RRC or adopt any plan to do so;

k. Sell, lease, exchange, transfer, or otherwise dispose of (1) all or substantially all the tangible, intangible, or other assets of the RRC; or (2) any other asset of the RRC except in the ordinary course of business;

l. Approve or ratify operating budgets of the RRC;

m. Amend, repeal, or alter in any way the Technical Advisory Council Structure and Process (PD-03);

n. Establish or amend policies, procedures, and committee charters;

o. Approve appointment of Board Committee chairs and members;

p. Initiate, approve, file with the RCA, and modify RRC tariff filings;

q. Initiate, approve, file with the RCA, and amend RRC rules; and

r. Approve submittal of compliance filings ordered by the RCA.

s. Waive the requirement that not more than half of the Technical Advisory Council (TAC) members have been a director or officer of, represented, advised, been employed by, or

5 2.3.6.3 is in Voting Procedures Rule (ER10); portions are enforceable under the Conduct Compliance Rule (ER12)
assisted for compensation during the previous two (2) years any entity that appoints a Voting Director.

t. Waive the requirement that TAC members and their alternates must live within the service territory of an LSE subject to the authority of the RRC.

2.3.6.4 **Deadlock Resolution**

If the Board is unable to reach an affirmative decision when voting on items a, b, c, d, f, l, m, n, and p in Section 2.3.6.3 – Vote of the Supermajority, the Board shall notify the CEO, outlining the elements of disagreement on the matter. Within a period of time specified by the Board commensurate with the urgency of the matter, but no more than one-hundred and twenty (120) days, the CEO shall return a revised recommendation or modified statement in support of the recommendation to the Board for consideration. In the event there is no CEO, the above-referenced matters in which the Board is deadlocked will proceed directly to mediation as described below.

If, after a revised recommendation and motion made and seconded an affirmative decision cannot be reached on voting actions so moved, a third vote shall immediately be taken in which the alternate to the Seat M - Independent Director shall be asked to participate as if they were a Voting Director.

If an affirmative decision on the motion cannot be reached on the third vote, the Board shall either (1) hire an independent mediator within fourteen (14) days in an effort to reach an affirmative decision, or (2) determine by a Majority vote that the urgency of the matter requires that the matter be taken straight to binding arbitration, with no effort to mediate. If mediation is selected:

- A mediator shall be appointed based on the process described in the RRC’s Dispute Resolution Policy (to be developed).
- Within thirty (30) days after appointment of the mediator, if there has not been a resolution or if the mediator determines that the effort to reach agreement has failed, a request for arbitration shall be submitted to the American Arbitration Association (AAA), and the matter shall immediately move to binding “baseball arbitration” (where the arbitrator is limited to choosing whether the motion shall pass or fail).
- The request shall specify an arbitrator from AAA’s “National Energy Panel” and shall request a decision from the arbitrator within thirty (30) days of final submission of data.
- The decision of the arbitrator shall be binding, and the Board shall act in accordance with the decision.

2.3.6.5 **Presumption of Assent**

A Voting Director who is present at a meeting of the Board at which action is taken shall be presumed conclusively to have assented to the action taken unless their dissent is entered in the minutes of the meeting, the director files their Written dissent to such action with the Board Secretary before adjournment thereof, or the director forwards such dissent by registered or certified mail to the Board Secretary immediately after the adjournment of the meeting. Such right of dissent shall not apply to a director who voted in favor of such action.
2.3.7 Meeting Procedures

*Robert’s Rules of Order Newly Revised* shall apply to all processes of meetings of the Board and Board Committees to the extent consistent with these Bylaws and RRC rules and policies unless the Board adopts alternative processes.

Waiver of procedures may only occur under exigent or unusual circumstances. The Board by unanimous vote of those Voting Directors present may waive any procedural requirement applicable to Board decision-making. Statutory and regulatory procedures and restrictions on the authority, action, or processes related to actions of the Board may not be waived. Quorum requirements may not be waived. Required meeting notices may only be waived by individual directors.

2.3.8 Adjournment

Any meeting of the Board may be adjourned to reconvene at a specific time and place. If notice of the adjourned meeting was properly given, it shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the date, time, and place of the reconvened meeting were announced at the meeting that was adjourned, posted to the RRC website, and transmitted via other electronic notification system.

2.3.9 Emergency Action

Emergency action may be taken without a meeting of the Board if a consent in Writing setting forth the action so taken shall be signed by all the Voting Directors. Such written consent, including a statement of the emergency precipitating the action, shall be made public by posting to the RRC website and distributed via other electronic notification systems as soon thereafter as possible. Any consent may be signed in counterparts with the same force and effect as if all Voting Directors had signed the same copy. All signed copies of any such written consent shall be delivered to the Board Secretary to be filed in the corporate records. Any such consent signed by all the Voting Directors shall have the same effect as a unanimous vote and shall be placed on the agenda as “Old Business” at the next regular, ad hoc, or special board meeting.

2.3.10 Responsibilities and Restrictions

2.3.10.1 Duties

Directors shall discharge their duties, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner that the director reasonably believes to be in the best interests of the RRC. In discharging their duties, a director shall be entitled to rely on information, opinions, reports, or statements (including financial statements and other financial data) if prepared or presented by:

1. One or more directors or employees of the RRC whom the director reasonably believes to be reliable and competent in the matters presented; or

2. Legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person’s professional or expert competence.
A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance otherwise permitted in this section unwarranted. A director is not liable to the RRC or any other person for any action taken or not taken as a director if the director acted in compliance with this section. The liability of an uncompensated director for monetary damages to the RRC shall be eliminated to the fullest extent permitted by the Alaska Nonprofit Corporation Act and these Bylaws.

No director may violate the RRC Ethical Conduct Rule (ER11) or perform any act in violation of the Articles of Incorporation or these Bylaws. Such violations may lead to sanction, suspension, expulsion, or termination after a hearing.

2.3.10.2 Recusal

Should a conflict of interest exist regarding an issue brought to the Board requiring a vote, in accordance with Article 5 – Conflicts of Interest and applicable law, it is the duty of the Voting Director to disclose such conflict of interest to the Board, and to recuse themself from any involvement with the issue. Should a Voting Director recuse themself or be recused by action of the Board, the Voting Director’s alternate shall be entitled to vote on the issue upon which the Voting Director is recused.

When voting on an alleged violation of a reliability standard or associated penalty, a Voting Director appointed or employed by the entity that is the subject of the alleged violation or the penalty shall be deemed to have a Conflict of Interest and shall recuse themselves.6

2.3.10.3 Board Expert Resources

In accordance with applicable RRC policy, the RRC may retain and supervise consultants, experts, accountants, engineers, and similar professional service providers as necessary to provide directors with sufficient understanding to exercise their duty of care and to ensure the efficient function and operation of the RRC. If, after consultation with the CEO and Board, at least three (3) Voting Directors affirm in Writing that outside expertise is required to allow the directors to satisfy their duty of care, the RRC shall retain outside expertise.

2.3.10.4 Qualified Representatives

Directors may designate a qualified representative to serve on RRC Committees. For working groups formed under TAC, the provisions in the Technical Advisory Council Structure and Process (PD-03) apply.

2.4 Board Committees

The Board may designate and appoint one (1) or more Board committees. Each Board Committee shall include three (3) or more Voting Directors. The creation and appointment of any Board Committee and

6 Provision is in Voting Procedures Rule (ER10)
the delegation thereto of authority shall not relieve the Board, or any individual director, of any responsibility imposed by law upon the Board or any director. Persons who are not directors of the RRC may sit on any Board Committee except the Executive Committee.

2.4.1 Committee Composition

The Chair of the Board shall appoint all Board Committee members and chairs, subject to approval by a Supermajority vote. It shall be the function of Board Committees to conduct investigations, studies, and hearings; make recommendations to the Board; and carry out such activities as may be delegated to them by the Board through charter or otherwise.

