



Meeting Summary

Meeting Description: WestConnect Transmission Developer Selection Process Task Force
Meeting Date: October 26, 2016 2:00 p.m. – 4:00 p.m. (MDT)
Summary Prepared By: Tami Anderson

Materials used during this meeting are available [here](#).

1. Introductions – All

A list of meeting attendees is provided in Attachment 1.

2. Antitrust Statement Reminder – Bob Smith

The WestConnect guidelines for complying with antitrust laws are provided in Attachment 2.

Bob Smith reviewed the agenda with the task force and asked if there were any modifications to the agenda. No modifications were suggested.

3. Review draft timeline for developer selection tasks

a) ITC and Other Feedback

Heidi Pacini reviewed the proposed developer selection process steps timeline with the task force and the changes made since the last meeting including changing the days from business days to calendar days. Also, ITC had provided an alternate timeline to the proposed timeline which the task force reviewed. ITC's goal with their adjusted timeline was to try and shorten the entire timeline for the selection process so that it would take 9 months, as opposed to the approximately 12 months it would take per the original proposed timeline.

During this process steps discussion, the group spent significant time discussing whether it should be the beneficiaries or the PMC that presents the projects selected into the Regional Plan for purposes of cost allocation to the Independent Evaluator (IE). ITC had modified this process step from having the beneficiaries do the presentation to the PMC doing the presentation with the reasoning that the PMC is ultimately responsible for the selection process and issues the RFP. There were task force members that felt that the beneficiaries should present the project to describe the specific elements and characteristics of the project that are important to them and should be taken into consideration during the bid evaluations.

Also, there was a concern raised about presenting projects selected for the purposes of cost allocation before the final plan is issued, i.e. when the draft plan has been issued. Heidi Pacini stated that the benefit to presenting the projects during the draft plan timeframe is that it would give a little extra time in the beginning of the process and that there shouldn't be too many changes between the draft plan and the final plan that is issued.

The group also discussed if these meetings should be public meetings and the decision was that they would be public meetings when the project is presented to the IE. The group felt that as long as this is a public meeting then it is okay to have the PMC present the projects and heavily leverage the expertise of the beneficiaries of the projects.

Next, the group focused on the subsequent steps in the process and the alternate timeframes proposed by ITC. It was decided that for the timeline for presenting the projects to the IE should remain at 30 days. The next step discussed was issuing the RFI and the group agreed with ITC's recommendation to change the timeline to 15 days following posting of the final Regional Plan. For the timeline to issue the RFP, the group agreed with ITC's recommendation to change the timeline to within 30 days following the RFI response deadline. Heidi Pacini recommended that RFP responses be given 90 days, and the group agreed with the recommended change. For the "Bids reviewed for completeness" step, Heidi Pacini recommended the timeline stay at 30 days and the group agreed. The group also agreed with the developers having 14 days for an opportunity to cure deficiencies.

The group spent significant time discussing the proposal to allow bid presentations to the IE. ITC recommends specifying that this process will consist of confidential written Q&A between the evaluator and developer, in case there are disputes later on. Allowing for non-public meetings between the evaluator and developer introduces too much uncertainty into scoring process. A concern was raised that there may be a perceived unfair advantage that can occur during this bidder presentation.

Other task force member's opinions were that there can be advantages to further explain the bid that is being submitted during an in-person presentation. It was suggested that there should be a FERC ALJ present if these bid presentations are private. PJM used an ALJ during private meetings with bidders on the artificial island project. There was discussion that the bid presentations should not be public because there may be confidential or proprietary information discussed during these presentations. Some felt that these presentations should be public meetings. The goal of the bid presentation is supposed to be for the IE's benefit so they have an opportunity to understand as completely as possible the bids that have been submitted. There was discussion on how to include a FERC ALJ in this process and how much benefit there is to the bid presentations if WestConnect will need to get an ALJ involved. The group did not come to a conclusion on the bid presentations topic.

Action Item: Bob Smith suggested that it would be good to get input on this topic from the Brattle Group and ICF who are presenting at the Developer Selection taskforce meeting in November.

