

Program Name	EPAAct 2005, 2606 Wind/Hydro Feasibility Study
Date and Time of Meeting:	July 22, 2008 11:00 – 12:40 MDT
Place:	Conference Call Minutes
Subject of Meeting:	WHFS Project Review
Meeting Leader:	Mike Radecki
Reporting (Minutes):	Mike Radecki



Minutes– July 22, 2008

To access the conference call dial **877-643-6951** then enter the pass code **87705226#**

Wind/Hydro Feasibility Website: <http://www.wapa.gov/ugp/powermarketing/default.htm>

Agendas

No.	Item Description	Lead	Time
1.	Introductions / Attendance __ Margaret Bad Warrior, __ Lynn Coles __ Mike Costanti, __ Scott Eichelberger, _X_ Jody Farhat, __ Scott Doig, __ Roger Freeman __ Bob Gough, __ Jim Haigh, __ Doug Hellekson, _X_ Braden Houston, _X_ Rick Hunt, _X_ Joel Lanketus, __ Darin Larson, __ Henry Louie, _X_ Warren Mackey, _X_ Kim Massey, __ Roy McAllister, __ Trevor McDonald, __ Mike McDowell, __ Mark Messerli, __ Shawn Micken, __ Brian Parsons, __ Cameron Potter, _X_ Mike Radecki, _X_ Dave Rich, _X_ John Richards, _X_ Bob Rusch, __ Paulette Schaeffer, _X_ Amy Shell, __ Roger Schiffman, _X_ Matt Schuerger, __ Bill Schumacher, __ Vic Simmons, __ Pat Spears, _X_ Tom Weaver, __ Ed Weber, __ Walter White Tail Feather, _X_ Tom Wind, __ Karl Wunderlich, __ Bob Zavadill, _X_ Cammille Green, _X_ Mary Garrison, _X_ Mike Malone, _X_ Bruce Renville, _X_ Norm Jones	Mike	
2.	Schedule Review / Update	Mike	10 Min
3.	Cost of Energy Estimate – Review/Discuss/Finalize	Mike	40 min
4.	Wind Modeling Validation Results •	Kim	40 min
5.	Wrap-up <ul style="list-style-type: none"> • Discussion review • Action items • Next meeting / conference call 		
6.			
7.			
8.			
9.			

1. Major Discussions

No.	Discussion
1.	Schedule – Delays associated with resolving various issues has impacted the project schedule – we currently anticipate the Draft project report will be issued in Sept 08. Previous estimates assumed project completion in Sept 08. We’re confident in the quality of the product and see the impacts as worthwhile in that a value added product will be produced.
2.	Cost of Energy Estimate (COE) – Discussed the intent and purpose of the COE. The COE estimate will be used in the cost/benefit analysis portion of the Wind/Hydro Feasibility Study as

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the benchmark to compare purchase power costs identified in the PROMOD analysis. There are several things to consider when reviewing this document:

1. We recognize it may not reflect your actual/estimated project costs or specific cost elements. Bear in mind that for the WHFS we need to establish a benchmark cost estimate that is representative of all the potential Tribal Wind projects. We recognize that some of you may have arrangements/opportunities to produce wind energy at costs different than shown on the COE.
2. Several of the projects forwarded for consideration in the WHFS are larger/smaller than the size in the estimate. We recognize this difference but need to keep the comparison applicable to all projects
3. This cost estimate does not "lock" any proposed Tribal project to a specific COE number.
4. This estimate does not include costs associated with transmission system improvements.
5. Renewable Energy Certificate values are stated but not applied to the COE..
6. Our goal is to discuss and reach consensus - we will adjust various cost factors in "real time" and develop "representative cost estimate."
7. Once we reach consensus on a representative COE - this is the number we will compare to market purchased energy cost

Discussed each of the key assumption categories of the COE estimate. The discussion focused on the individual key assumptions in the COE. The initial estimate assumed a sole tribal arrangement and that based on the unique status of the Tribes, reaching a financially viable Tribal financial arrangement was unlikely. There was a general consensus that for a Tribal project to be viable, a MN FLIP-type arrangement would be required. In short – Tom Wind agreed to work with Western/Stanley to flesh out a MN FLIP-type COE and structure the financing to create a competitive project. The revised COE would be submitted to the project team and a follow-up conference call would be arranged. This call would have to occur within the approximate week – All seemed agreeable to this plan

3. Wind Modeling Validation Results

Reviewed background on why the modeling was conducted – Upon realization of the significant amount of wind that would be interconnected to the IS (Tribal and non-Tribal) the need for sub-hourly impact analysis was unavoidable. The wind modeling effort was never intended to be used for specific project development purposes. The analysis would support reserves analysis estimate using representative production estimates. to support the development of potential impacts associated with system operations from the influx of wind.

Since the wind data was available, sharing summary results with the tribes seemed like a nice side-benefit. Through the data validation process, it was affirmed that the data was not suited for production/performance level use. and due to the variation in validation results, the capacity factors provided were not representative nor consistently biased. The four sites that provided observational data could be corrected to accommodate the observed data, but this would not be consistent across the entire data set since not all of the sites had observational data for validation.

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	As such, we will not publish capacity factors developed as a result of this modeling effort. Individual, non-production level project data from this study will be provided to the person(s) of record for each Tribal project. Any use of this data will be left to the discretion of the user with the understanding of the purpose it was originally intended (sub-hourly analysis). A summary report on the validation will be distributed the week of July 28.
4.	
5.	
6.	
7.	

2. Action Items:

Assignee	Description/Status	Date to be Completed
Tom Wind / Western /Stanley	Update COE to depict a MN FLIP arrangement	7/23

3. Parking Lot:

Task Description

Next Meeting /Call: