

Meeting Summary
Northwestern Energy Electric Technical Advisory Committee
Butte, Montana
September 19, 2019

Attendance

Those who participated in or attended the Electric Technical Advisory Committee (ETAC) meeting in person or by teleconference included:

<u>ETAC Member Organization</u>	<u>Attendees</u>
District XI Human Resource Council	Tom Power
Northwest Energy Coalition	Diego Rivas
Montana Consumer Counsel	Jamie Stamatson
Montana Department of Environmental Quality	Jeff Blend
Montana Environmental Information Center	Brian Fadie
Montana Public Service Commission	Mike Dalton
MPSC Consultants	
Ecosystems Research Group	Connie McCune
Synapse	Rachel Wilson
Natural Resources Defense Council	Chuck Magraw

<u>Organization</u>	<u>Attendees</u>
ETAC Facilitator	Beki Brandborg
NorthWestern Energy	Bleau LaFave
	Ben Fitch-Fleischmann
	John Bushnell
	Joe Stimatz
	Mike Babineaux
	Kelli Schermerhorn
	Baili Connors

Meeting Agenda – Summarized

1. Welcome and Introductions
2. Questions from ETAC on navigating the 2019 Plan
3. Discussion of ETAC meeting process and structure to inform future planning cycles

Navigating the 2019 Plan

- Are there files associated with the plan not readily available through the website or USB?
Yes, PowerSimm outputs a large amount of data that has been summarized. Additionally, three years of data are provided, but this data is not all inclusive. This is due to the size of the data (upwards of 100gb for 15 years). The entire dataset is simply too large to provide on any of the mediums at our disposal.
- There is interest in replicating the plan. How would an interested party obtain access to PowerSimm for calculation replication?
The type of access in question is not possible as PowerSimm contains proprietary information. That said, please note that the commission and their consultant have dashboard access to review inputs and outputs. Besides access, the level of knowledge and data required would be prohibitive to create identical replicas of the calculations. Ultimately, recreating these calculations outside of PowerSimm would be a large undertaking and would require access to proprietary information. Again, please note that NWE's regulating body has access to review all calculations.
- How much access does the hired consultant have to PowerSimm? In other words, is it enough to understand how the plan was compiled?
The consultant will have dashboard access which will allow evaluation of inputs, outputs, and the model. No reruns or changes will be allowed. Instead, the information will be reviewed in native format.
- How can someone obtain a flash drive with Volume 2 data?
An email was sent out about this data with a request form that you can fill out and send to NWE
- Is the Volume 2 information also on the disks provided with the hard copies of the plan?
Yes
- Does anyone have questions on Volume 2?
Seeing none, please let NWE know if you have any questions as you go through the data.

Discussion of ETAC meeting process and structure to inform future planning cycles

Note: The identity of speakers was not tracked closely during this meeting. The following notes attribute the comments and questions to their source as best as possible.

- One member voiced being nervous about having this discussion without all the members present.
- One of NWE's representatives reports they visited with individuals who could not attend and let them know that we are looking for their input for the new process that will result from House Bill 597.
- What is the schedule for the implementation of HB 597?
 - It is unknown at this point, but it must be implemented by July 2020. One individual had heard that informal implementation may occur late Q4 of 2019 or early Q1 of 2020. If this occurs, it will move into a formal process as rules are set and decisions on the new structure are made.
- The floor was opened up to whoever had an opinion on the process. It was noted that there are many individuals who are new to these meetings and some who have been involved with the group for many years. The goal of this section of the meeting was to obtain input on mode of engagement, frequency of interactions, what people like and dislike from the ETAC process, etc. The following points were raised:
 - The PSC may lead the new process with the help of the current ETAC group.
 - There was interest stated in creating a stakeholder process that would develop a draft plan for the new group to pass on to the Commission. This draft would act as a proposal for different regulations associated with HB 597.
 - The draft could allow all interested parties to come to a consensus on a range of ideas and options. This way, the full burden of HB 597's implementation would not be on the PSC, but instead a collaborative group.
 - It should be noted that MDU may need to be involved. However, this is a PSC decision as they have the authority to make new processes for both NWE and MDU.
 - The movement of rules from Chapter 8 to Chapter 3 appears to come with the goal of consolidating planning rules.
 - One member mentioned that the utility landscape is fractured and that they believe a statewide energy policy is a good thing.
 - Question: Does the July 2020 date include a 6 month rule making process?
 - That is the expectation.
 - Knowing that the rule making process is coming, it is important for us to begin conversations to help the PSC complete a draft. It is important to get examples from people on the former process as well as suggestions for the new process.
 - One member brought up the expansion of ETAC meetings over the next few years. The former process has not been fully inclusionary. This may be a good place to start those conversations.
 - NWE personnel state there has not been a decision on opening up the meeting process. However, no other utility appears to have a closed process in the area. On

the other hand, some members of ETAC have expressed they will not be as open if there is more participation. Puget Sound Energy was presented as an example of a utility that has taken a hybrid approach. They have both a public and technical advisory committees.

