

**MINUTES OF MEETING OF THE EXECUTIVE COMMITTEE
(MEMBERS AND BOARD OF DIRECTORS)
OF
WSPP INC.
December 3, 2014**

Pursuant to Section 3.4, 4.2 and 4.6 of the Bylaws, a meeting of the Executive Committee of WSPP Inc. ("WSPP") was held on the above date, such meeting having been duly noticed pursuant to Section 11.1.2.1 of the Bylaws, and a quorum having been present pursuant to Section 6.3 of the Bylaws.

Arnold Podgorsky, Counsel, delivered a statement about the WSPP policy of antitrust compliance.

Review NAEMA/WSPP Joint Meeting Financial Results

After all expenses and revenues, we ended up with \$55,000, split with NAEMA. NAEMA had more sponsors, but they felt it fair to split it 50/50. The cost per person was about \$310 which was close to the \$295 attendance fee.

Budget Presentation and Vote

We have eight new members and four in the works. It is looking like 2014 will end with small positive, approximately \$10,000. For 2015, there are a few new initiatives budgeted such as Website Redesign, WSPP Liability Insurance, and WSPP Telecommunication Requirements. Iberdrola has previously taken on the telecommunication costs, but will not in 2015. Note on the presentation: Financial Position slide needs the math corrected. The corrected slides are attached.

Upon a motion to approve and adopt the proposed 2015 budget, duly seconded, the 2015 Budget was approved unanimously.

Update from the Contract Subcommittee (CSC) on Schedules D and E

The CSC has agreed the damages multiplier should be removed in both Schedules D and E. The language stating a single non-performance event is a reason for cancelling the transaction has been edited to make it clear. Schedules D and E are ready to be filed with FERC with the filing expected in early January, 2015. Some members asked that the CSC freshen up the sample confirmation and post on the website.

Upon a motion, duly seconded, the Executive Committee voted unanimously to file with the FERC proposed Schedules D and E as amendments to the WSPP Agreement.

Update on the NWPP SCED - Bryan Bradshaw

The SCED RFP has been issued, there have been a few visits with FERC, and in March, the members will decide on going forward and further funding. The NWPP SCED is voluntary in nature. Reliability functions remain with the Balancing Authority and Transmission Provider. Each Balancing Authority will need to be resource sufficient on a day ahead basis and it will be binding on an hour ahead basis. The members are preparing a Petition for Declaratory Order to be filed at FERC to clarify jurisdictional issues, maybe Mobil Sierra, to clarify the Market Operator is not a Transmission Operator and to clarify the voluntary aspects of the market design. Timing of selecting the Market Operator will be probably in the January/February

timeframe. The payment to the Market Operator in March would be more of a consulting role than a Market Operator, full funding would be later.

Update on the CAISO/PAC EIM – Don Fuller and Mark Rothleder

The EIM market was implemented on Nov. 1. The implementation went smoothly. They did have some price excursions related to software and other issues, like visibility of contingencies and some units. A specific reason cited for the price excursions was that the imbalances seen by the CAISO exceeded the actual imbalance in the EIM due to lack of visibility on actions already taken by the EIM entity (PacifiCorp). They have made some software changes and made some changes to have more visibility. This work has brought the price excursions back to a more normal level. They did ask for a waiver from FERC on certain parameters that impact pricing and received it. There were some questions from WSPP members on if the CAISO or PacifiCorp would ask FERC to make the waiver retroactive to Nov 1. Customers are concerned they won't have the cost (bills) from PacifiCorp until after FERC's deadline for rehearing. The CAISO may consider making the tariff provisions covered by the waiver applicable for ninety days anytime a new member joins the EIM. There will be a stakeholder process to discuss transmission usage for EIM participants in January (Portland) and February (Las Vegas). NV Energy in line to go operational next, October 2015.

WECC Bal-002 and the WSPP - Discussion

Members questioned why all Balancing Authorities/Transmission Provider's don't provide for and collect compensation for this consistently? Typically, Balancing Authorities have the obligation and Transmission Providers charge and collect from the transmission customers. They all meet Standards and Tariff obligations and it would be helpful for them to coordinate.

Members Thank Donna Foy

Farewell and Thank You to Donna Foy for all her leadership, dedication, and hard work.

Unscheduled Flow

There has been a lot of discussion on whether curtailments due to Unscheduled Flow should have damages or should be an uncontrollable force. Has the issue been resolved to the satisfaction of members or should there be a task force assigned to further research the issue?

The group finished with really no resolutions. Arnold Podgorsky suggests we could add the language to the contract to help members develop a more consistent understanding of contract terms. Discussion about specific language occurred.

In January, the change to the Unscheduled Flow Mitigation Procedures (UFMP) should be completed by PEAK and will change the UFMP to first curtail all non-firm transmission before impacting firm transmission. It will still only be transmission that is on e-Tags. The ECC Tool that is being developed will eventually also reduce transmission being used that is not tagged. Members should be sure they read and understand Section 10 of the WSPP. Members decided to table this discussion for now.

Settlement Process

Members discussed whether WSPP should take the Settlements Process up as a topic that should be given to the Contract Committee. Many parties are seeing the lack of an organized settlements process as an issue. Some warned that members should look into the effect on Dodd Frank when using buy backs as a way to calculate damages after the fact. We should be trying to attain best practices and procedures. The CSC Chair will work with BPA to put together a Scoping Document. The Executive Committee authorizes the CSC to get started.

Discuss WSPP Policy on Document Storage and Retention

Donna Foy drafted a Policy Paper for discussion. This has been assigned to the Administrative Committee.

Filing addressing west-wide capacity posting

Discussion on who should pay to prepare a document to ask FERC if the “West-Wide Capacity Posting” was still necessary. There was additional discussion on who it actually applied to. Ten companies are still posting capacity on the WSPP website under this requirement. There is support to asking FERC if the posting requirement is still necessary.

The meeting was adjourned at 2:30 pm

Submitted by Brenda Anderson, Secretary