2.4.2 Vacancies

2.4.2.1 Resignation

Any Board Committee member may resign at any time by giving written notice to the Board Committee chair or to any officer of the RRC. Any such resignation shall take effect immediately or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Three (3) consecutive unexcused absences from regularly called Board Committee meetings shall be deemed a resignation and the Board Committee chair shall so report to the Board Chair. Once delivered, a notice of resignation is irrevocable unless otherwise permitted to be withdrawn by the Board prior to taking effect.

2.4.2.2 Removal

Any Board Committee member may be removed without cause by the Board whenever, in the Board’s judgment, the best interests of the RRC would be served thereby.

2.4.2.3 Filling Vacancies

The Board Chair shall appoint and fill any vacant Board Committee seat in the same manner as in the case of the original appointments.

2.4.3 Committee Rules

Each Board Committee, by a charter approved by the Board, may develop its own rules and procedures subject to the following rules, which shall apply to all Board Committees. 7

7 Provision is in Voting Procedures Rule (ER10)
2.4.3.1 Public Meetings and Executive Sessions

Board Committee regular, special, and ad hoc meetings and executive sessions shall be scheduled, noticed, and conducted as provided in sections 2.3.1 – 2.3.4.

2.4.3.2 Emergency Meetings

Board Committees may schedule and hold emergency meetings as provided in the RRC Public Meetings and Public Notice rules (ER6 and ER7, respectively).

2.4.3.3 Quorum and Voting

A quorum shall be established before conducting business at a meeting, in which a majority of the whole Board Committee shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Board Committee. 8

2.4.3.4 Limitations

Board Committees shall not exercise any authority not specifically delegated by the Board or by these Bylaws.

2.4.3.5 Terms

Each member of a Board Committee shall continue as such until their successor is appointed, unless the Board Committee is dissolved sooner, such member resigns or is removed from such Board Committee, or such member shall cease to qualify as a member thereof.

2.5 Standing Committees

The Board may establish such Board Committees as it deems necessary to carry out the duties of the RRC, which shall include, but not be limited to, the Executive Committee, the Finance and Audit Committee, and the Governance Committee. The composition, procedures, duties, budget, and tenure of such Board Committees shall be determined by the Board and these bylaws.

Each Board Committee shall develop and have approved by the Board a charter describing in detail its responsibilities.

2.5.1 Executive Committee

The Executive Committee shall act for and on behalf of the Board when the Board is not in session but shall be accountable to the Board for its actions. It shall be composed of the Independent Director (Seat

8 Provision is in Voting Procedures Rule (ER10)
M), Board Chair, Vice-Chair, Treasurer, and Secretary. The Board Chair will serve as chair of the Executive Committee. All completed action by the Executive Committee shall be reported to the Board at the Board’s next meeting succeeding such action or at the meeting held in the month following the taking of such action and shall be subject to revision or alteration by the Board, provided that no acts or rights of third parties shall be affected by any revision or alteration. The Executive Committee shall meet where and as provided by Section 2.4.3 –Committee Rules and additional rules as may be established in the Executive Committee Charter.

During the intervals between the meetings of the Board, the Executive Committee shall possess and may exercise all the power and authority of the Board (including, without limitation, all the power and authority of the Board in the management, control, and direction of the financial affairs of the RRC), except with respect to those matters requiring a Supermajority vote of the Board, or matters specifically reserved to the Board. The Executive Committee shall review and approve, in accordance with RRC policy, the CEO's business expenses, and the Board may delegate to the Executive Committee such authority as the Board might otherwise exercise, subject to limitations placed on the Board's authority to delegate certain essential functions as described in Section 2.1,5 - Authority.

### 2.5.2 Finance and Audit Committee

The Finance and Audit Committee's primary duties and responsibility are to work with RRC staff in oversight of the financial, capital, and other assets of the RRC. The Treasurer shall serve as chair of the Finance and Audit Committee, and the committee shall have at least five (5) members, at least three (3) of whom are Voting Directors. No member of the committee may accept any consulting, advisory, or other compensatory fee from the RRC for services other than fees provided for committee attendance, and each member shall be free from any relationship that would interfere with the member's independent judgment.

#### 2.5.2.1 Reporting

The Finance and Audit Committee shall monitor and regularly report to the Board on:

- The RRC's financial health, including the preparation of budgets for Board approval and oversight of the approved budget;
- Planning, acquisition, liquidation, development, maintenance, safety, and protection of all real property and physical assets of the RRC;
- Management of the funds under RRC control;
- Policies, practices, plans, and reports for compliance with legal and regulatory requirements;
- Financial policies, practices, plans, and reports;
- Planning and maintenance of information systems; and
- Major acquisitions, liquidation of equipment, goods and services, and rental or leasing of equipment or facilities.
2.5.2.2 Audit Responsibilities

The Finance and Audit Committee shall, while working with the RRC’s independent auditor as appropriate, do the following:

- Review the adequacy and reliability of the RRC’s internal controls and financial reporting;
- Recommend policies regarding selecting and monitoring the RRC’s independent auditor;
- Review the independence and performance of the RRC’s independent auditor;
- Ensure the preparation and submission of any required state or federal annual financial filings or reports;
- Review and recommend audit policies, practices, plans, and reports;
- Meet at least once each year with the RRC’s independent auditor to review the audit report and management letter, and to receive the auditor’s comments on accounting, bookkeeping, and related practices and procedures of the RRC; and
- Report to the Board and recommend appropriate actions at regular Board meetings.

2.5.3 Governance Committee

The Governance Committee shall work to ensure the integrity and Balance of the Board and enhance Board performance pursuant to the Governance Committee Charter. The committee shall have at least five (5) members, at least three (3) of whom are Voting Directors, including the immediate past chair of the Committee, plus the chair of the RRC Board who serves as a nonvoting, ex-officio member of the committee. The Governance Committee is responsible for assisting the Board with the duties described in the Governance Committee Charter as established by the Board.

2.5.4 Ad Hoc Committees

The Board may establish ad hoc Board Committees to serve special purposes or perform special functions. Upon creation of an ad hoc Board Committee, the Board Chair shall issue a charge to the committee requiring the development of a charter describing the committee’s duties and responsibilities, which shall be approved by the Board.

2.6 Delegation of Authority

Subject to the ultimate authority of the Board, the CEO is delegated the authority necessary and appropriate for the efficient administration of the RRC and its programs, including the establishment of policies and procedures for the programs and operations of the RRC, except where the Board has reserved specific authority. The discretionary powers of the CEO shall be sufficiently broad to enable the CEO to discharge these responsibilities.

Unless otherwise restricted by specific Board policies or directives or RRC rules on file with the RCA, the CEO may delegate general executive management and administrative authority to other executive officers and employees as necessary and prudent, including authority to execute contracts and other legal documents. The CEO may condition, limit, or revoke any authority so delegated. All delegations and revocations of authority shall be in Writing; name the position to whom such authority is delegated;
describe the scope and limitations of such authority; and prescribe the extent to which such authority may be further subdelegated. Notwithstanding any delegation, the CEO remains responsible for the proper functioning of the RRC.

The Board shall not delegate to any Board Committee the authority to take any action that would require a Supermajority vote of the Board.

ARTICLE 3 CORPORATE STRUCTURE

3.1 Staff

3.1.1 Chief Executive Officer

The Governance Committee shall manage, in coordination with the Board Chair, the posting, interviewing, and hiring of the CEO. The Board, by a Supermajority vote, must affirm the employment of the CEO.

The Board shall hire a CEO upon such terms and conditions and at such compensation as the Board deems proper, after recommendation by the Governance Committee. The CEO shall not have been a director or officer of, represented, advised, been employed by, or assisted for compensation, any entity appointing a Voting Director on the Board during the two (2) years prior to being hired as CEO, unless waived by a Supermajority vote of the Board.

