Agenda

Date: June 23, 2016
Subject: NCPA Commission Meeting
Location: Mitchell Park Community Center, 3700 Middlefield Road, Palo Alto, CA
Time: 9:00 am

The Commission may take action on any of the items listed on this Agenda regardless of whether the matter appears on the Consent Calendar or is described as an Action Item, a Report or an Informational Item. This agenda is supplemented by Staff Reports which are available to the public upon request. Pursuant to California Government Code Section 54957.5, the following is the location at which the public can view Agendas and other public writings: NCPA Offices, 651 Commerce Drive, Roseville, California, or www.ncpa.com.

Time estimates are provided as part of the Commission’s effort to manage its time at Commission meetings. Listed times are estimated only and are subject to change at any time, including while the meeting is in progress. The Commission reserves the right to use more or less time on any item, to change the order of items, and/or to continue items to another meeting. Particular items may be heard before or after the time estimated on the agenda. This may occur in order to best manage the time at a meeting or to adapt to the participation of the public. To ensure participation in a particular item, we suggest arriving at the beginning of the meeting and remaining until the item is called.

Persons requiring accommodations in accordance with the Americans with Disabilities Act in order to attend or participate in this meeting are requested to contact the NCPA Secretary at 916.781.3636 in advance of the meeting to arrange for such accommodations.

1. Call Meeting to Order and Introductions (9:00 – 9:05 am)

2. Approve minutes of the May 26, 2016, Regular Commission Meeting (9:05 – 9:10 am)

PUBLIC FORUM

Any member of the public who desires to address the Commission on any item considered by the Commission at this meeting before or during the Commission’s consideration of that item shall so advise the Chair and shall thereupon be given an opportunity to do so. Any member of the public who desires to address the Commission on any item within the jurisdiction of the Commission and not listed on the Agenda may do so at this time.
OPEN SESSION

REPORTS AND COMMITTEE UPDATES (9:10 – 9:40 am)

3. General Manager’s Business Progress Report and Update
4. Executive Committee
5. Facilities Committee
6. Finance Committee
7. Legal Committee
8. Legislative & Regulatory Affairs Committee
9. Members’ Announcements & Meeting Reporting

CONSENT CALENDAR (9:40 – 10:00 am)

All items on the Consent Calendar are considered routine and will be approved without discussion by a single roll call vote. Any Commissioner or member of the public may remove any item from the Consent Calendar. If an item is removed, it will be discussed separately following approval of the remainder of the Consent Calendar. Prior to the roll call vote to approve the Consent Calendar, the Commissioners will be polled to determine if any Member wishes to abstain from one or more items on the Consent Calendar.

10. NCPA’s Financials for the Month Ended May 31, 2016 – approval by all members.

11. Treasurer’s Report for the Month Ended May 31, 2016 – accept by all members.

12. Sale or Disposal of Surplus Property – note and file by all members the disposal of gas flex hoses.
   Fiscal Impact: none.

13. Resolution 16-43, Insurance Brokerage Services Request for Proposal Results and Recommendation for Broker Selection – adopt resolution by all members approving the recommendation of broker selection and the attached brokerage service agreement with Aon Risk Insurance Services West Inc., and authorizes the Agency’s General Manager to execute the brokerage service agreement on behalf of the Agency.
   Fiscal Impact: NCDA insurance program premiums and brokerage fee are budgeted as part of the aggregate Property, Liability, and Workers Compensation Insurance cost estimates, which are charged off proportionately at approximately 80% for Property Insurance and 20% for Liability Insurance based on total premiums paid. The fees and premiums in total are then allocated to projects based on insured values at each plant site, with the liability insurance charged to Administrative & General costs. The proposed annual fee is $125,000 per year with a 3% escalator, significantly less than the current cost of $281,000. The aforementioned annual fee is significantly (more than 50%) below the Commission approved FY 2016-17 annual budget for this item.
14. **Resolution 16-44, Approve Chemical Waste Management, Inc. – First Amendment to Kettleman Hills Landfill Industrial Waste Services and Disposal Agreement** – adopt resolution by all members authorizing the General Manager or his designee to enter into a First Amendment to the existing 36-month Industrial Waste Services & Disposal Agreement with Chemical Waste Management, Inc. Kettleman Hills Landfill which expires on April 26, 2018, increasing the not to exceed amount from $150,000 to $500,000, with any non-substantial changes recommended and approved by the NCPA General Counsel, for use at the Geothermal Facility (GEO).

**Fiscal Impact:** when executed, the agreement will have a not to exceed of $500,000 over the 36 month term. GEO will use NCPA approved budgets (505-023-000-632-044-000 Solid Hazardous Waste Disposal) as Purchase Orders are issued. The Purchase Orders will reference the terms and conditions of the agreement will be issued following NCPA Procurement policies and procedures. Cost allocation will be based on project participation percentages.

15. **Resolution 16-45, Approve Expro Americas, LLC Multi-Task Consulting Services Agreement** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Expro Americas, LLC for wireline tools and operator and related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members.

**Fiscal Impact:** upon execution, the total cost of the agreement is not to exceed of $1,000,000 over five years. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

16. **Resolution 16-46, Approve Precision Iceblast Corporation – Five Year Multi-Task General Services Agreement for Inspection and Maintenance Services; Applicable to the following projects: All NCPA Generation Services Plant Locations, Members, SCPPA, and SCPPA Members** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Precision Iceblast Corporation for inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $850,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members.

**Fiscal Impact:** total cost of the agreement is not-to-exceed $850,000 over five years to be used out of NCPA approved budgets as services rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

17. **Resolution 16-47, Approve Quantum Spatial, Inc. – Five Year Multi-Task General Services Agreement; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members** – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Quantum Spatial, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $2,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members.
Fiscal Impact: upon execution, the total cost of the agreement is not-to-exceed $2,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

18. Resolution 16-48, Approval of the Professional Services Agreement between NCPA and the BAMx Participants; and Amendment No. 1 to the Consulting Services Agreement between NCPA and Flynn Resources Consulting, Inc. – adopt resolution by all members authorizing the General Manager of NCPA to execute the Professional Services Agreement between Northern California Power Agency and the cities of Palo Alto and Santa Clara, including any non-substantive modifications to the Professional Services Agreement approved by NCPA’s General Counsel; and upon return of the fully executed Professional Services Agreement by each BAMx Member, authorize the General Manager of NCPA to execute Amendment No. 1 to the Consulting Services Agreement between Northern California Power Agency and Flynn Resource Consultants Inc., including any non-substantive modifications to the Consulting Services Agreement approved by NCPA’s General Counsel. Fiscal Impact: total expenditures authorized under the Consulting Services Agreement shall not exceed: (i) $760,000 during the period of July 1, 2015 through June 30, 2016, and (ii) $650,000 during the period of July 1, 2016 through June 30, 2017. In addition to costs incurred under the Consulting Services Agreement, NCPA will invoice the BAMx Members $625 each month for related billing services under the Professional Services Agreement. Payments for services provided under the Consulting Services Agreement and Professional Services Agreement are accounted for in the current fiscal year budget, and all costs incurred for the services shall be allocated to the BAMx Members.

19. Resolution 16-49, Approval of a Second Phase Agreement for Renewable Energy Power Purchase Agreement – adopt resolution by all members approving the Second Phase Agreement for Renewable Energy Power Purchase Agreement as an NCPA project; and authorize the General Manager of NCPA to execute the Second Phase Agreement for Renewable Energy Purchase Power Agreement, on behalf of NCPA, including any non-substantive modifications approved by NCPA’s General Counsel. Fiscal Impact: pursuant to the Second Phase Agreement, the Participants agree to pay NCPA for all actual costs, including, but not limited to, administrative costs, including legal fees, associated with the activities under the Second Phase Agreement, which are estimated to be $35,000 or less.

20. Resolution 16-51, Approval to Rescind Previous Smart Grid Project Agreement and Approval of New Smart Grid Project Agreement – adopt resolution by all members rescinding the previously approved, unexecuted Smart Grid Project Agreement between Northern California Power Agency and Contracting Participants; approving the new form of the Smart Grid Project Agreement, including any non-substantive modifications to the Agreement as approved by NCPA’s General Counsel; authorize the General Manager of NCPA to execute the Agreement and revise Exhibit A as individual members execute the Agreement; and approving an addition to the NCPA FY 2017 Budget for an amount to be determined based on the sum of each Contracting Participant’s authorized maximum budget amounts in the “Participant Pass-Through Account, Smart Grid Program” to provide funding for this Agreement. Due to the multi-year nature of these activities, this funding authorization will carry over for several years to complete the project. Fiscal Impact: total cost of the project is not to exceed an amount to be determined by the sum of each Contracting Participant’s maximum authorized budget amount over the ten year term of the Agreement. This project was not included in either the current or upcoming 2017
fiscal year budget. The budget will be augmented by adding additional funds as determined above, to accounts in the Participant Pass-Through Program. Costs for identified utility-specific work will be directly allocated to the appropriate Contracting Participant, where possible. For costs associated with joint activities for identified tasks performed during a given fiscal year, cost allocation will be based on applicable costs evenly divided among the number of Contracting Participants for a specific task. Allocations for future tasks may be based on different, agreed upon cost allocation methodology among the Contracting Participants of each individual task under the Smart Grid Program.

Consent Items pulled for discussion: __________________________________________

DISCUSSION / ACTION ITEMS (10:00 – 10:30 am)

21. Status of NCPA’s Energy Risk Management Program – receive and file by all members the activities and accomplishments of the Energy Risk Management Program for the last year and the goals for the coming year. **Fiscal Impact:** the Energy Risk Management Program budget for FY16 was $204,512 including both staff and program costs. Total unaudited expenditures for the FY were $180,952 as of May 31, 2016 or 88% of budget.

22. Resolution 16-50, Approval of Services Agreement between NCPA and PCWA – adopt resolution by all members approving the Services Agreement with Placer County Water Agency; and authorize the General Manager to execute the Services Agreement with Placer County Water Agency, on behalf of NCPA, including any non-substantive modifications approved by NCPA’s General Counsel. **Fiscal Impact:** in consideration for NCPA’s provision of services under the Services Agreement, PCWA shall pay NCPA an amount equal to $410,000 for services rendered during the first one (1) year period of the term of the Services Agreement. For each subsequent one (1) year period of the term of the Services Agreement, PCWA shall pay NCPA an amount equal to the sum of the annual amount charged to PCWA during the prior year escalated at a rate of 2.5% per year. In addition to such compensation, PCWA shall compensate NCPA for all supplemental services supplied to PCWA on a time and materials basis, in accordance with the applicable supplemental services wage schedule contained in the Services Agreement.

23. Resolution 16-52, Consider Application for Membership by the City of Shasta Lake and Recommendation to Approve Supplement No. 1 to Amended and Restated NCPA Joint Powers Agreement – adopt resolution by all members approving that all NCPA members and the City of Shasta Lake take action to approve Supplement No. 1 to Amended and Restated Northern California Power Agency Joint Powers Agreement, adding the City of Shasta Lake (City) as a Party to NCPA. **Fiscal Impact:** if approved for membership, the City would pay $128,864 toward the NCPA FY17 Legislative and Regulatory Affairs budget. This amount includes payment of $28,978 toward the JPA fee.
24. **Election of Officers and Executive Committee Members** – election of a chairman and vice chair of the Commission and election of 3 at large representatives to the Executive Committee. The Nominating Committee nominations for 2017 Officers and Executive Committee members are:

- **Chairman**
  - Bob Lingl

- **Vice Chair**
  - Gary Plass

- **Executive Committee member**
  - Mark Chandler

- **Executive Committee member**
  - Roger Frith

- **Executive Committee member**
  - Teresa O’Neill

**INFORMATION ITEMS (10:30 – 10:40 am)**


**CLOSED SESSION (10:40 – 11:00 am)**


**NEW BUSINESS**

**ADJOURNMENT**
Minutes - DRAFT

To: NCPA Commission
From: Cary A. Padgett, Assistant Secretary to the Commission
Subject: May 26, 2016, NCPA Commission Meeting

Item #1 – Call Meeting to Order and Introductions

Chairperson Carol Garcia called the meeting to order at 9:40 am at NCPA’s Roseville Office, 651 Commerce Drive, Roseville, California. A quorum was present. Introductions were made. Those in attendance are shown on the attached attendance list.

Item #2 – Approve Minutes of the April 21, 2016, Regular Commission Meeting

Motion: A motion was made by Roger Frith and seconded by Bob Lingl to approve the Minutes of the April 21, 2016, Regular Commission Meeting. The motion carried unanimously on a voice vote of those members present.

PUBLIC FORUM

Chairperson Garcia asked if any members of the public were present who would like to address the Commission on the agenda items. No members of the public were present.

Member of Month was Roger Frith Mayor City of Biggs.

REPORTS AND COMMITTEE UPDATES

Item #3 – General Manager’s Business Progress Report and Update

- Gave an update on the NWPPA Annual Conference that was held earlier in the month. Spoke to the Northwest Group on the regionalization efforts and activities.
- Provided an update on the discussion that took place at the CFEF Board meeting.
- Provided an update on the EIM regionalization discussions and activities. The EIM Nominating Committee met and plans to seek CAISO Board approval at their June meeting on the proposed list of candidates that will sit on the CAISO EIM Governing Board.
- Met with Merced Irrigation District leadership to discuss potential NCPA membership.
- Received the City of Shasta Lake’s membership application. The NCPA Legislative and Regulatory Affairs Committee met and unanimously approved moving forward with the City of Shasta Lake’s application process.
Item #4 – Executive Committee

Committee Chair Carol Garcia reported that the Committee met that morning. The Committee heard a report from the General Manager and appointed a Nominating Committee to select the FY17 Executive Committee Officers and Members.

Item #5 – Facilities Committee

Assistant General Manager Dave Dockham reported the Committee met once since the last Commission meeting. The Committee met at its regular scheduled meeting and discussed Items 14-18 on today’s Agenda. A quorum of the Committee was present at the meeting. The Committee recommended Commission approval of all items.

Item #6 – Finance Committee

Committee Chair Gary Plass reported the Committee met on May 11, 2016. The Committee asked NCPA staff to develop an RFP to solicit proposals to refund the 2008C Hydroelectric bonds, the Geothermal bonds and a portion of the Lodi Energy Center bonds. The Committee plans to hold a Special Committee meeting in June or July to consider the responses of the RFP. General Manager Randy Howard, Commission Chairperson Garcia and Committee Chair Gary Plass met with the rating agencies in San Francisco earlier in the month. The meetings went well, and NCPA expects to have news about possible rating changes by the end of May. A copy of the rating agencies presentations was provided. The next Committee meeting is scheduled for August 10th at 10:00 am.

Item #7 – Legal Committee

General Counsel Michael Dean reported the Legal Committee did not meet.

Item #8 – Legislative & Regulatory Affairs Committee

Committee Chair Bob Lingl reported the Committee met yesterday and reviewed a number of important issues including ISO regionalization, NEM and anticipated RPS cleanup legislation this year. The Committee reviewed and unanimously approved a resolution recommending the Commission approve the City of Shasta Lake’s application for NCPA membership based on a review of the compliance and policy issues. Staff plans to seek Commission approval at the June Commission meeting.

The next L&R Affairs Committee meeting is scheduled for August 24 at Plumas-Sierra REC.

The NCPA State Legislative Staff Tour is scheduled for July 13-15, and will be hosted by Alameda, BART, Port of Oakland, Silicon Valley Power, and the City of Palo Alto.

Item #9 – Members’ Announcements & Meeting Reporting

No member announcements or reports.
CONSENT CALENDAR

Prior to the roll call vote to approve the Consent Calendar, the Commissioners were polled to determine if any member wished to pull an item or abstain from one or more items on the Consent Calendar. No items were pulled for discussion.

Motion: A motion was made by Roger Frith and seconded by Bob Lingl to approve the Consent Calendar consisting of Items 10, 11, 12, 13, 14, 15, 16, and 17. The motion carried by a majority of those members present on a roll call vote with the abstentions noted below for each item.
BART and Gridley were absent.

Item #10 – NCPA’s Financials for the Month Ended April 30, 2016 – approval by all members.

Item #11 – Treasurer’s Report for the Month Ended April 30, 2016 – accept by all members.

Fiscal Impact: the total calculated FY 2017 Working Capital Requirements for the Annual Budget has decreased by $25,209 for 0.25%. The decrease is primarily due to budgeted decreases in Market Power Purchases.

Item #13 – Resolution 16-37, Approve Increase to FY 2017 Budget for “Energy Efficiency Targets” – adopt resolution by all members approving an increase to the Fiscal Year 2017 NCPA Budget – Participant Pass Through Costs – Member Services Projects – Energy Efficiency Target, from $80,000 to $113,292 to reflect the actual cost of the project to NCPA members as detailed in the CMUA contract with Navigant Consulting, and the related funding agreement between NCPA and CMUA for Navigant's services to NCPA members.
Fiscal Impact: the total cost of the project is $113,292. This project is included in the Fiscal Year 2017 budget, but with a projected total cost of $80,000. The request from staff is to increase the total budget by $33,292 for a total not to exceed cost of $113,292. Costs will be allocated to members as delineated in the professional services contract between CMUA and Navigant Consulting, which is included as an attachment.

Item #14 – Resolution 16-38, Update to Scheduling Coordination Program Agreement Appendix B, Version 19 – approve by all members implementing the revised Scheduling Coordination Program Agreement (SCPA) Appendix B for the processing of CAISO daily and monthly settlements in accordance with the terms of the Appendix B.
Fiscal Impact: no significant costs will be incurred to implement the changes to the SCPA Appendices and funds are available in the NCPA budget to support the work associated with these contract updates.
Redding and Truckee Donner abstained.

Item #15 – Resolution 16-39, Black & Veatch Corporation – Five Year Multi-Task Professional Services Agreement; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with Black & Veatch Corporation with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $1,500,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (“SCPPA”), or by SCPPA members.
Fiscal Impact: upon execution, the total cost of the agreement is not-to-exceed $1,500,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.
Item #16 – Resolution 16-40, WEST Consultants, Inc. – Five Year Multi-Task Professional Services Agreement; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members – adopt resolution by all members authorizing the General Manager or his designee to enter into a Multi-Task Professional Services Agreement with WEST Consultants, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members.

Fiscal Impact: upon execution, the total cost of the agreement is not-to-exceed $1,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

Item #17 – Resolution 16-41, 2016 Geothermal Facility Operating Protocol – Steam Field Operations Forecast Report April 2016; Applicable to the following projects: Geothermal – adopt resolution by all members approving the 2016 Steam Field Operations Forecast Report dated April 2016 as the Geothermal Operating Protocol effective July 1, 2016. This Operating Protocol is to remain in effect until replaced by the Commission.

Fiscal Impact: the 2016-17 approved Geothermal budget covers the proposed action.

Port of Oakland, Redding and Truckee Donner abstained.

DISCUSSION / ACTION ITEMS

Item #18 – Resolution 16-42, Request for Authorization to Submit a Services Proposal to Merced Irrigation District – adopt resolution by all members authorizing staff to respond to MID's RFP consistent with the principles and framework as set forth in this staff report; and direct that any final agreement arising from this proposal be reviewed through the agency's governance committees, with recommendations prepared by the governance committees for further Commission consideration and approvals.

Fiscal Impact: costs associated with development and submittal of a services proposal, in response to MID's RFP, are accounted for and are included in existing NCPA budget categories.

NCPA staff provide a presentation regarding the recommendation to approve submitting an offer to provide services to Merced Irrigation District (Merced) in response to their RFP for Hydro Project Scheduling Coordination Services. Staff discussed Merced's projects and primary scope of services. Merced is seeking an initial term of five years with effective dates of service this fall and July 2017. Merced has also expressed a strong interest in the Agency's 24x7 Control Center Services, as well as certain Generator Operator Reliability Standard Compliance Services. Staff noted that NCPA's Facilities Committee added additional authority to the General Manager to negotiate the final services offer based upon development of a comprehensive set of negotiated terms and conditions for such services. The Commission discussed future staffing needs due to new membership services. Staff noted it may be difficult to determine staffing needs at this time. However, staff is looking at that possibility when reviewing all proposals and will inform the Commission when it reaches the threshold point.

Motion: A motion was made by Gary Plass and seconded by Madeline Deaton to approve Resolution 16-42, Request for Authorization to Submit a Services Proposal to Merced Irrigation District as drafted. The motion carried by a unanimous roll call vote of those members present. BART and Gridley were absent.
INFORMATION ITEMS

Item #19 – Hydrology Report – Assistant General Manager Ken Speer provided a presentation on the state snow pack and New Spicer Reservoir water storage. The snow pack is disappearing quickly; two-thirds of the upper elevation snowpack has melted over the last month. Staff reviewed water storage and discussed the weather forecast.

CLOSED SESSION

Item #20 – CONFERENCE WITH LEGAL COUNSEL – Existing litigation pursuant to Government Code Section 54956.9(d)(1): Name of case: Northern California Power Agency, City of Redding, City of Roseville, and City of Santa Clara v. the United States, Court of Federal Claims no. 14-817C.

REPORT FROM CLOSED SESSION

Upon return to open session, General Counsel Michael Dean reported that action was taken, but there was no reportable action on Item 20.

NEW BUSINESS

No new business was discussed.

ADJOURNMENT

The May 26, 2016, Commission meeting was adjourned at 11:11 am.

Respectfully submitted,

CARY A. PADGETT
Assistant Secretary to the Commission

Attachments
Northern California Power Agency  
Commission Meeting of May 26, 2016  
COMMISSIONER  
Attendance List

NCPA Commissioners are requested to sign, but signature by members of the public is voluntary.

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**Northern California Power Agency**  
**Commission Meeting of May 26, 2016**  
**Attendance List**

NCPA Commissioners, Alternates & Staff are requested to sign, but signature by members of the public is voluntary.

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Prior to the roll call vote to approve the Consent Calendar, the Commissioners will be polled to determine if any Member wishes to abstain from one or more items on the Consent Calendar.

CONSENT CALENDAR ROLL-CALL APPROVAL

Commission Meeting Date: 5/24/14

Consent Items Listed on the Agenda: #10 to #17

Consent Items Removed from the Agenda and Approved Separately:
# ___________ 0

ROLL-CALL VOTE BY MEMBERS: Biggs  Lompoc

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<td>14 and 17</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Santa Clara</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Truckee Donner</td>
<td>14 and 17</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Ukiah</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Plumas-Sierra</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>

ATTEST:  
Cary A. Padgett  
Assistant Secretary to the Commission
Northern California Power Agency  
ROLL CALL VOTE

<table>
<thead>
<tr>
<th>Topic: Item 18</th>
</tr>
</thead>
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<table>
<thead>
<tr>
<th></th>
<th>VOTE</th>
<th>ABSTAIN</th>
<th>ABSENT</th>
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<tbody>
<tr>
<td>Alameda</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BART</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Biggs</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gridley</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Healdsburg</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lodi</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lompoc</td>
<td>Y</td>
<td></td>
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</tr>
<tr>
<td>Palo Alto</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plumas-Sierra</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Port of Oakland</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redding</td>
<td>Y</td>
<td></td>
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<tr>
<td>Roseville</td>
<td>Y</td>
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</tr>
<tr>
<td>Santa Clara</td>
<td>Y</td>
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</tr>
<tr>
<td>Truckee Donner</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ukiah</td>
<td>Y</td>
<td></td>
<td></td>
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</table>

Passed and adopted this 26th day of May 2016, by the above vote on roll call.

CAROL GARCIA  
Chairperson

ATTEST: CARY A. PADGETT  
Assistant Secretary
The attached Draft Minutes are being provided for information and to augment the oral Committee report.
Minutes

To: NCPA Facilities Committee
From: Trisha Hubbard
Subject: June 1, 2016, Facilities Committee Meeting Minutes

1. Call meeting to order & Roll Call - The meeting was called to order by Committee Chair Alan Hanger at 9:06am. A sign-in sheet was passed around. Attending via teleconference and/or on-line presentation were Debbie Whiteman (Alameda), Mark Sorensen (Biggs), Basil Wong and Nico Procos (Port of Oakland), Kathleen Hughes, and Steve Hance (Santa Clara). Those attending in person are listed on the attached Attendee Sign-in Sheet. Committee Representatives from BART, Gridley, Healdsburg, TID, and Ukiah were absent. A quorum of the Committee was established.

PUBLIC FORUM
No public comment.

2. Approve minutes from the May 4th Facilities Committee meetings. A motion was made by Steve Hance and seconded by Monica Padilla recommending approval of the May 4th Facilities Committee meeting minutes. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville and Santa Clara. The motion passed.

3. All Generation Services Facilities, Members, SCPPA & SCPPA Members – Precision Iceblast Corporation - Staff recommended approval of a five year Multi-Task General Services Agreement with Precision Iceblast Corporation for an amount not to exceed $850,000 for inspection and maintenance services for use at all facilities owned and/or operated by NCPA, its members, SCPPA and SCPPA Members. This will be utilized as an enabling agreement. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Shannon McCann and seconded by Melissa Cadek recommending Commission approval of the Multi-Task General Services Agreement with Precision Iceblast Corporation for inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $850,000 over five years for use at all facilities owned and/or operated by NCPA, its members, SCPPA or by SCPPA members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Plumas-Sierra, Roseville and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland. The motion passed.

4. All Generation Services Facilities, Members, SCPPA & SCPPA Members – Expro Americas, LLC – Staff recommended approval of a five year Consulting Services Agreement with Expro Americas LLC for an amount not to exceed $1,000,000 for wireline tools, operator and related services for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. This company has provided wireline tools and services to NCPA as well as Calpine for the past 25 years. They are the only contractor with reliable High Temp Casing caliper with Hi-T camera. This will be utilized as an enabling agreement. A draft Commission Staff Report and the draft agreement were available for review.
Motion: A motion was made by Shannon McCann and seconded by Steve Hance recommending Commission approval of a Multi-Task Consulting Services agreement with Expro Americas LLC for wireline tool supply and related services for an amount not to exceed $1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its Members, SCPPA, and SCPPA Members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Palo Alto, Roseville and Santa Clara. ABSTAIN = Port of Oakland. The motion passed.

5. Geothermal Facilities – Chemical Waste Management, Inc. First Amendment – Staff recommended approval of an amendment to the existing three year Industrial Waste Services and Disposal Agreement with Chemical Waste Management, Inc. for industrial waste, increasing the not-to-exceed amount from $150,000 to $500,000 for use at the NCPA Geothermal Facilities. Staff explained that 95% of the Sulphur produced at the Geo is considered non-hazardous. For the past several years, this non-hazardous Sulphur has been utilized in the farming industry, primarily as a soil amendment for almonds. The prior user of the Sulphur has retired and will no longer accept it. Until the Agency can find another farming company, the only disposal site that will accept the Sulphur is Chemical Waste Management. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Shannon McCann and seconded by Alan Hanger recommending Commission approval of the First Amendment to the existing three year Industrial Waste Services & Disposal Agreement with Chemical Waste Management, Inc. which expires April 26, 2018, increasing the not-to-exceed amount from $150,000 to $500,000 with any non-substantial changes recommended and approved by the NCPA General Counsel, for use at the Geothermal Facility. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Roseville, and Santa Clara. ABSTAIN = Palo Alto and Port of Oakland. The motion passed.

6. CT1 Lodi – Staff provided an update regarding the outage of the Combustion Turbine Project No. 1 in Lodi. The refurbished parts have been installed. The unit has been re-assembled and is now available. Staff provided illustrations of the work completed during the outage. The project was completed at a total cost of $477,200, $22,800 under budget.

7. CT2 STIG - Staff provided an update regarding the outage of the STIG Project in Lodi. The refurbished parts have been installed. The re-assembly is now complete. Illustrations of the work performed were provided. The outage was mostly to complete minor repairs at a total cost of $25,000.

8. Geothermal Unit 4 – Staff provided an update regarding the overhaul performed on the Geothermal Unit #4. Staff reported that the project has been completed for an estimated final cost of $1.7million which was under the budgeted amount of $1.87million. The actual outage was from March 24th and lasted until May 4th, slightly longer than the projected end date of April 30th. Staff provided illustrations of the improvements and projects performed during the outage.

9. Geothermal Facility – Staff provided a presentation regarding the Renewable Energy Credits for the South East Geysers Effluent Pipeline (SEGEP). Staff explained the process in getting the Renewable Energy Credits (RECs) for the SEGEP. Members can begin claiming RECs on SEGEP power effective April 2016. The estimated value of the Bucket “0” RECs is approximately $188,000 per year. Retroactive REC amounts were presented. Staff will be appealing the retroactive RECs – the two appeals are for May through December 2013 for an approximate value of $230,000 and June 2014 through December 2016 for an approximate value of $334,000.
10. Review of insurance brokerage service RFP results and recommendation of broker selection – Staff provided information regarding the results of the insurance brokerage services request for proposal and is recommending approval of the selection of an insurance broker. The current insurance broker Client Service Agreement with Marsh is set to expire on June 16, 2016. Staff issued a Request for Proposals to solicit insurance brokerage firms to provide service. Following evaluation of the responses received, staff is recommending selecting Aon Risk Insurance Services West to perform NCPA's insurance brokerage services. The consulting services agreement provides for a three-year term with an option to extend annually up to five years. The proposed annual fee is $125,000 per year with a 3% escalator which is significantly less than the current cost of $281,000. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Basil Wong and seconded by Shannon McCann recommending Commission approval of the recommended broker selection and the brokerage service agreement with Aon Risk Insurance Services West, Inc. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

11. Second Phase Agreement for Renewable Energy Power Purchase Agreement – Staff recommended approval of the Second Phase Agreement for Renewable Energy Power Purchase Agreement. In 2015 NCPA issued a Request for Proposals for solar power following member interest in purchasing renewable energy supply. Four members expressed interest in the responses received, however, some members were unable to secure proper board approvals. Due to the lapse in time since the original RFP was issued, staff requested a price refresh to accommodate the three members still interested in purchasing renewable power. The prices remain favorable, however, contract quantity is four times that of members’ demand. SCPPA is currently entering an agreement for renewable energy. With NCPA members and SCPPA combined, the developer minimum threshold should now be met. The Second Phase Agreement will allow NCPA to enter into negotiations. Staff will be seeking approval at the June Commission meeting. Interested members are encouraged to sign the Second Phase Agreement no later than July. Staff believes the developer is looking to have the Power Purchase Agreement finalized in the next 3-4 months. The draft Second Phase agreement was available for review.

Motion: A motion was made by Melissa Cadek and seconded by Shannon McCann recommending approval of the Second Phase Agreement for Renewable Energy supply. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville and Santa Clara. The motion passed.

12. Placer County Water Agency (PCWA) Services Agreement – Staff presented a recommendation to approve the Services Agreement with Placer County Water Agency. Based on Commission direction to expand NCPA’s provision of services to non-member customers, NCPA entered into discussions with PCWA to receive services. The initial term of the services agreement will be through December 31, 2020 and pending termination by either Party, the contract will automatically extend for an additional two year period. Staff explained that under the agreement, PCWA will act as its own Scheduling Coordinator, will manage all CAISO invoicing associated with its SCID, will provide all credit and collateral requirements associated with CAISO participation and act as its own Operating Entity for scheduling and bidding. NCPA, under this agreement, will provide Control Center Services effective January 1, 2018 and any supplemental services requested pursuant to the task order process. The first year for Control Center Services will be provided at price of $410,000 with each subsequent year escalated at 2.5%. Supplemental services will be invoiced on a time and materials basis.
Staff explained in detail the structure of the Services Agreement. The main body of the Services Agreement includes the general terms and conditions. The appendices include the scope, compensation and technical requirements. The technical appendices can be updated and/or amended from time to time to account for operational changes. Staff will schedule a separate meeting with members to review the agreement in detail due to the final version not being available prior to today’s discussion. PCWA will be taking this agreement to June Board meeting for approval. NCPA staff would like to seek Commission approval at the June 23rd Commission meeting.

Motion: A motion was made by Monica Padilla and seconded by Shannon McCann recommending Commission approval of the terms and conditions of the Services Agreement between NCPA and PCWA as presented at the June 1st Facilities Committee meeting, under which NCPA will provide Services to PCWA as further defined in the Services Agreement. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

13. FY2017 BAMx Agreement – Staff recommended approval of the Amendment No. 1 to the Consulting Services Agreement with Flynn Resource Consultants as well as the Professional Services Agreement with the BAMx Participants (Palo Alto and Santa Clara). The FY2017 BAMx Agreement will not include Port of Oakland and Alameda. The amendment extends services until June 30, 2017 for an amount not to exceed $650,000. The draft agreements were available for review.

Motion: A motion was made by Monica Padilla and seconded by Tikan Singh recommending Commission approval of the terms and conditions of the Professional Services Agreement between NCPA and the BAMx Participants and Amendment No. 1 to the Consulting Services Agreement between NCPA and Flynn Resource Consulting Inc. as presented at today’s meeting. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

14. Enhanced Bidding Capability for Participants in the CAISO Real-Time Energy Market – Staff provided an update regarding the results from recent tests with bidding into CAISO. The real-time bidding test results revealed that omitting load following down capacity schedules caused unintended, negative settlement results. For the time being, staff believes it is better to use load following down for incremental real-time SUPP energy bidding. Staff needs to address with the CAISO to change compliance formulae to enable MSSA to fully participate in real-time energy markets. Staff will be setting up a series of meetings to discuss current scheduling mechanics, scheduling strategies, and settlements.

15. Planning and Operations Update –
- Staff reported that a services proposal was submitted to Merced Irrigation District on May 31st.
- Short-term planner, Don Imamura is retiring effective June 2nd; Bernard Erlich has been hired as his replacement.
- NCPA is working with CMUA regarding Transmission Access Charges and the CAISO regionalization. Staff will provide to the Facilities Committee the straw proposal regarding CMUA’s TAC Allocation methodology.
- Shasta’s membership application was approved at the May Legislative & Regulatory Committee meeting. This will be brought to the June Commission meeting for approval of the application.
16. All Generation Services Facilities, Members, SCPPA & SCPPA Members – Quantum Spatial – Staff recommended approval of the Multi-Task General Services Agreement with Quantum Spatial, Inc. in an amount not to exceed $2,000,000 over five years for use at all NCPA facilities, its members, SCPPA and SCPPA members. This will be utilized as an enabling agreement for transmission and distribution line modeling and inspection, vegetation surveys, aerial surveys, LiDAR mapping and analytics and other miscellaneous inspection and mapping tasks. A draft Commission Staff Report and the draft agreement were available for review.

Motion: A motion was made by Shannon McCann and seconded by Monica Padilla recommending Commission approval of the Multi-Task General Services Agreement with Quantum Spatial, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $2,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by SCPPA or SCPPA members. A vote was taken by roll call: YES = Alameda, Biggs, Lodi, Lompoc, Palo Alto, Port of Oakland, Roseville, and Santa Clara. The motion passed.

17. Schedule next meeting date – the next regular Facilities Committee meeting is scheduled for July 6th.

ADJOURNMENT

The meeting was adjourned at 11:58am.
Northern California Power Agency  
Facilities Committee Meeting of June 1, 2016  
Attendance List

NCPA Facilities Committee members, Alternates & Staff are requested to sign, but signature by members of the public is voluntary.

<table>
<thead>
<tr>
<th>NAME</th>
<th>AFFILIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dave Dechamn</td>
<td>NCPA</td>
</tr>
<tr>
<td>EO Voss</td>
<td>NCPA</td>
</tr>
<tr>
<td>Bob Young</td>
<td>NCPA</td>
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<tr>
<td>Ken Speak</td>
<td>NCPA</td>
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<tr>
<td>Mike DeBortoli</td>
<td>NCPA</td>
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<tr>
<td>Dennis Sismaet</td>
<td>NCPA</td>
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<tr>
<td>Randy Howard</td>
<td>NCPA</td>
</tr>
<tr>
<td>Yihan Singh</td>
<td>Roseville</td>
</tr>
<tr>
<td>Shannon McCann</td>
<td>NCPA</td>
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<td>James Tatehara</td>
<td>NCPA</td>
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<tr>
<td>Bob Caracciotti</td>
<td>11</td>
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<tr>
<td>Tony Zimmer</td>
<td>NCPA</td>
</tr>
<tr>
<td>Donna Stevener</td>
<td>NCPA</td>
</tr>
<tr>
<td>Trisha Hubbard</td>
<td>NCPA</td>
</tr>
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Northern California Power Agency  
Facilities Committee Meeting of June 1, 2016  
Facilities Committee  
Attendance List

NCPA Facilities Committee members are requested to sign, but signature by members of the public is voluntary.

<table>
<thead>
<tr>
<th>MEMBER</th>
<th>NAME</th>
</tr>
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<tbody>
<tr>
<td>ALAMEDA</td>
<td>Alan Hanger</td>
</tr>
<tr>
<td>BART</td>
<td></td>
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<tr>
<td>BIGGS</td>
<td></td>
</tr>
<tr>
<td>GRIDLEY</td>
<td></td>
</tr>
<tr>
<td>HEALDSBURG</td>
<td></td>
</tr>
<tr>
<td>LODI</td>
<td></td>
</tr>
<tr>
<td>LOMPOC</td>
<td>Susan Lee</td>
</tr>
<tr>
<td>PALO ALTO</td>
<td>Monica Padilla</td>
</tr>
<tr>
<td>PLUMAS-SIERRA REC</td>
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<tr>
<td>PORT OF OAKLAND</td>
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</tr>
<tr>
<td>ROSEVILLE</td>
<td>Steve</td>
</tr>
<tr>
<td>SANTA CLARA</td>
<td></td>
</tr>
<tr>
<td>TID</td>
<td></td>
</tr>
<tr>
<td>UKIAH</td>
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</table>
Commission Staff Report

June 15, 2016

COMMISSION MEETING DATE: June 23, 2016

SUBJECT: May 2016 Financial Report (Unaudited)

AGENDA CATEGORY: Consent

FROM: Sondra Ainsworth  
Treasurer-Controller  
Division: Administrative Services  
Department: Accounting & Finance

METHOD OF SELECTION:
N/A

IMPACTED MEMBERS:

- All Members X
- City of Lodi
- City of Lompoc
- City of Palo Alto
- City of Redding
- City of Roseville
- City of Santa Clara
- City of Ukiah
- Plumas-Sierra REC
- Port of Oakland
- Truckee Donner PUD
- Other

If other, please specify.

Place an X in the box next to the applicable Member(s) above.
RECOMMENDATION:

Approval by all members.

NOTICE:

The disbursements of the Northern California Power Agency for the month reported herein, will be approved at the June 23, 2016 meeting of the NCPA Commission. The following page is a summary of those disbursements.

Prior to the Chairman's call to order, the Assistant Secretary to the Commission will upon request make available for review the detailed listing of those disbursements.

The report of budget vs. actual costs and the unaudited May 2016 financial reports are also included.

FISCAL IMPACT:

This report has no direct budget impact to the Agency.

ENVIRONMENTAL ANALYSIS:

The Financial report will not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,

Randy S. Howard
General Manager

Attachments:
NORTHERN CALIFORNIA POWER AGENCY
and ASSOCIATED POWER CORPORATIONS

Schedule of Disbursements
(UNAUDITED)

For the Month of May 2016

Operations:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Geothermal</td>
<td>$1,497,881</td>
</tr>
<tr>
<td>Hydroelectric</td>
<td>$3,371,444</td>
</tr>
<tr>
<td>CT#1 Combustion Turbines</td>
<td>$37,013</td>
</tr>
<tr>
<td>CT#2 STIG</td>
<td>$537,310</td>
</tr>
<tr>
<td>Lodi Energy Center</td>
<td>$6,831,914</td>
</tr>
<tr>
<td>NCPA Operating</td>
<td>$20,787,585</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$33,063,147</strong></td>
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### GENERATION RESOURCES

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<tr>
<th>Plant Type</th>
<th>This Month</th>
<th>Actual Year To-Date</th>
<th>FY 2016 Budget</th>
<th>% Used</th>
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</thead>
<tbody>
<tr>
<td><strong>NCPA Plants</strong></td>
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<td></td>
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<tr>
<td><strong>Hydroelectric</strong></td>
<td></td>
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</tr>
<tr>
<td>Other Plant Cost</td>
<td>$1,173,355</td>
<td>$10,803,579</td>
<td>$13,204,025</td>
<td>82%</td>
</tr>
<tr>
<td>Debt Service (Net)</td>
<td>3,161,221</td>
<td>34,773,432</td>
<td>37,934,653</td>
<td>92%</td>
</tr>
<tr>
<td><strong>Annual Budget Cost</strong></td>
<td>4,334,576</td>
<td>45,577,011</td>
<td>51,138,678</td>
<td>89%</td>
</tr>
<tr>
<td><strong>Geothermal</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Other Plant Cost</td>
<td>2,153,392</td>
<td>24,071,851</td>
<td>27,368,808</td>
<td>88%</td>
</tr>
<tr>
<td>Debt Service (Net)</td>
<td>425,744</td>
<td>4,683,185</td>
<td>5,108,929</td>
<td>92%</td>
</tr>
<tr>
<td><strong>Annual Budget Cost</strong></td>
<td>2,579,136</td>
<td>28,755,036</td>
<td>32,477,827</td>
<td>86%</td>
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<td><strong>Combustion Turbine No. 1</strong></td>
<td>137,903</td>
<td>2,374,594</td>
<td>2,877,315</td>
<td>83%</td>
</tr>
<tr>
<td><strong>Combustion Turbine No. 2 (Stig)</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Fuel and Pipeline Transport Charges</td>
<td>58,594</td>
<td>702,363</td>
<td>953,150</td>
<td>74%</td>
</tr>
<tr>
<td>Other Plant Cost</td>
<td>128,047</td>
<td>1,729,552</td>
<td>1,798,534</td>
<td>96%</td>
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<tr>
<td>Debt Service (Net)</td>
<td>473,293</td>
<td>5,206,222</td>
<td>5,679,315</td>
<td>92%</td>
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<tr>
<td><strong>Annual Budget Cost</strong></td>
<td>659,934</td>
<td>7,638,167</td>
<td>8,431,199</td>
<td>91%</td>
</tr>
<tr>
<td><strong>Lodi Energy Center</strong></td>
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</tr>
<tr>
<td>Fuel</td>
<td>87,590</td>
<td>21,798,652</td>
<td>49,851,536</td>
<td>44%</td>
</tr>
<tr>
<td>Other Plant Cost</td>
<td>1,103,759</td>
<td>21,068,756</td>
<td>19,739,576</td>
<td>107%</td>
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<td>Debt Service (Net)</td>
<td>2,203,974</td>
<td>24,243,711</td>
<td>26,440,994</td>
<td>92%</td>
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<tr>
<td><strong>Annual Budget Cost</strong></td>
<td>3,395,323</td>
<td>67,131,119</td>
<td>96,032,106</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Member Resources - Energy</strong></td>
<td>3,171,546</td>
<td>35,058,668</td>
<td>39,011,876</td>
<td>90%</td>
</tr>
<tr>
<td><strong>Member Resources - Natural Gas</strong></td>
<td>311,502</td>
<td>5,729,008</td>
<td>5,748,516</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Western Resources</strong></td>
<td>3,498,323</td>
<td>23,342,225</td>
<td>29,537,384</td>
<td>79%</td>
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<tr>
<td><strong>Market Power Purchases</strong></td>
<td>2,025,481</td>
<td>30,532,649</td>
<td>42,915,828</td>
<td>71%</td>
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<tr>
<td><strong>Load Aggregation Costs - ISO</strong></td>
<td>12,334,083</td>
<td>184,016,381</td>
<td>238,603,172</td>
<td>69%</td>
</tr>
<tr>
<td><strong>Net GHG Obligations</strong></td>
<td>1,323,926</td>
<td>4,427,000</td>
<td>3,029,825</td>
<td>146%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>33,771,727</td>
<td>414,581,858</td>
<td>549,803,526</td>
<td>75%</td>
</tr>
</tbody>
</table>

### TRANSMISSION

<table>
<thead>
<tr>
<th>Charge Type</th>
<th>This Month</th>
<th>Actual Year To-Date</th>
<th>FY 2016 Budget</th>
<th>% Used</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent System Operator</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grid Management Charge</td>
<td>555,874</td>
<td>3,151,322</td>
<td>3,393,692</td>
<td>93%</td>
</tr>
<tr>
<td>Wheeling Access Charge</td>
<td>6,818,049</td>
<td>71,489,518</td>
<td>70,278,323</td>
<td>102%</td>
</tr>
<tr>
<td>Ancillary Services</td>
<td>735,757</td>
<td>2,418,937</td>
<td>1,419,670</td>
<td>170%</td>
</tr>
<tr>
<td>Other Charges</td>
<td>182,302</td>
<td>(1,890,858)</td>
<td>920,087</td>
<td>(200%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,295,982</td>
<td>75,168,919</td>
<td>76,011,752</td>
<td>99%</td>
</tr>
</tbody>
</table>
## MANAGEMENT SERVICES

<table>
<thead>
<tr>
<th>Service</th>
<th>This Month</th>
<th>Actual Year To-Date</th>
<th>FY 2016 Budget</th>
<th>% Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative &amp; Regulatory</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legislative Representation</td>
<td>92,753</td>
<td>1,397,373</td>
<td>1,821,212</td>
<td>77%</td>
</tr>
<tr>
<td>Regulatory Representation</td>
<td>53,305</td>
<td>615,282</td>
<td>767,384</td>
<td>80%</td>
</tr>
<tr>
<td>Western Representation</td>
<td>34,837</td>
<td>475,906</td>
<td>672,966</td>
<td>71%</td>
</tr>
<tr>
<td>Member Support Services</td>
<td>29,733</td>
<td>340,781</td>
<td>459,903</td>
<td>74%</td>
</tr>
<tr>
<td>Judicial Action</td>
<td>90,131</td>
<td>493,897</td>
<td>745,000</td>
<td>66%</td>
</tr>
<tr>
<td>Power Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System Control &amp; Load Dispatch</td>
<td>217,534</td>
<td>4,187,907</td>
<td>5,585,170</td>
<td>75%</td>
</tr>
<tr>
<td>Forecasting, Planning, Prescheduling &amp; Trading</td>
<td>106,436</td>
<td>1,855,371</td>
<td>2,478,635</td>
<td>75%</td>
</tr>
<tr>
<td>Industry Restructuring &amp; Regulatory Affairs</td>
<td>8,738</td>
<td>272,924</td>
<td>403,768</td>
<td>68%</td>
</tr>
<tr>
<td>Contract Admin, Interconnection Svcs &amp; External Affairs</td>
<td>46,247</td>
<td>701,159</td>
<td>1,052,202</td>
<td>67%</td>
</tr>
<tr>
<td>Green Power Project</td>
<td>363</td>
<td>6,031</td>
<td>36,418</td>
<td>17%</td>
</tr>
<tr>
<td>Gas Purchase Program</td>
<td>2,587</td>
<td>49,285</td>
<td>69,162</td>
<td>71%</td>
</tr>
<tr>
<td>Market Purchase Project</td>
<td>5,007</td>
<td>70,446</td>
<td>114,093</td>
<td>62%</td>
</tr>
<tr>
<td>Energy Risk Management</td>
<td>75,519</td>
<td>130,952</td>
<td>204,512</td>
<td>88%</td>
</tr>
<tr>
<td>Settlements</td>
<td>18,273</td>
<td>486,246</td>
<td>657,011</td>
<td>70%</td>
</tr>
<tr>
<td>Integrated Systems Support</td>
<td>5,526</td>
<td>156,954</td>
<td>532,705</td>
<td>29%</td>
</tr>
<tr>
<td>Participant Pass Through Costs</td>
<td>14,101</td>
<td>1,185,895</td>
<td>1,444,264</td>
<td>82%</td>
</tr>
<tr>
<td>Shared Services Pass Through</td>
<td></td>
<td>36,404</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Prospective Member</td>
<td>1,538</td>
<td>1,538</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>TOTAL ANNUAL BUDGET COST</strong></td>
<td>800,028</td>
<td>12,497,121</td>
<td>17,055,015</td>
<td>73%</td>
</tr>
</tbody>
</table>

## LESS: THIRD PARTY REVENUE

<table>
<thead>
<tr>
<th>Revenue</th>
<th>This Month</th>
<th>Actual Year To-Date</th>
<th>FY 2016 Budget</th>
<th>% Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant ISO Energy Sales</td>
<td>5,482,416</td>
<td>74,148,115</td>
<td>118,904,279</td>
<td>62%</td>
</tr>
<tr>
<td>Load Aggregation Energy Sales</td>
<td>9,268,758</td>
<td>117,196,337</td>
<td>178,771,257</td>
<td>66%</td>
</tr>
<tr>
<td>Ancillary Services Sales</td>
<td>69,036</td>
<td>5,333,047</td>
<td>4,076,239</td>
<td>131%</td>
</tr>
<tr>
<td>Transmission Sales</td>
<td>9,198</td>
<td>101,178</td>
<td>110,376</td>
<td>92%</td>
</tr>
<tr>
<td>Western Credits, Interest and Other Income</td>
<td>2,311,365</td>
<td>14,393,222</td>
<td>16,003,868</td>
<td>90%</td>
</tr>
<tr>
<td><strong>TOTAL ANNUAL BUDGET COST TO PARTICIPANTS</strong></td>
<td>17,140,777</td>
<td>211,171,899</td>
<td>317,867,819</td>
<td>66%</td>
</tr>
</tbody>
</table>

(a) Variance due to higher than budgeted generation. Costs related to additional generation are offset by increased revenues.

(b) Variance due to unbudgeted CA ISO energy purchases.

(c) MWh scheduled 122% of budget.

(d) Purchases made several months in advance.

(e) Budget variance caused by the December through April outage of SVP's high voltage facility which resulted in increased market purchases.

(f) Ancillary services requirements increased two to three times. Budgeted price per MWh were $5-$10 while actuals were in the $15-$20 per MWh range.

(g) LEC forced outage 2/6/16 to 3/2/16. LEC at 63% of budgeted generation at 5/31/15.