The next process step the group discussed was the proposed timeframe for the PMC to approve a developer following receipt of the final recommendations from the IE. The current timeline calls for the PMC to have no less than 30 days to consider the final IE recommendations before the matter comes to a vote. ITC recommended calling a special PMC meeting to expedite this step to < 1 month. Heidi Pacini stated and the group agreed that it might be difficult to get the PMC together for a special meeting to approve something as significant as the developer selection in less than 30 days. The group did feel that there should be an upper bound set for this step. The group thought that a good timeframe would be for the PMC to have no less than 30 days and no more than 45 days to approve the developer following receipt of the final recommendation from the IE.

Action Item: The group recommended further outreach be done to see if this is a reasonable timeframe for the PMC: no less than 30 days and no more than 45 days.

The last process step discussed was the tariff requirement that the developer submit a project development schedule to the PMC. ITC questioned whether or not this step was necessary given that the bids will likely contain a project development schedule. It was recommended that this final step should remain on the timeline since the PMC may not be aware of the project development schedule given that they are not reviewing the bids.

b) Process for identifying Independent Evaluator (IE) from among pool of evaluators

Bob Smith stated that there needs to be a process for identifying the selected IE from among the pool of evaluators. The group discussed the time it could take to select the specific IE from the pool of IE's. The group felt it would be beneficial to be in communication with the IE's as far in advance as possible so that the selection can be made quickly when the time comes to initiate the developer selection process and select the specific IE.

Action Item: Parking lot item is to more fully develop the process to select a specific IE from a pool of IE's. In the interim, this step will be added as step 1 in the process steps and will be included as one of the primary topics (i.e. subject headings) in the Draft Procedures Document. The responsible party to select the IE should be the PMC with no involvement from the beneficiary.

4. Evaluation Criteria Strawman

Bob Smith described that as a result of previous discussions regarding the merits and tradeoffs of a quantitative versus qualitative approach to evaluating the project bids, a strawman was developed that proposes a 3-phase process that combines both quantitative and qualitative aspects. The group reviewed the proposed 3-phase process. The first phase in the process would remain the developer qualification process, with the goal of making sure that a developer is at least qualified to execute a project. Then, phase 2 would begin the developer selection process and would focus on a qualitative assessment of an eligible developer's qualifications for project-specific criteria. If more than one eligible developer responds to the RFP for the developer selection process, then Phase 3 would occur and would focus on the quantitative aspects of the selection criteria and would utilize a scoring matrix that is tweaked on a project by project basis.

Task force members asked if phase 1 and phase 2 were considered pass/fail steps. The answer was yes, both phase 1 and phase 2 consist of pass/fail criteria. There would be some overlap in the criteria utilized in both phase 2 and phase 3. The phase 3 criteria focuses on the quantitative aspects of the phase 2 criteria and uses a scoring matrix developed on a project by project basis to select the specific developer for each project. Possible criteria categories for the scoring matrix in phase 3 could be: project plan, schedule, cost, financing, and planning participation. For the proposed scoring matrix approach, the following items were discussed: maximum points established for each major criteria category, specific weights to be set by the PMC in consultation with the project beneficiaries and the independent evaluator, cost will be weighted at least 50% of the quantitative criteria, and planning credit will be weighted 5% for all project solicitations.

The group recommended that the RFP should have the specific quantitative criteria included so that the bidder will understand how the projects will be scored.

The group commented that changes may need to be made to the tariff to make it enforceable. For example, if the PMC determines that the cost criteria should be weighted not less than 50% for any project undergoing developer selection. If tariff language needs to be changed, there would need to be review by the PMC jurisdictional transmission owner members and those PMC members would need to agree to the changes.

The group spent time discussing this proposed strawman and they felt it contains good ideas and would like to discuss it further with the Brattle Group and ICF. The group also suggested that the criteria may need to be adjusted depending on the type of projects going through the developer selection process (e.g. reliability, economic, public policy projects may have different baseline criteria weightings).

Action Items: Bob Smith and Heidi Pacini will keep refining this strawman and add some criteria and discuss the concepts with the Brattle Group and ICF at the November meeting.