The CEO, upon hire, will serve at the pleasure of the Board and will be responsible for the conduct of the business of the RRC within its prescribed policies. The CEO shall:

- Act as the RRC President and be responsible for hiring, assigning, supervising, and terminating employees of the RRC pursuant to RRC policies. The CEO, under the Board's supervision and direction, shall carry on the general affairs of the RRC.
- Be a member of the staff of the RRC and attend all meetings of the Board.
- Approve the expenditure of the monies appropriated by the Board in accordance with the budget approved by the Board.
- Ensure the Technical Advisory Council is established in accordance with Board directions.
- Ensure necessary RRC Committees are formed.
- Keep current with Alaska law as it relates to RRC operations and make recommendations for policies, procedures, and rules to ensure RRC compliance with applicable laws.
- Make annual and periodic reports to the Board concerning the activities of the RRC.
- Perform such other duties as may be determined necessary by the Board.

The CEO shall comply with all orders of the Board. All agents and employees of the RRC shall report and be responsible to the CEO.
3.1.2 Technical Advisory Council

The Technical Advisory Council (TAC) is a panel of senior Engineering Division employees with technical expertise, that is supervised by the CEO. The TAC will operate under provisions approved by the Board.

Directors may not serve on a TAC working group, with the exception that a director uniquely qualified to support the working group may be approved for participation in the working group with a vote of eight (8) directors. A director approved to serve on the working group will do so as the qualified representative for that director’s seat.

Each Voting Director will be allocated an annual budget to pay a fee to their qualified representative for attending meetings of TAC working groups. Only one (1) meeting fee per meeting shall be paid for each Board Seat. All qualified representatives attending a meeting must be paid the meeting fee, which will be deducted from the director’s budget. Meeting fees paid to a qualified representative shall be paid to the qualified representative directly or to their employer, at the director’s discretion. The qualified representative meeting fees shall be paid from the director’s allocation.

Any director may attend a meeting of a TAC working group as a member of the public.

3.2 Nonvoting Public Members

The RRC shall not preclude an interested member of the public from serving in a nonvoting capacity on an advisory committee, should an advisory committee be approved by the RRC. Such service may be subject to qualifications and confidentiality requirements established by the RRC.

ARTICLE 4 COST AND FINANCES

4.1 Operating Budget

Each fiscal year, the RRC will prepare an annual budget of expenditures for that fiscal year and an estimated budget for the subsequent two (2) fiscal years.

4.2 Audit

The Board shall, through the Finance and Audit Committee, engage an independent certified public accounting firm to perform an annual audit of the RRC’s financial records and prepare a report on the financial condition of the RRC. The Finance and Audit Committee shall present the summary management letter and audit report to the Board upon completion.

4.3 Books and Records

4.3.1 Public Access

In accordance with the Documents Retention and Access Rule (ER3) and other applicable RRC rules, the RRC shall keep correct and complete books and records and shall keep minutes of the proceedings of its Board, as well as any Board Committees and RRC Committees. Access to books and records shall be determined in accordance with the RRC rules on file with the RCA.
4.3.2 Director's Access

Subject to these Bylaws and RRC policies, directors or their agents or attorneys are entitled to inspect and copy the books, records, and documents of the RRC at any reasonable time to the extent reasonably related to a director’s performance of their duties, including any duties as a member of a Board committee, but not for any other purpose or in any manner that would violate any duty to the RRC or any privacy laws.

4.3.3 Annual or Fiscal Accounting

For accounting and related purposes, the fiscal year of the RRC shall begin on the first day of January and end on the last day of December in each year.

4.3.4 Records

The RRC is dedicated to transparency; however, in limited circumstances, certain records may require confidential treatment in accordance with Confidential Documents and Access Rule (ER4) and applicable law.

4.4 Contracts, Checks, and Deposits

4.4.1 Contracts

The Board may authorize any officer(s) and agent(s) of the RRC, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the RRC, and such authority may be general or confined to specific instances. Unless so authorized by the Board, by resolution or in accordance with the delegation provided in Section 2.1.5 – Authority, no officer, agent, or employee shall have any power or authority to bind the RRC by any contract or engagement, to pledge its credit, or to render it liable for any purpose or in any amount.

4.4.2 Checks

All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the RRC must be signed by such officer(s) or agent(s) of the RRC and in such manner as shall be determined by the Board in compliance with financial policies of the RRC.

4.4.3 Deposits

All funds of the RRC shall be deposited to the credit of the RRC in such banks, trust companies, or other depositories as the Board may determine.

4.5 Corporate Loans, Guarantees, and Advances

This RRC shall not make any advances or make any loan of money or property to, or guarantee the obligation of, any director or officer.
4.6 Political and Lobbying Activities

This RRC shall not make any political expenditures. The RRC shall make no lobbying expenditure that could adversely affect its status as a tax-exempt organization under the Internal Revenue Code.

ARTICLE 5 CONFLICTS OF INTEREST

5.1 Purpose

The conflict-of-interest provision is intended to protect the RRC when it is contemplating entering into a transaction or arrangement that might benefit the personal interest of an officer or director of the RRC or might result in a possible excess benefit transaction. This provision is intended to supplement but not replace the Ethical Conduct Rule (ER11) and applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

5.2 Interested Person

Any director or officer who has a direct or indirect financial interest or receives any remuneration from the RRC is an interested person and is considered to have a personal interest.

5.2.1 Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family an ownership or investment interest in excess of five (5) percent in any entity with which the RRC has a transaction or arrangement that could impact the interested person, or a potential ownership or investment interest in excess of five (5) percent in, or remuneration arrangement with, any entity or individual potentially influenced or impacted by the RRC's exercise of its duties. Remuneration includes direct, indirect, or potential remuneration, as well as gifts or favors that are not insubstantial.

5.2.2 Director Participation

Notwithstanding any other provision of these Bylaws, a director shall not be precluded from voting on or participating in any discussion on a matter solely on the basis that the director has a financial interest in a user, owner, or operator of the Railbelt interconnected electric energy transmission network and the matter relates solely to the use, ownership, or operation of the interconnected electric energy transmission network.

5.2.3 Remuneration

A Voting Director who receives remuneration, directly or indirectly, from the RRC for services other than serving as a director is precluded from voting on matters pertaining to that director’s remuneration (they are not prohibited from providing information to any committee regarding remuneration).

5.3 Procedures

The Board, its Voting Directors, and its officers will abide by the following procedures.
5.3.1 Duty to Disclose

In connection with any actual or possible conflict of interest, any interested person (or their agent) must disclose the existence of more than a *de minimis* financial interest and be given the opportunity to disclose all material facts to the Board or Board Committee on which the interested person serves.

5.3.2 Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, such person shall leave the Board or Board Committee meeting while the matter is discussed. The remaining Board or Board Committee members shall vote on whether a material conflict of interest exists.

5.3.3 Addressing Material Conflicts in Decision Making

Should the conflicted Voting Director agree that a material conflict exists, the alternate for that director shall participate for all purposes with regard to the issue, rather than the director. Should the director disagree that a material conflict exists, but the Board or Board Committee by majority vote of disinterested Voting Directors determine that a material conflict does or may exist, the Board or Board Committee may by that same majority appoint the alternate to participate for all purposes with regard to the issue, rather than the conflicted director. Should the alternate also be conflicted, then neither the conflicted director nor alternate may vote on the issue and the alternate for the Independent Director will vote for that director. If a conflict also exists for the alternate for the Seat M - Independent Director on the issue, then the vote shall proceed with the conflicted seat abstaining from the vote.

5.4 Failure to Disclose

If the Board or Board Committee has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest the Board shall take appropriate action.

5.5 Annual Representation Letter

Each Voting Director, officer, and Board Committee member shall annually sign a statement that affirms such person has received, read, understood, and agrees to comply with these Conflicts of Interest provisions.

**ARTICLE 6 DISPUTE RESOLUTION**

6.1 External Dispute Resolution and Appeal

The Board shall adopt an External Dispute Resolution and Appeal Policy to cover disputes and appeals arising from the action or inaction of the RRC. Such policy shall provide due process for the appellants, integrity of the fact-finding process, fairness for appellants, an independent hearing process, balanced decision making, impartiality, and timely and decisive resolution.
6.2 Internal Dispute Resolution

Internal disputes shall be resolved in accordance with the Section 2.3.6.4 – Deadlock Resolution.

