

NOTES



August 27, 2018

Joint Planning Agreement (JPA)

<https://www.wapa.gov/regions/DSW/pages/jpa.aspx>

| No. | Subject | Discussion |
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| 1. | Introductions | <ul style="list-style-type: none">All |
| 2. | Administrative Matters <ul style="list-style-type: none">Sign In sheet, mute phones, WebEx | <ul style="list-style-type: none">Jack Murray |
| 3. | Discussion <ul style="list-style-type: none">Transmission PlanningTermination Issues Joint Planning Agreement [JPA] and Memorandum of Understanding [MOU]VotingModifications to AttachmentsMeeting Notification and SchedulePriority Use PowerSovereign ImmunityGeneral Power Contract Provisions (GPCP)Review of Remaining Customer Technical Committee (CTC) CrosswalkOther Topics | <ul style="list-style-type: none">All |

Action Items:

| 4. | Assigned To | Task Description |
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| 4a. | WAPA | Provide a mark-up of the CTC's Parker-Davis Project (P-DP) and Intertie Customer Voting Process Criteria table (Attachment No. 3) by 9-10-18. |
| 4b. | WAPA | Provide a mark-up of the CTC's Proposed Meeting Schedule by 9-10-18. |
| 4c. | WAPA | Distribute the next redline draft JPA to the customers by 9-28-18. |
| 4d. | WAPA | Send out invitation for October 18, 2018 working lunch meeting, scheduled from 10:30 am – 3:00 pm. |

| 4. | Assigned To | Task Description |
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| 4e. | WAPA | Post notes from the August 27, 2018 meeting to the JPA website. |

Notes:

| Customer Comments & Questions | WAPA Response |
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| Preference customers are concerned they would lose transmission planning insight and input should WAPA join an organized market. | WAPA will consider adding more details to the transmission planning sections of the JPA. |
| The Open Access Transmission Tariff (OATT) Attachment P processes excludes sub-transmission (i.e. lower voltage) and local planning needs are not being addressed. | WAPA will review the JPA and determine if additional information is needed. WAPA will continue to meet with customers one-on-one to discuss transmission issues. WAPA will perform individualized studies at the customer's expense. |
| Align Attachment No. 2 and Attachment No. 5 to make sure there is cohesion and to ensure customer input into planning and Ten-Year Plan (TYP) processes are properly memorialized. | WAPA is in agreement and will review. |
| Customers asked for WAPA's input on CTC Transmission Planning Attachment No. 1. | WAPA explained the current transmission planning processes and procedures and that most of the information in the CTC's Attachment No. 1 is already captured in Attachment P. |
| How does transmission planning submit projects for the TYP? | Transmission planning identifies system needs based on study criteria and submits the proposed project(s) for Analysis of Alternatives (AOA) study(ies). |
| What are the criteria for transmission planning as it relates to the TYP and AOA processes? | Industry standard study criteria are utilized. WAPA will provide the specific criteria if requested. |
| Why does WAPA need the ability to terminate the JPA? | WAPA needs to be able to terminate the JPA if it becomes ineffective or irrelevant. The participants discussed aligning the JPA termination date with the 2028 P-DP Firm Electric Service Contract. WAPA is also willing to consider an automatic renewal option or having a longer period for advance notice regarding termination. |
| Customers proposed changes to Section 6.2 (Term of Agreement) to resolve concerns about the termination of the Prepayment MOU and Exhibit A of the JPA. | WAPA will consider the proposed termination language. |
| Some customers want a vote on all capital projects regardless of funding source. Some customers want a non-binding vote on certain projects. | WAPA's position is that customers will only vote on the application of prepayments toward construction projects. WAPA does not support a non-binding vote on other projects, primarily because a non-binding vote does not provide insight into |

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| | customers' motives, and customers will continue to be able to share their input on projects – whether they vote on the projects or not. WAPA will document and publish customers' comments. |
| Customers would like to know how prepayment funding is used for various costs (i.e., Replacement, Retirement, Additions, and Deletions [RRADs], operation and maintenance, and construction). | WAPA discussed the use of prepayment funding and referred to the List of Funding Sources posted to the JPA website. |
| If WAPA is going to use prepayments for RRADs, customers want a vote on projects over the \$1 million threshold. | RRADs projects, which are inherently maintenance in nature, are necessary to ensure the transmission system is reliable and safe. Allowing customers to vote on RRADs could compromise WAPA's responsibility to maintain the transmission system. |
| Customers are concerned with WAPA making unilateral changes to attachments. | WAPA will move the definitions to the body of the JPA, and will add language to better describe our intent to share information. Using the TYP section as an example, the JPA will describe the meeting schedule, sharing project information, costs, rate impacts, and WAPA's willingness to consider customer input. The TYP attachment will lay out the schedule and details. |
| Meeting notification and schedule were briefly discussed. | WAPA will review the CTC's proposed meeting schedule. WAPA intends to combine meetings as much as possible to maintain efficiency. |
| Customers remain concerned about the recognition of Priority Use Power obligations. | WAPA will insert the word "statutory" before the word "priority" in Section 13. WAPA to review current language to ensure the standing of Priority Use Power customers is recognized. |
| Tribal customers remain concerned about Sovereign Immunity. | WAPA agrees to incorporate language in the next draft of the JPA to address this concern. Language will be similar to that used in the Boulder Canyon Project Electric Service Contract, which had tribal customer approval. This is similar to the language provided to WAPA in previous comments to the JPA. |
| Customers believe that the majority of the GPCPs do not apply to the JPA. | The GPCP Attachment shall be removed. Notices, Effect of Section Headings, and select language from GPCP Nos. 41 through 45 may have some applicability. WAPA will review and include those provisions it finds to be applicable in the next draft of the JPA. |
| Customers requested that WAPA consider language regarding records in the body of the JPA. | WAPA will consider using "Access to Books and Records" language from the Boulder Canyon Project Electric Service Contract. |

| Customer Comments & Questions | WAPA Response |
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| Customers are interested in early engagement in the AOA process. | This is WAPA's intent. WAPA will incorporate specific language in Attachment 2 of the next draft of the JPA to address this concern. |