

PUBLIC UTILITY DISTRICT No. 1
of Whatcom County

**Agenda for the
Regular Meeting of May 22, 2018
8:00 a.m. at the PUD Office**

1. Public Comment
2. Approval of Meeting Minutes held May 8, 2018
3. Approval of Claims for May 22, 2018
4. Approve Changes to Public Utility Risk Management Services (PURMS) Interlocal Agreement
5. Approve Purchase of Administrative Staff Vehicle from Toyota of Yakima under Washington State Department of Enterprises Procurement Contract
6. Approval of *Transmission Planner Coordinated Functional Registration Agreement* (No. 18TP-11480) with Bonneville Power Administration
7. Manager's Report
8. Adjourn

Next Commission Meetings

June 12 and June 26, 2018 – Regular Meetings

*All meetings begin at 8:00 a.m. at PUD Administration Office -
1705 Trigg Road, Ferndale, WA unless other location announced.*

PUD #1 of Whatcom County • (360) 384-4288

-NEW-
AGENDA ITEM # 6
May 22, 2018

Memo

To: Commissioners Kenner, McClure and Murphy
From: Brian Walters – Assistant General Manager
Date: April 24, 2018
Re: Approve Bonneville Power Administration *Transmission Planner Coordinated Functional Registration Agreement* (No. 18TP-11480)

Requested Action: APPROVE BONNEVILLE POWER ADMINISTRATION *TRANSMISSION PLANNER COORDINATED FUNCTIONAL REGISTRATION AGREEMENT NO. 18TP-11480* (“BPA TP-CFR AGREEMENT”) AND AUTHORIZE THE DISTRICT’S GENERAL MANAGER TO EXECUTE THE AGREEMENT.

Background: Because of the characteristics of its 115 kV electric system, Whatcom PUD must comply with certain federally mandated electric system reliability standards, which are under the jurisdiction of the Federal Energy Regulatory Commission (“FERC”). These standards are developed and enforced by the National Electric Reliability Council (“NERC”). Once the standards are approved by FERC, they are implemented and electric utilities subject to the standards must comply with the requirements mandated.

Whatcom PUD is currently registered with NERC as a Transmission Owner (“TO”) and must comply with the associated standards. Under an agreement previously executed with the Bonneville Power Administration (“BPA”), BPA on behalf of the PUD complies with the standards and performs the responsibilities associated with the Transmission Operator function (“TOP”). Absent this agreement, the PUD would have to register with NERC as a TOP and be responsible with compliance with the associated standards.

During 2016, Whatcom PUD was notified by the Western Electricity Coordinating Council (“WECC”) that it must also either register with NERC as a Transmission Planner (“TP”) and comply with all the standards and requirements associated with this transmission function or enter into an arrangement with a third party to provide TP services on the PUD’s behalf.

In response, Whatcom PUD and several other public utilities faced with the same WECC directive, entered into discussions with BPA regarding its transmission group providing the necessary services to satisfy the responsibilities of a TP for the utilities involved. Because BPA does not own, maintain, or repair the transmission facilities for the public utilities seeking BPA TP services, BPA was not willing to perform all the requirements for the standards associated with the TP function.

The BPA TP-CFR Agreement, which has been offered to the PUD and other public utilities, shares the TP requirements and responsibilities between the two parties to the Agreement. This sharing of responsibilities is identified in a matrix contained in the Agreement.

Because BPA won't be providing services associated with all the requirements of being a TP, Whatcom PUD must register with NERC as a TP. This registration is anticipated to occur no later than the 3rd quarter of 2018.

Staff recommends that the Commission approve the BPA TP-CFR Agreement. Approval of the Agreement will enable the District to manage its regulatory compliance risk associated with the requirements and responsibilities of the TP.

Fiscal Impact: Approval and execution of the BPA TP-CFR Agreement has no direct financial impact on the District, as the cost of BPA TP services has been forecast and included in the District's approved 2018 budget. These costs will be ongoing and therefore will also be part of the 2019 budget development process.

Recommended Action: APPROVE BONNEVILLE POWER ADMINISTRATION *TRANSMISSION PLANNER COORDINATED FUNCTIONAL REGISTRATION AGREEMENT NO. 18TP-11480* ("BPA TP-CFR AGREEMENT") AND AUTHORIZE THE DISTRICT'S GENERAL MANAGER TO EXECUTE THE AGREEMENT.