ARTICLE 7 INDEMNIFICATION (AS 10.06.490)

7.1 Nonderivative Actions

Subject to the provisions of sections 7.2, 7.4, and 7.5 below, the RRC shall defend, indemnify, and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, (other than an action by or in the right of the RRC) by reason of or arising from the fact that the person is or was a director, officer, employee, or agent of the RRC, or is or was serving at the request of the RRC as a director, officer, employee, agent, partner, or director of another corporation, partnership, joint venture, trust, or other enterprise, against costs and expenses (including attorney's fees) of said suit, action, or proceeding, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with the action, suit, or proceeding if:

1. The person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the RRC and, with respect to a criminal action or proceeding, did not know and had no reasonable cause to believe the conduct was unlawful; or

2. The person's act or omission giving rise to such action, suit, or proceeding is ratified, adopted, or confirmed by the RRC or the benefit thereof received by the RRC.

The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere (no contest) or its equivalent, shall not of itself create a presumption, and settlement shall not constitute any evidence that the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the RRC and, with respect to a criminal action or proceeding, did not know and had no reasonable cause to believe that the conduct was unlawful.

Subject to the provisions of sections 7.2, 7.4, and 7.5 the RRC shall defend, indemnify, and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the RRC to procure a judgment in its favor by reason of or arising from the fact that the person is or was a director, officer, employee, or agent of the RRC, or is or was serving at the request of the RRC as a director, officer, employee, agent, partner, or director of another corporation, partnership, joint venture, trust, or other enterprise against costs and expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if:

1. The person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the RRC; or

2. The person's act or omission giving rise to such action or suit is ratified, adopted, or confirmed by the RRC or the benefit thereof received by the RRC.
No indemnification shall be made in respect of any claim, issue, or matter as to which such person as a director shall have been adjudged to be liable for (1) a breach of a director's duty of loyalty to the RRC; (2) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; or (3) a transaction from which a director derives an improper personal benefit, unless, and only to the extent that, the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which the court considers proper.

7.2 Denial of Right to Indemnification

Subject to the provisions of sections 7.4 and 7.5, defense and indemnification under Section 7.1 of this Article automatically shall be provided by the RRC unless it is expressly determined that defense or indemnification of the person is not proper under the circumstances because the person has not met the applicable standard of conduct set forth in Section 7.1 of this Article. In the case of any challenge to the propriety of a defense or indemnification under this Article, defense and indemnification payments may be made, subject to repayment upon ultimate determination that indemnification is not proper.

7.3 Determination

The determination described in Section 7.2 – Denial of Right to Indemnification shall be made:

1. By the Board by a majority vote of a quorum consisting of Voting Directors who were not parties to the action or proceeding; or

2. If a majority vote of a quorum of disinterested Voting Directors so directs, by independent legal counsel in a written opinion.

7.4 Successful Defense

Notwithstanding any other provisions of sections 7.1, 7.2, or 7.3, of this Article, but subject to the provisions of Section 7.5 below, if a person is successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 7.1 of this Article, or in defense of any claim, issue, or matter therein, the person shall be indemnified against costs and expenses (including attorney's fees) actually and reasonably incurred in connection therewith.

7.5 Condition Precedent to Indemnification

Any person who desires to receive defense and indemnification under this Article shall notify the RRC reasonably promptly (1) that the person has been named a defendant to an action, suit, or proceeding of a type referred to in Section 7.1 and (2) that the person intends to rely upon the right of defense and indemnification described in this Article. The notice shall be in writing and mailed via registered or certified mail, return receipt requested, to the President of the RRC, or if the notice is from the President to the Board Secretary of the RRC, at the executive offices of the RRC. Notice need not be given when the RRC is otherwise notified by being named a party to the action.
7.6 Insurance

At the discretion of the Board, the RRC may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the RRC, or is or was serving at the request of the RRC as a director, officer, employee, agent, partner, or director of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against or incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the RRC would have the power to defend and indemnify the person against such liability under the provisions of this Article.

7.7 Former Officers, Directors, Employees, and Agents

The indemnification provisions of this Article shall be extended to a person who has ceased to be a director, officer, employee, or agent of the RRC as described above and shall inure to the benefit of the heirs, personal representatives, executors, and administrators of such person.

7.8 Purpose and Exclusivity

The defense and indemnification referred in the various sections of this Article shall be deemed to be in addition to and not in lieu of any other rights to which those defended and indemnified may be entitled under any statute, rule of law or equity, agreement, vote of the Board, or otherwise. The purpose of this Article is to augment, pursuant to AS 10.06.490(f), the provisions of AS 10.20.011(14), AS 10.20.051(b), and the other provisions of AS 10.06.490.

7.9 Limitation of Liability

As set forth in the Articles of Incorporation, no Voting Director of this corporation shall have any personal liability to the RRC for monetary damages for the breach of fiduciary duty as a director except as provided in AS 10.20.151(d) and (e).

7.10 Director Reliance

In acting for the RRC, unless the director has knowledge concerning the matter in question that makes reliance unwarranted, directors may rely upon information, opinions, reports, or statements (including financial statements) and data prepared by

1. Officers, employees, and agents of the RRC whom the director believes to be reliable and competent in the matters presented;

2. Counsel, public accountants, or other persons as to matters that the director reasonably believes to be within the person's professional or expert competence; and

3. Committees of the Board as to matters within the authority of the committee that the director believes to merit confidence.
ARTICLE 8  BYLAW AND POLICY AMENDMENTS

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a Supermajority vote at any regular, ad hoc, or special meeting, if at least thirty (30) days’ written notice is given of the intention to alter, amend, or repeal or to adopt new Bylaws at such meeting.

No later than three (3) years after RCA certification of the RRC as an electric reliability organization, and at least every three (3) years thereafter, the Governance Committee shall conduct a review of the Bylaws, governance policies, and rules on file with the RCA to identify areas that they believe can be improved or need be supplemented, including in order to ensure the requirements of regulations in 3 AAC 46.060(b)(4), and as amended, continue to be satisfied as relevant stakeholder classifications and interests change, and bring recommendations to the Board for consideration. This will include a review of independence of the TAC and any potential undue influence or lack of influence of directors serving on TAC working groups. Prior to each Bylaw review, the CEO will commission a consultant to conduct an independent review of Board Balance and stakeholder representation. The results of the review will be provided to the Board, the RCA, and the public.

Amended Bylaws or policies take effect as soon as they are approved by the Board. Amended rules take effect once approved by the RCA.

ARTICLE 9  MISCELLANEOUS

9.1  No Seal

The RRC shall have no seal.

9.2  Shares of Stock

The RRC may not have or issue shares of stock or pay dividends.

9.3  Loans

No loans shall be contracted on behalf of the RRC and no evidence of indebtedness shall be issued in its name without the prior consent of the Board. The RRC may not make loans to its officers or directors.

9.4  Severability

A determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal, or otherwise ineffective will not affect or invalidate any other provision of these Bylaws.

9.5  Governing Law

All provisions of these Bylaws are subject only to the laws of the State of Alaska.
9.6 Antidiscrimination

Participation in any activity, employment, testimony before, contracts with, and holding office or appointment to a committee of the RRC, shall not be denied or abridged to any individual on account of race, color, religion, gender, age, national origin, disability, sexual orientation, or gender identity.

9.7 Agents and Representatives

The Board may appoint such agents and representatives of the RRC with such powers and to perform such acts or duties on behalf of the RRC as the Board may see fit, so far as may be consistent with these Bylaws, to the extent authorized or permitted by law.

9.8 Waiver of Notice

Whenever any notice is required to be given under the provisions of the Alaska Nonprofit Corporation Act or the Articles of Incorporation or Bylaws of the RRC, a waiver thereof in Writing signed by all Board or Board Committee members, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 10 DISSOLUTION

The dissolution of the RRC shall only be accomplished as prescribed in the Articles of Incorporation, consistent with applicable law.