(h) Market prices down due to increased hydro and solar generation and mild temperatures.
### COMBINED STATEMENTS OF NET POSITION

**NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS**

**UNAUDITED**

<table>
<thead>
<tr>
<th>Assets</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$32,070</td>
<td>$40,171</td>
</tr>
<tr>
<td>Investments</td>
<td>29,729</td>
<td>28,068</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>509</td>
<td>750</td>
</tr>
<tr>
<td>Other</td>
<td>82</td>
<td>77</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>8,965</td>
<td>8,097</td>
</tr>
<tr>
<td>Inventory and supplies - at average cost</td>
<td>78</td>
<td>346</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>71,433</td>
<td>77,509</td>
</tr>
</tbody>
</table>

| **RESTRICTED ASSETS**           |        |        |
| Cash and cash equivalents       | 78,393 | 95,867 |
| Investments                     | 148,566| 125,308|
| Interest receivable             | 313    | 216    |
| **TOTAL RESTRICTED ASSETS**     | 227,272| 221,391|

### ELECTRIC PLANT

| Electric plant in service       | 1,500,695| 1,499,355|
| Less: accumulated depreciation   | (909,433)|(878,886)|
| **TOTAL ELECTRIC PLANT**        | 591,262 | 620,469 |
| Construction work-in-progress   | 106     | 690     |
| **TOTAL ELECTRIC PLANT**        | 591,368 | 621,159 |

### OTHER ASSETS

| Regulatory assets               | 250,559 | 197,568 |
| Unused vendor credits           | 225     | -       |
| **TOTAL OTHER ASSETS**          | 250,784 | 197,568 |

**TOTAL ASSETS**                   | 1,140,857| 1,117,627|

### DEFERRED OUTFLOWS OF RESOURCES

| Excess cost on refunding of debt | 54,996  | 62,737  |
| Pension contribution             | 5,310   | -       |
| **TOTAL DEFERRED OUTFLOWS OF RESOURCES** | 60,306 | 62,737 |

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

<table>
<thead>
<tr>
<th></th>
<th>$1,201,163</th>
<th>$1,180,364</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(in thousands)</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
COMBINED STATEMENTS OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

UNAUDITED

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$18,304</td>
<td>$16,773</td>
</tr>
<tr>
<td>Member advances</td>
<td>993</td>
<td>993</td>
</tr>
<tr>
<td>Operating reserves</td>
<td>18,096</td>
<td>20,911</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>36,730</td>
<td>35,160</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>17,478</td>
<td>21,217</td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td>$91,601</td>
<td>$95,054</td>
</tr>
<tr>
<td>NON-CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net pension liability</td>
<td>57,260</td>
<td>-</td>
</tr>
<tr>
<td>Operating reserves and other deposits</td>
<td>134,046</td>
<td>122,738</td>
</tr>
<tr>
<td>Interest rate swap liability</td>
<td>22,373</td>
<td>21,386</td>
</tr>
<tr>
<td>Long-term debt, net</td>
<td>787,207</td>
<td>826,676</td>
</tr>
<tr>
<td>TOTAL NON-CURRENT LIABILITIES</td>
<td>$1,000,886</td>
<td>$970,800</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>$1,092,487</td>
<td>$1,065,854</td>
</tr>
<tr>
<td>DEFERRED INFLOWS OF RESOURCES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulatory credits</td>
<td>74,083</td>
<td>78,302</td>
</tr>
<tr>
<td>Pension earnings</td>
<td>4,947</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL DEFERRED INFLOWS OF RESOURCES</td>
<td>$79,030</td>
<td>$78,302</td>
</tr>
<tr>
<td>NET POSITION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>(68,514)</td>
<td>(67,006)</td>
</tr>
<tr>
<td>Restricted</td>
<td>78,150</td>
<td>76,887</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>20,010</td>
<td>26,327</td>
</tr>
<tr>
<td>TOTAL NET POSITION</td>
<td>$29,646</td>
<td>$36,208</td>
</tr>
<tr>
<td>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</td>
<td>$1,201,163</td>
<td>$1,180,364</td>
</tr>
</tbody>
</table>
### COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

#### NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

#### UNAUDITED

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALES FOR RESALE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participants</td>
<td>$300,667</td>
<td>$266,471</td>
</tr>
<tr>
<td>Other Third-Party</td>
<td>$115,967</td>
<td>$125,389</td>
</tr>
<tr>
<td><strong>TOTAL SALES FOR RESALE</strong></td>
<td><strong>416,634</strong></td>
<td><strong>391,860</strong></td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased power</td>
<td>169,038</td>
<td>140,841</td>
</tr>
<tr>
<td>Operations</td>
<td>62,403</td>
<td>80,668</td>
</tr>
<tr>
<td>Transmission</td>
<td>76,308</td>
<td>55,313</td>
</tr>
<tr>
<td>Depreciation</td>
<td>28,102</td>
<td>28,614</td>
</tr>
<tr>
<td>Maintenance expenses</td>
<td>19,286</td>
<td>17,787</td>
</tr>
<tr>
<td>Administrative and general</td>
<td>17,307</td>
<td>19,842</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>372,444</strong></td>
<td><strong>343,065</strong></td>
</tr>
<tr>
<td><strong>NET OPERATING REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>44,190</td>
<td>48,795</td>
</tr>
<tr>
<td><strong>OTHER (EXPENSES) REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>(45,649)</td>
<td>(46,708)</td>
</tr>
<tr>
<td>Interest income</td>
<td>2,093</td>
<td>1,304</td>
</tr>
<tr>
<td>Other</td>
<td>5,724</td>
<td>4,763</td>
</tr>
<tr>
<td><strong>TOTAL OTHER EXPENSES</strong></td>
<td><strong>(37,832)</strong></td>
<td><strong>(40,641)</strong></td>
</tr>
<tr>
<td><strong>FUTURE RECOVERABLE AMOUNTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>900</td>
<td>2,650</td>
</tr>
<tr>
<td><strong>REFUNDS TO PARTICIPANTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(7,602)</td>
<td>(6,829)</td>
</tr>
<tr>
<td><strong>INCREASE (DECREASE) IN NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(344)</td>
<td>3,975</td>
</tr>
<tr>
<td><strong>NET POSITION, Beginning of year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>29,990</td>
<td>32,233</td>
</tr>
<tr>
<td><strong>NET POSITION, Period ended</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$29,646</td>
<td>$36,208</td>
</tr>
</tbody>
</table>
# OTHER FINANCIAL INFORMATION

## COMBINING STATEMENT OF NET POSITION

**NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS**

(000’s omitted)

<table>
<thead>
<tr>
<th>May 31, 2016</th>
</tr>
</thead>
</table>

### GENERATING & TRANSMISSION RESOURCES

<table>
<thead>
<tr>
<th></th>
<th>Geothermal</th>
<th>Hydroelectric</th>
<th>Multiple Capital Facilities</th>
<th>CT No. One</th>
<th>Lodi Energy Center</th>
<th>Transmission No. One</th>
<th>Purchased Power &amp; Transmission</th>
<th>Associated Member Services</th>
<th>Other Agency</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td>$1</td>
<td>$1</td>
<td>$71</td>
<td>$217</td>
<td>31,779</td>
<td>32,970</td>
<td>29,729</td>
<td>500</td>
<td>8,965</td>
<td>71,433</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$</td>
<td>$1</td>
<td>$1</td>
<td>$71</td>
<td>$217</td>
<td>31,779</td>
<td>32,970</td>
<td></td>
<td>500</td>
<td>8,965</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventory and supplies - at average cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>4,019</td>
<td>1,079</td>
<td>642</td>
<td>1,402</td>
<td>1,833</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from Agency and other programs*</td>
<td>14,296</td>
<td>13,753</td>
<td>1,857</td>
<td>(330)</td>
<td>5,879</td>
<td>-</td>
<td>17,116</td>
<td>6,268</td>
<td>(58,330)</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td>18,316</td>
<td>14,847</td>
<td>2,500</td>
<td>564</td>
<td>7,807</td>
<td>-</td>
<td>17,621</td>
<td>6,485</td>
<td>3,293</td>
<td>71,433</td>
</tr>
</tbody>
</table>

### RESTRICTED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>$4,448</th>
<th>$11,242</th>
<th>$1,000</th>
<th>$24,598</th>
<th>$2,309</th>
<th>34,396</th>
<th>78,393</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$</td>
<td>$11,242</td>
<td>$1,000</td>
<td>$24,598</td>
<td>$2,309</td>
<td>34,396</td>
<td>78,393</td>
</tr>
<tr>
<td>Investments</td>
<td>19,993</td>
<td>44,072</td>
<td>4,369</td>
<td>19,766</td>
<td>18,669</td>
<td>41,097</td>
<td>148,566</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>45</td>
<td>129</td>
<td>13</td>
<td>50</td>
<td>76</td>
<td>313</td>
<td>76,169</td>
</tr>
<tr>
<td>TOTAL RESTRICTED ASSETS</td>
<td>24,816</td>
<td>55,443</td>
<td>5,382</td>
<td>44,414</td>
<td>20,978</td>
<td>76,169</td>
<td>237,272</td>
</tr>
</tbody>
</table>

### ELECTRIC PLANT

<table>
<thead>
<tr>
<th></th>
<th>568,745</th>
<th>393,536</th>
<th>64,826</th>
<th>35,245</th>
<th>422,459</th>
<th>7,736</th>
<th>1,300,095</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric plant in service</td>
<td>(237,793)</td>
<td>(242,197)</td>
<td>(33,760)</td>
<td>(34,102)</td>
<td>(31,117)</td>
<td>(7,736)</td>
<td>(909,413)</td>
</tr>
<tr>
<td>Loss: accumulated depreciation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Construction work-in-progress</td>
<td>40,952</td>
<td>151,739</td>
<td>21,066</td>
<td>2,143</td>
<td>372,342</td>
<td>6</td>
<td>198</td>
</tr>
<tr>
<td>TOTAL ELECTRIC PLANT</td>
<td>40,952</td>
<td>151,739</td>
<td>21,066</td>
<td>2,143</td>
<td>372,443</td>
<td>6</td>
<td>198</td>
</tr>
</tbody>
</table>

### OTHER ASSETS

<table>
<thead>
<tr>
<th></th>
<th>1,939</th>
<th>159,596</th>
<th>13,205</th>
<th>18,928</th>
<th>(6)</th>
<th>-56,897</th>
<th>250,559</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory assets</td>
<td>225</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL OTHER ASSETS</td>
<td>2,164</td>
<td>159,596</td>
<td>13,205</td>
<td>18,928</td>
<td>(6)</td>
<td>-56,897</td>
<td>250,559</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>86,318</td>
<td>381,625</td>
<td>42,153</td>
<td>2,707</td>
<td>443,592</td>
<td>38,599</td>
<td>6,683</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>159,180</td>
<td>1,140,857</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

### DEFERRED OUTFLOWS OF RESOURCES

<table>
<thead>
<tr>
<th></th>
<th>-</th>
<th>52,722</th>
<th>2,274</th>
<th>-</th>
<th>-</th>
<th>-54,906</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess cost on refunding of debt</td>
<td>-</td>
<td>52,722</td>
<td>2,274</td>
<td>-</td>
<td>-</td>
<td>-54,906</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL DEFERRED OUTFLOWS OF RESOURCES</td>
<td>-</td>
<td>52,722</td>
<td>2,274</td>
<td>-</td>
<td>-</td>
<td>-54,906</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</td>
<td>$86,318</td>
<td>$434,147</td>
<td>$44,497</td>
<td>$2,707</td>
<td>$443,592</td>
<td>$38,599</td>
<td>6,683</td>
</tr>
</tbody>
</table>

* *Eliminated in Combination
## OTHER FINANCIAL INFORMATION

### COMBINING STATEMENT OF NET POSITION

NORTHERN CALIFORNIA POWER AGENCY
AND ASSOCIATED POWER CORPORATIONS

(000's omitted)

May 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Generating &amp; Transmission Resources</th>
<th></th>
<th></th>
<th>Purchased Power &amp; Transmission</th>
<th>Associated Member Services</th>
<th>Other Agency</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Geothermal</td>
<td>Hydroelectric</td>
<td>Multiple Capital Facilities</td>
<td>Lodi Energy Center</td>
<td>Transmission</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$60</td>
<td>$261</td>
<td>-</td>
<td>$74</td>
<td>-</td>
<td>$14,472</td>
<td>$202</td>
</tr>
<tr>
<td>Member advances</td>
<td>791</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>993</td>
</tr>
<tr>
<td>Operating reserves</td>
<td>6,679</td>
<td>250</td>
<td>513</td>
<td>250</td>
<td>10,404</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>3,350</td>
<td>20,050</td>
<td>3,670</td>
<td>-</td>
<td>9,480</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>636</td>
<td>7,707</td>
<td>668</td>
<td>-</td>
<td>8,465</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td><strong>11,698</strong></td>
<td><strong>28,268</strong></td>
<td><strong>4,451</strong></td>
<td><strong>250</strong></td>
<td><strong>28,423</strong></td>
<td>-</td>
<td><strong>14,472</strong></td>
</tr>
</tbody>
</table>

|                      |                          |                          |                          | Non-CURRENT LIABILITIES |                          |              |          |
|                      |                          |                          |                          | Net pension liability    |                          |              |          |
|                      |                          |                          |                          | Operating reserves and other deposits |                          |              |          |
|                      |                          |                          |                          | Interest rate swap liability |                          |              |          |
|                      |                          |                          |                          | Long-term debt, net      |                          |              |          |
|                      |                          |                          |                          | 15,542                     | 14,521 | 5,491 | - | - | 20,995 | 1,889 | 307,289 | 75,608 | 134,046 | 22,373 | 31,069 | 38,774 | 361,798 | 787,207 |
| **TOTAL NON-CURRENT LIABILITIES** | **46,611** | **392,860** | **28,374** | - | **307,289** | - | 20,995 | 1,889 | 132,886 | 1,090,886 |

|                      |                          |                          |                          | TOTAL LIABILITIES |                          |              |          |
|                      |                          |                          |                          | Regulatory credits      |                          |              |          |
|                      |                          |                          |                          | Pension earnings        |                          |              |          |
|                      |                          |                          |                          | **TOTAL DEFERRED INFLOWS OF RESOURCES** | **20,266** | **3,000** | **1,055** | **2,270** | **43,351** | - | - | **199** | **3,042** | **4,047** | **74,083** | **79,030** |

|                      |                          |                          |                          | NET POSITION |                          |              |          |
|                      |                          |                          |                          | Net investment in capital assets |                          |              |          |
|                      |                          |                          |                          | Restricted             | (7,082) | (32,099) | (6,524) | (22,199) | - | - | - | - | (68,314) |
|                      |                          |                          |                          | Unrestricted           | 7,833 | 41,757 | 4,713 | 19,340 | - | - | - | - | 78,150 |
|                      |                          |                          |                          | **TOTAL NET POSITION** | **7,743** | **9,319** | **147** | **187** | **4,539** | - | - | **3,132** | **4,391** | **196** | **29,646** |

|                      |                          |                          |                          | **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION** | **85,318** | **434,347** | **44,477** | **2,707** | **443,592** | - | - | **38,599** | **6,683** | **144,400** | **1,201,165** |
OTHER FINANCIAL INFORMATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

NORTHERN CALIFORNIA POWER AGENCY AND ASSOCIATED POWER CORPORATIONS
(000's omitted)

<table>
<thead>
<tr>
<th>Generating &amp; Transmission Resources</th>
<th>For the Eleven Months Ended May 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Geothermal</td>
</tr>
<tr>
<td></td>
<td>$7,589</td>
</tr>
<tr>
<td>Participants</td>
<td></td>
</tr>
<tr>
<td>Other third-party</td>
<td>27,010</td>
</tr>
<tr>
<td>TOTAL SALES FOR RESALE</td>
<td>33,799</td>
</tr>
<tr>
<td>OPERATING EXPENSES</td>
<td></td>
</tr>
<tr>
<td>Purchased power</td>
<td>-</td>
</tr>
<tr>
<td>Operations</td>
<td>12,865</td>
</tr>
<tr>
<td>Transmission</td>
<td>806</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,581</td>
</tr>
<tr>
<td>Maintenance expenses</td>
<td>1,936</td>
</tr>
<tr>
<td>Administrative and general expenses</td>
<td>3,912</td>
</tr>
<tr>
<td>Intercompany (sales) purchases, net*</td>
<td>(459)</td>
</tr>
<tr>
<td>TOTAL OPERATING EXPENSES</td>
<td>27,791</td>
</tr>
<tr>
<td>NET OPERATING REVENUES</td>
<td>6,008</td>
</tr>
<tr>
<td>OTHER (EXPENSES) REVENUES</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,356)</td>
</tr>
<tr>
<td>Interest income</td>
<td>282</td>
</tr>
<tr>
<td>Other</td>
<td>271</td>
</tr>
<tr>
<td>TOTAL OTHER (EXPENSES) REVENUES</td>
<td>(803)</td>
</tr>
<tr>
<td>FUTURE RECOVERABLE AMOUNTS</td>
<td>(1,065)</td>
</tr>
<tr>
<td>REFUNDS TO PARTICIPANTS</td>
<td>(2,005)</td>
</tr>
<tr>
<td>INCREASE (DECREASE) IN NET POSITION</td>
<td>2,135</td>
</tr>
<tr>
<td>NET POSITION, Beginning of year</td>
<td>5,608</td>
</tr>
<tr>
<td>NET POSITION, Period ended</td>
<td>$7,743</td>
</tr>
</tbody>
</table>

* Eliminated in Combination
<table>
<thead>
<tr>
<th>Status</th>
<th>Participant / Customer</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAST DUE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 - 30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 - 60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61 - 90</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>91 - 120</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 120 Days</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PARTICIPANT and OTHER RECEIVABLES (net) $ 509,355

NOTE: All amounts invoiced or credited to members and others are project/program specific. NCPA does not apply any credits issued to outstanding invoices unless directed.
Commission Staff Report

June 15, 2016

COMMISSION MEETING DATE:  June 23, 2016

SUBJECT:  Treasurer's Report for the Month Ended May 31, 2016

AGENDA CATEGORY:  Consent

FROM:  Sondra Ainsworth  Treasurer-Controller
Division:  Administrative Services
Department:  Accounting & Finance

METHOD OF SELECTION:
N/A

IMPACTED MEMBERS:

All Members  City of Lodi  City of Ukiah
Alameda Municipal Power  City of Lompoc  Plumas-Sierra REC
Bay Area Rapid Transit  City of Palo Alto  Port of Oakland
City of Biggs  City of Redding  Truckee Donner PUD
City of Gridley  City of Roseville  Other
City of Healdsburg  City of Santa Clara

If other, please specify.

Place an X in the box next to the applicable Member(s) above.
RECOMMENDATION:
Approval by all members.

BACKGROUND:
In compliance with Agency policy and State of California Government Code Sections 53601 and 53646(b), the following monthly report is submitted for your information and acceptance.

Cash - At month end cash totaled $23,261,531 of which approximately $243,179 was applicable to Special and Reserve Fund Deposits, $7,069,814 to Debt Service and $15,948,538 to Operations and other.

The cash balance held at U.S. Bank includes outstanding checks that have not yet cleared. This cash balance is invested nightly in a fully collateralized (U.S. Government Securities) repurchase agreement.

Investments - The carrying value of NCPA’s investment portfolio totaled $265,493,107 at month end. The current market value of the portfolio totaled $265,955,536.

The overall portfolio had a combined weighted average interest rate of 0.873% with a bond equivalent yield (yield to maturity) of 0.885%. Investments with a maturity greater than one year totaled $139,745,000. May maturities totaled $40 million and monthly receipts totaled $25 million. During the month $42 million was invested.

Funds not required to meet annual cash flow are reinvested and separately reported as they occur.

Interest Rates - During the month, rates on 90 day T-Bills increased by 8 basis point (from 0.23% to 0.31%) and rates on one year T-Bills increased 9 basis points (from 0.58% to 0.67%).

To the best of my knowledge and belief, all securities held by NCPA as of May 31, 2016 are in compliance with the Agency’s investment policy. There are adequate cash flow and investment maturities to meet next month’s cash requirements.

FISCAL IMPACT:
This report has no direct budget impact to the Agency.

ENVIRONMENTAL ANALYSIS:
The Treasurer’s report will not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachment

SR: 160:16
NORTHERN CALIFORNIA POWER AGENCY

TREASURER'S REPORT

MAY 31, 2016

TABLE OF CONTENTS

<table>
<thead>
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<th>SECTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
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<td>CASH &amp; INVESTMENT BALANCE</td>
<td>1</td>
</tr>
<tr>
<td>CASH ACTIVITY SUMMARY</td>
<td>2</td>
</tr>
<tr>
<td>INVESTMENT ACTIVITY SUMMARY</td>
<td>3</td>
</tr>
<tr>
<td>INTEREST RATE/YIELD ANALYSIS</td>
<td>4</td>
</tr>
<tr>
<td>INVESTMENT MATURITIES ANALYSIS</td>
<td>5</td>
</tr>
<tr>
<td>DETAIL REPORT OF INVESTMENTS</td>
<td>APPENDIX</td>
</tr>
</tbody>
</table>
Northern California Power Agency  
Treasurer's Report  
Cash & Investment Balance  
May 31, 2016  

<table>
<thead>
<tr>
<th>NCPA FUNDS</th>
<th>CASH</th>
<th>INVESTMENTS</th>
<th>TOTAL</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$15,172,175</td>
<td>$ 66,882,846</td>
<td>$82,055,021</td>
<td>28.42%</td>
</tr>
<tr>
<td>Special Deposits</td>
<td>760,259</td>
<td>1</td>
<td>760,260</td>
<td>0.26%</td>
</tr>
<tr>
<td>Construction</td>
<td>16,104</td>
<td>4,856,731</td>
<td>4,871,835</td>
<td>1.69%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>7,069,814</td>
<td>46,129,770</td>
<td>53,199,584</td>
<td>18.42%</td>
</tr>
<tr>
<td>Special &amp; Reserve</td>
<td>243,179</td>
<td>147,624,759</td>
<td>147,867,938</td>
<td>51.21%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$23,261,531</strong></td>
<td><strong>$265,493,107</strong></td>
<td><strong>$288,754,638</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Portfolio Investments at Market Value

$265,955,536

NOTE A - Investment amounts shown at book carrying value.
Northern California Power Agency  
Treasurer's Report  
Cash Activity Summary  
May 31, 2016  

<table>
<thead>
<tr>
<th>NCPA FUNDS</th>
<th>RECEIPTS</th>
<th>EXPENDITURES</th>
<th>CASH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OP/CONSTR</td>
<td>INTEREST (NOTE B)</td>
<td>INVESTMENTS (NOTE A)</td>
</tr>
<tr>
<td>Operating</td>
<td>516,778</td>
<td>11</td>
<td>(7,732,532)</td>
</tr>
<tr>
<td>Special Deposits</td>
<td>12,360</td>
<td>873,000</td>
<td>(871,305)</td>
</tr>
<tr>
<td>Construction</td>
<td>-</td>
<td>18</td>
<td>16,910,000</td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>183,236</td>
<td>(17,414,666)</td>
</tr>
<tr>
<td>Special &amp; Reserve</td>
<td>-</td>
<td>17,475,570</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$25,462,808</td>
<td>$338,419</td>
<td>$40,258,570</td>
</tr>
</tbody>
</table>

NOTE A - Investment amounts shown at book carrying value.

NOTE B - Net of accrued interest purchased on investments.
# Northern California Power Agency
## Treasurer's Report
### Investment Activity Summary
#### May 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>PURCHASED</th>
<th>SOLD OR MATUR</th>
<th>(NON-CASH) DISC/(PREM) AMORT</th>
<th>(NON-CASH) GAIN/(LOSS) ON SALE</th>
<th>INVESTMENTS</th>
<th>INCREASE / DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NCPA FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>$ 5,389,825</td>
<td>$ (5,000,000)</td>
<td>$ (3,174)</td>
<td>-</td>
<td>- $</td>
<td>$ 386,651</td>
</tr>
<tr>
<td>Special Deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Construction</td>
<td>871,305</td>
<td>(873,000)</td>
<td>(457)</td>
<td>-</td>
<td>-</td>
<td>(2,152)</td>
</tr>
<tr>
<td>Debt Service</td>
<td>18,818,267</td>
<td>(16,910,000)</td>
<td>12,621</td>
<td>-</td>
<td>-</td>
<td>1,920,888</td>
</tr>
<tr>
<td>Special &amp; Reserve</td>
<td>17,414,666</td>
<td>(17,475,570)</td>
<td>(4,005)</td>
<td>-</td>
<td>-</td>
<td>(64,909)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 42,494,063</td>
<td>$ (40,258,570)</td>
<td>$ 4,985</td>
<td>-</td>
<td>-</td>
<td>$ 2,240,478</td>
</tr>
</tbody>
</table>

**Less Non-Cash Activity**

Disc/(Prem) Amortization & Gain/(Loss) on Sale

(4,985)

**Net Change in Investment --Before Non-Cash Activity**

$ 2,235,493

**NOTE A** - Investment amounts shown at book carrying value.
Northern California Power Agency
Interest Rate/Yield Analysis
May 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>WEIGHTED AVERAGE INTEREST RATE</th>
<th>BOND EQUIVALENT YIELD</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERALL COMBINED</td>
<td>0.873%</td>
<td>0.885%</td>
</tr>
<tr>
<td>OPERATING FUNDS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.914%</td>
<td>0.873%</td>
</tr>
<tr>
<td>PROJECTS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geothermal</td>
<td>1.088%</td>
<td>1.086%</td>
</tr>
<tr>
<td>Capital Facilities</td>
<td>0.989%</td>
<td>0.983%</td>
</tr>
<tr>
<td>Hydroelectric</td>
<td>1.016%</td>
<td>0.996%</td>
</tr>
<tr>
<td>Lodi Energy Center</td>
<td>0.715%</td>
<td>0.681%</td>
</tr>
</tbody>
</table>

KEY INTEREST RATES

<table>
<thead>
<tr>
<th></th>
<th>CURRENT</th>
<th>PRIOR YEAR</th>
</tr>
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<tr>
<td>Fed Fds (Ovnight)</td>
<td>0.36%</td>
<td>0.13%</td>
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<tr>
<td>T-Bills (90da.)</td>
<td>0.31%</td>
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<td>Agency Disc (90da.)</td>
<td>0.46%</td>
<td>0.06%</td>
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<tr>
<td>T-Bills (1yr.)</td>
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<td>Agency Disc (1yr.)</td>
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<tr>
<td>T-Notes (3yr.)</td>
<td>1.01%</td>
<td>0.98%</td>
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INTEREST RATIES
Northern California Power Agency  
Total Portfolio  
Investment Maturities Analysis  
May 31, 2016

<table>
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<tr>
<th>Type</th>
<th>0-7 Days</th>
<th>8-90 Days</th>
<th>91-180 Days</th>
<th>181-270 Days</th>
<th>271-365 Days</th>
<th>1-5 Years</th>
<th>6-10 Years</th>
<th>Total</th>
<th>Percent</th>
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<tbody>
<tr>
<td>US Government Agencies</td>
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<td>$ 29,201</td>
<td>$ 0</td>
<td>$ 865</td>
<td>$ 4,784</td>
<td>$ 134,374</td>
<td>$ 5,371</td>
<td>$ 176,840</td>
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<td>7.93%</td>
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<td>Investment Trusts (LAIF)</td>
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<td></td>
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<td></td>
<td></td>
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<td>U.S.Treasury Bill</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Certificates of Deposit</td>
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<td></td>
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<tr>
<td><strong>Total Dollars</strong></td>
<td>$105,793</td>
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<td>$0</td>
<td>$865</td>
<td>$4,784</td>
<td>$134,374</td>
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<td><strong>Total Percents</strong></td>
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<tr>
<td></td>
<td>37.73%</td>
<td>10.42%</td>
<td>0.00%</td>
<td>0.31%</td>
<td>1.71%</td>
<td>47.92%</td>
<td>1.92%</td>
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<td>100.00%</td>
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</table>

Investments are shown at Face Value, in thousands.

* The cash balance held at US Bank includes outstanding checks that have not yet cleared. This cash balance is invested nightly in a fully collateralized (U.S. Government Securities) repurchase agreement. Cash held by Union Bank of California is invested nightly in fully collateralized U.S. Treasury Securities.
NORTHERN CALIFORNIA POWER AGENCY

Detail Report Of Investments

APPENDIX

Note: This appendix has been prepared to comply with Government Code section 53646.
# Northern California Power Agency
## Treasurer's Report
### 05/31/2016

### Operating

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchased Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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<tbody>
<tr>
<td>US Bank, N.A</td>
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<td>0.100</td>
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<td>0.100</td>
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<td>5,000,000</td>
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<td>0.662</td>
<td>16,461,675</td>
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<td>16,461,675</td>
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<td>70014</td>
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<td>15,172,173</td>
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<td>9,348,000</td>
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<td>0.150</td>
<td>10,000</td>
<td>30229</td>
<td>10,000</td>
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<td>26359</td>
<td>7,750,000</td>
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</table>

**Fund Total and Average**

| Local Agency Investm            | 217,081             | 0.462        | 07/01/2013    | 217,081       | 1               | 0.462          | 217,081         | 217,081          | 217,081   |

**MPP GHG Auction Acct**

**SCP A Balancing Account**

| Local Agency Investm            | LAIF                | 1,506,504    | 0.462         | 07/01/2013    | 1,506,504       | 1             | 0.462           | 1,506,504         | 70022        | 1,506,504 |
| Union Bank of Califlo           | UBOC                | 98,891       | 0.005         | 07/01/2013    | 98,891          | 1             | 0.005           | 98,891            | 70023        | 98,891    |
| US Bank                         | USB                 | 0            | 0             | 07/01/2013    | 0               | 1             | 0.000           | 0                 | 70008        | 0         |
| Federal Home Loan Mt            | UBOC                | 4,510,000    | 0.250         | 04/27/2018    | 4,510,000       | 0.985          | 0.250           | 4,502,333          | 26233        | 4,510,000 |
| Federal National Mtg            | UBOC                | 5,098,000    | 0.150         | 09/30/2015    | 5,098,000       | 1.244          | 0.150           | 5,098,000          | 26340        | 5,098,000 |

**Fund Total and Average**


**General Operating Reserve**

| Local Agency Investm            | LAIF                | 23,766,284   | 0.462         | 07/01/2013    | 23,766,284      | 1             | 0.462           | 23,766,284         | 70022        | 23,766,284 |
| Union Bank of Califlo           | UBOC                | 10,629,542   | 0.002         | 07/01/2013    | 10,629,542      | 1             | 0.002           | 10,629,542         | 70019        | 10,629,542 |
| US Bank                         | USB                 | 0            | 0             | 07/01/2013    | 0               | 1             | 0.000           | 0                 | 70051        | 0         |
| Federal National Mtg            | UBOC                | 3,263,000    | 0.750         | 12/18/2014    | 3,263,000       | 323            | 0.770           | 3,262,772          | 26186        | 3,262,420 |
| Federal Farm Credit             | UBOC                | 7,305,000    | 0.770         | 12/09/2012    | 7,305,000       | 323            | 0.770           | 7,305,511          | 25942        | 7,305,000 |
| Federal National Mtg            | UBOC                | 5,970,000    | 1.625         | 12/22/2014    | 5,970,000       | 909            | 1.450           | 6,050,067          | 26186        | 5,995,157 |
| Federal Farm Credit             | UBOC                | 9,376,000    | 1.420         | 10/02/2015    | 9,376,000       | 1,238          | 1.420           | 9,352,372          | 26270        | 9,376,000 |
| Federal National Mtg            | UBOC                | 4,882,000    | 1.750         | 08/26/2015    | 5,047,354       | 1,273          | 1.430           | 5,076,259          | 26246        | 5,035,866 |

**Fund Total and Average**


---

06/04/2016 4:17 pm
## General Operating Reserve

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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<tbody>
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<td>4,229,158</td>
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<td>4,260,000</td>
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<td>Federal National Mfg</td>
<td>UBOC</td>
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<td>05/25/2021</td>
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<td>1.825</td>
<td>5,128,447</td>
<td>313863NLS</td>
<td>26332</td>
<td>5,162,000</td>
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**Fund Total and Average**

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<th></th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Price</th>
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<td>1,301,000</td>
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<td></td>
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<td>0.006</td>
<td>10/29/2015</td>
<td>4,260,000</td>
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<td>1,011</td>
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<td>5,162,000</td>
<td>05/25/2021</td>
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<td>1.825</td>
<td>5,128,447</td>
<td>313863NLS</td>
<td>26332</td>
<td>5,162,000</td>
</tr>
</tbody>
</table>

**GRAND TOTALS:**

|                | 157,880,947  | 0.014         | 615           | 158,144,256    | 0.873         | 158,206,166     | $ 158,076,894    |

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types.
Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/Custodian Statements or bid prices from the Wall Street Journal as of 05/31/2016

Investment #25942 - FFCB - Callable anytime.
Investment #26223 - FHLMC - Callable on 4/27/2017 Only.
Investment #26229 - FFCB - Callable 6/8/16, then anytime
Investment #26298 - FHLMC - Callable quarterly.
Investment #26273 - FFCB - Callable anytime.
Investment #26271 - FHLMC - Callable quarterly.
Investment #26272 - FFCB - Callable anytime.
Investment #26330 - FNMA - Callable quarterly.
Investment #26331 - FHLMC - Callable quarterly.
Investment #26332 - FNMA - Callable quarterly.
# GEO 2012 Construction Fund

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<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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<tbody>
<tr>
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<td>0.675</td>
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<td>357</td>
<td>0.722</td>
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**Fund Total and Average** $ 870,000 0.675 $ 871,305 357 0.723 $ 870,653 $ 871,290

# Geothermal Debt Service

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<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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**Fund Total and Average** $ 1,928,000 0.369 $ 1,925,155 28 0.374 $ 1,927,536 $ 1,927,432

# Geo 2012A Debt Service

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<tr>
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<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
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<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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**Fund Total and Average** $ 579,000 0.390 $ 578,021 29 0.396 $ 578,885 $ 578,817

# Geothermal Special Reserve

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<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
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<td>0</td>
<td>1</td>
<td>0.356</td>
<td>0 SYST0032</td>
<td>70032</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Union Bank of Califio</td>
<td>UBOC</td>
<td>0</td>
<td>0.002</td>
<td>07/01/2013</td>
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<td>1,500,000</td>
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**Fund Total and Average** $ 1,500,000 1.150 $ 1,500,000 908 1.150 $ 1,492,750 $ 1,500,000

# Geo Decommissioning Reserve

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<tr>
<th>Issuer</th>
<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
<th>Market Value</th>
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<tbody>
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Geo Decommissioning Reserve

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<th>Purchase Date</th>
<th>Purchase Price</th>
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<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
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Fund Total and Average $13,894,028 1.083 $14,006,673 644 1.069 $14,006,182 $14,003,479

GEO Debt Service Reserve Acct

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<th>Issuer</th>
<th>Trustee / Custodian</th>
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<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
<th>Market Value</th>
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<th>Investment #</th>
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<td>1.354</td>
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Fund Total and Average $3,624,000 1.405 $3,609,818 1179 1.476 $3,648,469 $3,614,127

Geo 2012A DSR Account

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<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
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<tbody>
<tr>
<td>Federal Mtg</td>
<td>USBT</td>
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<td>1.625</td>
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<td>05/25/2021</td>
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<td>1.625</td>
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Fund Total and Average $1,517,000 1.625 $1,517,000 1819 1.625 $1,507,140 $1,517,000

GRAND TOTALS: $24,912,028 1.088 $24,007,872 740 1.086 $24,036,617 $24,012,145

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/Custodian Statements or bid prices from the Wall Street Journal as of 05/31/2016

Investment #26247 – FHLMC - Callable 8/24/16, then any time
Investment #26302 – FHLMC - Callable quarterly.
Investment #26233 – FNMA - Callable quarterly.

06/06/2016 4:17 pm
## Cap Facilities Debt Service

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Trustee / Custodian</th>
<th>Stated Value</th>
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<th>Purchase Date</th>
<th>Purchased Price</th>
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<th>Bond* Equiv Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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<tbody>
<tr>
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<td>USBT</td>
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<td>0.319</td>
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<td>USBT</td>
<td>473,000</td>
<td>0.349</td>
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<td>471,670</td>
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Fund Total and Average       $3,398,000 0.399 $3,392,087 59 0.405 $3,396,038 $3,395,784

### Cap. Fac. Debt Svc Reserve

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<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchased Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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<tr>
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Fund Total and Average       $1,443,000 2.375 $1,447,430 2052 2.340 $1,503,938 $1,445,509

**GRAND TOTALS:**            $4,841,000 0.989 $4,839,517 654 0.983 $4,899,976 $4,841,293

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*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/Custodian Statements or bid prices from the Wall Street Journal as of 05/31/2016
## Capital Dev. Reserve Hydro

### Northern California Power Agency
#### Treasurer's Report
#### 05/31/2016

### Issuer | Trustee / Custodian | Stated Value | Interest Rate | Purchase Date | Purchase Price | Maturity Date | Days to Maturity | Bond* | Market Value | CUSIP | Investment # | Carrying Value |
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<tbody>
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**Fund Total and Average** | $14,472,913 | 1.098 |  $14,472,913 | 623 | 1.098 |  $14,460,678 | $14,472,913

### Hydro Initial Facilities

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<th>Interest Rate</th>
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<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond*</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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<tbody>
<tr>
<td>Federal National Mtg</td>
<td>USB</td>
<td>1,529,000</td>
<td>1.625</td>
<td>12/12/2014</td>
<td>1,539,244</td>
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<td>1.450</td>
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**Fund Total and Average** | $3,966,000 | 1.395 |  $3,989,745 | 943 | 1.210 |  $4,000,366 | $3,984,440

### Hydro Debt Service

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<th>Trustee / Custodian</th>
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<th>Interest Rate</th>
<th>Purchase Date</th>
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<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond*</th>
<th>Market Value</th>
<th>CUSIP</th>
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<th>Carrying Value</th>
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<tbody>
<tr>
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**Fund Total and Average** | $19,168,000 | 0.369 |  $19,139,442 | 29 | 0.375 |  $19,163,229 | $19,162,205

### Hydro Debt Service Resrv 2010A

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<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond*</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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<tbody>
<tr>
<td>Federal Farm Credit</td>
<td>USB</td>
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<td>1.750</td>
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**Fund Total and Average** | $5,528,000 | 1.750 |  $5,546,167 | 1825 | 1.680 |  $5,609,940 | $5,543,391

### Hydro 2012A Rebate Account

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<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond*</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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</thead>
<tbody>
<tr>
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<td>1.000</td>
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<td>649,392</td>
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<td>25853</td>
<td>650,766</td>
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</table>

**Fund Total and Average** | $651,000 | 1.000 |  $649,392 | 280 | 1.050 |  $652,348 | $650,766

### Hydro Special Reserve

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<th>Trustee / Custodian</th>
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<th>Interest Rate</th>
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<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond*</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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<tbody>
<tr>
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<td>0.377</td>
<td>07/01/2013</td>
<td>0</td>
<td>1</td>
<td>0.377</td>
<td>0</td>
<td>SYST0000</td>
<td>7003</td>
<td>0</td>
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<tr>
<td>Local Agency Investn</td>
<td>LAIF</td>
<td>0</td>
<td>0.356</td>
<td>07/01/2013</td>
<td>0</td>
<td>1</td>
<td>0.356</td>
<td>0</td>
<td>SYST0033</td>
<td>7003</td>
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</table>
# Hydro Special Reserve

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union Bank of Calif.</td>
<td>UBOC</td>
<td>0</td>
<td>0.022</td>
<td>07/01/2013</td>
<td>0</td>
<td>1</td>
<td>0.002</td>
<td>0</td>
<td>SYS70016</td>
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<td>0</td>
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<tr>
<td>US Bank</td>
<td>USB</td>
<td>0</td>
<td>0.000</td>
<td>07/01/2013</td>
<td>0</td>
<td>1</td>
<td>0.000</td>
<td>0</td>
<td>SYS70054</td>
<td>70054</td>
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<td>0</td>
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<tr>
<td>Federal Home Loan Mt</td>
<td>UBOC</td>
<td>1,500,000</td>
<td>1.150</td>
<td>02/26/2016</td>
<td>1,500,000</td>
<td>11/26/2018</td>
<td>908</td>
<td>1.150</td>
<td>1,497,750</td>
<td>3134G8KVO</td>
<td>28303</td>
<td>1,500,000</td>
</tr>
</tbody>
</table>

Fund Total and Average: $1,500,000.00 1.150 $1,500,000.00 908 1.150 $1,497,750.00 $1,600,000.00

# Hydro 2012 DSRA

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equiv Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Farm Credit</td>
<td>USB</td>
<td>100,000</td>
<td>1.750</td>
<td>06/28/2015</td>
<td>100,329</td>
<td>08/04/2020</td>
<td>1,525</td>
<td>1.680</td>
<td>101,428</td>
<td>3133EESZ9</td>
<td>26244</td>
<td>100,278</td>
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<tr>
<td>Federal Home Loan Mt</td>
<td>USB</td>
<td>3,928,000</td>
<td>2.375</td>
<td>02/09/2012</td>
<td>3,928,232</td>
<td>01/13/2022</td>
<td>2,052</td>
<td>2.380</td>
<td>4,093,870</td>
<td>3137EAD82</td>
<td>25862</td>
<td>3,927,000</td>
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Fund Total and Average: $4,028,000.00 2.359 $4,026,561.00 2039 2.383 $4,195,307.00 $4,027,278.00

GRAND TOTALS: $49,313,913.00 1.016 $49,324,240.00 639 0.996 $49,677,218.00 $49,341,073.00

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types.
Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/Custodian Statements or bid prices from the Wall Street Journal as of 05/31/2016

Investment #26292 – FHLM - Callable 5/29/16, then anytime.
Investment #26283 – FHLM - Callable quarterly.
Investment #26303 – FHLM - Callable quarterly.
## LEC GHG Auction Acct

<table>
<thead>
<tr>
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<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
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<th>Market Value</th>
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<th>Carrying Value</th>
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</thead>
<tbody>
<tr>
<td>Local Agency Rev</td>
<td></td>
<td>71,214</td>
<td>0.463</td>
<td>01/12/2013</td>
<td>71,214</td>
<td>163,214</td>
<td>1</td>
<td>0.463</td>
<td>71,214</td>
<td>SY70046</td>
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<td>71,214</td>
<td>0.463</td>
<td>$ 71,214</td>
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<td>0.463</td>
<td>$ 71,214</td>
<td>$ 71,214</td>
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</table>

## LEC Construction Revolving

<table>
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<tr>
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<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equity Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Rev</td>
<td></td>
<td>1</td>
<td>0.254</td>
<td>01/12/2013</td>
<td>1</td>
<td>1</td>
<td>0.254</td>
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<td>Fund Total and Average</td>
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<td>1</td>
<td>0.254</td>
<td>$ 1</td>
<td>1</td>
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<td>$ 1</td>
<td>$ 1</td>
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</table>

## LEC Issue#1 2010A DS Fund

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equity Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Bank Trust</td>
<td>USB</td>
<td>6,022,250</td>
<td>0.100</td>
<td>01/12/2013</td>
<td>6,022,250</td>
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<td>0.100</td>
<td>6,022,250</td>
<td>SY70003</td>
<td>76032</td>
<td>6,022,250</td>
<td>6,022,250</td>
</tr>
<tr>
<td>Federal National Mfg</td>
<td>USBT</td>
<td>594,000</td>
<td>0.360</td>
<td>01/12/2013</td>
<td>693,126</td>
<td>06/01/2016</td>
<td>0.365</td>
<td>693,126</td>
<td>SY70004</td>
<td>72040</td>
<td>594,000</td>
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<td>6,716,250</td>
<td>0.127</td>
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## LEC Issue #1 2010B DS Fund

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equity Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Bank Trust</td>
<td>USB</td>
<td>5,729,527</td>
<td>0.100</td>
<td>01/12/2013</td>
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<td>5,729,527</td>
<td>SY70004</td>
<td>79004</td>
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<td>5,729,527</td>
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<tr>
<td>Federal National Mfg</td>
<td>USBT</td>
<td>727,000</td>
<td>0.350</td>
<td>01/12/2013</td>
<td>728,084</td>
<td>06/01/2016</td>
<td>0.365</td>
<td>727,000</td>
<td>SY70085</td>
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<td>0.129</td>
<td>$ 6,455,611</td>
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<td>$ 6,456,527</td>
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## LEC Issue #2 2010A DS Fund

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<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equity Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Bank Trust</td>
<td>USB</td>
<td>4,356,150</td>
<td>0.100</td>
<td>01/12/2013</td>
<td>4,356,150</td>
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<td>4,356,150</td>
<td>SY70011</td>
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<td>Federal National Mfg</td>
<td>USBT</td>
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<td>433,453</td>
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<td>0.365</td>
<td>434,000</td>
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<td>72085</td>
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## LEC Issue #2 2010B DS Fund

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<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equity Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
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</thead>
<tbody>
<tr>
<td>US Bank Trust</td>
<td>USB</td>
<td>2,712,513</td>
<td>0.100</td>
<td>01/12/2013</td>
<td>2,712,513</td>
<td>1</td>
<td>0.100</td>
<td>2,712,513</td>
<td>SY70012</td>
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<td>USBT</td>
<td>390,000</td>
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<td>01/12/2013</td>
<td>389,509</td>
<td>06/01/2016</td>
<td>0.365</td>
<td>390,000</td>
<td>SY70085</td>
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<td>0.133</td>
<td>$ 3,102,513</td>
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## LEC Issue #1 2010 DSR Fund

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<th>Trustee / Custodian</th>
<th>Stated Value</th>
<th>Interest Rate</th>
<th>Purchase Date</th>
<th>Purchase Price</th>
<th>Maturity Date</th>
<th>Days to Maturity</th>
<th>Bond* Equity Yield</th>
<th>Market Value</th>
<th>CUSIP</th>
<th>Investment #</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Bank Trust</td>
<td>USB</td>
<td>76,774</td>
<td>0.100</td>
<td>01/12/2013</td>
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<td>76,774</td>
<td>SY70005</td>
<td>76005</td>
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</table>

06/04/2016  4:16 pm
# LEC Issue #1 2010 DSR Fund

| Issuer                | Trustee / Custodian | Stated Value | Interest Rate | Purchase Date | Purchased Price | Maturity Date | Days to Maturity | Bond* Equiv Yield | Market Value | CUSIP      | Investment # | Carrying Value |
|-----------------------|---------------------|--------------|---------------|---------------|----------------|---------------|-----------------|-------------------|--------------|------------|-------------|---------------|----------------|
| Federal National Mfg  | USB                 | 4,170,000    | 0.675         | 06/03/2014    | 4,171,960      | 09/28/2017    | 453             | 0.977             | 4,174,176    | 3135GOMZ3  | 26126       | 4,170,750     |
| Federal Farm Credit   | USBT                | 4,287,000    | 1.650         | 06/08/2015    | 4,287,000      | 05/30/2020    | 1,468           | 1.850             | 4,287,129    | 31355EUJ65 | 26230       | 4,287,000     |

**Fund Total and Average**

- **$8,633,774** 1.358
- **$8,526,734** 959 1.408 **$8,538,073** 8,534,524

---

# LEC Iss#1 2010B BABS Subs Resv

| Issuer                | Trustee / Custodian | Stated Value | Interest Rate | Purchase Date | Purchased Price | Maturity Date | Days to Maturity | Bond* Equiv Yield | Market Value | CUSIP      | Investment # | Carrying Value |
|-----------------------|---------------------|--------------|---------------|---------------|----------------|---------------|-----------------|-------------------|--------------|------------|-------------|---------------|----------------|
| US Bank Trust         | USB                 | 2,262,085    | 0.100         | 07/01/2013    | 2,262,085      | 1             | 0.100           | 2,262,085         | 76005        | 2,262,085  | 2,262,085   | 2,262,085     |

**Fund Total and Average**

- **$2,262,085** 0.100
- **$2,262,085** 1 0.100 **$2,262,085** 2,262,085

---

# LEC Issue #2 2010B DSR BABS

| Issuer                | Trustee / Custodian | Stated Value | Interest Rate | Purchase Date | Purchased Price | Maturity Date | Days to Maturity | Bond* Equiv Yield | Market Value | CUSIP      | Investment # | Carrying Value |
|-----------------------|---------------------|--------------|---------------|---------------|----------------|---------------|-----------------|-------------------|--------------|------------|-------------|---------------|----------------|
| US Bank Trust         | USB                 | 1,086,985    | 0.100         | 07/01/2013    | 1,086,985      | 1             | 0.100           | 1,086,985         | 78013        | 1,086,985  | 1,086,985   | 1,086,985     |

**Fund Total and Average**

- **$1,086,985** 0.100
- **$1,086,985** 1 0.100 **$1,086,985** 1,086,985

---

# LEC O & M Reserve

| Issuer                | Trustee / Custodian | Stated Value | Interest Rate | Purchase Date | Purchased Price | Maturity Date | Days to Maturity | Bond* Equiv Yield | Market Value | CUSIP      | Investment # | Carrying Value |
|-----------------------|---------------------|--------------|---------------|---------------|----------------|---------------|-----------------|-------------------|--------------|------------|-------------|---------------|----------------|
| Local Agency Investin |                     | 2,309,998    | 0.462         | 07/01/2013    | 2,309,998      | 1             | 0.462           | 2,309,998         | 70047        | 2,309,998  | 2,309,998   | 2,309,998     |
| Union Bank of Califio | UBOC                | 79,698       | 0.002         | 07/18/2013    | 79,698         | 1             | 0.002           | 79,698            | 70041        | 79,698     | 79,698      | 79,698        |
| Federal National Mfg  | UBOC                | 2,933,000    | 1.875         | 09/28/2015    | 2,988,142      | 02/19/2019    | 993             | 1.220             | 2,994,182    | 3135GOZ4    | 26248       | 2,983,926     |
| Federal Farm Credit   | UBOC                | 6,000,000    | 1.740         | 09/30/2015    | 6,000,000      | 09/30/2020    | 1,582           | 1.740             | 6,000,060    | 3133EFFZS   | 26260       | 6,000,000     |

**Fund Total and Average**

- **$11,322,698** 1.504
- **$11,387,838** 1095 1.332 **$11,383,938** 11,373,622

---

**GRAND TOTALS:**

- **$44,342,195** 0.715
- **$44,409,469** 465 0.681 **$44,407,736** $44,393,871

---

*Bond Equivalent Yield to Maturity is shown based on a 365 day year to provide a basis for comparison between all types. Investments with less than 6 months to maturity use an approximate method, all others use an exact method.

Current Market Value is based on prices from Trustee/ Custodian Statements or bid prices from the Wall Street Journal as of 05/31/2016

Investment # 26230 – FFCB - Callable on 6/8/15, then any time.
Investment # 26260 – FFCB - Callable any time.
Commission Staff Report

June 15, 2016

COMMISSION MEETING DATE: June 23, 2016

SUBJECT: Sale or Disposal of Surplus Property

AGENDA CATEGORY: Consent

<table>
<thead>
<tr>
<th>FROM:</th>
<th>Sondra Ainsworth</th>
<th>METHOD OF SELECTION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer-Controller</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Division:</td>
<td>Administrative Services</td>
<td>If other, please describe:</td>
</tr>
<tr>
<td>Department:</td>
<td>Accounting &amp; Finance</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IMPACTED MEMBERS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Members</td>
</tr>
<tr>
<td>Alameda Municipal Power</td>
</tr>
<tr>
<td>Bay Area Rapid Transit</td>
</tr>
<tr>
<td>City of Biggs</td>
</tr>
<tr>
<td>City of Gridley</td>
</tr>
<tr>
<td>City of Healdsburg</td>
</tr>
<tr>
<td>City of Lodi</td>
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<tr>
<td>City of Lompoc</td>
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<tr>
<td>City of Palo Alto</td>
</tr>
<tr>
<td>City of Redding</td>
</tr>
<tr>
<td>City of Roseville</td>
</tr>
<tr>
<td>City of Santa Clara</td>
</tr>
<tr>
<td>City of Ukiah</td>
</tr>
<tr>
<td>Plumas-Sierra REC</td>
</tr>
<tr>
<td>Port of Oakland</td>
</tr>
<tr>
<td>Truckee Donner PUD</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

If other, please specify.

Place an X in the box next to the applicable Member(s) above.
RECOMMENDATION:
Note and file report by all members for the disposal of gas flex hoses.

BACKGROUND:
The NCPA Policy for the Disposal or Destruction of Surplus Supplies, Materials, or Equipment requires that such disposal or destruction be reported to the NCPA Commission within 60 days of such action.

In accordance with that policy, the following disposal or destruction is hereby reported:

<table>
<thead>
<tr>
<th>Property Description</th>
<th>Quantity</th>
<th>Method of Disposal</th>
<th>Net Proceeds From Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas flex hoses</td>
<td>1</td>
<td>S</td>
<td>$ 500.00</td>
</tr>
</tbody>
</table>

FISCAL IMPACT:
None

ENVIRONMENTAL ANALYSIS:
This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments
* Note: Public Sale (PS); Private Sale (P), Disposal – Net Scrap Value (S)
<table>
<thead>
<tr>
<th>QTY</th>
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JUSTIFICATION FOR EXCESS/DISPOSAL: Scrap metal

RECOMMENDED DISPOSITION: Disposal/Scrap

PREPARED BY: Melissa Philpot / Michael DeBortoli
ORG.
APPROVED BY: [Signature] 3/9/16
(ASST. GEN. MANAGER)

AUTHORIZATION TO PROCEED: [Signature] 3/9/16
(GENERAL MANAGER)

PUBLIC SALE  PRIVATE SALE
X  DISPOSAL - NO NET SCRAP VALUE

**U/M = UNIT OF MEASURE

** CONDITION: EXCELLENT (E), GOOD (G), AVERAGE (A), POOR (P), SCRAP (S)

ORIGINAL TO TREASURER-CONTROLLER
Commission Staff Report

June 15, 2016

COMMISSION MEETING DATE: June 23, 2016

SUBJECT: Insurance Brokerage Services Request for Proposal Results and Recommendation for Broker Selection

AGENDA CATEGORY: Consent

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<th>FROM:</th>
<th>Rui Dai</th>
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METHOD OF SELECTION: Competitive Pricing Process

**IMPACTED MEMBERS:**

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If other, please specify.