- Someone mentioned what it means to be part of ETAC. In the current group set up, ETAC membership simply means showing up to group meetings.
- One member stated that they did not feel that opening up the process would change much. There may be a few additional individuals engaged, but not many. It is concerning that some individuals don't feel that they can be as open with a public group; however, assuming there is not much change, this may not be an issue. Additionally, opening up the group would put the issue to rest. This individual did not see the idea of a public group as a disadvantage.
- Another member stated they appreciated the idea of a hybrid structure. They believe that technical and public ground rules would be very important in each setting. They state they have no problem with opening both public and technical meetings up, but caution that the more technical meeting would need to maintain focus and employ a facilitator to keep all members on track. This individual also brought up that they would guess Puget employs someone just to prepare and facilitate meetings. Another note, two public meetings were held this year that were beneficial.
- When were these meetings held?
 - 6 months apart. The first meeting focused on needs and the second focused on technology.
- One member mentioned that these public meetings brought up some very good questions and encouraged beneficial back and forth feedback. In their opinion, this shows that you can open up these meetings and still have them be valuable.
- Another member adds a clarifying point that the public meetings being discussed are designed to receive public comment. This was not their idea on how to open up future group meetings. Instead, this individual believes that both the group and public meetings are needed, but that they are also separate ideas.
- Another member believes that the group meetings should be open and public meetings to receive comments should also be held. That said, this individual believes that if the group goes with a set-up like Puget, there may not be a need for two processes. It is likely the same cast of characters that are present in public meetings currently, would take advantage of the open advisory group meetings. Because of this, one large, open process would make the most sense. However, one large, open process would require the group to define what it means to be part of the committee. Since the requirement is currently just to show up, would that mean everyone who comes to the meetings would be a member?
- Another individual brought up that there was a time where planning committees were suggested, but that was not done.
- Someone mentioned that committees had not been created in a long time.
- One member commented that originally the advisory committee was not set up for NWE to tell the public what they were planning. The general idea was to meet with

critics to get advice and an understanding of the differing positions to allow for discussion so that issues could be worked out before they turned into unnecessary conflict. These conversations are mostly technical, but some are policy. Essentially, the point of ETAC was not to gather public opinion and input, but to purposely seek advice from people that you believe will have a different view of things. This allowed a setting for all parties to discuss and come to an agreement, but also to not quote what others said outside of the meeting. The anonymity allowed everyone to speak freely without information being broadcast as fact, but rather what parties thought they would do. A few additional notes: 1) NWE had the ability to choose who could be on the ETAC committee and could disinvite anyone who they did not trust and 2) all individuals who can commit to and follow rules set forth by the group should be allowed to join which would remove NWE's ability to choose committee members.

- One member mentioned that if meetings are public, there may be a need to designate a committee.
- Another member stated that a committee should be designated where all members agree to not make public statements of shared information as fact. This is due to the fact that not everyone in the room can convey their opinions if the information is shared publically. For example, some opinions may be portrayed in the news as fact which would have large ramifications for the party being quoted. This group should be a place where everyone can confidently share information. A confidentiality agreement may be a way to handle this if the group is opened up.
- One member states they initially agree; however, the last few rounds of planning have not brought up much information that would not be shared if the public was in the room. They believe that quotable information coming from the group's meetings is overblown. If someone believes something they need to say is inflammatory to the point they do not want to say it for fear of being quoted, it appears that NWE would be amenable to taking calls or emails to receive that information. It is important for members to remember that committee meetings are not the only medium in which they can state sensitive information.
- Another member states that they do not believe public meetings would be a big deal nor would they impact what their agency shares.
- Concern was raised that Commission staff would not be able to participate as freely in a public setting. Staff would only be able to speak from a personal level at a public meeting.
- One member states that it may help to define what Commission staff's role in the group is. This individual believes that generally opposition works itself out prior to them stepping in.
- Another member disagrees with the previous statement.
- Currently the Commission staff sees their role as more observational.
- An NWE attendee stated that it is important for Commission staff to receive information from the meeting about how NWE is doing things, provide valuable information so that the plan is understandable and not all new when it is filed.