ARTICLE 11 EFFECTIVE DATE

These Bylaws become effective upon adoption by the Board at the organizational meeting of the RRC.

ARTICLE 12 DEFINITIONS

Act
The Alaska Nonprofit Corporation Act referenced in AS 10.20.005-10.20.725.

Affiliated
An affiliated entity is an organization that directly or indirectly controls another entity or project; is directly or indirectly controlled by another entity or entities; or is under common control alongside another entity. Thus, an affiliated entity could be a parent company or a subsidiary company.

Balance or Balanced
Governance by a Board that meets the requirements of 3 AAC 46.060(b) or as those terms are subsequently defined in the Alaska Administrative Code.

Board
The Board of Directors of the RRC, composed of the directors appointed or elected in accordance with the terms of these Bylaws.
Board Committee
A committee of the RRC Board as provided for in Section 2.4 – Board Committees.

Code of Conduct
That document (Ethical Conduct Rule [ER11]) approved by the Board of Directors that establishes the framework for ethical behavior and serves to guide the actions of RRC representatives in line with the RRC's values.

In Person
Physically present or present through electronic means where each party attending can hear and speak to each other.

Independent Power Producer
An entity, other than an LSE or its affiliate or the State of Alaska, that owns facilities to generate, store, or regulate electric power for sale to utilities or other end users.

Internal Revenue Service Rebuttable Presumption
Application of those Internal Revenue Service requirements for establishing the fairness of a compensation arrangement that will preclude the Internal Revenue Service from an initial finding of application of Intermediate Sanctions under the Internal Revenue Code.

Load-serving Entity (LSE)
An electric utility that has a service obligation to distribute power to more than ten (10) customers that receive invoices directly from the entity.

Majority
The number of Voting Director votes necessary to take affirmative action on an issue as defined in Section 2.3.6.2 of these Bylaws.

RRC Committee
A committee of the RRC other than a Board Committee.

Stakeholder Class
Stakeholder interests classified by provider or consumer and further subclassified, as listed in Table 1 in Section 2.1.2.2.

Supermajority
The affirmative vote of nine (9) or more Voting Directors representing a majority of Stakeholder Classes, necessary to take affirmative action on issues so identified in these Bylaws.

Technical Advisory Committee Council (TAC)
A panel of RRC staff technical experts that make recommendations to the Board pursuant to Section 3.1.2 of these Bylaws.

Voting Director(s)
Those persons who occupy Director seats A through M. If resolution of a deadlock is required pursuant to Section 2.3.6.4, then the alternate to the Seat M - Independent Director shall also be considered a Voting Director.
Written and Writing
Any document or file, paper or electronic, that can be attested to by physical or electronic signature. For an avoidance of doubt, an electronic communication forwarded by email from a person's email account shall be considered a Written response or Writing provided from the person whose email account the communication emanated.
Exhibit E-13

Governance Committee Charter (CH-01)
GOVERNANCE COMMITTEE CHARTER

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1.0 PURPOSE

The Railbelt Reliability Council (RRC) Governance Committee (Committee) will assist the RRC Board of Directors (Board) in fulfilling its responsibilities regarding matters that relate to governing the organization and recommending director candidates to the Board.

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>CEO</td>
<td>chief executive officer</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
<tr>
<td>TAC</td>
<td>Technical Advisory Council</td>
</tr>
</tbody>
</table>

3.0 COMMITTEE MEMBERSHIP

The Committee shall be balanced and composed of at least five (5) members, including the immediate past chair of the Committee. The Board chair will serve as a nonvoting, ex-officio member. In accordance with the RRC Bylaws, the Committee members and chair shall be appointed by the Board chair and approved by the Board at the regular meeting following each annual meeting.

4.0 DELEGATION

The Committee may, by unanimous consent, delegate all or a portion of its authority to act upon specific matters to the Committee chair or to a subcommittee consisting of one (1) or more members of the Committee as it deems appropriate, unless prohibited by applicable law or regulation. Any such subcommittee shall update the full Committee at the next Committee meeting.
5.0 **KEY RESPONSIBILITIES**

The Committee is to assist the Board with performing the duties listed in Table 1.

**Table 1** **Key Responsibilities of the Governance Committee**

<table>
<thead>
<tr>
<th>Item</th>
<th>General Purposes</th>
<th>Specific Purposes</th>
</tr>
</thead>
</table>
| (i)  | Recruit, screen, and recommend chief executive officer (CEO) candidates to the Board | 1. Conduct the CEO recruitment process  
2. Screen and interview CEO candidates  
3. Recommend leading candidate(s) to the Board  
4. Research comparable CEO compensation and benefits and negotiate and recommend compensation package(s) to the Board |
| (ii) | Ensure appropriate governance of the corporation | 1. Periodically review the criteria for balance, diversity, and independence of the Board set out in applicable RRC Bylaws; RRC rules on file with the Regulatory Commission of Alaska (RCA); statute(s), and regulations; and recommend changes to the Board as appropriate and as required in the RRC Bylaws  
2. Develop, maintain, and recommend changes to RRC governance documents  
3. Advise the Board about operational strategies to strengthen the organization and empower the Board to meet its obligations related to good governance  
4. Conduct periodic Board and committee assessments  
5. Periodically review the structure of the other Board committees and, together with chairs of other Board committees, review the mandate of each committee and recommend changes to the Board as appropriate |
| (iii) | Develop, evaluate, and recommend compensation and benefits policies | 1. Lead annual evaluation of CEO performance with input from entire Board  
2. Recommend to the Board appropriate changes to compensation and benefits for the CEO |
| (iv) | Recommend director meeting fees | 1. Annually review the meeting fee structure for directors and Board Committee members and propose changes through review and analysis of third-party data |
| (v)  | Oversee director and officer nominations and election processes | 1. Recruit and nominate qualified candidates to the Board for Board Seat M  
2. Recommend candidates to the Board chair for Board committee members and chairs  
3. Evaluate all directors’ competencies against the current and future needs of the organization, and make ameliorative recommendations  
4. Oversee officer nominations and elections |
<table>
<thead>
<tr>
<th>Item</th>
<th>General Purposes</th>
<th>Specific Purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(vi)</td>
<td>Oversee the corporation’s policies and practices regarding risk management</td>
<td>1. Oversee risk management related to assigned risk areas and submit an annual report to the Board Finance and Audit Committee</td>
</tr>
</tbody>
</table>
| (vii)| Conduct Board development                                                      | 1. With the CEO, develop and conduct an orientation process for newly appointed directors  
2. With the CEO, facilitate Board development and training                                                                                              |
| (viii)| Oversee and monitor investigations                                               | 1. Authorize, oversee, and monitor investigations into any matters within the Committee’s scope as defined in RRC governing documents[^1] and recommend action to the Board  
2. Appoint and monitor compliance officer(s)                                                                                                           |
| (xi) | Monitor changes in directors’ circumstances                                     | 1. Review each director’s suitability for continued service as a director when the director’s term expires or when the director has a significant change in status, including but not limited to an employment change, and recommend whether or not the director should be renominated  
2. Consider any resignation offered by a director who changed employment or the major responsibilities held in their principal occupation when they joined the Board and recommend to the Board whether to accept such offers of resignation |
| (x)  | Oversee Board governance studies                                                | 1. In compliance with Article 8 of RRC Bylaws, conduct a review of the Bylaws, governance policies, and RRC rules to identify areas that can be improved or need be supplemented, including to ensure the requirements of regulations in 3 AAC 46.060(b)(4), and as amended, continue to be satisfied as relevant stakeholder classifications and interests change, and bring recommendations to the Board. This will include a review of Technical Advisory Council (TAC) independence and any potential undue influence or lack of influence of directors serving on TAC working groups. |

[^1]: Documents include the Discrimination & Harassment Policy (P-01) and Conduct Compliance Rule (ER-12)
<table>
<thead>
<tr>
<th>Item</th>
<th>General Purposes</th>
<th>Specific Purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(xi)</td>
<td>Perform additional duties as directed by the Board or this charter as modified</td>
<td>For example, when appropriate, retain and receive advice from outside experts on Board matters</td>
</tr>
</tbody>
</table>

### 6.0 Meetings

The Committee will meet at least quarterly and hold additional meetings as needed to fulfill its responsibilities. Meetings may occur in conjunction with regular Board meetings or as determined by the Committee members, using the same meeting procedures established for the Board and in RRC rules. Either the Committee chair or a majority of the Committee members may call a special meeting.