*Place an X in the box next to the applicable Member(s) above.*
RECOMMENDATION:

Staff recommends that the NCPA Commission adopt Resolution 16-43, which approves the recommendation of broker selection and the attached brokerage service agreement with Aon Risk Insurance Services West Inc., and authorizes the Agency’s General Manager to execute the brokerage service agreement on behalf of the Agency.

BACKGROUND:

NCPA engages professional services associated with insurance risk management, risk financing, insurance brokerage, and loss claim advocacy matters. The Agency retains these services in connection with its insurance program which includes property, liability, workers compensation, and directors and officers insurance programs, etc. The Agency has engaged Marsh USA, Inc. for many years to provide this service.

The current insurance brokerage Client Service Agreement (CSA) with Marsh expires on June 30th, 2016. Staff issued a Request for Proposals (RFP) to solicit insurance brokerage firms to provide the above mentioned services. Staff received 5 responses to the RFP as follows:

- Marsh
- Aon Risk Insurance Services West Inc.
- Wells Fargo Insurance
- Tyler/Wortham
- Willis Towers Watson

A team of NCPA staff evaluated the responses and interviewed the top 3 responding firms. All firms had experience in the power sector and excellent qualifications to provide NCPA the desired services for insurance broking and support. After a thorough evaluation of the top 3 firms, Aon Risk Insurance Services West Inc. stands out as the best selection for NCPA with its full service capability, industry experience, team profile, and competitive service fee. Staff recommends the selection of Aon Risk Insurance Services West Inc. to perform NCPA insurance brokerage services.

Attached is a consulting services agreement with Aon Risk Insurance Services West Inc. which provides for a 3-year term with an option to extend annually for up to 5 years. Service fees are $125,000 for the first year from July 1, 2016 to June 30, 2017, and then with an annual COLA escalation of 3% as follows:

- July 1, 2017-June 30, 2018: $128,750
- July 1, 2018-June 30, 2019: $132,613
- July 1, 2019-June 30, 2020 (optional): $136,591
- July 1, 2020-June 30, 2021 (optional): $140,689

Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Consultant. Staff recommends that the Commission approve execution of this agreement and authorizes the Agency’s General Manager to execute the brokerage service agreement on behalf of the Agency.
FISCAL IMPACT:

NCPA insurance program premiums and brokerage fee are budgeted as part of the aggregate Property, Liability, and Workers Compensation Insurance cost estimates, which are charged off proportionately at approximately 80% for Property Insurance and 20% for Liability Insurance based on total premiums paid. The fees and premiums in total are then allocated to projects based on insured values at each plant site, with the liability insurance charged to Administrative & General costs. The proposed annual fee is $125,000 per year with a 3% escalator, significantly less than the current cost of $281,000.

The aforementioned annual fee is significantly (more than 50%) below the Commission approved FY 2016-17 annual budget for this item.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation was reviewed by the Facilities Committee on June 1, 2016 and was recommended for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments:
Consulting Services Agreement with Aon Risk Insurance Services West Inc.
RESOLUTION 16-43

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
ADOPTING THE AON RISK INSURANCE SERVICES WEST INC
BROKERAGE SERVICE AGREEMENT
(Staff Report #161:16)

WHEREAS, the Northern California Power Agency (the Agency) is required by various of its contracts and agreements with its members and its generating and transmission project participants to provide for property, casualty and other insurance to protect its interests therein; and

WHEREAS, to accomplish this the Agency requires professional services associated with risk management, risk financing, insurance brokerage, and claims adjustment matters in connection with its property, liability, workers compensation insurance programs and related surety and performance bonds; and

WHEREAS, The Agency completed a Request for Proposals (RFP) to solicit insurance brokerage firms to provide the above mentioned services and evaluated all the responses; and

WHEREAS, Aon Risk Insurance Services West Inc. stands out as the best selection for NCPA with its full service capability, industry experience, team profile, and competitive service fee. Staff recommends the selection of Aon Risk Solutions to perform NCPA insurance brokerage services; and

WHEREAS, Aon Risk Insurance Services West Inc. Service fees are $125,000 for the first year from July 1, 2016 to June 30, 2017, and then with an annual COLA escalation of 3% as follows:

July 1, 2017-June 30, 2018 $128,750
July 1, 2018-June 30, 2019 $132,613
July 1, 2019-June 30, 2020 $136,591
July 1, 2020-June 30, 2021 $140,689; and

WHEREAS, the fiscal year Annual Budget for 2016 has contemplated and included the necessary funds to provide for these services; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED that the Commission of the Northern California Power Agency adopts:

Section 1. This Commission and its members hereby find and determine that the recitals contained herein above are true and correct.

Section 2. This Commission and its members hereby approve the recommendation of broker selection and the attached brokerage service agreement with Aon Risk Services West, Inc., and authorize the Agency’s General Manager to execute the brokerage service agreement on behalf of the Agency.
PASSED, ADOPTED and APPROVED this ____ day of _____________, 2016 by the following vote on roll call:

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CAROL GARCIA
CHAIRPERSON

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY
CONSULTING SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND  
AON RISK INSURANCE SERVICES WEST, INC.  
(Single Task) 

This agreement for consulting services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Aon Risk Insurance Services West, Inc., a corporation with its office located at 425 Market Street, Suite 2800, San Francisco, CA 94105 ("Consultant") (together sometimes referred to as the "Parties") as of July 1, 2016 ("Effective Date") in Roseville, California. 

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to Agency the services described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Services"), at the time and place and in the manner specified therein. 

1.1 Term of Agreement. The term of this Agreement shall begin on the Effective Date and shall end June 30, 2019, except that Agency shall have the option to extend the term, on an annual basis, to no later than June 30, 2021. Agency’s exercise of the option to extend the term is effective only if in writing. 

1.2 Standard of Performance. Consultant shall perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged and for which Consultant is providing the Services. Consultant represents that it is licensed, qualified and experienced to provide the Services set forth herein. 

Consultant will deliver the Services based upon the information that Agency and its authorized representatives provide. Agency is responsible for the accuracy and completeness of the information and Consultant accepts no responsibility arising from Agency’s failure to provide such information to Consultant. Consultant must receive promptly the information to deliver the Services as well as Agency’s prompt updates to any information where there has been a material change which may affect the scope or delivery of the Services, such as a change in the nature of the risk, insured entities, property values and persons or entities to be covered. 

To the extent that any portion of Consultant’s compensation, by operation of law, agreement or otherwise, becomes adjusted or credited to Agency, it is Agency’s responsibility to disclose the actual net cost of the brokerage and insurance costs Agency has incurred to third party(ies) having an interest in such amounts. 

1.3 Assignment of Personnel. Consultant shall assign only competent personnel to perform the Services. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Consultant shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
Section 2. COMPENSATION. Agency hereby agrees to pay Consultant an amount NOT TO EXCEED Six Hundred Sixty Three Thousand Six Hundred Forty Three Dollars ($663,643.00) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Payments. Payments shall be made as set forth in Exhibit B.

2.2 [Intentionally left blank.]

2.3 Payment of Taxes. Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

Insurance may not be available in the admitted marketplace for the terms and conditions specified by Agency. In such event, Consultant's insurance proposal may include one or more insurers not licensed to transact insurance in the states of exposure and such coverage may be placed as surplus lines coverage pursuant to applicable insurance laws governing the placement of insurance with non-admitted insurers. Persons and entities insured by surplus lines insurers cannot avail themselves of the protection and recovery afforded by the state insurance guaranty funds in the event the surplus lines insurer should become insolvent. The states do not audit the finances or review the solvency of surplus lines insurers. In some instances, these insurance placements made by Consultant or its affiliates on Agency's behalf may require the payment of state surplus lines, excise or other taxes and/or fees in addition to the premium itself. To the extent possible, Consultant will identify any such tax and/or fee in advance, but in all instances the payment of these taxes and/or fees will remain the responsibility of Agency. Consultant will invoice Agency for the payment of such taxes and fees where it is Consultant's responsibility to do so. Any such taxes and fees collected by Consultant will be promptly remitted by Consultant to the appropriate taxing authorities.

2.4 Authorization to Perform Services. Consultant is not authorized to perform any Services or incur any costs whatsoever under the terms of this Agreement until receipt of written authorization from the Contract Administrator.

2.5 Timing for Submittal of Final Invoice. Consultant shall have ninety (90) days after completion of its Services to submit its final invoice. In the event Consultant fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Consultant is deemed to have waived its right to collect its final payment from Agency.
Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Services.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

4.1 **Workers’ Compensation.** If Consultant employs any person, Consultant shall maintain Statutory Workers’ Compensation Insurance and Employer’s Liability Insurance for any and all persons employed directly by Consultant with limits of not less than one million dollars ($1,000,000.00) per accident.

4.2 **Commercial General and Business Automobile Liability Insurance.**

4.2.1 **Commercial General Insurance.** Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant. The policy shall provide a minimum limit of $1,000,000 per occurrence/$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 00 01 04 13 on "an occurrence" basis covering Commercial General Liability. No endorsement shall be attached limiting the coverage.

4.2.2 **Business Automobile Liability.** Consultant shall maintain Business Automobile liability insurance form CA 00 01 10 13 for the term of this Agreement covering loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Consultant, on or off Agency premises. The policy shall provide a minimum limit of $1,000,000 per each accident. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 **General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 **Professional Liability Insurance.** Consultant shall maintain professional liability insurance appropriate to Consultant’s profession performing work in connection with this Agreement in an amount not less than one million dollars ($1,000,000.00) and two million dollars ($2,000,000) aggregate covering the Consultant’s errors and omissions. Such insurance shall be on a “claims-made” basis, subject to the following conditions: (1) the
retroactive date of the policy shall be on or before the Effective Date of this Agreement; (2) the policy shall be maintained for at least five (5) years after completion of the Services and, if requested by Agency, evidence of coverage shall be provided during this period; and (3) if, within five (5) years of completion of the Services, coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date of this Agreement, Consultant shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the Services.

4.4 All Policies Requirements.

4.4.1 Verification of coverage. Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2, adding Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.4.2 Notice of Reduction in or Cancellation of Coverage. Consultant shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.5 Waiver of Subrogation. With the exception of Professional Liability, Consultant agrees to waive subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Consultant, its employees, and agents.

4.6 Consultant's Obligation. Consultant shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Services are operated, provided or otherwise utilized in a manner that ensues they are and remain covered by the policies referenced in Section 4 during this Agreement. Consultant shall also ensure that all workers involved in the provision of Services are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

5.1 Effect of Insurance. Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this
5.2 **Scope.** Consultant shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all third-party losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Consultant, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency. For the avoidance of doubt, claims of an employee of Agency or Consultant are deemed third party claims.

5.3 **Limitation of Liability.** Neither Party to this Agreement shall be liable to the other for any indirect, incidental, special, consequential, exemplary, or punitive damages (including, without limitation, lost or anticipated revenues, lost business opportunities or lost sales or profits, whether or not either party has been advised of the likelihood of such damages) arising out of Services provided by Consultant or its affiliates.

Consultant’s liability to Agency, in total, for any and all damages, costs, and expenses (including but not limited to attorneys’ fees), arising from this Agreement, whether based on contract, tort (including negligence), or otherwise, in connection with or related to the Services (including a failure to provide a service) or any other service that Consultant provides shall be limited to a total aggregate amount of US $10 million ("Liability Limitation"), to the fullest extent permitted by law.

This Liability Limitation shall apply to Agency and extend to Agency’s members and their respective directors, officers, employees and agents (hereinafter, each an “Agency Entity” and together, “Agency Group”) wherever located that seek to assert claims against Consultant, and its parent(s), affiliates, subsidiaries and their respective directors, officers, employees and agents (each an “Aon Group Member” and together, “Aon Group”). Nothing in this Liability Limitation section implies that any Aon Group Member, other than Consultant, owes or accepts any duty or responsibility to any Agency Entity, other than Agency.
Section 6.  

STATUS OF CONSULTANT.

6.1 Independent Contractor. Consultant is an independent contractor and not an employee of Agency. Agency shall have the right to control Consultant only insofar as the results of Consultant's Services and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Consultant accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Consultant shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Consultant and Agency acknowledge and agree that compensation paid by Agency to Consultant under this Agreement is based upon Consultant's estimated costs of providing the Services, including salaries and benefits of employees, agents and subcontractors of Consultant.

Consultant shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Consultant's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Consultant agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Consultant shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Consultant.

6.2 Consultant Not Agent. Except as Agency may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.
6.3 **Assignment and Subcontracting.** This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant’s unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Agency. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of Agency. Where written approval is granted by Agency, Consultant shall supervise all work subcontracted by Consultant in performing the services and shall be responsible for all work performed by a subcontractor as if Consultant itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Consultant from any of its obligations under this Agreement with respect to the services and Consultant is obligated to ensure that any and all subcontractors performing any services shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency’s satisfaction.

6.4 **Certification as to California Energy Commission.** If requested by Agency, Consultant shall, at the same time it executes this Agreement, execute Exhibit C.

Section 7. **LEGAL REQUIREMENTS.**

7.1 **Governing Law.** The laws of the State of California shall govern this Agreement without regard to its conflicts of law rules.

7.2 **Compliance with Applicable Laws.** Consultant and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.

7.3 **Licenses and Permits.** Consultant represents and warrants to Agency that Consultant and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.

Section 8. **TERMINATION AND MODIFICATION.**

8.1 **Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Consultant.

In the event of termination, Consultant shall be entitled to compensation for Services satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Consultant delivering to Agency any or all records or documents, as referenced in Section 9.1 hereof.
8.2 Amendments and Change Orders.

8.2.1 The Parties may amend this Agreement only by a writing signed by all the Parties.

8.2.2 The Parties may agree to a change order, modifying the duration of the Agreement or the not-to-exceed compensation referenced in Section 2 hereof by a writing signed by the Consultant and the Contract Administrator.

8.3 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Consultant shall survive the termination of this Agreement.

8.4 Options upon Breach by Consultant. If Consultant materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency’s remedies shall include, but not be limited to, the following:

8.4.1 Immediately terminate the Agreement;

8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant and previously provided to Agency pursuant to this Agreement; and/or

8.4.3 Retain a different consultant to complete the Services not finished by Consultant.

Section 9. KEEPING AND STATUS OF RECORDS.

9.1 Records Created as Part of Consultant’s Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of Agency. Consultant hereby agrees to deliver those documents to Agency upon termination of the Agreement. Agency and Consultant agree that, unless approved by Agency in writing, Consultant shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.

9.2 Consultant’s Books and Records. Consultant shall maintain any and all records or other documents evidencing or relating to charges for Services or expenditures and disbursements charged to Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.
9.3 **Inspection and Audit of Records.** Any financial records or documents that this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars ($10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of Agency, for a period of three (3) years after final payment under the Agreement.

9.4 **Confidential Information and Disclosure.**

9.4.1 **Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as confidential Information in accordance with this section.

9.4.2 **Non-Disclosure of Confidential Information.** During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confident; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 **Permitted Disclosure.** Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, consultants, contractors, subcontractors or other representatives of Receiving Party that have a need to know in
connection with this Agreement and to insurance/reinsurance/benefits vendor(s), on a need to know basis and as necessary in order to implement the Services provided by Consultant to Agency.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 **Handling of Confidential Information.** Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof) upon termination of this Agreement, if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10 **MISCELLANEOUS PROVISIONS.**

10.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

10.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California. Each party agrees to waive its right to a trial by jury in any lawsuit or other legal proceeding against the other party and/or its parent(s), affiliates, or subsidiaries, in connection with, arising out of or relating to this Agreement or any services provided to Agency by Consultant or its affiliates.

10.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so
adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

10.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

10.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

10.6 **Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Consultant in a “conflict of interest,” as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 et seq.

Consultant shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 et seq.

10.7 **Contract Administrator.** This Agreement shall be administered by Donna Stevener, Assistant General Manager, or his/her designee, who shall act as the Agency’s representative. All correspondence shall be directed to or through the representative.

10.8 **Notices.** Any written notice to Consultant shall be sent to:

Derick Hembd  
Account Executive  
Aon Risk Insurance Services West, Inc.  
2277 Fair Oaks Blvd., Suite 250  
Sacramento, CA 95825

Derek Whipple  
Managing Director  
Aon Risk Insurance Services West, Inc.  
425 Market Street, Suite 2800  
San Francisco, CA 94105
Any written notice to Agency shall be sent to:

Rui Dai  
Risk Manager  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

With a copy to:

Michael F. Dean  
General Counsel  
Northern California Power Agency  
Meyers Nave  
555 Capitol Mall, Suite 1200  
Sacramento, CA 95814

10.9 **Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

10.10 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

10.11 **Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Consultant agree to resolve the dispute in accordance with the following:

10.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;

10.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

10.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
10.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

10.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

10.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

10.12 **Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Consultant's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Consultant's Proposal, the Exhibits shall control.

10.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

10.14 **Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

10.15 **No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties.

10.16 **Consultant Business Terms.** Consultant's Business Terms, attached hereto and incorporated herein as Exhibit D, shall apply to this Agreement.

SIGNATURES ON FOLLOWING PAGE
The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

Date________________________

RANDY S. HOWARD, General Manager

AON RISK INSURANCE SERVICES WEST, INC.

Date________________________

DEREK WHIPPLE, Managing Director

Attest:

____________________________
Assistant Secretary of the Commission

Approved as to Form:

____________________________
Assistant General Counsel
EXHIBIT A

SCOPE OF SERVICES

Aon Risk Insurance Services West, Inc. ("Consultant") will act as the risk management advisor and consultant and insurance broker, as applicable, for the Northern California Power Agency ("Agency" or "NCPA") with respect to the following lines of insurance:

(a) All Risks Property
(b) Electronic Data Processing (Misc. Property)
(c) Excess Liability
(d) Automobile Liability/Physical Damage
(e) Workers Compensation/Employers Liability
(f) Property (Lodi Energy Center)
(g) Casualty (Lodi Energy Center)
(h) Crime/Fidelity
(i) Directors & Officers Liability
(j) Surety
(k) Other lines of insurance as needed (e.g., professional liability, etc.)

The primary responsibilities and requirements of Consultant are outlined below.

1. Assigned Personnel

Consultant shall designate a Principal to be assigned to this account to act as the primary contact for NCPA. If for any reason NCPA finds, in its sole discretion, that the service provided by any assigned personnel is unsatisfactory, Consultant will agree to assign replacement personnel that must also be approved by NCPA.


Consultant shall review all NCPA policies and other documents in detail within 14 days of receipt of the documents. Check the wording and accuracy of each policy, binder, certificate, endorsement or other document received from insurers. Ensure that the intended coverage is provided, all coverage, terms, conditions and other wording is complete and accurate.

3. Program Administration

Program administration shall include, but not be limited to the following:

A. Act as an independent insurance advisor to the Agency and proactively provide ongoing and unbiased professional advice and recommendations that benefit the Agency.
B. Proactively provide ongoing review and analysis of the Agency's insurance programs and identification of cost and benefit options.

C. Be familiar with the insurance needs of the Agency.

D. Be familiar with the coverage provided by all relevant insurance policies and documents issued to the Agency.

E. Assure that insurance policies are placed in a timely manner, with reputable and financially responsible insurers.

F. Provide service for the insurance policies placed for the Agency including processing all changes and endorsements.

G. Provide early warning of rate and coverage changes or renewal problems.

H. At least once a year, provide a comprehensive report that reviews all of the Agency's insurance programs.

I. Be available to answer questions or obtain answers from underwriters for policy coverage questions.

J. Meet with Agency staff as may be reasonably requested.

K. Provide consultation service and written reports as normally expected of a professional broker.

4. Claim Assistance

Assist NCPA with claim filing, evaluation, negotiation and settlement. Included in the annual service fees identified in Exhibit B, Consultant agrees to provide up to 30 hours of claims assistance annually. Any request in excess of this amount will be negotiated. Unused claim assistance hours shall be carried over.

5. Periodic Review

Brokerage and consulting services must be provided for annual policy renewals and on an as needed basis, including:

A. Consultant will provide a thorough renewal presentation each year at least sixty (60) days before current policy expiration date with policy recommendations to include an analysis of available alternatives.

B. Brokerage services must also include market research.

C. Consultant will also advise on a continuing basis, and in a timely manner, of any and all significant matters and developments regarding carrier service issues.
EXHIBIT B

COMPENSATION SCHEDULE AND PAYMENT

Compensation for all tasks, including hourly fees and expenses, shall not exceed the amount specified in Section 2 of the Agreement. The annual fees for Services, including option years (if exercised by Agency), are as follows:

July 1, 2016-June 30, 2017: $125,000, with an annual COLA escalation of 3%, as shown below:
July 1, 2017-June 30, 2018: $128,750
July 1, 2018-June 30, 2019: $132,613
July 1, 2019-June 30, 2020: $136,591
July 1, 2020-June 30, 2021: $140,689

Of the above annual service fees, $25,000 is payable within 60 days of the end of each service year as a performance bonus payment upon satisfaction of Agency on the services rendered.

Otherwise, annual fees for the first year of Services shall be paid within 60 days of the Effective Date, and annual fees for subsequent service years shall be paid within 60 days following each anniversary of the Effective Date.
EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

(Company name)

for contract work at

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this ______________ day of __________________, 20 ______.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.
EXHIBIT D

Consultant Business Terms

Claim Notification to Insurers
 Unless Consultant has a specific signed agreement with the Agency to the contrary, it is the Agency's responsibility to take such steps as are necessary to notify directly those insurers whose policies may apply to any circumstances, occurrences, claims, suits, demands and losses in accordance with the terms and conditions of Agency's policies. Consultant assumes no duty or responsibility with respect to such notifications or monitoring the Agency's obligation to place insurers on notice unless undertaken in a separate written agreement. The Agency may send copies of such notices to members of Consultant staff for informational purposes only, but the receipt of such notice by Consultant shall not create additional duties or obligations owed by Consultant to the Agency nor constitute notice to Agency's insurers.

Contract and Lease Review; General Advice
 In instances where Consultant provides summaries of contractual requirements or provisions, or any suggested additional or alternative wordings to any contract or lease at the Agency's request, such language must be reviewed by the Agency's legal advisor before Agency takes action based upon Consultant's statements. Consultant does not and cannot provide legal advice as to whether the Agency's insurance program covers legal obligations contained in the Agency's contracts or leases. All descriptions of the insurance coverages are subject to the terms, conditions, exclusions and other provisions of the policies or any applicable regulations, rating rules or plans. Furthermore, it is understood that none of the services provided by Consultant are of a legal nature and Consultant shall not give legal opinions or provide legal advice or representations.

Intermediaries
 Consultant encourages its retail brokers to approach markets directly (without an intermediary) wherever possible. However, where Consultant believes it is in the Agency's best interest, Consultant may recommend the use of intermediaries, including but not limited to co-brokers, sub-brokers, managing general agents/managing general underwriters, wholesale brokers, or reinsurance brokers (each individually an "Intermediary") to assist in the procurement and servicing of the Agency's insurance. Consultant prefers, wherever possible, to use the services of an Consultant-affiliated Intermediary and Consultant shall not be responsible for a non-Consultant affiliated Intermediary's actual or alleged acts, errors, or omissions or those of its officers, directors or employees. Any and all compensation earned by an Intermediary in connection with the placements shall be in addition to the compensation paid to Consultant and shall not be credited against Consultant's annual fee.
Use of Logos
Unless otherwise instructed by the Agency, Consultant will use the Agency's logo, pictures, and other publicly available information to effectively market the Agency's programs or for use in Consultant's business records.

Premium Remittance
Premiums paid by the Agency to Consultant for remittance to insurers and Agency premium refunds paid to Consultant by insurance companies for remittance to the Agency are deposited into fiduciary accounts in accordance with applicable insurance laws until they are due to be paid to the insurance company or the Agency. Subject to such laws and the applicable insurance company's consent, where required, Consultant will retain the interest or investment income earned while such funds are on deposit in such accounts.

Insurance Proposals and Summaries
Consultant's insurance documents containing proposals to bind coverage, summaries of coverages, and certificates of insurance placed are furnished as a matter of information for the Agency's convenience. These documents summarize proposed and placed policies and are not intended to reflect all the terms, conditions and exclusions of such policies. Moreover, the information contained in these documents reflects proposed or placed coverage as of the effective dates of the proposed policies or the date of the summaries and does not include subsequent changes. These documents are not themselves insurance policies and do not amend, alter or extend the coverages afforded by the proposed or placed policies. The insurance afforded by the proposed or placed policies is subject to all the terms, conditions and exclusions contained in such policies as they are issued by the insurers.

Insurer Solvency
While Consultant only engages insurers who meet certain requirements as established by Consultant from time to time, Consultant makes no representation, guarantee or warranty as to the solvency or ability of any insurer to pay any amounts for insurance claims or otherwise.

Foreign Account Tax Compliance Act (FATCA)
Agency acknowledges that Consultant is required to act as a withholding agent on any FATCA-eligible premium payments when Consultant or its US licensed affiliates are responsible for the remittance of premium payments to certain insurers, and in such instances, Consultant will be responsible for gathering and validating appropriate FATCA form(s) from carriers and intermediaries involved in FATCA-eligible premium payments. Consultant will not act as withholding agent on premium remitted by Agency to any other party, including premiums paid directly to insurers, to non-US intermediaries, or to non-US Aon entities which are not classified as qualified intermediaries for FATCA.
If Agency directs use of a carrier or intermediary that is unable or unwilling to provide FATCA forms to Consultant in instances where Consultant is to remit premiums to that carrier or intermediary, Agency will be responsible for paying any additional sums so that the mandated FATCA withholdings can be made while concurrently fulfilling Agency’s obligation to remit the full premium amounts necessary to effect coverage.

Agency will be responsible for all aspects of FATCA compliance for premium payments made to entities other than Consultant, including payments made directly to (re)insurance carriers or intermediaries.

Consultant will provide its US W-9 form(s) to Agency via Aon.com as directed to Agency on invoices. Agency agrees with and accepts delivery of such form(s) via Aon.com. Consultant will not be responsible for issues arising from Consultant’s withholding 30% of premium payments to the extent required by FATCA. Agency agrees to work with Consultant to provide information required to meet FATCA obligations.

**Pricing**

Consultant does not and cannot guarantee the availability or price of insurance for the Agency’s risks and is not responsible for fluctuation in the premiums charged by insurers. Consultant will rely on the Agency to review and approve any calculation or estimation of premium and Consultant is not responsible for any loss occasioned as a result of Consultant’s calculation or estimation of premium and statutory charges that may apply to the Agency’s insurance.
Commission Staff Report

DATE:       June 14, 2016

COMMISSION MEETING DATE:  June 23, 2016

SUBJECT:  Chemical Waste Management, Inc. First Amendment to Kettleman Hills Landfill Industrial Waste Services & Disposal Agreement

AGENDA CATEGORY:  Consent

FROM: Ken Speer  METHOD OF SELECTION:

          Assistant General Manager  N/A

Division:  Generation Services  If other, please describe:

Department: Geothermal

IMPACTED MEMBERS:

All Members X City of Lodi X City of Ukiah X
Alameda Municipal Power X City of Lompoc X Plumas-Sierra REC X
Bay Area Rapid Transit         City of Palo Alto        Port of Oakland
City of Biggs     X  City of Redding
City of Gridley X  City of Roseville X
City of Healdsburg X  City of Santa Clara X

Tullock Irrigation District

Place an X in the box next to the applicable Member(s) above.

SR: 163:16
RECOMMENDATION:

Approval of Resolution 16-44 authorizing the General Manager or his designee to enter into a First Amendment to the existing 36-month Industrial Waste Services & Disposal Agreement with Chemical Waste Management, Inc. Kettleman Hills Landfill which expires on April 26, 2018, increasing the not to exceed amount from $150,000 to $500,000, with any non-substantial changes recommended and approved by the NCPA General Counsel, for use at the Geothermal Facility (GEO).

BACKGROUND:

A byproduct of the geothermal gas removal operation and the Stretford abatement system at the GEO is elemental Sulfur. The facility generates approximately four dumpsters per week of Sulfur. During the last 15 years or more, 95% of that Sulfur has been tested as non-hazardous and has been used in the farming industry (primarily for a soil amendment). The company that historically took the Sulfur has retired from the industry and will no longer accept Sulfur. Staff is actively pursuing other options for the Sulfur. Until other alternatives are available, the only destination in California for the Sulfur is the Kettleman Hills Waste disposal site, owned by Chemical Waste Management, Inc. The cost of disposal is approximately $1,500 to $2,000 per bin. In addition to the Sulfur, the Geo does produce an occasional hazardous bin of Sulfur and other byproducts from the geothermal activities that will need to go to that site as well.

On April 27, 2015, NCPA entered into a 36-month Industrial Waste Services & Disposal Agreement for the Kettleman Hills Landfill which included a provision that compensation paid by NCPA under the agreement shall not exceed $150,000. The proposed First Amendment seeks to increase the not to exceed amount to $500,000 to allow for costs of this disposal.

FISCAL IMPACT:

When executed, the agreement will have a not to exceed of $500,000 over the 36 month term. GEO will use NCPA approved budgets (505-023-000-632-044-000 Solid Hazardous Waste Disposal) as Purchase Orders are issued. The Purchase Orders will reference the terms and conditions of the agreement will be issued following NCPA Procurement policies and procedures. Cost allocation will be based on project participation percentages.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

SR: 163:16
COMMITTEE REVIEW:

The recommendation was reviewed by the Facility Committee on June 1, 2016 and was recommended for Commission approval.

Respectfully submitted,

[Signature]

RANDY S. HOWARD
General Manager

Attachments: (3)
- Resolution
- First Amendment to Industrial Waste Services & Disposal Agreement
- Industrial Waste Services & Disposal Agreement with Chemical Waste Management, Inc. for Kettleman Hills Landfill
RESOLUTION 16-44

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A FIRST AMENDMENT TO THE INDUSTRIAL WASTE SERVICES &
DISPOSAL AGREEMENT WITH CHEMICAL WASTE MANAGEMENT, INC. FOR
KETTLEMAN HILLS LANDFILL

(reference Staff Report #163:16)

WHEREAS, the geothermal facility consists of two power plants and a steam field consisting of
over 70 production and injection wells; and

WHEREAS, a byproduct of the geothermal gas removal operation and the Stretford abatement
system is elemental sulfur which must be disposed of off-site; and

WHEREAS, Chemical Waste Management, Inc. at its Kettleman Hills Landfill provides disposal
services for industrial waste;

WHEREAS, on April 27, 2015, NCPA and Chemical Waste Management, Inc. entered into a
36-month Industrial Waste Services & Disposal Agreement for use by the geothermal facility; and

WHEREAS, NCPA seeks to amend the agreement to increase the not-to-exceed amount from
$150,000 to $500,000 over the term; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change
in the physical environment and is therefore not a “project” for purposes of Section 21065 the
California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power
Agency authorizes the General Manager or his designee to enter into a First Amendment to the
existing Industrial Waste Services & Disposal Agreement with Chemical Waste Management, Inc. for
its Kettleman Hills landfill, with any non-substantial changes recommended and approved by the
NCPA General Counsel, increasing the not to exceed amount from $150,000 to $500,000 over the
36-month agreement term which expires on April 26, 2018.

PASSED, ADOPTED and APPROVED this ___ day of ________________, 2016 by the following vote
on roll call:

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Plumas-Sierra  

CAROL GARCIA  
CHAIRPERSON  

ATTEST:  
CARY A. PADGETT  
ASSISTANT SECRETARY
FIRST AMENDMENT TO INDUSTRIAL WASTE SERVICES & DISPOSAL AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND CHEMICAL WASTE MANAGEMENT, INC. FOR
KETTLEMAN HILLS LANDFILL

This First Amendment ("Amendment") to the Industrial Waste Services & Disposal Agreement is entered into by and between the Northern California Power Agency ("Agency") and Chemical Waste Management, Inc. ("Company") (collectively referred to as "the Parties") as of _____________, 2016.

WHEREAS, the Parties entered into a 36-month Industrial Waste Services & Disposal Agreement dated effective April 27, 2015, (the "Agreement") for disposal of Agency's Industrial Waste at Company's Kettleman Hills landfill facility; and

WHEREAS, the Agency now desires to amend the Agreement to increase the total compensation authorized by the Agreement from a not to exceed amount of $150,000 to a not to exceed amount of $500,000; and

WHEREAS, the Parties have agreed to modify the Agreement as set forth above; and

NOW, THEREFORE, the Parties agree as follows:

1. Notwithstanding the compensation set forth on the current Exhibit A, a copy of which is attached hereto and made a part hereof, the Pricing reflected on Exhibit A shall be amended to state that "Compensation paid by NCPA under this Agreement shall not exceed Five Hundred Thousand Dollars ($500,000)."

2. This Amendment in no way alters the terms and conditions of the Agreement except as specifically set forth herein.

Date: _____________  Date: _____________

NORTHERN CALIFORNIA POWER AGENCY  CHEMICAL WASTE MANAGEMENT, INC.

RANDY S. HOWARD, General Manager  LARRY METTER, Vice President

Attest:

Assistant Secretary of the Commission

First Amendment to Industrial Waste Services & Disposal Agreement
Between NCPA and Chemical Waste Management, Inc.
Approved as to Form:

______________________________

Assistant General Counsel
INDUSTRIAL WASTE SERVICES & DISPOSAL AGREEMENT

COMPANY: CHEMICAL WASTE MANAGEMENT INC.

Name: Larry Metter Date: 4/27/2015
Title: Vice President

CUSTOMER: Northern California Power Agency

Name: John Koos Date: 4/27/2015
Title: Compliance Manager

Effective Date of Agreement: April 27, 2015
Initial Term: 36 months

This Industrial Waste & Disposal Services Agreement, consisting of the terms and conditions set forth herein, and Exhibit A, and/or Confirmation Letter(s) and the Profile Sheet(s) entered into from and after the date hereof from time to time (all of the foregoing being collectively referred to as the "Agreement"), is made as of the Effective Date shown above and between the Customer named above, on its and its subsidiaries and affiliates behalf (collectively, "Customer") and the Waste Management entity named above ("the Company").

TERMS AND CONDITIONS

1. SERVICES PROVIDED. The Company will provide Customer with collection, management, transportation, disposal, treatment, and recycling services ("Services") for Customer's non-hazardous solid waste, special waste, and/or hazardous waste (collectively "Industrial Waste") as described in Exhibit A and/or Confirmation Letter(s) and applicable Profile Sheets. Special Waste includes garbage, refuse and rubbish including those which are recyclable but excluding Special Waste and Hazardous Waste. Special Waste includes polychlorinated biphenyl ("PCB") waste, industrial process wastes, asbestos containing material, petroleum contaminated soils, treated/deselected wastes, incinerator ash, medical wastes, demolition debris and other materials requiring special handling in accordance with applicable federal, state, provincial or local laws or regulations. Hazardous Waste means any toxic or radioactive substances, as such terms are defined by applicable federal, state, provincial or local laws or regulations. All Industrial Waste that is generated, handled and/or collected by Customer shall be managed exclusively by Company during the term of this Agreement. When Company handles special or hazardous waste for Customer, Customer will provide Company with a Generator's Waste Profile Sheet ("Profile Sheet") describing all special or hazardous waste, and provide a representative sample of such waste on request. In the event this Agreement includes transportation by Company, Customer shall, at the time of delivery, provide Company accurate and complete documents, shipping papers or manifests as are required for the lawful transfer of the special or hazardous waste under all applicable federal, state or local laws or regulations. Tender of delivery shall be considered nonconforming if in accordance with this Paragraph.

2. CUSTOMER WARRANTIES. Customer hereby represents and warrants that all waste material delivered by Customer to Company shall be in accordance with waste descriptions given in this Agreement and shall not be or contain any Nonconforming Waste. "Nonconforming Waste" means: (a) non-hazardous Solid Waste that contains regulated Special Waste or Hazardous Waste; (b) waste that is not in conformance with the description of the waste in Exhibit A, the Confirmation Letter(s) or the Profile Sheet incorporated therein; (c) waste that is or contains any infectious waste, radioactive, volatile, corrosive, flammable, explosive, biocidal, biohazardous material, regulated medical or hazardous waste or toxic substances, as defined pursuant to or listed or regulated under applicable federal, state or local law, except as stated on the Profile Sheet or Confirmation Letter; or (d) waste that is prohibited from being received, managed or disposed of at the designated disposal facility by federal, state or local law, regulation, rule, code, ordinance, order, permit or permit condition. Customer (including its subcontractors) represents and warrants that it will comply with all applicable laws, ordinances, regulations, orders, permits or other legal requirements applicable to the Industrial Waste.

3. TERM OF AGREEMENT; RIGHT OF FIRST REFUSAL. The Initial Term of this Agreement shall be 36 months, commencing on the Effective Date set forth above. This Agreement shall automatically renew thereafter for additional terms of twelve (12) months each, unless terminated by either party giving the other party written notice of termination at least sixty (60) days prior to the termination of the then existing term. Provided, however, that the terms and conditions of this Agreement shall remain in full force and effect in accordance with its terms, with respect to any uncompleted or unfinished Service provided for in Exhibit A, Confirmation Letter and Profile Sheet until such Service is completed. Customer grants to Company a right of first refusal to match any offer which Customer receives or intends to make after the completion of any Term of this Agreement relating to any services provided hereunder and further agrees to give Company prompt written notice of any such offer and a reasonable opportunity to respond to it.

4. INSPECTION; REJECTION OF WASTE. Title to and liability for Nonconforming Waste shall remain with Customer at all times. Company shall have the right to inspect, analyze or test any waste delivered by Customer. If Customer's Industrial Waste is Nonconforming Waste, Company can, at its option, reject Nonconforming Waste and return it to Customer or require Customer to remove and dispose of the Nonconforming Waste at Customer's expense. Customer shall indemnify, hold harmless (in accordance with Section 3) and pay or reimburse Company for any and all costs, damages and/or fines incurred as a result of or relating to Customer's tender or delivery of Nonconforming Waste or other failure to comply or conform to this Agreement, including costs of inspection, testing and analysis.

5. SPECIAL HANDLING; TITLE. If Company elects to handle, rather than reject, Nonconforming Waste, Company shall have the right to manage the same in the manner deemed most appropriate by Company given the characteristics of the Nonconforming Waste. Company may assess and Customer shall pay additional fees associated with delivery of Nonconforming Waste, including, but not limited to, special handling or disposal charges, and costs associated with different quantities of waste, different delivery dates, modifications in operations, specialized equipment, and other operational, environmental, health, safety or regulatory requirements. Title to the ownership of acceptable Industrial Waste shall transfer to Company upon its final acceptance of such waste.

6. COMPANY WARRANTIES. Company hereby represents and warrants that: (a) Company will manage the Industrial Waste in a safe and workmanlike manner in full compliance with all valid and applicable federal, state
and local laws, ordinances, orders, rules and regulations; and (b) it will use disposal facilities that have been issued permits, licenses, certificates or approvals required by valid and applicable laws, ordinances and regulations necessary to allow the facility to accept, treat, and/or dispose of Industrial Waste. Except as provided herein, Company makes no other warranties and hereby disclaims any other warranty, whether implied or statutory.

7. LIMITED LICENSE TO ENTER. When a Customer is transporting Industrial Waste to a Company facility, Customer and its subcontractors shall have a limited license to enter a disposal facility for the sole purpose of off-loading Industrial Waste at an area designated, and in the manner directed, by Company. Customer shall, and shall ensure that its subcontractors, comply with all rules and regulations of the facility, as amended. Company may reject Industrial Waste, deny Customer or its subcontractors entry to its facility and/or terminate this Agreement in the event of Customer's or its subcontractors' failure to follow such rules and regulations.

8. CHARGES AND PAYMENTS. Customer shall pay the rates set forth on Exhibit A or a Confirmation Letter, which may be modified as provided in this Agreement. The rates may be adjusted by Company to account for: any increase in or to recover all or any portion of, disposal, transportation, fuel costs, or environmental compliance fees or costs; any change in the composition of the Industrial Waste; increased costs due to uncontrollable circumstances, including, without limitation, changes in local, state or federal laws or regulations, imposition of taxes, fees or surcharges, and acts of God such as floods, fires, etc. Company may also increase the charges to reflect increases in the Consumer Price Index for the municipal or regional area in which the Services are rendered. Increases in charges for reasons other than as provided above require the consent of Customer which may be evidenced verbally, in writing or by the actions and practices of the parties. All rate adjustments as provided above and in Paragraph 5 shall take effect upon notification from Company to Customer. Customer shall pay the rates in full within 30 days of invoice date. Customer shall pay a late fee on all past due amounts accruing from the date of the invoice at a rate of 2.5% per month or, if less, the maximum rate allowed by law.

9. INDEMNIFICATION. The Company agrees to indemnify, defend and save Customer harmless from and against any and all liability (including reasonable attorneys' fees) which Customer may be responsible for or pay out as a result of bodily injuries (including death), property damage, or any violation or alleged violation of law, to the extent caused by Company's breach of this Agreement or by any negligent act, negligent omission or willful misconduct of the Company or its employees, which occurs (1) during the collection or transportation of Company's Industrial Waste by Company, or (2) as a result of the disposal of Company's Industrial Waste, after the date of this Agreement, in a facility owned by a subsidiary or affiliate of Waste Management, provided that the Company's indemnification obligations will not apply to occurrences involving Nonconforming Waste.

Customer agrees to indemnify, defend and save the Company harmless from and against any and all liability (including reasonable attorneys' fees) which the Company may be responsible for or pay out as a result of bodily injuries (including death), property damage, or any violation or alleged violation of law to the extent caused by Customer's breach of this Agreement or by any negligent act, negligent omission or willful misconduct of the Customer or its employees, agents or contractors in the performance of this Agreement or Customer's use, operation or possession of any equipment furnished by the Company.

Neither party shall be liable to the other for consequential, incidental or punitive damages arising out of the performance of this Agreement.

10. UNCONTROLLABLE CIRCUMSTANCES. Except for the obligation to make payments hereunder, neither party shall be in default for its failure to perform or delay in performance caused by events beyond its reasonable control, including, but not limited to, strikes, riots, imposition of laws or governmental orders, fires, acts of God, and inability to obtain equipment, permit changes and regulations, restrictions (including land use) therein, and the affected party shall be excused from performance during the occurrence of such events.

11. ASSIGNMENT. This Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors and assigns.

12. ENTIRE AGREEMENT. This Agreement represents the entire understanding and agreement between the parties relating to the management of waste and supersedes any and all prior agreements, whether written or oral, between the parties regarding the same; provided that, the terms of any national service agreement between the parties shall govern over any inconsistent terms herein.

13. TERMINATION; LIQUIDATED DAMAGES. Company may immediately terminate this Agreement, (a) in the event of Customer's breach of any term or provision of this Agreement, including failure to pay on a timely basis or (b) if Customer becomes insolvent, the subject of an order for relief in bankruptcy, receivership, reorganization dissolution, or similar law, or makes an assignment for the benefit of its creditors or if Company deems itself insecure as to payment ("Default"). Notice of termination shall be in writing and deemed given when delivered in person or by certified mail, postage prepaid, return receipt requested. In the event Company terminates this Agreement prior to the expiration of any Initial Renewal Term for any reason other than as provided herein, or in the event Company terminates this Agreement for Customer's Default, liquidated damages in addition to the Company’s legal fees shall be paid and calculated as follows: (1) if the remaining Initial Term under this Agreement is six or more months, Customer shall pay its most recent monthly charges multiplied by six; (2) if the remaining Initial Term under this Agreement is less than six months, Customer shall pay its most recent monthly charges multiplied by the number of months remaining in the Initial Term; (3) if the remaining Renewal Term under this Agreement is three or more months, Customer shall pay its most recent monthly charges multiplied by three; or (4) if the remaining Renewal Term under this Agreement is less than three months, Customer shall pay its most recent monthly charges multiplied by the number of months remaining in the Renewal Term. Customer acknowledges that the actual damage to Company in the event of termination is difficult to fix or prove, and the foregoing liquidated damage amount is reasonable and commensurate with the anticipated loss to Company resulting from such termination and is an agreed upon fee and is not imposed as a penalty. Collection of liquidated damages by Company shall be in addition to any rights or remedies available to Company under this Agreement or at common law.

14. MISCELLANEOUS. (a) The prevailing party will be entitled to recover reasonable fees and court costs, including attorneys' fees, in interpreting or enforcing this Agreement. In the event Customer fails to pay Company all amounts due hereunder, Customer will be entitled to collect all reasonable collection costs or expenses, including reasonable attorneys fees, court costs or handling fees for returned checks from Customer; (b) The validity, interpretation and performance of this Agreement shall be construed in accordance with the laws of the state in which the Services are performed; (c) if any provision of this Agreement is declared invalid or unenforceable, then such provision shall be deemed severable from and shall not affect the remainder of this Agreement, which shall remain in full force and effect; (d) Customer's payment obligation for Services and the Warranties and Indemnification made by each party shall survive termination of this Agreement.

Agreed & Accepted
COMPANY: CHEMICAL WASTE MANAGEMENT, INC.
Signed: [Signature]
CUSTOMER: Northern California Power Agency
Signed: [Signature]

INDUSTRIAL WASTE & DISPOSAL AGREEMENT
### INDUSTRIAL WASTE & DISPOSAL SERVICES AGREEMENT

#### SERVICE INFORMATION

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<th>Material/Volume</th>
<th>Sulfur Dioxide Over 3% Yards</th>
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### DISPOSAL

Compensation paid by NNDA under this Agreement shall not exceed One Hundred Fifty Thousand Dollars ($150,000).

#### Price Approval Fee:

$16.00

#### Price Reconciliation Fee:

$0.00

#### Disposal Invoice:

$24.00 per Ton

#### Fuel & Entertainment Fee:

3%

#### Transportation Fee:

N/A per Ton / 180 minimum per load

#### Demurrage:

N/A per Day / 15 day maximum period

#### Union:

N/A

#### Labor:

N/A

#### Non-Link Delivery Fee:

N/A

#### No Load Fee:

N/A

#### SPECIAL EQUIPMENT APPLICABLE:

- **Lithium Battery per Drum:** $21.00 per Drum
- **Over 60 gal Drum Drip, If not specified in columns above:** 4x

#### WASTE AUTHORIZATION:

- **Add On:** Add

#### SERVICE NG:

- **Agricultural Service:** $35.00 per Hour
- **Construction Service:** $35.00 per Hour
- **Other Services:** $35.00 per Hour

#### TRASH & BUILD-UP:

- **Trash & Build-Up Pay:** $35.00 per Hour
- **Trash & Build-Up Pay:** $35.00 per Hour

#### TOXIC & NON-TOXIC:

- **Toxic & Non-Toxic:** $35.00 per Hour

#### CONTRACT EXPIRATION DATE:

Printing will be held for 30 days from date of quote.

---

**Additional Information:**

These prices are subject to final confirmation via the WMA and contracting process initiated by submission of sample/analysis and paperwork. Terms and Conditions of Agreement will be listed in WMA Solutions Account under the WMA Approval Form upon final approval confirmation. The services provided by Waste Management in this Exhibit are not subject to prevailing wage or other special labor wage agreements.

---

**CUSTOMER:**

Signature: [Signature]

**COMPANY:**

Signature: [Signature]

**DATE:**

6/2/15
Attest:

[Signature]
Assistant Secretary of the Commission

Approved as to Form:

[Signature]
Ruthann G. Ziegler, Assistant General Counsel
Commission Staff Report

DATE:       June 14, 2016

COMMISSION MEETING DATE:  June 23, 2016

SUBJECT:    Expro Americas, LLC Multi-Task Consulting Services Agreement

AGENDA CATEGORY:  Consent

FROM:        Ken Speer
              Assistant General Manager

METHOD OF SELECTION:  N/A

Division: Generation Services

Department: Geothermal

IMPACTED MEMBERS:

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<tr>
<th>All Members</th>
<th>City of Lodi</th>
<th>City of Ukiah</th>
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Turlock Irrigation District

Place an X in the box next to the applicable Member(s) above.
RECOMMENDATION:

Approval of Resolution 16-45 authorizing the General Manager or his designee to enter into a Multi-Task Consulting Services Agreement with Expro Americas, LLC for wireline tools and operator and related services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $1,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members.

BACKGROUND:

Inspecting the condition of the geothermal production and injection wells at the GEO is necessary for the continued safe operation of the facility. In addition to the EPA mandated testing of the injection wells, there is additional well logging that allows for the monitoring of casing condition of the geothermal wells. Expro has provided wireline tools and the data interpretation of the tools in the geothermal wells for all of the Geysers operators for over 25 years. In addition to the high temperature tools, Expro also has numerous other wireline tools available for use in the wells.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed of $1,000,000 over five years. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures and seeks bids from as many qualified providers as possible. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation was reviewed by the Facility Committee on June 1, 2016 and was recommended for Commission approval.

The recommendation above was reviewed by the Lodi Energy Center Participant Committee on June 13, 2016 and was approved.
Expro Americas, LLC – 5 year MTCSA
June 14, 2016
Page 3

Respectfully submitted,

[Signature]

RANDY S. HOWARD
General Manager

Attachments: (2)
- Resolution
- Multi-Task Consulting Services Agreement with Expro Americas, LLC
RESOLUTION 16-45

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A
MULTI-TASK CONSULTING SERVICES AGREEMENT WITH EXPRO AMERICAS, LLC
(reference Staff Report #164:16)

WHEREAS, the geothermal facility consists of two power plants and a steam field consisting of
over 70 production and injection wells; and

WHEREAS, the injection wells require EPA mandated testing that uses specialty wireline tools
and data interpretation; and

WHEREAS, many of the other production wells require routine inspections in order to run the
generalal facility in a safe, environmentally sound, and efficient manner; and

WHEREAS, Expro Americas, LLC is a provider of these services; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change
in the physical environment and is therefore not a "project" for purposes of Section 21065 the
California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power
Agency authorizes the General Manager or his designee to enter into a Multi-Task Consulting
Services Agreement with Expro Americas, LLC, with any non-substantial changes recommended and
approved by the NCPA General Counsel, which shall not exceed $1,000,000 over five years for
wireline related tools and operator services for use at all facilities owned and/or operated by NCPA,
it members, by the Southern California Public Power Authority (SCPPA), or by SCPPA members.

PASSED, ADOPTED and APPROVED this ___ day of _____________, 2016 by the following vote
on roll call:

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CAROL GARCIA
CHAIRPERSON

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY
MULTI-TASK CONSULTING SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
EXPRO AMERICAS, LLC

This agreement for consulting services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Expro Americas, LLC, a limited liability company, with its office located at 738 Highway 6, South, Suite 1000, Houston, TX 77096 ("Consultant") (individually sometimes referred to as the "Party" and together sometimes referred to as the "Parties") as of ______________, 2016 ("Effective Date") in Roseville, California.

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to Agency the services described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Services"), at the time and place and in the manner specified therein.

1.1 Term of Agreement. The term of this Agreement shall begin on the Effective Date and shall end when Consultant completes the Services, but no later than five (5) year from the date this Agreement was signed by Agency, whichever is shorter.

1.2 Standard of Performance. Consultant shall perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged and for which Consultant is providing the Services. Consultant represents that it is licensed, qualified and experienced to provide the Services set forth herein.

1.3 Assignment of Personnel. Consultant shall assign only competent personnel to perform the Services. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Consultant shall, as promptly as practicable, upon receiving written notice from Agency of such request, reassign such personnel.

1.4 Services Provided. Services provided under this Agreement by Consultant may include Services directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.