Generally these meetings are used to help everyone understand and follow the process to the results. This can be more difficult with the general public in the room.

However, we could find a way to say these meetings are similar to a lecture, all individuals attending will need to do homework outside of the meetings, and not all questions will be answered in the forum.

- One member states that open meetings provides an opportunity to bring along others. Having additional people in the room is a way to better explain to NWE prevalent issues and different viewpoints. Commission staff have one on one conversations with all parties in this group already showing that sensitive information does not have to be shared at these meetings.
- Another member believes that opening up meetings voids the group value. They mention that email is discoverable and everything sensitive would need to be communicated via phone or in a one on one meeting. The first version of this committee was pushed to be private so that open sharing could take place. This allowed for no surprises to be encountered on the stand in the event of unresolved conflict. It does not make sense to fall back on closed door meetings without all parties present. Instead, a comfortable environment that encourages people to be very forthcoming should be established. This likely would include confidentiality rules and regulations.
- Another member states that they believe if the meetings are opened up there will not be much of a change in composition. The general public does not want to sit and listen to all the technical conversation. There will be some new individuals who will want to participate, but their inclusion should not change the conversation. Generally speaking, the company doesn't say anything differently nor does the group to the public. While staff has a different position, the inclusion of other individuals will likely not change how they participate in the meetings either. The real goal of these meetings is to serve as a sounding board in which everyone shares what they are thinking and to, hopefully, get to a better place and find some spinoff changes.
- Historically, a primary reason we have had a closed group is to prevent someone with a project from coming in and influencing decisions for only their project interests. An open group would require that we have a way to handle that and appropriately limit discussion. There is always going to be someone like this in an open meeting.
- Another member states that the concern is valid, but not highly probable. If someone like this came to the meetings, the group would need to address it. However, this is not a persuasive enough argument to change their position – the group should be open.
- One member suggests handling this concern with ground rules.
- For the remainder of the meeting, NWE asked if the group wants talk about where we are going, or the current plan and what worked and what didn't? Discussion continued on the structure and process of the committee.
- NWE noted: The goal of this meeting is to obtain feedback on how we arrived where we are. We would like the next group to be better functioning, so sharing past frustrations would be informative.

- One member stated they appreciated the increased number of meetings, but were disappointed to not have a meeting prior to the deadline for draft comments. Also, not having access to Volume 2 data prior to the release of the plan was a struggle. In the past, this member had also heard comments that the plan is obsolete due to a quickly changing market soon after it is released, but encourages NWE to make the best use of the plan as possible. They noted that they understand RFP's and changes will occur, but believes the company should view this exercise as more than just something that is required by law. At times, it feels like the planning cycle is conducted just because it needs to be.
- Another member agrees that the planning process was much better than it had been in the past. They believe that more information was shared and an increased number of meetings were beneficial. However, improvements can always be made. This individual states that it would be helpful to have meeting topic information further in advance, but understands that last minute agendas go out everywhere and that it can be difficult to get the information out sooner. This individual would also like to see NWE looking for direction rather than commenting on decisions that have already been made. This would encourage discussion. Some generic examples of the company not looking for direction include the PowerSimm model and policy decisions. A concrete example would be NWE's decision to join EIM. While the topic had been discussed, there was not a meeting held prior to NWE's decision to join. Instead, NWE presented their decision at a meeting after. While this is not a great example because it is such a large business decision, it illustrates what the group has experienced with smaller decisions as well. On a different note, it would be helpful to have meetings for the year set up in advance. This would allow all parties to be involved in the scheduling and provide a schedule that everyone would need to stick to. Additionally, the group may want to consider a separate process for DSM. The DSM advisory process is challenging. The topic needs to have more time allocated to its discussion.
- Can you clarify options you are proposing for DSM?
 - Yes, an individual process would be preferred for DSM discussion. However, if this cannot be done, more time throughout the group's scheduled meetings should be allotted to it.
- One member states that the Commission would first need to approve a coalition then approve a separate DSM process.
- Another member agrees that groups presenting what has already been decided inhibits discussion for plan improvements. Additionally, transmission and distribution side planning should be combined in this process too.
- Question: When you say transmission and distribution planning should be combined, do you mean policy or analytical decisions?
 - Response: Both. NWE appears to decide on analytics inputs then states they cannot change said inputs.
- One member states that an example of this occurring is with wind and solar. At a previous meeting, a member pointed out that it would make sense to model a larger

wind/solar capacity value, but NWE did not change its inputs after feedback was provided.