The Committee may request that any directors, officers, or employees of the RRC, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide pertinent information.

The Committee shall appoint a person, who need not be a Committee member, to act as secretary and record the Committee proceedings. Those records will be retained in accordance with RRC rules. The agenda for each Committee meeting will be prepared and circulated to each Committee member by the secretary prior to each meeting. As soon as practicable following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a summary of actions taken by the Committee at the meeting.

### 7.0 Quorum & Voting

A majority of the Committee members shall constitute a quorum. Participation in a meeting held by telephone or video conference shall constitute presence of the Committee member at the meeting. Any action or decision of the Committee requires a vote of a majority of the Committee members then in attendance at any Committee meeting, provided a quorum is present.

### 8.0 Seating Directors

Prior to the end of the term of any director or upon the resignation or removal of a director, the Committee shall recommend to the Board a candidate or candidates to fill the vacancy consistent with the process outlined below.

#### 8.1 Appointment (Seats A – I)

With regard to director seats A – I, the Committee will:

1. Notify the appointing entity and request notice of primary and alternate director designees; and
2. Verify that the appointee(s) meets director qualification requirements as defined in Bylaws Section 2.1.2.6 – Qualifications.
8.2 Nomination (Seats J – L)

With regard to director Seats J – L, the Committee will:

1. Identify potential members of and select the appointing group as described in Bylaws Section 2.1.2.3 – Director Seat Allocation;

2. Notify the appointing group and request notice of primary and alternate director designees;

3. Verify that the appointee(s) meets director qualification requirements as defined in Bylaws Section 2.1.2.6 – Qualifications; and

4. Provide assistance as necessary to facilitate candidate nominations.

8.3 Director Election Oversight (Seat M)

The Committee shall have the following responsibilities with respect to Seat M:

1. Identify individuals qualified to fill Seat M, consistent with the Board’s criteria for selecting new directors. The Committee shall also consider any independence requirements imposed by regulations and RRC Bylaws.

2. Establish procedures for evaluating the suitability of candidates proposed by directors and the public.

3. Ensure that candidates are aware of Board service responsibilities and willing and able to accept appointment prior to proposing candidates to the Board.

4. Recommend to the Board no fewer than two (2) and no more than five (5) director candidates for election to Seat M, pursuant to the RRC Bylaws, and provide the Board with relevant background information on the candidates.
Exhibit E-14

Discrimination & Harassment Policy (P-01)
DISCRIMINATION & HARASSMENT POLICY

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1.0 POLICY OVERVIEW

It is the policy of the Railbelt Reliability Council (RRC) that all persons shall have a professional work environment free from all forms of discrimination and harassment. The RRC strives to provide a safe and welcoming work environment that is free from bias and intimidation. Consistent with federal and state law and corporate best practices, the RRC expressly prohibits any form of discrimination or harassment.

2.0 PURPOSE & SCOPE

The purpose of this Discrimination & Harassment Policy is to ensure a safe and welcoming work environment at the RRC and to prevent discrimination and harassment in the workplace.

The Discrimination & Harassment Policy applies to Directors, staff, contractors, members of committees, and members of the public approved to participate under the Public Participant in a Development Rule (ERS) (Approved Participant), (collectively, RRC Representatives), and to RRC volunteers, vendors, and exhibitors. This policy also applies to anyone else who participates on an RRC committee or in an RRC program or activity. RRC-sponsored programs and activities include, but are not limited to, meetings, hearings, publications, correspondence, honors and recognitions, and governance programs, as well as all appointed, elected, and volunteer positions.

3.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Participant</td>
<td>A member of the public approved for participation under the Public Participation in a Development Rule (ERS)</td>
</tr>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>CEO</td>
<td>RRC chief executive officer</td>
</tr>
<tr>
<td>Director</td>
<td>A member of the RRC Board of Directors</td>
</tr>
</tbody>
</table>

Exhibit E-14 - Page 1 of 5
**Discrimination & Harassment Policy**

**Term** | **Definition**
--- | ---
**Discrimination** | Any action or inaction that creates or provides any distinction, exclusion, or restriction made on the basis of age, color, disability, familial status, height, marital status, national origin, political affiliation, race, religion, sex/gender (including gender identity and expression), sexual orientation, parenthood, disability, membership in any organization, veteran status, weight, or other protected status as defined and as required by law.

**Harassment** | Generally defined as the use of any offensive behavior, coercion, intimidation, bullying, influence, or the perception of influence to gain unwanted advantage, action, or inaction from another to their detriment that creates a hostile work environment.

**RRC** | Railbelt Reliability Council

**RRC Representatives** | Directors, staff, contractors, committee members, and Approved Participants under the RRC Public Participation in a Development Rule (ERS)

**Sexual Harassment** | Defined by U.S. federal guidelines and this policy as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. Importantly, the legal definition includes harassment that is sexist rather than sexual: it can include offensive remarks about a person’s sex, with this form being illegal when it is so frequent or severe that it creates a hostile or offensive work environment.

Examples of sexual harassment include, but are not limited to:
- Sexual assault
- Unwanted or unwelcome sexual advances
- Offering employment benefits in exchange for sexual favors
- Making or threatening reprisals after a negative response to sexual advances
- Visual conduct, which can include leering; making sexual gestures; or displaying sexually suggestive objects or pictures, cartoons, or posters
- Verbal conduct, which can include making or using derogatory comments, epithets, slurs, or jokes
- Verbal sexual advances or propositions
- Verbal abuse of a sexual nature; graphic verbal commentaries about an individual’s body; sexually degrading words used to describe an individual; suggestive or obscene letters, notes, invitations, or any other similar communication electronic or otherwise
- Physical conduct, which can include touching, assault, or impeding or blocking movements

**4.0 Responsibilities of Key Personnel**

<table>
<thead>
<tr>
<th>Title</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CEO</strong></td>
<td>Oversees adherence to this policy, including ensuring compliance with all laws as well as state requirements and staying current with best practices related to preventing discrimination and harassment in the workplace</td>
</tr>
<tr>
<td><strong>CO</strong></td>
<td>Compliance officer as designated by the CEO or Governance Committee, as applicable</td>
</tr>
<tr>
<td><strong>Complainant</strong></td>
<td>Any person filing a complaint</td>
</tr>
<tr>
<td><strong>Governance Committee</strong></td>
<td>Oversees adherence to this policy when reports of discrimination or harassment are made against a Director or the CEO</td>
</tr>
<tr>
<td><strong>RRC Representatives</strong></td>
<td>Responsible for providing a harassment- and discrimination-free workplace, as well as reporting violations of this policy</td>
</tr>
</tbody>
</table>
5.0 REPORTING PROCEDURES

If any person believes that they are being subjected to discrimination or harassment, the person should, but is not required to, directly inform the offender that the conduct is unwelcome and must stop and may make a report through the process described below.

5.1 Initiation of Complaint

Any person who in good faith believes they have been subjected to discrimination or harassment may, and any person who witnesses such action shall, report via any of the avenues listed below:

- If an RRC employee, immediately report the discrimination or harassment to their immediate supervisor
- If a member of a committee or an Approved Participant, immediately report the discrimination or harassment to their committee chair
- If an RRC Director or the chief executive officer (CEO), immediately report the discrimination or harassment to the Governance Committee
- If an RRC contractor, vendor, or exhibitor, immediately report the discrimination or harassment to the RRC contract administrator or the CEO or, if the discrimination or harassment occurs at an RRC event, to the RRC person in charge of the event
- If a member of the public, immediately report the discrimination or harassment to any RRC director or employee, or to the RRC person in charge of the event or activity at which the person believes the discrimination or harassment has occurred
- In the case that the person to report to is also the offender, reports may be made directly to the CEO or Governance Committee.