1.5 Request for Services. At such time that Agency determines to use Consultant's Services under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific services to be performed ("Requested Services"), may include a not-to-exceed monetary cap on Requested Services and expenditures authorized by that Purchase Order, and a time by which the Requested Services shall be completed. Consultant shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Consultant chooses not to perform the
Requested Services. If Consultant agrees to perform the Requested Services, begins to perform the Requested Services, or does not respond within the seven day period specified, then Consultant will have agreed to perform the Requested Services on the commercial terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Consultant an amount NOT TO EXCEED ONE MILLION AND 00/100 dollars ($1,000,000.00) for the Services, which shall include all fees, costs, expenses and other reimbursables, as set forth in Consultant’s fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Consultant, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Services performed;
- The Purchase Order number authorizing the Services;
- At Agency’s option, the total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder; and
- At Agency’s option, when the Consultant’s Scope of Work identifies tasks, for each work item in each task, a copy of the applicable time entries showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency’s reasonable satisfaction.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.

2.3 Payment of Taxes. Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.
2.4 **Authorization to Perform Services.** The Consultant is not authorized to perform any Services or incur any costs whatsoever under the terms of this Agreement until receipt of written authorization from the Contract Administrator.

2.5 **Timing for Submittal of Final Invoice.** Consultant shall have ninety (90) days after completion of its Services to submit its final invoice for the Requested Services. In the event Consultant fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Consultant is deemed to have waived its right to collect its final payment from Agency.

**Section 3. FACILITIES AND EQUIPMENT.** Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Services.

**Section 4. INSURANCE REQUIREMENTS.** Before beginning any work under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

4.1 **Workers' Compensation.** If Consultant employs any person, Consultant shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant with limits of one million dollars ($1,000,000.00) per accident.

4.2 **Commercial General and Automobile Liability Insurance.**

4.2.1 **Commercial General Insurance.** Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Consultant. The policy shall provide a limit of $1,000,000 per occurrence/$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than $100,000.

4.2.2 **Automobile Liability.** Consultant shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Consultant, on or off Agency premises. The policy shall provide a limit of $1,000,000 per each accident, with a self-insured retention or deductible of no more than $100,000. This insurance shall provide contractual liability covering all
motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 **General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 [Not applicable.]

4.4 **All Policies Requirements.**

4.4.1 **Verification of coverage.** Prior to beginning any work under this Agreement, Consultant shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2, adding the Agency as an additional insured, to the extent of Consultant's indemnity and release obligations assumed in this Agreement and, to the extent of Consultant's indemnity and release obligations assumed in this Agreement, declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.4.2 **Notice of Reduction in or Cancellation of Coverage.** Consultant shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.4.3 [Intentionally omitted.]

4.4.4 **Additional Certificates and Endorsements.** If Consultant provides services to Agency members, SCPPA, and/or SCPPA members pursuant to this Agreement, Agency shall have the right to require Consultant to provide certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency members, SCPPA or SCPPA members.

4.5 **Waiver of Subrogation.** To the extent of the indemnity and release obligations assumed by Consultant under this Agreement, Consultant agrees to waive subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. To the extent of the indemnity and release obligations assumed by Consultant under this Agreement, the Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Consultant, its employees, agents and subcontractors.
4.6 **Consultant's Obligation.** Consultant shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Services are operated, provided or otherwise utilized in a manner that ensues they are and remain covered by the policies referenced in Section 4 during this Agreement. Consultant shall also ensure that all workers involved in the provision of Services are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5.

**INDEMNIFICATION AND CONSULTANT’S RESPONSIBILITIES.**

5.1 **Effect of Insurance.** Agency’s acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from its indemnification and hold harmless obligations in this Agreement. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or to such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

5.2 **Scope.** Consultant shall indemnify, defend with counsel reasonably acceptable to the Agency, release and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including reasonable costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any negligent acts or omissions by Consultant, its officers, officials, agents, and employees, except to the extent of the sole, active or gross negligence of Agency. The term “gross negligence” means any act or failure to act committed by managerial or senior supervisory personnel which, in addition to constituting negligence, was in reckless disregard of or wanton indifference to the consequences as affecting the property, rights, safety or welfare of any person or entity.

5.3 **Agency Indemnification.** Notwithstanding anything contained in Section 5.1 of this Agreement, Agency shall release, defend, indemnify and hold Consultant harmless from and against any claims, demands, causes of action, liabilities, damages, judgments, losses, costs, fines, penalties and expenses (including reasonable attorneys' fees and costs of litigation) of any kind or character, that arise out of the performance of the work, including, without limitation, damage to or destruction of property or bodily injury, illness or death ("Claims") asserted by Agency or any third party, resulting from: (1) loss of or damage to any well or hole (including, without limitation, the costs of re-drill), (2) blowout, fire, explosion, cratering or any uncontrolled well condition (including, without limitation, the costs to control a wild well and the removal of debris), (3) damage to any reservoir, geological formation or underground strata or the loss of oil, water or gas therefrom, (4) pollution or contamination of any kind (other than surface spillage of fuels, lubricants, rig
sewage or garbage, to the extent attributable to the negligence of Consultant) including, without limitation, the cost of control, removal and clean-up, or (5) damage to, or escape of any substance from, any pipeline, vessel or storage facility, regardless of cause, including the sole, joint, or concurrent negligence, strict liability, breach of warranty, breach of duty (statutory or otherwise), breach of contract, or any other legal fault or responsibility of Agency, Consultant or any third party.

5.4 **Damages.** Notwithstanding anything contained in this Agreement to the contrary, neither Party shall be liable to the other Party for, and each Party hereby releases the other Party from and against, any indirect, incidental, special, punitive, exemplary or consequential damages or losses (whether foreseeable or not at the date of this Agreement), including, without limitation, damages or losses for lost production, lost revenue, lost product, lost profit, lost business or business interruptions, of the Consultant, Agency or any third party.

5.5 **Consultant’s Equipment.** Notwithstanding any other provision of this Agreement to the contrary, any loss of or damage to Consultant’s equipment while such equipment is in the hole or below the rotary table shall be replaced or repaired as appropriate by Consultant and the cost shall be reimbursed by Agency, and all costs associated with fishing shall be borne directly by Agency.

**Section 6.** **STATUS OF CONSULTANT.**

6.1 **Independent Contractor.** Consultant is an independent contractor and not an employee of Agency. Agency shall have the right to control Consultant only insofar as the results of Consultant’s Services and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Consultant accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Consultant shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Consultant and Agency acknowledge and agree that compensation paid by Agency to Consultant under this Agreement is based upon Consultant’s estimated costs of providing
the Services, including salaries and benefits of employees, agents and subcontractors of Consultant.

Consultant shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Consultant’s failure to secure workers’ compensation insurance for its employees, agents, or subcontractors.

Consultant agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Consultant shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Consultant.

6.2 **Consultant Not Agent.** Except as Agency may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.

6.3 **Assignment and Subcontracting.** This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant’s unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Agency. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Consultant shall supervise all work subcontracted by Consultant in performing the services and shall be responsible for all work performed by a subcontractor as if Consultant itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Consultant from any of its obligations under this Agreement with respect to the services and Consultant is obligated to ensure that any and all subcontractors performing any services shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency’s satisfaction.

6.4 **Certification as to California Energy Commission.** If requested by the Agency, Consultant shall, at the same time it executes this Agreement, execute Exhibit C.

**Section 7.** **LEGAL REQUIREMENTS.**

7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
7.2 **Compliance with Applicable Laws.** Consultant and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.

7.3 **Licenses and Permits.** Consultant represents and warrants to Agency that Consultant and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.

**Section 8.**

**TERMINATION AND MODIFICATION.**

8.1 **Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Consultant.

In the event of termination, Consultant shall be entitled to compensation for Services satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Consultant delivering to Agency any or all records or documents, as referenced in Section 9.1 hereof.

8.2 **Amendments.** The Parties may amend this Agreement only by a writing signed by both Parties.

8.3 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Consultant shall survive the termination of this Agreement.

8.4 **Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

8.4.1 Immediately terminate the Agreement;

8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product (excluding Consultant's equipment) prepared by Consultant pursuant to this Agreement;

8.4.3 Retain a different consultant to complete the Services not finished by Consultant; and/or

8.4.4 Charge Consultant the difference between the costs to complete the Services that is unfinished at the time of breach and the amount that Agency would have paid Consultant pursuant hereto if Consultant had completed the Services.
Section 9. KEEPING AND STATUS OF RECORDS.

9.1 Records Created as Part of Consultant’s Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Consultant hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Consultant agree that, unless approved by Agency in writing, Consultant shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.

9.2 Consultant’s Books and Records. Consultant shall maintain any and all records or other documents evidencing or relating to charges for Services or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years from the date of final payment to the Consultant to this Agreement.

9.3 Inspection and Audit of Records. Any records or documents that this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during Consultant’s regular business hours, upon five (5) business days prior written request of the Agency; provided, however, Consultant shall have the right to exclude any trade secrets, formulas or processes, monetary portions of Consultant's payroll records and any records pertaining to the formulation or compilation of lump-sum pricing, from such inspection and audit. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars ($10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under the Agreement.

9.4 Confidential Information and Disclosure.

9.4.1 Confidential Information. The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse
engineering, as evidenced by written records thereof, or (d) was not marked as confidential Information in accordance with this section.

9.4.2 **Non-Disclosure of Confidential Information.** During the term of this Agreement, either party may disclose ("The Disclosing Party") confidential Information to the other party ("the Receiving Party"). Up to two (2) years after the termination of this Agreement, the Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confident; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 **Permitted Disclosure.** Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, consultants, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.

9.4.4 **Handling of Confidential Information.** Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.
Section 10. MISCELLANEOUS PROVISIONS.

10.1 Attorneys’ Fees. If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys’ fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

10.2 Venue. In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

10.3 Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

10.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

10.5 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

10.6 Conflict of Interest. Consultant may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Consultant in a “conflict of interest,” as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 et seq.

Consultant shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 et seq.

10.7 Contract Administrator. This Agreement shall be administered by Mr. Ken Speer, Assistant General Manager, or his/her designee, who shall act as the Agency’s representative. All correspondence shall be directed to or through the representative.

10.8 Notices. Any written notice to Consultant shall be sent to:
Eric Nelson  
Vice President – Legal  
Expro Americas, LLC  
738 Highway 6, South, Suite 1000  
Houston, TX 77079

Any written notice to Agency shall be sent to:

Randy S. Howard  
General Manager  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

With a copy to:

Michael F. Dean  
General Counsel  
Northern California Power Agency  
Meyers Nave  
555 Capitol Mall, Suite 1200  
Sacramento, CA 95814

10.9 Professional Seal. Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

10.10 Integration; Incorporation. This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

10.11 Alternative Dispute Resolution. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Consultant agree to resolve the dispute in accordance with the following:

10.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;

10.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
10.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

10.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

10.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

10.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

10.12 **Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, a Purchase Order, or Consultant's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and a Purchase Order or the Consultant's Proposal, the Exhibits shall control. In the case of any conflict between the terms of a Purchase Order and the Consultant's Proposal, the Purchase Order shall control.

10.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

10.14 **Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

10.15 **No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Consultant provide Services to an Agency member, SCCPA and/or a SCPPA member (collectively for the purposes of this section only "Member") pursuant to section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Services relating to such Member.

**Section 11.** **WARRANTY.**
11.1 Consultant warrants that the equipment portion of the Services (including equipment and materials supplied in connection therewith) and all rental equipment shall be free from defects in design and workmanship and will remain so for a period of one (1) year after Consultant's completion thereof, provided that Consultant's equipment is properly installed and maintained (if such installation and maintenance is not by Consultant) and is not altered (other than by Consultant) after delivery. Consultant shall repair or, at its option, replace the equipment found to be defective and notified to Consultant in accordance with the preceding sentence. Consultant shall re-perform the defective labor portion of the Services prior to demobilization at no additional cost to Agency. After Consultant has demobilized from the work site, any subsequent re-performance required in respect of defective services shall be re-performed by Consultant at Agency's expense, unless the aspect of the services found to be defective could not reasonably have been discovered prior to Consultant's demobilization from the work site. Consultant shall perform such Services in accordance with all applicable oil and gas codes and standards, and in accordance with the terms of this Agreement and the Purchase Order applicable to such Services, all with the degree of high professional skill normally exercised by or expected from recognized firms engaged in the practice of supplying services of a nature similar to the Services in question. Consultant further warrants that, in addition to furnishing all tools, equipment and supplies customarily required for performance of work, Consultant shall furnish personnel with the training, experience and physical ability, as well as adequate supervision, required to perform the Services in accordance with the preceding standards and the other requirements of this Agreement and the Purchase Orders. Except as otherwise stated in this Section 11, CONSULTANT MAKES NO EXPRESS OR IMPLIED WARRANTIES AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, SATISFACTORY QUALITY OR FITNESS FOR A PARTICULAR PURPOSE. Notwithstanding any provision of this Agreement to the contrary, Agency's sole remedy and Consultant's sole obligation arising out of or in connection with defects in the services and/or equipment which are based on warranty, contract negligence, strict liability, tort or otherwise, shall be as stated in the foregoing paragraph of this Section 11. Unless otherwise expressly permitted by the applicable Purchase Order, all materials and supplies to be used by Consultant in the performance of the Services shall be new or re-furbished to a "like new" condition and best of kind.

11.2 Consultant hereby assigns to Agency all additional warranties or extended warranties, provided that such warranties are assignable, or are reasonably obtainable, from supplier of equipment and materials used in the Services.

Section 12. PROJECT SITE.

12.1 Operations at the Project Site. Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access
roads. Consultant shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Consultant is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Consultant shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Consultant’s Work.

12.2 **Consultant’s Equipment, Tools, Supplies and Materials.** Consultant shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Consultant is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Consultant’s sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Consultant. Any transportation furnished by Agency or, if applicable, the entity for which Consultant is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Consultant is performing the Work, as referenced in Section 1.4, shall have liability therefor. Consultant shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Consultant on the Project site. All materials and supplies used by Consultant in the Work shall be new and in good condition.

12.3 **Use of Agency Equipment.** Consultant shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Consultant is performing the Work, as referenced in Section 1.4, for the performance of Work.

**Section 13. HEALTH AND SAFETY PROGRAMS.** The Consultant shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Consultant is performing the Work, as referenced in Section 1.4.

13.1 Consultant is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
13.2 Consultant is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Consultant shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.

13.3 Consultant is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.

13.4 Agency, or its representatives, may periodically monitor the safety performance of the Consultant performing the Work. Consultants and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Consultant under this Agreement at any time when, or for any Work performed when, Consultant is not in full compliance with this Section 13.

13.5 Consultant shall immediately report any injuries to the Agency site safety representative. Additionally, the Consultant shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.

13.6 Consultant shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Consultant shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.

13.7 Consultant shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Consultant generates in performing the Work.

13.8 Consultant shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.

13.9 Consultant shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Consultant.
13.10 If Consultant is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 13.1, 13.2, 13.4, 13.5, and 13.6 hereof.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

Date____________________

Randy S. Howard, General Manager

Attest:

________________________________________
Assistant Secretary of the Commission

Approved as to Form:

________________________________________
Assistant General Counsel

EXPRO AMERICAS, LLC

Date____________________

Mark Enget, Vice President
EXHIBIT A

SCOPE OF SERVICES

As requested by Agency, Expro Americas, LLC shall provide Wireline Tools and Operator for Pressure and Temperature Surveys, Gauge Surveys, and Casing Caliper, and any additional associated required wireline work at all facilities owned and/or operated by NCPA ("Agency"), Agency Members, SCPPA, and/or SCPPA Members.
EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 of the Agreement. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

**Standard Prices**
- Living expenses: $250.00 / day
- Mileage: $2.50 / mile
- Expro Specialist Hourly: $85.00 / hour
- Expro Specialist Day Rate: $1,870.00 / day

**Caliper Prices (2,500 ft minimum charge)**
- MIC caliper tool (tubing): $0.55 / ft
- KBC caliper tool (15 feeler casing): $0.80 / ft
- Mega Data caliper tool (30 Feeler casing): $1.20 / ft
- 15 feeler Rush Analysis (24 hrs): $0.12 / ft
- 30 feeler Rush Analysis (24 hrs): $0.17 / ft

**Camera Prices**
- Up to 5000 ft depth: $3,500.00
- Over 5000 ft depth: $0.50 / foot

**Gauge Work**
- Standard gauges: $3,000.00 / Well
- HPHT Gauges: $4,000.00 / Well

- All other services will be on a as per quote basis.

Pricing for services to be performed at NCPA Member of SCPPA locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Consultant for travel, food and related costs in excess of those permitted by the Internal Revenue Service.
EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I, __________________________________________

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity
and employment history of all employees of

________________________________________

(Company name)

for contract work at

________________________________________

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the
above-named project.

________________________________________

(Signature of officer or agent)

Dated this __________________ day of __________________, 20 ___.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND
SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA
ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.
Commission Staff Report

DATE:       June 14, 2016

COMMISSION MEETING DATE:  June 23, 2016

SUBJECT:    Precision Iceblast Corporation – Five Year Multi-Task General Services Agreement for Inspection and Maintenance Services; Applicable to the following projects: All NCPA Generation Services Plant Locations, Members, SCPPA, and SCPPA Members

AGENDA CATEGORY:  Consent

FROM:        Ken Speer  Generation Services
Division:     Generation Services
Department:  CTs

METHOD OF SELECTION:
N/A

IMPACTED MEMBERS:

<table>
<thead>
<tr>
<th>All Members</th>
<th>City of Lodi</th>
<th>City of Ukiah</th>
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<tr>
<td>Alameda Municipal Power</td>
<td>City of Lompoc</td>
<td>Plumas-Sierra REC</td>
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<td>Bay Area Rapid Transit</td>
<td>City of Palo Alto</td>
<td>Port of Oakland</td>
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<td>City of Redding</td>
<td>Truckee Donner PUD</td>
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<td>Other</td>
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<tr>
<td>City of Healdsburg</td>
<td>City of Santa Clara</td>
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If other, please specify.

Place an X in the box next to the applicable Member(s) above.

SR: 165:16
RECOMMENDATION:

Approve Resolution 16-46 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Precision Iceblast Corporation for inspection and maintenance services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $850,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members.

BACKGROUND:

Inspection and maintenance services are needed at various NCPA locations as well as member facilities for the operation of the plants. Precision Iceblast Corporation is a provider of these services.

FISCAL IMPACT:

Total cost of the agreement is not-to-exceed $850,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA seeks bids from as many qualified providers as possible. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on June 1, 2016 and was recommended for Commission approval.
The recommendation above was reviewed by the Lodi Energy Center Participant Committee on June 13, 2016 and was approved.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2):
- Resolution
- Multi-Task General Services Agreement with Precision Iceblast Corporation
RESOLUTION 16-46

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A MULTI-TASK GENERAL SERVICES AGREEMENT WITH
PRECISION ICEBLAST CORPORATION

(reference Staff Report #165:16)

WHEREAS, various inspection and maintenance services are periodically required for plant operations at the facilities owned and/or operated by Northern California Power Agency (NCPA), its members, the Southern California Public Power Authority (SCPPA), and SCPPA members; and

WHEREAS, Precision Iceblast Corporation is a provider of these services; and

WHEREAS, on June 13, 2016, the LEC Project Participant Committee approved the agreement with Precision Iceblast Corporation in an amount not-to-exceed $850,000 over five years; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services Agreement with Precision Iceblast Corporation, with any non-substantial changes as approved by the NCPA General Counsel, which shall not exceed $850,000 over five years for various inspection and maintenance services at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority (SCPPA), or by SCPPA members.

PASSED, ADOPTED and APPROVED this _______ day of __________, 2016 by the following vote on roll call:

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CAROL GARCIA
CHAIRPERSON

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY
MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
PRECISION ICEBLAST CORPORATION

This agreement for general services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Precision Iceblast Corporation, a corporation with its office located at 801 Maple Street, Peshtigo, WI 54157 ("Contractor") (together sometimes referred to as the "Parties") as of ______________, 2016 ("Effective Date") in Roseville, California.

Section 1. SCOPE OF WORK. Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

1.1 Term of Agreement. The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.

1.2 Standard of Performance. Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.

1.3 Assignment of Personnel. Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.

1.4 Work Provided. Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.

1.5 Request for Work to be Performed. At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency’s issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform
the Requested Work, begins to perform the Requested Work, or does not respond within
the seven day period specified, then Contractor will have agreed to perform the Requested
Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount NOT TO
EXCEED EIGHT HUNDRED FIFTY THOUSAND dollars ($850,000.00) for the Work, which shall include all
fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto
and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full
amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Contractor shall submit invoices, not more often than once a month during the
term of this Agreement, based on the cost for services performed and reimbursable costs
incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency's option, for each work item in each task, a copy of the applicable time
entries or time sheets shall be submitted showing the name of the person doing
the work, the hours spent by each person, a brief description of the work, and
each reimbursable expense, with supporting documentation, to Agency’s
reasonable satisfaction;
- At Agency's option, the total number of hours of work performed under the
Agreement by Contractor and each employee, agent, and subcontractor of
Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received,
for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency
shall have thirty (30) days from the receipt of an invoice that complies with all of the
requirements above to pay Contractor.

2.3 Payment of Taxes. Contractor is solely responsible for the payment of all federal, state
and local taxes, including employment taxes, incurred under this Agreement.

2.4 Authorization to Perform Work. The Contractor is not authorized to perform any Work or
incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase
Order from the Contract Administrator.
2.5 **Timing for Submittal of Final Invoice.** Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

**Section 3. FACILITIES AND EQUIPMENT.** Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

**Section 4. INSURANCE REQUIREMENTS.** Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

4.1 **Workers’ Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers’ Compensation Insurance and Employer’s Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars ($1,000,000.00) per accident.

4.2 **Commercial General and Automobile Liability Insurance.**

4.2.1 **Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of $1,000,000 per occurrence/$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than $100,000. No endorsement shall be attached limiting the coverage.

4.2.2 **Automobile Liability.** Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of $1,000,000 per each accident, with a self-insured retention or deductible of no more than $100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.
4.2.3 **General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

4.3 **Professional Liability Insurance.** Intentionally left blank.

4.4 **Pollution Insurance.** If Contractor's Work involves its transporting hazardous materials, then Contractor shall obtain and maintain Contractors' Pollution Liability Insurance of not less than two million dollars ($2,000,000) for any one occurrence and not less than four million dollars ($4,000,000) aggregate. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars ($250,000.00) per claim. Such insurance shall be on “an occurrence” basis.

“Hazardous Materials” means any toxic or hazardous substance, hazardous material, dangerous or hazardous waste, dangerous good, radioactive material, petroleum or petroleum-derived products or by-products, or any other chemical, substance, material or emission, that is regulated, listed, or controlled pursuant to any national, state, or local law, statute, ordinance, directive, regulation, or other legal requirement of the United States.

4.5 **All Policies Requirements.**

4.5.1 **Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 **Notice of Reduction in or Cancellation of Coverage.** Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.5.3 **Higher Limits.** If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.

4.5.4 **Additional Certificates and Endorsements.** If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Agency shall have the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.
4.6 **Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

4.7 **Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. **INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.**

5.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

5.2 **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency.

Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

Section 6. **STATUS OF CONTRACTOR.**

6.1 **Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work.
rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

6.2 **Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.

6.3 **Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work.
subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency’s satisfaction.

6.4 **Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.

6.5 **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.

6.6 **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

**Section 7. LEGAL REQUIREMENTS.**

7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.

7.2 **Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.

7.3 **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.

7.4 **Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

7.5 **Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.

7.6 **Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has
determined the general prevailing wage per diem rates for the locality in which the Work is
to be performed; the Agency has obtained the general prevailing rate of per diem wages
and the general rate for holiday and overtime work in the locality in which the Work is to be
performed for each craft, classification or type of worker needed to perform the project;
and copies of the prevailing rate of per diem wages are on file at the Agency and will be
made available on request. Throughout the performance of the Work, Contractor must
comply with all applicable laws and regulations that apply to wages earned in performance
of the Work. Contractor assumes all responsibility for such payments and shall defend,
indemnify and hold the Agency harmless from any and all claims made by the State of
California, the Department of Industrial Relations, any subcontractor, any worker or any
other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article
2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the
applicable determination of the Director can be found on the web at:
http://www.dir.ca.gov/DLSR/PWD/ and may be reviewed at any time.

Contractor shall be required to submit to the Agency during the contract period, copies of
Public Works payroll reporting information per California Department of Industrial
Relations, Form A-1-131 (New 2-80) concerning work performed under this Agreement.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and
1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency
$50.00 for each calendar day or portion thereof, for each worker paid less than the
prevailing rates as determined by the Director of Industrial Relations for such work or craft
in which such worker is employed for any Work done under the Agreement by Contractor
or by any subcontractor under Contractor in violation of the provisions of the Labor Code
and in particular, Labor Code Sections 1770 et seq. In addition to the penalty and
pursuant to Section 1775, the difference between such prevailing wage rates and the
amount paid to each worker for each calendar day or portion thereof for which each worker
was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

8.1 Termination. Agency may cancel this Agreement at any time and without cause upon ten
(10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work
satisfactorily completed as of the effective date of termination; Agency, however, may
condition payment of such compensation upon Contractor delivering to Agency any or all
records or documents (as referenced in Section 9.1 hereof).

8.2 Amendments. The Parties may amend this Agreement only by a writing signed by all the
Parties.
8.3 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.

8.4 **Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

8.4.1 Immediately terminate the Agreement;

8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;

8.4.3 Retain a different Contractor to complete the Work not finished by Contractor; and/or

8.4.4 Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

**Section 9. KEEPING AND STATUS OF RECORDS.**

9.1 **Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.

9.2 **Contractor's Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.

9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars ($10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the
request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.

9.4 Confidential Information and Disclosure.

9.4.1 Confidential Information. The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.
9.4.4 **Handling of Confidential Information.** Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party’s representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party’s Information to any person other than those of the Receiving Party’s employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. **PROJECT SITE.**

10.1 **Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor’s Work.

10.2 **Contractor’s Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor’s sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.
10.3 **Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

**Section 11. WARRANTY.**

11.1 **Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.

11.2 **Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor’s failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency’s satisfaction.

11.3 **Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

**Section 12. HEALTH AND SAFETY PROGRAMS.** The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

12.1 Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.

12.2 Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
12.3 Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.

12.4 Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.

12.5 Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.

12.6 Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.

12.7 Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.

12.8 Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.

12.9 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.

12.10 Work Provided Pursuant to Section 1.4. If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

Section 13 MISCELLANEOUS PROVISIONS.
13.1 **Attorneys’ Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys’ fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

13.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

13.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

13.6 **Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a “conflict of interest,” as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 et seq.

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 et seq.

13.7 **Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his/her designee, who shall act as the Agency’s representative. All correspondence shall be directed to or through the representative.

13.8 **Notices.** Any written notice to Contractor shall be sent to:

Precision Iceblast Corporation  
Attention: Joel Williams  
801 Maple Street  
Peshtigo, WI 54157
Any written notice to Agency shall be sent to:

Randy S. Howard  
General Manager  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

With a copy to:

Michael F. Dean  
General Counsel  
Northern California Power Agency  
Meyers Nave  
555 Capitol Mall, Suite 1200  
Sacramento, CA 95814

13.9 **Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

13.10 **Integration: Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

13.11 **Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:

13.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;

13.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

13.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.
13.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

13.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

13.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

13.12 **Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's Proposal, the Exhibits shall control.

13.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

13.14 **Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

13.15 **No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

PRECISION ICEBLAST CORPORATION

Date________________________     Date________________________

RANDY S. HOWARD
General Manager

JOEL WILLIAMS,
Vice President Business Development
Attest:

_________________________
Assistant Secretary of the Commission

Approved as to Form:

_________________________
Assistant General Counsel
EXHIBIT A

SCOPE OF WORK

Precision Iceblast Corporation ("Contractor") shall provide inspection and maintenance services as requested by the Northern California Power Agency ("Agency") at any facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA), or SCPPA members:

Services to include, but not be limited to the following:

- SCR Catalyst Cleaning & Repacking
- CO Catalyst Cleaning & Repacking
- Ammonia Injection Grid Cleaning
- Ammonia Vaporizer Cleaning
- SCR & CO Catalyst Replacement
- HRSG Tube Cleaning
- Inlet Filter House & Duct Refurbishment
- Full-Scale Plant Cleandown
- Baghouse / Filter Changeouts
- Drain System & Pit Cleanouts
- Cooling Tower / ACC Cleaning
- Grate Block / Bar Refurbishment
EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Pricing for services to be performed at NCPA, NCPA Member or SCPPA locations will be quoted as a fixed firm price at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.
EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

Precision Iceblast Corporation

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

(Signature of officer or agent)

Dated this ______________ day of ______________, 20______.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.
EXHIBIT D – NOT APPLICABLE

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, ____________________________________________________________,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in
conformity with 49 CFR 172, subpart I and has conducted employee background investigations in
conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

____________________________________________________________

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

____________________________________________________________

(Signature of officer or agent)

Dated this ________________ day of ____________________, 20__.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND
SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA
ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.
EXHIBIT E – NOT APPLICABLE

ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND

MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT

The undersigned hereby certifies and agrees that:

1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and conditions of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.

3) If it performs Covered Work, it will be bound by the legally establishes trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.

4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.

5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: ____________________ Name of Employer ________________________________

__________________________________________
(Authorized Officer & Title)

__________________________________________
(Address)
Commission Staff Report

DATE: June 14, 2016

COMMISSION MEETING DATE: June 23, 2016

SUBJECT: Quantum Spatial, Inc. – Five Year Multi-Task General Services Agreement; Applicable to the following projects: All NCPA Facility Locations, Members, SCPPA, and SCPPA Members

AGENDA CATEGORY: Consent

FROM: Ken Speer, Assistant General Manager

METHOD OF SELECTION:
N/A

Division: Generation Services
Department: Hydro

Enter description of “other”.

IMPACTED MEMBERS:

All Members [X] City of Lodi [ ] City of Ukiah [ ]
Alameda Municipal Power [ ] City of Lompoc [ ] Plumas-Sierra REC [ ]
Bay Area Rapid Transit [ ] City of Palo Alto [ ] Port of Oakland [ ]
City of Biggs [ ] City of Redding [ ] Truckee Donner PUD [ ]
City of Gridley [ ] City of Roseville [ ] Other [ ]
City of Healdsburg [ ] City of Santa Clara [ ]

If other, please specify.

Place an X in the box next to the applicable Member(s) above.

SR: 166:16
RECOMMENDATION:

Approval of Resolution 16-47 authorizing the General Manager or his designee to enter into a Multi-Task General Services Agreement with Quantum Spatial, Inc. with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed $2,000,000 over five years for use at all facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members.

BACKGROUND:

Various transmission line and infrastructure modeling, inspection, LiDAR surveys, and mapping services are required from time to time related to project support and plant operations at facilities owned and/or operated by NCPA, its members, by the Southern California Public Power Authority ("SCPPA"), or by SCPPA members. Quantum Spatial, Inc. is a provider of these services, and has previously provided these services to NCPA facilities.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not-to-exceed $2,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

SELECTION PROCESS:

This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA currently has in place (other enabling agreements) for similar services and seeks bids from as many qualified providers as possible. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation above was reviewed by the Facilities Committee on June 1, 2016 and was recommended for Commission approval.
The recommendation above was reviewed by the Lodi Energy Center Participant Committee on June 13, 2016 and was approved.

Respectfully submitted,

[Signature]

RANDY S. HOWARD
General Manager

Attachments: (2):
- Resolution
- Multi-Task General Services Agreement with Quantum Spatial, Inc.
RESOLUTION 16-47

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A FIVE YEAR MULTI-TASK GENERAL SERVICES AGREEMENT WITH
QUANTUM SPATIAL, INC.

(reference Staff Report #166:16)

WHEREAS, Northern California Power Agency (NCPA) facilities require transmission line and
infrastructure modeling, inspection, LiDAR surveys, and mapping services; and

WHEREAS, Member facilities may require similar engineering services; and

WHEREAS, Quantum Spatial, Inc. is a provider of these services; and

WHEREAS, on June 13, 2016, the LEC Project Participant Committee approved the
agreement with Quantum Spatial, Inc. in an amount not-to-exceed $2,000,000 over five years; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change
in the physical environment and is therefore not a "project" for purposes of Section 21065 the
California Environmental Quality Act. No environmental review is necessary;

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power
Agency authorizes the General Manager or his designee to enter into a Multi-Task General Services
Agreement with Quantum Spatial, Inc., with any non-substantial changes as approved by the NCPA
General Counsel, which shall not exceed $2,000,000 over five years.

PASSED, ADOPTED and APPROVED this ___ day of ______________, 2016 by the following vote
on roll call:

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CAROL GARCIA  ATTEST:  CARY A. PADGETT
CHAIRPERSON  ASSISTANT SECRETARY
MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
QUANTUM SPATIAL INC.

This agreement for general services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Quantum Spatial Inc., a corporation with its headquarters located at 1410 Indian Trail Road, Norcross, GA 30093 ("Contractor") (together sometimes referred to as the "Parties") as of ____________, 2016 ("Effective Date") in Roseville, California.

Section 1. SCOPE OF WORK. Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Work").

1.1 Term of Agreement. The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.

1.2 Standard of Performance. Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.

1.3 Assignment of Personnel. Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.

1.4 Work Provided. Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.

1.5 Request for Work to be Performed. At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency’s issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform
the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount NOT TO EXCEED Two Million and No/100 dollars ($2,000,000) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor’s fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

2.1 Invoices. Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency’s option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency’s reasonable satisfaction;
- At Agency’s option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Payable

2.2 Monthly Payment. Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

2.3 Payment of Taxes. Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.4 Authorization to Perform Work. The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.
2.5 **Timing for Submittal of Final Invoice.** Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

**Section 3. FACILITIES AND EQUIPMENT.** Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

**Section 4. INSURANCE REQUIREMENTS.** Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

4.1 **Workers' Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars ($1,000,000.00) per accident.

4.2 **Commercial General and Automobile Liability Insurance.**

4.2.1 **Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of $1,000,000 per occurrence/$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than $100,000. No endorsement shall be attached limiting the coverage.

4.2.2 **Automobile Liability.** Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of $1,000,000 per each accident, with a self-insured retention or deductible of no more than $100,000. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

4.2.3 **General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.
4.3 **Professional Liability Insurance.** Contractor shall maintain professional liability insurance appropriate to Contractor's profession performing work in connection with this Agreement in an amount not less than one million dollars ($1,000,000) and two million dollars ($2,000,000) aggregate covering the Contractor's errors and omissions. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars ($250,000) per claim. Such insurance shall be on "an occurrence" basis.

4.4 **Aircraft Liability Insurance.** Contractor shall maintain aircraft liability insurance in connection with performance of work under this Agreement in an amount for combined single limit for bodily injury, property damage and passengers of not less than Five Million Dollars ($5,000,000).

4.5 **All Policies Requirements.**

4.5.1 **Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.5.2 **Notice of Reduction in or Cancellation of Coverage.** Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

4.5.3 **Higher Limits.** If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.

4.5.4 **Additional Certificates and Endorsements.** If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Agency shall have the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.5.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

4.6 **Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of
subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

4.7 **Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

Section 5. **INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.**

5.1 **Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

5.2 **Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency, and its officials, commissioners, officers, employees, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action of every nature arising out of or in connection with any acts or omissions by Contractor, its officers, officials, agents, and employees, except as caused by the sole or gross negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

Section 6. **STATUS OF CONTRACTOR.**

6.1 **Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited
to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

6.2 **Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.

6.3 **Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to
ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.

6.4 **Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.

6.5 **Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.

6.6 **Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

**Section 7.** **LEGAL REQUIREMENTS.**

7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.

7.2 **Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.

7.3 **Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.

7.4 **Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

7.5 **Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.

7.6 **Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project;
and copies of the prevailing rate of per diem wages are on file at the Agency and will be
made available on request. Throughout the performance of the Work, Contractor must
comply with all applicable laws and regulations that apply to wages earned in performance
of the Work. Contractor assumes all responsibility for such payments and shall defend,
indemnify and hold the Agency harmless from any and all claims made by the State of
California, the Department of Industrial Relations, any subcontractor, any worker or any
other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article
2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the
applicable determination of the Director can be found on the web at:
http://www.dir.ca.gov/DLSR/PWD/ and may be reviewed at any time.

Contractor shall be required to submit to the Agency during the contract period, copies of
Public Works payroll reporting information per California Department of Industrial
Relations, Form A- 1-131 (New 2-80) concerning work performed under this Agreement.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and
1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency
$50.00 for each calendar day or portion thereof, for each worker paid less than the
prevailing rates as determined by the Director of Industrial Relations for such work or craft
in which such worker is employed for any Work done under the Agreement by Contractor
or by any subcontractor under Contractor in violation of the provisions of the Labor Code
and in particular, Labor Code Sections 1770 et seq. In addition to the penalty and
pursuant to Section 1775, the difference between such prevailing wage rates and the
amount paid to each worker for each calendar day or portion thereof for which each worker
was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Section 8. TERMINATION AND MODIFICATION.

8.1 Termination. Either Party may cancel this Agreement at any time and without cause
upon ten (10) days prior written notice to the other Party.

In the event of termination, Contractor shall be entitled to compensation for Work
satisfactorily completed as of the effective date of termination; Agency, however, may
condition payment of such compensation upon Contractor delivering to Agency any or all
records or documents (as referenced in Section 9.1 hereof).

8.2 Amendments. The Parties may amend this Agreement only by a writing signed by all the
Parties.

8.3 Survival. All obligations arising prior to the termination of this Agreement and all
provisions of this Agreement allocating liability between Agency and Contractor shall
survive the termination of this Agreement.
8.4 **Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency’s remedies shall include, but not be limited to, the following:

8.4.1 Immediately terminate the Agreement;

8.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;

8.4.3 Retain a different Contractor to complete the Work not finished by Contractor; and/or

8.4.4 Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

8.5 **Contractor’s Option to Cure.** If Work is deemed to be unsatisfactory, Contractor shall be given written notice within five (5) days of receiving the Work and Contractor will have fourteen (14) calendar days' opportunity to cure.

**Section 9.** **KEEPING AND STATUS OF RECORDS.**

9.1 **Records Created as Part of Contractor’s Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to deliver those documents within a reasonable time to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.

9.2 **Contractor’s Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.

9.3 **Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying with at least five (5) business days' notice during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand
9.4 Confidential Information and Disclosure.

9.4.1 Confidential Information. The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

9.4.2 Non-Disclosure of Confidential Information. During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

9.4.3 Permitted Disclosure. Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

9.4.3.1 Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

9.4.3.2 Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

9.4.3.3 Disclosure by Agency in response to a request pursuant to the California Public Records Act.
9.4.4 **Handling of Confidential Information.** Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party’s representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party’s Information to any person other than those of the Receiving Party’s employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

Section 10. **PROJECT SITE.**

10.1 **Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor’s Work.

10.2 **Contractor’s Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor’s sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.
10.3 **Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

Section 11. **WARRANTY.**

11.1 **Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.

11.2 **Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.

11.3 **Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

Section 12. **HEALTH AND SAFETY PROGRAMS.** The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

12.1 Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.

12.2 Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training
records upon request by Agency. Contractor shall be responsible for proper maintenance
and/or disposal of their personal protective equipment and material handling equipment.

12.3 Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and
will comply with the requirements set forth herein.

12.4 Agency, or its representatives, may periodically monitor the safety performance of the
Contractor performing the Work. Contractors and its subcontractors shall be required to
comply with the safety and health obligations as established in the Agreement. Non-
compliance with safety, health, or fire requirements may result in cessation of work
activities, until items in non-compliance are corrected. It is also expressly acknowledged,
understood and agreed that no payment shall be due from Agency to Contractor under this
Agreement at any time when, or for any Work performed when, Contractor is not in full
compliance with this Section 12.

12.5 Contractor shall immediately report any injuries to the Agency site safety representative.
Additionally, the Contractor shall investigate and submit to the Agency site safety
representative copies of all written accident reports, and coordinate with Agency if further
investigation is requested.

12.6 Contractor shall take all reasonable steps and precautions to protect the health of its
employees and other site personnel with regard to the Work. Contractor shall conduct
occupational health monitoring and/or sampling to determine levels of exposure of its
employees to hazardous or toxic substances or environmental conditions. Copies of any
sampling results will be forwarded to the Agency site safety representative upon request.

12.7 Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if
any, Contractor generates in performing the Work.

12.8 Contractor shall advise its employees and subcontractors that any employee who
jeopardizes his/her safety and health, or the safety and health of others, may be subject to
actions including removal from Work.

12.9 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a
Hazardous Material Spill Response Plan that includes provisions for spill containment and
clean-up, emergency contact information including regulatory agencies and spill sampling
and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks
owned or leased by the Contractor.

12.10 Work Provided Pursuant to Section 1.4. If Contractor is providing Work to an Agency
Member, SCPPA or SCPPA member (collectively “Member” solely for the purpose of this
section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as
the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.
Section 13. MISCELLANEOUS PROVISIONS.

13.1 **Attorneys’ Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys’ fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

13.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

13.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

13.6 **Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a “conflict of interest,” as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 et seq.

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 et seq.

13.7 **Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his/her designee, who shall act as the Agency’s representative. All correspondence shall be directed to or through the representative.

13.8 **Notices.** Any written notice to Contractor shall be sent to:
Jennifer Whitacre  
Director of Strategic Accounts  
Quantum Spatial, Inc.  
53 Blackhawk Club Ct.  
Danville, CA 94506]

Any written notice to Agency shall be sent to:

Randy S. Howard  
General Manager  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

With a copy to:

Michael F. Dean  
General Counsel  
Northern California Power Agency  
Meyers Nave  
555 Capitol Mall, Suite 1200  
Sacramento, CA 95814

13.9 **Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

13.10 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

13.11 **Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:

13.11.1 Each party shall designate a senior management or executive level representative to negotiate any dispute;

13.11.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.
13.11.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

13.11.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

13.11.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

13.11.6 The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

13.12 **Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's Proposal, the Exhibits shall control.

13.13 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

13.14 **Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

13.15 **No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only “Member”) pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member

The Parties have executed this Agreement as of the date signed by the Agency.
NORTHERN CALIFORNIA POWER AGENCY

Date_________________________________

Randy Howard, General Manager

Attest:

________________________________________
Assistant Secretary of the Commission

Approved as to Form:

________________________________________
Assistant General Counsel

QUANTUM SPATIAL, INC.

Date_________________________________

Matt Boyd, GM Private Markets
EXHIBIT A

SCOPE OF WORK

As requested by NCPA, Quantum Spatial, Inc. ("Contractor") may perform services for the Northern California Power Agency ("Agency"), Agency members, SCPPA or SCPA members, as follows:

- Transmission and Distribution Line Modeling and Inspection;
- Vegetation Surveys;
- Aerial Surveys;
- LiDAR Mapping and Analytics;
- Drafting; and
- Other Misc. Mapping Tasks.

In accordance with Section 1.5 hereof, the specific scope of Work and associated fee will be defined by individual Purchase Orders.
EXHIBIT B

COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof.

Pricing for services to be performed at NCPA facility locations, NCPA Member locations, or SCPPA Member locations will be quoted at the time services are requested.

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.
EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I,

________________________________________

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

________________________________________

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

________________________________________

(Signature of officer or agent)

Dated this ________________ day of __________________, 20 __________.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.
EXHIBIT D - NOT APPLICABLE

CERTIFICATION

Affidavit of Compliance for Hazardous Materials Transport Vendors

I, ___________________________________________.

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

_________________________________________

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

____________________________

(Signature of officer or agent)

Dated this ________________ day of ________________, 20 __

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.
EXHIBIT E - NOT APPLICABLE

ATTACHMENT A [from MLA]
AGREEMENT TO BE BOUND

MAINTENANCE LABOR AGREEMENT ATTACHMENT
LODI ENERGY CENTER PROJECT

The undersigned hereby certifies and agrees that:

1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.

3) If it performs Covered Work, it will be bound by the legally establishes trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.

4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.

5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: ____________________  Name of Employer ________________________________

(Authorized Officer & Title) ____________________________________________

(Authorized Officer & Title) ____________________________________________

(Address) ____________________________________________

(Address) ____________________________________________
Commission Staff Report

June 15, 2016

COMMISSION MEETING DATE:  June 23, 2016

SUBJECT:  Approval of the Professional Services Agreement between NCPA and the BAMx Participants, and Amendment No. 1 to the Consulting Services Agreement between NCPA and Flynn Resource Consulting Inc.

AGENDA CATEGORY:  Consent

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<td>David Dockham</td>
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<td>Assistant General Manager</td>
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<td>Department:</td>
<td>Industry Restructuring</td>
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IMPACTED MEMBERS:

- All Members
- City of Lodi
- City of Ukiah
- City of Lompoc
- City of Palo Alto
- City of Redding
- City of Roseville
- City of Santa Clara
- City of Healdsburg
- Plumas-Sierra REC
- Port of Oakland
- Truckee Donner PUD
- Other

If other, please specify.

Place an X in the box next to the applicable Member(s) above.

SR: 167:16
RECOMMENDATION:

NCPA staff recommends that the NCPA Commission:

1. Authorize the General Manager of NCPA to execute the Professional Services Agreement between Northern California Power Agency and the cities of Palo Alto and Santa Clara, including any non-substantive modifications to the Professional Services Agreement approved by NCPA's General Counsel; and

2. Upon return of the fully executed Professional Services Agreement by each BAMx Member, authorize the General Manager of NCPA to execute Amendment No. 1 to the Consulting Services Agreement between Northern California Power Agency and Flynn Resource Consultants Inc., including any non-substantive modifications to the Consulting Services Agreement approved by NCPA’s General Counsel.

BACKGROUND:

The cities of Palo Alto and Santa Clara have joined together to form a working group known as the Bay Area Municipal Transmission group (“BAMx” or “BAMx Members”). Under this arrangement the BAMx Members work together to improve the reliability and cost-effectiveness of transmission service they receive through the CAISO. The BAMx Members have requested Northern California Power Agency (“NCPA”) to enter into a consulting services arrangement with Flynn Resource Consultants Inc. (“Flynn RCI”), under which Flynn RCI is to act as project manager and shall coordinate the efforts of BAMx. In response to this request, NCPA has worked with the BAMx Members to develop a professional services agreement and consulting services agreement under which the services requested may be provided.

PROFESSIONAL SERVICES AGREEMENT

The Professional Services Agreement between Northern California Power Agency and the Cities of Palo Alto and Santa Clara (the "Professional Services Agreement") describes NCPA’s obligation to act as the billing agent on behalf of the BAMx Members with respect to the services provided under the Consulting Services Agreement between the Northern California Power Agency and Flynn Resource Consultants Inc., as amended (the "Consulting Services Agreement"). Charges incurred under the Consulting Services Agreement will be allocated and billed to the BAMx Members in accordance with the Professional Services Agreement.

The Professional Services Agreement is attached to this staff report for your reference.

CONSULTING SERVICES AGREEMENT

Pursuant to the Professional Services Agreement, NCPA will enter into the Consulting Services Agreement on behalf of the BAMx Members. Under the Consulting Services Agreement Flynn RCI will provide various services to the BAMx Members, including monitoring, meeting participation, coordinating with affected or other participating parties, and as necessary, preparing and submitting formal position submittals for the following subject matters: grid planning activities, CPUC and CEC transmission matters, and California market design activities. NCPA staff and the consultant have developed Amendment No. 1 to the Consulting Services Agreement to update select contract provisions, and to extend the term of the Consulting Services Agreement.
Amendment No. 1 to the Consulting Services Agreement between NCPA and Flynn RCI, and the Consulting Services Agreement between NCPA and Flynn RCI, are attached to this staff report for your reference.

FISCAL IMPACT:

Total expenditures authorized under the Consulting Services Agreement shall not exceed: (i) $760,000 during the period of July 1, 2015 through June 30, 2016, and (ii) $650,000 during the period of July 1, 2016 through June 30, 2017. In addition to costs incurred under the Consulting Services Agreement, NCPA will invoice the BAMx Members $625 each month for related billing services under the Professional Services Agreement. Payments for services provided under the Consulting Services Agreement and Professional Services Agreement are accounted for in the current fiscal year budget, and all costs incurred for the services shall be allocated to the BAMx Members.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW

The recommendation was reviewed by the Facilities Committee on June 1, 2016, and was recommended for Commission approval.

Respectfully submitted,

Randy S. Howard
General Manager

Attachments (4)
RESOLUTION 16-48

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVAL OF THE PROFESSIONAL SERVICES AGREEMENT BETWEEN NCPA
AND THE BAMx PARTICIPANTS AND AMENDMENT NO. 1 TO THE CONSULTING
SERVICES AGREEMENT BETWEEN NCPA AND FLYNN RESOURCE
CONSULTING INC.

(reference Staff Report #167:16)

WHEREAS, the cities of Palo Alto and Santa Clara have joined together to form a working
group known as the Bay Area Municipal Transmission group (“BAMx” or “BAMx Members”); and

WHEREAS, under this arrangement the BAMx Members work together to improve the
reliability and cost-effectiveness of transmission service they receive through the CAISO; and

WHEREAS, the BAMx Members have requested Northern California Power Agency (“NCPA”)
to enter into a consulting services arrangement with Flynn Resource Consultants Inc. (“Flynn RCI”),
under which Flynn RCI is to act as project manager and shall coordinate the efforts of BAMx; and

WHEREAS, in response to this request, NCPA has worked with the BAMx Members to
develop a professional services agreement and consulting services agreement under which the
services requested may be provided; and

WHEREAS, the Professional Services Agreement between Northern California Power Agency
and the Cities of Palo Alto and Santa Clara, as amended (the “Professional Services Agreement”) describes NCPA’s obligation to act as the billing agent on behalf of the BAMx Members with respect
to the services provided under the Consulting Services Agreement between the Northern California
Power Agency and Flynn Resource Consultants Inc. (the “Consulting Services Agreement”); and

WHEREAS, charges incurred under the Consulting Services Agreement will be allocated and
billed to the BAMx Members in accordance with the Professional Services Agreement; and

WHEREAS, under the Consulting Services Agreement Flynn RCI will provide various services
to the BAMx Members, including monitoring, meeting participation, coordinating with affected or other
participating parties, and as necessary, preparing and submitting formal position submittals for the
following subject matters: grid planning activities, CPUC and CEC transmission matters, and
California market design activities; and

WHEREAS, total expenditures authorized under the Consulting Services Agreement shall not
exceed: (i) $760,000 during the period of July 1, 2015 through June 30, 2016, and (ii) $650,000
during the period of July 1, 2016 through June 30, 2017, and in addition to costs incurred under the
Consulting Services Agreement, NCPA will invoice the BAMx Members $625 each month for related
billing services provided under the Professional Services Agreement; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change
in the physical environment and is therefore not a “project” for purposes of Section 21065 the
California Environmental Quality Act. No environmental review is necessary.
NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency:

1. Authorizes the General Manager of NCPA to execute the Professional Services Agreement between Northern California Power Agency and the cities of Palo Alto and Santa Clara, including any non-substantive modifications to the Professional Services Agreement approved by NCPA's General Counsel; and

2. Upon return of the fully executed Professional Services Agreement by each BAMx Member, authorizes the General Manager of NCPA to execute Amendment No. 1 to the Consulting Services Agreement between Northern California Power Agency and Flynn Resource Consultants Inc., including any non-substantive modifications to the Consulting Services Agreement approved by NCPA's General Counsel.

PASSED, ADOPTED and APPROVED this ___ day of _____________, 2016 by the following vote on roll call:

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CAROL GARCIA
CHAIRPERSON

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY

NCPA Resolution - 16-48
PROFESSIONAL SERVICES AGREEMENT BETWEEN
NORTHERN CALIFORNIA POWER AGENCY
AND THE CITIES OF PALO ALTO AND SANTA CLARA
( THE "BAY AREA MUNICIPAL TRANSMISSION SERVICES AGREEMENT" OR "BAMx AGREEMENT")

This Professional Services Agreement ("Agreement") is made by and between the
NORTHERN CALIFORNIA POWER AGENCY ("NCPA"), a joint powers agency, and the Cities of
Palo Alto and Santa Clara (each referred to as a "Contracting Member" and jointly referred to as
"Contracting Members" or "BAMx Participants"). NCPA and the Contracting Members are together
sometimes referred to herein individually as a "Party" and collectively as "the Parties."

This Agreement is made as of ___________, 2016 (the “Effective Date") in Roseville,
California.

