

RPC Fair Return and Value (Valuation) Subcommittee
Wednesday, November 29, 2017
3:00 pm – 4:00 pm
Meeting Summary

Meeting Agenda

- 1) Work Groups Highlights
- 2) Process and Communication
- 3) Other Issues
- 4) Update from DFO
- 5) Wrap up/Walk-ons

Work Group Highlights

- The co-chairs asked representatives from each workgroup to provide updates on their activities.
 - The Index Pricing Workgroup has not met yet but will in the next few days.
 - The Coal Benchmark Workgroup met to discuss coal valuation benchmarks. Next Monday, they will have their second meeting where Peter Christnacht will be joining as well. They are planning to begin by talking about potential areas with mutual agreement (low hanging fruit).
 - The Payor Handbook Work Group has met. Amy Lunt from ONRR is creating a list of issues and will get it to group on December 6th. They are scheduled for user review and prioritization by the 22nd, and another meeting is scheduled for January 4th. The workgroup will be working more on a topic/chapter basis rather than trying to re-write the entire handbook.
 - The Marketable Condition and Unbundling Workgroup met yesterday. They will be looking at possible changes rather than re-writes. ONRR will speak at the next meeting regarding where they are with UCA assignments.
 - The Audit Workgroup met to discuss isolating major topics and open questions. They will get back to John Barder from ONRR with those questions.

Process and Communication

- The Co-Directors reiterated that ONRR and DOI should identify what would potentially require formal rulemaking and whatever specific hurdles that would entail (e.g., modelling, analysis, position papers) in order to make the Subcommittee's work successful. If the Subcommittee finds an area with common agreement, they may recommend starting the process of formal rulemaking as soon as possible.

Other Issues

- The Co-Directors asked if the members had any other issues that fall within fair return and value to bring up for consideration by the subcommittee.
- One of the full committee members sent an email with a list of items appropriate for the Valuation Subcommittee to cover. The group was already planning on covering several of those, and the Co-Directors will reach out to the members and determine if there are other ways to incorporate the remaining issues.

- Some members brought up the desire to look at issues related to wind and solar valuation. The Co-Directors will reach out to wind and solar people about concerns and report back in two weeks.

Update from DFO

- The DFO reminded members if they have received media inquiries to email the inquiries to the RPC email or directly to DOI Comms.

Wrap up/Walk-ons

- The Co-Director brought up the idea of holding a meeting in Houston the night of Monday, February 26th. The group seemed amenable to the idea, so the Co-Directors will work on it further.
- Another member brought up the idea of holding some workgroups back to back in Lakewood, CO to have more face to face time working together. The group will consider this idea going forward, and members can email their thoughts on this idea to the Co-Directors.
- Next Subcommittee Meeting – Wednesday, December 13, 2017 from 3-4 pm Eastern.
- Next RPC Meeting – Feb 27-28, 2018 in Houston, TX.

List of Attendees:

Adam Red (Co-director), Southern Ute
 Bonnie Robson, DOI, ONRR
 Chris Carey, ONRR
 Chris Mentasti, DOI, ONRR
 Drew Darby, State of Texas
 Estella Alvarado, Anadarko
 Gabrielle Gerholt, Concho
 Greg Morby, Chevron
 James Schindler (RPC Executive Director), DOI, BOEM
 Jennifer Malcolm, DOI, ONRR
 John Barder, DOI, ONRR
 John Mehlhoff, DOI, ONRR
 Karl Wunderlich, ONRR
 Kwame Awuah-Offei, MO University of Science and Tech
 Matthew Adams (Co-director), Cloud Peak
 Megan Hesse, ONRR
 Pat Noah, ConocoPhillips
 Peter Christnacht, ONRR
 Rod Eggert, CO School of Mines
 Van Romero, NM Institute of Mining and Tech