- NWE personnel state that the model does the resource selection based on cost. It could potentially select a larger resource if it was not cost prohibitive.
- NWE personnel recommended expanding the discussion to other topics that the group wishes to be discussed. So far, it has been shown that there has been a lot of frustration in the group, but that it has improved in the most recent planning cycle. Right now, it appears the biggest decision is if the group should be opened or closed in the future. Along the same lines, if it is opened up, what level of technical information should be shared and how much information can be shared.
- Did public meetings help NWE in the last planning cycle?
 - One NWE representative stated they did not personally find the meetings beneficial because they only provided insight to a segment of the population.
- What about the whole process? Did ETAC provide enough information and feedback to make it worth NWE's time?
 - One NWE representative provided their personal opinion that this group has provided benefit and the process has been worthwhile, but to think that it can be opened up and stay the same is not correct. None of the parties involved will be able to present as much information if the group is opened up. It is important to remember that this information does impact the final plan.
- It appears that a hybrid method may be preferred. This would include closed meetings where NWE meets with core stakeholder groups and a separate, larger public group meeting. Individuals who wanted to be involved sign up and apply to be part of the larger, public group. A confidentiality agreement could then be executed where legal implications are spelled out if someone were to break the terms they have agreed to.
- One member mentioned that while this would be possible, it is not how an open ETAC would work.
- The question was raised that if the group opened up, how would information that is strictly confidential (i.e. draft RFP's) be handled?
- An example was presented that in a previous meeting, an NWE employee presented information that was confidential. However, they note that confidentiality is not the same as if you would say something in a closed or open group. This individual stated they believe it would be difficult to sign a confidentiality agreement for the group's discussions.
- One member states they do not believe this would be a problem. This individual is part of an organization that reviews murder cases. Leaking information associated with the cases could be very damaging, but no one breaks the rules.
- Another member reminds the group that whatever is decided will need to align with HB 597. This lays out the formation of an advisory group, not a public meeting.
- NWE personnel remind the group that the PSC will make a formal ruling. They point out that this meeting is simply to see what the group has learned from the ETAC

- process and figure out what recommendation the group stakeholders may want to make to the PSC in regard to new group attributes. Additionally, it was pointed out that when things are confidential, they must be kept confidential.
- It has currently not been determined to what extent current members and the PSC will work together in structuring the new advisory committee.
 - One member stated that everyone has been sharing their opinions from a purely advisory standpoint. However, it is their personal belief that the process should be opened up and that discussion point closed.
 - Another member agrees, stating that they will not drop the idea of opening up the process.
 - Have voices been missing in the past?
 - One member states yes, developers have historically been listed as a negative addition to the group. It is their belief that developers could actually add a positive industry viewpoint to discussions. They do have a particular, targeted interest, but still could provide useful discussion points. Other voices that have not been included, but maybe should be are trade group representatives and legislators. Opening up the group would take away the control NWE currently has that has historically made some members unwilling to speak their mind due to fear that they will no longer be included in the group.
 - What are the next steps?
 - The plan has been filed. Now the focus will be on the rule making process that will move HB 597 into effect. Once a decision is made, the group will move forward under the new rules.
 - How long does the Commission have to look at the plan?
 - The Commission's deadline for issuing its comments is 9 months. A public comment period of 90 days must also be opened up – this has not yet been done. After this comment period, the Commission will schedule public meetings.
 - What is the plan publication frequency?
 - Every 2 to 3 years.
 - Can this frequency be changed?
 - This depends on what the legislature decides.
 - One member states that NWE has preferred to complete a plan every 2 years in the past, and does not believe the legislature requires one on each 3 year mark. Instead, the company may be able to elect to continue their 2 year cycle.
 - Point raised that 2 year plans may make more sense than 3 year plans.
 - NWE personnel point out that this is the first of an ongoing conversation that will be continued under the PSC's process. Concerns of changing group structure voiced in this meeting have been noted. Additionally, it is important to remember these meetings are separate from the two public meetings that are now required under the bill.

- If NWE opts to only submit a plan every 3 years, will there be an update between plans?
 - No conversations on this matter have been had yet, so the answer to this is unknown at this time.
- One member states they have no strong feelings either way. A more stable planning cycle may be provided in a 3 year cycle since 2 year plans are hard to complete.
- Another member states that 2 year plans always seem rushed.
- What plans have actually been submitted on time?
 - One member states the 2012 plan may have been.
- NWE encourages all members to reach out with any other ideas or thoughts they would like to share that they did not have an opportunity to state at the meeting today.