Section 1.    RECITALS

This Agreement is entered into based on the following facts, among others:

1.1    NCPA is a public agency created by a joint powers agreement established under
California law for the purpose of assisting its members in the efficient use of their common powers.

1.2    Contracting Members are engaged in, among other things, transmitting and
distributing electric power within their respective corporate limits. Contracting Members are also
each a member of NCPA. Contracting Members jointly desire that NCPA provide Contracting
Members with the Services described in this Agreement.

1.3    Article III, section 3 of the "Amended and Restated Northern California Power
Agency Joint Powers Agreement" (as amended and effective January 1, 2008) (hereinafter "JPA")
entitled "Powers and Functions" provides that "none of the debts, liabilities or obligations of NCPA
shall be the debts, liabilities or obligations of any of the members of NCPA unless assumed in a
particular case by resolution of the governing body of the member to be charged." Notwithstanding
the foregoing, Article V, section 1 of the JPA entitled "General Provisions" provides that "[t]he
governing Commission of NCPA is authorized to procure public liability and other insurance as it
deems advisable to protect NCPA and each of the parties hereto, charging the cost thereof to the
operating costs of NCPA."

1.4    Contracting Members desire to secure NCPA's Services under this Agreement in a
manner that balances their interests and the interests of other NCPA members with the ongoing
financial viability and professional responsibilities of NCPA. Accordingly, Contracting Members
desire to secure NCPA's Services under this Agreement by accepting a limited insurance based
recourse against NCPA, with the option of procuring additional insurance at Contracting Members' sole expense. By so doing, the Parties thereby ensure that NCPA will substantially limit its risk for the provision of such Services and allocates risks back to the Contracting Members in the event NCPA is not adequately insured.
1.5 The Parties have previously entered into a professional services agreement for this same purpose dated as of July 1, 2015 ("the Prior Agreement") the term of which ends on June 30, 2016.

NOW THEREFORE, in consideration of the mutual covenants and promises set forth, NCPA and Contracting Members agree as follows:

Section 2. DEFINITIONS

Whenever used in this Agreement with initial capitalization, these terms shall have the following meanings as applicable, whether in the singular or plural:

2.1 "Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result of the lowest reasonable cost consistent with good business practices, reliability, safety and expedition and the requirements of the Northern American Electric Reliability Corporation ("NERC") or Western Electric Coordinating Council ("WECC") Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

2.2 "NCPA Members" shall mean the signatories to the JPA or those agencies which have executed an Associate Member Agreement with NCPA.

2.3 "Stranded Costs" shall mean all costs incurred by NCPA in providing Services to Contracting Members under this Agreement that could not reasonably be avoided by NCPA from the date it receives a written Notice of Termination. Such costs may include, but not be limited to, salary and employment costs, rent, utilities, or contracts incurred to provide Services under this Agreement. In this regard, Contracting Members acknowledge that NCPA will be entering into professional services agreements with third persons under the terms of this Agreement, and that sums owing to such third persons may become Stranded Costs upon termination of this Agreement.

2.4 "Uncontrollable Forces" shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control which could not be avoided through the exercise of Good Utility Practice.

Section 3. SERVICES TO BE PROVIDED; AUTHORIZED REPRESENTATIVES; STANDARD OF PERFORMANCE

3.1 This Agreement is entered into by the Parties in order for NCPA to provide services to Contracting Members for the services described in Exhibit A hereto ("Services"). The Services
do not include supervision of the performance of any of the third persons with whom contracts are entered into; such supervision shall be provided by the Contracting Members.

3.2 The following are the authorized representatives of the Parties ("Authorized Representatives") for contract administration purposes under this Agreement:

NCPA:
David Dockham, Dave.Dockham@ncpa.com
Assistant General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678
916-781-4207
Fax 916-781-4255

PALO ALTO:
Debra Lloyd, Debra.Lloyd@cityofpaloalto.org
Utilities Compliance Manager
City of Palo Alto
P.O. Box 10250
Palo Alto, CA 94303
650-329-2369
Fax: 650-326-1507

SANTA CLARA:
Joyce Kinnear, JKinnear@SantaClaraCA.gov
Division Manager
1601 Civic Center Dr. # 201
Santa Clara, CA 95050
408-615-6856
Fax 408-261-2717

No Authorized Representative is authorized to amend any provision of this Agreement except in accordance with Section 12.16.

3.3 Standard of Performance. NCPA will perform the Services using that level of skill and attention reasonably required to complete the Services in a competent and timely manner.

3.4 Assignment of Personnel. NCPA shall assign only competent personnel to perform Services pursuant to this Agreement. In the event that Contracting Members, in their sole discretion, at any time during the term of this Agreement, jointly desire the reassignment of any such persons, NCPA shall, immediately upon receiving notice from each Contracting Member of such desire of the Contracting Members, reassign such person or persons.

3.5 Time. NCPA shall devote such time to the performance of Services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 3.3, above and to satisfy NCPA’s obligations hereunder.

BAMx PROFESSIONAL SERVICES AGREEMENT

3
Section 4. TERM AND TERMINATION

4.1 Authorization to Perform Services. NCPA is not authorized to perform any Services or incur any costs whatsoever under the terms of this Agreement until its receipt of a written resolution and/or other appropriate/applicable authorization from each Contracting Member's governing body confirming each Contracting Member's authority to enter into this Agreement and confirming that each Contracting Member has allocated funds for and approved contract payments to NCPA under this Agreement.

4.2 Term. The term of this Agreement shall begin on the Effective Date and shall end on June 30, 2017.

4.3 Early Termination and Stranded Costs. This Agreement may be terminated by either NCPA or by the Contracting Members, upon 30 days written notice to all other Parties ("Notice of Termination"). Provided, however, that a Notice of Termination on behalf of the Contracting Members shall be executed by each Contracting Member to be effective.

In the event of an early termination, Contracting Members shall pay NCPA for all fees and costs required under this Agreement through the effective date of their Notice of Termination plus all Stranded Costs. Upon payment of the above amounts, no Parties shall have any further obligations under this Agreement except as otherwise set forth in Section 5.7 regarding the survival of defense and indemnity obligations.

Section 5. INDEMNITY AND INSURANCE

5.1 Limitation of NCPA’s Liability.

5.1.1 Except as provided in this section 5.1, NCPA shall not at any time be liable for any injury or damage occurring to Contracting Members or any other person or property from any cause whatsoever arising out of this Agreement.

5.1.2 The provisions of section 5.1.1 shall not apply where the injury or damage occurring to Contracting Members is caused by the negligence of NCPA or of any employee, agent or contractor of NCPA; provided that any liability under this subsection is limited to the extent of the actual coverage and coverage limits of the NCPA insurance policies described in this Section 5.

5.1.3 Notwithstanding Section 5.1.2 above, the Contracting Members agree to reimburse NCPA, in a timely manner, for all deductibles and/or self-insured retentions payable for any claim, liability or damage arising out of this Agreement.

5.2 Indemnification of NCPA. Except as specified in Section 5.1.2 above, Contracting Members shall, at their sole cost and expense, indemnify and hold harmless NCPA and all associated, affiliated, allied, member and subsidiary entities of NCPA, now existing or hereinafter created, and their respective officers, boards, commissions, employees, agents, attorneys, and contractors (hereinafter referred to as "Indemniteses"), from and against any and all liability, obligation, damages, penalties, claims, liens, costs, charges, losses and expenses (including,
without limitation, reasonable fees and expenses of attorneys, expert witnesses and consultants), which may be imposed upon, incurred by or be asserted against the Indemnitees arising out of this Agreement.

5.3 Defense of Indemnitees. In the event any action or proceeding shall be brought against the Indemnitees by reason of any matter for which the Indemnitees are indemnified hereunder, Contracting Members shall, upon reasonable prior written notice from any of the Indemnitees, at Contracting Members' sole cost and expense, resist and defend the same with legal counsel mutually selected by Indemnitee and the Contracting Members, unless mutual selection of counsel is expressly prohibited by an applicable insurance policy; provided however, that neither Indemnitee nor Contracting Members shall admit liability in any such matter or on behalf of the other without express written consent, which consent shall not be unreasonably withheld or delayed, nor enter into any compromise or settlement of any claim for which Indemnitees are indemnified hereunder without prior express written consent. The Contracting Members' duty to defend shall begin upon receipt of a written notice identifying with specificity the allegations that give rise to this duty to defend.

5.4 Notice. The Parties shall give each other prompt notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this Section 5.

5.5 Insurance. During the term of the Agreement and prior to beginning any work under this Agreement, NCPA shall maintain, or cause to be maintained, in full force and effect, and at its sole cost and expense, the types and limits of insurance as are annually approved by the governing Commission of NCPA. The types and limits of insurance that are applicable to this Agreement are evidenced by list of insurance coverages which is attached hereto as Exhibit C. NCPA warrants and represents that the types of insurance and coverage limits shown in Exhibit C are in full force and effect and shall remain so during the term of this Agreement unless NCPA gives prior written notification (of not less than 15 days) of modification, cancellation or rescission of such coverage.

5.6 Contracting Members' Acknowledgment of Option to Secure Additional Insurance. The Contracting Members acknowledge that there are limitations on NCPA's liability to the Contracting Members under this Section 5 and that the Contracting Members may need to purchase additional insurance of their own to cover the additional risks and the potential additional liabilities they are assuming under this Agreement. Contracting Members agree that they will, with respect to any additional insurance they obtain or which is otherwise available to Contracting Members, cause their insurers to issue an endorsement providing a waiver of subrogation rights as to Indemnitees.

5.7 Survival of Obligations. The defense and indemnity obligations of Section 5 shall survive the termination of this Agreement.

Section 6. COMPENSATION

6.1 Charges and Reserves.
6.1.1. Monthly Charges. Charges for the Services provided hereunder shall be the sum of (a) and (b) below, and shall be billed separately to each BAMx Participant in accordance with Exhibit B:

(a) Six Hundred Twenty Five Dollars ($625) per month for services provided by NCPA to the BAMx Participants under this Agreement; and

(b) Fifty Four Thousand One Hundred Sixty Seven Dollars ($54,167) per month for services provided to the BAMx Participants directly by Flynn Resource Consultants Inc., under the CONSULTING SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND FLYNN RESOURCE CONSULTANTS INC., dated ____________, 2016.

6.1.2 Security Deposit. Contracting Members shall each maintain on deposit in its General Operating Reserve Account held at NCPA the sum of Zero Dollars ($0) as security to NCPA for liabilities NCPA could incur under this Agreement. Contracting Members hereby authorize NCPA to reserve and commit this sum in its General Operating Reserve Account for the payment of the aforementioned liabilities should same become necessary. Interest on monies held by NCPA pursuant to this section shall be credited in accordance with the then standard practices of NCPA relating to the General Operating Reserve Account.

Section 7. BILLING AND PAYMENT

7.1 Invoices. NCPA shall submit invoices to Contracting Members, not more often than once a month during the term of this Agreement, for Services performed and reimbursable costs incurred prior to the invoice date.

7.2 Monthly Payment. Contracting Members shall make monthly payments, based on invoices received, for Services performed, and for authorized reimbursable costs incurred. Contracting Members shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay NCPA. Any amount due on a day other than a business day, i.e., any day except a Saturday, Sunday, or a Federal Reserve Bank holiday, may be paid on the following business day.

If all or any portion of a bill is disputed by Contracting Members, the entire amount of the bill shall be paid when due, and NCPA's Authorized Representative shall be concurrently provided written notice of the disputed amount and the basis for the dispute. NCPA shall reimburse any amount determined to have been incorrectly billed, within ten (10) days after such determination.

Amounts which are not paid when due shall bear interest computed on a daily basis until paid at the lesser of (i) the per annum prime rate (or reference rate) of the Bank of America NT & SA, or its successor, then in effect, plus two per cent (2%) or (ii) the maximum rate permitted by law. The provisions of this Section 7 shall survive expiration of this Agreement until satisfied.

7.3 Contracting Members shall pay for the Services pursuant to this Agreement. Contracting Members shall not pay any additional sum for any expense or cost whatsoever
incurred by NCPA in rendering Services pursuant to this Agreement. Contracting Members shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall NCPA submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment in accordance with this Agreement.

7.4 Hourly Fees. Fees for work performed by NCPA on an hourly basis shall not exceed the amounts shown on the following fee schedule attached hereto as Exhibit B.

7.5 Reimbursable Expenses. Reimbursable expenses are specified in Exhibit B. Expenses not listed in Exhibit B are not chargeable to Contracting Members. Reimbursable expenses are included in the total amount of compensation provided under this Agreement that shall not be exceeded.

7.6 Payment of Taxes. NCPA is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

7.7 Payment upon Termination. In the event that Contracting Members or NCPA terminates this Agreement pursuant to Section 4, Contracting Members shall compensate the NCPA for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written Notice of Termination. NCPA shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

7.8 Authorization to Perform Services. NCPA is not authorized to perform any Services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from each of the Contracting Members’ Authorized Representative following receipt of the required approvals under the terms of this Agreement.

7.9 The addresses of Contracting Members to which invoices shall be sent is:

Debra Lloyd
Utilities Compliance Manager
City of Palo Alto
P.O. Box 10250
Palo Alto, CA 94303
650-329-2369
Fax: 650-326-1507

Bob Kazlauskas
City of Santa Clara
Attn: Electric Department
1500 Waburntorn Ave
Santa Clara, CA 95050
Bkazlauskas@svpower.com
408-615-6688
Section 8. STATUS OF NCPA; FACILITIES AND EQUIPMENT

8.1 Independent Contractor. At all times during the term of this Agreement, NCPA shall be an independent contractor and shall not be an employee of Contracting Members. Contracting Members shall have the right to control NCPA only insofar as the results of NCPA's Services rendered pursuant to this Agreement and assignment of personnel pursuant to Section 3.4; however, otherwise Contracting Members shall not have the right to control the means by which NCPA accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other agency, state, local or federal policy, rule, regulation, law, or ordinance to the contrary, NCPA and any of its employees, agents, and subcontractors providing Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Contracting Members, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Contracting Member and entitlement to any contribution to be paid by Contracting Members for employer contributions and/or employee contributions for PERS benefits.

8.2 Facilities and Equipment. The facilities and equipment that may be necessary to perform the Services required by this Agreement shall be provided as follows: None.

Section 9. UNCONTROLLABLE FORCES

9.1 Obligations of the Parties, other than those to pay money when due, shall be excused for so long as and to the extent that failure to perform such obligations is due to an Uncontrollable Force; provided, however, that if either Party is unable to perform due to an Uncontrollable Force, such Party shall exercise due diligence to remove such inability with reasonable dispatch. Nothing contained in this Agreement shall be construed as requiring a Party to settle any strike, lockout, or labor dispute in which it may be involved, or to accept any permit, certificate, contract, or any other service agreement or authorization necessary for the performance of this Agreement which contains terms and conditions which a Party determines in good faith judgment are unduly burdensome or otherwise unacceptable.

9.2 Each Party shall notify the other promptly, by telephone to the other Party's operating personnel and Authorized Representative identified in Section 3.2, upon becoming aware of any Uncontrollable Force which may adversely affect the performance under this Agreement. A Party shall additionally provide written notice in accordance with Section 12.8 to the other Party within 24 hours after providing. Each Party shall notify the other promptly, when an Uncontrollable Force has been remedied or no longer exists.

Section 10. LEGAL REQUIREMENTS

10.1 Governing Law. The laws of the State of California shall govern this Agreement, without regard for the choice of law doctrine.

10.2 Compliance with Applicable Laws. NCPA and any subcontractors shall comply with
all laws applicable to the performance of the Services hereunder.

10.3 Other Governmental Regulations. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, NCPA and any subcontractors shall comply with all applicable rules and regulations to which Contracting Member is bound by the terms of such fiscal assistance program.

10.4 Licenses and Permits. NCPA represents and warrants to Contracting Member that NCPA and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that is legally required to practice their respective professions. NCPA represents and warrants to Contracting Member that NCPA and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.

10.5 Nondiscrimination and Equal Opportunity. NCPA shall not discriminate, on the basis of a person’s race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by NCPA under this Agreement. NCPA shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of NCPA thereby.

NCPA shall include the provisions of this Subsection in any subcontract approved by Contracting Members’ Authorized Representatives or permitted by this Agreement.

Section 11. KEEPING AND STATUS OF RECORDS.

11.1 Records Created as Part of NCPA’s Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that NCPA prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Contracting Members. NCPA hereby agrees to deliver those documents to the Contracting Members upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the Contracting Members and are not necessarily suitable for any future or other use. Contracting Members and NCPA agree that, until final approval by Contracting Members, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both Parties, except as may otherwise be required by applicable law.

11.2 NCPA’s Books and Records. NCPA shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the Contracting Members under this Agreement for a minimum of three (3) years, or for any longer period required.
by law, from the date of final payment to the NCPA to this Agreement.

11.3 Inspection and Audit of Records. Any records or documents that Section 11.2 of this Agreement requires NCPA to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Contracting Member. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS ($10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of any Contracting Member or as part of any audit of any of the Contracting Members, for a period of three (3) years after final payment under the Agreement.

11.4 Confidential Information and Disclosure. During the term of this Agreement, any Party ("Disclosing Party") may disclose confidential, proprietary or trade secret information (the "Information"), to another Party ("Receiving Party"). All such Information made available in a tangible medium of expression (such as, without limitation, on paper or by means of magnetic tapes, magnetic disks or other computer media) shall be marked in a prominent location to indicate that it is the confidential, proprietary and trade secret information of Disclosing Party at the time of disclosure to Receiving Party. Receiving Party shall hold Disclosing Party's Information in confidence and shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Information. Receiving Party shall not attempt to reverse engineer or in any manner create any product or information which is similar in appearance to or based on the Information provided by Disclosing Party. Receiving Party shall not disclose Disclosing Party’s Information to any person other than Receiving Party’s employees, agents, contractors and subcontractors who have a need to know in connection with this Agreement.

Receiving Party’s confidentiality obligations hereunder shall not apply to any portion of Disclosing Party’s Information which:

(a) Has become a matter of public knowledge other than through an act or omission of Receiving Party;

(b) Has been made known to Receiving Party by a third party in accordance with such third party's legal rights without any restriction on disclosure;

(c) Was in the possession of Receiving Party prior to the disclosure of such Information by Disclosing Party and was not acquired directly or indirectly from the other Party or any person or entity in a relationship of trust and confidence with the other Party with respect to such Information;

(d) Receiving Party is required by law to disclose; or

(e) Has been independently developed by Receiving Party from information not defined as “Information” in this Agreement, as evidenced by Receiving Party’s written records.

Receiving Party shall return or destroy Disclosing Party’s Information (including all copies thereof) to Disclosing Party promptly upon the earliest of any termination of this Agreement or the Disclosing Party’s written request. Notwithstanding the foregoing, Receiving Party may retain one copy of such information solely for archival purposes, subject to the confidentiality provisions of this Agreement. The parties understand that each Party is a public entity and is subject to the laws that may compel either to disclose information about the other’s business.
Section 12. MISCELLANEOUS PROVISIONS

12.1 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that Party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

12.2 Venue. In the event that either Party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

12.3 Severability. If any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable by federal or state statute or regulation, but the remaining portions of the Agreement can be enforced without failure of material consideration to any Party, then the remaining provisions shall continue in full force and effect. To that end, this Agreement is declared to be severable. Provided, however, that in the event any provision is declared to be invalid, void or unenforceable, any Party may terminate this Agreement upon 10 days written notice given within five (5) days of receipt of notice of final entry of judgment.

12.4 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

12.5 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

12.6 Use of Recycled Products. NCPA shall endeavor to prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

12.7 Conflict of Interest. NCPA shall not employ any Contracting Members' official or employee in the work performed pursuant to this Agreement. No officer or employee of Contracting Member shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 et seq.

12.8 Notices. Unless this Agreement requires otherwise, any notice, demand or request provided for in this Agreement, or served, given or made shall become effective when delivered in person, or sent by registered or certified first class mail, to the persons specified below:

NCPA:
David Dockham
Assistant General Manager – Power Management
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

With a copy to:
Michael F. Dean
General Counsel, Northern California Power Agency
c/o Meyers Nave
555 Capitol Mall, Suite 1200
Sacramento, CA 95814

PALO ALTO:
Ed Shikada
Assistant City Manager & Interim Utilities Director
City of Palo Alto
P.O. Box 10250
Palo Alto, CA 94303

With a copy to:
Amy Bartell, Senior Deputy City Attorney
City of Palo Alto
c/o City Attorney’s office
P.O. Box 10250
Palo Alto, CA 94303

SANTA CLARA:
Joyce Kinneer, Division Manager
City of Santa Clara
1500 Warburton Ave
Santa Clara, CA 95050

With a copy to:
Richard Nosky, City Attorney
City of Santa Clara
1500 Warburton Ave
Santa Clara, CA 95050

Whenever it is required, permitted, or desired in this Agreement that written notice or demand be given by any Party to any other Party, such notice or demand may be either personally served or sent by United States Mail, or facsimile. Notice shall be deemed to have been given when personally served, when deposited in the United States Mail, certified or registered with postage prepaid and properly addressed, or when transmitted by facsimile provided however, notices delivered by facsimile shall only be effective if delivered during regular business hours on a day that is considered a regular business day for NCPA by the involved Parties.

12.9 Integration; Incorporation. This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Contracting Members and NCPA relating to the subject matter of this Agreement, and supersedes all prior negotiations,
representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

12.10 Dispute Resolution. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Contracting Members and NCPA agree to resolve the dispute in accordance with the following:

12.10.1 Each Party shall designate a senior management or executive level representative to negotiate any dispute;

12.10.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

12.10.3 If the issue remains unresolved after sixty (60) days of good faith negotiations, despite having used their best efforts to do so, either Party may pursue whatever other remedies may be available to it.

12.10.4 This informal resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code § 900, et seq.

12.11 Other Agreements. This Agreement is not intended to modify or change any other agreement between any of the Parties, individually or collectively. Without limiting the generality of the foregoing, this Agreement does not amend or extend the Prior Agreement.

12.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

12.13 Obligations of Contracting Members Joint and Several; No Joint Venture. The duties, obligations and liabilities of the Contracting Members, including the obligations to make payments to NCPA, are intended to be joint and several. Provided that nothing contained in this Agreement shall be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability on or with regard to the Contracting Members.

12.14 Effect of Section Headings. Section headings and subheadings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretation of text.

12.15 Authority of Signatories. The signatories hereby represent that they have been appropriately authorized to execute this Agreement on behalf of the Party for whom they sign.

12.16 Amendments. The Parties may amend this Agreement only by a writing signed by all the Parties following each Party's receipt of written resolution/authorization from their governing bodies, which resolutions/authorizations shall be condition precedents to any amendments of this Agreement and shall be attached as exhibits to this Agreement.

The Parties have executed this Agreement as of the Effective Date.
Northern California Power Agency

RANDY S. HOWARD, General Manager

Attest:

______________________________
Assistant Secretary of the Commission

Approved as to Form:

______________________________
General Counsel
CONTRACTING MEMBERS:

CITY OF PALO ALTO

By: __________________________

By: __________________________
City Attorney

Its: __________________________

CITY OF SANTA CLARA

Approved as to Form

By: __________________________
City Attorney

By: __________________________
EXHIBIT A
Scope of Services

NCPA shall perform the following Services on behalf Contracting Members:

NCPA will enter into a contract with Flynn Resource Consulting Inc. ("Consultant") on behalf of Contracting Members. In general Consultant will provide services including monitoring, meeting participation, coordinating with affected or other participating parties, and, as necessary, preparing and submitting formal position submittals for the following activities:

1. Grid Planning Activities
   - CAISO Regionalization Process, Transmission Access Charge, Governance and Resource Adequacy
     - Coordination with the California Municipal Utilities Association and Northern California Power Agency on these activities
   - CAISO/PG&E annual transmission expansion planning process
   - Support or oppose specific transmission additions
   - Greater Bay Area long term studies
   - CAISO local capacity technical study process
   - Other regional and sub-regional transmission planning activities
   - CAISO Tariff and BPM Change Management Process
   - Generator Interconnection Procedure
   - Transmission cost minimization
   - Impacts due to potential generation retirements
   - Transmission for renewables deliverability issues
   - CTPG planning process
   - Tracy to Bay development activities

2. CPUC and CEC transmission matters
   - Resource adequacy issues
   - Renewable Portfolio Standard issues
   - Long Term Procurement issues
   - Approval of CPCNs and PTCs for new transmission lines
   - Renewable Energy Transmission Initiative (RETI 2.0)

3. CAISO Market Issues
   - CAISO markets proceedings and implementation matters
   - Resource Adequacy / Local Capacity/ Flexible Capacity/ Deliverability
   - LMP congestion and losses incidence and impacts
   - Regionalization and New Participating Transmission Owner Issues

4. Communicate Regularly with BAMx Members
   - Client meetings, telephone conferences and written summaries of activities on key issues.
NCPA will accept invoices from Consultant and transmit them to Contracting Members for their review, and if acceptable, the Contracting Members will direct payment by NCPA. Such payment direction shall be provided by each Contracting Member as designated in Section 12.8 of this Agreement, in writing, utilizing appropriate approval forms as shall be developed and/or revised by NCPA from time to time. An example of such form is included in Exhibit D of this agreement. NCPA will prepare invoices indicating the share of Consultant's costs to be paid by each Contracting Member along with the appropriate charges by NCPA for its services; however, as provided in the Agreement, each Contracting Member is jointly and severally liable for the entirety of any amounts billed under this Agreement. NCPA will then pay Consultant utilizing Contracting Members' funds.

Contracting Members will be solely responsible for payment of the Consultant's invoices, as well as determining whether or not the professional services have been satisfactorily performed. The "Services" under this Agreement by NCPA to Contracting Members are limited to the contracting for services with Consultant and billing/payment function.
EXHIBIT B
COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks, including hourly fees and expenses, shall not exceed $650,000. The hourly and monthly rates and or compensation break down and an estimated amount of expenses is as follows:

B-1 Monthly Charges for Services provided by NCPA for billing and contract preparation under this Agreement shall be allocated to each BAMx Participant in proportion to each BAMx Participant's proportionate share of energy delivered in prior Calendar Year as derived from the 2015-2016 NCPA Annual Budget, as reflected in Table 1 below. The total charge for these services shall be Six Hundred Twenty Five Dollars ($625.00) per month.

B-2 Monthly Charges invoiced by Flynn Resource Consultants Inc to NCPA for services provided to the BAMx Participants under the CONSULTING SERVICES AGREEMENT BETWEEN THE NORTHERN CALIFORNIA POWER AGENCY AND FLYNN RESOURCE CONSULTANTS INC., dated ____________, 2016 shall be allocated to each BAMx Participant in proportion to each BAMx Participant's proportionate share of energy delivered in prior Calendar Year as derived from the 2015-2016 NCPA Annual Budget, as reflected in Table 1 below.

Compensation to Flynn Resource Consultants Inc. for all tasks, including hourly fees and expenses, shall not exceed Six-Hundred and Fifty Thousand Dollars ($650,000). The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Flynn Resource Consultants Inc. hourly rates for services are listed below

<table>
<thead>
<tr>
<th>Labor Category</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td>$290-310 per hour</td>
</tr>
<tr>
<td>Managing Consultant</td>
<td>$270-290 per hour</td>
</tr>
<tr>
<td>Senior Consultant</td>
<td>$230-270 per hour</td>
</tr>
<tr>
<td>Consultant</td>
<td>$190-230 per hour</td>
</tr>
<tr>
<td>Associate Consultant</td>
<td>$150-190 per hour</td>
</tr>
<tr>
<td>Analyst</td>
<td>$110-150 per hour</td>
</tr>
<tr>
<td>Support Services</td>
<td>$85 per hour</td>
</tr>
</tbody>
</table>

Travel, food, and miscellaneous expenses, except automobile mileage, associated with the provision of services hereunder shall be billed at cost. Automobile mileage will be billed at the rate approved by the Internal Revenue Service.

For any month in which specialized modeling software is used to perform services under this agreement, the following charges shall apply:

Power flow modeling - $275/month
Short circuit modeling – $800/month
OASIS Data - $1,200/month  
Market modeling - $4,000/month

**TABLE 1 Proportionate Share of Energy Delivered**

<table>
<thead>
<tr>
<th></th>
<th>MWH</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palo Alto</td>
<td>978,546</td>
<td>23.4%</td>
</tr>
<tr>
<td>Silicon Valley Power</td>
<td>3,196,694</td>
<td>76.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,175,240</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
EXHIBIT C
Insurance Maintained by NCPA

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers' Compensation Insurance</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Excess Liability Insurance</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>Automobile Insurance</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>
EXHIBIT D

Bay Area Municipal Transmission Services Agreement (BAMX)
Participants Transmittal
Payment Voucher
For the Period: ____________________

To: Northern California Power Agency
   651 Commerce Drive
   Roseville, California 95678
   Attention: Accounts Payable (*AcctsPayable@ncpa.com)

From: Contracting Members – The Cities of Palo Alto and Santa Clara (each referred to as a "Contracting Member" and jointly referred to as "Contracting Members" or "BAMx Participants")

I, the undersigned hereby certify that I am authorized to approve payment of the ATTACHED billing statement and or invoice(s) and do hereby approve payment thereof by the Billing Agent (Northern California Power Agency) as indicated below:

For City of Palo Alto: ____________________

☐ No exceptions.

☐ With the deduction of the following exceptions:

For City of Santa Clara: ____________________
(Silicon Valley Power)                         

☐ No exceptions:

☐ With the deduction of the following exceptions:
CONSULTING SERVICES AGREEMENT  
BETWEEN  
NORTHERN CALIFORNIA POWER AGENCY  
AND  
FLYNN RESOURCE CONSULTANTS INC.  

AMENDMENT NO. 1

This Amendment No. 1 ("Amendment No. 1") to the Consulting Services Agreement Between the Northern California Power Agency ("NCPA") and Flynn Resource Consultants Inc. ("Consultant") dated as of July 1, 2015 (the "Agreement") is made this ___ day of ____________, 20__ with reference to the following facts, among others:

A. The Agreement is set to expire on June 30, 2016.

B. The Parties desire to extend the term of the Agreement to enable Consultant's continued provision of Services to NCPA and the BAMx Members as contemplated under the Agreement.

Therefore, the Parties agree as follows:

1. Section 1.1 of the Agreement is replaced in its entirety with the following:

"1.1 BAMx Members. NCPA is entering into this agreement with Consultant at the request of certain of its members, the cities of Palo Alto and Santa Clara ("the BAMx Members"), so that NCPA may provide professional consulting services related to electric transmission, power generation, regulatory issues, and electric market design issues affecting the BAMx Members. NCPA's provision of these services is further addressed in the Professional Services Agreement Between Northern California Power Agency and the Cities of Palo Alto and Santa Clara (the "Bay Area Municipal Transmission Services Agreement" or "BAMx Agreement")."

2. Section 1.2 of the Agreement is replaced in its entirety with the following:

"1.2 Term of Services. This Agreement shall begin on the Effective Date and shall terminate when Consultant completes the work described in Exhibit A, or on June 30, 2017, whichever occurs first, unless the term of the Agreement is otherwise terminated or modified, as provided for herein."

3. Section 2.0 of the Agreement is replaced in its entirety with the following:

"COMPENSATION. Agency hereby agrees to pay Consultant an amount NOT TO EXCEED the following: (i) Seven Hundred and Sixty Thousand Dollars ($760,000) during the period of July 1, 2015 through June 30, 2016, and (ii) Six Hundred and Fifty Thousand Dollars ($650,000) during the period of July 1, 2016 through June 30, 2017, for all work set forth in Exhibit A, in accordance with the Consultant's fee schedule and reimbursable expenses which is attached as Exhibit B, and made a part of this Agreement. In the event of a conflict between this Agreement and Consultant's proposal regarding the amount of compensation, this Agreement shall prevail."
4. Exhibit A of the Agreement is replaced in its entirety by Exhibit A as attached to this Amendment No. 1 and incorporated herein by this reference.

5. Exhibit B of the Agreement is replaced in its entirety by Exhibit B as attached to this Amendment No. 1 and incorporated herein by this reference.

6. **Effect on Agreement.** Except as specifically modified herein, no other provision in the Agreement is intended to be modified, and the Agreement, as amended, shall remain in full force and effect in its entirety. This Amendment shall not impact, prejudice, or waive either Party's rights or obligations under the Agreement for the period either prior to the effective date of this Amendment or following the termination thereof, and no precedent for further amendments to the Agreement is hereby intended.

The Parties have caused this Amendment No. 1 to be executed on the date as set forth above.

**NORTHERN CALIFORNIA POWER AGENCY**

**CONSULTANT**

Date: __________________________

Date: __________________________

______________________________
RANDY S. HOWARD
General Manager

______________________________
DOUG BOCCIGNONE
Chief Financial Officer

Attest:

Assistant Secretary of the Commission

Approved as to Form:

______________________________
General Counsel
EXHIBIT A
SCOPE OF SERVICES

NCPA is entering into this agreement with Flynn Resource Consultants, Inc. ("Consultant") at the request of the cities of Palo Alto and Santa Clara (the "BAMx Members"), so that NCPA may assist the BAMx Members in securing professional consulting services related to electric transmission, power generation, regulatory issues, and electric market design issues affecting the BAMx Members. NCPA's provision of related billing services is further addressed in the Professional Services Agreement Between Northern California Power Agency and the Cities of Palo Alto and Santa Clara (the "Bay Area Municipal Transmission Services Agreement" or "BAMx Agreement").

Each BAMx Member shall be represented by a designated BAMx Representative, listed below. During the term of this Agreement, the BAMx Representatives shall complete the Payment Voucher attached as Exhibit D to the BAMx Agreement to approve invoices from Consultant prior to NCPA remitting payment for services rendered by Consultant. The BAMx Representatives will also coordinate, as necessary, work related communications, task orders and invoice matters between and among the BAMx Members and Consultant.

The designated BAMx Representatives of the BAMx Members are:

Joyce Kinnear, City of Santa Clara
Debbie Lloyd, City of Palo Alto

Any BAMx Member may at any time designate another person as its BAMx Representative by providing written notice of such designation to the other BAMx Members, NCPA and Consultant.

The BAMx Members and Consultant intend to pursue the activities listed below during the term of this Agreement. Such activities will include monitoring, meeting participation, coordinating with affected or other participating parties, and, as necessary, preparing and submitting formal position submittals.

1. Grid Planning Activities
   - CAISO Regionalization Process, Transmission Access Charge, Governance and Resource Adequacy
     - Coordination with the California Municipal Utilities Association and Northern California Power Agency on these activities
   - CAISO/PG&E annual transmission expansion planning process
   - Support or oppose specific transmission additions
   - Greater Bay Area long term studies
   - CAISO local capacity technical study process
   - Other regional and sub-regional transmission planning activities
   - CAISO Tariff and BPM Change Management Process
   - Generator Interconnection Procedure
   - Transmission cost minimization
   - Impacts due to potential generation retirements
   - Transmission for renewables deliverability issues
   - CTPG planning process
• Tracy to Bay development activities

2. CPUC and CEC transmission matters
   • Integrated Energy Policy Report
   • Resource adequacy issues
   • Renewable Portfolio Standard issues
   • Long Term Procurement issues
   • Approval of CPCNs and PTCs for new transmission lines
   • Renewable Energy Transmission Initiative (RETI 2.0)

3. CAISO Market Issues
   • CAISO markets proceedings and implementation matters
   • Resource Adequacy / Local Capacity/ Flexible Capacity/ Deliverability
   • LMP congestion and losses incidence and impacts
   • Regionalization and New Participating Transmission Owner Issues

4. Communicate Regularly with BAMx Members
   • Client meetings, telephone conferences and written summaries of activities on key issues.
EXHIBIT B
COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks under this Agreement, including all hourly fees and expenses, shall not exceed: (i) Seven Hundred and Sixty Thousand Dollars ($760,000) during the period of July 1, 2015 through June 30, 2016, and (ii) Six-Hundred and Fifty Thousand Dollars ($650,000) during the period of July 1, 2016 through June 30, 2017. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

Consultant hourly rates for the professional services are listed below.

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<tr>
<th>Labor Category</th>
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Travel (at coach rates), food, and miscellaneous expenses, except automobile mileage, associated with the provision of services hereunder shall be billed at cost. Automobile mileage will be billed at the rate approved by the Internal Revenue Service.

For any month in which specialized modeling software is used to perform services under this agreement, the following charges shall apply:

- Power flow modeling - $275/month
- Short circuit modeling - $800/month
- OASIS Data - $1,200/month
- Market modeling - $4,000/month

Specialized software costs that exceed the above amounts may be billed with the prior approval of the Agency and the affected BAMx Member.

Note: As a public agency, NCPA shall not reimburse Consultant for costs in excess of those permitted by the Internal Revenue Service.
CONSULTING SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
FLYNN RESOURCE CONSULTANTS INC.

This agreement for consulting services ("Agreement") is entered into on July 1, 2015 (the "Effective Date") between the NORTHERN CALIFORNIA POWER AGENCY, a public joint powers agency, with offices located at 651 Commerce Drive, Roseville, CA, 95678-6420 ("Agency") and Flynn Resource Consultants Inc., ("Consultant") (together sometimes referred to as the "Parties").

Section 1. SERVICES. In accordance with the terms and conditions set forth in this Agreement, Consultant agrees to perform all services described in the Scope of Work attached as Exhibit A. In the event of conflict in or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

1.1 BAMx Members. NCPA is entering into this agreement with Consultant at the request of certain of its members, the cities of Alameda, Palo Alto, Santa Clara and Oakland, acting by and through its Board of Port Commissioners ("Port of Oakland") ("the BAMx Members"), so that NCPA may provide professional consulting services related to electric transmission, power generation, regulatory issues, and electric market design issues affecting the BAMx Members. NCPA's provision of these services is further addressed in the Professional Services Agreement Between Northern California Power Agency and the Cities of Alameda, Palo Alto, Santa Clara and Port of Oakland (the "Bay Area Municipal Transmission Services Agreement" or "BAMx Agreement").

1.2 Term of Services. This Agreement shall begin on the Effective Date and shall terminate when Consultant completes the work described in Exhibit A, or on June 30, 2016, whichever occurs first, unless the term of the Agreement is otherwise terminated or modified, as provided for herein.

1.3 Standard of Performance. Consultant shall diligently perform all services required in connection with this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices its profession.

1.4 Assignment of Personnel. Consultant shall assign only competent personnel to perform services in connection with this Agreement.

1.5 Termination. Agency may cancel this Agreement, after consultation with the BAMx Representatives as defined by Exhibit A, at any time and without cause upon written notification to Consultant. In the event of termination, Consultant shall be entitled to compensation for services satisfactorily completed as of the date of written notice of termination; Agency, however, may condition payment of such compensation upon Consultant delivering to Agency documents and records identified in Section 8.1 of this Agreement.

Section 2. COMPENSATION. Agency hereby agrees to pay Consultant an amount NOT TO EXCEED Seven-Hundred and Sixty Thousand Dollars ($760,000) for all work set forth in Exhibit A, in accordance with the Consultant's fee schedule and reimbursable expenses which is attached as Exhibit B.
and made a part of this Agreement. In the event of a conflict between this Agreement and Consultant’s proposal regarding the amount of compensation, this Agreement shall prevail.

2.1 **Invoices.** Consultant shall submit invoices once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date to:

Northern California Power Agency  
651 Commerce Drive  
Roseville, California 95678  
Attn: Accounts Payable

2.2 **Payment.** Agency shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred.

2.3 **Hourly Fees / Reimbursable Expenses.** If applicable, fees for work performed by Consultant on an hourly basis shall not exceed the amounts shown on the fee schedule attached to this Agreement as Exhibit B. Reimbursable expenses are specified in Exhibit B.

2.4 **Payment of Taxes.** Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

Section 3. **INSURANCE REQUIREMENTS.** Before beginning any work under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance listed below for the period covered by the Agreement.

3.1 **Workers’ Compensation.** If Consultant employs any person, Consultant shall maintain Statutory Workers’ Compensation Insurance and Employer’s Liability Insurance for any and all persons employed directly or indirectly by Consultant with limits of not less than ONE MILLION DOLLARS ($1,000,000.00) per accident.

3.2 **Commercial General and Automobile Liability Insurance.**

3.2.1 **Commercial General Insurance.** Consultant shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action for bodily injury, death, personal injury and property damage which may arise out of the operations of the consultant. The policy shall provide a minimum limit of $1,000,000 per occurrence/$2,000,000 aggregate.

3.2.2 **Automobile Liability.** If Consultant owns any automobiles, Consultant shall maintain automobile liability insurance for the term of this Agreement covering any loss of liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle owned by the Consultant, on or off Agency premises. Consultant shall maintain automobile liability insurance for the term of this Agreement covering any loss of liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle not
owned by the Consultant, on or off Agency premises. The policy shall provide a minimum limit of $1,000,000 per each accident. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

3.2.3 **General Liability/Umbrella Coverage.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies so long as in combination the limits equal or exceed those stated.

3.3 **Professional Liability Insurance.** If Consultant performs design work pursuant to this Agreement, Consultant shall maintain professional liability insurance for licensed professionals performing design work in connection with this Agreement in an amount not less than One Million Dollars ($1,000,000.00) covering the licensed professionals’ errors and omissions. Any deductible or self-insured retention shall not exceed Two Hundred Fifty-Thousand Dollars ($250,000.00) per claim.

3.4 **All Policies Requirements.**

3.4.1 **Verification of Coverage.** Prior to beginning any work under this Agreement, Consultant shall, at the sole option of the Agency, provide Agency with (1) Certification of insurance that demonstrates compliance with all applicable insurance provisions contained herein; (2) policy endorsements to the general liability policy adding the Northern California Power Agency as an Additional Insured and declaring such insurance primary in regard to work performed pursuant to this Agreement; or (3) upon request by the Agency, complete copies of all policies and/or complete copies of all endorsements that demonstrate compliance with this Section 3.

3.4.2 **Notice of Reduction in or Cancellation of Coverage.** A certified endorsement must be attached to all insurance obtained in accordance with this Agreement stating that coverage shall not be canceled, except after thirty (30) days’ prior written notice by certified mail, return receipt requested, has been given to the Agency. Consultant shall also provide thirty (30) days’ prior notice to the Agency by certified mail of any impending reduction in the limits or coverage of any insurance policies that form a part of this agreement.

3.5 **Waiver of Subrogation.** Consultant agrees to waive subrogation which any insurer of Consultant may acquire from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers’ Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Consultant, its employees, agents and subcontractors.

Section 4. **INDEMNIFICATION AND CONSULTANT’S RESPONSIBILITIES.**

4.1 Consultant shall to the fullest extent allowed by law, with respect to all services performed in connection with this Agreement, indemnify, defend and hold harmless the Agency and
BAMx Members, and their respective officials, commissioners, officers, employees, agents and volunteers, from and against any and all claims that arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of the Consultant. Consultant will bear all losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such Claims, whether directly or indirectly ("Liabilities"). Such obligations to defend, hold harmless and indemnify the Agency shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of the Agency.

Section 5.  STATUS OF CONSULTANT.

5.1 **Independent Contractor.** At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of Agency or any of the BAMx Members. Consultant shall have no authority, express or implied, to act on behalf of Agency or the BAMx Members in any capacity whatsoever as an agent.

Section 6.  LEGAL REQUIREMENTS.

6.1 **Governing Law.** The laws of the State of California shall govern this Agreement.

6.2 **Compliance with Applicable Laws.** Consultant and any subcontractors shall comply with all laws applicable to the performance of the work in connection with this Agreement.

6.3 **Licenses and Permits.** Consultant represents and warrants to Agency that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions.

6.4 **Nondiscrimination and Equal Opportunity.** In compliance with federal, state and local laws, Consultant shall not discriminate, on the basis of a person’s race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement.

Section 7.  MODIFICATION.

7.1 **Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties, and after consultation with BAMx Representatives.

7.2 **Assignment and Subcontracting.** Consultant may not assign this Agreement or any interest therein without the prior written approval of the Agency. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Agency.
7.3 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Consultant shall survive the termination of this Agreement.

7.4 **Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, Agency's remedies shall include, but not be limited to, the following:

7.4.1 Immediately terminate the Agreement;

7.4.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant in accordance with this Agreement;

**Section 8. KEEPING AND STATUS OF RECORDS.**

8.1 **Records Created as Part of Consultant's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains in accordance with this Agreement and that relate to the matters covered under the terms of this Agreement shall be the property of the Agency.

8.2 **Consultant's Books and Records.** Consultant shall maintain any and all records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.

8.3 **Confidential Information and Disclosure.** During the term of this Agreement, either Party (the "Disclosing Party") may disclose confidential, proprietary or trade secret information (the "Information"), to the other Party (the "Receiving Party"). The Receiving Party shall hold the Disclosing Party's Information in confidence and shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Information. Consultant understands that the Agency is a public agency and is subject to the laws that may compel it to disclose information about Consultant's business.

**Section 9. MISCELLANEOUS PROVISIONS.**

9.1 **Attorneys' Fees.** If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that Party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

9.2 **Venue.** In the event that either Party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
9.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect.

9.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

9.5 **Contract Administration.** This Agreement shall be administered on behalf of the Agency by Tony Zimmer, Supervisor of Industry Restructuring and Interconnection Affairs – Power Management, who shall act as the Agency’s representative. All correspondence other than required legal notices shall be directed to or through the representative.

9.6 **Notices.** Any written notice to Consultant shall be sent to:

Flynn Resource Consultants Inc.  
5440 Edgeview Drive  
Discovery Bay, CA 94505-9278  
Attn: Doug Boccignonone

Any written notice to Agency shall be sent to:

Randy S. Howard  
General Manager  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

With a copy to:

Tony Zimmer  
Supervisor of Industry Restructuring and Interconnection Affairs – Power Management  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

And with a copy to:

Michael F. Dean  
General Counsel  
Northern California Power Agency  
Meyers Nave  
555 Capitol Mall, Suite 1200  
Sacramento, CA 95814

9.7 **Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction
drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

9.8 **Integration: Incorporation.** This Agreement, including all the Exhibits attached hereto, represents the entire and integrated agreement between Agency and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. All Exhibits attached hereto are incorporated by reference herein.

9.9 **Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Consultant agree to resolve the dispute in accordance with the following:

Each Party will designate a senior management or executive level representative to negotiate the dispute. Through good faith negotiations, the representatives will attempt to resolve the dispute by any means within their authority. If dispute remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by mediation through a disinterested third person as mediator selected by both Parties. Mediation will begin within thirty (30) days of the selection of this disinterested third party, and will end fifteen (15) days after commencement. The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code § 900, et. seq.

9.10 **Counterparts:** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.
The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

Date: 8/28/15

RANDY S. HOWARD, General Manager

CONSULTANT

Date: ________________

DOUG BOCCIGNONE, Chief Financial Officer

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Asst. General Counsel
The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

Date: __________________________

RANDY S. HOWARD, General Manager

Attest:

_______________________________
Assistant Secretary of the Commission

Approved as to Form:

_______________________________
General Counsel

CONSULTANT

Date: 8-28-15

DOUG BOCIGNONE, Chief Financial Officer
EXHIBIT A
SCOPE OF SERVICES

BAY AREA MUNICIPAL UTILITIES (BAMx)
SCOPE OF SERVICES FOR FY2016

NCPA is entering into this agreement with Flynn Resource Consultants, Inc. ("Consultant") at the request of the cities of Alameda, Palo Alto and Santa Clara, and the Port of Oakland (the "BAMx Members"), so that NCPA may assist the BAMx Members in securing professional consulting services related to electric transmission, power generation, regulatory issues, and electric market design issues affecting the BAMx Members. NCPA's provision of related billing services is further addressed in the Professional Services Agreement Between Northern California Power Agency and the Cities of Alameda, Palo Alto, Santa Clara, and Port of Oakland (the "Bay Area Municipal Transmission Services Agreement" or "BAMx Agreement").

Each BAMx Member shall be represented by a designated BAMx Representative, listed below. During the term of this Agreement, the BAMx Representatives shall complete the Payment Voucher attached as Exhibit D to the BAMx Agreement to approve invoices from Consultant prior to NCPA remitting payment for services rendered by Consultant. The BAMx Representatives will also coordinate, as necessary, work related communications, task orders and invoice matters between and among the BAMx Members and Consultant.

The designated BAMx Representatives of the BAMx Members are:

- Joyce Kinne, City of Santa Clara
- Debbie Lloyd, City of Palo Alto
- Lindsay Battenberg, Alameda Municipal Power
- Nicolas Procos, Port of Oakland

Any BAMx Member may at any time designate another person as its BAMx Representative by providing written notice of such designation to the other BAMx Members, NCPA and Consultant.

The BAMx Members and Consultant intend to pursue the activities listed below during the term of this Agreement. Such activities will include monitoring, meeting participation, coordinating with affected or other participating parties, and, as necessary, preparing and submitting formal position submittals.

1. Grid Planning Activities
   - CAISO/PG&E annual transmission expansion planning process
   - Support or oppose specific transmission additions
   - Greater Bay Area long term studies
   - CAISO local capacity technical study process
   - Other regional and sub-regional transmission planning activities
   - CAISO Tariff and BPM Change Management Process
   - Generator Interconnection Procedure
   - Transmission cost allocation
   - Impacts due to potential generation retirements
   - Transmission for renewables
- CTPG planning process
- Tracy to Bay development activities
- Integration requirements for renewables

2. CPUC and CEC transmission matters
   - Resource adequacy issues
   - Renewable Portfolio Standard issues
   - Long Term Procurement issues
   - Approval of CPCNs for new transmission lines

3. California Market Design Activities
   - CAISO markets proceedings and implementation matters
   - Resource Adequacy / Local Capacity / Flexible Capacity / Deliverability
   - LMP congestion and losses incidence and impacts

4. Communicate Regularly with BAMx Members
   Client meetings, telephone conferences and written summaries of activities on key issues.
EXHIBIT B
COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all tasks under this Agreement, including all hourly fees and expenses, shall not exceed Seven-Hundred and Sixty Thousand Dollars ($760,000). The hourly rates and or compensation breakdown and an estimated amount of expenses is as follows:

Consultant hourly rates for the professional services are listed below.

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<th>Labor Category</th>
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<tr>
<td>Principal</td>
<td>$280-$300 per hour</td>
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<td>Managing Consultant</td>
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Travel (at coach rates), food, and miscellaneous expenses, except automobile mileage, associated with the provision of services hereunder shall be billed at cost. Automobile mileage will be billed at the rate approved by the Internal Revenue Service.

For any month in which specialized modeling software is used to perform services under this agreement, the following charges shall apply:

- Power flow modeling - $ 260/month
- Short circuit modeling – $775/month
- OASIS Data - $1,000/month
- Market modeling - $3,850/month

Specialized software costs that exceed the above amounts may be billed with the prior approval of the Agency and the affected BAMx Member.

NOTE: As a public agency, NCPA shall not reimburse Consultant for costs in excess of those permitted by the Internal Revenue Service.

2272862.2
Commission Staff Report

June 15, 2016

COMMISSION MEETING DATE:  June 23, 2016

SUBJECT:  Approval of a Second Phase Agreement for Renewable Energy Power Purchase Agreement

AGENDA CATEGORY:  Consent

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<th>David Dockham</th>
<th>METHOD OF SELECTION:</th>
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<td>Alameda Municipal Power</td>
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<td>City of Healdsburg</td>
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*If other, please specify.*

Amended and Restated
Facilities Agreement
Participants

*Place an X in the box next to the applicable Member(s) above.*

SR: 168:16
RECOMMENDATION:

NCPA staff recommends the Commission:

1. Adopt and approve the Second Phase Agreement for Renewable Energy Power Purchase Agreement as an NCPA Project; and

2. Authorize the General Manager of NCPA to execute the Second Phase Agreement for Renewable Energy Purchase Power Agreement, on behalf of NCPA, including any non-substantive modifications approved by NCPA’s General Counsel.