5. Draft Procedures document

Heidi Pacini has put together a draft procedures document framework and would like to get feedback on subject headings and the important concepts that need to be called out in the document. Heidi Pacini is looking for input and reminded the group that this is a work in progress based on the status of the recommendations being developed by the taskforce. Heidi Pacini suggested it might be beneficial to have a small drafting team to help with preparing the document for broader review. Bob Smith suggested that the document remain with the small drafting team for now and wait until there is more feedback from the strawman before this document is sent out for comments to the full task force.

Action Items: A small drafting team (Blane Taylor, Katie Kaplan, Jim Corboy, Jeff Hein) was developed to assist Heidi Pacini in drafting the procedures document.

There was a question about a statement in the draft document: “If the PMC determines that a project fails to secure a developer through this process, the PMC will remove the project

from the Regional Plan.” Heidi replied that this language is included in the tariff and reminded the group that only projects selected into the Regional Plan for purposes of cost allocation will go through the developer selection process.

6. Action Items – Bob Smith

See the action items listed under the individual agenda items.

7. Next Meeting

The task force will next meet on Tuesday, November 22nd via webinar from 1-3pm PST/2-4pm MST. Meeting information will be posted to the WestConnect calendar when available.

Attachment 1: Attendees

First	Last	Affiliation
Tami	Anderson	Burns & McDonnell
Ron	Belval	Tucson Electric Power
Jim	Corboy	Abengoa
Gerald	Deaver	Xcel Energy
Roberto	Favela	El Paso Electric
Scott	Fredrich	Black Hills Energy
Jeff	Hein	Xcel Energy
Cynthia	Henry	El Paso Electric
Bill	Hosie	DATC
Katie	Kaplan	Exelon
Devin	McMackin	ITC
Heidi	Pacini	WestConnect
Julia	Prochnik	NRDC
Charles	Reinhold	WestConnect
Sharon	Segner	LS Power
Bob	Smith	TransCanyon
Blane	Taylor	Tri-State G&T
Tom	Wrenbeck	ITC

Attachment 2: Antitrust Guidelines

Draft for Consideration (3/17/15) - WestConnect Guidelines for Complying with Antitrust Laws

I. GENERAL

It should be the policy and practice (Policy) of the parties participating in the WestConnect Regional Transmission Planning Process (WestConnect Planning Process or, Planning Process) to obey the antitrust laws and avoid all conduct that unreasonably restrains competition. Under this Policy, participants should avoid any conduct or behavior that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one jurisdiction to another. The purpose of these guidelines is to alert WestConnect participants to potential antitrust problems that could arise and to set forth policies to be followed with respect to activities that may involve antitrust considerations. Any WestConnect participant who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether antitrust laws or compliance therewith may be implicated in any situation within the WestConnect Planning Process should consult with their organization's legal counsel immediately.

II. ACTIVITIES THAT COULD BE IN VIOLATION OF ANTITRUST LAWS

Participants in the activities of the WestConnect Planning Process (including those activities of its committees and subgroups) should refrain from the following when acting in their capacity as participants in the Planning Process, (for example, at WestConnect meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions regarding a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.
- No decisions should be made nor any actions taken during Planning Process activities for the purpose of giving a WestConnect participant or group of participants a competitive advantage over other participants.
- In particular, decisions with respect to setting, revising, or assessing compliance with reliability standards should not be influenced by anti-competitive motivations.

III. ACTIVITIES THAT SHOULD NOT CONFLICT WITH ANTITRUST LAWS

Subject to the foregoing restrictions, participants in WestConnect Planning Process activities should feel free to discuss:

- Planning Process activities relating to the bulk power system in the WestConnect planning region in compliance with relevant orders of the Federal Energy Regulatory Commission.
- Matters relating to the potential effects of Planning Process activities on the development of bulk electricity markets in the Western Interconnection, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of WestConnect, such as nominations for vacant committee positions, budgeting and assessments, employment matters or the engagement of consultants or contractors; and procedural matters such as planning and scheduling meetings.