Complaints may be made verbally, in writing, or electronically. If a complaint provides contact information, the complainant shall receive an acknowledgment of receipt. Any person filing a complaint (Complainant) is entitled to protection under the RRC Whistleblower Policy (P-02). Complaints can be made anonymously.

5.2 Immediate Action Following Complaint

A person in a supervisory capacity to whom a possible violation is reported may, as circumstances allow and with reasonable evidence that the discrimination or harassment occurred, take immediate action to end the discrimination and harassment. This action may include removing a person from an RRC meeting or function.

For possible violations unable to be resolved by immediate supervisors, meeting chairs, event managers, or contract managers, the person to whom the report was made shall immediately forward the report to the CEO. Complaints against the CEO should be directed to the Governance Committee at Governance@akrcc.org.
All complaints, even if resolved at a lower level, shall be reported to the CEO or Governance Committee by the person receiving the complaint.

6.0 INVESTIGATION PROCEDURES

The CEO is responsible for investigating all complaints, unless such complaints are against the CEO or a director, in which case the Governance Committee is responsible for investigation.

1. When the CEO or Governance Committee receives a complaint, they shall determine pursuant to applicable statues, regulations, and RRC rules whether to investigate, how to investigate, and who should lead the investigation.

2. If the CEO or Governance Committee decides to open an investigation, they will appoint a Compliance Officer (CO) based on expertise necessary to understand and investigate the complaint.

3. The CO shall investigate the complaint and provide a report to the CEO or Governance Committee, as applicable, at the end of that investigation with findings, including whether the violation occurred and, if so, the severity of the infraction and recommendations for corrective action and/or sanctions.

4. The CEO or Governance Committee, as applicable, shall review all complaints, consider findings, and:
   a. The CEO can take action to sanction violations by any person except a Director or the CEO. The CEO shall report to the Board any actions taken following an investigation.
   b. The Governance Council will forward to the Board recommendations for sanctioning violations by a Director or the CEO. The Board can take action to sanction violations by any Director or the CEO.

In all cases, the Complainant will be notified of the investigation conclusions to the extent permitted by applicable RRC rules and policies and applicable law.

7.0 CONFIDENTIALITY

At a Complainant’s request or at the discretion of the CO, investigations and reports shall be kept confidential to the extent possible, consistent with applicable law, regulations, and the need to conduct an investigation and take appropriate corrective action.

8.0 APPEALS

Appeals related to enforcement of this policy may be made to the Board.

9.0 SANCTIONS FOR VIOLATIONS

Anyone found to have engaged in improper conduct will be subject to disciplinary action, up to and including termination of employment, removal from the Board or from a committee, rescission of
contractual relationships, revocation, or prohibition of access to RRC resources or meetings, and/or prohibition of participation in RRC meetings and activities.
Exhibit E-15

Whistleblower Policy (P-02)
WHISTLEBLOWER POLICY

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1.0 POLICY OVERVIEW

This policy affords processes and protections to persons who make a complaint or allegation about an alleged breach of the following Railbelt Reliability Council (RRC) rules and policies. The RRC’s Ethical Conduct Rule (ER11) requires RRC Board of Directors, staff, contractors, committee members, and members of the public approved for participation in developments (collectively, “RRC Representatives”) to observe the highest standards of professional ethics in conducting RRC business. All RRC Representatives shall exercise honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. In addition, the RRC Discrimination & Harassment Policy (P-01) prohibits any form of discrimination or harassment.

2.0 PURPOSE

The RRC is committed to providing a work environment where staff and members of the public are free, in good faith, to report suspected improper activity without fear of retribution or retaliation to ensure any person can be candid and honest without reservation regarding the conduct of RRC business.

The term “whistleblower” is used generally to refer to anyone who, in good faith, reports suspected improper activity. Whistleblower protections apply to RRC Representatives and members of the public.

While this policy is primarily intended to apply to improper activity related to the Ethical Conduct Rule (ER11) and to violations of the Discrimination & Harassment Policy (P-01), violations of other policies may also constitute improper activity upon review or investigation.

3.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whistleblower</td>
<td>Anyone who, in good faith, reports suspected improper activity</td>
</tr>
<tr>
<td>RRC Representatives</td>
<td>Directors, staff, contractors, committee members, and Approved Participants under the RRC Public Participation in a Development Rule (ERS)</td>
</tr>
</tbody>
</table>
4.0 RESPONSIBILITIES OF KEY PERSONNEL

4.1 Governance Committee

The RRC Governance Committee shall be responsible for overseeing compliance with this policy, in accordance with the Conduct Compliance Rule (ER12) (available on the RRC website at akrrc.org).

5.0 PROCEDURES

5.1 No Retaliation

No RRC Representative or other person who in good faith reports a violation of the Ethical Conduct Rule (ER11), the Discrimination & Harassment Policy (P-01), or other improper activity shall be subject to harassment, retaliation, or adverse employment consequence due to the reporting. A director or employee who retaliates against someone who has, in good faith, reported an improper activity is subject to discipline as provided in the Conduct Compliance Rule (ER12). This Whistleblower Policy is intended to encourage and enable all RRC Representatives and the public to raise concerns regarding conduct with the RRC prior to seeking resolution outside the organization. Any management action resulting from the whistleblower’s good-faith allegations that negatively impacts the whistleblower in a material way, including but not limited to negative salary action, written warning, demotion, suspension, bullying, or termination (including negative impacts to contractors), are forms of retaliation and/or retribution that are prohibited under this policy.

5.2 Reporting, Investigations, and Sanctions

Complaints by whistleblowers will be reported and investigated and may result in sanctions in accordance with the Conduct Compliance Rule (ER12).
Exhibit E-16

Public Comment & Meetings Attendance Policy (P-03)
PUBLIC COMMENT & MEETING ATTENDANCE POLICY

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1.0 PURPOSE & SCOPE

1.1 Purpose
The purpose of this policy is to detail the ways in which oral and written public comments may be submitted to the Railbelt Reliability Council (RRC). Public comment is an opportunity for the public to inform the RRC of its views on RRC matters. Public comment is an essential part of the RRC Board of Directors (Board) meetings, Board Committee meetings, RRC Committee meetings, and other RRC business. The RRC will give public comments due consideration in making its decisions.

1.2 Scope
This policy establishes a process for public comment for RRC meetings and other RRC actions where applicable and sets expectations for members of the public attending RRC meetings.

This policy is available on the RRC website: www.akrrc.org.

2.0 DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>RRC Board of Directors</td>
</tr>
<tr>
<td>Board Committee</td>
<td>A committee of the Board, as provided in RRC Bylaws Section 2.4 – Board Committees</td>
</tr>
<tr>
<td>RRC Committee</td>
<td>A committee, subcommittee, working group, task force, advisory committee, or other topic-specific group of the RRC, other than a Board Committee, that plays a role in RRC decision making</td>
</tr>
<tr>
<td>RRC</td>
<td>Railbelt Reliability Council</td>
</tr>
</tbody>
</table>

3.0 RESPONSIBILITIES OF KEY PERSONNEL

<table>
<thead>
<tr>
<th>Title</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board chair</td>
<td>The Board chair oversees compliance with this policy as it pertains to Board meetings.</td>
</tr>
<tr>
<td>Board Committee chair</td>
<td>The Board Committee chair oversees compliance with this policy as it pertains to Board Committee meetings.</td>
</tr>
</tbody>
</table>


4.0 COMMENTS TO THE RAILBELT RELIABILITY COUNCIL

Oral comments shall not, and the RRC may decline to post written comments that:

- Violate the RRC Discrimination & Harassment Policy (P-01);
- Contain hate speech, including but not limited to speech expressing hate or encouraging violence toward a person or group based on race, color, sex, sexual orientation, gender identity/expression, national origin, ethnicity, age, religion, or disability;
- Promote or endorse commercial or personal services or products; or
- Otherwise violate the RRC’s Website Terms & Use Policy.