BACKGROUND:

NCPA Members are affected by a number of state and local policies that require an increasing amount of renewable energy supply to serve end-use load. Under current laws, publicly owned electric utilities are required to serve at least 33% of their end-use load using eligible renewable energy resources by 2020, and at least 50% by 2030. Several Members who are Participants under the Amended and Restated Facilities Agreement (“Facilities Agreement”) have requested NCPA to enter into negotiations to purchase renewable energy resources on their behalf, pursuant to the NCPA Project development procedures contained in the Facilities Agreement.

SECOND PHASE AGREEMENT

Pursuant to the terms and conditions of the Facilities Agreement, to enable NCPA to enter into negotiations to purchase renewable energy resources on behalf of Facilities Agreement Participants, NCPA must enter into a Second Phase Agreement with the subscribing Participants to enable NCPA to perform such activities on their behalf, and to obligate the subscribing Participants to pay for all costs NCPA may incur for undertaking such activities. In response to the request made by certain Participants, NCPA has developed the Second Phase Agreement for Renewable Energy Power Purchase Agreement (“Second Phase Agreement”). The Second Phase Agreement: (i) sets forth the terms and conditions under which NCPA shall solicit proposals for and negotiate a power purchase agreement on behalf of the Participants, (ii) authorize NCPA, acting on behalf of the Participants, to engage in all activities related to that basic purpose, and (iii) specify the rights and obligations of NCPA and the Participants with respect to the negotiation of a power purchase agreement for renewable energy.

The Second Phase Agreement has been attached to this staff report for your reference.

FISCAL IMPACT:

Pursuant to the Second Phase Agreement, the Participants agree to pay NCPA for all actual costs, including, but not limited to, administrative costs, including legal fees, associated with the activities under the Second Phase Agreement, which are estimated to be $35,000 or less.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

SR: 168:16
COMMITTEE REVIEW:

The recommendation was reviewed by the Facilities Committee on June 1, 2016, and was recommended for Commission approval.

Respectfully submitted,

[Signature]

RANDY S. HOWARD
General Manager

Attachments (2)
RESOLUTION 16-49

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVAL OF A SECOND PHASE AGREEMENT FOR RENEWABLE ENERGY
POWER PURCHASE AGREEMENT

(reference Staff Report #168:16)

WHEREAS, NCPA Members are affected by state laws and local policies that require increasing amounts of renewable energy to serve end-use electricity demands; and

WHEREAS, several Members who are Participants under the Amended and Restated Facilities Agreement ("Facilities Agreement") have requested NCPA to enter into negotiations to purchase renewable energy resources on their behalf, pursuant to the NCPA Project development procedures contained in the Facilities Agreement; and

WHEREAS, pursuant to the terms and conditions of the Facilities Agreement, to enable NCPA to enter into negotiations to purchase renewable energy resources on behalf of Facilities Agreement Participants, NCPA must enter into a Second Phase Agreement with the subscribing Participants to enable NCPA to perform such activities on their behalf, and to obligate the subscribing Participants to pay for all costs NCPA may incur for undertaking such activities; and

WHEREAS, in response to the request made by certain Participants, NCPA has developed the Second Phase Agreement for Renewable Energy Power Purchase Agreement ("Second Phase Agreement"); and

WHEREAS, the Second Phase Agreement: (i) sets forth the terms and conditions under which NCPA shall solicit proposals for and negotiate a power purchase agreement on behalf of the Participants, (ii) authorize NCPA, acting on behalf of the Participants, to engage in all activities related to that basic purpose, and (iii) specify the rights and obligations of NCPA and the Participants with respect to the negotiation of a power purchase agreement for renewable energy; and

WHEREAS, pursuant to the Second Phase Agreement, the Participants agree to pay NCPA for all actual costs, including, but not limited to, administrative costs, including legal fees, associated with the activities under the Second Phase Agreement, which are estimated to be $35,000 or less; and

WHEREAS, This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.
NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency:

1. Adopts and approves the Second Phase Agreement for Renewable Energy Power Purchase Agreement as an NCPA Project; and

2. Authorize the General Manager of NCPA to execute the Second Phase Agreement for Renewable Energy Purchase Power Agreement, on behalf of NCPA, including any non-substantive modifications approved by NCPA's General Counsel

PASSED, ADOPTED and APPROVED this ___ day of ______________, 2016 by the following vote on roll call:

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CAROL GARCIA  
CHAIRPERSON

ATTEST:  
CARY A. PADGETT  
ASSISTANT SECRETARY

NCPA Resolution - 16-49  
-2-
SECOND PHASE AGREEMENT

FOR

RENEWABLE ENERGY

POWER PURCHASE AGREEMENT
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SECOND PHASE AGREEMENT FOR RENEWABLE ENERGY
This SECOND PHASE AGREEMENT FOR RENEWABLE ENERGY ("this Agreement") is dated as of __________, 20__ by and among the Northern California Power Agency, a joint powers agency of the State of California ("NCPA"), and the signatories to this Agreement other than NCPA ("Participants"). NCPA and the Participants are referred to herein individually as a "Party" and collectively as the "Parties".

RECATS

A. NCPA has heretofore been duly established as a public agency pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California and, among other things, is authorized to acquire, construct, finance, and operate buildings, works, facilities and improvements for the generation and transmission of electric capacity and energy for resale.

B. Each of the Participants is a signatory to the Joint Powers Agreement which created NCPA and therefore is a Member.

C. Each of the Participants to this Agreement have executed the Amended and Restated Facilities Agreement which establishes the framework under which Project Agreements are created for the development, design, financing, construction, and operation of specific NCPA Projects.
D. The Participants desire NCPA to enter into a Renewable Energy Power Purchase Agreement ("Renewable PPA") to purchase electric capacity and energy produced by eligible renewable resources for the benefit of the Participants' customers.

E. Each Participant is authorized by its Constitutive Documents to obtain electric capacity and energy for its present or future requirements, through contracts with NCPA or otherwise.

F. To enable NCPA to enter into the Renewable PPA on behalf of the Participants, pursuant to the terms and conditions of the Amended and Restated Facilities Agreement, NCPA and the Participants wish to enter into this Agreement to provide all means necessary for NCPA to negotiate the Renewable PPA, and to enable and obligate the Participants to pay NCPA for all costs its incurs for undertaking the foregoing activities.

G. Upon full execution of this Agreement, NCPA, on behalf of the Participants, will enter into negotiations with one or more prospective suppliers ("Seller") of Renewable Energy Supply.

H. Contingent upon negotiating mutually acceptable terms and conditions with one or more prospective suppliers, NCPA will present the proposed Renewable PPA to the NCPA Commission for review and approval. Contemporaneously, NCPA will seek final approval from Participants through a Third Phase Agreement for Renewable Energy
that would govern the rights and obligations of NCPA and Participants related to the sale and purchase of Products.

I. Each of the Parties intends to observe the provisions of this Agreement in good faith and shall cooperate with all other Parties in order to achieve the full benefits of joint action.

J. The Parties desire to equitably allocate costs of NCPA’s provision of services under this Agreement among the Participants.

K. The Participants further desire, insofar as possible, to insulate other Members who are not Participants, from risks inherent in the services and transactions undertaken on behalf of the Participants pursuant to this Agreement.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Definitions.

1.1 Definitions. Whenever used in this Agreement (including the Recitals hereto), the following terms shall have the following respective meanings, provided, capitalized terms used in this Agreement (including the Recitals hereto) that are not defined in Section 1 of this Agreement shall have the meaning indicated in Section 1 of the Power Management and Administrative Services Agreement:

1.1.1 “Agreement” means this Second Phase Agreement for Renewable Energy including all Exhibits attached hereto.
1.1.2 "Capacity Attributes" means any and all current or future defined characteristics consistent with the operational limitations of the Project, certificates, tags, credits, ancillary service attributes, or accounting constructs, howsoever entitled, including resource adequacy benefits, Flexible Capacity Benefits, and any tracking or accounting associated with the foregoing, intended to value any aspect of the capacity of the Project to produce Energy or ancillary services, attributed to or associated with the Project.

1.1.3 “Constitutive Documents” means, with respect to NCPA, the Joint Powers Agreement and any resolutions or bylaws adopted thereunder with respect to the governance of NCPA, and with respect to each Participant, the California Government Code and other statutory provisions applicable to such Participant, any applicable agreements, charters, contracts or other documents concerning the formation, operation or decision making of such Participant, including, if applicable, its City Charter, and any codes, ordinances, bylaws, and resolutions adopted by such Participant’s governing body.

1.1.4 “Effective Date” shall have the meaning set forth in Section 7 of this Agreement.

1.1.5 “Energy” means electric energy expressed in units of kWh or MWh.
1.1.6 "Environmental Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, as the case may be, and its displacement of conventional energy generation. Environmental Attributes include: (i) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (ii) any avoided emissions of carbon dioxide (CO2), methane (CH4) and other greenhouse gases that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; and (iii) the reporting rights to these avoided emissions such as, but not limited to, a Renewable Energy Certificate ("REC").

Environmental Attributes do not include: (i) any Energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project, and other financial incentives in the form of credits, reductions, or allowances associated with the Project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by Seller or the owners of the site for the destruction of particular pre-existing pollutants or the promotion of local environmental benefits, or (iv)
emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits.

1.1.7 "Flexible Capacity" has the meaning set forth in the CAISO Tariff.

1.1.8 "Flexible Capacity Benefits" means the rights and privileges attached to any generating resource that satisfy any entity's Flexible Capacity requirement.

1.1.9 "Initiating Members" shall have the meaning as set forth in Section 4.2.

1.1.10 "NCPA" has the meaning set forth in the recitals hereto.

1.1.11 "Participant" has the meaning set forth in the recitals of this Agreement.

1.1.12 "Power Management and Administrative Services Agreement" means the NCPA Power Management and Administrative Services Agreement, dated as of October 1, 2014 between NCPA and the Members who are signatories to that agreement by which NCPA provides Power Management and Administrative Services.

1.1.13 "Product" means Energy, Capacity Attributes and Environmental Attributes delivered to the Participants pursuant to the Renewable PPA.

1.1.14 "Project" or "Renewable PPA" means the Renewable Energy Power Purchase Agreement to be negotiated by NCPA and Seller, under which NCPA, on behalf of the Participants, purchases Product from solar photovoltaic resources.
1.1.15 "Party" or "Parties" has the meaning set forth in the preamble hereto; provided that "Third Parties" are entities that are not Party to this Agreement.

1.1.16 "Renewable Energy Supply" refers to power supply resources eligible for use under the Renewable Portfolio Standard Program.

1.1.17 "RPS" or "Renewable Portfolio Standard Program" means the State of California Renewable Portfolio Standard Program, as codified at California Public Utilities Code Section 399.11, et seq.

1.1.18 "Seller" has the meaning set forth in the recitals of this Agreement.

1.1.19 "Term" has the meaning set forth in Section 7.

1.2 Rules of Interpretation. As used in this Agreement (including the Recitals hereto), unless in any such case the context requires otherwise: The terms "herein," "hereof," "herewith" and "hereof" are references to this Agreement taken as a whole and not to any particular provision; the term "include," "includes" or "including" shall mean "including, for example and without limitation," and references to a "Section," "subsection," "clause," "Appendix", "Schedule", or "Exhibit" shall mean a Section, subsection, clause, Appendix, Schedule or Exhibit of this Agreement, as the case may be. All references to a given agreement, instrument, tariff or other document, or law, regulation or ordinance shall be a reference to that agreement, instrument, tariff or other document, or law, regulation or ordinance as such now exists and as may be amended.
from time to time, or its successor. A reference to a "person" includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having a separate legal personality and includes its successors and permitted assigns. A reference to a "day" shall mean a Calendar Day unless otherwise specified. The singular shall include the plural and the masculine shall include the feminine, and vice versa.

Section 2. **Purpose.**

The purpose of this Agreement is to: (i) set forth the terms and conditions under which NCPA shall solicit proposals for and negotiate the Renewable PPA on behalf of the Participants, (ii) authorize NCPA, acting on behalf of the Participants, to engage in all activities related to that basic purpose, and (iii) specify the rights and obligations of NCPA and the Participants with respect to the negotiation of the Renewable PPA.

Section 3. **Negotiation of Sale and Purchase of Product.**

By executing this Agreement, each Participant acknowledges and agrees to be bound by the terms and conditions of the Renewable PPA. NCPA shall negotiate the terms and conditions of the Renewable PPA with one or more potential suppliers of Renewable Energy Supply from one or more solar photovoltaic generation facilities on behalf of the Participants. Participants agree to pay NCPA for all actual costs, including, but not limited to, administrative costs, including legal fees, associated with the activities under this Agreement, which are estimated to be thirty-five thousand dollars ($35,000) or less. NCPA
shall allocate costs to Participants in proportion to each Participant's Final Project Participation Percentage, as reflected in Exhibit B.

Section 4. Participation.

4.1 Eligibility. All Members who are signatory to the Amended and Restated Facilities Agreement are eligible to participate in this Agreement by delivering a duly executed copy of this Agreement to NCPA prior to the Effective Date, and subject to availability of the Renewable Energy Supply as described in Section 4.2.

4.2 Priority. This Agreement has been developed in response to certain Members' request for NCPA to acquire Renewable Energy Supply on their behalf (hereinafter referred to as the "Initiating Members"). The Initiating Members are listed in Exhibit A. To the extent the amount of Renewable Energy Supply that is made available by Seller is not sufficient to satisfy all Members' requests for a desired amount of Renewable Energy Supply; first priority will be given to the Initiating Members, and secondary priority will be given to all other Members who become a Participant. If after meeting the requests of the Initiating Members, any remaining available Renewable Energy Supply will be allocated to all other Participants based on a first-come first-serve basis, until the total amount of available Renewable Energy Supply is exhausted, or until all Participants' requests have been satisfied, whichever comes first.

4.3 Final Participation Percentages. Upon the Effective Date of this Agreement, NCPA shall include each Participant's Final Project Participation Percentage in Exhibit B.
Section 5. **Billing and Payments.**

5.1 **Participant Payment Obligations.** Each Participant agrees to pay to NCPA each month its respective portion of the actual costs associated with negotiation and implementation of the Renewable PPA, and all other costs for services provided in accordance with this Agreement and the Amended and Restated Facilities Agreement.

5.2 **Invoices.** NCPA will issue an invoice to each Participant for its share of actual costs associated with negotiation and implementation of the Renewable PPA, and all other costs for services provided in accordance with this Agreement and the Amended and Restated Facilities Agreement. Such invoice may be either the All Resources Bill or separate special invoice, as determined by NCPA. At NCPA’s discretion, invoices may be issued to Participants using electronic media or physical distribution.

5.3 **Payment of Invoices.** All invoices delivered by NCPA (including the All Resources Bill) are due and payable thirty (30) Calendar Days after the date thereof; provided, however, that any amount due on a day other than a Business Day may be paid on the following Business Day.

5.4 **Late Payments.** Any amount due and not paid by a Participant in accordance with Section 5.3 shall be considered late and bear interest computed on a daily basis until paid at the lesser of (i) the per annum prime rate (or reference rate) of the Bank of America NT&SA then in effect, plus two percent (2%) or (ii) the maximum rate permitted by law.
5.5 **Billing Disputes.** A Participant may dispute the accuracy of any invoice issued by NCPA under this Agreement by submitting a written dispute to NCPA, within thirty (30) Calendar Days of the date of such invoice; nonetheless the Participant shall pay the full amount billed when due. If a Participant does not timely question or dispute the accuracy of any invoice in writing, the invoice shall be deemed to be correct. Upon review of a submitted dispute, if an invoice is determined by NCPA to be incorrect, NCPA shall issue a corrected invoice and refund any amounts that may be due to the Participant. If NCPA and the Participant fail to agree on the accuracy of an invoice within thirty (30) Calendar Days after the Participant has disputed it, the General Manager shall promptly submit the dispute to the Commission for resolution. If the Commission and the Participant fail to agree on the accuracy of a disputed invoice within sixty (60) Calendar Days of its submission to the Commission, the dispute may then be resolved under the mediation and arbitration procedures set forth in Section 9 of this Agreement. Provided, however, that prior to resorting to either mediation or arbitration proceedings, the full amount of the disputed invoice must be paid.

5.6 **Billing/Settlement Data and Examination of Books and Records.**

5.6.1 **Settlement Data.** NCPA shall make billing and settlement data available to the Participants in the All Resources Bill, or other invoice, or upon request. NCPA may also, at its sole discretion, make billing and settlement support information available to Participants using electronic media (e.g. electronic data portal).
Procedures and formats for the provision of such electronic data submission may be established by the Commission from time to time. Without limiting the generality of the foregoing, NCPA may, in its reasonable discretion, require the Participants to execute a non-disclosure agreement prior to providing access to the NCPA electronic data portal.

5.6.2 Examination of Books and Records. Any Participant to this Agreement shall have the right to examine the books and records created and maintained by NCPA pursuant to this Agreement at any reasonable, mutually agreed upon time.

Section 6. Cooperation and Further Assurances.

Each of the Parties agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by any other Party which are consistent with the provisions of this Agreement and which do not involve the assumption of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement. The Parties agree to cooperate and act in good faith in connection with obtaining any credit support required in order to satisfy the requirements of this Agreement.

Section 7. Term and Termination.

This Agreement shall become effective when it has been duly executed by NCPA and at least one Participant (the “Effective Date”). The date on which NCPA makes this
Agreement effective shall be determined by NCPA, at its sole discretion. NCPA shall deliver a written notice to all Members that are signatory to the Amended and Restated Facilities Agreement, stating the Effective Date of this Agreement. This Agreement shall commence on the Effective Date and shall continue until the Agreement terminates, which shall occur when either:

7.1 All negotiations for a potential Renewable PPA pursuant to this Agreement are terminated by NCPA in its discretion; or

7.2 Upon the effective date of a Third Phase Agreement with one or more Participants relating to a Renewable Energy PPA.

Section 8. **Withdrawal of Participants.**

No Participant may withdraw from this Agreement except as otherwise for provided herein.

Section 9. **Settlement of Disputes and Arbitration.**

The Parties agree to make best efforts to settle all disputes among themselves connected with this Agreement as a matter of normal business under this Agreement. The procedures set forth in Section 10 of the Power Management and Administrative Services Agreement shall apply to all disputes that cannot be settled by the Participants themselves; provided, that the provisions of Section 5.5 of this Agreement shall first apply to all disputes involving invoices prepared by NCPA.

Section 10. **Miscellaneous.**
10.1 **Indemnification and Hold Harmless.** Subject to the provisions of Section 10.3, each Participant agrees to indemnify, defend and hold harmless NCPA and its Members, including their respective governing boards, officials, officers, agents, and employees, from and against any and all claims, suits, losses, costs, damages, expenses and liability of any kind or nature, including reasonable attorneys' fees and the costs of litigation, including experts, to the extent caused by any acts, omissions, breach of contract, negligence (active or passive), gross negligence, recklessness, or willful misconduct of that Participant, its governing officials, officers, employees, subcontractors or agents, to the maximum extent permitted by law.

10.2 **Several Liabilities.** No Participant shall, in the first instance, be liable under this Agreement for the obligations of any other Participant or for the obligations of NCPA incurred on behalf of other Participants. Each Participant shall be solely responsible and liable for performance of its obligations under this Agreement, except as otherwise provided for herein. The obligation of each Participant under this Agreement is, in the first instance, a several obligation and not a joint obligation with those of the other Participants.

Notwithstanding the foregoing, the Participants acknowledge that any debts or obligations incurred by NCPA under this Agreement on behalf of any of them shall be borne solely by such Participants, and not by non-Participant Members of NCPA, pursuant to Article IV, Section 3(b) of the Joint Powers Agreement.
10.3 No Consequential Damages. FOR ANY BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED. IF NO REMEDY OR MEASURE OF DAMAGE IS EXPRESSLY PROVIDED, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED TO ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES AND REMEDIES ARE HEREBY WAIVED. IN NO EVENT SHALL NCPA OR ANY PARTICIPANT OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, REPRESENTATIVES, DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE OR INCIDENTAL LOSSES OR DAMAGES, INCLUDING LOSS OF USE, LOSS OF GOODWILL, LOST REVENUES, LOSS OF PROFIT OR LOSS OF CONTRACTS EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NCPA AND EACH PARTICIPANT EACH HEREBY WAIVES SUCH CLAIMS AND RELEASES EACH OTHER AND EACH OF SUCH PERSONS FROM ANY SUCH LIABILITY.

The Parties acknowledge that California Civil Code section 1542 provides that: “A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her
must have materially affected his or her settlement with the debtor.” The Parties waive the provisions of section 1542, or other similar provisions of law, and intend that the waiver and release provided by this Section of this Agreement shall be fully enforceable despite its reference to future or unknown claims.

10.4 Waiver. No waiver of the performance by a Party of any obligation under this Agreement with respect to any default or any other matter arising in connection with this Agreement shall be effective unless given by the Commission. Any such waiver by the Commission in any particular instance shall not be deemed a waiver with respect to any subsequent performance, default or matter.

10.5 Amendments. Except where this Agreement specifically provides otherwise, this Agreement may be amended only by written instrument executed by the Parties with the same formality as this Agreement.

10.6 Assignment of Agreement.

10.6.1 Binding Upon Successors. This Agreement shall inure to the benefit of and shall be binding upon the respective successors and assignees of the Parties to this Agreement.

10.6.2 No Assignment. Neither this Agreement, nor any interest herein, shall be transferred or assigned by a Party hereto except with the consent in writing of the other Parties hereto, which such consent shall not be unreasonably withheld, provided that such transfer or assignment shall be only to another NCPA Member.

SECOND PHASE AGREEMENT FOR RENEWABLE ENERGY
10.7 **Severability.** In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless the court holds that such provisions are not severable from all other provisions of this Agreement.

10.8 **Governing Law.** This Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

10.9 **Headings.** All indices, titles, subject headings, section titles and similar items are provided for the purpose of convenience and are not intended to be inclusive, definitive, or affect the meaning of the contents of this Agreement or the scope thereof.

10.10 **Notices.** Any notice, demand or request required or authorized by this Agreement to be given to any Party shall be in writing, and shall either be personally delivered to a Participant’s Commissioner or Alternate, and to the General Manager, or shall be transmitted to the Participant and the General Manager at the addresses shown on the signature pages hereof. The designation of such addresses may be changed at any time by written notice given to the General Manager who shall thereupon give written notice of such change to each Participant. All such notices shall be deemed delivered when personally delivered, two (2) Business Days after deposit in the United States mail.

SECOND PHASE AGREEMENT FOR RENEWABLE ENERGY
first class postage prepaid, or on the first Business Day following delivery through
electronic communication.

10.11 Warranty of Authority. Each Party represents and warrants that it has been
duly authorized by all requisite approval and action to execute and deliver this Agreement
and that this Agreement is a binding, legal, and valid agreement enforceable in accordance
with its terms. Upon execution of this Agreement, each Participant shall deliver to NCPA
a resolution of the governing body of such Participant evidencing approval of and
authority to enter into this Agreement.

10.12 Counterparts. This Agreement may be executed in any number of
counterparts, and each executed counterpart shall have the same force and effect as an
original instrument and as if all the signatories to all of the counterparts had signed the
same instrument. Any signature page of this Agreement may be detached from any
counterpart of this Agreement without impairing the legal effect of any signatures thereon,
and may be attached to another counterpart of this Agreement identical in form hereto but
having attached to it one or more signature pages.

10.13 Venue. In the event that a Party brings any action under this Agreement, the
Parties agree that trial of such action shall be vested exclusively in the state courts of
California in the County of Placer or in the United States District Court for the Eastern
District of California.
10.14 **Attorneys' Fees.** If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, each Party shall bear its own fees and costs, including attorneys’ fees, associated with the action.

10.15 **Counsel Representation.** Pursuant to the provisions of California Civil Code Section 1717 (a), each of the Parties were represented by counsel in the negotiation and execution of this Agreement and no one Party is the author of this Agreement or any of its subparts. Those terms of this Agreement which dictate the responsibility for bearing any attorney’s fees incurred in arbitration, litigation or settlement in a manner inconsistent with the provisions of Section 10.1 were intentionally so drafted by the Parties, and any ambiguities in this Agreement shall not be interpreted for or against a Party by reason of that Party being the author of the provision.

10.16 **No Third Party Beneficiaries.** Nothing contained in this Agreement is intended by the Parties, nor shall any provision of this Agreement be deemed or construed by the Parties, by any third person or any Third Parties, to be for the benefit of any Third Party, nor shall any Third Party have any right to enforce any provision of this Agreement or be entitled to damages for any breach by the Parties of any of the provisions of this Agreement.
IN WITNESS WHEREOF, NCPA and each Participant have, by the signature of its duly authorized representative shown below, executed and delivered a counterpart of this Agreement.

NORTHERN CALIFORNIA
POWER AGENCY
651 Commerce Drive
Roseville, CA 95678

By:    Randy S. Howard
Title:  General Manager
Date:  

Approved as to form:

By:

Its: General Counsel
Date:  

SECOND PHASE AGREEMENT FOR RENEWABLE ENERGY
Participant Name: ____________________
Address: ___________________________
__________________________
__________________________

Authorized signature:
Signature: _______________________
By (Print Name): __________________
Title: ___________________________
Date: ___________________________

Approved as to form:
Signature: _______________________
By (Print Name): __________________
Title: ___________________________
Date: ___________________________

Attestation (if applicable)
Signature: _______________________
By (Print Name): __________________
Title: ___________________________
Date: ___________________________

SECOND PHASE AGREEMENT FOR RENEWABLE ENERGY
EXHIBIT A

INITIATING MEMBERS

The following is a list of the Initiating Members who submitted a request for NCPA to purchase Renewable Energy Supply on their behalf. Their respective Initial Project Participation Percentage share of the Project are:

<table>
<thead>
<tr>
<th>INITIATING MEMBERS</th>
<th>MW</th>
<th>INITIAL PROJECT PARTICIPATION PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Biggs</td>
<td>0.25</td>
<td>3.00%</td>
</tr>
<tr>
<td>City of Gridley</td>
<td>0.75</td>
<td>7.00%</td>
</tr>
<tr>
<td>City of Lodi</td>
<td>10.00</td>
<td>90.00%</td>
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EXHIBIT B
LIST OF PARTICIPANTS

The following is a list of the Participants who are signatory to this Agreement, and their respective Final Project Participation Percentage share of the Project:

<table>
<thead>
<tr>
<th>PARTICIPANT</th>
<th>MW</th>
<th>FINAL PROJECT PARTICIPATION PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
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<td>0.00%</td>
</tr>
<tr>
<td>Member</td>
<td>0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Member</td>
<td>0.00</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

2663604.1

SECOND PHASE AGREEMENT FOR RENEWABLE ENERGY
Commission Staff Report

June 15, 2016

COMMISSION MEETING DATE: June 23, 2016

SUBJECT: Approval to Rescind Previous Smart Grid Project Agreement and Approval of New Smart Grid Project Agreement

AGENDA CATEGORY: Consent

<table>
<thead>
<tr>
<th>FROM:</th>
<th>METHOD OF SELECTION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Caracisti</td>
<td>N/A</td>
</tr>
<tr>
<td>Information Services</td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
</tr>
<tr>
<td>Division: Administrative Services</td>
<td>If other, please describe:</td>
</tr>
<tr>
<td>Department: Information Services</td>
<td></td>
</tr>
</tbody>
</table>

**IMPACTED MEMBERS:**

<table>
<thead>
<tr>
<th>All Members</th>
<th>City of Lodi</th>
<th>City of Ukiah</th>
<th>City of Lodi</th>
<th>City of Ukiah</th>
<th>Plumas-Sierra REC</th>
<th>Port of Oakland</th>
<th>Truckee Donner PUD</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda Municipal Power</td>
<td>City of Lompoc</td>
<td>City of Palo Alto</td>
<td>City of Redding</td>
<td>City of Roseville</td>
<td>City of Santa Clara</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bay Area Rapid Transit</td>
<td>City of Biggs</td>
<td>City of Gridley</td>
<td>City of Healdsburg</td>
<td>City of Santa Clara</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

*Place an X in the box next to the applicable Member(s) above.*

SR: 170:16
RECOMMENDATION:

Staff recommends that the NCPA Commission:

1. Rescind the previously approved, unexecuted Smart Grid Project Agreement between Northern California Power Agency and Contracting Participants, and
2. Approve the new form of the Smart Grid Project Agreement, including any non-substantive modifications to the Agreement as approved by NCPA’s General Counsel, and
3. Authorize the General Manager of NCPA to execute the Agreement and revise Exhibit A as individual members execute the Agreement, and
4. Approve an addition to the NCPA FY 2017 Budget for an amount to be determined based on the sum of each Contracting Participant’s authorized maximum budget amounts in the “Participant Pass-Through Account, Smart Grid Program” to provide funding for this Agreement. Due to the multi-year nature of these activities, this funding authorization will carry over for several years to complete the project.

BACKGROUND:

NCPA Members are in various stages of evaluation and decision making with respect to implementing smart grid systems in each of their respective utilities. In support of this effort, in early 2015 an ad hoc Smart Grid Committee was formed of NCPA staff and members to identify opportunities where NCPA could provide joint action agency services in support of members’ smart grid initiatives. The committee found common ground for pursuing joint efforts among three main areas: (1) information sharing; (2) replacement of Customer Information Systems (CIS); and, (3) replacement of Meter Data Management Systems (MDMS) to function as an interface between the CIS and smart grid system.

To assist the Smart Grid Committee and NCPA members in their efforts related to smart grid initiatives, in October 2015, the NCPA Commission approved the Smart Grid Project Agreement. The Smart Grid Project Agreement establishes the contractual relationship between NCPA and Contracting Participants who desire NCPA to secure services on their behalf with respect to smart grid services for consulting services as well as other potential future services for the implementation, integration, maintenance and other functions related to smart grid system solutions. This services agreement between NCPA and Contracting Participants is a ten year agreement that is designed to be flexible to meet each participant’s specific utility smart grid needs. Individual Contracting Participants may, subject to certain conditions, elect to participate or opt out of certain project phases and tasks based on their particular utility smart grid requirements. Members who have expressed interest to date in becoming Contracting Participants for various smart grid consulting services include the cities of Alameda, Healdsburg, Lodi, Palo Alto, Santa Clara and Ukiah. As of this date, no members have executed the version of the Smart Grid Project Agreement approved by the Commission in 2015.

Related to this agreement, NCPA, acting on behalf of the ad hoc Smart Grid Project committee members issued a Request for Proposals (RFP) for consulting services to develop specifications to facilitate the procurement of Customer Information Systems (CIS), Meter Data Management Systems (MDMS), and related smart grid consulting services for each applicable NCPA member utility. TMG Consulting was selected during this process as the preferred consultant and for its first task, TMG Consulting provided several educational workshops for those members who had expressed interest regarding the state of the marketplace and trends with respect to each of the CIS and MDMS solutions and system integration. The next expected
task after the workshop was the development of CIS and/or MDMS specifications and requirements to meet each Contracting Participant utility’s future operational requirements that could be used to solicit vendors for specified technology solutions. However, after learning about the process of selecting both CIS and MDMS solutions, those NCPA members who had expressed interest in contracting for smart grid services re-evaluated their strategies regarding procurement and chose to delay development of specifications and requirements until further analysis is provided and studied. Given the current direction with respect to members’ smart grid initiatives, and since the Smart Grid Project Agreement has not been executed, staff recommends that the Commission rescind the previously approved Smart Grid Project Agreement and approve a new Agreement that better aligns with the needs of interested members by providing the following:

1. Remove monthly administrative fee paid to NCPA in section 6.2; the administrative costs will be assessed on a task by task basis (similar to the Support Services Program Agreement) and agreed to by each Contracting Participant.
2. Remove specific references to Tasks A1 and A2 in Exhibit B as these tasks will not be performed.
3. Remove examples of cost allocation for Task A activities in Exhibit C as this is no longer relevant.
4. Provide for flexibility for the General Manager to update Exhibit A (individual not to exceed participant amounts by Contracting Participant) as each member executes the agreement.
5. Modify Section 3.2 of the Agreement to allow the Authorized Representative to be changed by written notice from a Contracting Participant, also signed by the Contracting Participant’s general counsel or city attorney.
6. Modify Section 3.6 for Contracting Participant to set and modify authorized budget amounts based on written request of Contracting Participant and accompanying resolution of the Contracting Participant’s governing body.
7. Modify Section 10.6 to reflect that notices be sent to the NCPA General Manager, who is the signatory of the Agreement.
8. Modify Scope of Services section in Exhibit B to indicate that NCPA approval process for additional tasks requested by Contracting Participants will be consistent with NCPA’s procurement approval process.
9. Provide for inclusion of Contracting Member not to exceed amounts in the FY 17 budget since FY 16 is nearly completed.

A redline version showing proposed revisions to the Smart Grid Project Agreement is attached.

FISCAL IMPACT:

Total cost of the project is not to exceed an amount to be determined by the sum of each Contracting Participant’s maximum authorized budget amount over the ten year term of the Agreement. This project was not included in either the current or upcoming 2017 fiscal year budget. The budget will be augmented by adding additional funds as determined above, to accounts in the Participant Pass-Through Program. Costs for identified utility-specific work will be directly allocated to the appropriate Contracting Participant, where possible. For costs associated with joint activities for identified tasks performed during a given fiscal year, cost allocation will be based on applicable costs evenly divided among the number of Contracting Participants for a specific task. Allocations for future tasks may be based on different, agreed upon cost allocation methodology among the Contracting Participants of each individual task under the Smart Grid Program.
ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,

[Signature]

RANDY S. HOWARD
General Manager

Attachments (2)
RESOLUTION 16-51

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
RESCINDING AND APPROVING THE EXECUTION OF SMART GRID PROJECT
AGREEMENT BETWEEN NORTHERN CALIFORNIA POWER AGENCY AND
CONTRACTING PARTICIPANTS

(reference Staff Report #170:16)

WHEREAS, NCPA members are in various stages of evaluation and decision making with
respect to implementing smart grid systems in each of their respective utilities; and

WHEREAS, in support of this effort, a Smart Grid ad hoc Committee was formed in 2015 of
NCPA staff and members to identify opportunities where NCPA could provide joint action agency
services; and

WHEREAS, the Smart Grid ad hoc Committee identified common ground for pursuing joint
efforts among information sharing, replacement of Customer Information Systems (CIS), replacement
of Meter Data Management Systems (MDMS), and other potential related smart grid services, in
which these activities hereon are collectively referred to as the Smart Grid Project; and

WHEREAS, the Cities of Alameda, Healdsburg, Lodi, Palo Alto, Santa Clara, and Ukiah
expressed interest in becoming Contracting Participants to the Smart Grid Project; and

WHEREAS, the Commission having approved Resolution 15-66 and authorizing a Smart Grid
Project Agreement between the Northern California Power Agency and Contracting Participants as a
contractual mechanism for members to secure NCPA’s services under this Agreement to provide
Smart Grid Project development, implementation, and maintenance related services that meet the
specific needs for each of their utility’s smart grid requirements; and

WHEREAS, based on subsequent feedback from several members regarding the scope and
direction of their smart grid project activities, in addition to the fact that the current Agreement has not
been executed, staff recommends the Commission rescind the existing Smart Grid Project
Agreement and approve a revised Smart Grid Project Agreement between Northern California Power
Agency and Contracting Participants that provides the changes detailed in Staff Report 170:16 that
are necessary to better align the Agreement with the needs of Contracting Participants with respect to
anticipated smart grid services; and

WHEREAS, NCPA will provide such smart grid services on behalf of Contracting Participants
through executed consulting agreements between NCPA and selected consultants; and

WHEREAS, in accordance with the Smart Grid Project Agreement between Northern California
Power Agency and Contracting Participants, each Contracting Participant will agree to pay for all
services to be provided pursuant to this Agreement; and

WHEREAS, authorized budgeted amounts in Exhibit A of the Agreement currently indicates
"TBD" (to be determined) as the not-to-exceed participation by each Contracting Participant; and

WHEREAS, each Contracting Participant will determine its individual amount to be inserted
into Exhibit A, without need for further Commission action; and
WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency adopts and approves the following:

1. Rescind the previously approved, unexecuted Smart Grid Project Agreement between Northern California Power Agency and Contracting Participants.
2. Approve the new form of the Smart Grid Project Agreement, including any non-substantive modifications to the Agreement as approved by NCPA's General Counsel, and
3. Authorize the General Manager of NCPA to execute the Agreement and revise Exhibit A as individual members execute the Agreement, and
4. Approve an addition to the NCPA FY 2017 Budget for an amount to be determined based on the sum of each Contracting Participant's authorized maximum budget amounts in the "Participant Pass-Through Account, Smart Grid Program" to provide funding for this Agreement. Due to the multi-year nature of these activities, this funding authorization will carry over for several years to complete the project, and

PASSED, ADOPTED and APPROVED this ___ day of ______________ 2016, by the following vote on roll call:

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CAROL GARCIA
CHAIRPERSON

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY
SMART GRID PROJECT AGREEMENT BETWEEN
NORTHERN CALIFORNIA POWER AGENCY
AND CONTRACTING PARTICIPANTS

This SMART GRID PROJECT Agreement ("Agreement") is made by and between the
NORTHERN CALIFORNIA POWER AGENCY ("NCPA"), a joint public powers agency with offices
located at 651 Commerce Drive, Roseville, California and each Participant identified in Exhibit A
(attached hereto and incorporated herein, each being a "Contracting Participant" and jointly
referred to as "Contracting Participants"). NCPA and the Contracting Participants are together
sometimes referred to herein individually as a "Party" and collectively as the "Parties". This
Agreement is made as of _______________, 20__ (the "Effective Date") in Roseville, California.

Section 1.  TERMS

This Agreement is entered into based on the following facts, among others:

1.1 NCPA is a public agency created by a joint powers agreement established under
California law for the purpose of assisting its members in the efficient use of their common powers.

1.2 Contracting Participant is engaged in, among other things, transmitting and
distributing electric power and other utility services within its respective corporate limits. .
Contracting Participant desires that NCPA provide Contracting Participant with the Services
described in this Agreement.

1.3 Article III, section 3 of the "Amended and Restated Northern California Power
Agency Joint Powers Agreement" (as amended and effective January 1, 2008) (hereinafter "JPA")
entitled "Powers and Functions" provides that none of the debts, liabilities or obligations of NCPA
shall be the debts, liabilities or obligations of any of the members of NCPA unless assumed in a
particular case by resolution of the governing body of the member to be charged. Notwithstanding
the foregoing, Article V, section 1 of the JPA entitled "General Provisions" provides that "[t]he
governing Commission of NCPA is authorized to procure public liability and other insurance as it
deems advisable to protect NCPA and each of the parties hereto, charging the cost thereof to the
operating costs of NCPA."

1.4 Contracting Participant desires to secure NCPA's Services under this Agreement in
a manner that balances the Contracting Participant's interests and the interests of NCPA members
with the ongoing financial viability and professional responsibilities of NCPA. Accordingly,
Contracting Participant desires to secure NCPA's Services under this Agreement by accepting a
limited insurance based recourse against NCPA, with the option of procuring additional insurance
at Contracting Participant's sole expense, thereby insuring that NCPA will substantially limit its risk
for the provision of such Services which, in turn, allocates risks back to the Contracting Participant
in the event NCPA is not adequately insured.
1.5 NCPA will provide Services to Contracting Participants under this Agreement by contracting with various consultants ("Consultants") pursuant to one or more Services Agreements between the Northern California Power Agency and selected Consultants ("Services Agreements").

1.6 Contracting Participants desire to secure NCPA's Services under this Agreement to provide Smart Grid Project development, implementation and maintenance related services. These services may include development of Specifications to facilitate Procurement of Customer Information Systems & Meter Data Management Systems for Contracting Participants (Smart Grid Project), as well as other related Smart Grid functions to assist Contracting Participants in development of various components of Smart Grid solutions at their utility.

Section 2. DEFINITIONS

Whenever used in this Agreement with initial capitalization, these terms shall have the following meanings as applicable, whether in the singular or plural:

2.1 "Consultants" shall mean one or more consultants selected by NCPA throughout the term of this Agreement to assist with the Smart Grid Project, pursuant to the Services Agreements.

2.2 "Fiscal Year" shall mean the NCPA fiscal year, a twelve month period beginning July 1 and ending on the following June 30.

2.3 "Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period; or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result of the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region and consistently adhered to by the electric utility industry.

2.4 "Contracting Participant" or "Participant" shall mean a signatory to this Agreement.

2.5 "Services Agreements" shall mean the Services Agreements between Northern California Power Agency and Consultants to provide Smart Grid related consulting services.

2.6 "Smart Grid Project" shall mean the system components as described in the Scope of Service in Exhibit B.

2.7 "Stranded Costs" shall mean all costs incurred by NCPA in providing Services to Contracting Participants under this Agreement for one or more Tasks that could not reasonably be avoided by NCPA from the date it receives a written notice of termination for a particular Task pursuant to Section 4.2. Such costs may include, but not be limited to, salary and employment costs, rent, utilities, NCPA's administrative costs or contracts incurred to provide Services under this Agreement.
2.8 "Tasks" shall mean each individual task or service provided to one or more Contracting Participants pursuant to one or more Services Agreements.

Section 3. SERVICES TO BE PROVIDED; AUTHORIZED REPRESENTATIVES; STANDARD OF PERFORMANCE

3.1 Services. This Agreement is entered into by the Parties in order for NCPA to provide services to Contracting Participant as described in the Scope of Service, Exhibit B attached hereto and incorporated herein ("Services").

3.2 Authorized Representatives. The Authorized Representatives of the Parties for contract administration under this Agreement are listed in Section 10.6. Each Authorized Representative has the authority to approve Tasks pursuant to this Agreement, as long as such Tasks are consistent with Section 1.6 and within the total budget authorization for each Contracting Participant, as set forth in Exhibit A, or as increased pursuant to Section 3.6 below. A Contracting Participant shall have the right to change its Authorized Representative by a writing to NCPA, signed by the Contracting Participant and its general counsel/city attorney.

3.3 Standard of Performance. NCPA will perform and/or oversee, as applicable, the Services using that level of skill and attention reasonably required to complete the Services in a competent and timely manner.

3.4 Services Agreements. Contracting Participants acknowledge that the Tasks to be performed will generally be through the Services Agreements, rather than by NCPA using its employees, and that NCPA's Services are generally limited to the administration of the Services Agreements on behalf of the Contracting Participants, subject to Section 3.5.

3.5 NCPA Staff Performing Tasks. Notwithstanding any other provision hereof, NCPA may elect to utilize its staff to perform Tasks when deemed appropriate by NCPA and the Contracting Participant requesting the Task to be performed.

3.6 Setting and Modifying Budget Authorization. A Contracting Participant shall set and may modify its total budget authorization, as set forth in Exhibit A, by submitting to NCPA a writing, accompanied by a resolution of the governing body of the Contracting Participant, approving the initial amount and/or changes thereto. The Compensation Schedule is set forth in Exhibit C, attached hereto and incorporated herein.

3.7 Additional Tasks. Notwithstanding any other provision of this Agreement, NCPA shall not be obligated to agree to perform, or contract for the performance of, any Tasks.

Section 4. TERM; TERMINATION; AND ADDITIONAL PARTICIPANTS

4.1 Term. The term of this Agreement is intended to be consistent with that of the Services Agreement(s) that may be executed to provide Services requested by one or more Contracting Participants over a period of time, but in no event shall be beyond Fiscal Year 2025. The term of this Agreement shall begin on the Effective Date and shall end upon the termination
date of the Services Agreements entered into as part of the Smart Grid Project but shall not extend beyond Fiscal Year 2025.

4.2 Termination of Participation in Task by Contracting Participant. Each Contracting Participant shall have the authority to terminate its participation in one or more Tasks by providing at least thirty (30) days' prior written notice of its intent to terminate its participation in a specific Task. Notwithstanding any other provision hereof, the Contracting Participant shall be responsible for all Stranded Costs relating to its early termination of its participation in that Task, as reasonably determined by NCPA. Remaining Contracting Participants for a given Task may be reapporportioned their respective share of costs for that Task in the event of early Termination by a Contracting Participant.

4.3 Termination of Participation in Agreement by Contracting Participant. Each Contracting Participant shall have the authority to terminate its participation in this Agreement, by providing at least thirty (30) days' prior written notice of its intent to terminate its participation in this Agreement. Notwithstanding any other provision hereof, the Contracting Participant shall be responsible for all Stranded Costs relating to its termination of its participation in this Agreement, as reasonably determined by NCPA. Contracting Participant shall compensate NCPA for all outstanding costs and reimbursable expenses incurred for Services and Tasks as of the date of written notice of termination.

4.4 Termination of Agreement by NCPA. NCPA may in its sole discretion termination this Agreement, with thirty (30) days' prior written notice to all Contracting Participants, with the consent of all Contracting Participants or if all Tasks are completed.

4.5 Additional Contracting Participants. Following the effective date of the Agreement, an entity wishing to become a Contracting Participant under this Agreement may so request in writing, with appropriate authorization of its governing board. If approved by the NCPA Commission, the requesting party shall become a Contracting Participant.

4.6 Addition of Contracting Participants to Existing Tasks. An existing or additional Contracting Participant may participate in an existing Task, subsequent to its written request and payment of its proportionate share of already incurred costs for that task as determined by those already participating Contracting Participants.

Section 5. INDEMNITY AND INSURANCE

5.1 Limitation of NCPA's Liability.

5.1.1 Except as provided in this section 5.1, NCPA shall not at any time be liable for any injury or damage occurring to a Contracting Participant or any other person or property from any cause whatsoever arising out of this Agreement, including the actions or inactions of Consultant.

5.1.2 The provisions of section 5.1.1 shall not apply where the injury or damage occurring to Contracting Participant is caused by the negligence of NCPA or of any employee, agent or contractor of NCPA, and that any liability under this subsection is limited to the extent of the actual coverage and coverage limits of the insurance policies described in this Section 5.

Smart Grid Project Agreement
____, 2016
5.1.3 Notwithstanding Section 5.1.2 above, the Contracting Participant agrees to reimburse NCPA, in a timely manner, for all deductibles and/or self-insured retentions payable by NCPA for any claim, liability or damage arising out of this Agreement.

5.2 **Indemnification of NCPA.** Except as specified in Section 5.1.2 above, Contracting Participant shall, at its sole cost and expense, indemnify, defend (as set forth below), and hold harmless NCPA and all associated, affiliated, allied, member and subsidiary entities of NCPA, now existing or hereinafter created, and their respective officers, boards, commissions, employees, agents, attorneys, and contractors (hereinafter referred to as "Indemnities"), from and against any and all liability, obligation, damages, penalties, claims, liens, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses of attorneys, expert witnesses and consultants), which may be imposed upon, incurred by or be asserted against the Indemnities arising out of this Agreement, except as caused by Indemnities’ sole or gross negligence.

5.3 **Defense of Indemnities.** In the event any action or proceeding shall be brought against the Indemnities by reason of any matter for which the Indemnities are indemnified hereunder, Contracting Participant shall, upon reasonable prior written notice from any of the Indemnities, at Contracting Participant’s sole cost and expense, resist and defend the same with legal counsel mutually selected by Indemnitee and the Contracting Participant, unless mutual selection of counsel is expressly prohibited by an applicable insurance policy; provided however, that neither Indemnitee nor Contracting Participant shall admit liability in any such matter or on behalf of the other without express written consent, which consent shall not be unreasonably withheld or delayed, nor enter into any compromise or settlement of any claim for which Indemnites are indemnified hereunder without prior express written consent. The Contracting Participant’s duty to defend shall begin upon receipt of a written notice identifying with specificity the allegations that give rise to this duty to defend.

5.4 **Notice.** The Parties shall give each other prompt notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this Section 5.

5.5 **Insurance.** During the term of the Agreement and prior to providing any Services under this Agreement, NCPA shall maintain, or cause to be maintained, in full force and effect, and at its sole cost and expense, the types and limits of liability insurance as are annually approved by the governing Commission of NCPA. The types and limits of liability insurance that are applicable to this Agreement are evidenced in policy summaries, which are attached hereto as Exhibit D. NCPA represents that the types of liability insurance and coverage limits shown in Exhibit D are in full force and effect and shall remain so during the term of this Agreement unless NCPA gives prior written notification (preferably, of not less than 30 days) of modification, cancellation or rescission of such coverage.

5.6 **Contracting Participant’s Acknowledgment of Option to Secure Additional Insurance.** The Contracting Participant acknowledges that there are limitations on NCPA’s liability to the Contracting Participant under this Section 5 and this Agreement and that the Contracting Participant may need to purchase additional insurance of its own to cover the additional risks and the potential additional liabilities it is assuming under this Agreement. Contracting Participant
agrees that it will cause, with respect to any additional insurance it obtains or which is otherwise available to Contracting Participant, its insurers to issue an endorsement providing a waiver of subrogation rights as to Indemnities.

5.7 Survival of Obligations. The defense and indemnity obligations of Section 5 shall survive the termination of this Agreement.

Section 6. COMPENSATION AND CHARGES

6.1 Fees and Costs. Each Contracting Participant hereby agrees to pay NCPA an amount NOT TO EXCEED the estimated cost to NCPA, for Services through fiscal year 2025, as set forth in Exhibit A, and other administrative costs incurred by NCPA in performing the Services. The Budget will be updated and approved by the NCPA Commission, as it deems necessary. Such approved updates will reflect NCPA's then current estimated administrative costs for performing such Services. Each Contracting Participant shall pay NCPA for Services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified in Exhibit C shall be the only payments from Contracting Participant to NCPA for Services rendered pursuant to this Agreement. NCPA shall submit all invoices to Contracting Participant in the manner specified herein. Except as specifically authorized by Contracting Participant, NCPA shall not bill Contracting Participant for duplicate Services performed by more than one person.

NCPA and Contracting Participant acknowledge and agree that compensation paid by Contracting Participant to NCPA under this Agreement is based upon NCPA's estimated costs of providing the Services required hereunder, including salaries and benefits of employees and subcontractors, if any, of NCPA. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which NCPA and its employees, agents, and subcontractors may be eligible. Contracting Participant therefore has no responsibility for such contributions beyond compensation required under this Agreement.

Section 7. BILLING AND PAYMENT

7.1 Invoices. NCPA shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for Services performed and reimbursable costs incurred prior to the invoice date. Invoices shall be accompanied with adequate and proper supporting information and documentation for the Services performed, if and as applicable.

7.2 Monthly Payment. Contracting Participants shall make monthly payments, based on invoices received, for Services satisfactorily performed, and for authorized reimbursable costs incurred. Contracting Participants shall have thirty (30) days from the date of the invoice to pay NCPA.

Payments shall be remitted directly to:

Northern California Power Agency
651 Commerce Drive
Roseville, California 95678
Attn: Accounts Receivable

Smart Grid Project Agreement
____, 2016
Any amount due and payable but not paid by Contracting Participant within 30 days following the
date of the invoice shall bear interest at the per annum prime rate (or reference rate) of the Bank of
America NT & SA, then in effect, plus two percent per annum computed on a daily basis until paid.
NCPA will mail all invoices within 24 hours of the invoice date thereon.

The postmark date on the envelope containing payment by check shall be used to determine
timeliness of payment, except that payments received later than seven (7) days after the due date
shall be declared late without regard to postmark date. An invoice coming due on a Friday,
holiday, or weekend shall be due on the next following nationally recognized working day.

7.3 Billing Dispute. If all or any portion of a bill is disputed by Contracting Participant,
the entire amount of the bill shall be paid when due, and NCPA'S Authorized Representative shall
be concurrently provided written notice of the disputed amount and the basis for the dispute.
NCPA shall reimburse any amount determined to have been incorrectly billed, within ten (10) days
after such determination.

7.4 Total Payment. Each Contracting Participant shall pay for the Services to be
rendered by NCPA pursuant to this Agreement. Contracting Participant shall not pay any
additional sum for any expense or cost whatsoever incurred by NCPA in rendering Services
pursuant to this Agreement unless the Agreement has been modified by a properly executed
amendment in accordance with this Agreement.

7.5 Hourly Fees. Fees for Tasks performed by NCPA on an hourly basis shall be cost-
based, including salary, benefits and applicable overhead.

