



## **Frequently Asked Questions Arising from the Peak Member Advisory Committee Meeting – May 1, 2018**

### **Is the \$28.7 million for Peak RC services sustainable long term if there are no takers for the Peak/PJM market?**

Yes. We believe it is long term and sustainable even if there are no takers for PJM/Peak market services. When other markets and other Reliability Coordinators (RC) develop, and they will, people may leave. But markets won't be there January 2020. Peak's Transitional Reliability Coordinator (TRC) provides a good option through 2021, when we think the markets will be up and running. Peak's TRC option will continue to be cost effective and, as needed, we will manage and coordinate an orderly transition should entities chose to go to another RC.

### **Can you guarantee that funding amount for that period through 2021?**

Peak is committed to that funding level through 2021 absent any unexpected changes such as new NERC standards or other unforeseen issues. Our guarantee is as strong as CAISO's would be right now, if they were to have an issue.

### **The Peak TRC is not dependent on any income from the market?**

That's correct. We will be transitioning into that, probably a little earlier than 2020-2021. We've already committed to not changing the funding amounts in 2019.

### **Will other RCs pay their share of shared tools?**

For now, we've had discussions with CAISO, SPP and AESO about supporting wide area tools.

### **Is there more detail on cost cutting? Is that available offline?**

We will not be providing any additional detail on or offline. We have a well-documented and transparent budgetary process with opportunities for stakeholder comment prior to Board approval. We will use that same process.

### **How will the other RCs access the Remedial Action Schemes (RAS)?**

There are around 270 RASs in the West that must be modeled appropriately in order to properly assess the pre- and post-contingency conditions of our Western grid. Peak is willing to share the data as allowed by the Universal Data Sharing Agreement, but we are also aware of Transmission Operator (TOP)/Balancing Authority (BA) concerns over Peak sharing this sensitive information. The best source for RCs to receive that information is from the TOPs and BAs that own/operate the RAS. Even if Peak were to share the RAS models, it is unlikely that other RCs could use those models because of the EMS customizations that Peak has implemented over the last several years to support the maintenance and use of these RAS models.

**It might be beneficial to learn more about the depth of your involvement/outreach. You seem to be speaking to a lot of the right people. It would be helpful to learn about the nature of Peak's funding arrangement vs. other RCs.**

We spent a lot of time educating regulators about Peak's role and how we are funded. In 2016 we moved from Section 215 tariff funding that follows cost of energy to bilateral contracts with all of our funders. So it changed from a pass-through to part of the entities' expense budgets. A bilateral contract with an 18-month clock on any business is tough. Tariff funding is a much easier way to live. Despite this we've maintained a flat budget for three years, delivered good work, made investments in employees, successfully supported CIP and 693 audits, and continued with ongoing process improvements.

**You mentioned the audit. Were the results good? Will you release them?**

We will share results when the report is finalized. It was a very clean audit with a tremendous number of successes. We were recognized as best in practice in several areas, and also had a few minor issues that arose from self-reporting and awareness. We did self-reporting ahead of time, and went through all of the Reliability Standard Audit Worksheets.

**We know we need bylaw changes. Can the Peak team provide the MAC with what's coming and how we can help?**

There is a potential conflict of interest as several MAC members are associated with entities that are actively considering an alternate RC. In the interest of independence we believe that joining forces with WECC/NERC makes the most sense as the venue to host a technical workshop.

**As the MAC Chair, I'm sensitive to an unbiased assessment, but some things cannot be deferred to others. What is the schedule of issues over the coming year?**

We will lay out a timeline for that.

**Will Peak CEO and team provide a list of items to the MAC so that we can be prepared to address them?**

The timeline will address this.