



Joint Planning Agreement (JPA)—Initial Discussions

<https://www.wapa.gov/regions/DSW/Pages/customer-technical-committee.aspx>

Notes:

No.	Subject	Discussion
1.	Meeting expectations	<ul style="list-style-type: none"> • Be open, transparent, and inclusive, which is why we invited all affected customers and interested parties. • Build the principles of what we are going to document. • Discuss high-level concepts; details will come at a later meeting. • Consider a name/title for the agreement – such as JPA – to be discussed at a future meeting. • Consider having a customer negotiating team(s) because it's difficult to have everyone participate in every meeting. • Meeting structure going forward will be discussed at a future meeting.
2.	Brief background	<ul style="list-style-type: none"> • Original JPA Principles document signed 1995. • FERC 888/889 effective 2003. • Appropriations continued to decline, so an alternative funding mechanism was needed. • Prepayment Memorandum of Understanding (MOU) executed September 2010, which requires payment one month in advance for transmission service under our rate schedule to use for capital projects, which is allowable under Reclamation Law. • There is increased need for inclusion/collaboration/partnership/transparency, and for customers to understand what DSW's processes are. • Customer Technical Committee (CTC) formed in early 2017. • CTC charter signed August 10, 2017; its goal is a joint work/joint planning document that addresses need for additional transparency into DSW's processes. JPA won't replace existing Boulder Canyon process or any other existing agreement or process.
3.	Overview of topics to include in new JPA	<p>General Principles:</p> <ul style="list-style-type: none"> • Customer meeting regiment: Memorialize in agreement. • Budget Formulation & Execution: Include an annual unobligated balances discussion and disclosure of HQ costs in the budget and rates.



		<ul style="list-style-type: none"> • Construction/Capital/Ten-Year Plan (TYP) • Prepayment Funding: Several participants supported combining the MOU and JPA. • Rates: The participants recognized that the JPA won't supersede existing rate processes. They want to see rate impact calculations before and after budget/capital decisions. • Transmission Planning: How does this fit into the TYP process?
4.	Next Steps/Action Items recap	<ul style="list-style-type: none"> • The next meeting will be April 19, 2018, from 10:30 am to 4:30 pm at DSW. A WebEx will also be available. More information to follow.

Comments/Questions:

Response:

1.	What is title/role of Jack Murray?	Jack Murray Vice President of Power Marketing Western Area Power Administration Desert Southwest Region
2.	A participant was concerned that the process has been too exclusive and requested that: (i) all notices include a statement that there is no one customer group that represents all DSW customers; (ii) all customers must have the opportunity to participate in the input, feedback, and implementation phases; and (iii) action cannot move ahead without inclusion of the whole customer base.	This process is open to any DSW customer and we encourage each and every customer to participate. Any deliverables from DSW that result from this process will be accessible to all customers – both those that participate in the process and those that don't.
3.	A participant wanted to know when DSW would offer formal public comment on the proposed agreement.	There is no requirement for a formal public process associated with this type of an agreement. A participant pointed out that there is no dialogue during a formal process, whereas, this proposed process is for a partnership of dialog to make the best choices based on input from all affected parties.
4.	Overview of topics to include in new JPA	A participant said that the reasoning for the original JPA was that the planning process was top-down, where the customers were told what DSW had decided. Customers wanted more input into planned system additions to allow for expected load growth and avoid wasting money. For example, some breakers had to be changed out, but the replacements did not consider possible load growth. As a result, they had to be replaced a few years



		<p>later at a significant increase in cost in order to accommodate increasing load.</p> <p>A participant stated that the customers want to be involved in the annual process to allow input to the overall “plans,” to be better informed, and to ensure Firm Electric Service-only customers are not subsidizing load growth on other parts of the systems.</p> <p>Greater numbers of Tribal customers and others will play into the future needs of the system.</p> <p>Changing markets affect everyone. DSW transmission costs are significantly less than other utilities.</p> <p>Participants were encouraged to write things down they want to see in the agreement.</p>
5.	Next Steps/Action Items recap	<p>The CTC is starting to draft a document and the strawman should be completed by the end of March.</p> <p>The draft will be sent to the customers two weeks in advance of the roll-out meeting so that everyone will have enough time to read it.</p> <p>A participant suggested it’s easier for everyone to throw in the “kitchen sink” to get us out of the starting gate in preparing the new agreement.</p> <p>A participant wondered how DSW will ensure all its customers are engaged. He suggested that we take some time to think through how to launch this effort.</p> <p>A participant requested two sessions for each negotiation topic in case a party is unable to attend.</p> <p>Participants also requested longer meetings to save on travel costs.</p>

Action Items:



No.	Assigned To	Task Description	Due Date
1.	Debby E. and Patricia W.	Combine email distribution lists	Completed March 23, 2018
2.	All Customers	Customers should send suggested principles to Debby E. (emlerconsulting@yahoo.com) or DSW (DSWContracts@wapa.gov) in advance of the CTC's draft being released	
3.	CTC	Draft agreement to be completed by the end of March	March 31, 2018
4.	Debby E.	Send draft document to DSW for email distribution to all stakeholders as the CTC's document, not DSW's	April 3, 2018
5.	DSW	DSW to post JPA discussion topics on its website	March 27, 2018