7.6 Reimbursable Expenses. Reimbursable Expenses for Tasks performed by NCPA
shall include reasonable expenses, including travel and overnight accommodations, if needed.

7.7 Authorization to Perform Services. NCPA is not authorized to perform any Services
or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from
Contracting Participant’s Contract Authorized Representative following receipt of the required
approvals under the terms of this Agreement.

Section 8. LEGAL REQUIREMENTS

8.1 Governing Law. The laws of the State of California shall govern this Agreement,
without regard for the choice of law doctrine.

8.2 Compliance with Applicable Laws. The Parties shall comply with all laws applicable
to the performance of the Services hereunder.

8.3 Nondiscrimination and Equal Opportunity. NCPA shall not discriminate, on the
basis of a person’s race, religion, color, national origin, age, physical or mental handicap or
disability, medical condition, marital status, sex, or sexual orientation, against any employee,
applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or
applicant for any services or programs provided by NCPA under this Agreement. NCPA shall
comply with all applicable federal, state, and local laws, policies, rules, and requirements related to
equal opportunity and nondiscrimination in employment, contracting, and the provision of any
services that are the subject of this Agreement, including but not limited to the satisfaction of any
positive obligations required of NCPA thereby.

NCPA shall include the provisions of this Subsection in any subcontract approved by
Contracting Participant's Contract Administrator or this Agreement.

Section 9.  KEEPING AND STATUS OF RECORDS.

9.1 Confidential Information and Disclosure. During the term of this Agreement, either
party ("Disclosing Party") may disclose confidential, proprietary or trade secret information (the
"Information"), to the other party ("Receiving Party"). All such Information made available in a
tangible medium of expression (such as, without limitation, on paper or by means of magnetic
tapes, magnetic disks or other computer media) shall be marked in a prominent location to indicate
that it is the confidential, proprietary and trade secret information of Disclosing Party at the time of
disclosure to Receiving Party. Receiving Party shall hold Disclosing Party's Information in
confidence and shall take all reasonable steps to prevent any unauthorized possession, use,
copying, transfer or disclosure of such Information. Receiving Party shall not attempt to reverse
engineer or in any manner create any product or information which is similar in appearance to or
based on the Information provided by Disclosing Party. Receiving Party shall not disclose
Disclosing Party's Information to any person other than Receiving Party's employees, agents,
contractors and subcontractors who have a need to know in connection with this Agreement.

Receiving Party's confidentiality obligations hereunder shall not apply to any portion
of Disclosing Party's Information which:

(a) Has become a matter of public knowledge other than through an act or
omission of Receiving Party;
(b) Has been made known to Receiving Party by a third party in
accordance with such third party's legal rights without any restriction on disclosure;
(c) Was in the possession of Receiving Party prior to the disclosure of such
Information by Disclosing Party and was not acquired directly or indirectly from the other party or
any person or entity in a relationship of trust and confidence with the other party with respect to
such Information;
(d) Receiving Party is required by law to disclose; or
(e) Has been independently developed by Receiving Party from information
not defined as "Information" in this Agreement, as evidenced by Receiving Party's written records.

Receiving Party shall return or destroy Disclosing Party's Information (including all
copies thereof) to Disclosing Party promptly upon the earliest of any termination of this Agreement
or the Disclosing Party's written request. Notwithstanding the foregoing, Receiving Party may
retain one copy of such Information solely for archival purposes, subject to the confidentiality
provisions of this Agreement. The parties understand that each party is a public entity and is
subject to the laws that may compel either to disclose information about the other's business.
9.2 **NCPA Records.** NCPA shall maintain adequate logs and timesheets in order to verify costs incurred.

**Section 10. MISCELLANEOUS PROVISIONS**

10.1 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

10.2 **Severability.** If any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable by federal or state statute or regulation, but the remaining portions of the Agreement can be enforced without failure of material consideration to any Party, then the remaining provisions shall continue in full force and effect. To that end, this Agreement is declared to be severable. Provided, however, that in the event any provision is declared to be invalid, void or unenforceable, either Party may terminate this Agreement upon ten (10) days written notice given within five (5) days of receipt of notice of final entry of judgment.

10.3 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

10.4 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

10.5 **Conflict of Interest.** NCPA shall not employ any Contracting Participant official or employee in the work performed pursuant to this Agreement. No officer or employee of Contracting Participant shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 et seq.

10.6 **Notices.** Unless this Agreement requires otherwise, any notice, demand or request provided for in this Agreement, or served, given or made shall become effective when delivered in person, or sent by registered or certified first class mail, to the persons specified below, each of whom shall also act as the Authorized Representative specified in Section 3.2:

Northern California Power Agency
Randy S. Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678
With a copy to:

Michael F. Dean
General Counsel
Northern California Power Agency
Meyers Nave
555 Capitol Mall, Suite 1200
Sacramento, CA 95814

Alameda Municipal Power

Glenn Steiger
General Manager
Alameda Municipal Power
2000 Grand Street
PO Box H
Alameda, CA 94501

City of Healdsburg

Terry Crowley
Utility Director
City of Healdsburg
401 Groove Street
Healdsburg, CA 95448

City of Lodi

Elizabeth Kirkley
Utility Director
City of Lodi
1331 Ham lane
Lodi, CA 95242

City of Palo Alto

Ed Shikada
Interim Utility Director
City of Palo Alto
250 Hamilton Avenue
PO Box 10250
Palo Alto, CA 94301
City of Santa Clara

John Roukema
Director of Electric Utility
City of Santa Clara
411 West Clay Street
Santa Clara, CA 95050

City of Ukiah

Mel Grandi
Utility Director
City of Ukiah
411 West Clay Street
Ukiah, CA 95482

Whenever it is required, permitted, or desired in this Agreement that written notice or demand be given by any Party to any other Party, such notice or demand may be either personally served or sent by United States Mail, or facsimile. Notice shall be deemed to have been given when personally served, when deposited in the United States Mail, certified or registered with postage prepaid and properly addressed, or when transmitted by facsimile provided however, notices delivered by facsimile shall only be effective if delivered during regular business hours on a day that is considered a regular business day for NCPA by the involved Parties.

10.7 **Integration; Incorporation.** This Agreement, including all the Exhibits attached hereto, represents the entire and integrated agreement between Contracting Participant and NCPA relating to the subject matter of this Agreement, and supersedes all prior negotiations, representations, or agreements, either written or oral. All Exhibits attached hereto are incorporated by reference herein.

10.8 **Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Contracting Participant and NCPA agree to resolve the dispute in accordance with the following:

10.8.1 Each Party shall designate a senior management or executive level representative to negotiate any dispute;

10.8.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

10.8.3 If the issue remains unresolved after ONE HUNDRED AND TWENTY (120) days of good faith negotiations, despite having used their best efforts to do so, either Party may pursue whatever other remedies may be available to it.

10.8.4 This informal resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code § 900, et seq.
10.9 **Other Agreements.** This Agreement is not intended to modify or change any other agreement among any of the Parties, individually or collectively.

10.10 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

10.11 **Obligations Several.** The duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever been construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

10.12 **Effect of Section Headings.** Section headings and subheadings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretation of text.

10.13 **Authority of Signatories.** The signatories hereby represent that they have been appropriately authorized to execute this Agreement on behalf of the Party for whom they sign.

10.14 **Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties following each Party's receipt of written resolution/authorization from their governing bodies, which resolutions/authorizations shall be condition precedents to any amendments of this Agreement and shall be attached as Exhibits to this Agreement.

10.15 **Independent Contractor.** At all times during the term of this Agreement, NCPA shall be an independent contractor and shall not be an employee of Contracting Participant.

The Parties have executed this Agreement as of the Effective Date.

Northern California Power Agency

____________________________
RANDY S. HOWARD, General Manager

Attest: _______________________

____________________________
Assistant Secretary of the Commission

Smart Grid Project Agreement

2016
Approved as to Form:

______________________________
General Counsel

______________________________
City of Alameda

______________________________
Attest:

______________________________
Approved as to Form:

______________________________
City of Healdsburg

______________________________
Attest:

______________________________
Approved as to Form:

Smart Grid Project Agreement
____, 2016
City of Lodi

Attest:

Approved as to Form:

City of Palo Alto

Attest:

Approved as to Form:
City of Santa Clara

Attest:

Approved as to Form:

City of Ukiah

Attest:

Approved as to Form:
**EXHIBIT A**

**CONTRACTING PARTICIPANTS**

<table>
<thead>
<tr>
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<th>Total Budgeted Authorization</th>
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<td>6. City of Ukiah</td>
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EXHIBIT B
Scope of Services

The Agreement provides a mechanism for Contracting Participants to collectively or individually seek NCPA Services associated with Smart Grid Project solutions for Contracting Participants. Such Services may include not only those services described in Section 1.6 but also Services related to the assessment, design, implementation, integration and maintenance associated with Smart Grid Project components that include Meter Data Management systems, Customer Information Systems, Advanced Metering Infrastructure, communication network infrastructure, smart meters, and other Smart Grid devices and systems as requested by Contracting Participant(s) in writing and which Consultant(s) is/are willing to provide.

Additional Tasks may be undertaken under this Agreement, subject to the Terms and Compensation limits established under this Agreement, and upon approval consistent with NCPA procedures concerning procurement authority.
Monthly charges for services provided by NCPA and/or invoiced by Consultant that are attributable to a specific Contracting Participant shall be allocated directly to each Contracting Participant as indicated by Consultant records and/or NCPA records.

Monthly charges for services provided by NCPA and/or invoiced by Consultant for Tasks that are attributable to joint activities shall be allocated, as a default method, to each Contracting Participant based on the number of Participants for each applicable Task. Alternatively, charges for Tasks may be allocated using different methodology, subject to the concurrence among Contracting Participants for that particular Task.

A Task represents consulting and/or or project costs related to a specific task (i.e. CIS, MDM, AMR/AMI) in which one or more Contracting Participants has contracted for Services, and also includes NCPA’s costs either in providing the Tasks or in administering the Consultants’ provision of the Tasks.

NCPA will establish a procedure that outlines the process for initiation of newly identified Tasks for existing or new Contracting Participants to contract for NCPA Services and the approval process by each Contracting Participant for such Tasks under this Agreement.
EXHIBIT D
NCPA SUMMARIES OF LIABILITY INSURANCE

See the attached Summaries of the following insurance coverage:

1. Workers' Compensation & Employer's Liability
2. Automobile Liability & Physical Damage
3. Excess Liability
Commission Staff Report

June 15, 2016

COMMISSION MEETING DATE: June 23, 2016

SUBJECT: Status of NCPA's Energy Risk Management Program

AGENDA CATEGORY: Discussion/Action

<table>
<thead>
<tr>
<th>FROM:</th>
<th>METHOD OF SELECTION:</th>
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<td>Donna Stevener, Assistant General Manager/CFO</td>
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**IMPACTED MEMBERS:**

- All Members
- Alameda Municipal Power
- Bay Area Rapid Transit
- City of Biggs
- City of Gridley
- City of Healdsburg
- City of Lodi
- City of Lompoc
- City of Palo Alto
- City of Redding
- City of Roseville
- City of Santa Clara
- City of Ukiah
- Plumas-Sierra REC
- Port of Oakland
- Truckee Donner PUD
- Other

*Place an X in the box next to the applicable Member(s) above.*

SR: 162:16
**RECOMMENDATION:**

It is recommended that the Commission receive and file the activities and accomplishments of the Energy Risk Management Program (ERMP) for the last year and the goals for the coming year.

**BACKGROUND:**

Energy Risk Management (ERM) is a middle office oversight function on energy wholesale operations. The Energy Risk Manager assesses energy market risk and counterparty credit exposure and provides independent oversight on front office energy procurement transactions, ensuring compliance with NCPA adopted energy risk management policy and regulations. In addition, ERM also supports the Power Management department in designing and implementing appropriate energy procurement/hedging strategy and guidelines and negotiating enabling agreements with counterparties.

Since the approval of the revised Energy Risk Management Policy in May 2007, NCPA has accomplished a great deal in the implementation of the ERMP. The program has been reviewed annually since 2007 and continues to be refined as new products, regulations and changes occur in the electric industry. Staff will present a PowerPoint Presentation of the activities and accomplishments of the program for the last year and the goals of the ERMP for the coming year.

**FISCAL IMPACT:**

The ERMP budget for FY16 was $204,512 including both staff and program costs. Total unaudited expenditures for the FY were $180,952 as of May 31, 2016 or 88% of budget.

**ENVIRONMENTAL ANALYSIS:**

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

**COMMITTEE REVIEW:**

This staff presentation was reviewed by the Risk Oversight Committee (ROC) on June 20, 2016, and it was recommended by the ROC that the Commission receive and file this report.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachment

SR: 162:16
Energy Risk Management Program Overview and Status Report

June 23, 2016

Energy Risk Management (ERM) Program – Brief History

- Original Energy Risk Policies developed in 1998
- Commission delegated authority to General Manager
- Risk Oversight Committee (ROC) oversees compliance with Energy Risk Management Policy and Regulations
Oversight for Wholesale Energy Operations

- NCPA Commission
- ROC – Risk Oversight Committee (members plus staff)
  - General Manager
  - Chief Financial Officer
  - Asst. General Manager – Power Management
  - Four member representatives (SVP, Palo Alto, Ukiah & Alameda)
  - General Counsel
- RMC – Risk Management Committee (staff)
  - Risk Management
  - Power Management
  - Settlements & Accounting

ERM Program – Organization Chart
Energy Risk Management Program Activities

- Independent oversight of wholesale energy operations to ensure policy compliance
  - Over $27 million in deals outstanding for energy, as well as fuel hedging contracts for Lodi Energy Center of over $12 million
  - Insure transactions are authorized and recorded properly in system
- Conduct statistic and quantitative analysis and assess portfolio market risk exposure; support procurement strategy (hedge plan)
- Evaluate trading counterparty credit worthiness and manage counterparty credit risk
- Generate energy risk management reports and conduct Risk Oversight Committee meeting

Counterparty Credit & Exposure Management

- Standardized and timely credit evaluation process
- Credit limit approval
- Counterparty event monitoring
  - Monitor and alert potential counterparty credit exposure in advance via Moody’s KMV Analytics.
- Mark to market position of term transactions;
- Counterparty credit risk exposures assessment;
  - Current exposure
  - Potential exposure
  - Credit limit report
Compliance Training & Certification

- Conduct annual commercial compliance staff certification; review of policies
- Conduct periodic auditing on compliance program to ensure effectiveness
- Conduct bi-annual live energy trading compliance training on
  - Updating relevant rules and regulations;
  - Prohibited conduct;
  - Market manipulation enforcement cases;
  - Practical compliance program elements for meeting FERC and CFTC expectations;

Monthly Risk Management Reports

- Risk management reports – 38 pages each month
  - Market Conditions Updates
  - Portfolio Risk Assessment
  - Resources and Procurement Plan
  - Counterparty Credit Exposure Report
  - Compliance Review & Exception Report
  - GHG Compliance Report

Available at member section of NCPA website:
http://www.ncpa.com/risk-management-program.html
Market Conditions and Forecast Pricing

Gas & Power Forward Prices

Resource Status

OPEN POSITION - POOL

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## Cost Exposure for Member’s Energy Portfolio

**Open Position Cost Value at Risk Analysis - May 17, 2019**

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**Price Forecast Market Cost-NCERA Pool**

![Price Forecast Market Cost-NCERA Pool Graph]

## Credit Exposure Report

**Current Credit Risk Exposure Report**

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<tr>
<td>Company 4</td>
<td>400,000</td>
</tr>
<tr>
<td>Company 5</td>
<td>500,000</td>
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</tbody>
</table>

**Credit Limit**

- 100,000
- 200,000
- 300,000
- 400,000
- 500,000

**Credit Exposure in Dollars**

- 100,000
- 200,000
- 300,000
- 400,000
- 500,000

**Credit Exposure in per cent**

- 100%
- 200%
- 300%
- 400%
- 500%
FY 2016 Program Results

- ERM Program Results
  - No policy exceptions noted;
  - Completed annual commercial compliance certification to affected staff;
  - Major revamp of Energy Risk Management Regulations completed in May 2016
Changes to Policies and Regulations

- ERM Policy: No changes recommended
- ERM Regulations
  - Major clean up to make it consistent with current industry practices, regulatory updates and NCPA's business practice.
  - Updated Approved Products and the management report list.

More Things To Do

- Hire auditor for audit of Compliance Policy
- Review reports to improve readability and usefulness
- Ensure compliance with CARB Carbon allowances and offsets procurement
- Work with Information Services to develop monthly risk dashboard reports for each member as part of the Extranet project
Questions?
Commission Staff Report

June 15, 2016

COMMISSION MEETING DATE: June 23, 2016

SUBJECT: Approval of Services Agreement between NCPA and PCWA

AGENDA CATEGORY: Discussion/Action

FROM: David Dockham
Assistant General Manager

METHOD OF SELECTION:
N/A

Division: Power Management

If other, please describe:

Department: Industry Restructuring
N/A

IMPACTED MEMBERS:

All Members X
Alameda Municipal Power
Bay Area Rapid Transit
City of Biggs
City of Gridley
City of Healdsburg
City of Lodi
City of Lompoc
City of Palo Alto
City of Redding
City of Roseville
City of Santa Clara
City of Ukiah
Plumas-Sierra REC
Port of Oakland
Truckee Donner PUD
Other

If other, please specify.

Place an X in the box next to the applicable Member(s) above.
RECOMMENDATION:

NCPA staff recommends that the Commission:

1. Adopt and approve the Services Agreement between Northern California Power Agency and Placer County Water Agency; and

2. Authorize the General Manager of NCPA to execute the Services Agreement between Northern California Power Agency and Placer County Water Agency, on behalf of NCPA, including any non-substantive modifications approved by NCPA’s General Counsel.

BACKGROUND:

Northern California Power Agency ("NCPA") has established facilities, staff and the capacity to provide power management services to both Members and non-member customers. Placer County Water Agency ("PCWA") owns and operates a collection of hydroelectric generating facilities located on the middle fork of the American river (otherwise known as the "Middle Fork Project"). PCWA has requested NCPA to provide certain power management services to it regarding the scheduling and dispatch of the Middle Fork Project. In response to PCWA’s request, and working in coordination with PCWA, NCPA has developed a Services Agreement ("Services Agreement") under which NCPA may provide services to PCWA.

SERVICES AGREEMENT:

Pursuant to the Services Agreement, NCPA shall provide the following services to PCWA: scheduling agent services, real-time dispatch services, reliability standards compliance services, deal tracking and risk management reporting services, and supplemental services. The term of the agreement will begin on the effective date, and shall continue uninterrupted through December 31, 2020. After the initial term of the Services Agreement, or any subsequent term of the Services Agreement, the term of the Services Agreement shall automatically extend for an additional two (2) year period unless a Party provides a notice of termination. The Services Agreement contains certain protections that limit the liability of each Party for injury or damages occurring as a result of services provided under the agreement. To the extent a Party incurs any damages, the other Party’s liability is limited to actual coverage and coverage limits of insurance held by the responsible Party. Attached to the main body of the Services Agreement are a number of technical appendices that include principles, descriptions and procedures regarding scheduling, operations, and other details pertaining to the services provided by NCPA.

The Services Agreement has been attached to this staff report for your reference.

FISCAL IMPACT:

In consideration for NCPA’s provision of services under the Services Agreement, PCWA shall

SR: 169:16
pay NCPA an amount equal to $410,000 for services rendered during the first one (1) year period of the term of the Services Agreement. For each subsequent one (1) year period of the term of the Services Agreement, PCWA shall pay NCPA an amount equal to the sum of the annual amount charged to PCWA during the prior year escalated at a rate of 2.5% per year. In addition to such compensation, PCWA shall compensate NCPA for all supplemental services supplied to PCWA on a time and materials basis, in accordance with the applicable supplemental services wage schedule contained in the Services Agreement.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

The recommendation was reviewed by the Facilities Committee on June 1, 2016, and was recommended for Commission approval.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments (2)
RESOLUTION 16-50

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVAL OF SERVICES AGREEMENT BETWEEN NORTHERN CALIFORNIA
POWER AGENCY AND PLACER COUNTY WATER AGENCY

(reference Staff Report #169:16)

WHEREAS, Northern California Power Agency ("NCPA") has established facilities, staff and
the capacity to provide power management services to both Members and non-member customers; and

WHEREAS, Placer County Water Agency ("PCWA") owns and operates a collection of
hydroelectric generating facilities located on the middle fork of the American river (otherwise known
as the "Middle Fork Project"); and

WHEREAS, PCWA has requested NCPA to provide certain power management services to it
regarding the scheduling and dispatch of the Middle Fork Project, and in response to PCWA's request
NCPA has developed a Services Agreement ("Services Agreement") under which NCPA may provide
services to PCWA; and

WHEREAS, pursuant to the Services Agreement, NCPA shall provide the following services to
PCWA: scheduling agent services, real-time dispatch services, reliability standards compliance
services, deal tracking and risk management reporting services, and supplemental services; and

WHEREAS, the term of the agreement will begin on the effective date, and shall continue
uninterrupted through December 31, 2020, and after the initial term of the Services Agreement, or
any subsequent term of the Services Agreement, the term of the Services Agreement shall
automatically extend for an additional two (2) year period unless a Party provides a notice of
termination; and

WHEREAS, in consideration for NCPA's provision of services under the Services Agreement,
PCWA shall pay NCPA an amount equal to $410,000 for services rendered during the first one (1)
year period of the term of the Services Agreement, and for each subsequent one (1) year period of
the term of the Services Agreement, PCWA shall pay NCPA an amount equal to the sum of the
annual amount charged to PCWA during the prior year escalated at a rate of 2.5% per year; and

WHEREAS, PCWA shall also compensate NCPA for all supplemental services supplied to
PCWA on a time and materials basis, in accordance with the applicable supplemental services wage
schedule contained in the Services Agreement; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change
in the physical environment and is therefore not a "project" for purposes of Section 21065 the
California Environmental Quality Act. No environmental review is necessary.
NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency:

1. Adopts and approves the Services Agreement between Northern California Power Agency and Placer County Water Agency, and

2. Authorizes the General Manager of NCPA to execute the Services Agreement between Northern California Power Agency and Placer County Water Agency, on behalf of NCPA, including any non-substantive modifications approved by NCPA’s General Counsel.

PASSED, ADOPTED and APPROVED this ___ day of ________________, 2016 by the following vote on roll call:

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<td>BART</td>
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CAROL GARCIA
CHAIRPERSON

ATTEST: 
CARY A. PADGETT
ASSISTANT SECRETARY
SERVICES AGREEMENT

BETWEEN

NORTHERN CALIFORNIA POWER AGENCY

AND

PLACER COUNTY WATER AGENCY
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**APPENDIX G (TASK ORDER PROCESS)** ......................................... 1
This SERVICES AGREEMENT ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency of the State of California ("NCPA"), and Placer County Water Agency, a water agency existing pursuant to Chapter 81 of the California Water Code Appendix ("Customer" or "PCWA"). NCPA and Customer are together sometimes referred to herein individually as a "Party" and collectively as the "Parties".

This Agreement is made as of _________________, 2016 (the "Effective Date") in Roseville, California.

Section 1. RECITALS

This Agreement is entered into based on the following facts, among others:

1.1 NCPA has heretofore been duly established as a joint powers agency pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California and, among other things, is authorized to acquire, construct, finance, and operate buildings, works, facilities and improvements for the generation and transmission of electric capacity and energy for resale.

1.2 Customer is a water agency organized by special act of the California legislature pursuant to Chapter 81 of the California Water Code Appendix, and among other things, owns and operates hydroelectric facilities located within Placer County, California.

1.3 NCPA is a certified Scheduling Coordinator in accordance with the CAISO Tariff.

1.4 NCPA has established facilities, staff and the capability for the provision of Services to Customer.

1.5 Customer desires NCPA to provide Services.

1.6 NCPA is willing to provide Customer with Services pursuant to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein, NCPA and Customer agree as follows:

Section 2. DEFINITIONS

SERVICES AGREEMENT
2.1 Definitions. Whenever used in this Agreement (including the Recitals hereto), the following terms shall have the following respective meanings, provided, capitalized terms used in this Agreement (including the Recitals hereto) that are not defined in Section 2 of this Agreement shall have the meaning indicated in Appendix A Master Definition Supplement of the CAISO Tariff:

2.1.1 “Agreement” means this Services Agreement, including all Appendices, attached hereto.

2.1.2 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time.

2.1.3 “Calendar Day” means all days, including Saturdays, Sundays or Federal Reserve Bank holidays.

2.1.4 “California Independent System Operator Corporation” or “CAISO” means the non-profit public benefit corporation responsible for the provision of fair and open transmission access, and maintaining reliable and efficient operation of that portion of the electric grid contained within its defined balancing authority area, pursuant to the California Public Utilities Code, or its successor entity.

2.1.5 “CAISO Tariff” means the CAISO FERC Electric Tariff.

2.1.6 “Commission” means the NCPA Commission established by the Joint Powers Agreement.

2.1.7 “Customer” has the meaning set forth in the preamble hereto.

2.1.8 “Effective Date” has the meaning set forth in the preamble hereto.

2.1.9 “Electric System” means all properties and assets, real and personal, tangible and intangible, of the Customer now or hereafter existing, used or pertaining to the generation for resale, transmission, transformation, distribution or sale of electric capacity and energy, or the utilization of such, including all additions, extensions, expansions, improvements and betterments thereto and equipment thereof; provided, however, that to
the extent the Customer is not the sole owner of an asset or property or to the extent that
an asset or property is used in part for generation for resale, transmission, transformation,
distribution or sale of electric capacity and energy, only the Customer’s ownership interest
in such asset or property or only the part of the asset or property used for electric purposes
shall be considered to be part of its Electric System.

2.1.10 “Event of Default” has the meaning set forth in Section 10.1 of this
Agreement.

2.1.11 “FERC” means the Federal Energy Regulatory Commission, or its
regulatory successor.

2.1.12 “General Manager” means the General Manager of NCPA.

2.1.13 “Good Utility Practice” means any of the practices, methods and acts
engaged in or approved by a significant portion of the electric utility industry within the
United States of America during the relevant time period, which, in the exercise of
reasonable judgment in light of the facts known at the time the decision was made, could
have been expected to accomplish the desired result at the lowest reasonable cost
consistent with NERC or WECC approved business practices, reliability and safety. Good
Utility Practice is not intended to be limited to the optimum practice, method, or act to the
exclusion of all others, but rather to be acceptable practices, methods, or acts generally
accepted in the electric utility industry within the United States of America.

2.1.14 “Initial Term” has the meaning set forth in Section 5.1 of this Agreement.

2.1.15 “Joint Powers Agreement” means the Amended and Restated Northern

2.1.16 “NCPA” has the meaning set forth in the preamble hereto.

2.1.17 “NERC” means the North American Electric Reliability Corporation, or its
successor.

2.1.18 “Party” or “Parties” has the meaning set forth in the recitals hereto;
provided that “Third Parties” are entities that are not party to this Agreement.
2.1.19 “Reliability Standards” means requirements approved by FERC under Section 215 of the Federal Power Act to provide for reliable operation of the bulk power system.

2.1.20 “Scheduling Agent” means an entity authorized to act as agent on behalf of a Scheduling Coordinator, and shall perform certain Scheduling Coordinator duties and requirements on behalf of a Scheduling Coordinator.

2.1.21 “Scheduling Coordinator” means an entity certified by the CAISO for the purposes of undertaking the functions of a Scheduling Coordinator specified in the CAISO Tariff, including, but not limited to, submitting and settling Bids, self-schedules, and trades in the CAISO markets.

2.1.22 “Service Effective Date” means the date on which NCPA will commence its provision of specific Services to Customer pursuant to this Agreement, as further described in Appendix A.

2.1.23 “Significant Operational Change” has the meaning set forth in Section 13.20 of this Agreement.

2.1.24 “Significant Regulatory Change” has the meaning set forth in Section 13.20 of this Agreement.

2.1.25 “Third Party” means an entity that is not a Party to this Agreement.

2.1.26 “Uncontrollable Forces” means storm, flood, lightning, earthquake, tsunami, fire, explosion, failure of facilities not due to lack of proper care or maintenance, civil disturbance, labor dispute, sabotage, war, national emergency, restraint by court or public authority, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or other causes beyond the control of the affected Party which such Party could not reasonably have been expected to avoid by exercise of Good Utility Practice, due diligence and foresight.

2.1.27 “WECC” means the Western Electricity Coordinating Council, or its successor(s).
2.2 **Rules of Interpretation.** As used in this Agreement (including the Recitals hereto), unless in any such case the context requires otherwise: The terms "herein," "hereto," "herewith" and "hereof" are references to this Agreement taken as a whole and not to any particular provision; the term "include," "includes" or "including" shall mean "including, for example and without limitation;" and references to a "Section," "subsection," "clause," "Appendix", "Schedule", or "Exhibit" shall mean a Section, subsection, clause, Appendix, Schedule or Exhibit of this Agreement, as the case may be. All references to a given agreement, instrument, tariff or other document, or law, regulation or ordinance shall be a reference to that agreement, instrument, tariff or other document, or law, regulation or ordinance as such now exists and as may be amended from time to time, or its successor. A reference to a "person" includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having a separate legal personality and includes its successors and permitted assigns. A reference to a "day" shall mean a Calendar Day unless otherwise specified. The singular shall include the plural and the masculine shall include the feminine, and vice versa.

**Section 3. PURPOSE OF AGREEMENT**

The purpose of this Agreement is to set forth the terms and conditions under which NCPA will supply Customer with Services.

**Section 4. SERVICES TO BE PROVIDED AND STANDARDS OF PERFORMANCE**

4.1 **NCPA Duties.** The duties of NCPA under this Agreement are to provide services to Customer as fully described in Appendix A hereto ("Services").

4.2 **Customer Duties.** The duties of the Customer under this Agreement are to:

4.2.1 Act as its own Scheduling Coordinator, and to assign certain scheduling and settlement duties and responsibilities to NCPA, acting as Customer’s Scheduling Agent, as fully described in Appendix A hereto.

4.2.2 Timely provide certain information to NCPA that is required for NCPA to perform Services, as fully described in Appendix A hereto.
4.2.3 Comply with all requirements of the CAISO Tariff, as applicable, in respect to the operation and maintenance of its Electric System and other facilities covered under this Agreement.

4.2.4 Make timely payment of all costs associated with NCPA’s provision of Services, as set forth in this Agreement.

4.2.5 All CAISO charges and credits associated with Services provided under this Agreement shall be invoiced by the CAISO directly to Customer (acting as the Scheduling Coordinator), and shall be processed and paid by Customer.

4.2.6 Any credit requirements, including, but not limited to, security, collateral, unsecured credit, or other deposits required by the CAISO, shall be provided by Customer to the CAISO prior to NCPA providing Services under this Agreement, and shall be maintained by Customer as may be required thereafter pursuant to the CAISO Tariff. Failure to maintain sufficient credit, security, collateral, unsecured credit, or other deposits may impact NCPA’s ability to perform Services under this agreement.

4.3 **Standard of Performance.** NCPA will perform Services using the level of skill and attention reasonably required to complete the Services in a competent and timely manner.

4.4 **Assignment of Personnel.** NCPA shall assign only competent personnel to perform Services pursuant to this Agreement.

4.5 **Time.** NCPA shall devote such time to the performance of Services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 4.3, and to satisfy NCPA’s obligations hereunder.

**Section 5. TERM AND TERMINATION**

5.1 **Term.** The initial term of this Agreement shall begin on the Effective Date and shall continue uninterrupted through 11:59:59 p.m. December 31, 2020 (the “Initial Term”). At the end of the Initial Term of this Agreement, or any subsequent term of this Agreement, the term of this Agreement shall automatically extend for an additional two (2) year period unless a
Party provides a written Notice of Termination pursuant to Section 5.2, of its election not to automatically extend the term of the Agreement.

5.2 **Termination.** This Agreement may be terminated by either Party at the end of the Initial Term, or at the end of any subsequent two (2) year extension, by providing written notice to the other Party at least one (1) year prior to the end of the current term of the Agreement ("Notice of Termination").

5.3 **No Effect on Prior Liabilities.** Termination of this Agreement will not terminate any Customer ongoing or un-discharged liabilities, credits or obligations of Customer, including any contingent liabilities, credits or obligations, resulting from this Agreement until they are satisfied in full, or for which Customer has provided a mechanism acceptable to NCPA, for the satisfaction in full thereof.

Section 6. **LIABILITY AND INSURANCE**

6.1 **Limitation of Liability.**

6.1.1 Except as provided in Section 6.1, neither NCPA nor Customer (the "Responsible Party") shall at any time be liable for any injury or damage occurring to the other (the "Harmed Party") or any third person or property from any cause whatsoever arising out of this Agreement.

6.1.2 The provisions of this Section 6.1.1 shall not apply where the injury or damage occurring to a Harmed Party is caused by the negligence of the Responsible Party or any of the Responsible Party's employee's, agents or contractors, and provided that any liability under this subsection is limited to the extent of the actual coverage and coverage limits of the insurance policies described in Section 6.3, which are maintained by the Responsible Party.

6.2 **Notice.** The Parties shall give each other prompt notice of the making of any claim or the commencement of any action, suit or proceeding covered by the provisions of this Section 6.
6.3 **Insurance.** During the term of this Agreement, both Parties agree to maintain, or cause to be maintained, in full force and effect, and at their respective sole cost and expense, the following types and limits of liability insurance ("Insurance"): 

6.3.1 One-million dollars per occurrence for Workers’ Compensation and Employer’s Liability; 

6.3.2 One-million dollars in limits per occurrence in Automobile Liability; 

and 

6.3.3 Ten-million in single combined limits for Commercial General Liability Insurance. 

Evidence of each Party’s Insurance shall be maintained, and provided to the other Party upon request. All insurance policies, with the exception of Workers’ Compensation, shall name the other Party as additionally insured. Each Party agrees to waive the right of subrogation where it is legal to do so.

Each Party shall designate the required insurance liability limits for any subcontractors performing work in connection with, or in performance of any aspect of this Agreement, and in accordance to their risk management requirements.

**Section 7. COMPENSATION**

7.1 **Compensation for Services.** Customer shall pay NCPA the amounts set forth in Appendix B for NCPA’s provision of Services to Customer in accordance with the terms and conditions of this Agreement. Such amounts shall be billed to Customer in accordance with Section 8 of this Agreement.

**Section 8. BILLING AND PAYMENT**

8.1 **Invoices.** NCPA will issue a monthly invoice to Customer for costs associated with NCPA’s provision of Services, and all other costs for services provided in accordance with this Agreement. Such invoices will be made pursuant to the requirements and procedures provided for in this Agreement. At NCPA’s discretion, invoices may be issued to Customer using electronic media or physical distribution.
8.2 Payment of Invoices. All invoices delivered by NCPA to Customer are due and payable thirty (30) Calendar Days after the date thereof; provided, however, that any amount due on a day other than a Business Day may be paid on the next following Business Day.

8.3 Late Payments. Any amount due and not paid by Customer in accordance with Sections 8.2, shall be considered late and bear interest computed on a daily basis until paid at the lesser of: (i) the per annum prime rate (or reference rate) of the Bank of America NT&SA then in effect, plus two percent (2%) or (ii) the maximum rate permitted by law.

8.4 Billing Disputes. Customer may dispute the accuracy of any invoice issued by NCPA under this Agreement by submitting a written dispute to NCPA, within thirty (30) Calendar Days of the delivery, as defined by Section 13.11, of such invoice; nonetheless Customer shall pay the full amount billed when due. If Customer does not timely question or dispute the accuracy of any invoice in writing the invoice shall be deemed to be correct. Upon review of a submitted dispute, if an invoice is determined by NCPA to be incorrect, NCPA shall issue a corrected invoice and refund any amounts that may be due to Customer. If NCPA and Customer fail to agree on the accuracy of an invoice within thirty (30) Calendar Days after Customer has disputed it, the General Manager shall promptly submit the dispute to the Commission for resolution. If the Commission and Customer fail to agree on the accuracy of a disputed invoice within sixty (60) Calendar Days of its submission to the Commission, the dispute may then be resolved under the dispute resolution procedures set forth in Section 11 of this Agreement. Provided, however, that prior to resorting to alternative dispute resolution procedures, the full amount of the disputed invoice must have been paid.

8.5 Billing/Settlement Data. NCPA shall make billing and settlement data available to Customer as part of the invoice delivered by NCPA, or upon request. NCPA may also, at its sole discretion, make billing and settlement support information available to Customer using electronic media (e.g., the NCPA electronic data portal). Procedures and formats for the provision of such electronic data submission may be as established by the NCPA Commission from time to time. Without limiting the generality of the foregoing, NCPA may, in its reasonable discretion, require Customer to execute a non-disclosure agreement prior to providing access to the NCPA electronic data portal.
8.6 **Examination of Books and Records.** Customer shall have the right to examine the books and records created and maintained by NCPA pursuant to this Agreement at any reasonable, mutually agreed upon time.

All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files or other documents or material, in electronic or any other form, that NCPA prepares or obtains pursuant to this Agreement and that relate to the Services provided hereunder, shall be stored and maintained by NCPA in accordance with NCPA’s records retention policies and procedures, as such may be modified from time to time.

**Section 9. COOPERATION AND FURTHER ASSURANCES**

Each of the Parties agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are consistent with the provisions of this Agreement and which do not involve the assumption of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement. The Parties agree to cooperate and act in good faith in connection with obtaining any credit support required in order to satisfy the requirements of this Agreement.

**Section 10. DEFAULTS**

10.1 **Events of Default.** An Event of Default under this Agreement shall exist upon the occurrence of any one or more of the following by a Party (the “Defaulting Party”):

(i) the failure of Customer to make any payment in full to NCPA when due, where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from NCPA demanding cure;

(ii) the failure of a Party to perform any covenant or obligation of this Agreement where such failure is not cured within thirty (30) Calendar Days following receipt of a notice from the other Party demanding cure. Provided, that this subsection shall not apply to any failure to make payments specified by subsection 10.1 (i); or
(iii) if any representation or warranty of a Party material to the services provided hereunder shall prove to have been incorrect in any material respect when made and the Party does not cure the facts underlying such incorrect representation or warranty so that the representation or warranty becomes true and correct within thirty (30) Calendar Days of the date of receipt of notice from a Party demanding cure.

10.2 **Uncontrollable Forces.** A Party shall not be considered to be in default in respect of any obligation hereunder if prevented from fulfilling such obligation by reason of Uncontrollable Forces. Provided, that in order to be relieved of an Event of Default due to Uncontrollable Forces, a Party affected by an Uncontrollable Force shall:

(i) first provide oral notice to the General Manager, or in the case of Customer, to the representative selected by Customer, using telephone communication within two (2) Business Days of the onset of the Uncontrollable Force, and subsequently provide written notice to the Party’s representative within ten (10) Business Days of the onset of the Uncontrollable Force, describing its nature and extent, the obligations which the Party is unable to fulfill, the anticipated duration of the Uncontrollable Force, and the actions which the Party will undertake so as to remove such disability and be able to fulfill its obligations hereunder; and

(ii) use due diligence to place itself in a position to fulfill its obligations hereunder and if unable to fulfill any obligation by reason of an Uncontrollable Force such Party shall exercise due diligence to remove such disability with reasonable dispatch. Provided, that nothing in this subsection shall require a Party to settle or compromise a labor dispute.

10.3 **Cure of an Event of Default.** An Event of Default shall be deemed cured only if such default shall be remedied or cured within the time periods specified in Section 10.1 above, as may be applicable.

10.4 **Remedies in the Event of Uncured Default.** Upon the occurrence of an Event of Default which is not cured within the time limits specified in Section 10.1, without limiting other rights or remedies available under this Agreement, at law or in equity, and without constituting or resulting in a waiver, release or estoppel of any right, action or cause of action a non-
defaulting Party may have against the Defaulting Party, a non-defaulting Party may take any of the following actions:

(i) NCPA may suspend the provision of services under this Agreement to Customer;

(ii) The non-defaulting Party may demand that the Defaulting Party provide further assurances to guarantee the correction of the default; or

(iii) The non-defaulting Party may terminate this Agreement as to the Defaulting Party.

10.5 **Effect of Termination or Suspension.**

10.5.1 **Generally.** The termination or suspension of this Agreement will not terminate, waive, or otherwise discharge any ongoing or undischarged liabilities, credits or obligations arising from this Agreement until such liabilities, credits or obligations are satisfied in full.

10.5.2 **Suspension.** If performance of all or any portion of this Agreement is suspended by NCPA in accordance with Section 10.4 (i), Customer shall pay any and all costs incurred by NCPA as a result of such suspension including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, or other reasonable and necessary costs associated with such suspension and any portion of the costs associated with NCPA’s provision of Services that were not recovered from Customer as a result of such suspension.

10.5.3 **Termination.** If this Agreement is terminated by a Party in accordance with Section 10.4 (iii), the Defaulting Party shall pay any and all costs incurred by the other Party as a result of such termination, including reasonable attorney fees, the fees and expenses of other experts, including auditors and accountants, other reasonable and necessary costs associated with such termination, and as to Customer, any portion of costs associated with NCPA’s provision of Services that were not, or will not be, recovered from Customer as a result of such termination.

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SERVICES AGREEMENT
Section 11. SETTLEMENT OF DISPUTES

11.1 Settlement of Disputes. If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Customer and NCPA agree to resolve the dispute in accordance with the following:

11.1.1 Each Party shall designate a senior management or executive level representative to negotiate any dispute.

11.1.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

11.1.3 If the issue remains unresolved after sixty (60) days of good faith negotiations, despite having used their best efforts to do so, either Party may pursue whatever other remedies may be available to it.

11.1.4 This informal resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code § 900, et seq.

Section 12. STATUS OF NCPA

At all times during the term of this Agreement, NCPA shall be an independent contractor and shall not be an employee of Customer. Customer shall have the right to control NCPA only insofar as the results of NCPA's Services rendered pursuant to this Agreement; however, otherwise Customer shall not have the right to control the means by which NCPA accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other agency, state, local or federal policy, rule, regulation, law, or ordinance to the contrary, NCPA and any of its employees, agents, and subcontractors providing Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Customer, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Customer and entitlement to any contribution to be paid by Customer for employer contributions and/or employee contributions for PERS benefits.
Section 13. MISCELLANEOUS

13.1 Confidentiality. The Parties will keep confidential all confidential or trade secret information made available to them in connection with this Agreement, to the extent possible, consistent with applicable laws, including the California Public Records Act. Confidential or trade secret information shall be marked or expressly identified as such.

If a Party ("Receiving Party") receives a request from a Third Party for access to, or inspection, disclosure or copying of, any of the other Party's (the "Supplying Party") confidential data or information ("Disclosure Request"), then the Receiving Party shall provide notice and a copy of the Disclosure Request to the Supplying Party within three (3) Business Days of receipt of the Disclosure Request. Within three (3) Business Days of receipt of such notice, the Supplying Party shall provide notice to the Receiving Party either:

(i) that the Supplying Party believes there are reasonable legal grounds for denying or objecting to the Disclosure Request, and the Supplying Party requests the Receiving Party to deny or object to the Disclosure Request with respect to identified confidential information. In such case, the Receiving Party shall deny the Disclosure Request and the Supplying Party shall defend the denial of the Disclosure Request at its sole cost, and it shall indemnify the Receiving Party for all costs associated with denying or objecting to the Disclosure Request. Such indemnification by the Supplying Party of the Receiving Party shall include all of the Receiving Party’s costs reasonably incurred with respect to denial of or objection to the Disclosure Request, including but not limited to costs, penalties, and the Receiving Party’s attorney’s fees; or

(ii) the Receiving Party may grant the Disclosure Request without any liability by the Receiving Party to the Supplying Party.

13.2 Indemnification and Hold Harmless. Subject to the provisions of Sections 6 and 13.4, each Party agrees to indemnify, defend and hold harmless the other Party, including their respective governing boards, officials, officers, agents, and employees, from and against any and all claims, suits, losses, costs, damages, expenses and liability of any kind or nature, including reasonable attorneys' fees and the costs of litigation, including experts, to the extent
caused by any acts, omissions, breach of contract, negligence (active or passive), gross negligence, recklessness, or willful misconduct of that Party, its governing officials, officers, employees, subcontractors or agents, to the maximum extent permitted by law.

13.3 Survival of Obligations. The defense and indemnity obligations of Section 13.2 shall survive the termination of this Agreement.

13.4 No Consequential Damages. FOR ANY BREACH OF ANY PROVISION OF THIS AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES OR REMEDIES ARE HEREBY WAIVED. IF NO REMEDY OR MEASURE OF DAMAGE IS EXPRESSLY PROVIDED, THE LIABILITY OF THE DEFAULTING PARTY SHALL BE LIMITED TO ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES AND REMEDIES ARE HEREBY WAIVED. IN NO EVENT SHALL A PARTY OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, REPRESENTATIVES, DIRECTORS, OFFICERS, AGENTS, OR EMPLOYEES BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, SPECIAL, EXEMPLARY, INDIRECT, PUNITIVE OR INCIDENTAL LOSSES OR DAMAGES, INCLUDING LOSS OF USE, LOSS OF GOODWILL, LOST REVENUES, LOSS OF PROFIT OR LOSS OF CONTRACTS EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND EACH PARTY HEREBY WAIVES SUCH CLAIMS AND RELEASES EACH OTHER AND EACH OF SUCH PERSONS FROM ANY SUCH LIABILITY.

The Parties acknowledge that California Civil Code section 1542 provides that:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

The Parties waive the provisions of section 1542, or other similar provisions of law, and intend that the waiver and release provided by this Section of this Agreement shall be fully enforceable despite its reference to future or unknown claims.

13.5 Waiver. No waiver of the performance by a Party of any obligation under this Agreement with respect to any default or any other matter arising in connection with this Agreement shall be effective unless given by the other Party. Any such waiver by the other
Party in any particular instance shall not be deemed a waiver with respect to any subsequent performance, default or matter.

13.6 Amendments. Unless otherwise provided for in this Agreement, this Agreement may be amended only by written instrument executed by the Parties with the same formality as this Agreement.

13.6.1 Amendments of Appendices. The Appendices that are attached to and made part of this Agreement include detailed principles, descriptions and procedures for NCPA’s provision of Services to Customer. Upon mutual written consent of the Designated Representative of each Party, the Appendices of this Agreement may be amended from time to time, without the requirement of an approval as required pursuant to Section 13.6; provided, however, Appendix A and Appendix B may be amended only by written instrument executed by the Parties with the same formality as this Agreement.

13.7 Assignment of Agreement.

13.7.1 Binding Upon Successors. This Agreement, including the Appendices attached hereto, shall inure to the benefit of and shall be binding upon the respective successors and assignees of the Parties to this Agreement.

13.7.2 No Assignment. This Agreement, nor any interest herein, shall be transferred or assigned by a Party hereto except with the consent in writing of the other Parties hereto, where such consent shall not be unreasonably withheld.

13.8 Severability. In the event that any of the terms, covenants or conditions of this Agreement or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless the court holds that such provisions are not severable from all other provisions of this Agreement.

13.9 Governing Law. This Agreement shall be interpreted, governed by, and construed under the laws of the State of California.
13.10 **Headings.** All indices, titles, subject headings, section titles and similar items are provided for the purpose of convenience and are not intended to be inclusive, definitive, or affect the meaning of the contents of this Agreement or the scope thereof.

13.11 **Notices.** Any notice, demand or request provided for in this Agreement, or served, given or made shall become effective when delivered to the person specified below (the "Designated Representative"): 

**NCPA:**
David Dockham  
Assistant General Manager, Power Management  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

**Customer:**  
Andrew Fecko  
Director of Resource Development  
Placer County Water Agency  
P.O. Box 6570  
Auburn, CA 95604

All notices shall be deemed delivered when personally delivered, two (2) Business Days after deposit in the United States mail first class postage prepaid, or on the first Business Day following delivery through electronic communication. A Party may change its Designated Representative by providing notice to the other Party, and such change shall not constitute an amendment to this Agreement.

13.12 **Warranty of Authority.** Each Party represents and warrants that it has been duly authorized by all requisite approval and action to execute and deliver this Agreement and that this Agreement is a binding, legal, and valid agreement enforceable in accordance with its terms.

13.13 **Counterparts.** This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all the signatories to all of the counterparts had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement.
without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

13.14 Venue. In the event that a Party brings any action under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.

13.15 Attorneys' Fees. If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provisions of this Agreement, each Party shall bear its own fees and costs, including attorneys' fees, associated with the action.

13.16 Counsel Representation. Pursuant to the provisions of California Civil Code Section 1717 (a), each of the Parties were represented by counsel in the negotiation and execution of this Agreement and no one Party is the author of this Agreement or any of its subparts. Those terms of this Agreement which dictate the responsibility for bearing any attorney's fees incurred in arbitration, litigation or settlement in a manner inconsistent with the provisions of Section 13.2 were intentionally so drafted by the Parties, and any ambiguities in this Agreement shall not be interpreted for or against a Party by reason of that Party being the author of the provision.

13.17 No Third Party Beneficiaries. Nothing contained in this Agreement is intended by the Parties, nor shall any provision of this Agreement be deemed or construed by the Parties, by any third person or any Third Parties, to be for the benefit of any Third Party, nor shall any Third Party have any right to enforce any provision of this Agreement or be entitled to damages for any breach by the Parties of any of the provisions of this Agreement.

13.18 Integration; Incorporation. This Agreement, including all the appendices attached hereto, represents the entire and integrated agreement between Customer and NCPA relating to the subject matter of this Agreement, and supersedes all prior negotiations, representations, or agreements, either written or oral. All appendixes attached hereto are incorporated by reference herein.
13.19 **Reliability Requirements.** Unless otherwise specifically provided for herein, the Parties acknowledge that Customer and NCPA are both individually responsible for compliance with the WECC and NERC Reliability Standards and criteria applicable to the functions for which each Party are respectively registered with NERC. The references to WECC and NERC Reliability Standards, if any, throughout this Agreement do not make any alteration or enlargement of the requirements or standards applicable to each Party beyond their individual registrations with NERC; provided, however, NCPA shall perform certain functions on behalf of, or in coordination with, Customer pursuant to Appendix F.

13.20 **Significant Regulatory Change or Operational Change.**

13.20.1 A “Significant Regulatory Change” shall be deemed to occur if FERC, the CPUC, the CAISO or any other court, public authority, governmental, or other lawfully established civilian authorities having jurisdiction, issues an order or decision or adopts or modifies a tariff or filed contract, or enacts a law that materially interferes with the ability of any Party to perform any of its obligations under this Agreement.

13.20.2 A “Significant Operational Change” shall be deemed to occur due to (i) material amendments and/or revisions to any tariffs, contracts or other applicable documents referenced in this Agreement that directly affect a Party’s obligations under this Agreement, or (ii) an action taken by the Balancing Authority that may have a material detrimental impact on the way a Party operates or must operate its Electric System, or that directly affects a Party’s obligations under this Agreement.

13.20.3 **Notification of Significant Regulatory Change or Operational Change.** At any time during the term of this Agreement, if any Party anticipates the occurrence of a Significant Regulatory Change or Significant Operational Change that may reasonably be expected to materially interfere with the ability of any Party to perform any of its obligations under this Agreement, or such Significant Regulatory Change or Significant Operational Change occurs, such Party shall provide written notice to the other Party as soon as practicable. The notice shall contain a description of the Significant Regulatory Change or Significant Operational Change, including expected time schedules, and of the
effect of the significant change to the Parties. If the Party giving notice believes that it will be necessary to amend this Agreement to address the anticipated change or change when it has occurred, then the notice to the other Party may include a proposal that the Parties meet to negotiate an appropriate amendment to this Agreement. The Parties shall promptly enter into good faith negotiations and attempt to achieve a mutually agreeable modification to this Agreement to address any such Significant Regulatory Change or Significant Operational Change.