4.1 Oral Public Comments

Oral comments are spoken comments delivered contemporaneously in a meeting either via telephone or Internet service or in person. An oral public comment period as described below shall be reserved as an item of business on the agenda of all RRC Board, Board Committee, and RRC Committee meetings.

4.1.1 Procedures for Signing up & Speaking

A public comment period will be held at the beginning and end of each RRC Board, Board Committee, and RRC Committee meeting. The following procedures will apply to public comments at RRC meetings:

1. Anyone desiring to comment must sign up at or before the meeting and provide their name and contact information.
2. Speakers will be called in the order in which they signed up.
3. All reasonable efforts will be made to accommodate each individual who has requested to speak.
4. Comments at the end of the meeting will be limited in scope to matters addressed at the meeting.

4.1.2 Callers

After Board or committee roll call and agenda approval, callers will follow the instructions provided for callers to participate.

4.1.3 Time Limits & Procedures for Speakers

1. Oral statements provided by a speaker must be directly related to the business being addressed at that meeting.
2. After acknowledgment by the meeting chair, speakers shall address the RRC Board or committee members. Each speaker will only be allowed to speak once during each public comment period and up to twice per meeting. Speakers will begin their comments by first stating their name and where they currently reside or are calling from for informational purposes.

3. Comments will be limited to no more than five (5) minutes per speaker for each public comment period. Additional time may be granted by the chair if deemed necessary and clarifying questions from the RRC Board or committee will not count toward the five (5)-minute limit.

4. Speakers will be asked to respect the time limit allotted to each speaker. The meeting chair will indicate when the commenter’s time has expired, and the next speaker will be invited to begin their comments.

5. A speaker cannot give their allotted minutes to another speaker to increase that person’s allotted time. Any time not used by a speaker will be forfeited.

4.1.4 Restrictions & Removal of Speakers & Meeting Attendees

1. No food; bullhorns or similar devices; items that could be used as weapons; or large bags or cases are allowed into the meeting room. Small bags and backpacks are subject to search prior to meeting room entry. Items may be held outside of the meeting room by the Board or committee at the chair’s discretion. The RRC is not responsible for the loss or damage of any items held.

2. Any meeting attendee who, at the direction of the meeting chair, is escorted from the meeting room will not be readmitted for the remainder of the day.

3. All speakers are required to refrain from violating the RRC Discrimination & Harassment Policy (P-01) when addressing the Board or committee. Failure to do so may result in disqualification from addressing the Board or committee and expulsion of the speaker from the meeting.

4. After the speaker has made their statement, the speaker shall be seated with no further debate, dialogue, or comment unless asked for follow-up or clarification by the Board or committee.

4.1.5 RRC Board, Board Committee, and RRC Committee Procedures

1. The Board or committee members may ask a speaker to clarify information to better understand the speaker’s comments.

2. The Board or committee is not required to take action on an item or concern presented during the public comment period. The item may be added to the agenda of a future meeting, thereby providing RRC staff an opportunity to provide input to the Board or committee for further consideration and review.

3. The Board or committee may invite a speaker to provide comments during the public comment portion of the meeting. Invited speakers may not be subject to the five (5)-minute time limit and will not decrease or replace time available for public comment.
4.2 Written Public Comments to the RRC

Any person may file written comments with the RRC at any time. The RRC will accept written comments from the public on RRC Board and committee business and in response to specific RRC business noticed to the public for comment. Comments may be submitted via (1) mail to P.O. Box 196300, Anchorage, AK 99519, (2) email to [Insert Email Address Here], or (3) the RRC website as provided in Sections 4.2.2.

Written and digital comments must identify the commenter, state the subject matter being commented on, and identify whether the written comments are being submitted to the Board, a Board Committee, or an RRC Committee, or generally in response to a public notice.

4.2.1 Website Submissions

The procedures for posting information on the RRC website are as follows:

1. Written comments may be submitted on the RRC website at www.akrrc.org via the public comment link.

2. Copyrighted and other proprietary material should not be posted or submitted in any form unless permission to do so is clearly indicated. In posting their own comments or other work, a commenter grants the RRC and anyone viewing the RRC website irrevocable permission to copy, distribute, make derivatives, display, or perform the commenter's work publicly and free-of-charge.

3. Personal identifying, private, privileged, or confidential information such as social security numbers, medical information, home addresses, or home/cell telephone numbers should not be shared with the RRC.

4. Comments will be posted to the appropriate location on the RRC website within five (5) business days.

4.2.2 Timeliness of Comments & Distribution Prior to Board or Committee Meeting

Written comments addressing items on an agenda for a Board or committee meeting must be received by the RRC forty-eight (48) hours in advance of the scheduled meeting start time to ensure sufficient time for advanced distribution. The written comments must clearly identify the specific agenda item being addressed. Such comments will be distributed to members of the Board or committee prior to beginning of the Board or committee meeting.

Written submissions received less than forty-eight (48) hours in advance or received during the meeting will be distributed to the members of the Board or committee as soon as reasonably practicable.

4.2.3 Ex Parte Communications

Should any RRC Board or committee member or employee receive written comments or any ex parte communication from any person concerning an initiated development, investigation, or enforcement, the written or oral ex parte communication will be made public consistent with this policy. An “ex parte” communication is an oral or written, direct or indirect, communication with a Board director, committee
member, or RRC employee by any person or party involved in a matter being decided by the Board or an RRC committee when all of the other persons or parties involved in deciding the matter are not present or included in the communication. The individual at the RRC who received the *ex parte* communication must post that communication to the relevant matter on the RRC website. If an oral communication, the RRC individual receiving the communication should write a summary of the conversation, which will be added to the record on the RRC website.

### 5.0 Use of Information about the Public Commenter

The RRC may use information about the individual or organization providing public comment depending upon the activities of the individual or organization providing comment. For personal identifiable information, the manner in which the RRC may use this information about the commenter depends upon the context in which the commenter provided the information. Information requested to remain confidential will be subject to the RRC Confidential Documents and Access Rule (ER4).

The RRC will not release nonpublic personal information to third parties except to further the purpose for which that information is provided or if release is required or permitted by law. The RRC will not disclose nonpublic personal information, or documents containing such information, except to the extent that (1) the release of such information has been waived expressly or by implication, or (2) the individual/organization has instructed or authorized the RRC to release such information to or file such information with third parties, such as the Regulatory Commission of Alaska. The RRC does not sell or trade personal information regarding public commenters to anyone.

### 6.0 Accessibility

The RRC will take all reasonable steps to make Board and committee meetings accessible to all members of the public. Members of the public who require specific accommodations, including interpreter services and physical access accommodations, should contact the RRC at XXX-XXX-XXXX or EMAIL ADDRESS.

Individuals requiring interpreter assistance at a Board or committee meeting should request an interpreter at the beginning of the meeting. If interpretation of the requested language is not available through the RRC’s vendor (LINK HERE), or the individual’s comments to be made at the meeting involve advanced technical language, a request for interpretation must be made at least two (2) business days in advance.

Individuals in need of other accommodations are asked to make a request to the RRC for such accommodations with sufficient advanced notice to fulfill the request. Other accommodations may include:

1. Using standard fonts (for example, Tahoma, Calibri, Helvetica, Arial, Verdana, and Times New Roman) and sizes (for example, no smaller than 14-point font) for public RRC communications to ensure maximum readability
2. Providing an alternative text attribute for images
3. Providing audio recordings of all public portions of meetings;
4. Providing meeting minutes
5. Providing written transcripts of all public portions of meetings, if an audio recording is inadequate to allow accessibility