13.20.4 Amendment of Agreement. If the Parties agree that an amendment to this Agreement is necessary to address a Significant Regulatory Change or Significant Operational Change, the Parties will proceed to negotiate such amendment in good faith. If the Parties have not reached agreement within 120 calendar days of the date of the first meeting, either Party may terminate this Agreement pursuant to Section 5.2.
IN WITNESS WHEREOF, NCPA and Customer have, by the signature of its duly authorized representative shown below, executed and delivered a counterpart of this Agreement.

Northern California Power Agency

RANDY S. HOWARD, General Manager

Attest:

Assistant Secretary of the Commission

Approved as to Form:

General Counsel

Placer County Water Agency

EINAR MAISCH, General Manager

Attest:

Clerk to the Board

Approved as to Form:

General Counsel
APPENDIX A

SCOPE OF SERVICES

All services provided by NCPA to Customer pursuant to this Agreement are described in this Appendix A (collectively referred to herein as “Services”).

Section 1.  Control Center Services

NCPA shall provide control center services ("Control Center Services") to Customer as further described in this Section 1 of Appendix A. Control Center Services include scheduling agent services, real-time dispatch services, Reliability Standards compliance services, and deal tracking and risk management reporting services. The scope of each respective Control Center Service is further described herein. The Service Effective Date for each of the Control Center Services is specified in this Section 1 of Appendix A.

1.1  Scheduling Agent Services.

1.1.1  Description of Service. NCPA shall provide scheduling agent services ("Scheduling Agent Services"), acting as Customer’s Scheduling Agent, in accordance with this Agreement, the CAISO Tariff, and other rules and requirements, as applicable. Such duties shall include the following, and are furthermore described in Appendix C of this Agreement:

A. Submission of schedules and Bids for Customer’s generating resources, exports, trades, ancillary services and/or other CAISO products in the CAISO energy and ancillary services markets, or other markets, as applicable. All schedules and Bids will be made and submitted to the CAISO in accordance with Appendix C and the CAISO Tariff, or other balancing authority areas in accordance with the applicable rules and requirements. Customer’s owned and operated generation facilities for which NCPA supplies Scheduling Agent Services on behalf of are listed in Appendix D.

B. Develop, submit and manage E-Tags for Customer interchange transactions.
C. Obtain and maintain settlement quality meter data in accordance with the CAISO Tariff, the MSA CAISOME or MSA SC, as applicable, to be used for multiple purposes, including, but not limited to settlement validation.

D. Review, validate, and reconcile CAISO settlement charges and credits for services, file timely disputes and pursue dispute resolution.

E. Submission of unplanned outages, and associated data, to the CAISO in accordance with all applicable rules and requirements of the CAISO Tariff and applicable outage coordination procedures. NCPA shall perform such activities as assigned by Customer, acting as Customer’s Scheduling Agent.

1.1.2 Service Effective Date. The Service Effective Date for Scheduling Agent Services shall be 00:00:01 a.m. on January 1, 2018; provided, however, due to the requirements and the prevailing scheduling timelines and protocols of the CAISO Tariff, or other applicable tariffs, commencement of Scheduling Agent Services may involve NCPA performing certain duties and requirements prior to the Service Effective Date to enable NCPA’s full provision of services as of the Service Effective Date (e.g., collection and submission of Customer’s schedules and Bids for trade date January 1, 2018 prior to such trade date).

1.2 Real-Time Dispatch Services.

1.2.1 Description of Service. NCPA shall provide real-time dispatch services (“Real-Time Dispatch Services”) for Customer’s owned and operated generation facilities for which NCPA supplies Scheduling Agent Services. Such duties shall include the following, and are furthermore described in Appendix E of this Agreement:

A. Monitoring and dispatching of Customer generation facilities.

B. Management of unplanned outages and system emergencies.

C. Purchasing and selling energy and capacity in real time in accordance with direction provided by Customer.
D. Monitor real time telemetry, data flow and manage system data.

E. Call-out field and emergency service personnel in response to certain operational conditions.

F. Operational coordination, communication, monitoring and equipment clearance and switching with Customer’s generation facility personnel and Third Parties. Activities associated with Reliability Standards compliance are performed in accordance with Section 1.3 of this Appendix A.

G. Monitor alarms and operate Customer generation facilities in accordance with Operating Procedures and applicable requirements, including regulatory and/or environmental requirements.

H. Comply with the Middle Fork Project Emergency Action Plan (“MFP EAP”), and initiating the MFP EAP as required.

1.2.2 **Service Effective Date.** The Service Effective Date for Real-Time Dispatch Services shall be 00:00:01 a.m. on January 1, 2018.

1.3 **Reliability Standards Compliance Services.**

1.3.1 **Description of Service.** NCPA shall act on behalf of, or in coordination with Customer, regarding compliance activities and requirements associated with certain Reliability Standards (“Reliability Standards Compliance Services”) for Customer’s owned and operated generation facilities for which NCPA supplies Scheduling Agent Services. Such duties shall include the following, and are furthermore described in Appendix F of this Agreement:

A. NCPA shall maintain its functional registration with NERC and WECC, to enable NCPA to act on behalf of, or in coordination with Customer, for performing compliance activities to manage and comply with certain WECC and NERC Reliability Standards and criteria. The functions and requirements for which NCPA shall act on behalf of, or in coordination with Customer, are described and listed in Appendix F.
B. Any violation reporting, including any self-reported violations, shall be made by Customer.

1.3.2 Service Effective Date. The Service Effective Date for Reliability Standards Compliance Services shall be 00:00:01 a.m. on January 1, 2018.

1.4 Deal Tracking and Risk Management Reporting Services.

1.4.1 Description of Service. NCPA shall provide certain deal tracking and risk management reporting services ("Deal Tracking and Risk Management Reporting Services") to Customer in accordance with this Agreement. Customer shall remain responsible for general risk management and oversight activities and controls related to its operations and business activities, and NCPA shall provide Deal Tracking and Risk Management Reporting Services in support of certain activities performed by Customer. NCPA’s duties shall include the following:

A. Provide Customer access to the NCPA deal management system for recording and tracking energy and energy related commodity transactions.

B. Provide the ability for Customer to maintain trading and risk management parameters within the NCPA deal management system.

C. NCPA shall provide Customer access to:

(a) Input established trading and transacting authorities and guidelines into the NCPA deal management system, including authorized products and transaction limits for energy and energy related commodities.

(b) Input energy and energy related commodity transactions and parameters into the NCPA deal management system, in order to mark to market the transactions in the NCPA deal management system.

(c) Input counterparty credit value into the NCPA deal management system.
D. Provide for the ability to create defined transactional and risk management reports for Customer based upon data and information contained within the NCPA deal management system; provide Customer with the ability to access and produce such defined transactional and risk management reports.

1.4.2 Service Effective Date. The Service Effective Date for Deal Tracking and Risk Management Reporting Services shall be 00:00:01 a.m. on January 1, 2018.

1.5 Customer's Obligation to Provide Information in Support of Control Center Services.

1.5.1 Information Requirements. To enable NCPA to perform the duties associated with Control Center Services provided to Customer in accordance with this Agreement, Customer shall timely provide the following information, instructions, and communications to NCPA:

A. Schedules and Bids. Customer, acting as Scheduling Coordinator, shall provide generating resource, exports, trade, ancillary services and/or other CAISO product schedules and Bids to NCPA, as applicable, in accordance with Appendix C, upon which NCPA, acting as Scheduling Agent, will process and submit, or cause to be submitted, schedules and Bids to the CAISO as provided for herein.

B. Meter Data. Customer shall provide NCPA access to settlement quality meter data from resources scheduled and Bid by NCPA for Customer under this Agreement, and to maintain such meters and metering equipment in accordance with the standards and requirements as set forth in the CAISO Tariff.

C. Operational Data. Customer shall provide NCPA access to certain real-time operational systems and information (as mutually determined by NCPA and Customer) including, but is not limited to: (i) Supervisory Control and Data Acquisition ("SCADA") systems, (ii) Programmable Logic Controllers ("PLC"), (iii) Real-time telemetry and recording devices, and (iv) information required to enable NCPA to provide Reliability Standards Compliance Services.
D. **Scheduling and Operating Procedures.** Customer shall prepare written scheduling procedures ("Scheduling Procedures") and operating procedures ("Operating Procedures") related to Customer generation resources that convey Customer’s guidelines for how NCPA is to perform certain Scheduling Agent Services and Real Time Dispatch Services under this Agreement. Such Scheduling Procedures and Operating Procedures shall be conveyed to NCPA sufficiently in advance of their application so as to reasonably enable NCPA to perform such activities.

1.6 **Service Transition.**

The Parties acknowledge that prior to the Service Effective Date for each respective Control Center Service, the Parties may be required perform certain work and other activities to establish and enable the systems and processes that are required to perform Control Center Services, as of each respective Service Effective Date. Such activities may include establishing common business practices, developing business requirements, establishing connectivity of systems and equipment, coordinated training of staff, and other activities that may be required to enable NCPA to provide, and Customer to receive, Control Center Services as of each respective Service Effective Date. During this transition period (the "Transition Period"), the Parties agree to cooperate in good faith to establish and enable the systems and processes that are required to perform Control Center Services as of each respective Service Effective Date. All activities to be performed by NCPA during the Transition Period are included as part of the comprehensive Control Center Services provided to Customer, pursuant to this Agreement, even though such work and activities may be performed by NCPA prior to the Service Effective Date for each respective Control Center Service.

**Section 2. Supplemental Services in Accordance with Task Order Process**

2.1 **Description of Service.** NCPA may, at its sole discretion, provide certain technical support services, or other advisory services, to Customer upon mutual written agreement between the Parties ("Supplemental Services"). All requests for Supplemental Services shall be submitted by Customer to NCPA in accordance with the task order process described in Appendix G ("Task Order Process").
2.2 Supplemental Middle Office Services. In addition to general technical support services, or other advisory services, NCPA may also provide certain middle office support Supplemental Services, to Customer upon mutual written agreement between the Parties. All requests for middle office support Supplemental Services shall be submitted by Customer to NCPA in accordance with the Task Order Process described in Appendix G. Upon request, such duties may include the following:

A. NCPA to include Customer as a subscriber to NCPA's credit evaluation software and monitoring service. Customer shall be responsible for a proportional share of the cost of the credit evaluation software and monitoring services, as mutually agreed to by the Parties.

B. NCPA to provide Customer assistance with understanding and implementing energy market risk mitigation through developing, functioning, processing and monitoring of energy marketing activities.

C. NCPA to provide Customer assistance and support in negotiating master trade agreements for energy and energy related commodity transactions.

2.3 Compensation for Supplemental Services. Costs for NCPA’s provision of Supplemental Services shall be charged to Customer on a time and materials basis. Pursuant to Section 7.1 of this Agreement, in consideration of NCPA’s provision of Supplemental Services, Customer shall pay NCPA the sum of: (i) an amount equal to the number of hours required to complete each respective task, multiplied by the applicable hourly rate listed in the Supplemental Services Wage Schedule contained in Appendix B, and (ii) out of pocket expenses and the cost of materials. The scope of each Supplemental Service shall be specified in each respective task order (“Task Order Request”) developed by the Parties pursuant to the Task Order Process.

2.4 Service Effective Date. The Service Effective Date on which Customer may submit a request for Supplemental Services shall be the Effective Date. The Service Effective Date for any individual Supplemental Services to be provided by NCPA to Customer, in
accordance with the Task Order Process, shall be set forth in each respective Supplemental Services Task Order.
APPENDIX B

COMPENSATION SCHEDULE

Pursuant to Section 7.1 of this Agreement, Customer shall pay NCPA the amounts listed in this Appendix B (the “Compensation Schedule”) in consideration for Services provided under this Agreement.

Section 1. Compensation Schedule

1.1 In consideration for NCPA’s provision of Control Center Services to Customer, Customer shall pay NCPA an amount equal to Four Hundred Ten Thousand Dollars ($410,000.00) for Services rendered during the first one (1) year period in which NCPA is supplying Control Center Services to Customer; more specifically, the first one (1) year period shall begin on January 1, 2018, and shall continue through December 31, 2018. For each subsequent one (1) year period of the term of this Agreement, Customer shall pay NCPA an amount equal to: (i) the sum of the annual amount charged to Customer during the prior year escalated at a rate of 2.5% per year. Such annual amount shall be billed to Customer in twelve (12) equal monthly installments, in accordance with Section 8 of this Agreement.

1.2 In addition to the amounts of compensation set forth in Section 1.1 of this Appendix B, Customer shall also pay NCPA an amount equal to the actual cost plus fifteen percent (15%) for any direct costs NCPA incurs during the Transition Period, if any, for developing, establishing and installing the telecommunications, or other operational data communications connections, that are required for NCPA to provide Control Center Services under this Agreement. The compensation contemplated in this Section 1.2 of Appendix B is intended to be limited in scope, and is intended to apply only to any required installation of physical equipment (e.g., communications lines) that may be required to enable NCPA to collect data from, or to transmit data to, Customer’s generation facilities. For clarity, the compensation contemplated in this Section 1.2 is not intended for recovery of general costs that NCPA may incur during the Transition Period (e.g., staff time and material), which are considered to be included in the scope of Control Center Services, and whereby such costs are
compensated pursuant to Section 1.1 of this Appendix B. Prior to incurring any actual costs for such connections, such expenditures shall be discussed and mutually agreed to by the Parties.

Section 2. Supplemental Services

2.1 Pursuant to Section 2 of Appendix A, NCPA may provide Supplemental Services to Customer. All costs charged to Customer for Supplemental Services are separate from and in addition to the compensation paid for all other Services, as set forth in Section 1 of this Appendix B. The following is the hourly rate schedule applicable to Supplemental Services ("Supplemental Services Wage Schedule"):

**SUPPLEMENTAL SERVICES WAGE SCHEDULE**

<table>
<thead>
<tr>
<th>Job Classification</th>
<th>CY 2016 Hourly Rate ($/Hr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant/Analyst I-III</td>
<td>$ 150.00</td>
</tr>
<tr>
<td>Administrative Assistant I-III</td>
<td>$ 90.00</td>
</tr>
<tr>
<td>Assistant General Manager</td>
<td>$ 300.00</td>
</tr>
<tr>
<td>Computer Tech Analyst I-IV</td>
<td>$ 170.00</td>
</tr>
<tr>
<td>Sr. Computer Tech Analyst</td>
<td>$ 180.00</td>
</tr>
<tr>
<td>Risk Manager</td>
<td>$ 180.00</td>
</tr>
<tr>
<td>Compliance Manager</td>
<td>$ 230.00</td>
</tr>
<tr>
<td>Engineer/Energy Resource Analyst I-IV</td>
<td>$ 180.00</td>
</tr>
<tr>
<td>Mgr. Information Svcs. and Power Settlements</td>
<td>$ 240.00</td>
</tr>
<tr>
<td>Power Settlements Analyst</td>
<td>$ 160.00</td>
</tr>
<tr>
<td>Power Settlements Manager</td>
<td>$ 210.00</td>
</tr>
<tr>
<td>Scheduler/Planner</td>
<td>$ 180.00</td>
</tr>
<tr>
<td>Supervisor I-III</td>
<td>$ 230.00</td>
</tr>
</tbody>
</table>

This wage schedule may be amended from time to time by NCPA as its costs of labor increase, and may add, subtract or amend job classification titles (and their respective hourly rates) as its job classification schedule is amended. NCPA shall provide written notice to Customer of any such amendment prior to charging any increased rate.
APPENDIX C

SCHEDULING PROCEDURES

The Scheduling Procedures are separately attached to this Agreement as Appendix C.
APPENDIX D

CUSTOMER RESOURCES

The following is a list of Customer’s resource for which NCPA provides Services pursuant to this Agreement.

<table>
<thead>
<tr>
<th>Resource Name</th>
<th>Resource ID</th>
<th>Capacity (MW)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle Fork and Ralston Physical Scheduling Plant (PSP)</td>
<td>MDFKRL_2_PROJECT</td>
<td>218.39</td>
<td>Middle Fork 1: 65.7 MW</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Middle Fork 2: 69 MW</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ralston: 86 MW</td>
</tr>
<tr>
<td>French Meadows Powerhouse</td>
<td>FMEADO_7_UNIT</td>
<td>18.0</td>
<td></td>
</tr>
<tr>
<td>Oxbow Powerhouse</td>
<td>OXBOW_6_DRUM</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>Hell Hole Powerhouse</td>
<td>FMEADO_7_HELLHL</td>
<td>0.725</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX E

OPERATING PROCEDURES

The Operating Procedures are separately attached to this Agreement as Appendix E.
APPENDIX F

RELIABILITY STANDARDS COMPLIANCE SERVICES MATRIX

Pursuant to Section 1.3 of Appendix A, NCPA shall provide Reliability Standard Compliance Services to Customer for the Reliability Standards and criteria listed in the Reliability Standards Compliance Services Matrix included in this Appendix F. NCPA and Customer shall meet and confer at least once every six (6) month to review the coordinated functional registration of tasks assigned to each Party, as reflected in the Reliability Standards Compliance Services Matrix, to determine if the Reliability Standards Compliance Services Matrix needs to be updated or revised based on any changes to the respective Reliability Standards contained therein.

Reliability Standards Compliance Services Matrix

<table>
<thead>
<tr>
<th>Reliability Standard</th>
<th>Requirement</th>
<th>Description</th>
<th>NCPA Duties</th>
<th>PCWA Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAL-005.0.2b</td>
<td>R1, R1.1</td>
<td>Automatic Generation Control</td>
<td>NCPA will supply supporting information to demonstrate that Customer’s generation facilities are included within the metered boundaries of the CAISO BAA.</td>
<td></td>
</tr>
<tr>
<td>CIP-002-5.1, CIP-003</td>
<td>All</td>
<td>Critical Infrastructure Protection</td>
<td>EACH</td>
<td></td>
</tr>
<tr>
<td>COM-002-2</td>
<td>R1.1</td>
<td>Communication and Coordination</td>
<td>SINGLE NCPA to contact CAISO and PG&amp;E regarding any interruptions in voice and data links.</td>
<td></td>
</tr>
<tr>
<td>COM-002-4</td>
<td>R3, R6</td>
<td>Operating Personnel Communications Protocols</td>
<td>EACH</td>
<td>PCWA and NCPA shall each separately and wholly maintain compliance with</td>
</tr>
<tr>
<td>Code</td>
<td>Number</td>
<td>Activity Description</td>
<td>Note</td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>---------</td>
<td>----------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>EOP-005-2</td>
<td>All</td>
<td>System Restoration from Blackstart Resources</td>
<td>Not applicable, PCWA does not have any Blackstart resources (only applies if PCWA has Blackstart Resources).</td>
<td></td>
</tr>
</tbody>
</table>
| IRO-001-1.1 | R8      | Reliability Coordination - Responsibilities and Authorities | SINGLE  
NCPA shall comply with RC Operating Instructions unless such actions would violate safety, equipment, or regulatory or statutory requirements. |
| IRO-001-4 | R2, R3  | Reliability Coordination - Responsibilities and Authorities | SINGLE  
NCPA shall comply with RC Operating Instructions unless such actions would violate safety, equipment, or regulatory or statutory requirements. |
| IRO-005-3.1a | R10    | Reliability Coordination - Current Day Operations       | SINGLE  
NCPA shall always operate the Bulk Electric System to the most limiting parameter. |
| IRO-010-1a | All     | Reliability Coordinator Data Specification and Collection | SINGLE  
NCPA shall provide data and information, as specified, to the Reliability Coordinator with which it has a reliability relationship. |
| IRO-010-2 | R3      | Reliability Coordinator Data Specification and Collection | SINGLE  
NCPA shall provide any data specification request to the Reliability Coordinator using a mutually agreeable format, process for resolving data conflicts, and security protocol. |
| PER-005-2 | R6      | Operating Personnel Training                            | SINGLE  
Each Generator Operator shall use a systematic approach to develop and implement training to its personnel identified in Applicability Section. |
<table>
<thead>
<tr>
<th>Code</th>
<th>Standard Numbers</th>
<th>Description</th>
<th>Requirement</th>
<th>NCPA’s Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRC-001-1(ii)</td>
<td>R1, R2, R3, R5</td>
<td>System Protection Coordination</td>
<td></td>
<td>SINGLE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NCPA shall provide support and coordination for new</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>protective systems and changes, and changes in</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>generation or operating conditions that could require</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>changes in the Protection Systems with PG&amp;E and the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CAISO. NCPA is willing to convey information to PG&amp;E</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>and CAISO and WECC, however PCWA will need to</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>inform NCPA whenever it modifies existing system</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>protection equipment or settings.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAR-001-4.1</td>
<td>E.A.15, E.A.16,</td>
<td>Voltage and Reactive Control</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>E.A.18</td>
<td></td>
<td></td>
<td>SINGLE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NCPA shall comply with the applicable standard</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>requirements.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAR-002-4</td>
<td>R1, R2, R3, R4</td>
<td>Generator Operation for Maintaining Network Voltage</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Schedules</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>NCPA shall comply with the applicable standard</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>requirements; NCPA will report deviations outside</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>bandwidth to PG&amp;E and CAISO, if applicable. NCPA can</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>develop Terminal voltage and bandwidth schedules for</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>heavy and light load hours for each PCWA unit.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAR-002-WECC-2</td>
<td>R1</td>
<td>Automatic Voltage Regulators</td>
<td>SINGLE NCPA shall comply with the applicable standard requirements</td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>----</td>
<td>------------------------------</td>
<td>---------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>VAR-501-WECC-2</td>
<td>R1</td>
<td>Power System Stabilizers</td>
<td>SINGLE NCPA shall comply with the applicable standard requirements.</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX G

TASK ORDER PROCESS

Pursuant to Section 2 of Appendix A, NCPA may, at its sole discretion, provide certain Supplemental Services to Customer. All requests for Supplemental Services shall be submitted by Customer to NCPA in accordance with the Task Order Process described in this Appendix G.

Section 1. Task Order Process

1.1 Submission of a Task Order. Customer may submit a Task Order Request for Supplemental Services to NCPA in accordance with the terms and conditions of this Agreement. All Supplemental Services requests shall be submitted to NCPA in writing using the task order request form attached to this Appendix G (“Task Order Request Form”). In the Task Order Request Form, Customer shall provide a description of the desired Supplemental Services, a time frame on which Customer is seeking such Supplemental Services to be completed, and all other relevant details that may assist NCPA’s review and consideration of the Task Order Request.

1.2 Review of Task Order Request. Once NCPA receives a Task Order Request from Customer, NCPA will review the Customer’s request to determine if NCPA can perform the desired work. Once NCPA has completed its review of the Task Order Request, NCPA will provide a written response to Customer to confirm that NCPA is either: (i) able and willing to perform the Supplemental Services as requested, or (ii) not able or not willing to perform the Supplemental Services as requested. If NCPA is able and willing to perform the Supplemental Services as requested, NCPA will provide a written proposal for NCPA’s provision of the requested Supplemental Services to Customer, including a detailed project scope and estimated cost for performing the desired work (“Supplemental Services Task Order”).

1.3 Task Order Confirmation. Upon receipt of the Supplemental Services Task Order, if any, Customer may agree to accept or not accept NCPA’s proposal to supply Supplemental Services. If Customer agrees to accept NCPA’s proposal to supply Supplemental Services, upon mutual written consent of the Designated Representatives of each Party, the Parties shall
confirm the terms and conditions of the Supplemental Services by executing the Supplemental Services Task Order. NCPA shall invoice Customer for the full estimated cost of the Supplemental Services, as set forth in the Supplemental Services Task Order, prior to NCPA’s provision of the Supplemental Services to Customer. Such amounts shall be billed to Customer in accordance with Section 8 of this Agreement.

1.4 Billing Adjustments. Upon completion of the Supplemental Services, NCPA shall provide a final written accounting for all actual costs associated with NCPA’s provision of the Supplemental Services to Customer, and shall either: (i) refund any positive difference between estimated costs and actual costs, or (ii) invoice Customer for the amount of actual costs that are greater than the amount of estimated costs collected from Customer ("Adjustment Amount"). Any Adjustment Amount shall be billed to Customer in accordance with Section 8 of this Agreement.

1.5 Disputes. Any disputes associated with NCPA’s provision of Supplemental Services to Customer shall be resolved under the dispute resolution procedures set forth in Section 11 of this Agreement.
Northern California Power Agency
Task Order Request Form

Attention: Contract Administration
651 Commerce Drive
Roseville, CA 95678
Phone: 916-781-4229
Email: tony.zimmer@ncpa.com

Dated As: ______________

Date of Completion: ______________

Customer Information:
Customer Name: __________________________
Designated Representative: __________________________
Address: ________________________________
Phone: ________________________________
Email: ________________________________

Task Details

<table>
<thead>
<tr>
<th>Task Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Additional Notes:

[Customer Designated Representative]
APPENDIX C
SCHEDULING PROCEDURES

Version: 1.0
Effective Date: TBD
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Section 3. Timeline for Submitting Schedules using NCPA Web Service Interface .......... 2
Section 4. Bid Structure Requirements ........................................................................... 2
Section 5. Scheduling Examples....................................................................................... 5
Section 1. Purpose

This document is the Appendix C to the Services Agreement between Northern California Power Agency ("NCPA") and Placer County Water Agency ("Customer" or "PCWA") dated ______, 20__ (the "Services Agreement"). It provides a detailed explanation of how Customer, acting as Scheduling Coordinator, shall submit and coordinate scheduling of energy and capacity bids to the CAISO. This document also explains how Customer can transmit such scheduling information to the CAISO by using the NCPA GUI and/or the Web Services to interface with NCPA’s scheduling and database systems.

Section 2. Scheduling Interface

1. GUI Interface

NCPA provides a user interface for each Scheduling Coordinator to transmit and provide scheduling information to the CAISO. The following is a description of the GUI Interface, and specific instructions for how to transmit and submit schedules and bids for energy and capacity.

<table>
<thead>
<tr>
<th>Name</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduling Web Service End-Point at Primary Site</td>
<td><a href="https://portal.ncpa.com/NCPA.Scheduling.WebService/SchedulingWebService.asmx">https://portal.ncpa.com/NCPA.Scheduling.WebService/SchedulingWebService.asmx</a></td>
</tr>
</tbody>
</table>

RESERVED
TECHNICAL INFORMATION FOR WEB SERVICES INTERFACE

Scheduling Procedures
Section 3. Timeline for Submitting Schedules using NCPA Web Service Interface

All schedules and bids shall be submitted in accordance with the scheduling timelines as further described below:

<table>
<thead>
<tr>
<th>Schedule Type</th>
<th>PCWA Submission Deadline</th>
<th>CAISO Submission Deadline</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day Ahead Market Schedules</td>
<td>10:00 a.m.</td>
<td>10:00 a.m.</td>
<td>Day Ahead Market Schedules can be submitted to the CAISO up to seven days in advance.</td>
</tr>
<tr>
<td>Real Time Market Schedules</td>
<td>75 minutes prior to the start of the active hour</td>
<td>75 minutes prior to the start of the active hour</td>
<td>Real Time Market Schedules for each respective trade date can be submitted after the day ahead schedules results have been published by CAISO and retried by NCPA (normally shortly after 1:00 p.m.).</td>
</tr>
</tbody>
</table>

1. Timeline for Scheduling Bilateral Trades

<<Reserved for Future Use>>

2. Timeline for Scheduling Inter-SC Trades

Customer may submit all types of Inter-SC Trades as many days in advance as needed. Real Time Inter-SC Trades are assigned special Schedule Names so they can be easily distinguished from Inter-SC Trades intended for the Day Ahead timeframe.

<table>
<thead>
<tr>
<th>Schedule Type</th>
<th>PCWA Submission Deadline</th>
<th>CAISO Submission Deadline</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day Ahead Market Inter-SC Trades</td>
<td>12:00 a.m.</td>
<td>12:00 p.m. (noon) the day before the Operating Day</td>
<td>Day Ahead Market Inter-SC Trades can be submitted to the CAISO up to seven days in advance.</td>
</tr>
<tr>
<td>Real Time Market Inter-SC Trades</td>
<td>105 minutes prior to the active hour</td>
<td>45 minutes prior to the active hour</td>
<td>Real Time Market Inter-SC Trades can be submitted to the CAISO one day in advance.</td>
</tr>
</tbody>
</table>

Section 4. Bid Structure Requirements

1. Day Ahead Market Bid Structure Requirements

The following rules apply to the structure of day ahead market schedules and bids:
2. Real Time Market Bid Structure Requirements

The following rules apply to the structure of real time market schedules and bids:

<table>
<thead>
<tr>
<th>Rule</th>
<th>Rule Description</th>
<th>Notes</th>
</tr>
</thead>
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</tr>
</tbody>
</table>

3. Energy Bid Curve Structure Requirements

The following rules apply to the structure of energy bid curves:

<table>
<thead>
<tr>
<th>Rule</th>
<th>Rule Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

4. Internal Final Schedule Structure Requirements

The following rules apply to the structure of internal final schedules:

Scheduling Procedures

3
5. Inter-Tie Schedule Structure Requirements

The following rules apply to the structure of inter-tie schedules:

<table>
<thead>
<tr>
<th>Rule</th>
<th>Rule Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

TSIN Names

Each full network model the CAISO releases contains registered scheduling points for the Inter-ties. The following table below captures the TSIN names from the current full network model that are available for scheduling in NCPA’s scheduling software:

<table>
<thead>
<tr>
<th>TSIN Names</th>
<th>UPDATE REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLYTHE161</td>
<td>MARBLE60</td>
</tr>
<tr>
<td>CFEROA</td>
<td>MARKETPLACE</td>
</tr>
<tr>
<td>CFETIJ</td>
<td>MCCULLOUG500</td>
</tr>
<tr>
<td>CRAG</td>
<td>MDWP</td>
</tr>
<tr>
<td>CTW230</td>
<td>MEAD230</td>
</tr>
<tr>
<td>DEVERS230</td>
<td>MEAD2MSCHD</td>
</tr>
<tr>
<td>ELDORADO230</td>
<td>MEAD5MSCHD</td>
</tr>
<tr>
<td>ELDORADO500</td>
<td>MIR2</td>
</tr>
<tr>
<td>FOURCORNE345</td>
<td>MOENKOPIS500</td>
</tr>
<tr>
<td>GONIPP</td>
<td>MOHAVE500</td>
</tr>
<tr>
<td>IPP</td>
<td>MOHAVE69</td>
</tr>
</tbody>
</table>

Scheduling Procedures

4
<table>
<thead>
<tr>
<th>TSIN Names</th>
<th>UPDATE REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>IVLY2</td>
<td>NML230</td>
</tr>
<tr>
<td>LAKE</td>
<td>NOB</td>
</tr>
<tr>
<td>LLL115</td>
<td>NORTHGILA69</td>
</tr>
<tr>
<td>LUGO</td>
<td>OAKDALE</td>
</tr>
<tr>
<td>MALIN500</td>
<td></td>
</tr>
</tbody>
</table>

Section 5.  Scheduling Examples

RESERVED
SCHEDULING EXAMPLES / SCENARIOS
APPENDIX E
OPERATING PROCEDURES

Version: 1.0
Effective Date: TBD
# Table of Contents

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10. **Minimum Flow Requirements and Ramping Requirements** ............................... 5
Section 1. Purpose

This document is the Appendix E to the Services Agreement between Northern California Power Agency ("NCPA") and Placer County Water Agency ("Customer" or "PCWA") dated ________, 20____ (the "Services Agreement"). The following Operating Procedures are established to document notification and response protocols, roles, and responsibilities between NCPA and Customer regarding dispatch and operations of Customer’s generation facilities.

Section 2. Scope

This Operating Procedure applies to NCPA scheduling and dispatch personnel, and Customer’s generation facility operations and maintenance personnel, as applied to the operation of Customer’s Middle Fork American River Project ("MFP").

Section 3. Responsibilities

3.1 NCPA

3.1.1 Monitoring of MFP hydroelectric generation and flow regulation facilities twenty-four (24) hours a day, seven (7) days a week, from NCPA Dispatch Center.

3.1.2 NCPA’s operating personnel will follow the following operational order of priorities when making decisions:

a. Public and Employee Safety
b. Environmental Compliance
c. Facility Protection
d. Power Generation

3.1.3 Responding to operational directions or instructions provided to the NCPA Dispatch Center by the Transmission Operator, the CAISO, and Customer.

3.1.4 Responding to changes in conditions affecting the MFP on a real-time basis (e.g., changes in water flow), within the parameters of the operational directions or instructions provided to the NCPA Dispatch Center.

3.1.5 Communicating with the Transmission Operator and CAISO, and entering NERC GADS data in response to Customer’s notifications of Forced Outages.

3.1.6 Keeping Customer Hydro Station and Roving Operators informed of plant status, potential problems, local transmission line outages, etc.
3.1.7 Monitor compliance with specific FERC license requirements for FERC Project No. 2079 (MFP), including minimum and pulse flow releases.

3.1.8 Complying with the MFP Emergency Action Plan ("MFP EAP"), and initiating the MFP EAP when needed.

3.1.9 Complying with applicable record-keeping procedures, including making required records available to Customer upon Customer's reasonable request.

3.1.10 Drum will continue to FAX or PDF via email, the "Midnight Water Report" to Customer daily.

3.2 PCWA

3.2.1 Customer will staff a Hydro Roving Operator seven (7) days a week, day shift, from 0700 to 1730. The Hydro Roving Operator has responsibility for the entire MFP during his/her shift. Customer will typically staff a Hydro Station Operator at Hell Hole seven (7) days a week, day shift, from 0700 to 1730. The scheduled Hydro Roving and Station Operators will check in with the NCPA Dispatch Center daily. Customer will provide an on-call operator for all hours of all days when a Hydro Roving Operator is not available, and will keep the NCPA Dispatch Center apprised of contact details for the on-call operator.

3.2.2 Customer Operators will keep the NCPA Dispatch Center informed of plant status and/or any issues that would or could affect the NCPA Dispatch Center's ability to operate the MFP remotely. In addition, Customer Operators will keep the NCPA Dispatch Center informed of maintenance activities that could affect generation or water conveyance facilities, and expected alarms that would be received via SCADA.

3.2.3 Customer Operators will keep the NCPA Dispatch Center apprised of specific FERC license requirements for FERC Project No. 2079 (MFP) that require monitoring, including:

a. Minimum and pulse flow releases
b. New license requirements

3.2.4 Customer O&M personnel will notify the NCPA Dispatch Center when entering and exiting MFP Powerhouses or Dams outside of normal Customer working hours, which are 0700 – 1730, seven (7) days a week.

Section 4. Normal Operations

4.1 Generating unit (unit) control mode will normally be Remote Auto at the NCPA Dispatch Center for each plant.
4.2 Unit startup and shutdown.

   a. MFP units will be scheduled pursuant to the ____.
   b. Routine unit startup and shutdown will be accomplished remotely by the NCPA Dispatch Center.

4.3 When units are started up or shut down by Customer operators the following shall occur:

   a. Customer Operators will only startup and parallel a MFP unit with the NCPA Dispatch Center’s concurrence or at the NCPA Dispatch Center’s direction, based on the daily schedule.
   b. Customer Operators will notify the NCPA Dispatch Center after the unit has been paralleled and brought to the scheduled output.
   c. Customer operators will separate units at the NCPA Dispatch Center’s direction and report after unit is separated.

Section 5. Abnormal and Emergency Operations

5.1 During grid system reliability issues or safety issues, the NCPA Dispatch Center will take necessary actions, as well as issue directives to Customer Operators to carry out unit the emergency is resolved.

5.2 When other abnormal or emergency conditions occur at MFP facilities, the NCPA Dispatch Center will notify Customer’s operators who will respond and investigate the condition(s).

5.3 When Customer’s Operators trip/separate units in an emergency, they will report immediately to the NCPA Dispatch Center.

Section 6. Recreation Event Operations

When Customer elects to support recreation events that can be affected by MFP flows, scheduling requests will be submitted to the NCPA Dispatch Center.

Primary contact and event coordination will be the responsibility of Customer.

On event days (such as Tevis Cup or Western States Trail races), Customer will designate a Hydro Roving Operator to work with the NCPA Dispatch Center to insure coordination during the event.
Customer will submit AFW with the sequence of the recreation event to the NCPA Dispatch Center.

Section 7. Maintenance Activities at MFP Facilities

7.1 The Customer Hydro Roving Operator will keep the NCPA Dispatch Center informed of daily maintenance activities at MFP facilities that could affect MFP generation or water conveyance facilities.

7.2 Customer agrees to use ____________ to communicate notifications that could affect MFP generation or water conveyance facilities, and requests for clearances.

Section 8. Planned Outage Scheduling for MFP Facilities

8.1 Customer Hydro O&M personnel will submit outage requests to Customer’s Power Scheduling Manager. Upon approval, Customer’s Power Scheduling Manager will submit an Outage Notification Request to the NCPA Dispatch Center. The NCPA Dispatch Center will coordinate the scheduling of the outage with the Transmission Operator and CAISO.

8.2 In parallel, following outage approval by the NCPA Dispatch Center and CAISO, Customer’s Operators will also fill out a ____________ form with outage notification details and/or to request a clearance for the outage.

8.3 Outage Request Timelines.

8.3.1 Generator scheduled outage minimum processing time requires 9 calendar days; 2 calendar days for PCWEA to process, and 7 calendar days for PG&E.

8.3.2 Middle Fork Main Transformer outage minimum processing time requires 37 calendar days. The 60kV tertiary winding of the transformer is the intersection of the French Meadows – Middle Fork and Middle Fork – Weimar Junction 60kV transmission lines, and is considered to be under the jurisdiction of PG&E’s Grid Control Center (GCC). The GCC requires a minimum of 30 days’ notice to process a transmission line outage request.

Section 9. Clearances at MFP Facilities and PG&E 60kV and 230 kV Transmission

To insure safety of personnel, and protection of both PG&E and Customer facilities, Joint Clearances shall be established at designated clearance points such that both entities shall lock and tag the joint clearance point. The following disconnect switches and circuit breakers will be joint clearance points:
• Hell Hole Unit, 60/12KV Transformer, CB 1202/2, or 12kV System: SW 75 to the end.
• French Meadows Unit: SW 13 to the end.
• Middle Fork Main Transformer Bank: SW 213, 215, 21 (or 23), 31 (or 33).
• Middle Fork CB 212: SW 211, 213.
• Middle Fork CB 22: SW 21, 23.
• Middle Fork CB 32: SW 31, 33.
• Ralston Unit: SW 223 to the end.
• Ralston Station Service Transformer: SW 25 to the end.
• Oxbow Unit: SW 43 to the end.
• Oxbow Station Service Transformer: SW 35 to the end.
• French Meadows – Middle Fork 60kV Line: SW 23. SW 35, SW 13, SW 75.
• Middle Fork – Weimar Junction 60kV Line: SW 33, SW 35, Middle Fork Powerhouse Station Service Switchgear CB 52-3 (SS XFMR No. 3), SW 25.
• Middle Fork – Gold Hill 230kV Line: SW 215, SW 213, SW 223.

Section 10. Minimum Flow Requirements and Ramping Requirements

RESERVED
Commission Staff Report

June 17, 2016

COMMISSION MEETING DATE: June 23, 2016

SUBJECT: Consider Application for Membership by the City of Shasta Lake and Recommendation to Approve Supplement No. 1 to Amended and Restated NCPA Joint Powers Agreement

AGENDA CATEGORY: Discussion/Action

<table>
<thead>
<tr>
<th>FROM: Jane Cirrincione</th>
<th>METHOD OF SELECTION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant General Manager</td>
<td>N/A</td>
</tr>
<tr>
<td>Division: Legislative &amp; Regulatory Affairs</td>
<td></td>
</tr>
<tr>
<td>Department: Legislative &amp; Regulatory</td>
<td></td>
</tr>
</tbody>
</table>

IMPACTED MEMBERS:

<table>
<thead>
<tr>
<th>All Members</th>
<th>City of Lodi</th>
<th>City of Ukiah</th>
<th>City of Ukiah</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda Municipal Power</td>
<td>City of Lompoc</td>
<td>Plumas-Sierra REC</td>
<td>Port of Oakland</td>
</tr>
<tr>
<td>Bay Area Rapid Transit</td>
<td>City of Palo Alto</td>
<td>Truckee Donner PUD</td>
<td>Other</td>
</tr>
<tr>
<td>City of Biggs</td>
<td>City of Redding</td>
<td>Other</td>
<td>Other</td>
</tr>
<tr>
<td>City of Gridley</td>
<td>City of Roseville</td>
<td>Other</td>
<td>Other</td>
</tr>
<tr>
<td>City of Healdsburg</td>
<td>City of Santa Clara</td>
<td>Other</td>
<td>Other</td>
</tr>
</tbody>
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*Place an X in the box next to the applicable Member(s) above.*
RECOMMENDATION:

NCPA staff recommends approval of the attached resolution recommending that all NCPA members and the City of Shasta Lake take action to approve the Supplement No. 1 to Amended and Restated Northern California Power Agency Joint Powers Agreement, adding the City of Shasta Lake (City) as a Party to NCPA.

BACKGROUND:

The NCPA Strategic Plan focuses heavily on the importance of using the human and physical resources of the Agency to serve new members and contract services. The Agency objective is to help enhance political reach and influence, provide needed services to other public power systems, and expand the savings and benefits of joint action. As a result of outreach in this regard, the City of Shasta Lake, California, on April 25, 2016, submitted an application for membership in NCPA, as well as an application fee in the amount of $10,000 to support the Agency’s thorough review of its eligibility for membership. Since that time, NCPA staff has carefully evaluated the application and reviewed public information to assure full compliance with the Agency’s New Member Policy. The result of this review is a staff finding that the City of Shasta Lake should be considered for membership.

The City of Shasta Lake meets all Minimum Screening Criteria delineated in NCPA’s New Member Policy that was approved by the Commission on February 25, 2016. A review of filings submitted to state agencies, and discussions with the City Council and executive staff, indicate that the City of Shasta Lake has goals that are consistent with those of NCPA and its members—including support for local control, recognition of the benefits and savings that can be achieved through joint action, and a desire to minimize wholesale electric costs in order to provide economic benefits to their retail customers.

The City of Shasta Lake is also eligible to purchase preference power from the Western Area Power Administration (Western), which is a requirement for membership in NCPA. The City currently has a .805% allocation of power supplied by Western. As well, in accordance with the Agency’s policy requirements, the City is willing to participate in political proceedings, and will benefit our members through their participation in NCPA programs.

NCPA policy also requires that a potential member has financial strength, and our analysis of the City’s Electric Enterprise shows it is financially sound, and the staff sees no concerns in this area that would prevent their acceptance as an NCPA member. The internal credit rating assessment provided an A to A- overall score, and reflected the utility’s strong cash position with over 266 days of operating cash on hand and no outstanding debt. Their rates are competitive, and a multi-year rate increase is ongoing. The City’s Electric Enterprise also has risk mitigation for exposure to one very large industrial customer (12% of load) in place, and a power cost adjustment clause to pass through energy risk to consumers has been established.

The Commission has previously determined that all NCPA members must execute the NCPA Legislative and Regulatory Affairs Program Agreement and participate in the Legislative and Regulatory Program to assure broad support for local decision making and to protect the Agency from potential policy changes that could devalue the public investment that has been made in the Agency’s generation facilities. In accordance with this policy, the City, if approved for membership in the Agency, will not only become a signatory to the NCPA joint powers agreement, but would also execute the Legislative and Regulatory Affairs Program Agreement.
Once it is a member, it is the City's intention to begin exploring other Agency services as well as participation in NCPA generation projects.

Approval of the City's membership in NCPA requires approval of Supplement No. 1 to the Amended and Restated Northern California Power Agency Joint Powers Agreement, adding the City as a Party. The Agency is not itself a signatory to this document, but rather it must be unanimously approved by each of the governing boards of all existing NCPA members and by the City of Shasta Lake. Should the NCPA Commission act to approve the proposed resolution today, it would be recommending approval of Supplement No. 1 by all current members of the Agency. Following such a recommendation by the Commission, the City would then be invited to participate in Agency committee and Commission proceedings in a non-voting status until formal approval of Supplement No. 1 by the City and all of the Agency's current members. As envisioned when the NCPA New Member Policy was enacted, the City would not make a membership payment to the Agency during this interim, non-voting participation period, but it would be required to cover the costs directly associated with any Agency event attended by the City.

FISCAL IMPACT:

If approved for membership, the City would pay $128,864 toward the NCPA FY17 Legislative and Regulatory Affairs budget. This amount includes payment of $28,978 toward the JPA fee.

This payment is estimated to reduce all other NCPA member payments accordingly—please see table below:

<table>
<thead>
<tr>
<th></th>
<th>Approved L&amp;R Budget FY2017</th>
<th>Recalculated with Shasta Lake</th>
<th>Net Effect of Shasta Lake Addition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda</td>
<td>$188,527</td>
<td>$180,942</td>
<td>$(7,585)</td>
</tr>
<tr>
<td>BART</td>
<td>67,287</td>
<td>67,100</td>
<td>(187)</td>
</tr>
<tr>
<td>Biggs</td>
<td>76,746</td>
<td>71,127</td>
<td>(5,619)</td>
</tr>
<tr>
<td>Gridley</td>
<td>89,395</td>
<td>83,542</td>
<td>(5,853)</td>
</tr>
<tr>
<td>Healdsburg</td>
<td>93,193</td>
<td>87,294</td>
<td>(5,899)</td>
</tr>
<tr>
<td>Lodi</td>
<td>200,118</td>
<td>192,367</td>
<td>(7,751)</td>
</tr>
<tr>
<td>Lompoc</td>
<td>110,675</td>
<td>104,473</td>
<td>(6,202)</td>
</tr>
<tr>
<td>Palo Alto</td>
<td>565,108</td>
<td>550,462</td>
<td>(14,646)</td>
</tr>
<tr>
<td>Plumas-Sierra</td>
<td>144,202</td>
<td>137,347</td>
<td>(6,855)</td>
</tr>
<tr>
<td>Port of Oakland</td>
<td>99,904</td>
<td>93,671</td>
<td>(6,233)</td>
</tr>
<tr>
<td>Redding</td>
<td>437,111</td>
<td>424,885</td>
<td>(12,226)</td>
</tr>
<tr>
<td>Roseville</td>
<td>492,006</td>
<td>479,017</td>
<td>(12,989)</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>1,154,769</td>
<td>1,130,154</td>
<td>(24,615)</td>
</tr>
<tr>
<td>Shasta Lake</td>
<td>0</td>
<td>128,864</td>
<td>128,864</td>
</tr>
<tr>
<td>Truckee Donner</td>
<td>115,652</td>
<td>108,346</td>
<td>(6,304)</td>
</tr>
<tr>
<td>Ukiah</td>
<td>104,592</td>
<td>98,493</td>
<td>(6,099)</td>
</tr>
</tbody>
</table>

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.
COMMITTEE REVIEW:

The recommendation was reviewed by the NCPA Legislative and Regulatory Affairs Committee on May 25, 2016, and was recommended for Commission approval. The committee noted the importance of assuring that the City agree, as part of its membership agreement with NCPA, to comply with all state and federal regulatory requirements (specifically SB 1 and RPS), and recognize the importance of solution-oriented advocacy on behalf of the Agency.

Respectfully submitted,

[Signature]

RANDY S. HOWARD
General Manager

Attachments:
- Resolution 16-52
- JPA Supplement No. 1
RESOLUTION 16-52

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
CONSIDER APPLICATION FOR MEMBERSHIP BY THE CITY OF SHASTA LAKE AND
RECOMMENDATION TO APPROVE SUPPLEMENT NO. 1 TO AMENDED AND RESTATED
NORTHERN CALIFORNIA POWER AGENCY JOINT POWERS AGREEMENT

(REFERENCE STAFF REPORT #172:16)

WHEREAS, The Northern California Power Agency’s (NCPA’s) Strategic Plan highlights the importance of using the human and physical resources of the Agency to recruit new members and to provide services to non-Agency members; and

WHEREAS, The City of Shasta Lake, California has submitted an application for NCPA membership that complies with the Minimum Screening Criteria of NCPA’s New Member Policy that was approved by the Commission on February 25, 2016; and

WHEREAS, The NCPA Legislative and Regulatory Affairs Committee has voted to recommend that the City of Shasta Lake become a member of the agency; and

WHEREAS, If unanimously approved for membership by all NCPA member governing boards and by the City of Shasta Lake, the City would then become a member of the NCPA Legislative and Regulatory Affairs Program, and it is their intention to begin exploring other agency services as well as participation in NCPA generation projects; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency recommends that all NCPA members and the City of Shasta Lake take action to approve the Supplement No. 1 to Amended and Restated Northern California Power Agency Joint Powers Agreement, adding the City of Shasta Lake (City) as a Party to NCPA.

PASSED, ADOPTED and APPROVED this ___ day of _______________ 2016, by the following vote on roll call:

<table>
<thead>
<tr>
<th></th>
<th>Vote</th>
<th>Abstained</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>BART</td>
<td></td>
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<tr>
<td>Biggs</td>
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<tr>
<td>Gridley</td>
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<tr>
<td>Healdsburg</td>
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<td>Lodi</td>
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<tr>
<td>Lompoc</td>
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<tr>
<td>Palo Alto</td>
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<tr>
<td>Port of Oakland</td>
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<td>Redding</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Truckee Donner</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Ukiah</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Plumas-Sierra</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAROL GARCIA
CHAIRPERSON

ATTEST: CARY A. PADGETT
ASSISTANT SECRETARY
SUPPLEMENT NO. 1 TO
AMENDED AND RESTATE NORTHERN CALIFORNIA POWER AGENCY
JOINT POWERS AGREEMENT,
ADDITION CITY OF SHASTA LAKE AS A PARTY

This Supplement No. 1 to Joint Powers Agreement ("this Agreement") dated
____________________, by and among the parties signatory to it ("Parties"),

WITNESSETH:

WHEREAS, all of the Parties, except the City of Shasta Lake ("Shasta Lake") are also
parties to that joint powers agreement first made the 19th day of July, 1968, and amended and
repeated as of January 1, 2008 ("the Joint Powers Agreement"); and

WHEREAS, the Joint Powers Agreement created the Northern California Power Agency
("NCPA") pursuant to the Joint Exercise of Powers Act (Section 6500 et seq. of the Government
Code of the State of California) as a separate public agency and legal entity existing apart from
its members; and

WHEREAS, all Parties except Shasta Lake are signatory to the Joint Powers Agreement
and are thereby members or associate members of NCPA; and

WHEREAS, Shasta Lake is a California general law city, is a public agency of the State
of California eligible to enter into joint powers agreements pursuant to the Joint Exercise of
Powers Act, is entitled to be a preference purchaser of electric service from the Central Valley
Project of the United States, and has powers equivalent to those of the other members of NCPA

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so far as is relevant to the powers of NCPA and it is therefore eligible for membership in NCPA pursuant to the Joint Powers Agreement; and

WHEREAS, Shasta Lake and each of the other Parties desire that Shasta Lake shall become a party to the Joint Powers Agreement and a member of NCPA on the same basis as each of the other NCPA members; and

WHEREAS, concurrently with its execution of this Agreement Shasta Lake has also executed the NCPA Legislative and Regulatory Affairs Program Agreement, dated as of July 1, 2001, indicating its agreement to participate in the NCPA Legislative and Regulatory Affairs Program on terms consistent with those applicable to other NCPA members, contingent upon its membership in NCPA.

NOW, THEREFORE, the Parties, including Shasta Lake, agree as follows:

Section 1. On and after the effective date of this Agreement, the City of Shasta Lake shall be a member of NCPA and a party to the Joint Powers Agreement, and shall have the same rights, powers, and privileges and immunities, duties, and obligations as any other member of NCPA.

Section 2. Shasta Lake shall not be liable for any share of the organization, planning, or other costs of NCPA incurred prior to the effective date of this Agreement, and shall not by force of this Agreement become a party to any other agreement or instrumentality of NCPA entered into or created prior to the effective date of this Agreement, except with its consent and the consent of all other NCPA members and associate members who are parties to such agreement or instrumentality evidenced separately from this Agreement.
Section 3. This Agreement shall take effect on the first day of the calendar month following the complete execution of this Agreement by all Parties.

Section 4. This Agreement may be executed in counterparts by the Parties to it.

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